

REDEFINING BUSINESS EXPANSION



In Loving Memory



Mr. Muhammad Basit Hassan (Late)

1979 – 2017

Executive Director HTL

Ex-Member BOD HTL

I am a strong believer that relationships are based on time and coinage. This equation has to be balanced with percentage of time or greenbacks whichever comes first. Relationships are based on how much time you spend and dough you contribute for it to flourish. To maintain equilibrium between the two is the key for an everlasting bond. My brother “Basit Hassan” was a magician in balancing his time and support equation with his family, friends, co-workers and loved ones. He was an epicenter of this relationship equation and mastered it to perfection. He was a wonderful son, brother, husband, father and human being.

I believe the energy he possessed was something unique and that is what made him stand out from the crowd. He was full of new ideas and belligerent in sharing them in a positive way. His humor was another attribute he owned and that is what made him create pals all over the globe. His sense of caring and sharing with all his sub-ordinates was exceptional. He was such a person who would never sugar coat his words or conceal his emotions. He was a hard working soul and his work to him was his second religion.

He will be missed for his untiring efforts to shape the business vision. The finest tribute We can propose to him is to transport his mission of making Hi-Tech Lubricants Ltd the number 1 company of Pakistan and together we can reinforce his vision of becoming one. Till we meet again, May Allah keep you in everlasting Happiness.

Hassan Tahir

Chief Executive Officer

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UNCONSOLIDATED FINANCIAL STATEMENTS

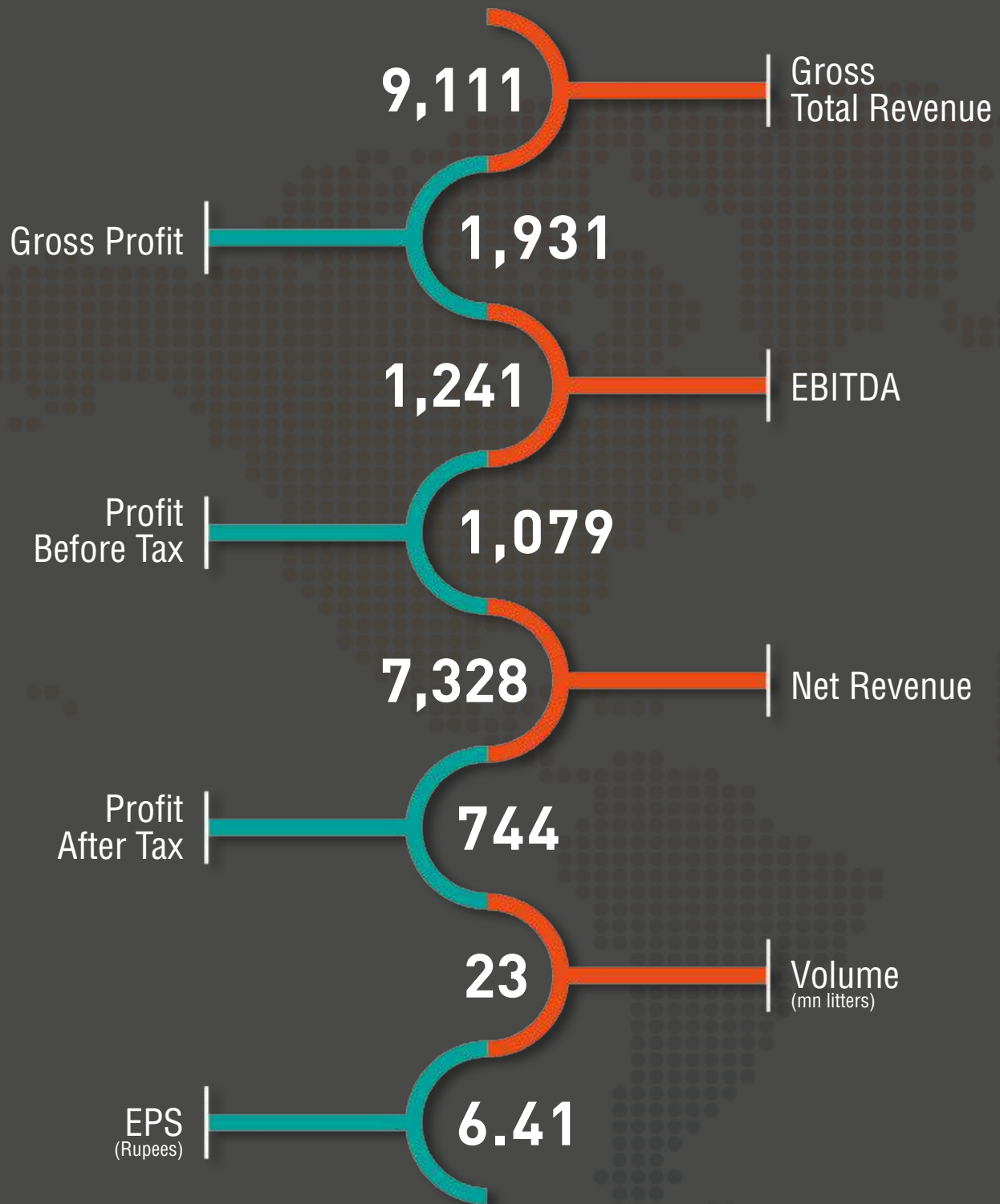
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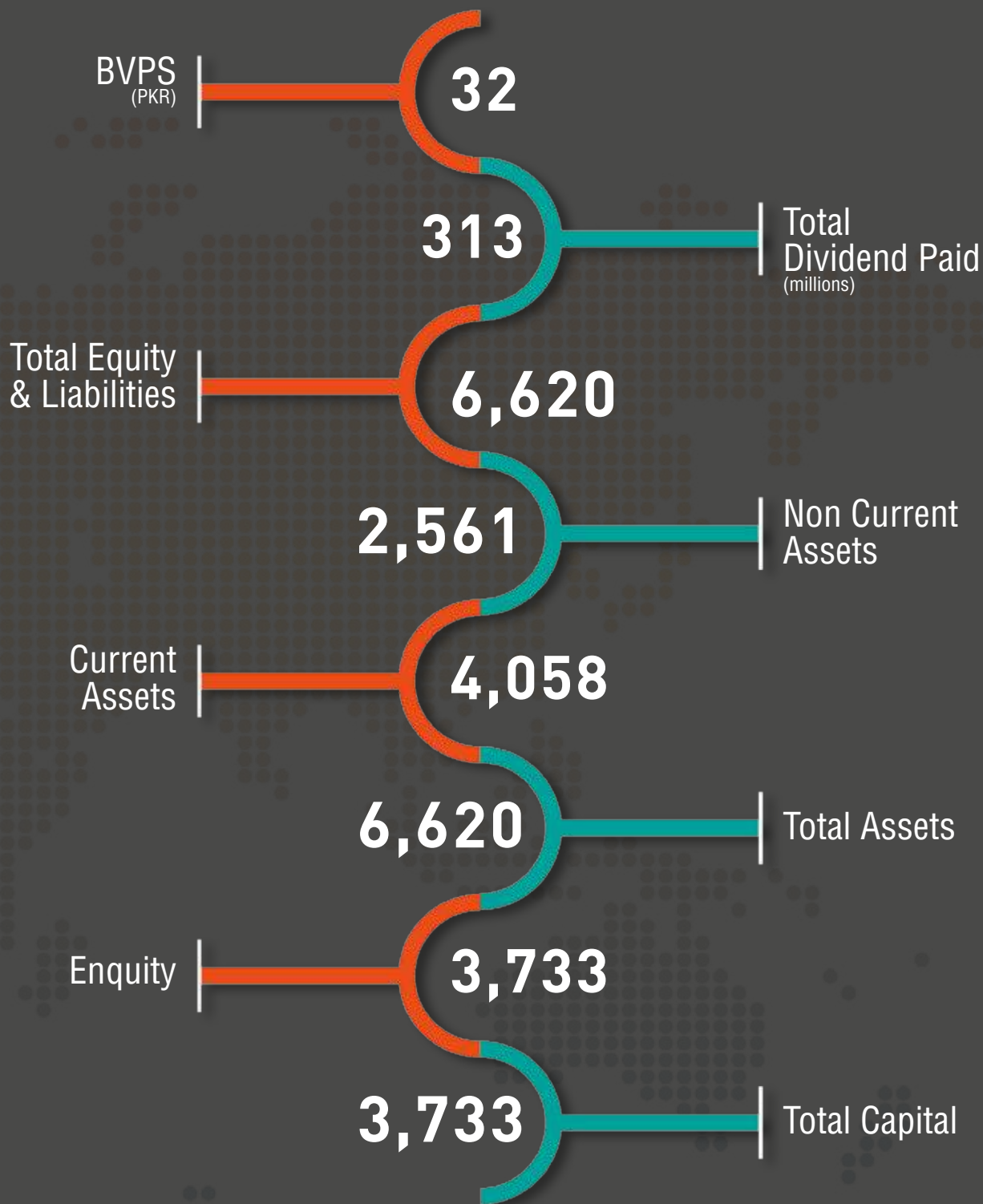
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2017 IN NUMBERS – CONSOLIDATED

PKR millions





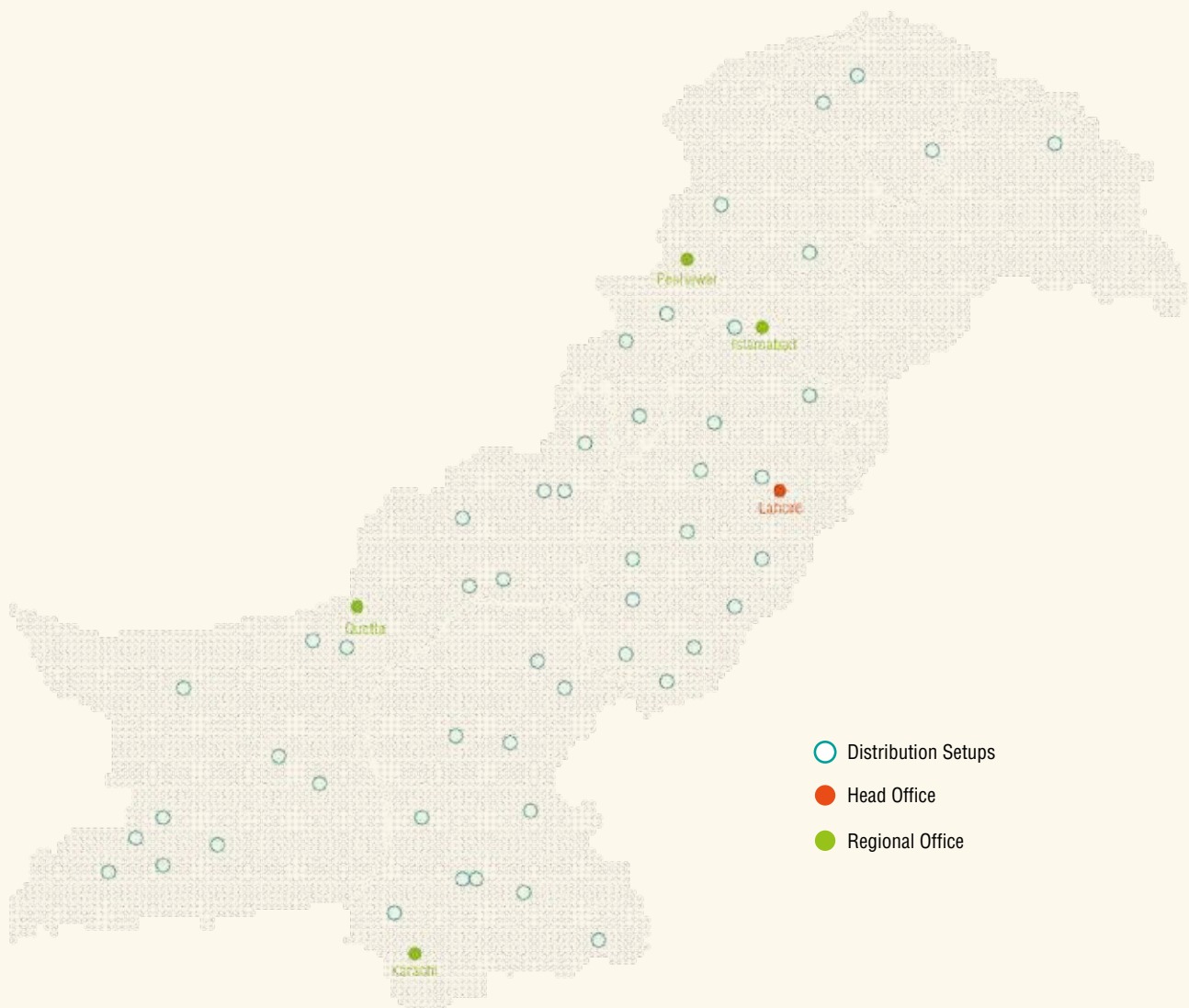
GEOGRAPHICAL PRESENCE

HTL is an exclusive distributor and agent of SK Lubricants under the brand name ZIC in Pakistan. The company and its operations were established as a partnership firm in 1997 which was taken over by Hi-Tech Lubricants (Pvt.) Limited in 2011.

The Company was converted from Private Company into Public Unlisted Company in 2011, which later on listed on Pakistan Stock Exchange in 2016.

- i HTL Distribution network is spread over 187 cities across Pakistan.
- ii Outreach and availability at over 20,000 Retail outlets, Wash Stations, Transporters etc.
- iii Sales and Technical force of over 175 personnel across Pakistan.
- iv Over 300 Distribution vans for door to door delivery for retailers nationwide.

Region	Areas	HTL Distribution
Central	Punjab	91
North	KPK & Gilgit Baltistan	47
South	Sindh & Baluchistan	49
Total		187



BRIEF HISTORY

Business Established

Commenced business as a partnership firm and established its distribution network in Lahore

1997

Expansion Year

Expanding the distribution network other cities and established regional offices in Karachi & Islamabad

2000

Investment in Blending Plant

Backward integration, setting up a blending plant

2013

Oracle Financial and Business Intelligence Implementation

Implemented oracle financial to improve MIS and performance and Online sales via Internet

2014

Taking HTL to Capital Markets

Revenues have crossed PKR 5.4bn mark with a PCMO and total market share of 16% and 7% respectively.

2015

Expansion into Manufacturing and Retailing

- Plant started production
- Opening of first retail center
- License to established OMC

2016

1997

BUSINESS ESTABLISHED

Hi-Tech Lubricants ("Hi-Tech") was formed as an Association of Persons ("AOP") in March, 1997 to market lubricants, imported from YU Kong Ltd (Now known as SK Lubricants Ltd.), South Korea in sealed cartons, in Pakistan. During the early days Hi-Tech established its own distribution in Lahore and created a sales team to educate the local market on the use of synthetic lubricants.

2000

EXPANSION YEAR

With 3 years of local marketing experience, the business was ready to expand its footprint to other cities of Pakistan. In 2000, Hi-Tech established its regional offices in Islamabad and Karachi with a dedicated sales force to handle local operations of those regions.

It was a big ask to an unknown brand and a young company to compete against the industry giants. Hi-Tech's management with focus and hard work achieved its challenges / milestones with effective controls. New door-to-door delivery systems were introduced to lubricant retailers and they were offered credit on product deliveries. Education was given to the resellers and end customers on lubricant grade/applications. All mediums were used to educate the user and seller of lubricants. Their sales team played a pivotal role in creating "ZIC" as a premium lubricant household name in Pakistan.

2010

ISO CERTIFICATION

HTL became an ISO certified Company and they delivered as per 9001:2008 quality standards with excellent quality management system in place. They followed the principles to engage with the customers, sell products and retained sustainability. Their channels for supply chain and sales became risk free with more than 400 dedicated field force & support teams offering satisfaction at the doorstep of customers.

2011

TAKEOVER OF AOP BY PRIVATE LIMITED COMPANY

In 2011, the AOP was taken over by Hi-Tech Lubricants (Pvt.) Limited which in the same year was converted into a public unlisted company, now known as Hi-Tech Lubricants Limited ("HTL").

BRIEF HISTORY

2013 INVESTMENT IN BLENDING PLANT

In 2013, HTL diversified from trading to manufacturing and decided to invest in a wholly owned subsidiary, Hi-Tech Blending (Pvt.) Limited, to set up a state of the art blending plant in Bhai Kot adjacent to Sunder Industrial Estate, Lahore.

The investment in blending will give HTL the benefits of importing in bulk as compared to sealed cartons, hence reducing cost of lubricants and savings in other overheads. The new plant will also produce its own HDPE bottle/Cap and filling lines for lubricant bulk imports.

The details of the plant are as follows: In 2014 HTL became the first lubricant Company to market its products to end consumers via Internet. The products were sold cash on delivery basis with zero delivery charges and on every purchase of ZIC products a loyalty point system was introduced. Now with the help of points, customers can redeem and benefit at any particular purchase. This online platform was highly appreciated by the loyal ZIC customers and it generated well-off revenues for HTL.

Ownership	100% wholly owned subsidiary of HTL
Land	29 Acres
Blending Capacity	30,000 MT per annum
Tankage	3,600 (KL)/ 3,200 MT per annum
Blow Molding	4,000 MT per annum
Injection Molding	1,500 MT per annum
Total project cost	PKR 2.5 Billion*
Debt: Equity	25:75
Completion	4Q 2015-16
Commercial Run	1Q 2016-17

2014 ORACLE FINANCIAL AND BUSINESS INTELLIGENCE IMPLEMENTATION

In order to follow the best practices of the industry and standards adopted by leading organization of the world, HTL implemented oracle financials to its core business operations. This resulted in enhanced performance and helped HTL to become a major player in Pakistan's lubricant industry. This implementation was completed in a record time of 6 month in partnership of Company's financial department and dedicated team of A. F. Ferguson & Co. (PWC). All operations of the Company were automated including payroll and provident fund.

Online Sales www.zicoil.pk

The local filling and bottle manufacturing will open new avenues for HTL sales to not only OEMs and institutions but also in Plastic related products manufacturing /trading. The Company will have the ability to market lubricants to different automotive and industrial brands. Moreover, filling and packaging can be done on different Shop Keeping Units (SKUs). Government sector clients will be another addition to HTL portfolio due to indigenous status.

2015 TAKING HTL TO CAPITAL MARKETS

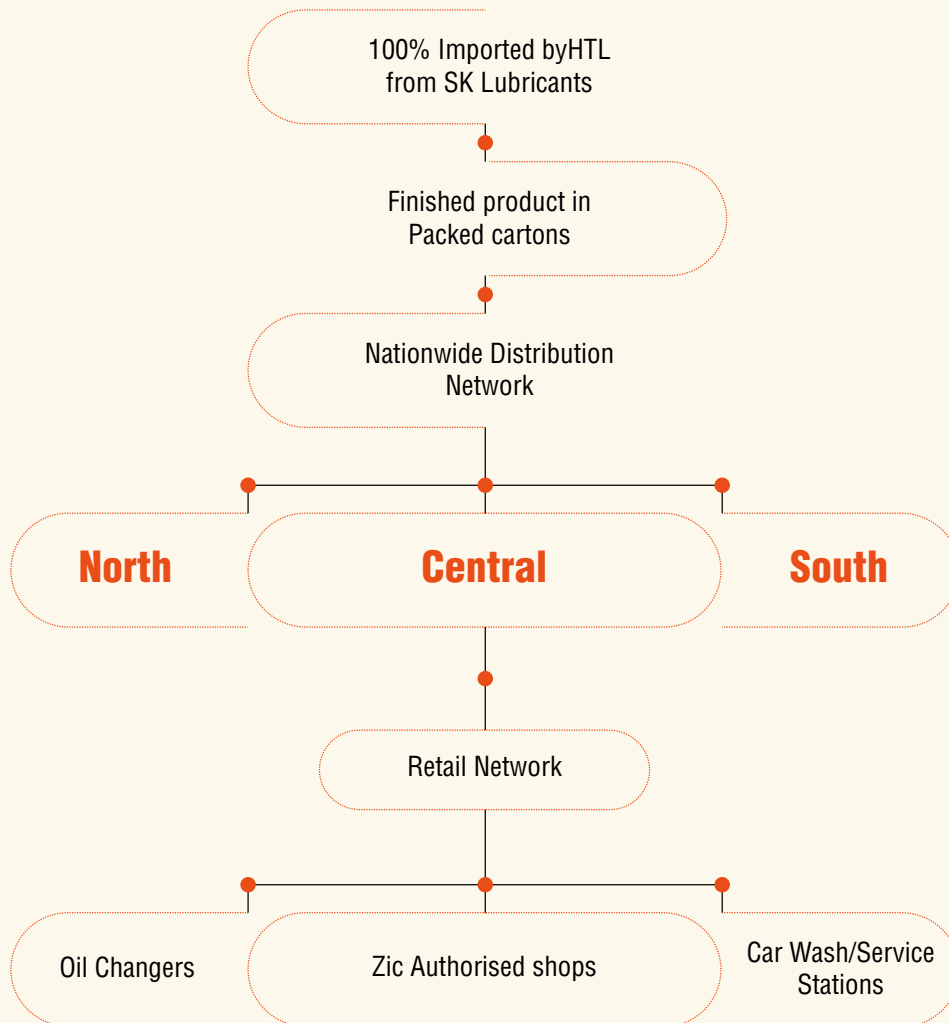
HTL is now on the edge of taking the Company to the domestic capital markets via an Initial Public Offering ("IPO"). The blending plant is expected to come Online in first quarter of the calendar year 2016 to produce HDPE packaging and filling.

2016 EXPANSION INTO MANUFACTURING AND RETAILING

In August 2016 the blending plant started its production. HTL established its first retail center at Dharampura to reach out to consumers directly to fulfill their car care needs. HTL also acquired license to established OMC which is expected to be operational by first quarter of 2018.

BUSINESS MODEL HTL

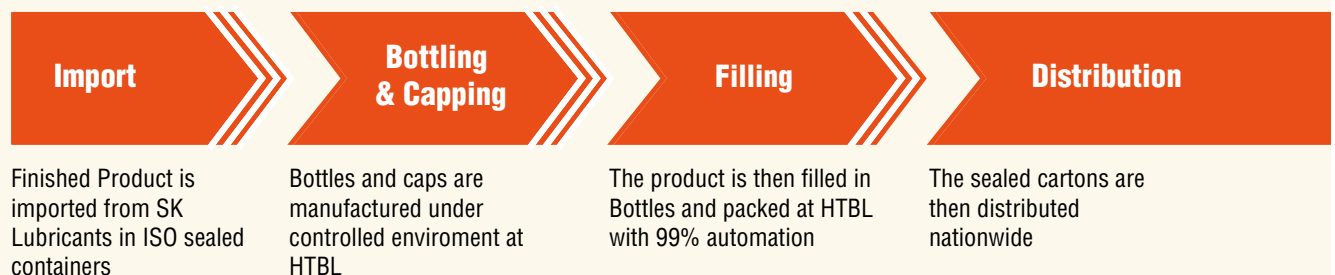
(Synthetic Range)



BUSINESS MODEL HTL

(SEMI SYNTHETIC RANGE)

Via HTBL (Hi Tech Blending (PVT) LTD)



VISION

Delivering Products and Services for
Client Satisfaction

MISSION

Earning customer satisfaction through provision of quality services
to our Client system by employing state of the art technologies /
processes and by investing in our stakeholders



CORE VALUES

At HTL, we are guided by the Core Values of Integrity, Respect, Quality and Responsibility. These values describe us as we want our image to be. Doing what is right is the foundation of our business culture. Our goal has never been solely to comply with the law only, but to abide by the highest principles of integrity and caring for the voice of our internal and external customers in everything we do.



INTEGRITY

We are honest & trustworthy and expect adherence to the highest ethical standards through personal integrity and compliance with all operating laws, regulations, moral and social values, norms and traditions in the societies or countries where we operate. We put ourselves accountable, individually & collectively, for the acceptable standards of behavior, including honesty and fairness in all aspects of our work. We fulfill our commitments as responsible employees & citizens. We consistently treat company assets and resources in a dignified manner.



RESPECT

We maintain openness and respect for others just the way we want to be respected. We learn from others and we believe teamwork is the ultimate reflection of collaboration. We treat one another with respect and take pride in the significant contributions that come from the diversity of individuals and ideas. Our continued success requires us to provide the education and development needed to help our people grow. We are committed to openness and trust in all relationships.



QUALITY

We strive for quality in everything we do. We do this through a highly motivated and diverse workforce who strives to exceed the expectations of our customers. Our passion distinguishes us from our competitors, inspires us to achieve results, and contributes to our collective success.



RESPONSIBILITY

We take responsibility for people and the environment. We are committed to the wellbeing of our employees and to the care of our environment. We conduct business activities in a way that is safe for our employees, our contractors, visitors to our sites, the communities we operate in, and our environment. We protect the environment by preventing or minimizing the environmental impact of our activities and products through appropriate design, distribution and disposal practices.

We ensure that our decisions and actions consistently demonstrate these values. And by practicing the same we will be able to achieve long term commitments with our stakeholders including distributors, institutions, customers, employees, suppliers, and the communities we serve.

POLICY STATEMENT OF ETHICS & BUSINESS PRACTICES

It is the policy of HTL to follow the highest business ethics and standards of conduct. It is the obligation of every one of us to act responsibly, to be honest, trustworthy, conscientious and dedicated to the highest standards of ethical business practices.

The Company's goodwill and its actions as a legal entity depend on the conduct of its directors and employees. Each one of us must endeavor to act according to the highest ethical standards and to be aware of and abide by applicable laws.

This code to which the Company is committed in maintaining the highest standards of conduct and ethical behavior is obligatory, both morally as well as legally and is equally applicable to all the directors and employees of the Company.

CODE OF CONDUCT



The Code addresses our responsibilities to the Company, to each other, and to customers, distributors, consumers and governments. We shall follow the law, be ethical, act with integrity and honesty in all matters, and be accountable for our actions

- We shall make all work decisions according to the STAR method: STOP, THINK, and ACT RESPONSIBLY. HTL'S Values must be upheld during all decision making processes without any violation of rules and regulations that might hinder HTL'S development.
- We shall take an active part in maintaining a safe and healthy environment. We shall observe all safety rules and instructions provided by our supervisor and use safety equipment where required.
- We shall not misuse our power or position to harass, discriminate or retaliate against employee in any manner, causing interference with work performance or creating an intimidating, hostile or offensive work environment.
- We shall be responsible for ensuring the security of HTL by complying with the company's information security standards. All of us are responsible for the proper acquisition, use, maintenance, and disposal of company assets and services.
- HTL does not support organizations that, in their by-laws, policies, or practices, discriminate on the basis of race, color, religion, age, sex, national origin, ancestry, physical or mental disability, medical condition, marital status, pregnancy, sexual orientation, or any basis prohibited by applicable law.
- We shall maintain the confidentiality of all the HTL information, except when disclosure is authorized or legally mandated. Accurate records and disclosures are critical to HTL for meeting its legal, financial, regulatory, and managerial obligations. The assurance of this compliance is processed by our internal and independent auditors.
- HTL upholds its value of never indulging in any fraudulent or dishonest act with its employees or any third party. We shall not get involved in bribery or corruption to retain the reputation for a long time. We shall not choose business partners who indulge in such activities. We shall not give, receive, ask for or permit anyone else to give bribes or undertake any corrupt activities to win new business share, retain existing HTL business or to further our interests.
- We shall conduct all the business activities strictly without involving ourselves in a position in which an apparent or actual conflict of interest arises. All the business activities shall conduct on the basis of uniform standards, honest working and fair dealing with all our business stakeholders.
- We shall follow national trade laws and regulations during export and import deals. All international trade sanctions along with rules binding to export and import of goods are checked within HTL for lawful and appropriate trade.
- We shall uphold our values of treating everyone fairly, equally and also valuing diversity within the workplace while carefully practicing human rights. We are a socially responsible corporate citizen, providing opportunities to make desired changes within the community.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shaukat Hassan

CHAIRMAN OF THE BOARD / NON EXECUTIVE DIRECTOR

Mr. Hassan Tahir

CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR

Mr. Muhammad Ali Hassan

EXECUTIVE DIRECTOR

Mr. Tahir Azam

NON EXECUTIVE DIRECTOR

Mr. Zalmai Azam

NON EXECUTIVE DIRECTOR

Mr. Muhammad Tabassum Munir

INDEPENDENT DIRECTOR

Dr. Safdar Ali Butt

INDEPENDENT DIRECTOR

Mr. Faraz Akhtar Zaidi

NON EXECUTIVE DIRECTOR

Syed Asad Abbas Hussain

INDEPENDENT DIRECTOR

Mr. Ji Won Park

NON EXECUTIVE DIRECTOR

CHIEF FINANCIAL OFFICER

Mr. Muhammad Imran

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Mr. Fraz Amjad Khawaja

EXTERNAL AUDITORS

M/S Riaz Ahmed & Company

10-B, Saint Marry Park,

Main Boulevard Gulberg, Lahore.

SHARE REGISTRAR

Share Registrar Services,
Central Depository Company of Pakistan Limited,

CDC House, 99-B, Block 'B',

S.M.C.H.S. Main Shahra-e-Faisal,

Karachi-74400

Registered Office

1-A , Danepur Road, GOR - 1, Lahore

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www.zicoil.pk, www.hitechlubricants.com

LEGAL ADVISOR

Mr. Ijaz Lashari

Lashari Law Associates 22-Munawar Chamber,

1-Mozang Road, Lahore

INTERNAL AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants

96-B/ 1, Pace Mall Building 4th Floor,

M.M. Alam Road, Gulberg II Lahore

BANKERS

MCB Bank Limited

Bank Alfalah Limited

Standard Chartered Bank Limited

Habib Metropolitan Bank Limited

The Bank of Punjab

Bank AL-Habib Limited

National Bank of Pakistan

Askari Bank Limited

JS Bank Limited

Habib Bank Limited

United Bank Limited

Summit Bank Limited

Meezan Bank Limited

AL-Baraka Bank Limited

COMMITTEES OF THE BOARD

MEMBERS OF AUDIT COMMITTEE OF THE BOARD

NAME	POSITION IN THE AUDIT COMMITTEE	DATE OF JOINING AUDIT COMMITTEE	STATUS IN THE COMPANY
Mr. Muhammad Tabussum Munir	Chairman/Member	November 13, 2015	Independent Director
Dr. Safdar Ali Butt	Member	November 13, 2015	Independent Director
Mr. Shaukat Hassan	Member	November 13, 2015	Non Executive Director
Mr. Tahir Azam	Member	November 13, 2015	Non Executive Director
Mr. Zalmi Azam	Member	February 17, 2015	Non Executive Director
Mr. Faraz Akhtar Zaidi	Member	July 04, 2017	Non Executive Director

MEMBERS OF HR & REMUNERATION COMMITTEE OF THE BOARD

NAME	POSITION IN THE AUDIT COMMITTEE	DATE OF JOINING AUDIT COMMITTEE	STATUS IN THE COMPANY
Mr. Tahir Azam	Chairman/Member	November 13, 2015	Non Executive Director
Mr. Shaukat Hassan	Member	November 13, 2015	Non Executive Director
Mr. Zalmi Azam	Member	November 13, 2015	Non Executive Director
Mr. Muhammad Ali Hassan	Member / Secretary of Committee	November 13, 2015	Executive Director

MEMBERS OF INVESTMENT COMMITTEE OF THE BOARD

NAME	POSITION IN THE AUDIT COMMITTEE	DATE OF JOINING AUDIT COMMITTEE	STATUS IN THE COMPANY
Mr. Shaukat Hassan	Chairman/Member	April 22, 2017	Non Executive Director
Mr. Hassan Tahir	Member	May 09, 2016	CEO / Executive Director
Mr. Muhammad Ali Hassan	Member	May 09, 2016	Executive Director
Mr. Faraz Akhtar Zaidi	Member	July 04, 2017	Non Executive Director
Mr. Muhammad Imran	Member / Secretary of Committee	May 09, 2016	Chief Financial Officer
Mr. Shahzad Sohail	Member	April 22, 2017	General Manager Supply Chain

PROFILES OF THE DIRECTORS



Mr. Shaukat Hassan

CHAIRMAN BOARD OF DIRECTORS

Mr. Shaukat Hassan holds a master's degree in economics from Punjab University Lahore and is the chairman of Board of Directors. Having more than 4 decades of financial and entrepreneurial expertise, he is an enthusiast and wise individual. Mr. Shaukat has a proven track record for his excellent business professionalism and is one of the core partners since the inception of business operations for the Group in 1976.

He has actively lead and created a strong foundation of financial systems for HTL. Apart from financial, his core areas of interests include human resources, employee training and talent retention. His diversified skills also include business development and sales of Industrial equipment to leading E&P Companies Internationally. Mr. Shaukat is actively involved in joint business collaborations with organizations having multi-national presence.

He has been an active member of various profit & non-profit based organization including LCCI, EDAS and currently serving as Vice President and Director of PFBA in Pakistan. He is a mentor and coach for many leading entrepreneurs from the recent times.

Apart from his business interests, Mr. Shaukat is keenly involved in CSR & SHT activities mainly focused at minimizing the life challenges of financially underprivileged sector of the community.



Mr. Hassan Tahir

CHIEF EXECUTIVE OFFICER

Mr. Hassan Tahir holds an MBA degree in banking / finance from Lahore School of Economics (LSE) and is the CEO of HTL. Mr. Hassan is a working professional since 2001 and believes that a satisfied customer brings in not just more business but also increases the goodwill of the Company. His drive for excellent interpersonal skills and highest customer satisfaction led him to set up IT operations with back office processing (BOP) and IT infrastructure for major clients in UK / Europe. With his motivational experience and hard work he helped the Company in launching mid-tier lubricant range in Pakistani Market in partnership with world's two major oil companies. Mr. Hassan went on to launch another semi-synthetic range in Pakistan and was an even bigger success. Apart from performing his responsibilities as CEO for HTL, he is also leading the new business areas I-e HTL Express (Service Center) for Retail and Franchise Business Network, as well as OMC segment for HTL. He majorly looks after the Financials, IT, Sales, Compliance and Marketing functions of HTL. Rewarding achievements and motivating employees are his notable strengths to HTL into a strong family.



Mr. Muhammad Ali Hassan

EXECUTIVE DIRECTOR

Mr. Muhammad Ali Hassan holds a bachelor degree in Marketing and HR from Sydney University, Australia. Mr. Ali apart from heading ZIC - M Sales, he also looks after the HR, Supply Chain, Internal Auditing, Business Analytics and Administrative Functions at HTL. In addition, Mr. Hassan is also performing his responsibilities as CEO for HTBL. Mr. Muhammad Ali Hassan is using his knowledge and learning to create best practices across the Company. Mr. Ali has built outstanding business partnerships and strategic alliances with clients which is a true reflection of his abilities to lead in this corporate world. He is a true leader who believes in quantitative output and skillful organizational culture.



Mr. Tahir Azam

DIRECTOR

Mr. Tahir Azam holds a master's degree in economics from Punjab University Lahore and is working as a Non-Executive director for the Company. He has over 4 decades of experience in research, management and consultancy of setting up successful businesses. Mr. Tahir has also led various US AID funded entrepreneurship programs and training programs across Pakistan.

He is one of the founding member of the Company who led the sales and marketing of HTL during the first 10 years of business. Establishing distribution networks and creating sale teams was his milestone achievements on which HTL stands today.

Being an entrepreneur and managing director of associated business companies, Mr. Tahir Azam has inculcated his excellent standards for sales department into producing exceptional results. He has proved with his entrepreneurial abilities that business opportunities are not given rather they are created.

PROFILES OF THE DIRECTORS



Mr. Faraz Akhtar Zaidi

NON EXECUTIVE DIRECTOR

Mr. Zaidi has over 15 years of experience in both investment banking and investment management globally. Mr. Zaidi has held positions with Credit Suisse (New York), Polygon Investment Partners (London), and Standard Chartered Principal Finance (Dubai). His investing experience includes public and private market transactions in both developed and emerging markets.

Mr. Zaidi has a Masters in Business Administration from the Darden School of Business, University of Virginia and a B.A. from Rhodes College.



Mr. Ji Won Park

NON EXECUTIVE DIRECTOR

Mr. Ji Won Park holds a bachelor's degree in Chemical Engineering and is a Team Leader of Global Lubricants Business in SK Lubricants (SKL hereafter). He is a great expert in global business not only about finished lubricants products but also about base oil. His deep knowledge about lubricants products from his university study enriches his marketing and sales quality and strategy. Additionally, his job career covers almost all work area without any border. From Technical Service (1991~2000) and overseas marketing & sales (2001~2005) to assist SK Innovation CEO (2006~2009).

But, his influential and eminent job area is Global Business. Because he has prepared himself as a professional marketer, having invested his enthusiasm in expanding SKL's global sales. He served as a Marketer of Base Oil in European & Taiwan Market (2001~2005). Since then he was entitled to Managing Director of SKL's Europe Branch (2010~2013). With his these precious experience, he is giving a vast motivation and the keen insight to SKL's global Lubricants Business Team.



Mr. Muhammad Tabassum Munir

INDEPENDENT DIRECTOR

Mr. M. Tabassum Munir has worked for more than three decades, as Member Lahore Stock Exchange, till January 15, 2014. He also served as its Vice President. He was also Member Pakistan Mercantile Exchange. He has worked as director of Annoor Textile Mills Ltd from 1987 to 1989. He is currently the member of the Board of Directors at M/s Synthetic Products Enterprises Limited (SPEL).

His skills of working, managing and participating in all-inclusive Capital Market and its infrastructural development matters, were widely acknowledged. He has participated in numerous seminars, round tables, conferences, workshops, et al. and has gained useful domain knowledge and experience. It has strengthened his dedicated role and capacity in the management of finance and delivering advisory services.



Mr. Zalmi Azam

NON EXECUTIVE DIRECTOR

Mr. Zalmi Azam holds a Bachelor in Arts from Government College, Lahore. He is an experienced banker by profession offers more than 4 decades of sound knowledge and exposure to business while being associated with highly credible institutions locally as well as internationally.

Mr. Zalmi started his career back in 1971 with Standard Bank Ltd. Based on his dedicated commitment and knowledge base he was assigned various projects to work on with different banks internationally, a few to be mentioned include his role as Country Manager in "Sierra Leao" West Africa and in Kenya as Bank Manager from 1985-86. His last assignment was with The Bank of Punjab as General Manager in 2009.

Mr. Zalmi known for his effective planning coupled with excellent people's management skills, has significantly contributed in inventory planning and control processes for HTL.



Dr. Safdar Ali Butt

INDEPENDENT DIRECTOR

Dr. Safdar Ali Butt represents as a financial expert, a trainer, an academician and a literary person. Dr. Safdar Ali Butt holds a master degree in commerce from Karachi and PHD in financial management from Canada. He is a member of several professional bodies in Accounting, Finance and Management fields.

Dr. Safdar Ali Butt worked at notable positions overseas like Chief Accountant with Johnson & Johnson, Group Chief Accountant with Caltex Oil and Group Financial Controller with Simba Colt Motors in Kenya. He has worked as CFO with Army Welfare Trust, was a director of Askari Bank, Askari Leasing, Askari General Insurance and several other companies. He also served in a position of director Bank of Azad Jammu & Kashmir, as a nominee of AJK Government.

Dr. Safdar Ali Butt spent 24 years in academics working as dean of faculty and at senior lecturer positions of various institutions locally and internationally. He is currently on the board of several companies working in the fields of food processing, packaging and consulting. He is also a serving professor at Emeritus of Finance & Corporate Governance at Mohammad Ali Jinnah University, Islamabad.

Apart from his professional work he is author of 34 text books on various business related subjects of which 8 published from UK, 19 from Kenya and 7 from Pakistan and also author of over 100 articles and papers on various finance and management related issues.



Syed Asad Abbas Hussain

INDEPENDENT DIRECTOR

A highly innovative, creative, and self-motivated entrepreneur with over 25 years of proven experience in senior roles within the Consumer Electronics, Technology and IT Industries. Has developed multiple routes to market and solid business relationships with global vendors such as Microsoft, Intel, Hewlett Packard, Toshiba, Lenovo and Asus, as well as the leading distributor of consumer goods in the UK.

After completing his education in London, Asad successfully pursued his career within the retail sector before founding his own companies which grew into multi-million pound turnover businesses and between 1995 to 2005 his companies exceeded turnover of £100 million. He is a marketing director of 5 leading retail sector companies in UK.

Asad is also a trustee of Al Mudassar Trust, a UK-based educational charity, which supports a state-of-the-art school in Pakistan for children with disabilities and special needs.

ORGANIZATIONAL CHART



HI-TECH BLENDING (PVT.) LIMITED

Management Team



1st Sitting Row From Right to Left

Nouman Ishaq

Deputy Manager Production

Majid Farooq,

Sr. Quality Control Incharge & ISO Certification

Akhtar Rauf

Assistant Manager M.E.I.M

Muhammad Yaqub Aziz

Chief Operating Officer

Muhammad Nauman Mirza

Manager Accounts

Standing from Right to Left

Muhammad Junaid Khan

Sr. Supervisor ISO Certification/QA/QC/HSE/Filling Ops

Hafiz Muhammad Shoaib

Assistant Manager Quantity Surveyor

Muhammad Ubaid Mushtaq

Assistant Manager HR

Mahmood Akram

Sr. Supervisor Blending Operations/Boiler & Maintenance

Usman Zia Khan

Deputy Manager Administration

Ghulam Akbar

Assistant Manager Filling Operations

HI-TECH LUBRICANTS LIMITED

Management Team



From Left to Right

Nasir Ahmed
Country Head, OMC

Syed Arshad Ali Zaidi
Senior Manager, Internal Audit

Shumaila Hameed
Senior Manager, HR & CSR

Omer Farooq
Senior Manager, Marketing

Shahzada Tamur Shah
Senior Manager, Administration

Syed Warris Waqar Kirmani
Manager, Business Development and Operations, HTL Express

Qaiser Abbas Rana
Country Head, ZICM



Khawaja Muhammad Fraz Amjad
Company Secretary and Chief Compliance Officer

Muhammad Imran
Chief Financial Officer

Muhammad Ashraf
Senior Manager, IT

Shahzad Sohail
General Manager, Supply Chain

Ahmed Shuja
Country Head, ZIC

Muhammad Awais
Manager, Sales Analysis

The background of the entire page is a technical drawing in a light orange color, overlaid on a darker orange background. The drawing depicts various mechanical components, including what appears to be a piston and connecting rod assembly, and other parts with hatching and dimension lines. The overall style is that of a technical manual or engineering blueprint.

PRODUCT PORTFOLIO

HTL provides a wide range of lubricants to automotive and industrial sectors in Pakistan. Our principal supplier, SK lubricant's base oil plant is the largest API Group III base oil plant in the world. SK API Group III production meets more than 50% of world's demand for similar base oils. ZIC Lubricants are ISO 9001, EMS14001 certified ensuring highest quality with maximum engine protection and machine wear. ZIC is produced by using (VHVI TECH) Synthetic base oil formulation in a fully automated computerized PLC controlled plant. In result, ZIC products deliver more power, less fuel consumption, low noise, quick starting & extended engine life.



PRODUCT PORTFOLIO

CORE PRODUCT LINE

ZIC Synthetic and Semi Synthetic Lubricant Range (Gasoline)

ZIC Synthetic Oil based on VHVI technology is very high viscosity Index Engine Oil that offers various grades in Fully Synthetic Oil, providing superior Engine Protection and Advanced Fuel Savings. The enhanced viscosity improver used in ZIC provides ultimate long term protection for both types of Gasoline and Diesel engines vehicle.

ZIC 0W30 & 5W40 are both API SN & ILSAC GF-5 Grades that provide better ODI, Engine Protection and fuel savings without losing its viscosity under all types of driving conditions(extreme temperature and heavy load), at the same time extending engine service life by keeping the running engine cleaner. It's typical properties provide improved fuel saving benefits up to 10 % compared to conventional motor oils and delivers better performance.

Gasoline Synthetic Engine Oil

X9, X7 FE & X7



X9 (5W-40)



X7 FE (5W-20)



X7 FE (0W-30)



X7 (10W-40)

Gasoline Semi Synthetic Engine Oil

X5 & X3



X5 (20W-50)



X3(15W40)

ZIC Motor Cycle Oil (MCO) Range

M5 & M7



X5 (20W-50)



X3(15W40)

ZIC Diesel Engine Oils:

ZIC X-7000, X-5000, X-3000

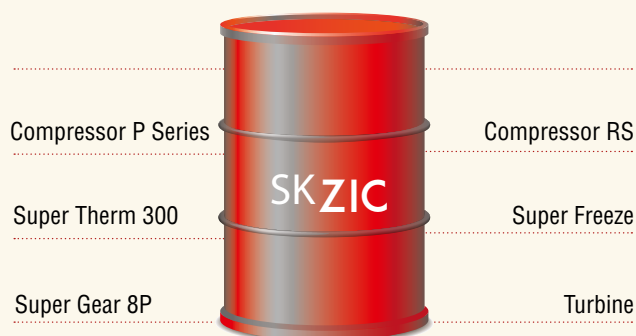


The biggest strength of ZIC lies in the fact that it uses YUBASE (Group III base oil with a viscosity index of 120 or higher). The use of YUBASE guarantees that ZIC maintains viscosity better than any other engine oils of which viscosity index is artificially enhanced by viscosity index-enhancing agents mixed with low-quality base oil. By using ZIC fine ability to maintain viscosity brings you the following benefits: Exceptional Engine Protection, Longer Oil Change Intervals. ZIC Semi Synthetic series consists of the following:

INDUSTRIAL OILS, GREASES, HYDRAULICS, ATF, GEAR OILS, BRAKE FLUIDS AND COOLANTS

- ZIC Coolants have high quality long life for radiators that (ethylene glycol based) that provides outstanding performance in all cooling systems. ZIC coolants are pre-diluted for customer's convenience mixed (50: 50) with water and ethylene glycol.
- ZIC Vega series is a high quality hydraulic oil providing semi anti-wear performance coupled with excellent oxidation stability. It has great low temperature performance by applying SK's proprietary technology, VHVI Tech and holds its viscosity under high temperature operating conditions.
- ZIC Dexron is fully synthetic ATF engineered with SK's proprietary VHVI Tech and advanced additive technology. It meets all the stringent requirements of all kind of automotive transmission requirements and is fully backward / serviceable.
- ZIC Super Gear EP Series is premium quality extreme pressure gear oils. They contain Sulfur / Phosphorous extreme pressure additive system giving load carrying ability and protection against wear. In addition these oils provide

Industrial oil



Hydraulic oil



Grease



PRODUCT PORTFOLIO

excellent protection against corrosion of steel and copper containing alloys.

- SK Super Freeze refrigeration oil series is made from high quality naphthenic base stock and high quality additive package which is intended to be used in refrigeration compressors.
- SK Super Compressor oil series is formulated from premium quality, high viscosity index base stock combined with selective additives to satisfy the lubrication requirements of all kind of rotary screw / rotary vane compressors used in industrial applications.
- SK Super Therm 300 is formulated from high quality base stock with advance additive package system which provides high stability when heated for heat transfer applications.
- SK Super Brake Fluid is a high quality brake fluid providing outstanding performance for all hydraulics brake systems.
- ZIC Royal Grease series is multipurpose lithium soap-thickened grease available in NLGI grades 0, 1, 2, and 3, formulated with paraffinic mineral oil base oils, and also containing additives to control oxidation and rust formation. ZIC Greases can be used in a wide range of industrial and automotive applications, where there is no requirement for load-carrying properties.

POWER GENERATION GEN-SET OILS

- ZIC is composed of YUBASE (Group III base oil with a viscosity index of 120 or higher). The use of YUBASE guarantees that ZIC will maintain viscosity better than any other Oil of which viscosity index is artificially enhanced by viscosity index-enhancing agents mixed with low-quality base oil.
- ZIC Diesel Generator Engine oils provide excellent wear protection along with advance fuel economy. ZIC 5000 Power and SD 5000 are synthetic Formula lubricants which provide long drain capability, low emission with exhaust treatments for equipment like catalytic converters and DPF.



STAKEHOLDERS ENGAGEMENT / CODE OF CONDUCT FOR CUSTOMERS

The Objective is to provide the end consumer with Quality product that gives better ODI with improved fuel saving. The core lies at maintaining a standard of quality & price throughout the nationwide network. HTL customer base is divided into 3 segments via the distributors that include the wholesalers, retailer and end user. An extensive retail network is managed via an efficient group of distributors fulfilling the needs and on time delivery systems for the complete network.

The core conduct for our customers is to ensure price standards and price stability throughout the extensive network. This is achieved via a proper check and balance system in place implemented with the help of Audit and Retail teams.

It is imperative to establish a single price list in all the 3 segments i.e. Distributor, Retailer and End-user to ensure profitability of our customers and that so that our end users keep on enjoying quality lubricants that yield better engine performance with fuel saving.

Retail trade along with the Retail -Trade margin is supported by 'Trade & Points' schemes over and above an Annual Royalty Program.

Support to End Consumers includes annual sales promotions like FOC Vouchers, Social Media Competitions and Loyalty Points System for Online Sales customers.

Direct support to end consumers is also levied through:

- 1 Merchandising Activities
- 2 CDA

MARKET OVERVIEW

Auto assemblers see the new fiscal year as promising owing to improved economic conditions which are translating into an increase in demand for vehicles. Reduction in interest rates is having a noticeable impact on car financing and in turn a positive effect on car sales.

Car sales hit to 180,079 units in 2015-2016 as compared to 151,134 units in 2014-2015, followed by a jump in truck sales to 5,550 units from 4,111 and bus sales to 1,017 from 569 units.

Due to favorable sector dynamics, Pakistan which has 13 cars per thousand people, will reach 20 cars per thousand by 2020. The growth in the automobile sector both via import and local manufacturing has resulted in an increase in the demand for the lubricants combined with the decrease in fuel prices leads to people driving more and their oil change interval decreasing. This results in an increase in their oil change frequency. Thus the potential for HTL is huge as the firm has invested in establishment of Hi-Tech blending and bottling plant to cater to this vital segment of the market and economy. With the introduction of Car Care centers and Fuel stations further diversification into the oil industry.



HTL CORPORATE STRATEGY

Our corporate strategy comprises of the dimensions that complement one another and are geared toward sustainability, creating value and ensuring the future viability of the company.

“Building and maintaining a successful partnership with our distributors operationally and strategically is the key to our success to deliver continued growth”

By working with our business partners (distributors) to satisfy consumer needs and maximize demand for our products, we help grow their business and ours. With each HTL distributor, we seek to generate joint value in every aspect of our business, ranging from logistics and delivery to marketplace execution.

We believe that Hi-Tech Lubricants Limited will outperform its oilfield services competitors' given its strong position in the fast-growing Industry.

The objective of our corporate strategy, which is based on the following below dimensions, as well as agility and customer focus;

- Value Creation – enhancing the value of the corporation on a long-term basis;
- Top Market Position - among the leading firms in terms of customer focus, quality, and market share;
- Great People Culture - strives to promote a culture of trust and personal responsibility.

Given our fundamental strengths - strong sales and execution capability, which is critical to our long-term success; we manage our business responsibility with a passion of creating value for shareholders, employees, consumers and communities we serve.

Over the last decade, we have integrated corporate responsibility and sustainability into all aspects of business management, making long-term investments that aim to build value over time.

MANAGEMENT OBJECTIVES

OBJECTIVE 1:

Investment in new lines of Business for sustained profitability and Shareholders Expectations

Strategy: Keen insight and consistent development in favorable business opportunities for diversification within and outside the industry

Priority: High
Status: Progress on the go
Key Insights: Diversification into a new line of business is a high cost decision however through our strong financial standing and experienced management pool HTL is in a right direction to invest, diversify and grow.

OBJECTIVE 2:

Sales Growth

Strategy: Expansion in geographical presence and end-user awareness
Priority: High
Status: Annual Targets Achieved
Key Insights: There are opportunities within our existing distribution network to expand locally and internationally and we are constantly showing progress by keeping in mind all geographical and governmental regulations.

OBJECTIVE 3:

Enhancing Market Share and Industry Leadership

Strategy: Stay abreast of business dynamics and technological advancements by continuously upgrading product availability
Priority: High
Status: Continuous Progress with annual targets achieved
Key Insights: With time; up-gradation and maintenance may result in high costs, however; HTL is constantly striving to achieve the targets with maximum efficiency and inputs.

OBJECTIVE 4:

Enhance Operational Efficiency for Optimization

Strategy: Improve business processes through efficient resources allocation to improve time and financial loss
Priority: High
Status: Continuous progress - Annual plans consistently achieved
Key Insights: With careful planning and targeted business plans HTL management regularly explore avenues to improve operational efficiency and resource optimization.

OBJECTIVE 5:

Costs Economy

Strategy: optimum utilization of existing resources and following strict governance policies
Priority: High
Status: Continuous Progress with targeted optimization on annual basis
Key Insights: With the adoption of Oracle – Financial solution and other effective strategies implemented in the Company, we are focused to improve costs and keep a regular follow up through effective internal control systems.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES

HTL business objectives and strategies have been thoroughly planned based on careful future projections and economic conditions. There have been investments made on development projects favorable to the shareholder's expectations and growth of business. However, no significant changes have occurred during the year to affect our course of action for achievement of these objectives.

CRITICAL PERFORMANCE INDICATORS & MEASURES

In order to measure the Company's performance against the stated objective, management ensures the monitoring of these objective regularly.

NO	Objectives	KPI's
1	Diversification	Resource allocation for expansion of projects already in progress along with investment and development of prospective business projects
2	Sales Growth	Market Share enhancement through team development and production efficiency
3	Operational Efficiency	Marked improvement in Gross and Net Profit Margins
4	Shareholder's Value	EPS and Asset Turnover Ratio's
5	Business Sustainability	Interest Covers and Current Ratios



FINANCIAL PERFORMANCE

FOR THE CURRENT AND LAST FIVE YEARS

	Jun-17	Jun-16	Jun-15	Jun-14	Jun-13	Jun-12
Total Revenue	7,488.9	7,015.3	5,466.9	5,273.8	4,597.3	4,264.7
COGS	(5,716.7)	(4,969.6)	(4,129.2)	(3,970.3)	(3,451.6)	(3,290.6)
Gross Profit	1,772.2	2,045.7	1,337.8	1,303.6	1,145.7	974.1
Admin Expenses	(279.4)	(263.5)	(177.3)	(163.1)	(143.2)	(108.6)
Distribution Cost	(444.8)	(851.4)	(605.1)	(627.8)	(557.1)	(432.9)
EBITDA	1,047.9	930.7	555.3	512.7	445.5	432.5
Depreciation	(44.7)	(38.3)	(34.7)	(27.6)	(15.5)	(16.0)
Other Operating Expenses	(32.0)	(43.4)	(47.2)	(33.6)	(23.6)	(36.3)
Other Income	96.0	46.3	52.8	9.4	7.8	11.1
EBIT	1,067.2	895.3	526.3	460.8	414.0	391.4
Share of income from subsidiary	-	-	-	-	-	-
Finance Cost	(35.8)	(16.2)	(24.5)	(25.4)	(26.7)	(28.3)
Profit Before Tax	1,031.3	879.0	501.8	435.4	387.5	363.1
Taxation	(304.5)	(349.4)	(164.2)	(134.7)	(117.3)	(98.8)
Profit After Tax	726.9	529.7	337.6	300.7	270.0	264.3
Balance Sheet						
Fixed Assets	948.1	336.0	221.9	239.6	205.0	87.7
Investments in subsidiary company	1,300.0	1,102.8	776.4	255.0	-	-
Long term loans to employees	1.0	3.2	2.6	1.5	1.2	1.4
Long term deposits	32.7	13.5	13.6	15.7	12.8	7.4
Deferred income tax assets	-	-	-	-	-	5.0
Non Current Assets	2,281.9	1,455.5	1,014.6	511.8	219.1	101.5
Stock in trade	1,505.3	663.3	508.5	782.9	683.7	449.2
Trade Debts	179.4	151.8	237.8	169.5	108.9	114.7
Loans and advances	663.6	58.8	108.2	82.6	159.9	181.2
Short term deposits and prepayments	14.6	13.7	15.4	13.6	9.7	12.9
Due from associated undertakings	79.6	-	-	-	-	-
Other receivables	0.4	0.5	44.3	1.7	0.3	2.4
Short term investments	1,081.1	1,458.6	-	-	20.0	20.0
Cash and banks balances	75.1	186.9	86.8	321.9	91.3	107.3
Current Assets	3,599.2	2,533.5	1,001.1	1,372.3	1,073.8	887.7
Total Assets	5,881.1	3,989.0	2,015.7	1,884.1	1,292.9	989.2
Paid-up Capital	1,160.0	1,160.0	870.0	750.0	250.0	250.0
Share premium	1,441.7	1,441.7	-	-	-	-
Retained Earnings	1,142.6	728.9	367.5	156.7	418.6	221.0
Equity	3,744.3	3,330.6	1,237.5	906.8	668.6	471.1
Liabilities against finance lease	65.8	15.2	25.2	29.5	26.3	14.0
Long term deposits (from distributors)	2.0	2.0	3.0	2.0	0.5	0.5
Deferred liabilities	3.2	-	9.0	7.8	5.3	-
Long term financing	13.5	1.0	-	-	-	-
Non Current Liabilities	84.5	18.2	37.2	39.3	32.2	14.5
Trade and import LCs payables	805.1	583.6	685.3	724.6	421.2	328.5
Accrued mark-up	9.5	0.5	-	4.7	4.9	5.7
Loans from directors	-	-	-	140.8	147.4	149.4
Current portion of finance lease liabilities	43.5	21.8	26.5	21.0	16.4	18.7
Short term borrowings	1,119.0	-	-	37.5	-	-
Provisions for taxation	75.2	34.3	29.3	9.5	2.3	1.3
Current Liabilities	2,052.3	640.1	741.0	938.0	592.1	503.6
Total Liabilities	2,136.8	658.3	778.2	977.4	624.3	518.1
Total Equity & Liabilities	5,881.1	3,989.0	2,015.7	1,884.1	1,292.9	989.2

SIX YEARS ANALYSIS POSITION & PERFORMANCE

FOR THE CURRENT AND LAST FIVE YEARS

	Jun-17	Jun-16	Jun-15	Jun-14	Jun-13	Jun-12
Cash Flow Statement						
Cash flow from operating activities						
Cash generated from operations	(72.9)	819.1	610.7	713.9	302.7	87.1
Payment for:						
Finance charges	(26.9)	(15.7)	(29.2)	(25.6)	(27.5)	(22.5)
Taxes	(260.3)	(353.1)	(142.9)	(124.8)	(106.8)	(109.7)
Net cash generated from / (used in) operating activities	(360.0)	450.2	438.6	563.5	168.4	(45.1)
Cash flow from investing activities						
Capital Expenditure on fixed assets	(652.8)	(144.7)	(10.9)	(52.4)	(115.3)	(7.0)
Proceeds from disposal of fixed assets	74.7	2.8	61.1	17.6	15.4	0.3
Investment in subsidiary company	(197.2)	(326.4)	(521.4)	(255.0)	-	-
Work in progress	(261.0)	-	-	-	-	-
Short term investment	378.7	(1,453.2)	-	20.0	-	(6.8)
Long term deposits	1.2	27.4	-	-	-	-
Profit on bank deposits received	85.4	-	6.3	8.0	7.4	10.7
Investment in TDRs	-	-	-	-	-	-
Net cash used in investing activities	(571.2)	(1,894.1)	(464.9)	(261.8)	(92.5)	(2.7)
Cash flow from financing activities						
Proceeds/repayment of long term financing	18.8	2.4	-	-	-	(2.0)
Repayment of liability against asset subject to finance lease	(5.8)	(22.8)	(21.8)	(17.1)	(14.9)	(14.9)
Loan from directors	-	-	(140.8)	(6.6)	(2.0)	106.1
Dividend paid	(312.5)	(167.3)	(128.8)	(85.0)	(75.0)	(18.4)
Short term borrowings	1,119.0	-	(37.5)	37.5	-	-
Capital injected	-	1,731.7	120.0	-	-	-
Net cash used in financing activities	819.4	1,543.9	(208.8)	(71.2)	(91.9)	70.7
Net increase / (decrease) in cash and cash equivalents	(111.8)	100.1	(235.1)	230.6	(15.9)	22.9
Cash and cash equivalents transferred from						
Hi -Tech Lubricants	-	-	-	-	-	84.3
Cash and cash equivalents at the start of year	186.9	86.8	321.9	91.3	107.3	0.1
Cash and cash equivalents at the end of year	75.1	186.9	86.8	321.9	91.3	107.3

KEY PERFORMANCE INDICATORS

Key Ratios		Jun-17	Jun-16	Jun-15	Jun-14	Jun-13	Jun-12
PROFITABILITY							
Gross Margin	%	23.7%	29.2%	24.5%	24.7%	24.9%	22.8%
EBITDA Margin	%	14.0%	13.3%	10.2%	9.7%	9.7%	10.1%
EBIT Margin	%	14.3%	12.8%	9.6%	8.7%	9.0%	9.2%
Net Margin	%	9.7%	7.6%	6.2%	5.7%	5.9%	6.2%
Working Capital	Rs	879.6	231.4	61.2	227.8	371.4	235.3
ROA	%	12.4%	13.3%	16.7%	16.0%	20.9%	26.7%
ROE	%	19.4%	15.9%	27.3%	33.2%	40.4%	56.1%
LIQUIDITY / ACTIVITY							
Current Ratio	Times	1.8	4.0	1.4	1.5	1.8	1.8
Quick Ratio	Times	1.4	3.0	0.4	0.7	1.1	1.1
Stock in trade - Days	Days	96.1	48.7	45.0	72.0	72.3	49.8
Debtor Days	Days	8.7	7.9	15.9	11.7	8.6	9.8
Creditor/ Import Days	Days	51.4	42.9	60.6	66.6	44.5	36.4
Working Capital Cycle	Days	53.5	13.7	0.3	17.1	36.4	23.2
CAPITAL STRUCTURE							
LT Debt to Equity	%	2.2%	0.5%	2.3%	3.5%	4.0%	3.1%
Total Debt to Equity	%	33.4%	1.2%	4.2%	25.7%	29.2%	39.9%
Interest Coverage (x)	%	29.8	55.1	21.5	18.2	15.5	13.8
INVESTMENT / MARKET							
EPS (PKR)	Rs.	6.3	5.4	3.9	4.0	10.8	10.6
EPS -restated (PKR)	Rs.	6.3	5.4	3.9	3.5	3.1	3.0
Dividend Per Share (PKR)	Rs.	3.1	1.5	1.35	0.9	2.9	1.8
Dividend Payout	Rs.	49%	28%	35%	22.4%	26.8%	17.3%
No. of Shares (millions) - based on par value of 10	Rs.	116.0	97.6	87.0	75.0	25.0	25.0
Total Dividen Paid (millions)	Rs.	313.2	168.2	117.3	67.5	72.5	45.8
BVPS (PKR)	Rs.	32.3	28.7	14.2	12.1	26.7	18.8
GROWTH RATIOS							
Volume (mn litres)	Ltrs	23.2	22.2	17.0	16.6	14.7	14.1
Volumetric Growth	%	4.8%	30.2%	2.7%	12.8%	3.9%	9.0%
Avg. Selling Price (PKR/litre)	Rs.	322.6	316.7	321.3	318.4	313.0	301.8
Growth in avg. selling price	%	1.8%	-1.4%	0.9%	1.7%	3.7%	18.0%
Sales Growth	%	6.8%	28.3%	3.7%	14.7%	7.8%	28.6%
Admin Expenses - % of Sales	%	3.7%	3.8%	3.2%	3.1%	3.1%	2.5%
Distribution Cost - % of Sales	%	5.9%	12.1%	11.1%	11.9%	12.1%	10.2%
Earnings growth	%	37.2%	56.9%	12.3%	11.3%	2.2%	-11.8%

* Figures taken from Hi-Tech Lubricants (AOP).

HORIZONTAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS (BALANCE SHEET)

	2017		2016		2015		2014		2013		2012
	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES
NON CURRENT ASSETS											
Fixed assets	948.1	182.1%	336.0	51.4%	221.9	-7.4%	239.6	16.9%	205.0	133.8%	87.7
Investment in subsidiary company	1,300.0	100.0%	1,102.8	100.0%	776.4	100.0%	255.0	100.0%	-	0.0%	-
Long term loans to employees	1.0	-67.6%	3.2	24.4%	2.6	78.0%	1.5	20.6%	1.2	-15.6%	1.4
Long term security deposits	32.7	142.4%	13.5	-0.9%	13.6	-13.4%	15.7	22.9%	12.8	73.4%	7.4
Deferred income tax asset	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-100.0%	5.0
Total non current assets	2,281.9	56.8%	1,455.5	44.4%	1,008.2	97.0%	511.8	133.6%	219.1	115.8%	101.5
CURRENT ASSETS											
Stock-in-trade	1,505.3	127.0%	663.3	30.6%	508.0	-35.1%	782.9	14.5%	683.7	52.2%	449.2
Trade debts	179.4	18.2%	151.8	-36.4%	238.6	40.8%	169.5	55.7%	108.9	-5.1%	114.7
Loans and advances	663.6	1028.8%	58.8	-47.7%	112.5	36.1%	82.6	-48.3%	159.9	-11.8%	181.2
Short term deposits and prepayments	14.6	6.8%	13.7	1.7%	13.5	-1.3%	13.6	39.9%	9.7	-24.7%	12.9
Due from associated undertakings	0.4	-	-	-	-	-	-	-	-	-	-
Other receivables	79.6	15578.7%	0.5	-98.8%	43.8	2432.6%	1.7	440.0%	0.3	-86.7%	2.4
Short term investment	1,081.1	-25.9%	1,458.6	100.0%	-	0.0%	-	-100.0%	20.0	0.0%	20.0
Cash and bank balances	75.1	-59.8%	186.9	91.6%	97.5	-69.7%	321.9	252.5%	91.3	-14.9%	107.3
Total current assets	3,599.2	42.1%	2,533.4	149.9%	1,013.8	-26.1%	1,372.3	27.8%	1,073.8	21.0%	887.7
Total assets	5,881.1	47.4%	3,989.0	97.3%	2,022.0	7.3%	1,884.1	45.7%	1,292.9	30.7%	989.2
CAPITAL AND RESERVES											
Issued, subscribed and paid up capital	1,160.0	0.0%	1,160.0	33.3%	870.0	16.0%	750.0	200.0%	250.0	0.0%	250.0
Share premium	1,441.7	0.0%	1,441.7	-	-	-	-	-	-	-	-
Accumulated profit / (loss)	1,142.6	56.7%	728.9	98.8%	366.6	133.9%	156.7	-62.6%	418.6	89.4%	221.0
Total capital and reserves	3,744.3	12.4%	3,330.6	169.3%	1,236.6	36.4%	906.8	35.6%	668.6	41.9%	471.1
NON CURRENT LIABILITIES											
Liabilities against assets subject to finance lease	65.8	333.8%	15.2	-31.8%	22.3	-24.6%	29.5	12.1%	26.3	87.8%	14.0
Long term deposits	2.0	0.0%	2.0	-33.3%	3.0	50.0%	2.0	300.0%	0.5	4.2%	0.5
Deferred liabilities	3.2	0.0%	-	-100.0%	7.1	-10.0%	7.8	46.6%	5.3	100.0%	-
Long term financing	13.5	1210.2%	1.0	-	-	-	-	-	-	-	-
Total non current liabilities	84.5	364.4%	18.2	-43.7%	32.3	-17.9%	39.3	22.3%	32.2	121.9%	14.5
CURRENT LIABILITIES											
Trade and other payables	805.1	38.0%	583.6	-15.9%	694.0	-4.2%	724.6	72.0%	421.2	28.2%	328.5
Loans from directors	-	-	-	0.0%	-	-100.0%	140.8	-4.5%	147.4	-1.3%	149.4
Accrued mark-up	9.5	1662.4%	0.5	0.0%	-	-100.0%	4.7	-4.0%	4.9	-14.4%	5.7
Short term borrowing	1,119.0	0.0%	-	100.0%	-	100.0%	37.5	100.0%	-	0.0%	-
Current portion of liabilities against assets subject to finance lease	43.5	99.9%	21.8	3.4%	21.0	0.3%	21.0	27.9%	16.4	-12.3%	18.7
Taxation - net	75.2	119.6%	34.3	15.1%	29.8	214.2%	9.5	315.4%	2.3	81.4%	1.3
Total current liabilities	2,052.3	220.6%	640.1	-14.1%	744.8	-20.6%	938.0	58.4%	592.1	17.6%	503.6
Total liabilities and equity	5,881.1	47.4%	3,989.0	98.1%	2,013.7	6.9%	1,884.1	45.7%	1,292.9	30.7%	989.2

* Figures taken from Hi-Tech Lubricants (AOP).

VERTICAL ANALYSIS

FOR THE CURRENT AND LAST FIVE YEARS (BALANCE SHEET)

	2017		2016		2015		2014		2013		2012
	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES
NON CURRENT ASSETS											
Fixed assets	948.1	16.1%	336.0	8.4%	213.2	10.5%	239.6	12.7%	205.0	15.9%	87.7
Investment in subsidiary company	1,300.0	22.1%	1,102.8	27.6%	776.4	38.4%	255.0	13.5%	-	0.0%	-
Long term loans to employees	1.0	0.0%	3.2	0.1%	4.3	0.2%	1.5	0.1%	1.2	0.1%	1.4
Long term security deposits	32.7	0.6%	13.5	0.3%	14.2	0.7%	15.7	0.8%	12.8	1.0%	7.4
Deferred income tax asset	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5.0
Total non current assets	2,281.9	38.8%	1,455.5	36.5%	1,008.2	49.9%	511.8	27.2%	219.1	16.9%	101.5
CURRENT ASSETS											
Stock-in-trade	1,505.3	25.6%	663.3	16.6%	508.0	25.1%	782.9	41.6%	683.7	52.9%	449.2
Trade debts	179.4	3.1%	151.8	3.8%	238.6	11.8%	169.5	9.0%	108.9	8.4%	114.7
Loans and advances	663.6	11.3%	58.8	1.5%	112.5	5.6%	82.6	4.4%	159.9	12.4%	181.2
Short term deposits and prepayments	14.6	0.2%	13.7	0.3%	13.5	0.7%	13.6	0.7%	9.7	0.8%	12.9
Due from associated undertakings	0.4	-	-	-	-	-	-	-	-	-	-
Other receivables	79.6	1.4%	0.5	0.0%	43.8	2.2%	1.7	0.1%	0.3	0.0%	2.4
Short term investment	1,081.1	0.0%	1,458.6	0.0%	-	0.0%	-	0.0%	20.0	1.5%	20.0
Cash and bank balances	75.1	1.3%	186.9	4.7%	97.5	4.8%	321.9	17.1%	91.3	7.1%	107.3
Total current assets	3,599.2	61.2%	2,533.4	63.5%	1,013.8	50.1%	1,372.3	72.8%	1,073.8	83.1%	887.7
Total assets	5,881.1	100.0%	3,989.0	100.0%	2,022.0	100.0%	1,884.1	100.0%	1,292.9	100.0%	989.2
CAPITAL AND RESERVES											
Issued, subscribed and paid up capital	1,160.0	19.7%	1,160.0	29.1%	870.0	43.2%	750.0	39.8%	250.0	19.3%	250.0
Share premium	1,441.7	-	1,441.7	-	-	-	-	-	-	-	-
Accumulated profit / (loss)	1,142.6	19.4%	728.9	18.3%	366.6	18.2%	156.7	8.3%	418.6	32.4%	221.0
Total capital and reserves	3,744.3	63.7%	3,330.6	83.5%	1,236.6	61.4%	906.8	48.1%	668.6	51.7%	471.1
NON CURRENT LIABILITIES											
Liabilities against assets subject to finance lease	65.8	1.1%	15.2	0.4%	22.3	1.1%	29.5	1.6%	26.3	2.0%	14.0
Long term deposits	2.0	0.0%	2.0	0.1%	3.0	0.1%	2.0	0.1%	0.5	0.0%	0.5
Deferred liabilities	3.2	0.1%	-	0.0%	7.1	0.4%	7.8	0.4%	5.4	0.4%	-
Long term financing	13.5	0.0%	1.0	0.0%	-	-	-	-	-	-	-
Total non current liabilities	84.5	1.4%	18.2	0.5%	32.3	1.6%	39.3	2.1%	32.2	2.5%	14.5
CURRENT LIABILITIES											
Trade and other payables	805.1	13.7%	583.6	14.6%	694.0	34.5%	724.6	38.5%	421.2	32.6%	328.5
Loans from directors	-	0.0%	-	0.0%	-	0.0%	140.8	7.5%	147.4	11.4%	149.4
Accrued mark-up	9.5	0.2%	0.5	0.0%	-	0.0%	4.7	0.3%	4.9	0.4%	5.7
Short term borrowing	1,119.0	19.0%	-	0.0%	-	0.0%	37.5	2.0%	-	0.0%	-
Current portion of liabilities against assets											
subject to finance lease	43.5	0.7%	21.8	0.5%	21.0	1.0%	21.0	1.1%	16.4	1.3%	18.7
Taxation - net	75.2	1.3%	34.3	0.9%	29.8	1.5%	9.5	0.5%	2.3	0.2%	1.3
Total current liabilities	2,052.3	34.9%	640.1	16.0%	744.8	37.0%	938.0	49.8%	592.1	45.8%	503.6
Total liabilities and equity	5,881.1	100.0%	3,989.0	100.0%	2,013.7	100.0%	1,884.1	100.0%	1,292.9	100.0%	989.2

* Figures taken from Hi-Tech Lubricants (AOP).

HORIZONTAL & VERTICAL ANALYSIS

PROFIT & LOSS ACCOUNT

	2017		2016		2015		2014		2013		2012
	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES	RATIO	VALUES
HORIZONTAL ANALYSIS											
Sales	7,488.9	6.8%	7,015.3	28.3%	5,466.9	3.7%	5,273.8	14.7%	4,597.3	7.3%	4,284.4
Cost of Sales	(5,716.6)	15.0%	(4,969.6)	20.4%	(4,129.2)	4.0%	(3,970.3)	15.0%	(3,451.6)	4.5%	(3,303.4)
Gross Profit	1,772.2	-13.4%	2,045.7	52.9%	1,337.8	2.6%	1,303.6	13.8%	1,145.8	16.8%	981.0
Distribution Cost	(472.3)	-45.9%	(873.2)	39.5%	(626.0)	-3.0%	(645.6)	14.2%	(565.4)	25.4%	(450.9)
Administrative Expenses	(296.8)	6.0%	(280.1)	46.5%	(191.2)	10.5%	(172.9)	15.0%	(150.4)	32.5%	(113.5)
Other Expenses	(31.7)	-27.1%	(43.4)	-8.0%	(47.2)	40.5%	(33.6)	42.6%	(23.6)	-35.0%	(36.3)
Other Income	95.8	106.8%	46.3	-12.3%	52.8	463.2%	9.4	20.8%	7.8	-30.1%	11.1
Profit from operations	1,067.2	19.2%	895.3	70.1%	526.3	14.2%	460.8	11.3%	414.2	5.8%	391.4
Finance Cost	(35.8)	120.7%	(16.2)	-33.7%	(24.5)	-3.6%	(25.4)	-4.9%	(26.7)	-5.6%	(28.3)
Profit Before Tax	1,031.4	17.3%	879.0	75.2%	501.8	15.2%	435.4	12.4%	387.5	6.7%	363.1
Taxation	(304.5)	-12.8%	(349.4)	112.8%	(164.2)	21.8%	(134.7)	14.8%	(117.3)	18.7%	(98.8)
Profit for the year	726.9	37.2%	529.7	56.9%	337.6	12.3%	300.7	11.3%	270.1	2.2%	264.3

VERTICAL ANALYSIS											
Sales	7,488.9	100.0%	7,015.3	100.0%	5,466.9	100.0%	5,273.8	100.0%	4,597.3	100.0%	4,284.4
Cost of Sales	(5,716.6)	-76.3%	(4,969.6)	-70.8%	(4,129.2)	-75.5%	(3,970.3)	-75.3%	(3,451.6)	-75.1%	(3,303.4)
Gross Profit	1,772.2	23.7%	2,045.7	29.2%	1,337.8	24.5%	1,303.6	24.7%	1,145.8	24.9%	981.0
Distribution Cost	(472.3)	-5.9%	(873.2)	-12.5%	(626.0)	-11.4%	(645.6)	-12.2%	(565.4)	-12.3%	(450.9)
Administrative Expenses	(296.8)	-3.7%	(280.1)	-4.0%	(191.2)	-3.5%	(172.9)	-3.3%	(150.4)	-3.3%	(113.5)
Other Expenses	(31.7)	-0.4%	(43.4)	-0.6%	(47.2)	-0.9%	(33.6)	-0.6%	(23.6)	-0.5%	(36.3)
Other Income	95.8	1.3%	46.3	0.7%	52.8	1.0%	9.4	0.2%	7.8	0.2%	11.1
Profit from operations	1,067.2	14.3%	895.3	12.8%	526.3	9.6%	460.8	8.7%	414.1	9.0%	391.4
Finance Cost	(35.8)	-0.5%	(16.2)	-0.2%	(24.5)	-0.4%	(25.4)	-0.5%	(26.7)	-0.6%	(28.3)
Profit Before Tax	1,031.4	13.8%	879.0	12.5%	501.8	9.2%	435.4	8.3%	387.5	8.4%	363.1
Taxation	(304.5)	-4.1%	(349.4)	-5.0%	(164.2)	-3.0%	(134.7)	-2.6%	(117.3)	-2.6%	(98.8)
Profit for the year	726.9	9.7%	529.7	7.6%	337.6	6.2%	300.7	5.7%	270.1	5.9%	264.3

* Figures taken from Hi-Tech Lubricants (AOP).

SWOT ANALYSIS

STRENGTHS

S

- Top management's consistent vision of growth.
- Premium quality products.
- Strong brand recognition and recall.
- Our people, their skill-set and experience.
- Healthy and growing customer base.
- Key market player.
- Strong nation-wide distribution networks.
- Innovative and creative trade & consumer schemes.
- Ability to diversify in ancillary businesses.
- Economies of scale through own blending.
- Diversification through manufacturing with better execution of end consumer schemes and sales of related products.

WEAKNESSES

W

- Fluctuations in Exchange rates affect.
- Non availability of forward cover on POL products.
- Stiff competition.
- Industrial / institutional sales.

OPPORTUNITIES

O

- Earning capacity and growing market potential.
- OEM's and Corporate Sales growth is an opportunity for our Institutional sales force.
- Product segmentation at HTL Express Centers to be established nationwide.
- Opportunity to explore export sales market.
- Immense potential to improve quality of resources through visibility and presence as lead employer with competitive benefits.
- OMC platform.

THREATS

T

- Political instability and law and order situation.
- Natural Calamities affecting agricultural areas.
- Counterfeit oil.
- International infiltration has affected us in remote areas.
- Local Infiltration also affects the morale of sales team.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of the Company have the pleasure in submitting their Annual Report along with the audited financial statements of the Company for the year ended June 30, 2017.

Hi-Tech Lubricants (HTL) Limited is now a Public Listed Company and is one of the leading lubricant marketing companies of Pakistan. HTL has a sizeable market share in almost all the related market segments of the country. HTL product portfolio under the brand name "ZIC" includes a wide range of synthetic lubricants in automotive, industrial and marine segments. With the increasing demand for the lubricant via the growth in automobile and industrial sector the company has extended its offerings with the addition of a state of the art blending plant.

FINANCIAL PERFORMANCE

Your Company has performed exceptionally well during the current year and the summarized financial performance is as follows:

	2017	2016
	Rupees in million	
Gross sales	8,738	8,541
Discounts	(322)	(75)
Sales Tax	(927)	(1,451)
Net sales from Operations	7,489	7,015
Gross Margin	1,772	2,046
EBITDA - operations	1,047	931
Depreciation & amortization	(44)	(38)
Finance costs	(36)	(16)
Other operating expenses	(32)	(43)
Other operating income	96	46
Earnings before tax	1,031	879
Tax	304	349
Earnings after tax	727	530
Basic Earnings per share – Rupees	6.27	5.43

Operations have achieved net sales of Rs 7,489 million in 2017 against net sales of Rs 7,015 million of last year representing sales growth of 6.8%. Despite 15% increase in direct cost, we still managed to increase sale volumes by 4.9%. Further unprecedented discounts offered by OMC companies compelled us to price decreases through trade discounts to maintain customer base.

The operations generated Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs 1,047 million during 2017 against Rs 931 million of 2016 resulting in an increase of Rs 116 million through cost controls efficiently and effectively.



Further one of the leading OMC brand slashed their fuel operations by selling to another OMC and started operations solely as a lubricant company.

The Company continued its focus on achieving targeted revenues along with saving in fuel and energy cost and efficient controls over fixed costs to improve operating results of this company.

The performances of product based segments are as:

ZIC TOP-TIER DIVISION

The volumes improved positively by 4% as compared to the June 30, 2016. Further break down in categories are:

Category	Symbol	% contribution in volume increase
Passenger car motor oil segment	PCMO	4%
Heavy Duty Diesel Engine oils segment	HDDEO	7%

ZIC top-tier Operations have achieved net sales of Rs 5,742 million during 2017 as compared to Rs 5,407 million of 2016 representing sales growth of 6%. The operating result of this business segment shows high end consumer confidence on HTL products.

The Company is continuing with its focus on better product mix, savings in fuel and energy costs and engine efficiencies.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

ZIC MID-TIER DIVISION

The volumes improved positively by 7% as compared to the June 30, 2016. Further break down in categories are:

Category	Symbol	% contribution in volume increase
Heavy Duty Diesel Engine oils segment	HDDEO	4%
Motorcycle oil segment	MCO	15%

ZIC mid-tier Operations have achieved net sales of Rs 1,746 million during 2017 as compared to Rs 1,608 million of 2016 representing sales growth of 8.5%.

Technological upgradation of consumers towards choice of lubricants with emphasis on low emissions, fuel savings etc. continued in 2017 as well. A no. of technical seminars and awareness programmes were conducted and large number of participants attended these which include workshop owners, oil changers, end consumers and public at large.

INVESTMENT INCOME

Investment income has increased by Rs 50 million during 2017 over 2016 that is indicative of improved operational performance of the funds' management.

FINANCE COSTS

Finance cost of the Company has increased from Rs 16 million in the corresponding period to Rs 36 million in the current period owing to investment in stocks due to substantial discount offered on imported stocks.

FINANCIAL MANAGEMENT

The Company's continued focus on managing optimal levels of inventory and trade receivables, sound business performance, operating efficiencies and cost savings across the organization helped generate positive cash flows.

The Company has an effective Cash Management System in place whereby cash inflows and outflows are projected on regular basis and rigorously monitored. Working capital requirements are planned to be financed through efficient management of trade receivables, payables and inventory levels. Business unit heads are assigned working capital targets which are monitored on regular basis.

Capital expenditure is managed carefully through a rigorous evaluation of profitability and risks and regular project review

for delivery on time at budgeted cost. Large capital expenditure is further backed by long-term contracts so as to minimize cash flow risk to the business. Capital expenditure during 2017 was at Rs 624 million as compared to Rs 227 million of corresponding period.

The Board is satisfied that there are no short or long-term financial constraints including access to credit and a strong balance sheet as of June 2017.

CONSUMER CHOICE AWARDS

ZIC lubricant has also won the prestigious "Consumers Choice Award" for the 5th year in a row.

HTL EXPRESS CENTERS

Your company was looking forward to expand and increase its footprint in the retail service centers market in mid-tier and low tier lubricant segments. To achieve this objective your company opened HTL Express Centers as per following:

Owned Service Centers (1 No.)	Rented Service Centers (10 No.)			
Under Regulatory approval	Operational	Approved and under Construction	Under Regulatory Approvals	Under Negotiations
1	1	3	3	3

EXPANSION PLAN – PHASE 1

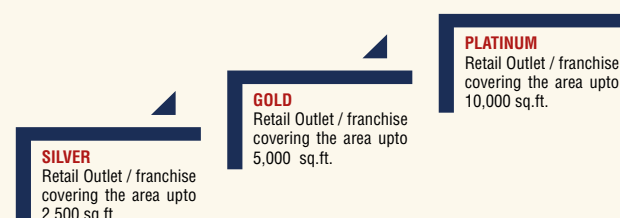
RETAIL OUTLETS - SERVICE DELIVERY CATEGORIZATION/PLAN

HTL is further enhancing its ability to infiltrate into the retail market with the development of HTL state of the art retail outlets across Pakistan with multiple /unique services and technical support. Five (5) locations in Lahore have already been locked in, the designing phase is under process and the first location will start operations by the end of this year. Providing a ONE STOP SOLUTION to all the car care needs and the next stop for the HTL Express "Car Care Centers" will be Karachi followed by Islamabad in the coming year.

Under this expansion HTL plans to offer state of the art retail outlets across Pakistan with multitude of unique services and technical support for our customer. This business expansion plan is the part of HTL's forward integration strategy.



The Retail outlets plan will be executed initially based on 3-Tier Business Model



TENTATIVE TIMELINES / ROLL-OUT STRATEGY

Area surveys are being conducted by HTL. Proceeds from IPO will be invested in Hi-Tec Service centers that include outlets in Lahore, Islamabad and Karachi during 2017-18. Over a period of 5 years, HTL plans to open 75 retail outlets across 16 major cities of Pakistan.

INVESTMENT IN HI-TECH BLENDING (PVT.) LIMITED (“HTBL”) – 100% WHOLLY OWNED SUBSIDIARY OF HTL

Hi- Tech Blending Facility located outside Sundar Industrial Estate, at Bhaikot Raiwand Road, Lahore has started its commercial operations from August 03, 2016 after a successful trial run completion in July 2016.

This investment & business expansion plan offers multitude of opportunities to strengthen the local business line in Pakistan.

During 2017 wholly owned subsidiary company proved successful by generating an (EBITDA) of Rs 190 million against Rs (17) million of 2016 and processing almost 10million liters.

The profit before tax of subsidiary company is Rs 72 million which after deferred tax provision Rs 25 million and normal tax Rs 5 million comes to Rs 42 million as against loss after tax of Rs 12 million in year 2016. The wholly owned subsidiary company is financed through 75% equity and 25% debt. Tax is being proportionate based on available tax credits for 5 years on aforementioned debt and equity.

HTBL Drum filling line is operational and we expect to achieve further benefits in market penetration especially in industrial, agricultural and transport sector.

BENEFITS OF INSTALLING ADDITIONAL FILLING LINE

- Bulk Product Selling
- Packaging and sales of Industrial Products and Process Oils
- Selling of Drums and Jerry Cans to other user, e.g. Chemicals, Paints etc
- Tapping huge potential of bulk sales in Transport Sector post CPEC

DIRECTOR'S REPORT TO THE SHAREHOLDERS



EXPANSION PLAN – PHASE II

INVESTMENT IN SETTING UP AN OIL MARKETING COMPANY (OMC)

The proposed project envisages setting up an Oil Marketing Company and a network of fuel stations in different parts of Pakistan, with an initial target on the urban market segment of Upper Punjab, KPK, Azad Jammu and Kashmir and Islamabad Capital Territory.

Your company has received provisional license from Oil & Gas Regulatory Authority, meeting all criteria's, rules, regulations and formalities for setting up the project.

The final feasibility study has been done through an independent firm of Chartered Accountants M/s KPMG Pakistan and the summarized results are as follows:

The total outlay of the project is envisaged at PKR 3.8 Billion with 360 fuel stations established across the country in a 5 year timeframe. To support the filling stations, fuel depots will be built and maintained, stretching over Punjab, Sindh and KP Provinces, over a period of 5 years with a total capacity of 25,735 metric tons. The projects' equity debt ratio would be 50:50.

FORCES DRIVING THE BUSINESS CASE

International oil prices have fallen from USD 145.31 in 2008 to below USD 28 in January 2016. The Government of Pakistan has partially passed on the relief to end consumers by reducing the retail price of MOGAS from PKR 113.24 in Oct 2013 to PKR 69.89 in June 2017. The reduction in sale price, coupled with poor supply of CNG, directly affected the increase in demand. Demand of petroleum products have been steadily increasing at a rate of

4.35% from 2005-06 to 2014-15 and in last few years the growth surpassed by more than 9%. The gasoline fuel growth from 2005-06 to 2015-16 is 17.1%

RISK MITIGATION

The Board of Directors and the Audit Committee of the Board regularly review the risk matrix in terms of impact and probability of occurrence. The senior management team, led by the Chief Executive Officer and Executive Directors is responsible for risk mitigation measures. The Company's ability to continually assess market conditions and then react decisively, allows the Company to manage risks responsibly and take opportunities to strengthen the position of the Company when they arise.

The major risk to which company is exposed as explained in note 42 of the financial statements and their mitigation is as follows:

CREDIT RISK

All financial assets of the Company, except cash in hand, are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk. Exposure is managed through application of diversification of its investment portfolio placed with 'A' ranked banks and financial institutions.

LIQUIDITY RISK

Prudent liquidity risk management ensures availability of sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation whereby 95% customer contracts are ensured for advance cash against deliveries thereby meeting contractual commitments.

FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The Company is mainly exposed to short-term USD/PKR parity on its import of finished lubricants, raw materials and plant and machinery in the company and in its wholly owned subsidiary since POL products are restricted to obtain any forward cover as per guidelines of State Bank of Pakistan.

CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes to the Company's approach to capital management during the year.

CONTRIBUTION TO NATIONAL EXCHEQUER

Your Company is a noteworthy contributor to the national economy and has contributed Rs 1,884 million during the year 2017 (2,593 million in 2016) to the national exchequer on account of sales tax, income tax, import duties and statutory levies.

ENVIRONMENT, HEALTH & SAFETY

Your Company is striving to meet the environmental, health and operational practices through introducing products that are pollution free through with low emissions.

The areas of focus in 2017 continued to be road safety through patronage with City Traffic Police and National Highway and Motorway Authorities. Firefighting drills and safety workshops executed at company offices and plant location.

Your Company continued focusing on behavior based safety and risk control which enables minimizing the risks of injuries and accidents through use of helmets and other precautionary measures while driving. Detailed seminars and other awareness campaigns were conducted in liaison with City Traffic Police and National Highway and Motorway Authorities.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

On CSR, the Company's management continued its focus on education, healthcare, skill development, environmental protection and social welfare during the current year.

As per decision of the board of directors of your company, a trust named Sabra Hamida Trust was established on July 02, 2010. The

trust is duly registered under section 2 (36) of the Income Tax Ordinance, 2001.

The primary objective of the trust is to contribute towards the education, health and other charitable and welfare causes. The Company is making contributions / donations to Sabra Hamida trust for carrying out its social work, The Company donated Rs 12.5 million towards various causes in the current year.

Hi-Tech outshined benched its mark in the field of Corporate Social Responsibility by winning the CSR Award for the year 2016-17. The award was presented during the 9th Annual CSR Summit organized by National Forum of Health & Environment (NFEH) on the 19th January 2017 at Islamabad.

APPROPRIATION

In view of the excellent financial results of the Company for the year 2017, the Board of directors of the Company at its meeting held on August 26, 2017, has proposed a final cash dividend for the year ended June 30, 2017 of Rs 1.75 per share (17.5%) in addition to the interim dividend of Rs 1.35 per share (13.5%). The approval of the members for the dividend will be obtained at the Annual General Meeting to be held on September 29, 2017. The dividend amounting to Rs 203,007 thousand has not been recognised as a liability in these financial statements.

AUDITORS

The present auditors M/s Riaz Ahmad & Co., Chartered Accountants retire and offer themselves for re-appointment. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as Auditors of the Company for the year ending June 30, 2017, at a fee to be mutually agreed.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance as set out by the Pakistan Stock Exchange in its Listing Regulations have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the report.

MATERIAL CHANGES

There have been no material changes since June 30, 2017 and the Company has not entered into any commitment, which would affect its financial position at the date except financial statements of the Company for the year ended June 30, 2017.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Changes in the Composition of Board and its Audit Committee
During the year 2017, Mr. Faraz Akhtar Zaidi has been Co-opted as Director due to sudden and sad demise of Director Muhammad Basit Hassan.

The Board wishes to record its appreciation of the valuable services rendered by the deceased Director and welcomes the new Director who will hold office for the remainder of the term of the outgoing member.

MEETINGS OF BOARD OF DIRECTORS

Name of director	No. of meetings attended
Mr. Hassan Tahir	5
Mr. Muhammad Basit Hassan	3
Mr. Muhammad Ali Hassan	5
Mr. Shaukat Hassan	5
Mr. Tahir Azam	5
Mr. Zalmi Azam	5
Mr. Muhammad Tabassum Munir	5
Dr. Safdar Ali Butt	5
Syed Asad Abbas Hussain	2
Mr. Faraz Akhtar Zaidi	0
Mr. Ji Won Park	2

Leave of absence was granted to the members who could not attend the meetings of Board of Directors.

AUDIT COMMITTEE

An Audit Committee of the Board has been in existence since the enforcement of the Code of Corporate Governance, which comprises of three Non-executives and two independent Directors. Five meetings of the Audit Committee were held during the year 2017. The attendance of each Member is given hereunder:

Name of director	No. of meetings attended
Mr. Muhammad Tabassum Munir	5
Mr. Shaukat Hassan	5
Mr. Tahir Azam	5
Dr. Safdar Ali Butt	5
Mr. Zalmi Azam	5

The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations and Code of Corporate Governance.

INVESTMENT COMMITTEE

During the year 2017, an investment Committee has been formed initially with 4 members of whom 3 are from Board of director and Chief Financial Officer. In April 2017, Mr. Shaukat Hassan has been Co-opted as chairman of the committee due to sudden and sad demise of chairman of committee Muhammad Basit Hassan. A new member Mr. Shahzad Sohail Chaudhary GM Supply chain joined the committee.

Two meetings of the Investment Committee were held during the year 2017. The attendance of each Member is given hereunder:

Name of director/official	No. of meetings attended
Mr. Muhammad Basit Hassan	1
Mr. Hassan Tahir	2
Mr. Muhammad Ali Hassan	2
Mr. Shaukat Hassan	1
Mr. Muhammad Imran	2
Mr. Shahzad Sohail	1

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements together with the notes thereon have been drawn up by the management in conformity with These Statements present fairly the results of its operations, cash flow and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored and is being continuously reviewed by the internal audit function.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations.

- The key operating and financial data from the formation of company (i-e for the last seven years) is annexed.
- Trading of Shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children:

Purchase of shares	No. of shares
Chief Executive Officer	Nil
*Directors	Nil
Chief Financial Officer	Nil
Company Secretary	Nil
Spouses	Nil

*500 qualification shares purchased by incoming co-opted director.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2017, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

The Directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the Company during the year, except as noted above.

FUTURE OUTLOOK

Our growth rate of top line from the last 6 years has been at an average rate of 29.5% and a consistent bottom line increase every year.

Auto assemblers see the new fiscal year as promising owing to improved economic conditions that translate into an increase in demand for vehicles. Reduction in interest rates is having a noticeable impact on car financing and in turn a positive effect on car sales.

Car sales hit over 200,000 units in 2016-2017 as compared to 180,000 units in 2015-2016, followed by a jump in truck and buses sales to 8,500 units from 6,500 units.

Due to favorable sector dynamics, Pakistan which has 13 cars per thousand people, will reach 20 cars per thousand by 2020. The growth in the automobile sector both via import and local manufacturing has resulted in an increase in the demand for the lubricants. In addition the decrease in fuel prices has led to people driving more and their oil change interval decreasing. This results

in an increase in their oil change frequency. Thus the potential for HTL is substantial. The company has invested in establishment of Hi-Tech blending and bottling plant to cater to this vital segment of the market and economy. With the introduction of HTL Express "Car Care centers" and HTL "Fuel stations" enhance the growth of the company converting into higher earnings.

DIRECTORS' TRAINING

Mr. Hassan Tahir CEO and Mr. J. Won Park has completed the certification for the Directors Training Programme conducted by Pakistan Institute of Corporate Governance (PICG) during 2016-17. Mr. Muhammad Ali Hassan, Mr. Shaukat Hassan and Mr. Muhammad Tabssum Munir have already obtained directors' training certification while Dr. Safdar Ali Butt is exempted. The Company have already complied the requirement of the Code to ensure that by 30th June 2018, whereby at least half of the directors are duly certified.

COMPANY'S STAFF AND CUSTOMERS

We wish to record our gratitude to all the company employees' for their sheer hard work and commitment to the Company's objectives. We are also thankful to company's stakeholders especially our customers for their continued confidence in our products and services.



Mr. Hassan Tahir
(Chief Executive Officer)

Lahore
August 26, 2017



Mr. Shaukat Hassan
(Chairman)

یہ عرصے کے کم اخراج اور ایندھن کی بچت پر زور کے ساتھ لبریکیشن کے حوالے سے صارفین کو بہتر ٹیکنالوجی کی فراہمی پر توجہ کا سلسلہ سال 2017 میں بھی جاری رہا۔ اس ضمن میں کئی ٹیکنیکل سیمینارز اور آگاہی کے پروگراموں کا انعقاد کیا گیا جن میں ورکشاپ، ماکان، آئل بدلنے والوں، صارفین اور عوام کی بڑی تعداد نے شرکت کی۔

سرمایہ کارآمد آمدنی

سال 2016 کے مقابلے میں سال 2017 کے دوران سرمایہ کارآمد آمدنی میں 50 ملین روپے کا اضافہ ہوا جو فنڈز کے استعمال کے حوالے سے بہتر ہوتی ہوئی آپریشنل کارکردگی کا اظہار ہے۔

مالیاتی لاگت

گزشتہ سال کے 16 ملین روپے مقابلے میں کمپنی کی مالیاتی لاگت بڑھ کر 36 ملین روپے ہوئی جس کی وجہ درآمدی سٹاکس پر قابل ذکر رعایت کی پیشکش کی وجہ سے سٹاک میں کمی جانے والی سرمایہ کاری رہی۔

مالیاتی انتظام

کمپنی کی توجہ دستیاب اشیاء اور تجارتی قابل وصول رقوم، اچھی کاروباری کارکردگی، آپریٹنگ استعداد اور ادارہ بھر میں لاگت میں کمی کرنے پر مسلسل طور پر مرکوز رکھے جانے کی بدولت سرمائے کا بہاؤ مثبت رکھنے میں مدد ملی۔

کمپنی کے پاس نقد رقم کے انتظام کا ایک مؤثر نظام موجود ہے جس میں آنے اور جانے والی رقم کو باقاعدہ طور پر دیکھا جاتا ہے اور اس کی نگرانی کا سخت عمل موجود ہے۔ امور کار کے لیے سرمائے کی ضروریات سے متعلق منصوبہ بندی تجارتی واجب الوصول رقوم، قابل ادائیگی رقوم اور دستیاب اشیاء کی سطح کے مؤثر انتظام کی بدولت کیا جاتا ہے۔ بزنس پینس کے سربراہان کو امور کار کے لیے سرمائے سے متعلق اہداف دیے جاتے ہیں جن کو باقاعدگی کے ساتھ مانٹریا کیا جاتا ہے۔

سرمائے سے متعلق اخراجات کا تعین جتنا انداز سے منافع کے امکان اور خطرات کے علاوہ بروقت اور بجٹ کی مناسبت سے انجام دی کے لیے منصوبے کے باقاعدگی کے ساتھ جائزے اور کڑے تجزیے کے ذریعے کیا جاتا ہے۔ سرمائے کی بڑی لاگت کو طویل مدتی معاہدہ جات کے ذریعے محفوظ دیا جاتا ہے تاکہ کاروبار کے لیے نقد رقم کے بہاؤ کو خطرات سے محفوظ رکھا جاسکے۔ سال 2017 کے دوران سرمائے سے متعلق اخراجات گزشتہ سال کے 227 ملین روپے کے مقابلے میں 624 ملین روپے رہے۔

بورڈ کو اس امر پر اطمینان حاصل ہے کہ کسی طرح کی مختصر یا طویل مدتی مالیاتی مشکلات کا سامنا دیکھنے میں نہیں آیا جس میں جس میں قریب تک رسائی اور جون 2017 تک کے متحکم گوشوارے بھی شامل ہیں۔

صارف انتخاب ایوارڈز

نیک لبریکٹس نے مسلسل پانچویں سال پر وقار صارفین کی سب سے پسندیدہ لبریکٹس برانڈ برائے سال ایوارڈ بھی حاصل کیا۔

ایچ ٹی ایل ایکسپریس مراکز

آپ کی کمپنی و سطح پر ریشل سروس مراکز مارکیٹ میں کام کو وسعت دینے اور اس میں اضافے پر غور کر رہی ہے۔ اس مقصد کے حصول کے لیے آپ کی کمپنی نے ایچ ٹی ایل مراکز قائم کیے ہیں جن کی تفصیل کچھ اس طرح ہے:

ملکی سروس کرائے پر سروس مراکز	کرائے پر سروس مراکز	تعداد: ایک
ریگولیری منظوری جو کام کر رہے ہیں	منظور شدہ اور زیر منظوری کے	10
کے لیے منتظر	تعمیر	3
کے لیے منتظر	منظور	3
کے لیے منتظر	بات چیت کے عمل	3
1	1	1

توسیع منصوبہ۔۔۔ مرحلہ 1

ریشل آؤٹ لٹس۔۔۔ خدمات کی فراہمی کی درجہ بندی منصوبہ

ایچ ٹی ایل اپنی اہلیت میں مزید اضافہ کرتے ہوئے پاکستان بھر میں جدید ترین ایچ ٹی ایل ریشل آؤٹ لٹس کے ذریعے مارکیٹ میں داخل ہونے کا خواہاں ہے۔ یہ مراکز کثیر جہتی اور منفرد خدمات اور فنی معاونت پر مشتمل ہوں گے۔ اس مقصد کے لیے لاہور میں پانچ مقامات پہلے ہی مخصوص کیے جا چکے ہیں۔ اس کے لیے ڈیزائننگ کا مرحلہ جاری ہے اور اس سال کے اختتام تک پہلا مقام کام کا آغاز کر دے گا۔ چارکی دیکھ بھال کی تمام ضروریات، ون سٹاپ سولوشن پر مہیا کرتے ہوئے ایچ ٹی ایل ایکسپریس کارکنر سینئر ڈی اگلی منزل کراچی ہوگی جس کے بعد آئندہ سال اسے اسلام آباد تک توسیع دی جائے گی۔

اس توسیع کے تحت ایچ ٹی ایل پاکستان بھر میں جدید ترین ریشل آؤٹ لٹس قائم کرنے کا ارادہ رکھتا ہے جہاں صارفین کو کثیر جہتی اور منفرد خدمات کے علاوہ فنی معاونت میسر ہوگی۔ یہ کاروباری منصوبہ ایچ ٹی ایل کی آگے بھاگتی مربوط حکمت عملی کا حصہ ہے۔

ریشل آؤٹ لٹس ابتدائی طور پر تین سطحی کاروباری نمونے پر مشتمل ہوں گے:

سلور

ریشل آؤٹ لٹس رفرنچائز جو 2500 مربع فٹ پر مشتمل ہوگا

گولڈ

ریشل آؤٹ لٹس رفرنچائز جو 5000 مربع فٹ تک جگہ پر مشتمل ہوگا

پلاٹینم

ریشل آؤٹ لٹس رفرنچائز جو 10,000 مربع فٹ تک جگہ پر مشتمل ہوگا

ابتدائی مدت کارآمد ناک کی حکمت عملی

ایچ ٹی ایل کی جانب سے علاقہ وادسروے کیے جارہے ہیں۔ آئی ٹی او کی وسعت کے تحت ہائی ٹیک سروس مراکز قائم پر سرمایہ لگایا جائے گا جو سال 18-2017 کے دوران لاہور، اسلام آباد اور کراچی میں قائم

ڈائریکٹرز رپورٹ برائے حصہ داران

کمپنی کے ڈائریکٹرز 30 جون، 2017 کو ختم ہونے والے سال کے لیے کمپنی اور اس کی ذیلی کمپنی کی سالانہ رپورٹ بعد آؤٹ شدہ مجموعی مالی حسابات کو پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

ہائی ٹیک لبریکٹنس لمیٹڈ (HTL) پاکستان میں لبریکٹ مارکیٹنگ کی نمایاں ترین کمپنیوں میں سے ایک ہے۔ کمپنی ملک میں تمام متعلقہ شعبوں پر مشتمل مارکیٹ میں خاطر خواہ مارکیٹ حصص کی حامل ہے۔ 'ZIC' کے برانڈ نام کے تحت HTL کی مصنوعات کا سلسلہ گاڑیوں، صنعتوں اور سمندری شعبوں میں سائیکلنگ لبریکٹنس کی وسیع اقسام پر مشتمل ہے۔ آٹو موٹائل اور صنعتی شعبوں کی ترقی کے باعث لبریکٹنس کی طلب میں اضافے کے پیش نظر کمپنی نے جدید ترین بلڈنگ پلانٹ کے اضافے کے ساتھ اپنی مصنوعات کے سلسلے کو مزید وسعت دی ہے۔

مالیاتی کارکردگی

موجودہ سال کے دوران آپ کی کمپنی نے غیر معمولی کارکردگی کا مظاہرہ کیا اور مالیاتی کارکردگی کا خلاصہ کچھ اس طرح ہے:

	2017	2016
روپے ملین کے حساب سے		
مجموعی فروخت	8,738	8,541
رعایتیں	(322)	(75)
سیلز ٹیکس	(9,27)	(1,451)
چلانے کے عمل کے دوران کل فروخت	7,489	7,015
مجموعی مارجن	1,772	2,046
EBITDA آپریشنز	1,047	931
قدر میں کمی	(44)	(38)
مالیاتی لاگت	(36)	(16)
دوسرے آپریٹنگ اخراجات	(32)	(43)
دیگر آپریٹنگ آمدنی	96	46
قبل از ٹیکس کمائی	1,031	879
ٹیکس	304	349
بعد از ٹیکس کمائی	727	530
فی شخص بنیادی کمائی۔۔۔ روپے میں	6.27	5.43

گزشتہ سال کی 7,015 ملین روپے کی مجموعی فروخت کے مقابلے میں سال 2017 میں 7,489 ملین روپے کی مجموعی فروخت دیکھی گئی جو 6.8 فیصد شرح نمو کو ظاہر کرتی ہے۔ براہ راست لاگت میں 15 فیصد اضافے کے باوجود ہم فروخت کے حجم میں 4.9 فیصد اضافہ کرنے میں کامیاب رہے۔ مزید برآں، آئل کی مارکیٹنگ کمپنیوں کی جانب سے پیش کی جانے والی غیر معمولی رعایتوں نے ہمیں تجارتی رعایتوں کے ذریعے قیمتوں میں کمی لانے پر مجبور کیا تاکہ اپنے صارفین کی بنیاد کو برقرار رکھا جاسکے۔

سال 2016 کے 931 ملین کے مقابلے میں آپریشنز سال 2017 کے دوران سود، ٹیکس، قدر میں کمی وغیرہ (ای پی آئی ٹی ڈی اے) سے قبل 1047 ملین کی آمدنی حاصل کرنے میں کامیاب رہے اور لاگت پر قابو پانے کے حوالے سے مستعدی اور کارکردگی کی بدولت آمدنی میں 116 ملین روپے کا اضافہ کیا۔

مزید برآں، نمایاں ترین آئل مارکیٹنگ کمپنیوں میں سے ایک نے اپنے ایک دوسری آئل مارکیٹنگ کمپنی کو فروخت کے ذریعے اپنے فیول آپریشنز بند کر دیے اور صرف لبریکٹنس کمپنی کے طور پر کام کا آغاز کر دیا۔

کمپنی نے ہدف شدہ آمدنی کے حصول پر توجہ مبذول کرنے کے ساتھ ساتھ متعین لاگت پر ایندھن اور توانائی کی لاگت بچانے اور مستعد کنٹرول کی بدولت بہتر آپریٹنگ نتائج کے حصول کا سلسلہ جاری رکھا۔

مصنوعات وار بنیاد پر کارکردگی کچھ اس طرح رہی:

زک (ZIC) ٹاپ ممبر ڈویژن

30 جون 2016 کے مقابلے میں حجم میں 4% کا مثبت اضافہ ہوا۔ درجہ بندی کے مطابق مزید تفصیل کچھ یوں رہی:

درجہ بندی	علامت	حجم کے اجانے میں فیصد حصہ
مسافر کار موٹر آئل کا شعبہ	پی سی ایم او	4%
ہیوی ڈیوٹی ڈیزل انجن آئل کا شعبہ	ایچ ڈی ڈی ایم او	7%

زک ٹاپ ممبر آپریشنز نے سال 2017 کے دوران سال 2016 کی 5,407 ملین روپے کی فروخت کے مقابلے میں 5,742 ملین روپے کی فروخت حاصل کی جو 6% کی شرح نمو ظاہر کرتی ہے۔ اس کاروباری شعبے میں کام کرنے کے نتائج حصارف کے ایچ ڈی ایل کی مصنوعات پر بلند اعتماد کو ظاہر کرتے ہیں۔ کمپنی مصنوعات کے بہتر امتزاج، ایندھن اور توانائی بچانے اور انجن کی استعدادیت پر مسلسل توجہ مرکوز کیے ہوئے ہے۔

زک ٹاپ ممبر ڈویژن

جون 2016 کے مقابلے میں حجم میں 7% کا مثبت اضافہ ہوا۔ درجہ بندی کے مطابق مزید تفصیل کچھ یوں رہی:

درجہ بندی	علامت	حجم کے اجانے میں فیصد حصہ
ہیوی ڈیوٹی ڈیزل انجن آئل کا شعبہ	ایچ ڈی ڈی ایم او	4%
موٹر سائیکل آئل کا شعبہ	ایم ایم او	15%

زک ٹاپ ممبر آپریشنز نے سال 2017 کے دوران سال 2016 کی 1,608 ملین روپے کی فروخت کے مقابلے میں 1,746 ملین روپے کی فروخت حاصل کی جو 8.5% کی شرح نمو ظاہر کرتی ہے۔

ضروری فنڈز کی عدم دستیابی کا اندیشہ

ضروری فنڈز کی عدم دستیابی کے خدشے کے موثر تدارک کا اعلان معاہدہ جاتی یقین دہانیوں پر پورا اترنے کے لیے وافر رقم کی دستیابی یقینی بناتا ہے۔ کمپنی کی فنڈز کا اعلان کرنے کی حکمت عملی کا مقصد فنڈز کی کمیابی کے خدشے کا انقد رقوم کے انتظام کے ذریعے تدارک کرنا جس کے تحت صارفین کے 95% معاہدہ جات ڈیوری کے عوض پیشگی ادائیگی پر مبنی ہوتے ہیں تاکہ معاہدہ جاتی ضروریات کی تکمیل کی جاسکے۔

ذرمبادلہ سے متعلق خدشات

تغیر ملکی کرنی سے متعلق اندیشہ جات اس وقت سامنے آتے ہیں جب قابل وصول اور قابل ادائیگی غیر ملکی کرنی میں ترسیل کے باعث ہوں۔ کمپنی اور اس کی ملکیتی ذیلی کمپنی کو تیار شدہ لبریکٹس، خام مال اور پلانٹ کی مشینری کے حوالے سے درآمدات کے وقت مختصر مدتی بنیاد پر امریکی ڈالر اور پاکستانی روپے کے درمیان تفاوت کا سامنا کرنا پڑتا ہے کیونکہ سٹیٹ بینک آف پاکستان کی ہدایات کی رو سے پی او ایل مصنوعات کے لیے ضرور ڈکوریٹور کے حصول پر پابندی ہے۔

سرمائے کا انتظام

کمپنی کی پالیسی میں شامل ہے کہ سرمائے کی ایک محکم بنیاد پر قرار رکھی جائے تاکہ سرمایہ کار، لین دین دار اور مارکیٹ کا مجروحہ اور کاروبار کی مستقبل میں پائیدار ترقی کو یقینی بنایا جاسکے۔ سال کے دوران کمپنی کے سرمائے کے انتظام سے متعلق طرز فکر میں کوئی تبدیلی نہیں آئی۔

قومی خزانے میں حصہ

آپ کی کمپنی قومی معیشت میں قابل ذکر حصہ ڈالنے کی حامل ہے اور سال 2017 میں اس کا ڈالایا حصہ 1,884 ملین روپے (سال 2016 میں 2,593 ملین روپے) رہا جو کہ سیلز ٹیکس، انکم ٹیکس، درآمدی ڈیوٹیز اور دوسرے ٹیکسوں کی مد میں ادا کیا گیا۔

ماحول، صحت اور حفاظت

آپ کی کمپنی ماحول، صحت اور کام کے دوران معمولات کے لیے درکار حفاظتی معیارات پر پورا اترنے کے لیے کوشاں ہے۔ یہ مقصد کے لیے کم اخراج کی حامل آلودگی سے پاک مصنوعات متعارف کراتے ہوئے حاصل کیا جاتا ہے۔

سال 2017 کے دوران سرکوں پر حفاظت بدستور توجہ کا حامل شعبہ رہا جس کے لیے سٹی ٹریفک پولیس اور ٹریفک ہائی وے اور موٹر وے حکام کی زیر سرپرستی کاوشیں کی گئیں۔ کمپنی کے دفاتر اور پلانٹس میں آتشزدگی پر قابو پانے کی مشقیں اور حفاظت سے متعلق ورکشاپوں کا اہتمام کیا گیا۔

آپ کی کمپنی نے روپے جاتی حفاظت اور خطرات کے تدارک پر توجہ مبذول کرنے کا سلسلہ جاری رکھا تاکہ ڈرائیونگ کے دوران ہیلڈت کے استعمال اور دوسری حفاظتی تدابیر اختیار کرنے کے ذریعے زخمی ہونے و حادثات کے امکانات کو کم سے کم کیا جاسکے۔ سٹی ٹریفک پولیس اور ٹریفک ہائی وے اور موٹر وے اتھارٹیز کے ساتھ مل کر تفصیلی سیمیناروں اور دوسری آگاہی کاوشوں کا انعقاد کیا گیا۔

کارپوریٹ سماجی ذمہ داری (سی ایس آر)

کارپوریٹ سماجی ذمہ داری کے حوالے سے کمپنی کی انتظامیہ نے موجودہ سال کے دوران تعلیم، طبی نگہداشت، ہنرمندی میں اضافے، تحفظ ماحولیات اور سماجی بہبود پر توجہ مبذول کرنے کا سلسلہ جاری رکھا۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کے فیصلے کی رو سے 2 جولائی 2010 کو صابروہ حمیدہ ٹرسٹ قائم کیا گیا۔ ٹرسٹ انکم ٹیکس آرڈیننس کے سیکشن 2(36) کے تحت باقاعدہ رجسٹرڈ ہے۔ ٹرسٹ کا بنیادی مقصد تعلیم، طبی نگہداشت اور دوسرے خیراتی اور بہبودی مقاصد میں حصہ ڈالنا ہے۔ کمپنی صابروہ حمیدہ ٹرسٹ کو عطیات، بہم پہنچا رہی ہے تاکہ وہ اپنا سماجی کام جاری رکھ سکے۔ کمپنی نے موجودہ مالی سال کے دوران مختلف مقاصد کے لیے 12.5 ملین کے عطیات جاری کیے۔

ہائی ٹیک نے سال 2016-17 کے لیے سی ایس آر ایوارڈ جیت کر اس میدان میں بھی اپنی نمایاں حیثیت کو ثابت کیا۔ یہ ایوارڈ نیشنل فورم آف سیلٹھ اینڈ انو انرمنٹ (این ایف ای ایچ) نے 19 جنوری 2017 کو اسلام آباد میں ہونے والے سی ایس آر سالانہ اجلاس کے موقع پر پیش کیا۔

حصص کے منافع میں رد و بدل

سال 2107 میں کمپنی کے شاندار نتائج کے پیش نظر کمپنی کے بورڈ آف ڈائریکٹرز نے 26 اگست 2017 کو اپنے اجلاس کے دوران 30 جون 2017 کو ختم ہونے والے سال کے لیے فی حصص 1.75 روپے کی منافع کی تجویز پیش کی جو فی حصص 1.35 روپے کے عبوری منافع کے علاوہ ہو گا۔ اس منافع کی منظوری سالانہ اجلاس عام 29 ستمبر 2017 کو منعقد ہوگا، کے دوران حاصل کی جائے گی۔ ان مالیاتی حسابات میں منافع جات کی رقم جو 203,007 روپے بنتی ہے، کا ذکر واجب الادا کے طور پر نہیں کیا گیا۔

آڈیٹرز

موجودہ آڈیٹرز مسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے از سر نو تقرری کی پیشکش کی ہے۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) سے تسلی بخش ریٹنگ کے حصول اور انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (آئی ایف اے سی) کے ضابطہ اخلاق جسے آئی سی اے پی نے اپنارکھا ہے، کے رہنما اصولوں کی پاسداری کی تصدیق کی ہے۔ جیسا کہ آڈٹ کمیٹی کی طرف سے تجویز پیش کی گئی، بورڈ آف ڈائریکٹرز نے 30 جون 2018 کو ختم ہونے والے سال کے لیے باہمی رضامندی سے طے ہونے والی فیس کے عوض کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی۔ سفارش کی ہے۔

کارپوریٹ گورننس کے ضابطہ کی پاسداری

کارپوریٹ گورننس کے ضابطہ کی ضرورت پاکستان سٹاک ایکس چینج نے اپنے ضوابط میں درج کی ہے جسے کمپنی نے اختیار کیا ہے اور اس کی پوری طرح پاسداری کی ہے۔ اس ضمن میں تفصیل رپورٹ کے ہمراہ اضافیہ میں دی گئی ہے۔

کیے جائیں گے۔ پانچ برسوں کے عرصے میں ایچ ٹی ایل پاکستان کے 16 بڑے شہروں میں 75 مراکز قائم کرنے کا ارادہ رکھتا ہے۔

ہائی ٹیک بلنڈنگ پرائیویٹ لمیٹڈ (ایچ ٹی ایل)۔۔۔ 100 ایچ ٹی ایل کی ملکیتی ذیلی کمپنی پسرماہی کاری۔

ہائی ٹیک بلنڈنگ کامرکز جو سنڈرائڈ سٹرل ایسٹیف، بھٹی کوٹ رائے ونڈ روڈ لاہور پر واقع ہے نے اپنے تجارتی آپریشنز کا آغاز 3 اگست 2016 کو جولائی 2016 میں تجرباتی آپریشنز کی کامیاب تکمیل کے بعد شروع کیا۔

پسرماہی کاری اور کاروبار کا توسیع منصوبہ پاکستان میں مقامی کاروباری لائن کو مستحکم کرنے والے کئی مواقع کا باعث ہو سکتا ہے۔

سال 2017 کے دوران مکمل طور پر ملکیتی ذیلی کمپنی نے سال 2016 کے 17 ملین روپے کے مقابلے میں 190 ملین روپے (ای بی آئی ٹی ڈی اے) حاصل کرتے ہوئے اور تقریباً 10 ملین لیٹر پرائیس کرتے ہوئے اپنی کامیابی کو ثابت کیا۔

ذیلی کمپنی کا قبل از ٹیکس منافع 72 ملین روپے رہا جو 2016 کے بعد از ٹیکس 12 ملین روپے کے نقصان کے مقابلے میں 25 ملین روپے کی ترجیحی ٹیکس کی شرح اور 5 ملین روپے کے معمول کے ٹیکس کے بعد 42 ملین روپے رہا۔ مکمل طور پر ملکیتی ذیلی کمپنی کے لیے 75 فیصد سرمایہ ایکویٹی اور 25 فیصد قرض کی صورت مہیا کیا گیا۔ اس ایکویٹی اور قرض پر پانچ سال کے لیے دستیاب ٹیکس کریڈٹس کی بنیاد پر ٹیکس کو مناسب طور پر وضع کیا جا رہا ہے۔

ایچ ٹی ایل ڈرم فلنگ لائن اب کام کر رہی ہے اور ہمیں توقع ہے کہ ہم مارکیٹ میں جانے کے مزید فوائد سمیٹ سکیں گے خصوصاً صنعتی، زرعی اور ٹرانسپورٹ کے شعبوں میں۔

اضافی فلنگ لائن کی تنصیب کے فوائد

- مصنوعات کی بڑے پیمانے پر فروخت
- صنعتی مصنوعات اور پرائیس شدہ آئلز کی ٹیکنالوجی اور فروخت
- ڈرموں اور جری کین کی دوسرے استعمال کنندگان جیسا کہ ٹیکسز، پینٹس وغیرہ کو فروخت
- سی پیک کے دور میں ٹرانسپورٹ کے شعبے میں وسیع فروخت کا امکانات سے مستفید ہونا

توسیع منصوبہ۔۔۔ دوسرا مرحلہ

آئل مارکیٹنگ کمپنی (ادایم سی) کے قیام پر سرمایہ کاری

مجوزہ منصوبہ ایک آئل مارکیٹنگ کمپنی کے قیام اور پاکستان کے مختلف حصوں میں فیول سٹیشن قائم کرنے کا خواہاں ہے جس کے لیے ابتدائی بڈف بالائی پنجاب، خیبر پختونخوا، آزاد جموں و کشمیر اور اسلام آباد کے دارالحکومتی علاقوں پر مشتمل شہری مارکیٹ ہوگی۔

آپ کی کمپنی کو آئل اینڈ گیس ریگولیشنری اتھارٹی کی جانب سے منصوبے کے آغاز کے لیے تمام شرائط و ضوابط اور ضروریات کی تکمیل کے بعد عبوری لائسنس حاصل ہو چکا ہے۔

میسرز کے پی ایم جی پاکستان نامی آزاد چارٹرڈ اکاؤنٹنٹس فرم کے ذریعے امکانات کا حتمی جائزہ مکمل کیا جا چکا ہے اور نتائج کی اختصار کے ساتھ تفصیل کچھ اس طرح ہے:

منصوبہ مجموعی طور پر 3.8 ملین پاکستانی روپے کی لاگت اور پانچ برسوں کے دوران پاکستان بھر میں 360 فیول سٹیشن قائم کرنے پر مشتمل ہے۔

فلنگ سٹیشنوں کی معاونت کے لیے پنجاب، سندھ اور خیبر پختونخوا میں پانچ برسوں کے دوران فیول ڈپو قائم کیے جائیں گے جن کی کل گنجائش 25,735 میٹرک ٹن ہوگی۔ منصوبوں کی ایکویٹی اور قرضے کی شرح نصف۔ نصف ہوگی۔

کاروباری منصوبے کے محرکات

تیل کی عالمی قیمتیں 2008 کے 145.31 امریکی ڈالر سے کم ہو کر جنوری 2016 میں 28 امریکی ڈالر ہو گئیں۔ حکومت پاکستان نے اکتوبر 2013 کے 113.24 روپے فی لیٹر ایم او جی اے کے مقابلے میں جون 2017 تک یہ قیمتیں 69.89 فی لیٹر کرتے ہوئے جزوی طور پر یہ فائدہ صارفین کو منتقل کیا۔ فروخت کی قیمت میں کمی اور سی این جی کی ناگفتہ بہ فراہمی طلب میں براہ راست اضافے کا باعث بنی۔ سال 2005-06 سے 2014-15 تک پٹرولیم مصنوعات کی قیمتوں میں 4.35% کی شرح کے ساتھ مسلسل اضافہ دیکھا گیا اور گزشتہ چند برسوں میں اضافے کی یہ شرح 9% سے تجاوز ہو گئی۔ گیسولین کے بڑھانوں میں 2005-06 سے لے کر 2015-16 تک 17.1% اضافہ ہوا ہے۔

نقصان کا پیشگی تدارک

بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی باقاعدگی کے ساتھ نقصان کے اندیشے کا جائزہ لیتے ہیں جو اثرات اور امکانات پر مشتمل ہوتا ہے۔ چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کی سربراہی میں سینئر مینجمنٹ ٹیم نقصان کے اندیشے کا تدارک کرنے پر مبنی اقدامات کے لیے ذمہ دار ہے۔ مارکیٹ کے حالات کا جائزہ لینے کی کمپنی کی اہلیت اور اس کے مطابق عمل کرنے کی بدولت کمپنی نقصان کے اندیشے کا تدارک کر سکتی ہے اور جو مواقع کمپنی کی پوزیشن کو مستحکم کرنے کے لیے موجود ہوں، ان سے فائدہ اٹھا سکتی ہے۔

بڑے اندیشے جن کو کمپنی کو سامنا کرنا پڑ سکتا ہے اور جن کی وضاحت اور ان کے تدارک کو مالیاتی حسابات کے نوٹ 42 میں بیان کیا گیا ہے، کی تفصیل درج ذیل ہے:

کریڈٹ پر مبنی اندیشہ

کمپنی کے تمام مالیاتی اثاثے مساوی دستیاب نقد رقم کے کریڈٹ کے اندیشے سے دوچار ہوتے ہیں۔ کمپنی کو یقین ہے کہ وہ کریڈٹ سے متعلق کسی بڑے اندیشے کی شکار ہے۔ ان خدشات کا تدارک سرمایہ کاری کو آنے کی درجہ بندی میں آنے والے ٹیکوں اور مالیاتی اداروں کے ساتھ کثیر شعبہ سرمایہ کاری کے ذریعے کیا جاتا ہے۔

باعث گاڑیوں کا زیادہ فاصلوں کے لیے استعمال اور نتیجے میں تیل بدلنے کے درمیانی عرصے میں آنے والی کمی بھی ہے۔ اس باعث ایجنسی ایل کے لیے امکانات بہت زیادہ ہیں جیسا کہ کمپنی نے معیشت کے اس اہم شعبے کی ضروریات کے پیش نظر بائی ٹیک بلنڈنگ اور پائلنگ پلانٹ کے قیام پر سرمایہ لگا دیا۔ ایجنسی ایل ایکسپریس کار کاربینڈز اور ایجنسی ایل فیول سٹیشنز کو متعارف کراتے ہوئے اس کی نمونوں اضافی کیا گیا تاکہ اسے بلند کمائی کی حامل کمپنی میں ڈھالا جاسکے۔

ڈائریکٹران کی ٹریڈنگ

ڈائریکٹران جناب حسن طاہر اور جناب جی ون پارک نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس سے 2016-17 کے دوران ڈائریکٹرز ٹریڈنگ پروگرام مکمل کرنے کا سرٹیفکیٹ حاصل کیا ہے جبکہ ڈائریکٹران جناب شوکت حسن، جناب محمد علی حسن اور جناب محمد عظیم منیر نے گزشتہ سال ڈائریکٹرز ٹریڈنگ سرٹیفکیٹ کیا تھا اور ڈاکٹر صفدر علی بٹ صاحب اس ڈائریکٹرز ٹریڈنگ سرٹیفکیٹ سے مستثنیٰ ہیں۔ اس طرح کمپنی نے کوڈ آف کارپوریٹ گورننس کے مطابق جون 30 2018 تک کم از کم کمپنی کے آدھے ڈائریکٹران کو سرٹیفائیڈ کرنے کی ضرورت پوری کر دی ہے۔

کمپنی کا عملہ اور صارفین

ہم کمپنی کے تمام ملازمین کا کمپنی کے مقاصد کے ساتھ وابستگی اور محنت پر ان کا شکریہ ادا کرتے ہیں۔ ہم کمپنی کے حصہ داروں اور خصوصاً اپنے صارفین کا بھی شکریہ ادا کرنا چاہتے ہیں جنہوں نے ہماری مصنوعات اور خدمات پر مسلسل اعتماد کا اظہار کیا۔



شوکت حسن
(مینیجر من)



حسن طاہر
(چیف ایگزیکٹو)

لاہور

اگست 26، 2017

حصص کی تعداد

کوئی نہیں

500

کوئی نہیں

کوئی نہیں

کوئی نہیں

حصص کی خریداری

چیف ایگزیکٹو آفیسر

ڈائریکٹرز

چیف فنانشل آفیسر

کمپنی سیکرٹری

شریک ہائے زندگی

---500 کو الیکٹرونک حصص نو منتخب ڈائریکٹری کی جانب سے خریدے گئے

شرکت داری کے رجحانات

شرکت داروں کی 30 جون 2017 کے اعتبار سے ایک مخصوص درجہ بندی کے اعتبار سے شرکت داری کے رجحان کا ایک بیان جس میں اس رپورٹنگ فریم ورک کے مطابق اپنا حساب ظاہر کرنا ضروری ہے، کو شرکت داروں سے متعلق معلومات کے منسلک اضافے میں شامل کیا گیا ہے۔

ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے شریک ہائے زندگی اور چھوٹے بچوں نے سال کے دوران حصص کی کوئی خرید و فروخت نہیں کی جیسا کہ اوپر بیان کیا گیا ہے۔

مستقبل کا خاکہ

ہماری شرح نمو گزشتہ 6 برسوں کے دوران ٹپ لائن پر 31 فیصد کی اوسط شرح کے ساتھ اور بائیم لائن پر ہر سال اضافی ظاہر کرتی دکھائی دیتی ہے۔

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بہتر معاشی حالات کے باعث گاڑیوں کی تیاری کے کاروبار سے وابستہ لوگ نئے سال کو خوش آئند قرار دے رہے ہیں جس کی رو سے گاڑیوں کی طلب میں اضافہ کی توقع کی جا رہی ہے۔ شرح سود میں کمی کے کارفنا سنگ اور نتیجے میں کاروں کی فروخت پر پر قابل ذکر اثرات مرتب ہوں گے۔

سال 2015-16 کی 180,000 کے مقابلے میں سال 2016-17 میں 200,000 سے زیادہ گاڑیاں فروخت ہوئیں جبکہ ٹرکوں اور بسوں کی فروخت بھی 6,500 سے بڑھ کر 8,500 ہو گئی۔ شعبے کے لیے سازگار محرکات کی بدولت پاکستان جہاں اس وقت فی ایک ہزار افراد میں سے 13 کے پاس گاڑیاں ہیں، 2020 تک یہ تعداد بڑھ کر 20 افراد فی ایک ہزار افراد ہو جائے گی۔ آٹو مو بائیل کے شعبے میں درآمدی گاڑیوں اور مقامی سطح پر تیار گاڑیوں کی طلب کی وجہ سے ہونے والی ترقی کے نتیجے میں لبریکیشن کی طلب میں اضافہ ہو رہا ہے جس کی ایک اور وجہ ایندھن کی قیمتوں میں کمی کے

ماوی تہدیلیاں

30 جون 2017 کے بعد سے کسی طرح کی ماوی تہدیلی عمل میں نہیں آئی اور کمپنی نے تاحال کسی ایسی یقین دہانی کو اختیار نہیں کیا جس سے اس کی مالیاتی حیثیت پر فرق پڑے ماسوائے کمپنی کے 30 جون 2017 کو ختم ہونے والے سال کے لیے مالیاتی حسابات کے۔

بورڈ اور اس کی آڈٹ کمیٹی کی تہدیلیاں

سال 2017 کے دوران، ڈائریکٹر محمد باسط حسن کی ناگہانی وفات کی وجہ سے جناب فراز زیدی کو ڈائریکٹر کے لیے انتخاب کیا گیا۔ بورڈ متوفی ڈائریکٹر کی خدمات پر ان کے لیے خراج عقیدت ریکارڈ کرنا چاہتا ہے اور نئے ڈائریکٹر کو جو باقی ماندہ مدت کے لیے ذمہ داری پر فائز ہوئے ہیں، کو خوش آمدید کہتا ہے۔

آڈٹ کمیٹی کے کام کرنے کے شرائط کار طے ہیں جو بورڈ آف ڈائریکٹرز کی جانب سے کارپوریٹ گورننس کے ضابطہ میں درج رہنما اصولوں کی مناسبت سے بورڈ آف ڈائریکٹرز طے کرتا ہے۔

سرمایہ کاری کمیٹی

سال 2017 کے دوران ایک سرمایہ کاری کمیٹی تشکیل دی گئی جو ابتدائی طور پر چار اراکین پر مشتمل تھی۔ اس میں تین بورڈ آف ڈائریکٹرز اور چیف فنانشل آفیسر شامل تھے۔ اپریل 2017 میں شوکت حسن کو کمیٹی کے چیئر مین محمد باسط حسن کی ناگہانی وفات کی وجہ سے کمیٹی کا چیئر مین منتخب کیا گیا۔ جی ایم سیپا کی چین شہزاد سہیل چوہدری کو کمیٹی کا نیا رکن منتخب کیا گیا۔

سال 2107 میں سرمایہ کاری کمیٹی کے دو اجلاس منعقد ہوئے۔ ان میں شرکت کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام / فاضل	اجلاسوں کی تعداد جن میں شریک ہوئے
محمد باسط حسن	1
حسن طاہر	2
محمد علی حسن	2
شوکت حسن	1
محمد عمران	2
شہزاد سہیل	1

کارپوریٹ و مالیاتی رپورٹنگ کا فریم ورک

- انتظامیہ کی طرف سے مالیاتی حسابات بعد نوٹس اس تصدیق کے ساتھ دیے جا رہے ہیں ان حسابات کو امور کار کیش کے بہادر اور ایکوٹی میں تہدیلیوں کے نتائج کی روشنی میں درست طریقے سے پیش کیا جا رہا ہے۔
- کمپنی کی طرف سے حسابات کے باقہ عدد کھاتے مرتب کیے گئے ہیں۔
- مالیاتی حسابات کی تیاری میں اکاؤنٹنگ کی پالیسیوں کا پوری طرح اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ مناسب اور عملی فہم کی بنیاد پر دیے گئے ہیں۔
- مالیاتی حسابات کی تیاری میں پاکستان میں قابل اطلاق اکاؤنٹنگ کے بین الاقوامی معیارات کو پیش نظر رکھا گیا ہے۔
- اندرونی کنٹرول کے نظام اپنی تشکیل میں مستحکم ہیں اور ان کا اندرونی آڈٹ کے نظام کی جانب سے جائزہ لیا گیا اور انہیں مانیٹر کیا گیا۔
- کمپنی کے ایک جاری ادارے کے طور آگے بڑھتے رہنے کی صلاحیت شک و شبہ سے بالا تر ہے۔
- کارپوریٹ گورننس کے بہترین معاملات جیسا کہ ان کا قواعد میں اندراج موجود ہے، سے کوئی پہلو چھپی نہیں کی گئی۔
- کلیدی آپریشننگ اور مالیاتی اعداد و شمار جو کمپنی کی ترتیب سے لیے گئے (جیسا کہ گزشتہ سات برسوں کے) اضافی طور پر منسلک ہیں۔
- چیف ایگزیکٹو، ڈائریکٹر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کے شریک ہائے زندگی اور چھوٹے بچوں کی طرف سے حصص کی خرید و فروخت کی تفصیل:

بورڈ آف ڈائریکٹرز کے اجلاس	اجلاسوں کی تعداد جن میں شریک ہوئے
ڈائریکٹر کا نام	
حسن طاہر	5
محمد باسط حسن	3
محمد علی حسن	5
شوکت حسن	5
طاہر اعظم	5
ذیل اعظم	5
محمد تبسم منیر	5
ڈاکٹر صندریلا بٹ	5
سید اسد عباس حسین	2
فراز اختر زیدی	0
جی ون پارک	2

غیر موجودگی کے لیے ان اراکین کو چھٹی دی گئی جو بورڈ آف ڈائریکٹرز کے اجلاسوں میں شرکت نہ کر سکے۔

آڈٹ کمیٹی

کارپوریٹ گورننس کا ضابطہ نافذ العمل ہونے کے بعد بورڈ کی ایک آڈٹ کمیٹی وجود رکھتی ہے جو تین ماہانہ ریزیکو اور دو آزاد ڈائریکٹرز پر مشتمل ہے۔ سال 2017 کے دوران آڈٹ کمیٹی کے 15 اجلاس منعقد ہوئے۔ ان اجلاسوں میں شرکت کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں کی تعداد جن میں شریک ہوئے
محمد تبسم منیر	5
شوکت علی حسن	5
طاہر اعظم	5
ڈاکٹر صندریلا بٹ	5
ذیل اعظم	5

CHAIRMAN'S REVIEW



It is my humble honor to present the annual report and financial statements for the year ended 30th June 2017 to all valued shareholders. A profound proud moment it is to share the significant performance of your company in different business sectors during the course of financial year 2016-17. It is however a promising future reflected through uncompromising trust of shareholders, the strategic direction of Board members and the commitment of Management that is quite evident through a significant growth.

Your company's strategic plans having a careful business foresight and articulate vision are in action already for a consistent & profitable progression. Comprehensive & focused business expansion plans are in execution phase to cater consumer and market needs. The substantial growth in top line having consistent performance improvement in bottom line alone has helped us earn millions of smiles and trust of our shareholders through progressive dividends payments.

The financial year 2016-17 has ended by adding a promising year to your company's overall consistent growth for more than 5 years. Your company's overall growth rate for last 6 years has been reported at 29.5% p.a as compared to an average 24% p.a for previous years. Nevertheless to mention, the consistent and significant growth rate is evident that your company has maintained its position to remain among the top of the leading lubricant marketing companies in Pakistan and is on its way to outperform in coming years. The market share has grown sizably in almost all the relevant segments by offering a product portfolio with a wide range of synthetic lubricants in automotive, industrial and marine segments across Pakistan.

Hi-Tech Blending Plant Ltd. (HTBL) established as a fully owned subsidiary company of HTL; became fully operational in August 2016, has shown remarkable performance. The financial year has been closed with considerable revenues after tax. With its high standards of bottle manufacturing, packaging, blending, filling and quality controls through its in-house laboratory, HTBL can be termed as among the best of its kind in all Asia, and certainly the best in Pakistan. The plant is currently blending lubricants from 0.7 Liter to 200 liters drums and all its products are being sold in local market. This investment & business expansion plan offers multitude of opportunities to strengthen the local business line in Pakistan.

Your company has now a considerable presence in the Retail Segment with unique proposition. As committed we have established an effective strategy to develop a retail network across Pakistan with multitude of unique services and technical support to prime users. We have successfully opened one HTL Express Center in Lahore, while opening of 4 more centers within Lahore and 2 in Karachi is already in process within next couple of months, and the response from the Market is really impressive. Further expansion plan include provision of state of the art HTL Express Centers providing a ONE STOP SOLUTION to all car care needs at various other cities in coming years.

HTL has outshined its mark in the field of Corporate Social Responsibility by winning the CSR Award for the year 2016-17. Award was presented during the 9th Annual CSR Summit organized by National Forum of Health & Environment (NFEH) on the 19th January 2017 at Islamabad. On CSR, the Company's management continued its focus on education, healthcare, skill development, environmental protection and social welfare during the current year. HTL has also won the prestigious "Consumers' Choice Award" for the 5th year in a row.

It is a profound pleasure to share the successful lay out of business diversification plan into OMC sector. And the ground work for this project has already been initiated. Your company is focused to provide a strategic framework by spreading a network of fuel stations throughout the country while ensuring the availability of depots in central hubs for an uncompromised supply of fuel across all HTL Stations. The final feasibility has shown an increase demand of petroleum products over the coming years which shows we are targeting the right segment for diversification.

Due to favorable sector dynamics in Pakistan the car sale is projected to increase per thousand users and hence it will further strengthen our business portfolio directly catering to the consumer needs. Our objective is to have a diversified Business Model that gives your company an opportunity to benefit from a growing market while providing resilience against unforeseen adverse market conditions. We are committed to achieve targets for sustained returns to the shareholders through our business initiatives.

I, on behalf of Board of Directors, am really honored to appreciate and acknowledge the value addition by a number of people who have played an active role in your company's continued success. Our business partners SK Lubricants have extended tremendous support by way of extensive planning and assistance to help us consistently perform better in the market. We look forward to their continued cooperation in the future. Remarkable efforts of your company's Management and Staff have also contributed significantly to its success as has indeed the cooperation of all our distributors and dealers.

On behalf of the Board



Shaukat Hassan
Chairman

CEO'S REMARKS



Such a profound pleasure it is to share the accomplishing insights of business milestones for HTL -Hitech Lubricants Limited. Our vision and progressive business planning has helped us add another significant performing year to HTL's financial & business strength. HTL's growth has been rated at an average of 29.5% p.a for the last 6 years and I acknowledge the selfless contribution of everyone involved including the trust of shareholders.

This is a real honor for me to add value to the business strategy as CEO and gives me an eternal sense of excitement to perform really well. HTL is a passion driven culture and I am proud to lead the team of passionate, enthusiastic and committed people who accelerate my vision to go beyond ordinary adding real essence to what we do. Financial year 2016-17 has been closed with remarkable growth trends in different segments of products and services and I assure you of my fullest commitment and diligence to outperform our set objectives for HTL current and future business plans.

I would also like to acknowledge the efforts of honored Board of Directors, Executive Directors and my management teams as their limitless contributions and business intelligence has helped us turn great opportunities into real business.

I am pleased to report the exceptional business performance of HTL depicting market share of 8% overall. The sales volumes have increased by 4.9% during the course of current year, although we have performed in a really competitive market facing many challenges including price fluctuations. Significant growth has been observed in various product segments including HDDEO (Heavy Duty Diesel Engine Oil) and MCO (Motorcycle Oil) showing an increased market demand and the need of effective positioning strategy. Hence, the inclusion of HTBL – Hi Tech Blending Plant with state of the art blending & packaging facility is targeting the provision of high quality product to assist in achieving the objectives of Sales Growth and Market expansion. HTBL became commercially operational during August 2016 and we are more than ready to meet increasing market demands. Our objectives include bulk product selling, packaging and sales of Industrial Products, selling of drums and jerry cans and potential sales in transport sector post CPEC. The demand ratio is speculated to increase on a much larger scale in coming years and we are ready to provide the standardized quality product for the same.

HTL Express, our retail business unit (service center) is fully operational at Lahore, where our team of experts is busy providing quality services to an increasing customer base. We are all geared up to open 6 HTL Express Centers in a couple of months and many more to follow including major openings at Karachi and Islamabad. This creative business strategy with unique service idea is aimed

at increasing our loyal customer base. The customer's response has made us perform at our full potential and we have plans to extend franchise business opportunities across Pakistan.

With the true passion and commitment of my team, I am proud to share that ground work for OMC project is on finalization stage. And we are aggressively executing the plans for storage facilities to provide unstoppable supply of fuel across extensive network of HTL Stations country wide. To support the filling stations, fuel depots will be built and maintained, stretching over Punjab, Sindh and KPK Province in coming years. Future business strategy includes offering dedicated HTL Express Center services at our Fuel Stations. This will add another hat to our service portfolio to providing one stop solution to end consumer under one roof.

In order to improve our working standards and meet the challenging needs of market, we ensure our human capital is fully capable following a progressive career path. Our profitable growth and operational efficiency has been ensured due to the provision of quality services to all stakeholders. We regularly monitor and ensure standardized Internal Controls & Cost reviews while taking significant measures to improve the bottom line.

ZIC lubricant has also won the prestigious "Consumers Choice Award" for the 5th year in a row. With the consistent performance and an increase in market share; HTL is focused to provide quality products and services to the customers. We are however; confident that with the persistent efforts of our team; the continuous support of BOD & stakeholders and diversified business portfolio we shall be able to add remarkable gains for the shareholders. Our business planning to diversify as well as sustain in the market has many challenges to face and we are focused to deliver beyond expectations.



Hassan Tahir
Chief Executive Officer

سی ای او کا تبصرہ

خدمات کا ایک منفرد طریقہ ہے جس کا مقصد مخلص صارفین کے دائرے کو وسیع کرنا ہے۔ صارفین کا مثبت رد عمل ہمارے لئے بہت حوصلہ افزا ہے اور ہم پورے پاکستان میں اس کی فریختہ نگرانی کا روبرو ہوا مواقع پر غور و خوض کر رہے ہیں۔

اپنی ٹیم کے مخلصانہ اور پر عزم رویہ پر میں فخریہ طور پر آپ کو بتانا چاہتا ہوں کہ ہمارے OMC پروجیکٹ کا ابتدائی کام تکمیل کے قریب ہے۔ اب ہم پوری تندی سے اسٹورج کی سہولت فراہم کرنے کے منصوبہ پر عمل درآمد کی تیاری کر رہے ہیں تاکہ ملک بھر میں HTL اسٹیشنز کے نیٹ ورک کے ذریعہ فیول کی بلا قطل فراہمی کو یقینی بنایا جائے۔ فلنگ اسٹیشنز کی معاونت کے لئے فیول ڈپو قائم کئے جائیں گے اور آنے والے سالوں میں پنجاب، سندھ اور کے پی کے، کے صوبوں میں ان کا جال بچھل جائے گا۔ مستقبل کی کاروباری حکمت عملی میں ہمارے فیول اسٹیشنز پر خصوصی HTL ایکسپریس سینٹر قائم کئے جائیں گے۔ اس طرح صارفین کو ایک چھت کے نیچے ون اسٹاپ کی سہولت، ہماری سروس پورٹ فلیو میں ایک سنبھرا اضافہ کرے گی۔

اپنے کام کے معیار کو مزید بہتر بنانے اور مارکیٹ کی ضروریات کے چیلنج کا مقابلہ کرنے کیلئے ہم باصلاحیت افراد کو مواقع فراہم کرتے ہیں جس میں وہ ایک بڑے کیریئر کے راستے پر گامزن ہوں۔ ہماری منافع بخش نمواور آپریشنز کی بہتر استعداد کا بڑا سبب ہمارے تمام اسٹیک ہولڈرز کی معیاری خدمات ہیں۔ ہم معیاری اندرونی کنٹرول کو یقینی بناتے ہیں اور اس کی باقاعدہ نگرانی کی جاتی ہے۔ اس کے ساتھ ساتھ قیمتوں کے جائزے اور بنیادی سطح کی بہتری کے لئے نمایاں اقدامات اٹھاتے ہیں۔

ZIC لبریکنٹس نے باوقار "Consumers Choice Award" مسلسل پانچویں سال میں جیتا ہے۔ مستحکم کارکردگی اور مارکیٹ شیئر میں اضافہ کے باعث HTL اپنے صارفین کو ہمیشہ معیاری پروڈکشن اور خدمات پیش کرنے پر عمل پیرا ہے۔ ہم پر امید ہیں کہ ہماری ٹیم کی انتخاب کاوشوں اور بورڈ آف ڈائریکٹرز، اسٹیک ہولڈرز کے مسلسل تعاون اور بزنس پورٹ فولیو کے تنوع کی بناء پر ہم اپنے شیئر ہولڈرز کے لئے بہترین منافع کے حصول میں کامیاب ہوں گے۔ کاروبار میں جدت کی منصوبہ بندی اور مارکیٹ میں بہتر مقام کے ساتھ ہم کو بہت سے چیلنجز کا سامنا ہے اور ہم صارفین کو ان کی توقع سے بڑھ کر خدمات پیش کرنے کیلئے پر عزم ہیں۔

Carson

حسن طاہر
چیف ایگزیکٹو افسر

مجھے یہ کہتے ہوئے انتہائی مسرت محسوس ہو رہی ہے کہ ہائی ٹیک لبریکنٹس لمیٹڈ نے اپنے کاروبار میں شاندار کامیابیاں حاصل کی ہیں۔ ہماری روایت اور ترقی پسندانہ کاروباری پلاننگ کے سبب HTL کے مالیاتی اور کاروباری استحکام کی مدت میں ایک اور نمایاں کارکردگی کے سال کا اضافہ ہوا ہے۔ گزشتہ 6 سال سے HTL کی سالانہ اوسط شرح نمو 29.5% رہی ہے اور میں اس کیلئے ہر ایک کی مخلصانہ کاوشوں کا اعتراف کرتا ہوں اور شیئر ہولڈرز کے اعتماد کا شکر گزار ہوں۔

یہ میرے لئے حقیقت میں ایک اعزاز کی بات ہے کہ بحیثیت سی ای او میں نے اس ادارے کی کاروباری حکمت عملی میں اپنا کردار ادا کیا اور عمدہ کارکردگی پر مجھے دی خوشی محسوس ہو رہی ہے۔ HTL ایک جذبہ و جوش جگانے والا کچھ ہے اور مجھے انتہائی پیشہ ور، پر جوش اور پر عزم ٹیم کی قیادت کرنے پر بہت فخر ہے جس نے ہمیشہ میرے وژن کو غیر معمولی طور پر آگے بڑھانے میں کوئی دقیقہ نہ اٹھا رکھا اور پوری لگن کے ساتھ ہر کام انجام دیا۔ مالی سال 2016-17 کا اختتام پروڈکشن اور خدمات کے مختلف شعبوں میں شاندار نمو کے رجحان سے ہوا ہے۔ میں آپ کو یقین دلاتا ہوں کہ HTL کے موجودہ اور مستقبل کے کاروباری منصوبوں کے مقررہ اہداف کے حصول میں بھرپور طریقے سے اپنی خدمات پیش کروں گا۔

میں معزز بورڈ آف ڈائریکٹرز، ایگزیکٹو ڈائریکٹرز اور اپنی انتظامیہ کی ٹیم کی کاوشوں کا تہ دل سے معترف ہوں جن کی بے پناہ صلاحیتوں اور کاروباری ذہانت کی بناء پر ہم نے ہر موقع کو کاروباری حقیقت میں بدل دیا۔

میں آپ کو یہ اطلاع دیتے ہوئے بھی بہت خوشی محسوس کر رہا ہوں کہ HTL کی بے مثال کاروباری کارکردگی کے باعث ہم نے مجموعی طور پر 8% مارکیٹ شیئر حاصل کر لیا ہے۔ موجودہ سال کے دوران میں سیلز کے حجم میں 4.9% کا اضافہ ہوا ہے۔ اگرچہ ہم نے چیلنج ایک مسابقتی مارکیٹ میں کام کیا ہے جہاں کئی طرح کے چیلنجز بشمول قیمتوں کے اتار چڑھاؤ کا سامنا کرنا پڑا ہے۔ ہماری مختلف پروڈکشن کے شعبوں بشمول HDDEO (ہیوی ڈیوٹی ڈیزل انجن آئل) اور MCO (موتور سائیکل آئل) میں نمایاں نمو دیکھنے میں آئی ہے جس سے مارکیٹ کی بڑھتی ہوئی طلب اور پوزیشن طے کرنے کی موثر حکمت عملی اپنانے کی ضرورت ہے۔ تاہم HTBL - ہائی ٹیک پلینڈنگ پلانٹ کی اسٹیٹ آف آرٹ پلینڈنگ اور ٹیکنیکل کی خصوصیت کے سبب اعلیٰ معیاری پروڈکشن کے ساتھ سیلز میں اضافہ اور مارکیٹ کو وسیع کرنے کا ہدف حاصل کرنے میں مدد ملے گی۔ HTBL نے اگست 2016 سے تجارتی بنیادوں پر کام شروع کر دیا ہے اور ہم مارکیٹ کی ضروریات پوری کرنے کیلئے پوری طرح تیار ہیں۔ ہمارے اہداف میں بڑی تعداد میں پروڈکٹ کی فروخت، صنعتی پروڈکشن کی ٹیکنیکل اور سیلز، ڈرمز اور جیری کین کی فروخت اور سی پیک کے آغاز کے بعد فرانسپورٹ کے شعبہ میں مکمل سیلز کے مواقع حاصل کرنا شامل ہے۔ توقع ہے کہ آنے والے سالوں میں طلب کی شرح میں بڑے پیمانے پر اضافہ ہوگا اور ہم نے اس کے لئے معیاری پروڈکشن فراہم کرنے کیلئے مکمل تیاری کر لی ہے۔

لاہور میں ہمارا ریٹیل بزنس یونٹ (سروس سینٹر) HTL ایکسپریس پوری طرح سے فعال ہے جہاں ہمارے ماہرین کی ٹیم صارفین کی روز بروز بڑھتی ہوئی تعداد کو خدمات فراہم کرنے میں مصروف ہے۔ ہم آئندہ چند ماہ میں مزید HTL ایکسپریس سینٹر قائم کرنے کی تیاری کر رہے ہیں جو بڑے شہروں جیسے کراچی اور اسلام آباد میں بھی کھولے جائیں گے۔ یہ تحقیقی کاروباری حکمت عملی،

چیرمین کا جائزہ

ایچ ٹی ایل نے سال 2016-2017 میں سی ایس آر ایوارڈ (CSR Award for the year 2016-17) جیتنے کے ذریعے منظم سماجی ذمہ داریوں کے میدان میں اپنا لوہا منوایا ہے۔

یہ اعزاز 19 جنوری 2017 کو اسلام آباد میں صحت اور ماحول کے قومی فارم کے منعقدہ نوویں سالانہ سی ایس آر کے سربراہی اجلاس کے دوران پیش کیا گیا تھا۔ بوجی سی ایس آر کمیٹی کی انتظامیہ نے موجودہ سال تعلیم، صحت کی دیکھ بھال، مہارت کی ترقی، ماحولیاتی تحفظ اور سماجی فلاح و بہبود پر توجہ دی

ایچ ٹی ایل مسلسل 5 سالوں سے معزز صارفین کا سب سے ترجیح شدہ لبریکسٹ کا ایوارڈ جیت رہا ہے۔ کاروبار کی منصوبہ بندی سے کامیاب ہونے والے اداکار سی شعبے میں حصہ لینا بہت گہری خوشی کی بات ہے۔ اور اس منصوبے کا بنیادی کام شروع ہو چکا ہے۔ آپ کی کمیٹی پورے ملک میں پٹرول اسٹیشنوں کے نیٹ ورک کو پھیلا کے ایک سٹر-جنگ فریم ورک فراہم کرنے پر توجہ مرکوز کئے ہوئے ہے جب کہ تمام مراکز میں ایچ ٹی ایل اسٹیشنوں میں ایندھن کی بلا قحط فراہمی کے لیے ڈپو کی دستیابی کو یقینی بنایا جا رہا ہے۔ حتیٰ امکانات نے آنے والے سالوں میں پٹرولیم مصنوعات کی بڑھتی ہوئی مانگ کو ٹھہرا کر

پاکستان میں کارسازی کے شعبوں نے ہر بڑا صارفین کو کارفرمیت کی توقع کی ہے چنانچہ ہمارے کاروبار پورٹ فولیو براہ راست صارف کی ضروریات کو پورا کریں گے۔ ہمارا مقصد متنوع کاروباری نمونہ بنانا ہے جو کہ آپ کی کمیٹی کو بڑھتی ہوئی مارکیٹ سے فائدہ اٹھانے کا موقع فراہم کرے اور ساتھ ہی ساتھ مارکیٹ کے ناگہانی حالات کے خلاف پلک فراہم کرتا ہے ہم مستقبل کے چیلنجوں کے لئے پریشانی سے دور ہونے کے ساتھ ساتھ اپنے کاروبار کے اقدامات کے ذریعے حصول داران کو مسلسل وابستگی کے لئے پرعزم ہیں۔

میں بورڈ آف ڈائریکٹرز کی طرف سے آپ کی کمیٹی کی مسلسل کامیابی کے لیے فعال کردار ادا کرنے پر جو کہ بہت سے لوگوں کی کاوشوں کا نتیجہ ہے تعریف کرنے میں خرم محسوس کرتا ہوں۔ ہمارے کاروباری شراکت دار SK لبریکسٹس نے وسیع منصوبہ بندی اور کاروباری ایجنسی جس کے تعاون سے ہماری مارکیٹ میں بہتر کارکردگی میں مدد کی ہے۔ اور ہم ان کے اس تعاون کے مستقبل میں بھی خواہاں ہیں۔ آپ کی کمیٹی کی شینجمنٹ، عملے کی قابل ستائش کاوشوں اور ہمارے ڈسٹری بیوٹرز اور ڈیلرز کے تعاون نے کمیٹی کی اس کامیابی میں بھی اہم کردار ادا کیا ہے۔

Shaukat

شوکت حسن
(چیرمین)

میں تمام قابل قدر حصہ داران کو 2017 کی سالانہ رپورٹ اور مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔ آپ کی کمیٹی کے مختلف شعبوں میں، مالی سال 2016-2017 کے دوران نمایاں کارکردگی ایک نہایت فخر کا لمحہ ہے اس سے ہم ایک امید افزا مستقبل کی عکاسی ہوتی ہے جو کہ حصہ داران کے پختہ عملی اور شینجمنٹ کے عزم سے ظاہر ہوتا ہے۔

آپ کی کمیٹی کی حکمت عملی اور منصوبوں کے نفاذ کا کاروباری دورانیے اور چشم بصیرت پہلے ہی سے ایک مسلسل اور منافع بخش ترقی کی کارروائی کے لیے عمل میں ہیں۔ مختصر یہ کہ یہ بات کافی عیاں ہے کہ توجہ مرکوز کاروبار پوری توسیع کے منصوبے عمل میں لائے گئے ہیں تاکہ مخصوص صارفین اور مارکیٹ کی ضروریات کو پورا کیا جاسکے۔ محض پچھلی لائن میں مسلسل کارکردگی کی بہتری سے اوپر کی لائن میں نمایاں نشوونما نے انھوں نے ملکر انہیں اور ترقی پسند منافع بخش ادائیگیوں کے ذریعے ہمارے حصہ داران کا اعتماد حاصل کرنے میں مدد ملی ہے۔

مالی سال 2016-2017 نے آپ کی کمیٹی کے 5 سال سے زائد عرصے کی مجموعی مسلسل ترقی میں ایک شاندار سال کا اضافہ کیا ہے۔ آپ کی کمیٹی کی مجموعی ترقی کی شرح گزشتہ 6 سالوں میں 29.5 فیصد ہوئی ہے جو کہ گزشتہ سالوں میں 24 فیصد تھی۔ باوجود اس کے ذکر کرنے کے مسلسل اور اہم ترقی کی شرح واضح ہے کہ آپ کی کمیٹی نے پاکستان میں معروف لبریکسٹس مارکیٹس کمپنیوں میں سرفہرست رہنے کے لئے اپنی حیثیت برقرار رکھی ہے اور آنے والے سالوں میں یہ ترقی کی راہ پر گامزن ہے۔ پاکستان بھر میں خود حرکی، صنعتی اور سمندری طبقات میں مصنوعی لبریکسٹس کی وسیع اقسام کے ہمراہ مصنوعات کی پورٹ فولیو پیش کر کے تقریباً تمام متعلقہ شعبوں میں مارکیٹ حیمیر میں اضافہ کیا گیا ہے۔

ہائی ٹیک ٹیکنالوجی (پرائیویٹ) لینڈ جو ایک مکمل ملکیت کے ذیلی ادارے کے طور پر قائم کیا گیا۔ اگست 2016 میں مکمل طور پر آپریشنل ہوا اور قابل ذکر کارکردگی دکھائی۔ ٹیکس کے بعد بھی کافی آمدنی کے ساتھ مالی سال گزرا۔ یہ اپنی بوتلیں بنانے کے اعلیٰ معیار کے ساتھ پیکنگ، مرکب، بھرائی اور معیاری پیکش اپنی بھاری میں کرنے کی بدولت ایشیا میں اپنی نوعیت کا بہترین اور یقینی طور پر پاکستان میں بہترین کردار ادا جاسکتا ہے۔ اس پلانٹ میں فی الحال 0.7 لیٹر سے 200 لیٹر ڈیم کے لبریکسٹس کو پکڑا جاتا ہے اور اس کی تمام مصنوعات مقامی مارکیٹ میں فروخت کی جارہی ہیں۔ یہ سرمایہ کاری اور کاروبار کی توسیع کا منصوبہ پاکستان میں مقامی کاروبار کی لائن مضبوط کرنے کے مواقع میں بہتری فراہم کرتا ہے۔

آپ کی کمیٹی اب خورد و طبقہ (Retail Segment) میں منفرد پیکش کے ساتھ نمایاں مقام رکھتی ہے۔ اپنے عزم کے عین مطابق ہم نے پاکستان بھر میں خورد و نمیت درک کو فروغ دینے کیلئے ایک موثر حکمت عملی قائم کی ہے، جس کے تحت صارفین کو منفرد خدمات اور تکنیکی مدد ملتی ہے۔ ہم لاہور میں ایک ایچ ٹی ایل ایکسپریس (HTL Express) مرکز کامیابی سے کھول چکے ہیں جبکہ 4 مراکز تعمیر کے مراحل میں ہیں اور اگلے چند ماہ میں ہی کھول دیئے جائیں گے۔ مارکیٹ سے رجوع بھی بہت پر اثر رہا ہے۔ مزید توسیع کی منصوبہ بندی میں ایچ ٹی ایل ایکسپریس جو کہ گاڑی کے دیکھ بھال کے لیے ایک مقام فراہم کرتے ہیں کے 2 مراکز کراچی اور اسلام آباد اور دیگر دوسرے شہروں میں کھولنا شامل ہیں۔

SK ZIC MOTOR OIL

ZIMBABWE
UTSEYA
»SHINGIRAI 24 (53)
OV: 32.4
EXTRA: 9

TO WIN 152
RRR 8.77
DLPAR: 174

»SHAKIB SHUVO
 5.4 - 24.1
 5 - 15.1

[illegible]

MARKETING EXCELLENCE



THE NEW HTL

Brands evolve over time whether its technology or new market segmentation, those who evolve improve, others just vanish in time. HTL has also evolved from being a company that introduced ZIC in Pakistan, to a brand that is not just limited to ZIC but is expanding its reach. Hi-tech blending plant now fulfills the capacity of filling 30,000 MT annually.

Forward integration in HTL Express (Car Care Centers) and HTL Stations (OMC) are other laudable projects of HTL. Hence it was the need to transform the look of HTL. Thus the new HTL logo with its subsidiaries is now in effect.

ZIC EN-ROUTE TO BECOMING A LEGEND

'ZIC' is enjoying the lead amongst the Engine Oil Users as per various surveys conducted by Pak Wheels or Express Tribune. In order to maintain this standing the Marketing campaigns have to be aggressive, enabling the end-users to make the correct decision in choosing the best lubricant for their vehicle. In today's age our customers are intelligent and the only way to create customer loyalty is by being honest and open to them. Working on the same ideology HTL's Marketing department was pretty aggressive with its campaigns in the 2nd half of the year 2016. This involved 2 full-fledged 360 degree Marketing campaigns nationwide targeting the Diesel and the Gasoline Market.





ZIC DIESEL CAMPAIGN AUG- SEPT 2016

ZIC diesel campaign was focused on informing and educating the customer and debunking the myth of thicker oil being better.

The thinner the better: because Thinner Oil lubricates easily hence reducing friction while maintaining a standard layer of coating over the engine parts that keeps the viscosity intact under extreme temperatures resulting in engine efficiency. This theme

was simple and understandable for the target audience "tail motta sirf samjhota- ZIC Diesel Engine Oil- patla hai Tagra hai". This campaign received amazing feedback from our Diesel customers where they started questioning and understanding their diesel engine needs.



ZIC CONSUMER PROMOTION NOV- DEC 2016

The second campaign for HY-2 was the massive Consumer Promotion in collaboration with KFC. ZIC offered a Consumer Promotion after almost 2 years on its premium range i.e. X9 and X7 (10W40, 5W20 & 0W30). ZIC is known as the pioneer brand in lubricant market to bring consumer promotion especially with fast food chains. This campaign again was massively advertised on

both ATL & BTL mediums and approx. 75% unique audience was captured through the TV campaign. Other mediums used were Radio, Digital and CDA (Customer Detailing Activity) on selective retail outlets, the campaign was much appreciated by the end-users and retailers.

MARKETING EXCELLENCE



PSL- JAN & FEB 2017

Cricket is the sport known to create magical unity amongst the people and igniting a sense of patriotism which no other sport can, although hockey is the national sport of Pakistan but Cricket continues to be the most popular and loved sport. The members of the Pakistan cricket team are seen as heroes by their fans and people simply love them.

The 2016 Pakistan Super League was the debut session established by Pakistan Cricket Board. PSL 2016 turned out to be an amazing opportunity for brands to take advantage via association. Pakistanis took pride in the tournament, the thrills it produced and the fact that international players participated in PSL, the fever took the nation by storm; united in their support for their teams.

In 2017 the second season followed the immensely successful PSL Franchise; the interest level was already exceeding expectations, so in order to follow up the huge success that ZIC Motor oil received in 2016 with its association with Peshawar Zalmi (ZIC being the team's official Motor Oil). In 2017 ZIC catered to the audience watching the Matches at home and took the opportunity to brand the famous and favorite PSL Truck on every 50 and 100. This was LIVE on all TV Channels across the globe. How it benefitted ZIC? Truckers being our direct target market brought more value in the DEO segment building an association amongst the transporters. ZIC truck appeared on all live matches regardless of any team hence not limiting the brand to one team rather getting mileage throughout the tournament.

On ground activation like hoarding in Sharjah and digital boundaries in Dubai, Sharjah and Lahore was also acquired by ZIC to further strengthen the brand image.



This in totality turned out to be a very successful decision and being a prominent brand in both PSL tournaments gave ZIC more mileage while solidifying its relationship with cricket in Pakistan and to top it off PSL final that was played in Lahore generated more than 70 million viewers universally.

BRINGING THE MECHANICAL EXPERTS ON BOARD



In order to remain on top a brand has to keep on improvising on how to reach its target market and deliver their message in a better way. One of the initiatives taken this year by ZIC Marketing Department was to get the experts on-board because there is no better endorsement then the one by the experts.

Since ZIC is the best lubricant available in the market and majority of the mechanics vouch for ZIC hence we introduced the concept of "ZIC Mechanic Club" that will continue to run throughout the year where top mechanics are being inducted in an exclusive club where trainings, seminars and other activities are taking place to educate the mechanics of the new trends and certifications being introduced internationally especially with the induction of new imported cars including hybrid vehicles and ZIC applications.

The mechanic club was initiated with the Lahore Chapter and has now been extended to North and South regions by holding technical trainings, seminar nationwide with the objective of benefiting the end customers. These seminars revolve around the innovations taking place in the automobile industry in retrospect with the lubricants. Gift hampers were distributed to the mechanics, ending with a question answer sessions regarding engine, engine oil and the necessities of quality lubrication for a healthy of engine.

SHANDUR POLO TOURNAMENT

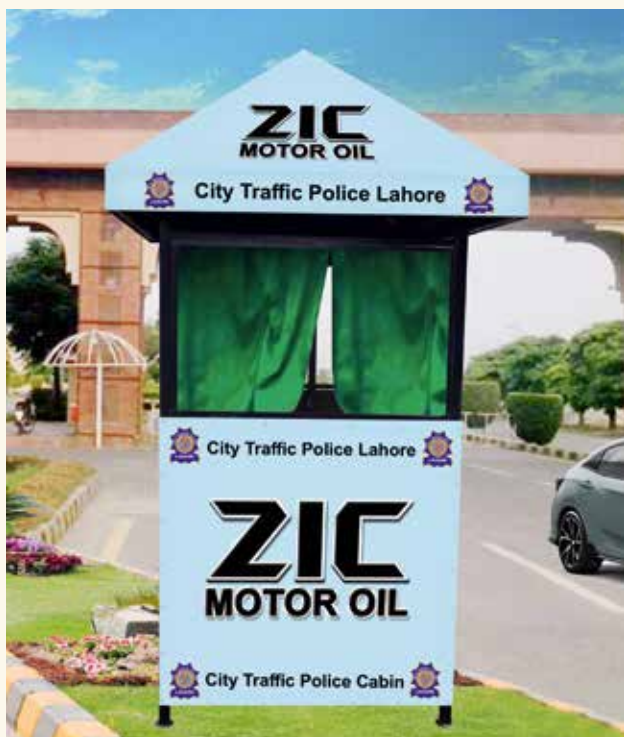
A brand is only as good as its call back, hence it's crucial to stay on top of the customer's frame of reference. ZIC is always on the top when it comes to the sports events. This year we sponsored PSL, Pakistan Cup, Golf tournaments & Karate.

A major sponsorship of Shandur POLO Tournament 2016 took place in Chitral district that was sponsored by ZIC in collaboration with tourism corporation of Khyber Pakhtunkhawa. This was a Major opportunity to connect with the market up North which includes a loyal and ever increasing customer base of ZIC users by supporting an event that propagates team work and the value of being fearless to achieve success.

Shandur invites visitors to experience a traditional polo tournament which; since 1936 is being held annually. The tournament is held on Shandur Top; the highest polo ground in the world at 3,700 meters (the pass itself is at 3,800 meters). This version of the game played at Shandur-Top has attained legendary status and is of great interest to international and domestic adventure tourists alike.



MARKETING EXCELLENCE



ZIC SUPPORTING THE TRAFFIC POLICE

This year ZIC updated the image of the Traffic Police cabins as part of our nationwide CSR activity. ZIC Motor Oil initiated the placements of Traffic Police cabins in Lahore, Gujranwala, Multan & Karachi.



ZIC MOTOR OIL AT PGC MOTOR SHOW- MARCH 2017

ZIC Motor oil sponsored PGC MOTOR SHOW 2017, an initiative of students and faculty of Punjab Group of Colleges. Thousands of car lovers and enthusiasts visited the motor show, where ZIC provided the event with gifts for the contestants who purchased ZIC at the show and also held a Lucky Draw for other participants. HTL has always been at the forefront of supporting the youth of the nation and this was another initiative on tapping youth.

OIL & GAS ASIA INT'L EXHIBITION- MARCH 2017

The 13th Oil & Gas Exhibition was held from 14-16th March, 2017 at Karachi Expo Centre, Pakistan. Hi Tech Lubricants Limited participated in this exhibition being a key player in Oil and Gas field in Pakistan. Especially after having its own blending and bottling plant, this was an opportunity of networking. ZIC team targeted prospect clientele, interacted with them and focused on building industrial clientage through this exhibition. It was aimed at promoting brand exposure and increasing market share in Pakistan particularly in the industrial sector of Oil & Gas.



HTL EXPRESS CENTERS



With the help of the largest network of trained sales and technical staff in the lubricant industry, Hi-

Tech Lubricants Limited with another promise of excellence is expanding its operations with plans to get one step closer to the customers by forward integration through HTL Express Centers. The one stop vehicle care solution will change the outlook of preventive car maintenance in Pakistan.

As the number of cars per household increases, so does the need to maintain the vehicles. Most vehicle service providers have obsolete facilities which are extremely untidy with unprofessional staff.

HTL Express is not here to make vehicle repair but; is the grounds to prevent them. HTL Express will not only bridge the service gap by providing consumer products and services that are best for them but will also ensure that those high quality services are provided in timely fashion while making the customer comfortable. HTL Express will be a symbol of trust and excellence for preventive vehicle maintenance across Pakistan and aims to mobilize talented individuals to provide best customer service through latest technology.

HTL Express Dharampura, Lahore is the first HTL Express Center that is now operational of the 10 planned HTL Express centers till 30th June 2018 in Lahore, Islamabad, Multan & Karachi.



HTL STATIONS



HTL is also venturing into the OMC market with the plan of setting up 300 fuel station nationwide in the

next 3 years. All approvals in this regard are in process and the basic designs and layouts have been presented.



SK ZIC
MOTOR OIL

THE ULTIMATE
VITAMIN
FOR YOUR **ENGINE**



**THINNER
IS BETTER**



CORPORATE SOCIAL RESPONSIBILITY EXCELLENCE

HI-TECH LUBRICANTS LIMITED WINS CORPORATE SOCIAL RESPONSIBILITY AWARD 2017



Hi-Tech outshined yet again and benched its mark in the field of Corporate Social Responsibility by winning the CSR Award for the year 2016-17. Hi-tech declared victorious through a panel of judges who after examining HTL's vision and contributions in the field of Corporate Social responsibility, unanimously decided to give this prestigious award to our organization. The decision of the panel was subsequently been ratified by the governing body of National Forum for Environment & Health (NFEH) & CSR Club. The award was presented during the 9th Annual CSR Summit organized by National Forum of Health & Environment (NFEH) on the 19th January 2017 at Marriott Hotel, Islamabad. Prominent personalities belonging to the Corporate Sector, Government Officials, NGO's and Media were invited to acknowledge the organizations sincerely practicing CSR in its true essence.

WINNERS OF UNITED NATION GLOBAL COMPACT (UNGC) PAKISTAN BUSINESS EXCELLENCE AWARD FOR THE YEAR 2014-15



Hi-Tech Lubricants contested for the category of Large National Companies and grabbed 2nd Prize as a "Lead UNGC Champion Organization" after being evaluated by a team of national and international Jury from the UNGC Forum.

This award has been presented to Hi-Tech Lubricants Limited in recognition of our Best Practices in Embracing and integrating the founding principles of UNGC.

Hi-Tech had the honor to receive the award with notable mention as an intensively active participant in Living the UN Global Compact Business Excellence Award Contest 2013-14. Hi-Tech is proud to be among fifty organizations those who have voluntarily subscribe to embrace the Ten Principles of UNITED NATIONS GLOBAL COMPACT in their business practices.

CSR INITIATIVES 2017 FOCUSING EDUCATION



HTL MARKING EXCELLENCE UNDER CORPORATE SOCIAL RESPONSIBILITY INITIATIVES IN THE FIELD OF EDUCATION

In the year 2016-17 the Corporate Social Responsibility (CSR) for HTL remained on Achieving Excellence in one of the burning and important sustainable development goals defined by the United Nations .i.e. “Quality Education”. Here in Pakistan, unfortunately schools are many that claim to provide basic education especially for the low income families but quality can rarely be seen. Sabra Hamida Trust was founded with a strong and broad vision. The vision that aligns with Global, Economic social and environmental shifts, which in turn animates SHT’s mission and values. SHT Board of Trustees is a combination of internationally recognized professionals from various disciplines. Under SHT Ilmgah Girls/Boys Middle School is borne out of a commitment to achieve academic excellence.

ILMGAH – SYMBOL OF QUALITY

Ilmgah endeavors to provide a quality academic environment that focuses primarily on developing strong ethical culture in young individuals. We groom them to be presentable and have set dignified curriculum which would help them to improve their communication skills as well. Our purpose is to mentor our students to make them dynamic, creative and confident citizens of our country.

We intent to provide a superior quality academic learning while focusing on both personal and professional development. Every student is treated with special care and attention considering his or her aptitude that helps us to know the strength and weakness in each student and at the same time we get to know their interests. This has greatly assisted us in yielding excellent results.

Ilmgah prepares students to succeed in their lives and also positively contribute to the society. We foresee our pupils as socially-engaged citizens who shall be capable of solving real

life problems confidently, with great courage and would also be a source of spreading goodness to mankind. The school since day 1 is performing extremely well and got overwhelming recognition not only in the local community but also among masses. The HTL management ensures not only the safety and security of the students but also takes complete care of each and every students’ health.

With the improving foothold every year, expansion and shifting of the school to a more spacious area has been under consideration for a while now. The development plans has been chalked down and soon you will have a new face of Ilmgah School where extra-curricular activities shall be made possible besides routine classes.

The management believes that students who participate in such activities have greater opportunities to develop character, critical thinking skills, social skills, and talents. They learn first-hand the importance of teamwork, responsibility, commitment, and hard work.”

CSR INITIATIVES 2017 FOCUSING EDUCATION



WORLD EGG DAY CELEBRATED AT ILMGAH

Crack Open the Power of Protein - Embrace your wellbeing with a daily dose of Egg.

With a purpose of promoting the power of the astonishing egg, as the highest quality source of protein one can easily get access to, The event was planned for the students of Ilmgah where different activities were conducted highlighting the importance of having an egg in one's routine diet.

The purpose of Celebrating World Egg Day in the Ilmgah was to educate students as well as staff members about the true value of eggs and the importance of high quality protein. Different colorful and fun filled activities were done engaging students to meet the purpose. It ensured a bumper success in the end as message effectively conveyed that Eggs are an excellent and affordable source of high quality protein.

ILMGAH PAINTING MESSAGES OF RESPECT, HOPE AND HAPPINESS

HTL management is devoted on nurturing young talents by introducing specialized workshops at Ilmgah, encouraging them to cultivate their promising and dynamic future. Hence, it is one of their key thrust that reflects their commitment with the students of Ilmgah.

The School management brought forward selected students of Ilmgah who had a spark for painting, to appear in a contest "Live it, Sketch it, Share it". This activity was initiated in collaboration with "The Dream Team Organization" working for physically impaired. The aim of the contest was to expose children with or without disabilities to art and to assess their interpretation to art and its forms. On a broader note, the competition intended to encourage and spread a clear message to the educational institutions for disabled children as well as the underprivileged to include art studies as a regular subject in their curriculum.

It was indeed a new learning experience for the students of Ilmgah where they gave their best in bringing on canvas their artistic skills. It was amazing to see few art pieces from students who highlighted threatening issues that our country has been facing for the last few decades.

ILMGAH STUDENTS PARTICIPATED IN THE PAKISTAN'S ANNUAL SPELLATHON COMPETITION

Spellathon an initiative by WWF, is a nation-wide spelling competition, for schools, which through a series of written quizzes promotes contemporary knowledge of the environment among the youth of the country in a fun and exciting way. It is an environmentally driven educational initiative targeting the youth of Pakistan.



In this regard, the management made Ilmgah students from class grade 5 to grade 8 to participate in this informative activity. It turned out to a great success in raising awareness and understanding for the need to conserve, protect and manage Pakistan's natural resources among the young minds of our nation.

Students were immensely excited to be a part of the event and they participated enthusiastically in pre – test discussions with their class fellows and teachers. Parents also considered it a beneficial exposure to environmental and conservation issues for the kids and a vital source of confidence building and urged to have such productive activities as part of School's calendar.

HTL ARRANGES “LAHORE LAHORE HAI” TOUR FOR ORPHANAGE HOUSE FROM PESHAWAR

Every child has his birth-right to get education, to play and enjoy the childhood amusements. School Educational trips are also one among them. Their purpose is essentially to educate, while they may also be a fun bonding experience for everyone involved. Recognizing on having Educational trips in the positive development of student's life, Hi-Tech Lubricants Limited arranged “LAHORE LAHORE HAI” tour for students from an orphanage house of Peshawar. The students got the life time opportunity to experience life of Lahore, its historical buildings while travelling on the roads. The students were taken to Badshahi Masjid and Minar e Pakistan where they enjoyed their best time. They took the learning with great curiosity and interest. Students were

extremely grateful and delighted to be on such a trip. It turned out advantageous particularly for those students who are less fortunate and don't have the opportunity to travel places. The tour ended with a desire to have such educational road trips blended with fun and learning in the future too.

HI-TECH INITIATES SEASON'S PLANTATION DRIVE FROM GCU

Our Flag is GREEN – So is Hi-Tech Family.

Continuing the efforts on supporting a sustainable clean environment, Hi-tech Lubricants limited started its first series of Plantation drive for the year 2016-17 from Government College University by donating almost 1000 plants in a row. This prestigious occasion was organized in the historical main campus building of GCU. Vice Chancellor GCU and the University's senior faculty members participated in planting the first batch of the plants at the University's Scholars Garden to inaugurate the tree plantation drive.

The VC of the GCU acknowledged this initiative and HTL's vision of Green Pakistan. The provided plants aimed not only to beautify the university's campus but mainly to serve the cause of benefitting clean environment.

HTL endeavors on taking serious attention about the world greatest problem like environmental pollution, heavy deforestation which is causing grave and irreparable damage to the earth and people. We believe that green symbolizes Tranquility, Freshness,

CSR INITIATIVES 2017 FOCUSING EDUCATION

Harmony, Calming and Health. It also refers to safety. And working in the Lubricant sector directly calls for safety of the environment too. By taking this initiative HTL gave a clear message that we shall continue to plant more and more for the sake to keep a clean and green environment and to compensate the damage that is caused by the different emissions of chemicals and gases.

HI-TECH LUBRICANTS LIMITED HOSTS SPORTS FESTIVAL FOR SPECIAL CHILDREN

Hi-Tech Lubricants Limited organized and sponsored the Annual Rotary Sports Festival for special Children in collaboration with the Model Town Rotary Club of Lahore. Mr. Shaukat Hassan Chairman HTL who is also the president for the club, took the initiative himself to have it arranged under his supervision and gave the Hi-Tech family an opportunity to volunteer. ZIC Motor oil was the official sponsor of the event being a brand that has become synonymous with social work and events that means investing in the developing and nurturing the future generation of Pakistan, be it the initiative of Ilmgah or investing in the safety of general public with initiatives involving traffic police.

This year, the event was attended by more than 1000 underprivileged children and those with special needs, coming from all over Punjab and Peshawar. Despite the sunny day, students remained super energetic and charged during games. The students impressed every one with their perseverance and strength. Special goodie bags and lunch boxes were prepared by the HTL volunteers on this occasion.

This event was an appreciation to the Students who have learned to bravely welcome life as it has come to them. These children were a source of inspiration for all of us to learn to never give up in the face of whatever life may throw at us.

VISIT TO THE DREAM TEAM CENTRE “THE ART OF LIVING” AN INITIATIVE BY PHYSICALLY IMPAIRED GROUP OF YOUNG INDIVIDUALS

The Art of Living Centre is a bold initiative of a group of physically impaired young individuals who with every passing day grew confident and never gave up on to their dreams. They have bravely accepted the way life has come to them and have become a source of inspiration for so many alike.

To support in their challenging initiative of empowering disable to become self-dependent, HTL management made a visit to promote and contribute in their brilliant initiative. During their interaction with the management, it was amazing to see that the frequently done workshops for counseling in the center have already started transforming negative mind sets to positive. We



could see confident people around us who may have had weak appearance but were super strong at mind and heart. The whole center has a customized design that makes the mobility for the special ones easy. Special text to speech applications have been introduced for the visually impaired to get easy access to using computers self-reliantly.

ZIC KI EIDI – HI-TECH LUBRICANTS LTD VISITS SUNDUS FOUNDATION

Eid is just around the corner and while the occasion brings with it immense joy it also saddens to find people who by Allah's will somehow cannot enjoy the pleasures of Eid to its fullest. And this ultimately asks for our due responsibility to take special care towards them.

Eid is the best occasion for celebration and exchange of gifts. And Eid gifts can undoubtedly be the most exciting way of expressing our love, care and respect for them.

Hi-tech lubricants ltd collaborated with Sundus Foundation under its CSR initiative to share and celebrate Eid through “ZIC ki EIDI” with children suffering from life threatening diseases like blood cancer, Thalesemia, hemophilia etc. Through this initiative the management of Hi-Tech Lubricants ltd kept its commitment of “Giving back to the Society” by visiting Sundus Foundation to spread the joys of EIDI.

To receive Eid dresses, watches, toys, Bangles along with children's favorite sweets and candies were a real excite for the children. The day concluded on spending some quality time with the children and Sundus staff. The Chairman Hi-Tech also presented a cheque to the CEO of Sundus Foundation as a token of gratitude for their untiring efforts towards spreading hope among the ill-fated children.

HUMAN RESOURCE KEY HIGHLIGHTS

A snapshot of the Human Resources' activities from Year 2017



OUR STAKEHOLDERS - ENGAGEMENT FOR CREATING TOMORROW

“CREATING TOMORROW – SITARON SY AGAY”

Let's supercharge your ability to transcend traditional and to create brilliantly new

Creativity requires passion and commitment. And the process itself helps bringing something new into being. Newness is not just blindly following apparently brighter ways but yes it requires the eagerness to create simpler and much better ways to execute tasks, run projects and develop business. It brings to our awareness what was previously done could have been done better by effective utilization of minimum resources.

With this aim, we took a rigorous engagement initiative by arranging different training activities in Pakistan as well as abroad.

The rationale behind the engagement was to create and improve our tomorrow and the ingredients we need for this are as follows:

1. Breaking out the 'thinking box'
2. Going beyond 'possible'
3. Attempting to perform 'better'
4. Following Pursuit of creating a simpler way
5. Taking risk to go beyond 'comfort'

LONG SERVICE RECOGNITION

To recognize the long-term commitment of its employees, the HR took an initiative by launching the long service recognition scheme in January 2017 and honors those who have served long periods of uninterrupted service with the HTL. This recognition serves as an acknowledgement of employee dedication. This program recognizes the dedication of individuals who have reached a service milestone of 15 years and 60 years of age

MY BEST SALARY – CAN DO BEST

Employees respond to appreciation at work, especially when it's expressed through recognition of their efforts because it confirms their work is valued. The objective of our human capital philosophy is to attract, retain and motivate employees and reward the right behaviors. Carrying out the philosophy of rewarding employees fairly, the management and human resource department decided to continue “My Best Salary” award based on the target achievements (financial, business and non-financial targets), which was paid in full during the year 2016-17.

HI-TECH LUBRICANTS LIMITED - FUNCTIONAL DEPARTMENTS

1. ADMINISTRATION

Head of Department: Shahzada Tamur Shah

Designation: Sr. Manager Administration

The purpose of the Administration department is to provide the necessary conditions for the normal day-to-day activity of the company, ensuring and improving the working conditions through the administration, maintenance and increase of tangible assets and other maintenance related to the company assets and properties.

2. CORPORATE COMPLIANCE

Head of Department: Fraz Amjad Khawaja

Designation: Company Secretary & Chief Compliance Officer

Functioning of Corporate Compliance department is to ensure that whether a company is fulfilling all the requirements of the regulating authorities of the country, and keeping up to

HUMAN RESOURCE KEY HIGHLIGHTS



date with all the prevailing laws and requirements imposed by regulatory authorities and aligning the company as per their requirements.

3. FINANCIALS

Head of Department: Muhammad Imran

Designation: CFO

Financial Department manages the money. The business functions of a finance department typically include planning, organizing, budgeting, accounting for, controlling the company's finances and manage the taxes as per law.

4. HUMAN RESOURCE

Head of Department: Shumaila Hameed

Designation: Sr. Manager HR

Human Resources Department is committed in attracting and retaining a top-talented and diverse workforce. To achieve these objectives, the Department provides a full-range of support services, programs and resources in the areas of employee benefits, compensation, compliance, employee relations, learning and development, recognition and talent management.

5. INFORMATION TECHNOLOGY

Head of Department: Muhammad Ashraf

Designation: Sr. Manager IT

Information technology department plans, operates and supports organization's IT infrastructure, enabling business users to carry out their roles efficiently, productively and securely.

6. MARKETING

Head of Department: Omer Farooq

Designation: Sr. Manager Marketing

Marketing Department serves as the face of our company, coordinating and producing all materials representing the business. It is the Marketing Department's job to reach out to prospects, customers, investors and/or the community, and create an overarching image that represents your company in a positive light.

7. SALES ANALYSIS

Head of Department: Muhammad Awais

Designation: Sales Analysis Manager

Sales Analysis provide the strategic input, a company needs to gauge its marketplace, provide guidance in product related decisions and sales related decisions. Sales Analysis Department provides a complete overview of company's sales performance, success of sales promotions and campaigns, customer buying patterns and trends.

8. OMC-HTL STATIONS

Head of Department: Nasir Ahmed

Designation: Country Head-OMC

Hi-Tech Lubricant Limited strongly believes in developing new businesses and enhancing its business spectrum to add more value for its stake holders and business partners. HTL steps forward to be Oil Marketing Company. As a part of our dynamic vision and expansion plan, the company is growing its business portfolio by venturing into the selling of petroleum products through retail network in Pakistan.



9. ZIC SALES

Head of Department: Ahmed Shujah

Designation: Country Head-ZIC

The sales department plays a pivotal role in the success of the business. The unique and important role of sales is to bridge the gap between the potential customer's needs and the products/services that the organization offers that can fulfill their needs. ZIC Sales successfully fulfilling the need of the customers by providing the best quality Lubricants.

10. ZIC M

Head of Department: Qaisar Abbas Rana

Designation: Country Head-ZIC M

The sales department plays a pivotal role in the success of the business. The unique and important role of sales is to bridge the gap between the potential customer's needs and the products/services that the organization offers that can fulfill their needs. ZIC M Sales has successfully satisfying the need of the customers by providing the best quality Lubricants.

11. INTERNAL AUDIT

Head of Department: Syed Arshad Ali Zaidi

Designation: Sr. Manager Internal Audit

The Department of Internal Audit provides independent, objective assurance and consulting activity designed to add value and improve the company's operations. It helps the company to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of company processes related to company-wide risk management, control and governance.

12. ZIC SERVICE CENTER-HTL EXPRESS

Head of Department: Syed Warris Waqar Kirmani

Designation: Manager Business Development

Hi-Tech Lubricants in Pakistan is known and famous for being the market leader in synthetic lubricants. With the largest network of sales and technical staff in the Lubricant industry the best way ahead is forward. Keeping that in mind HTL plans to establish state the art modern car care service center across Pakistan which will change the outlook of car maintenance. It is a means to get one step closer to the customer through superior service in order to deliver justice to the product profile. The idea is to convert the name "HTL Express" into a symbol of trust and excellence. Facilities to be provided by ZIC Service Center-HTL Express are

- Car Wash & Car Service
- Auto Mechanic.
- Oil Change
- Air-conditioned Customer waiting Lounge
- Complete range of ZIC Products

13. SUPPLY CHAIN

Head of Department: Shahzad Sohail

Designation: General Manager Supply Chain

Supply Chain provides the cost effective solution to the company's relation to the distribution of goods from the manufacturer to end user. Supply chain incorporates the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across company.

HUMAN RESOURCE KEY HIGHLIGHTS

14. WAREHOUSE

Head of Department: Shahzad Sohail

Designation: General Manager Supply Chain

Warehouse involves in the wide ranges of activities, which are associated with the physical distribution of goods from end of production line to the final consumers. These activities include inventory management, storage, materials handling, protective packing and transportation. Warehousing is concerned with the storing function of goods and commodities. Warehousing also refers to all the activities which are connected with the safe keeping of goods until they are needed for consumption.

HI-TECH BLENDING (PRIVATE) LIMITED-FUNCTIONAL DEPARTMENTS

1. CAPS & CAN (BOTTLING)

The successful production of Caps and Cans has been done in-house by the competent staff of Hi-Tech Blending Plant. Now the Plant is fully equipped for manufacturing the best quality Caps and Cans which are much more refined in quality as compared to caps and cans that are manufactured by Korea.

Machine Specification

- Two machine for 0.25L to 1L with four head & double station and view line strip
- One machine for 3L to 6L production with two head & double station and view line strip
- One head for 10L production

2. BLENDING

Blending department consist of seven blending kettles one of which is specially designed to blend an additive i.e. Viscosity Modifier.

An automated PLC based system is fully functional to transfer exact and accurate product from storage tanks to blending kettles. The Kettles are equipped with mechanical and air agitation along with other means to homogenize the product and obtain the same quality in every drop of the product.

3. FILLING

Filling Department is equipped with the modern state of art machines to cater the most modern needs of filling and packaging. Fully automatic lines are equipped with robots to minimize human interference and of course human errors. The line has its own automatic rejection system to remove

any quality control flaw. A brief description of the filling lines are mentioned below:-

- Line # 01 (Small packaging line) 0.7~01 liter fully automatic.
Capacity: 120 bottles/Min (base 1 liter)
- Line # 02 (Large packaging line) 3,4,5,6 liter fully automatic.
Capacity: 80 bottles/Min (base 4 liter)
- Line # 03 (Drum filling) 200 liter Semi auto line.
Capacity: 16 drums/ Hour

Thus the filling operation is a composite of high quality product in minimum time with the best quality which is difficult to meet by the other plants. The interesting thing of the filling department is that the filling machines are of the same origin and company as of SK ZIC Lubricants.

All machines are synchronized to each other to make a proper production with high speed.

4. ELECTRICAL & INSTRUMENTATION

E&I (Electrical & Instrumentation) department look after the planning, operation, maintenance and troubleshooting of all Electrical & automation related matters of HTB Plant. Keeping well the working condition of different instruments like PT, TT, LT, LS, FT, Sensors, PLCs based all machines & SCADA based blending plant, are core responsibilities of department. E & I department ensure the continuous supply of electricity from WAPDA and self-generating electricity (2.00MW) to the plant and also maintain liaison with other department in HTB for necessary co-ordination related to any electrical or machines automation related work.

5. QUALITY CONTROL

The Quality Control Department of HTBL is equipped with the modern instruments and mostly fully automatic, most of the instruments are same as of SK ZIC R & D center and SK ZIC lubricants blending laboratory. The team is working with full potential to ensure quality in every drop of oil. New product development and R & D working is also going on for HT LUBE. Certain quality check mechanisms are introduced at different production stages to ensure quality assurance of the oil from initial to final stage.

6. HEALTH SAFETY & ENVIRONMENT (HSE)

Health Safety & Environment (HSE) department is responsible for environmental protection, occupational health and safety at work. HSE has two general objectives: prevention of incidents or accidents that might result from abnormal operating conditions and reduction of adverse effects that result from normal operating conditions.

REVIEW REPORT TO THE MEMBERS

on the statement of compliance with the code of corporate governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of HI-TECH LUBRICANTS LIMITED ("the Company") for the year ended 30 June 2017 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.



RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: August 26, 2017

LAHORE

STATEMENT OF COMPLIANCE

With the code of Corporate Governance Year Ended June 30, 2017



Name of company: Hi-Tech Lubricants Limited
Year ended: June 30, 2017.

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.5.19 of listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Independent Directors

Mr. Muhammad Tabassum Munir
Dr. Safdar Ali Butt
Syed Asad Abbas Hussain

Executive Directors

Mr. Hassan Tahir (CEO)
Mr. Muhammad Ali Hassan

Non-Executive Directors

Mr. Shaukat Hassan
Mr. Tahir Azam
Mr. Zalmi Azam
Mr. Faraz Akhtar Zaidi
Mr. Ji Won Park

The independent directors meets the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board on March 28, 2017 was filled up by the directors within 29 days.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board has arranged training programs for two of its directors during the year: Moreover, after the listing of the company on Pakistan Stock Exchange Limited on March 01, 2016, total five directors have attended the training programs and the Company further intends to arrange training programs for other directors in stages.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of 5 members, of whom 3 are non-executive directors and 2 are independent directors with the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee. It comprises 4 members, of whom 3 are non-executive directors and 1 is executive director while the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function and has also outsourced the internal audit function to EY Ford Rhodes, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied.



Lahore, August 26, 2017

Mr. Hassan Tahir
Chief Executive Officer



UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

AUDITORS REPORT TO THE MEMBERS

We have audited the annexed balance sheet of HI-TECH LUBRICANTS LIMITED as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and Significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: August 26, 2017
Lahore

UNCONSOLIDATED BALANCE SHEET


As at 30 June 2017



	Note	2017 Rupees	2016 Rupees
Equity and liabilities			
Share capital and reserves			
Authorised share capital			
150,000,000 (2016: 150,000,000)			
ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	3	1,160,040,000	1,160,040,000
Reserves	4	2,584,265,837	2,170,608,975
Total equity		3,744,305,837	3,330,648,975
LIABILITIES			
Non-current liabilities			
Long term financing	5	13,495,415	1,030,125
Liabilities against assets subject to finance lease	6	65,810,301	15,174,991
Long term deposits	7	2,000,000	2,000,000
Deferred income tax liability - net	8	3,207,194	–
		84,512,910	18,205,116
Current liabilities			
Trade and other payables	9	805,085,777	583,597,337
Accrued mark-up	10	9,517,227	542,912
Short term borrowings	11	1,118,969,226	–
Current portion of non-current liabilities	12	43,488,959	21,751,630
Taxation - net		75,222,610	34,249,757
		2,052,283,799	640,141,636
Total liabilities		2,136,796,709	658,346,752
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		5,881,102,546	3,988,995,727
ASSETS			
Non-current assets			
Fixed assets	14	948,121,502	336,039,321
Investment in subsidiary company	15	1,300,000,600	1,102,760,000
Long term loans to employees	16	1,049,136	3,235,345
Long term security deposits	17	32,737,456	13,503,685
		2,281,908,694	1,455,538,351
Current assets			
Stock-in-trade	18	1,505,337,836	663,264,775
Trade debts	19	179,385,219	151,782,449
Loans and advances	20	663,618,225	58,790,666
Short term deposits and prepayments	21	14,611,449	13,684,348
Other receivables	22	79,647,997	477,630
Accrued interest	23	351,106	31,283
Short term investments	24	1,081,129,245	1,458,562,799
Cash and bank balances	25	75,112,775	186,863,426
		3,599,193,852	2,533,457,376
TOTAL ASSETS		5,881,102,546	3,988,995,727

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


Chief Executive


Chief Financial Officer


Director


UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	26	8,416,150,469	8,466,198,565
Sales tax		(927,268,447)	(1,450,896,485)
Net sales		7,488,882,022	7,015,302,080
Cost of sales	27	(5,716,645,139)	(4,969,648,662)
Gross profit		1,772,236,883	2,045,653,418
Distribution cost	28	(472,316,882)	(873,174,771)
Administrative expenses	29	(296,834,248)	(280,097,565)
Other expenses	30	(31,653,426)	(43,437,010)
		(800,804,556)	(1,196,709,346)
Other income	31	95,756,939	46,313,011
Profit from operations		1,067,189,266	895,257,083
Finance cost	32	(35,837,835)	(16,239,596)
Profit before taxation		1,031,351,431	879,017,487
Taxation	33	(304,483,769)	(349,352,091)
Profit after taxation		726,867,662	529,665,396
Earnings per share - basic and diluted	34	6.27	5.43

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


Chief Executive


Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017



	2017 Rupees	2016 Rupees
Profit after taxation	726,867,662	529,665,396
Other comprehensive income		
Items that will not be reclassified to profit or loss	—	—
Items that may be reclassified subsequently to profit or loss	—	—
Total comprehensive income for the year	726,867,662	529,665,396

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

Chief Executive

Chief Financial Officer

Director

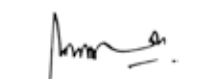
UNCONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	35	(51,361,642)	826,030,811
Finance cost paid		(26,863,520)	(15,696,684)
Income tax paid		(260,303,723)	(353,144,801)
Net decrease / (increase) in long term loans to employees		3,058,343	(1,176,088)
Net increase in long term security deposits		(24,554,871)	(4,791,085)
Net decrease in long term deposits		–	(1,000,000)
Net cash (used in) / generated from operating activities		(360,025,413)	450,222,153
Cash flows from investing activities			
Capital expenditure on property and equipment		(650,937,428)	(138,691,598)
Capital expenditure on intangible assets		(1,865,420)	(5,984,979)
Proceeds from disposal of property and equipment		74,721,623	2,804,800
Investment in subsidiary company		(197,240,600)	(326,350,000)
Loan to subsidiary company		(261,000,000)	–
Short term investments-net		378,662,602	(1,453,246,080)
Dividend income		1,150,572	–
Profit on bank deposits and short term investments		85,353,373	27,393,744
Net cash used in investing activities		(571,155,278)	(1,894,074,113)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(5,803,850)	(22,828,565)
Proceeds from issue of share capital - net		–	1,731,707,946
Dividend paid		(312,548,794)	(167,341,337)
Proceed from long term financing		23,135,000	2,727,000
Repayment of long term financing		(4,321,542)	(333,375)
Short term borrowings - net		1,118,969,226	–
Net cash from financing activities		819,430,040	1,543,931,669
Net (decrease) / increase in cash and cash equivalents		(111,750,651)	100,079,709
Cash and cash equivalents at the beginning of the year		186,863,426	86,783,717
Cash and cash equivalents at the end of the year		75,112,775	186,863,426

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


Chief Executive


Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT CHANGES IN EQUITY

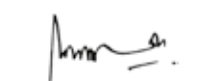
For the year ended 30 June 2017



	Share capital	Reserves			
		Capital reserve	Revenue reserve	Total reserves	Total equity
		Share premium	Un-appropriated profit		
			Rupees		
Balance as at 30 June 2015	870,030,000	-	367,451,433	367,451,433	1,237,481,433
Transactions with owners:					
Final dividend for the year ended 30 June 2015					
@ Rupee 0.20 per share of Rupees 10 each	-	-	(17,400,600)	(17,400,600)	(17,400,600)
Interim dividend for the year ended 30 June 2016					
@ Rupees 1.30 per share of Rupees 10 each	-	-	(150,805,200)	(150,805,200)	(150,805,200)
Shares issued during the year	290,010,000	1,522,552,500	-	1,522,552,500	1,812,562,500
Share issuance costs	-	(80,854,554)	-	(80,854,554)	(80,854,554)
	290,010,000	1,441,697,946	(168,205,800)	1,273,492,146	1,563,502,146
Profit for the year ended 30 June 2016	-	-	529,665,396	529,665,396	529,665,396
Other comprehensive income for the year ended 30 June 2016	-	-	-	-	-
Total comprehensive income for the year ended 30 June 2016	-	-	529,665,396	529,665,396	529,665,396
Balance as at 30 June 2016	1,160,040,000	1,441,697,946	728,911,029	2,170,608,975	3,330,648,975
Transactions with owners:					
Final dividend for the year ended 30 June 2016					
@ Rupee 1.35 per share of Rupees 10 each	-	-	(156,605,400)	(156,605,400)	(156,605,400)
Interim dividend for year ended 30 June 2017					
@ Rupees 1.35 per share of Rupees 10 each	-	-	(156,605,400)	(156,605,400)	(156,605,400)
	-	-	(313,210,800)	(313,210,800)	(313,210,800)
Profit for the year ended 30 June 2017	-	-	726,867,662	726,867,662	726,867,662
Other comprehensive income for the year ended 30 June 2017	-	-	-	-	-
Total comprehensive income for the year ended 30 June 2017	-	-	726,867,662	726,867,662	726,867,662
Balance as at 30 June 2017	1,160,040,000	1,441,697,946	1,142,567,891	2,584,265,837	3,744,305,837

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


Chief Executive


Chief Financial Officer


Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. THE COMPANY AND ITS OPERATIONS

Hi-Tech Lubricants Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Company is to procure and distribute petroleum products.

During the year, Oil and Gas Regulatory Authority (OGRA) has granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial instruments carried at fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of the assets for possible impairments on an annual basis. If such indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to current prevailing selling prices less estimated expenditure to make sales.

Provision for obsolescence of stock-in-trade

Provision for obsolescence of items of stock-in-trade is made on the basis of management's estimate of net realizable value and age analysis prepared on an item-by-item basis.

Provisions for doubtful debts

The Company reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

The following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2016:

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. However, the Company has not availed this option.

IAS 34 (Amendments) 'Interim Financial Reporting' (effective for annual periods beginning on or after 01 January 2016). This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2017 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive

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income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programs', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31 'Revenue-Barter Transactions Involving Advertising Services'. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying

amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have significant impact on Company's financial statements.

g) **Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 **Property and equipment**

Property and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less recognized impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Depreciation

Depreciation is charged to profit and loss account by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 14.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

De-recognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Impairment

The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.3 **Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

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For the year ended 30 June 2017

2.4 Leases

The Company is the lessee:

2.4.1 Finance leases

Leases where the Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost, is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to profit and loss account.

2.4.2 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight line basis over the lease term.

2.5 Investments

The Company's management determines the appropriate classification of its investments at the time of purchase.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "investment at fair value through profit and loss account" which is initially measured at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investments in subsidiaries and equity method accounted for associates, which are tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

2.5.1 Investment at fair value through profit and loss account

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

2.5.2 Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

2.5.3 Investment in subsidiary company

Investment in subsidiary company is stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.5.4 Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale.

After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in profit and loss account.

For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

2.6 Foreign currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.7 Employee benefits

The Company operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10% of basic salary of employees. The Company's contributions to the fund are charged to profit and loss account.

2.8 Stock-in-trade

Stock-in-trade, except in transit, is stated at lower of cost and net realizable value. Cost is determined on the basis of weighted average cost.

Cost in relation to items in transit comprises of invoice value and other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.9 Financial instruments

2.9.1 Recognition and de-recognition

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing, liabilities against assets subject to finance lease, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.9.2 Offsetting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

2.11 Provision

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.12 Taxation

2.12.1 Current

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

2.12.2 Deferred

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

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

2.13 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest rate method.

2.14 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.15 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.17 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

2.18 Impairment

2.18.1 Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2.18.2 Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in profit and loss account.

2.19 Revenue

2.19.1 Sale of goods

Revenue from sale of goods is recognized on dispatch of goods to customers.

2.19.2 Interest income

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

2.20 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.21 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has single reportable business segment.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017	2016		2017	2016
Number of shares			Rupees	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	250,000,000	250,000,000
50,002,000	50,002,000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	500,020,000	500,020,000
116,004,000	116,004,000		1,160,040,000	1,160,040,000

3.1 Movement during the year

2017	2016		2017	2016
Number of shares			Rupees	Rupees
116,004,000	87,003,000	At 01 July	1,160,040,000	870,030,000
—	29,001,000	Issue of fully paid-up shares of Rupees 10 each	—	290,010,000
116,004,000	116,004,000	At 30 June	1,160,040,000	1,160,040,000

3.2 827,775 (2016: 827,775) ordinary shares of the Company are held by SK Lubricants Company Limited—related party.

	2017	2016
	Rupees	Rupees
4 RESERVES		
Capital reserve		
Share premium (Note 4.1)	1,441,697,946	1,441,697,946
Revenue reserve		
Un-appropriated profit	1,142,567,891	728,911,029
	2,584,265,837	2,170,608,975

4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

	2017	2016
	Rupees	Rupees
5 LONG TERM FINANCING		
From banking company – secured		
Bank Al-Habib Limited–1 (Note 5.1)	—	809,625
Bank Al-Habib Limited–2 (Note 5.2)	—	1,584,000
Bank Al-Habib Limited–3 (Note 5.3)	21,207,084	—
	21,207,084	2,393,625
Less : Current portion (Note 12)	7,711,669	1,363,500
	13,495,415	1,030,125

5.1 This facility has been fully repaid during the year. It was obtained for purchase of generator and was secured against charge of Rupees 1.143 million over generator and personal guarantees of directors. This carried mark-up at the rate of 3 months KIBOR plus 2% per annum. It was repayable in 24 equal monthly instalments. Effective rate of mark-up charged during the year ranged from 8.04 % to 8.35% (2016: 8.35% to 8.49%) per annum.

- 5.2 This facility has been fully repaid during the year. It was obtained for purchase of generator and was secured against charge of Rupees 1.584 million over generator and personal guarantees of directors. This carried mark-up at the rate of 3 months KIBOR plus 2% per annum. It was repayable in 8 equal quarterly instalments. Effective rate of mark-up charged during the year ranged from 8.04 % to 8.07% (2016: 8.05%) per annum.
- 5.3 This facility has been obtained to build warehouse at the property of Hi - Tech Blending (Private) Limited - subsidiary company at Sundar Raiwind Road and is secured against personal guarantee of directors of the Company. This carries mark-up at the rate of 3 months KIBOR plus 1.75% per annum. It is repayable in 12 equal quarterly installments. Effective rate of mark-up charged during the year ranged from 7.84% to 7.89% (2016: Nil) per annum.

	2017 Rupees	2016 Rupees
6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	110,085,050	37,389,165
Less: Un-amortized finance charge	8,497,459	1,826,044
Present value of future minimum lease payments	101,587,591	35,563,121
Less: Current portion (Note 12)	35,777,290	20,388,130
	65,810,301	15,174,991

- 6.1 Minimum lease payments have been discounted using implicit interest rates ranging from 7.40% to 12.67% (2016: 8.06% to 12.64%) per annum. Rentals are payable in monthly instalments. Taxes, repairs and insurance costs are to be borne by the Company. These are secured against charge on the leased assets, personal guarantees of directors and deposits of Rupees 23.384 million (2016: Rupees 12.062 million).

	2017		2016	
	Not Later than one year	Later than one year but not later than five years	Not Later than one year	Later than one year but not later than five years
	Rupees			
Future minimum lease payments	40,590,495	69,494,555	21,754,286	15,634,879
Less: Un-amortized finance charge	4,813,205	3,684,254	1,366,156	459,888
Present value of future minimum lease payments	35,777,290	65,810,301	20,388,130	15,174,991

7. LONG TERM DEPOSITS

These represent long term deposits from distributors of the Company. These are unsecured, interest free and repayable on termination of distribution agreement.

	2017 Rupees	2016 Rupees
8. DEFERRED INCOME TAX LIABILITY		
The net deferred income tax liability comprised of temporary differences relating to:		
Deductible temporary differences		
Provision for doubtful trade debts	185,212	—
Leased assets	1,117,551	—
	1,302,763	—
Taxable temporary differences		
Accelerated tax depreciation and amortization	4,509,957	—
Net deferred income tax liability	3,207,194	—

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For the year ended 30 June 2017

	2017 Rupees	2016 Rupees
9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	330,221,891	158,279,683
Accrued liabilities (Note 9.2)	93,794,222	140,211,383
Advances from customers	191,257,137	130,872,499
Retention money payable	–	134,311
Customs duty and other charges payable	176,933,600	74,217,825
Income tax deducted at source	9,740,779	9,696,944
Sales tax payable	–	69,320,229
Unclaimed dividend	1,526,469	864,463
Payable to employees' provident fund trust	1,611,679	–
	805,085,777	583,597,337

9.1 It includes Rupees 296.537 million (2016: Rupees 115.948 million) payable to SK Lubricants Company Limited- related party.

9.2 It includes amount of Rupees 5.241 million (2016: Rupees Nil) on account of remuneration payable to directors of the Company.

	2017 Rupees	2016 Rupees
10. ACCRUED MARK-UP		
Long term financing	417,120	23,561
Liabilities against assets subject to finance lease	268,021	–
Short term borrowings	8,832,086	519,351
	9,517,227	542,912

11. SHORT TERM BORROWINGS

From banking companies - secured

Running finances (Note 11.1)	976,593,109	–
Running musharakah (Note 11.2)	142,376,117	–
	1,118,969,226	–

11.1 These finances are obtained under mark up arrangements and are secured against first pari passu hypothecation charge on current assets, lien over term deposit receipts, first charge on present and future fixed assets of the Company and personal guarantee of sponsor directors. These form part of total credit facilities of Rupees 1100 million (2016: Nil). The rates of markup range from 7.15% to 7.72% (2016: Nil) per annum.

11.2 Running Musharika finance available from a commercial bank under profit arrangements amounting to Rupees 150 million (2016: Nil) and is secured against first pari passu charge on current assets of the Company. The rate of profit range from 7.09% to 7.12% (2016: Nil) per annum.

	2017 Rupees	2016 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 5)	7,711,669	1,363,500
Liabilities against assets subject to finance lease (Note 6)	35,777,290	20,388,130
	43,488,959	21,751,630

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1** The Additional Commissioner Inland Revenue has 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 has 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 which has remanded back all the issues assailed in appeal to the department for adjudication afresh. The management of the Company expects a favorable outcome, therefore, no provision for the same has been made in these financial statements.
- 13.1.2** Corporate guarantees of Rupees 1,383.57 million (2016: Rupees 855 million) have been given by the Company to the banks in respect of financing to Hi-Tech Blending (Private) Limited, subsidiary company.
- 13.1.3** Guarantees of Rupees 10.000 million (2016: Rupees Nil) are given by the bank of the Company to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.
- 13.1.4** Guarantees of Rupees 2.314 million (2016: Rupees Nil) are given by the bank of the Company to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

	2017 Rupees	2016 Rupees
13.2 Commitments		
Contracts for capital expenditure	173,427,561	3,616,368
Letters of credit other than capital expenditure	87,340,703	340,535,013

14. FIXED ASSETS

Property and equipment:		
Operating fixed assets		
- Owned (Note 14.1)	622,505,331	239,293,518
- Leased (Note 14.1)	92,080,840	42,898,138
	714,586,171	282,191,656
Capital work-in-progress (Note 14.2)	225,981,488	41,263,928
	940,567,659	323,455,584
Intangible assets:		
Computer softwares (Note 14.1)	7,553,843	12,583,737
	948,121,502	336,039,321

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For the year ended 30 June 2017

14.1 Reconciliations of carrying amounts of operating fixed assets and intangible assets at the beginning and at the end of the year are as follows:

Description	Operating fixed assets										Intangible assets	
	Owned					Leased					Total	
	Freehold land	Building on leasehold land	Building on leasehold land	Machinery	Furniture and fittings	Vehicles	Office equipment	Computers	Total	Vehicles	Machinery	Computer software
												Rupees
At 30 June 2015												
Cost	25,000,000	52,115,124	-	-	14,636,459	59,708,274	24,853,450	10,823,989	187,137,296	87,536,556	-	19,731,823
Accumulated depreciation / amortization	-	(10,335,941)	-	-	(5,343,662)	(36,557,602)	(10,106,337)	(4,142,131)	(66,485,673)	(24,542,749)	-	(6,686,346)
Net book value	25,000,000	41,779,183	-	-	9,292,797	23,150,672	14,747,113	6,681,858	120,651,623	62,993,807	-	13,045,477
Year ended 30 June 2016												
Opening net book value	25,000,000	41,779,183	-	-	9,292,797	23,150,672	14,747,113	6,681,858	120,651,623	62,993,807	-	13,045,477
Additions	109,326,530	-	-	-	408,002	625,195	4,934,030	8,857,073	124,150,830	10,618,090	-	5,984,979
Transferred from leased assets:												
Cost	-	-	-	-	-	21,240,386	-	-	21,240,386	(21,240,386)	-	-
Accumulated depreciation	-	-	-	-	-	(7,233,622)	-	-	(7,233,622)	7,233,622	-	-
Disposals / derecognition:												
Cost	-	-	-	-	-	(3,073,657)	(5,740,245)	(567,128)	(9,381,030)	-	-	-
Accumulated depreciation	-	-	-	-	-	2,030,648	2,576,997	415,463	5,023,108	-	-	-
Depreciation / amortization charge	-	(4,177,918)	-	-	(955,764)	(5,019,267)	(1,638,449)	(3,366,379)	(15,157,777)	(16,706,995)	-	(6,446,719)
Closing net book value	134,326,530	37,601,265	-	-	8,745,035	31,720,355	14,879,446	12,020,887	239,293,518	42,898,138	-	12,583,737
At 30 June 2016												
Cost	134,326,530	52,115,124	-	-	15,044,461	78,501,198	24,047,235	19,113,934	323,147,482	76,914,260	-	25,716,802
Accumulated depreciation / amortization	-	(14,513,859)	-	-	(6,299,426)	(46,779,843)	(9,167,789)	(7,093,047)	(83,853,964)	(34,016,122)	-	(13,133,065)
Net book value	134,326,530	37,601,265	-	-	8,745,035	31,720,355	14,879,446	12,020,887	239,293,518	42,898,138	-	12,583,737
Year ended 30 June 2017												
Opening net book value	134,326,530	37,601,265	-	-	8,745,035	31,720,355	14,879,446	12,020,887	239,293,518	42,898,138	-	12,583,737
Additions	355,881,500	-	27,571,142	3,197,442	1,722,462	69,646,779	1,612,021	3,791,701	463,423,047	78,067,521	1,698,360	1,865,420
Transferred from leased assets:												
Cost	-	-	-	-	-	20,679,900	-	-	20,679,900	(20,679,900)	-	-
Accumulated depreciation	-	-	-	-	-	(8,651,059)	-	-	(8,651,059)	8,651,059	-	-
Disposals:												
Cost	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation / amortization charge	-	(3,760,126)	(229,760)	(26,645)	(924,946)	(11,027,330)	(1,550,540)	(4,093,629)	(21,612,976)	(16,141,092)	(99,071)	(6,895,314)
Closing net book value	490,208,030	33,841,139	27,341,382	3,170,797	9,542,551	32,288,497	14,479,103	11,633,832	622,505,331	90,481,551	1,599,289	7,553,843
At 30 June 2017												
Cost	490,208,030	52,115,124	27,571,142	3,197,442	16,766,923	84,897,704	24,762,913	22,696,135	722,215,413	130,987,751	1,698,360	27,582,222
Accumulated depreciation / amortization	-	(18,273,985)	(229,760)	(26,645)	(7,224,372)	(52,609,207)	(10,283,810)	(11,062,303)	(99,710,082)	(40,506,200)	(99,071)	(20,028,379)
Net book value	490,208,030	33,841,139	27,341,382	3,170,797	9,542,551	32,288,497	14,479,103	11,633,832	622,505,331	90,481,551	1,599,289	7,553,843
Annual rate of depreciation / amortization (%)		10	10	10	10	20	10	30		20	10	30

14.1.1 Detail of operating fixed assets exceeding book value of Rupees 50,000 disposed of during the year is as follows:

Particulars	Cost	Accumulated depreciation	Net book value Rupees	Consideration	Gain / (loss)	Mode of disposal	Particulars of purchasers
Vehicles							
Honda City LED-12-3922	1,453,000	906,451	546,549	1,210,000	663,451	Negotiation	Mr. Mohammad Ishaq Javeed, Lahore
Toyota Corolla Altis LED-10-572	1,799,000	989,034	809,966	1,150,000	340,034	Insurance claim	EFU General Insurance Limited
Suzuki Alto LED-10-4054	612,000	459,542	152,458	274,650	122,192	Company policy	Mr. Rana Junaidullah Minhas, Company's employee, Lahore
Suzuki Alto LEA-09-5489	175,000	102,610	72,390	262,733	190,343	Company policy	Mr. Asim Hussain, Company's employee, Lahore
Suzuki Alto LEB-10-3801	667,000	527,560	139,440	271,600	132,160	Company policy	Mr. Rizwan Butt, Company's employee, Lahore
Suzuki Alto LEB-12-8661	640,800	365,934	274,866	288,257	13,391	Company policy	Mr. Kashif Pervaiz, Company's employee, Lahore
Suzuki Swift LED-13-3308	1,317,220	752,209	565,011	498,525	(66,486)	Company policy	Mr. Mirza Adnan Baig, Company's employee, Lahore
Suzuki Alto LEC-09-3832	150,000	84,549	65,451	274,200	208,749	Company policy	Mr. Ashfaq Ahmed, Company's employee, Lahore
Suzuki Alto LE-10-4032	685,000	526,132	158,868	271,440	112,572	Company policy	Mr. Syed Yasser Abbas, Company's employee, Lahore
Honda City LED-10-6840	1,419,000	745,534	673,466	740,267	66,801	Company policy	Mr. Omer Farooq, Company's employee, Lahore
Suzuki Alto LE-10-3086	678,859	530,707	148,152	260,100	111,948	Company policy	Mr. Mohammad Imran Rafiq, Company's employee, Lahore
Suzuki Alto LEB-10-3805	667,000	527,560	139,440	273,343	133,903	Company policy	Mr. Masood Ahmed, Company's employee, Lahore
Suzuki Alto LEC-09-3835	150,000	84,549	65,451	265,500	200,049	Company policy	Mr. Hasnat Ahmed, Company's employee, Lahore
Suzuki Alto LEE-09-1156	637,000	513,987	123,013	271,439	148,426	Company policy	Mr. Saeed Hashmi, Company's employee, Lahore
Suzuki Alto LEE-08-2578	565,200	471,288	93,912	250,800	156,888	Company policy	Mr. Kamran Saleem, Company's employee, Lahore
Suzuki Cultus LEA-11-1339	870,000	642,654	227,346	346,610	119,264	Company policy	Mr. Khawaja Mohammad Faraz Amjad, Company's employee, Lahore
Suzuki Alto LEE-08-4229	667,000	650,524	16,476	237,600	221,124	Company policy	Mr. Hamza Iqbal, Company's employee, Lahore
Suzuki Alto ATF-672	744,792	359,221	385,571	265,500	(120,071)	Company policy	Mr. Noman Manzar, Company's employee, Karachi
Suzuki Cultus ATC-477	835,000	673,751	161,249	309,000	147,751	Company policy	Mr. Syed Waqar Ahmed, Company's employee, Karachi
Suzuki Alto ASG-417	687,600	550,050	137,550	249,000	111,450	Company policy	Mr. Syed Mehmood Ali, Company's employee, Karachi
Suzuki Alto ATW-137	674,859	527,594	147,265	256,500	109,235	Company policy	Mr. Mobeen Ahmed, Company's employee, Karachi
Suzuki Swift LED-11-8178	1,259,295	820,860	438,435	850,000	411,565	Insurance claim	EFU General Insurance Limited
Suzuki Cultus LEA-16-6155	1,039,000	258,884	780,116	537,900	(242,216)	Company policy	Mr. Mohammad Anwar Sajjad, Company's employee, Lahore
Suzuki Cultus LEF-14-2296	1,123,040	486,651	636,389	472,467	(163,922)	Company policy	Mr. Hisham Iqbal, Company's employee, Lahore
Suzuki Cultus LEH-15-6305	1,152,090	254,420	897,670	510,900	(386,770)	Company policy	Mr. Sameer Iqbal, Company's employee, Lahore

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Particulars	Cost	Accumulated depreciation	Net book value Rupees	Consideration	Gain / (loss)	Mode of disposal	Particulars of purchasers
Mercedeze - LE-17- 400	21,675,317	722,511	20,952,806	20,400,000	(552,806)	Sale and Lease back	Bank Al-Habib Limited
Range Rover - LE-17-95	39,426,431	1,314,214	38,112,217	37,845,421	(266,796)	Sale and Lease back	First Habib Modaraba
Honda Civic LEB-17-201	2,712,000	–	2,712,000	2,637,000	(75,000)	Sale and Lease back	Bank Al-Habib Limited
Honda Civic LEB-17-4479	2,712,000	–	2,712,000	2,637,000	(75,000)	Sale and Lease back	Bank Al-Habib Limited
	87,194,503	14,848,980	72,345,523	74,117,752	1,772,229		
Office equipment							
Generator	790,000	373,077	416,923	500,000	83,077	Negotiation	Mr. Mohammad Afzal, Lahore
	790,000	373,077	416,923	500,000	83,077		
Computers							
Laptop	58,000	25,520	32,480	28,480	(4,000)	Insurance claim	EFU General Insurance Limited
Laptop	50,500	32,186	18,314	25,111	6,797	Insurance claim	EFU General Insurance Limited
Laptop	101,000	66,667	34,333	25,280	(9,053)	Insurance claim	EFU General Insurance Limited
	209,500	124,373	85,127	78,871	(6,256)		
Aggregate of other items of property and equipment with individual book values not exceeding Rupees 50,000							
	155,143	61,442	93,701	25,000	(68,701)		
	88,349,146	15,407,872	72,941,274	74,721,623	1,780,349		

14.1.2 The depreciation charge on operating fixed assets for the year has been allocated as follows:

	2017 Rupees	2016 Rupees
Distribution cost (Note 28)	27,168,421	21,726,262
Administrative expenses (Note 29)	10,684,717	10,138,510
	37,853,138	31,864,772

14.1.3 Amortization on intangible assets amounting to Rupees 6.895 million (2016: Rupees 6.447 million) has been allocated to administrative expenses.

14.1.4 The cost of intangibles as at reporting date includes fully amortized intangible assets of Rupees 3.531 million (2016: Rupees 3.531 million) which are still in use of the Company.

	2017 Rupees	2016 Rupees
14.2 Capital work-in-progress		
Advance against purchase of apartment (Note 14.2.1)	25,226,750	25,226,750
Advance for purchase of vehicle	16,468,000	2,015,505
Civil works (Note 14.2.2)	111,548,093	8,451,580
Mobilization and other advances	20,224,164	–
Unallocated expenditures (Note 14.2.2)	52,514,481	5,570,093
	225,981,488	41,263,928

14.2.1 This represent advance given to BNP (Private) Limited against purchase of apartment in Grand Hayatt at 1-Constitution Avenue, Islamabad. On July 29, 2016 Capital Development Authority (CDA) cancelled the leased deed of BNP (Private) Limited for violating the terms and conditions of the said lease. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court (“the Court”) challenging the cancellation of said lease. The Court dismissed the writ petition of BNP (Private) Limited and bound the Federal Government to ensure that the purchasers do not suffer. Based on the decision of the Court, the management of the Company expects full compensation of the advance amount and therefore no provision for impairment has been made in these financial statements.

- 14.2.2** An amount of Rupees 61.522 million is included in civil works and Rupees 25.280 million is included in unallocated expenditure relating to the construction of warehouse on the land owned by Hi-Tech Blending (Private) Limited - subsidiary company. The Company entered into a lease agreement with Hi-Tech Blending (Private) Limited, against a piece of land measuring 45 Kanals where the Company will build a warehouse. The lease agreement is for 20 years and annual rent is Rupees 3 million per annum with 10% increase for each year.

	2017 Rupees	2016 Rupees
15. INVESTMENT IN SUBSIDIARY COMPANY - AT COST		
Hi-Tech Blending (Private) Limited - unquoted (Note 15.1)		
130,000,060 (2016: 10,000,050) fully paid ordinary shares of Rupees 10 each		
Equity held 100% (2016: 100%)	1,300,000,600	100,000,500
Advance against issuance of shares	–	1,002,759,500
	1,300,000,600	1,102,760,000

- 15.1** Investment in Hi-Tech Blending (Private) Limited includes 60 shares in the name of nominee directors of the Company.

	2017 Rupees	2016 Rupees
16. LONG TERM LOANS TO EMPLOYEES		
Considered good		
- Executives (Note 16.1)	2,418,723	5,285,198
- Other employees	20,857	212,725
	2,439,580	5,497,923
Less: Current portion shown under current assets (Note 20)		
- Executives	1,369,623	2,049,853
- Other employees	20,821	212,725
	1,390,444	2,262,578
	1,049,136	3,235,345

- 16.1 Reconciliation of carrying amounts of loans to executives:**

Opening balance	5,285,198	3,870,369
Add: Disbursements	–	3,142,128
Less: Repayments	2,866,475	1,727,299
Closing balance	2,418,723	5,285,198

- 16.1.1** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 4.009 million (2016: Rupees 6.035 million).

- 16.2** These represent loans to employees of the Company for the purpose of house building. These are interest free and repayable over a period of four years. These are secured against deposit of original land documents and credit balance of employees in provident fund trust.

- 16.3** The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

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	2017 Rupees	2016 Rupees
17. LONG TERM SECURITY DEPOSITS		
Security deposits against leased assets	23,383,956	12,061,900
Security deposits - others	14,465,300	6,357,285
	37,849,256	18,419,185
Less: Current portion (Note 21)	5,111,800	4,915,500
	32,737,456	13,503,685
18. STOCK-IN-TRADE		
Lubricants (Note 18.1)	1,507,238,185	662,906,276
Less: Provision for slow moving and damaged inventory	2,215,187	—
	1,505,022,998	662,906,276
Stock of promotional items	314,838	358,499
	1,505,337,836	663,264,775

18.1 This includes stock-in-transit of Rupees 1,067.471 million (2016: 434.590 million) lying at custom bonded warehouses.

	2017 Rupees	2016 Rupees
19. TRADE DEBTS		
Unsecured:		
Considered good		
Related party (Note 19.1)	—	638,000
Other than related party (Note 19.2)	179,385,219	151,144,449
	179,385,219	151,782,449
Considered doubtful (Note 19.3)	1,575,557	492,392
	180,960,776	152,274,841
Less: Provision for doubtful trade debts (Note 19.4)	1,575,557	492,392
	179,385,219	151,782,449

19.1 This represented amount due from Hi-Tech Blending (Private) Limited - subsidiary company.

19.2 As at 30 June 2017, trade debts of Rupees 148.921 million (2016: Rupees 128.547 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2017 Rupees	2016 Rupees
Upto 1 month	82,306,505	82,430,379
1 to 6 months	61,259,643	38,592,590
More than 6 months	5,354,781	7,524,552
	148,920,929	128,547,521

19.3 As at 30 June 2017, trade debts of Rupees 1.575 million (2016: Rupees 0.492 million) were impaired and provided for. The age analysis of these trade debts was more than one year.

	2017 Rupees	2016 Rupees
19.4 Provision for doubtful trade debts		
Opening balance	492,392	3,641,868
Add: Charge for the year (Note 30)	1,575,557	492,392
Less: Reversal made during the year (Note 31)	15,937	–
Less: Bad debts written off during the year	476,455	3,641,868
Closing balance	1,575,557	492,392

20. LOANS AND ADVANCES

Considered good, unsecured:		
Employees - interest free against salaries		
- Executives	1,983,936	1,273,436
- Other employees	1,930,240	1,554,097
	3,914,176	2,827,533
Employees - against expenses	1,408,320	1,119,770
Current portion of long term loans to employees (Note 16)	1,390,444	2,262,578
Loan to subsidiary company (Note 20.1)	261,000,000	–
Advances to suppliers (Note 20.2)	368,294,783	38,370,785
Margin against letters of credit	24,879,002	14,210,000
Margin against bank guarantees	2,731,500	–
	663,618,225	58,790,666

20.1 It represents short term loan given to Hi-Tech Blending (Private) Limited - subsidiary company for working capital requirement. It is un-secured loan and repayable on demand. It carries mark-up at average borrowing cost of the Company.

20.2 These include advances of Rupees 325.920 million (2016: Rupees Nil) to Hi-Tech Blending (Private) Limited - subsidiary company in the ordinary course of business.

	2017 Rupees	2016 Rupees
21. SHORT TERM DEPOSITS AND PREPAYMENTS		
Current portion of long term security deposits (Note 17)	5,111,800	4,915,500
Short term deposits	1,944,000	2,047,500
Prepaid insurance	5,125,716	5,515,929
Prepaid rent	2,429,933	1,205,419
	14,611,449	13,684,348

22. OTHER RECEIVABLES

Receivable from MAS Associates (Private) Limited-associated company	114,623	215,832
Receivable from SK Lubricants Company Limited-related party	55,875,455	–
Sales Tax Receivable	23,572,344	–
Receivable from employees' provident fund trust	–	234,195
Others	85,575	27,603
	79,647,997	477,630

23. ACCRUED INTEREST

On short term loan to subsidiary company	261,178	–
On bank deposits	89,928	31,283
	351,106	31,283

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For the year ended 30 June 2017

	2017 Rupees	2016 Rupees
24. SHORT TERM INVESTMENTS		
Held-to-maturity (Note 24.1)	1,006,004,644	1,455,364,109
At fair value through profit or loss (Note 24.2)	75,124,601	3,198,690
	1,081,129,245	1,458,562,799
24.1 Held-to-maturity		
Term deposit receipts	1,001,031,917	1,450,000,000
Add: Interest accrued thereon	4,972,727	5,364,109
	1,006,004,644	1,455,364,109

24.1.1 These term deposit receipts issued by banking companies having maturity period ranges from one month to one year and carry interest ranged from 5.90% to 6.40% (2016: 6.00 % to 7.15 %) per annum. Term deposits receipts amounting to Rupees 491.031 million (2016: Rupees 100 million) are under lien with bank against short term borrowings.

	2017 Rupees	2016 Rupees
24.2 At fair value through profit or loss		
Quoted - other than related party:		
Engro Fertilizer Limited		
49,500 (2016: 49,500) fully paid ordinary shares of Rupees 10 each	3,246,080	3,246,080
Alfalah GHP Stock Fund B Growth Units		
461,430 (2016: nil) units of Rupees 159.2592 each	73,486,932	—
Less: Unrealized loss on remeasurement of investment at fair value	1,608,411	47,390
	75,124,601	3,198,690

25. CASH AND BANK BALANCES

Cash in hand	533,379	603,680
Cash at banks:		
Saving accounts (Note 25.1)	36,135,276	86,009,244
Current accounts	38,444,120	100,250,502
	74,579,396	186,259,746
	75,112,775	186,863,426

25.1 Saving accounts carry mark-up at the rates ranging from 3.75% to 6% (2016: 4% to 6%) per annum.

25.2 Bank balances of Rupees 20.053 million (2016: Rupees 29.973 million) and short term investments of Rupees 1.075 million (2016: Rupees 1,450 million) as at 30 June 2017 represents un-utilized proceeds of the initial public offer and can only be utilized for the purposes mentioned in the prospectus dated 28 December 2015 as per special condition imposed by regulators.

	2017 Rupees	2016 Rupees
26. SALES - net		
Gross sales	8,737,862,484	8,541,257,808
Less: Discount / stock given under sales promotion schemes	321,712,015	75,059,243
	8,416,150,469	8,466,198,565

	2017 Rupees	2016 Rupees
27. COST OF SALES		
Opening stock	662,906,276	505,266,701
Purchased during the year	6,558,761,861	5,127,288,237
	7,221,668,137	5,632,554,938
Less: Closing stock (Note 18)	1,505,022,998	662,906,276
	5,716,645,139	4,969,648,662
28. DISTRIBUTION COST		
Salaries, wages and other benefits (Note 28.1)	247,991,160	231,189,543
Sales promotion and advertisements (Note 28.2)	7,396,424	433,660,783
Freight outward	56,511,272	55,916,991
Rent, rates and taxes	45,719,323	46,131,277
Sales commission	2,972,170	4,182,544
Travelling and conveyance	32,838,479	35,830,494
Insurance	8,736,157	7,161,013
Utilities	2,745,069	3,259,989
Printing and stationery	432,221	424,904
Repair and maintenance	6,128,753	6,454,197
Vehicles' running and maintenance	9,368,393	7,716,744
Communication	7,143,730	6,949,984
Entertainment	2,906,814	3,576,963
Depreciation on operating fixed assets (Note 14.1.2)	27,168,421	21,726,262
Miscellaneous	14,258,496	8,993,083
	472,316,882	873,174,771

28.1 Salaries, wages and other benefits include provident fund contribution of Rupees 7.636 million (2016: Rupees 7.151 million) by the Company.

28.2 These are net off with incentives in shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 156.335 million (2016: Rupees 121.179 million) from SK Lubricants Company Limited, South Korea - related party.

	2017 Rupees	2016 Rupees
29. ADMINISTRATIVE EXPENSES		
Salaries and other benefits (Note 29.1)	205,664,463	197,655,671
Rent, rates and taxes	10,230,321	8,963,670
Legal and professional (Note 29.2)	11,041,456	10,926,120
Insurance	5,891,913	4,400,110
Vehicles' running and maintenance	7,177,530	6,721,417
Utilities	3,010,683	3,123,382
Repair and maintenance	5,642,530	3,585,179
Fee and subscription	4,427,769	1,840,369
Printing and stationery	666,319	611,203
Communication	5,808,279	3,652,722
Entertainment	3,716,316	3,299,419
Auditors' remuneration (Note 29.3)	2,261,500	1,849,000
Travelling and conveyance	11,899,826	15,338,927
Depreciation on operating fixed assets (Note 14.1.2)	10,684,717	10,138,510
Amortization on intangible assets (Note 14.1.3)	6,895,314	6,446,719
Miscellaneous	1,815,312	1,545,147
	296,834,248	280,097,565

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29.1 Salaries and other benefits include provident fund contribution of Rupees 3.906 million (2016: Rupees 3.530 million) by the Company.

29.2 It includes an amount of Rupees 2.095 million (2016: Rupees 1.106 million) on account of internal audit services rendered by EY Ford Rhodes.

	2017 Rupees	2016 Rupees
29.3 Auditors' remuneration		
Annual audit fee	1,150,000	1,000,000
Certifications	385,000	175,000
Half year review	550,000	500,000
Reimbursable expenses	176,500	174,000
	2,261,500	1,849,000

30. OTHER EXPENSES

Provision for doubtful trade debts (Note 19.4)	1,575,557	492,392
Bad debts written off	127,107	4,745,603
Exchange loss - net	15,851,504	24,713,804
Loss on disposal of operating fixed assets	—	1,553,122
Charities and donations (Note 30.1)	12,538,238	11,884,699
Unrealized loss on remeasurement of investment at fair value	1,561,020	47,390
	31,653,426	43,437,010

30.1 It includes amount of Rupees 12.000 million (2016: Rupees 11 million) paid to Sabra Hamida Trust, 1-A, Danepur Road, GOR-1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - Director, Mr. Ali Hassan - Director and Mr. Zalmi Azam - Director are trustees.

	2017 Rupees	2016 Rupees
31. OTHER INCOME		
Income from financial assets		
Dividend income	1,150,572	—
Profit on bank deposits and short term investments	85,020,636	32,789,136
Gain on sale of short term investment	3,181,451	—
Interest income on loan to subsidiary company	261,178	—
Income from non-financial assets		
Gain on disposal of operating fixed assets	1,780,349	—
Credit balances written back	1,983,967	10,791,307
Reversal of provision for doubtful debts (Note 19.4)	15,937	—
Scrap sale	2,362,849	2,476,611
Amortization of deferred income	—	255,957
	95,756,939	46,313,011

32. FINANCE COST

Mark up on long term financing	770,431	50,409
Mark up on short term borrowings	30,936,119	11,980,267
Finance charges on liabilities against assets subject to finance lease	3,087,422	2,846,962
Bank charges and commission	1,043,863	1,361,958
	35,837,835	16,239,596

	2017 Rupees	2016 Rupees
33. TAXATION		
For the year		
Current (Note 33.1)	298,424,805	358,480,248
Deferred tax (Note 8)	3,207,193	(8,773,435)
Prior period adjustment	2,851,771	(354,722)
	304,483,769	349,352,091

33.1 The provision for current tax represents final tax on imports, tax on sales under normal tax regime and tax on income from other sources under the relevant provisions of the Income Tax Ordinance, 2001.

	2017 Rupees	2016 Rupees
33.2 Reconciliation between tax expense and accounting profit		
Accounting profit before taxation	1,031,351,431	879,017,487
Applicable tax rate	31%	32%
Tax on accounting profit	319,718,944	281,285,596
Tax effect of income subject to final tax regime	(35,461,500)	46,467,774
Effect of super tax	27,685,403	30,726,878
Expenses that are not deductible in determining taxable profit	1,103,165	—
Prior year adjustment	2,851,771	(354,722)
Tax effect of temporary differences	3,207,193	(8,773,435)
Tax credits	(14,621,207)	—
	304,483,769	349,352,091

34. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which based on:

Profit after taxation attributable to ordinary shareholders (Rupees)	726,867,662	529,665,396
Weighted average number of shares (Number)	116,004,000	97,620,852
Basic earnings per share (Rupees)	6.27	5.43

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

	2017 Rupees	2016 Rupees
35. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit before taxation	1,031,351,431	879,017,487
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	37,853,139	31,864,772
Amortization on intangible assets	6,895,314	6,446,719
Amortization of deferred income	—	(255,957)
Provision for doubtful trade debts	1,575,557	492,392
Provision for slow moving and damaged inventory	2,215,187	—
Reversal of provision for doubtful debts	(15,937)	—
Bad debts written off	127,107	4,745,603
Credit balances written back	(1,983,967)	(10,791,307)
(Gain) / loss on disposal of property and equipment	(1,780,349)	1,553,122
Dividend income	(1,150,572)	—
Profit on bank deposits and short term investments	(85,020,636)	(32,789,136)
Interest income on loan to subsidiary company	(261,178)	—
Unrealized loss on remeasurement of investments at fair value	1,561,020	47,390
Gain on disposal of short term investment	(3,181,451)	—
Exchange loss	1,307,006	24,713,804
Finance cost	35,837,835	16,239,596
Cash flows from operating activities before working capital changes	1,025,329,506	921,284,485
Working capital changes		
(Increase) / decrease in current assets:		
Stock-in-trade	(844,288,248)	(154,783,865)
Trade debts	(29,305,434)	80,822,791
Loans and advances	(344,699,693)	49,995,554
Short term deposits and prepayments	(730,801)	1,339,833
Other receivables	(79,170,367)	43,856,626
	(1,298,194,543)	21,230,939
Increase / (decrease) in trade and other payables	221,503,395	(91,770,809)
	(51,361,642)	850,744,615

36. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund trust:

Size of the fund - Total assets	87,478,981	87,938,878
Cost of investments	82,349,230	87,393,726
Percentage of investments made	94.14%	99.38%
Fair value of investments	86,638,634	89,192,259

36.1 The break-up of fair value of investments is as follows:

	2017 Percentage	2016 Percentage	2017 Rupees	2016 Rupees
Deposits with banks	71.16%	83.15%	61,656,005	74,161,656
Listed securities	16.53%	15.00%	14,319,900	13,375,460
Units of mutual fund	12.31%	1.86%	10,662,729	1,655,143
	100.00%	100.00%	86,638,634	89,192,259

36.2 Investments, out of provident fund, have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the rules formulated for this purpose.

37. 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:

		2017 Rupees	2016 Rupees
Relationship	Nature of transaction		
Subsidiary company			
Hi-Tech Blending (Private) Limited	Share deposit money	197,240,600	326,350,000
	Issuance of shares	1,200,000,100	–
	Sale of lubricants	–	638,000
	Purchase of lubricants	2,325,570,721	–
	Short term loan	261,000,000	–
	Accrued markup on short term loan	283,376	–
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	641,658	384,149
Other related parties			
SK Lubricants Company Limited	Purchase of lubricants	3,341,798,883	92,115,085
Directors	Rent expense	16,518,699	16,518,696
Provident fund trust	Contribution	11,541,355	10,681,105
Spouse of director	Sale of generator	–	750,000
Sabra Hamida Trust	Donations	12,000,000	11,000,000

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Company are as follows:

	2017				2016			
	Directors				Directors			
	Chief executives	Executives	Non-executives	Executives	Chief executives	Executives	Non-executives	Executives
	Rupees							
Managerial remuneration	11,870,968	15,806,452	9,290,322	48,645,343	11,612,903	15,741,935	6,967,742	37,556,274
House rent allowance	5,341,936	7,112,903	4,180,645	21,871,338	5,225,806	7,083,871	3,135,484	16,900,324
Medical allowance	1,187,097	1,580,645	929,032	4,860,297	1,161,290	1,574,194	696,774	3,755,634
Bonus	–	–	–	19,696,003	–	–	–	14,165,948
Contribution to provident fund trust	–	–	–	4,608,815	–	–	–	3,747,900
Other allowances and benefits	12,179,877	16,885,148	2,000,000	21,901,763	13,046,943	17,905,358	327,560	17,663,215
	30,579,878	41,385,148	16,399,999	121,583,559	31,046,942	42,305,358	11,127,560	93,789,295
Number of persons	1	2	2	48	1	2	2	39

38.1 Chief executive, four directors (other than independent directors) and certain executives of the Company are provided with fully maintained vehicles.

38.2 Aggregate amount charged in financial statements for meeting fee to five directors (2016: nine directors) is Rupees 3.05 million (2016: Rupees 4.34 million).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

	2017		2016	
	Permanent	Contractual	Permanent	Contractual
39. NUMBER OF EMPLOYEES				
Total number of employees as on 30 June	229	105	356	72
Average number of employees during the year	300	83	341	69

40 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements	30, June 2017			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	2,734,380	72,390,221	–	75,124,601
	30, June 2016			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	3,198,690	–	–	3,198,690

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments include the use of quoted market prices.

41 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

41.1

Description	Note	2017		2016	
		Carried under		Carried under	
		Non-shariah arrangements	Shariah arrangements	Non-shariah arrangements	Shariah arrangements
		Rupees			
Assets					
Loans and advances					
Loan to subsidiary company	20	261,000,000	–	–	–
Loans to employees	16 and 20	–	6,353,756	–	8,325,456
Deposits					
Deposits	17 and 21	–	39,793,256	–	20,466,685
Bank balances	25	74,579,396	–	186,259,746	–
Liabilities					
Loans and deposits					
Long term financing	5	21,207,084	–	2,393,625	–
Liabilities against assets subject to finance lease	6	101,587,591	–	35,563,121	–
Long term deposits	7	–	2,000,000	–	2,000,000
Short term borrowings	11	976,593,109	142,376,117	–	–
Income					
Profit on bank deposits and short term investments	31	85,020,636	–	32,789,136	–
Unrealised loss on remeasurement of investment at fair value	30	1,096,710	464,310	–	47,390

		2017	2016
		Rupees	Rupees
41.2 Dividend income earned from	31		
Engro Fertilizer Limited		346,500	–
Alfalah GHP Stock Fund B Growth Units		804,072	–
		1,150,572	
41.3 Sources of other income	31		
Dividend income		1,150,572	–
Profit on bank deposits and short term investments		85,020,636	32,789,136
Interest on loan to subsidiary company		261,178	–
Credit balances written back		1,983,967	10,791,307
Reversal of provision for doubtful debts		15,937	–
Gain on disposal of operating fixed assets		1,780,349	–
Scrap sale		2,362,849	2,476,611
Amortization of deferred income		–	255,957
Gain on sale of short term investment		3,181,451	–
		95,756,939	46,313,011
41.4 Exchange loss - net (actual currency)	30	15,851,504	24,713,804

41.5 The revenue of the Company is from sales of lubricants.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

41.6 Relationship with banks

Name	Relationship	
	Non Islamic Windows operations	With Islamic Windows operations
Bank Alfalah Limited	√	—
Bank Al-Habib Limited	√	—
Habib Metropolitan Bank Limited	√	—
MCB Bank Limited	√	—
National Bank of Pakistan	√	—
Standard Chartered Bank (Pakistan) Limited	√	—
The Bank of Punjab	√	—
Habib Bank Limited	√	—
Askari Bank Limited	√	—
United Bank Limited	√	—
JS Bank Limited	√	—
Al-Baraka Bank (Pakistan) Limited	—	√
Meezan Bank Limited	—	√
Summit Bank Limited	√	—

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

The Company's activities exposes it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). As on reporting date, the Company's foreign exchange risk exposure is restricted to the amounts payable to a foreign entity and other receivables. The Company's exposure to currency risk was as follows:

	2017 USD	2016 USD
Other receivables	527,596	—
Trade and other payables	(4,419,369)	(1,107,430)
Net exposure	(3,891,773)	(1,107,430)

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Rupees per US Dollar		
Average rate	104.55	104.26
Reporting date rate	104.80	104.70

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 14.071 million lower / higher (2016: Rupees 5.797 million lower / higher), mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is exposed to equity securities price risk because of short term investment held by the Company and classified as fair value through profit or loss. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation	
	2017 Rupees	2016 Rupees
PSX 100 (5% increase)	3,756,230	159,935
PSX 100 (5% decrease)	(3,756,230)	(159,935)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long term interest bearing asset. The Company's interest rate risk arises from short term investments, bank balances on saving accounts, long term financing, short term borrowings and liabilities against assets subject to finance lease. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2017 Rupees	2016 Rupees
Fixed rate instruments		
Financial assets		
Short term investments	1,006,004,644	1,455,364,109
Floating rate instruments		
Financial assets		
Loan to subsidiary company	261,000,000	—
Bank balances - saving accounts	36,135,276	86,009,244
Financial liabilities		
Long term financing	21,207,084	2,393,625
Liabilities against assets subject to finance lease	101,587,591	35,563,121
Short term borrowings	1,118,969,226	—

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1.00% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 6.518 million lower / higher (2016: Rupees 0.481 million higher / lower), mainly as a result of higher / lower interest expense / income on long term financing, liabilities against assets subject to finance lease, short term borrowings, bank balances and loan to subsidiary company. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2017 Rupees	2016 Rupees
Deposits	16,409,300	8,404,785
Trade debts	179,385,219	151,782,449
Loans and advances	6,353,756	8,325,456
Other receivables	56,075,653	508,913
Short term investments	1,081,129,245	1,458,562,799
Bank balances	74,579,396	186,259,746
	1,413,932,569	1,813,844,148

The age analysis of trade debts as at reporting date is given in note 19.2.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Short term	Rating Long term	Agency	2017 Rupees	2016 Rupees
Short term investments					
Bank Alfalah Limited	A1+	AA+	PACRA	200,000,000	300,828,493
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	300,000,000	602,214,110
JS Bank Limited	A1+	AA-	PACRA	451,031,917	502,321,506
United Bank Limited	A-1+	AAA	JCR-VIS	50,000,000	50,000,000
Engro Fertilizer Limited	A1+	AA-	PACRA	2,734,380	3,198,690
Alfalah GHP Stock Fund B Growth Units		3-Star	PACRA	72,390,221	—
Banks					
Bank Alfalah Limited	A1+	AA+	PACRA	13,769,809	78,167,723
Bank Al-Habib Limited	A1+	AA+	PACRA	28,268	22,454,334
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	8,124,381	34,315,809
MCB Bank Limited	A1+	AAA	PACRA	23,005,839	30,859,049
National Bank of Pakistan	A1+	AAA	PACRA	597,754	9,899,053
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	8,074,629	77,678
The Bank of Punjab	A1+	AA	PACRA	33,301	63,301
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,862,764	371
Askari Bank Limited	A1+	AA+	PACRA	409,846	236,678
United Bank Limited	A-1+	AAA	JCR-VIS	662,002	58,442
JS Bank Limited	A1+	AA-	PACRA	14,960,656	10,127,308
Summit Bank	A-1	A-	JCR-VIS	420	—
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	49,727	—
				1,150,735,914	1,644,822,545

Due to the Company's business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2016, the Company had Rupees 433.195 million (2016: Rupees 165.000 million) available borrowing limits from financial institutions and Rupees 75.113 million (2016: Rupees 186.863 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	More than 2 years
Rupees						
Non-derivative financial liabilities:						
Long term financing						
Long term financing	21,207,084	23,310,821	4,248,409	4,500,958	8,548,913	6,012,541
Liabilities against assets subject to finance lease	101,587,591	109,817,029	22,017,590	18,304,884	69,494,555	–
Long term deposits	2,000,000	2,000,000	–	–	–	2,000,000
Trade and other payables	424,016,113	424,016,113	424,016,113	–	–	–
Accrued mark-up	9,517,227	9,517,227	9,517,227	–	–	–
Short term borrowings	1,118,969,226	1,150,969,023	1,142,892,910	8,076,113	–	–
	1,677,297,241	1,719,630,213	1,602,692,249	30,881,955	78,043,468	8,012,541

Contractual maturities of financial liabilities as at 30 June 2016:

	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	More than 2 years
Rupees						
Non-derivative financial liabilities:						
Long term financing	2,393,625	2,624,408	751,187	764,594	1,108,627	–
Liabilities against assets subject to finance lease	35,563,121	37,389,165	14,181,153	7,573,133	11,980,790	3,654,089
Long term deposits	2,000,000	2,000,000	–	–	–	2,000,000
Trade and other payables	298,625,377	298,625,377	298,625,377	–	–	–
Accrued mark-up	542,912	542,912	542,912	–	–	–
	339,125,035	341,181,862	314,100,629	8,337,727	13,089,417	5,654,089

42.2 **Financial instruments by categories**

	2017			
	Loans and receivables	Held-to- maturity	At fair value through profit or loss	Total
Rupees				
Financial assets				
Deposits	16,409,300	–	–	16,409,300
Trade debts	179,385,219	–	–	179,385,219
Loans and advances	267,353,756	–	–	267,353,756
Other receivables	56,075,653	–	–	56,075,653
Accrued interest	351,106	–	–	351,106
Short term investments	–	1,006,004,644	75,124,601	1,081,129,245
Cash and bank balances	75,112,775	–	–	75,112,775
	594,687,809	1,006,004,644	75,124,601	1,675,817,054

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

	2016			
	Loans and receivables	Held-to-maturity	At fair value through profit or loss	Total
	Rupees			
Financial assets				
Deposits	8,404,785	–	–	8,404,785
Trade debts	151,782,449	–	–	151,782,449
Loans and advances	8,325,456	–	–	8,325,456
Other receivables	508,913	–	–	508,913
Accrued to interest	31,283	–	–	31,283
Short term investments	–	1,455,364,109	3,198,690	1,458,562,799
Cash and bank balances	186,863,426	–	–	186,863,426
	355,916,312	1,455,364,109	3,198,690	1,814,479,111

	At amortized cost	
	2017 Rupees	2016 Rupees
Financial liabilities		
Long term financing	21,207,084	2,393,625
Liabilities against assets subject to finance lease	101,587,591	35,563,121
Long term deposits	2,000,000	2,000,000
Trade and other payables	424,016,113	298,625,377
Short term borrowings	1,118,969,226	–
Accrued mark-up	9,517,227	542,912
	1,677,297,241	339,125,035

43. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, liabilities against assets subject to finance lease and short term borrowings obtained by the Company as referred to in note 5, 6 and 11 to the financial statements. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2017 Rupees	2016 Rupees
Borrowings	Rupees	1,241,763,901	37,956,746
Total equity	Rupees	3,744,305,837	3,330,648,975
Total capital employed	Rupees	4,986,069,738	3,368,605,721
Gearing ratio	Percentage	24.90%	1.13%

The increase in gearing ratio is mainly due to increase in borrowings of the Company.

44. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Total facilities	986,594,028	645,000,000	1,679,329,465	165,000,000
Utilized at the end of the year	397,593,744	340,535,013	1,246,133,960	—
Unutilized at the end of the year	589,000,284	304,464,987	433,195,505	165,000,000

45. SEGMENT INFORMATION

These financial statements has been prepared on the basis of single reportable segment. Sales of non-synthetic items represents 69.77% (2016: 67.13%) of the total sales of the Company. All of the sales of the Company relates to customers in Pakistan. All non-current assets of the Company as at reporting date were located in Pakistan.

46. EVENTS AFTER THE REPORTING PERIOD

- 46.1 The Board of Directors has proposed a cash dividend for the year ended 30 June 2017 of Rupees 1.75 per share (2016: Rupee 1.35 per share). However, this event has been considered as non-adjusting event under IAS 10 'Event after Reporting Period' and has not been recognized in these financial statements.
- 46.2 Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 7.5% of accounting profit before tax of the Company if it does not distribute at least 40% of its after tax profit for the year within six months of the end of the year ended 30 June 2017 through cash or bonus shares. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on 26 August 2017 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 26 August 2017 by the Board of Directors of the Company.

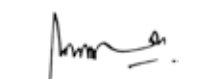
48. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary for the purpose of comparison. However, no significant re-arrangements of corresponding figures have been made in these financial statements.

49. GENERAL

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


 Chief Executive


 Chief Financial Officer


 Director

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

GROUP DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company have the pleasure in submitting group annual report along with the audited financial statements for the year ended June 30, 2017.

The Group

The group comprises Hi-Tech Lubricants Limited and its wholly owned subsidiary Company Hi-Tech Blending (Pvt.) Limited.

The wholly owned subsidiary company Hi-Tech Blending (Pvt.) Limited is located outside Sundar Industrial Estate, at Bhaikot Raiwand Road, Lahore and has started its commercial operations from August 03, 2016 after a successful trial run completion in July 2016.

Financial Performance

Your Company has performed exceptionally well during the current year and the summarized financial performance is as follows:

	2017	2016
	Rupees in million	
Gross sales	9,111	8,541
Sales related to trial Run	(162)	-
Discounts	(1,299)	(75)
Sales Tax	(1,299)	(1,451)
Net sales from Operations	7,328	7,015
Gross Margin	1,930	2,046
EBITDA - operations	1,241	922
Depreciation & amortization	(66)	(41)
Finance costs	(77)	(18)
Other operating expenses	(38)	(43)
Other operating income	96	47
Earnings before tax	1,156	867
Tax	304	349
Earnings after tax	727	518
Basic Earnings per share – Rupees	6.27	5.31

Operations have achieved net sales of Rs 7,328 million in 2017 against net sales of Rs 7,015 million of last year representing sales growth of 4.4%.

The operations generated Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs 1,241 million during 2017 against Rs 922 million of 2016 resulting in an increase of Rs 319 million through cost controls efficiently and effectively. During 2017 wholly owned subsidiary company proved successful by generating an (EBITDA) of Rs 190 million against Rs (17) million of 2016 and processing almost 10million liters.

The wholly owned subsidiary company is financed through 75% equity and 25% debt. Tax is being proportionate based on available tax credits for 5 years on aforementioned debt and equity.

The plant available capacity and actual production comparison are as follows:

Section	Total available capacity (MT) / Ltrs.	Production (MT) / Ltrs.	Capacity Used %
Blow Moulding and Injection Moulding	2,000 Metric Ton	500 MT	25%
Filing	25,000,000	10,000,000	40%

Subsequent Events

No material changes or commitments affecting the financial position of the Group Companies have occurred between the end of the financial year of Companies and the date of the report, except as disclosed in financial statement of Hi-Tech Lubricants Limited.

Auditors report

The auditors have expressed unqualified opinions on the financial statement of each group company.

Pattern of Shareholding

All the shares of Hi-Tech Blending (Pvt.) Limited are held by Hi-Tech Lubricants Limited. The pattern of shareholding of certain class of shareholders as at June 30, 2017, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

Country of Incorporation

All group companies have been incorporated in Pakistan

Earnings Per share

The earning per share for the financial year is Rs 6.41/-.

Payment of debts

There is no default in any payment by the company either on account of principal or mark-up/ profit



Mr. Hassan Tahir
(Chief Executive)

Lahore
August 26, 2017



Mr. Shaukat Hassan
(Chairman)

کل ملکیتی ذیلی کمپنی کو 75% یکویٹی اور 25% قرضہ جات سے فنانس کیا جاتا ہے۔ درج بالا ایکویٹی اور قرضہ جات پر 5 سال کے لئے دستیاب کریڈٹ کی بنیاد پر اسی مناسبت سے ٹیکس ادا کیا جاتا ہے۔ پلانٹ کی موجودہ گنجائش اور اصل پیداوار کا موازنہ درج ذیل ہے:

شعبہ	کل دستیاب گنجائش	پیداوار	استعمال شدہ گنجائش
بلو ماؤنٹ اور انجکشن ماؤنٹ	2,000 میٹرک ٹن	1500 ایم ٹی	25%
فائننگ	25,000,000	10,000,000	40%

مزید صورتحال

کمپنی کے مالیاتی سال کے اختتام پر اور رپورٹ کی تاریخ کے درمیان کوئی ایسی مخصوص تبدیلی یا معاہدہ نہیں کیا گیا جو گروپ کمپنی کی مالیاتی حیثیت پر اثر انداز ہو سوائے اس کے جو ہائی ٹیک لبریکٹس لمیٹڈ کے مالیاتی اسٹیٹمنٹ میں ظاہر کیا گیا ہے۔

آڈٹ رپورٹ

آڈیٹرز نے ہر گروپ کمپنی کے مالیاتی اسٹیٹمنٹ پر غیر مصدقہ رائے کا اظہار کیا ہے۔

شیئر ہولڈنگ کا طرز

ہائی ٹیک بلینڈنگ (پرائیویٹ) لمیٹڈ کے تمام شیئرز ہائی ٹیک لبریکٹس لمیٹڈ کی ملکیت میں ہیں۔ 30 جون 2017 کی تاریخ پر بعض نوعیت کے شیئر ہولڈرز کی شیئر ہولڈنگ کا طرز، جن کا ظاہر کرنا رپورٹنگ فریم ورک کے تحت لازمی ہے، شیئر ہولڈرز کی منسلک معلومات میں شامل ہے۔

قیام کا ملک

تمام گروپ کمپنیز پاکستان میں قائم ہیں۔

آمدنی فی شیئر

اس مالی سال کیلئے فی شیئر آمدنی 6.4 روپے ہے۔

قرضہ جات کی ادائیگی

کمپنی اصل یا مارک اپ / منافع کے اکاؤنٹ میں کسی بھی ادائیگی کی نادر ہندہ نہیں ہے۔

جناب شوکت حسن

(چیرمین)

لاہور 26 اگست 2017

جناب حسن طاہر

(چیف ایگزیکٹو)

گروپ ڈائریکٹرز رپورٹ برائے حصہ داران

مالیاتی کارکردگی

موجودہ سال کے دوران آپ کی کمپنی نے غیر معمولی کارکردگی کا مظاہرہ کیا اور مالیاتی کارکردگی کا خلاصہ کچھ اس طرح ہے:

گروپ ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

کمپنی کے ڈائریکٹرز گروپ سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے برائے 30 June 2017 پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

دی گروپ

گروپ ہائی ٹیک لبریکٹس لمیٹڈ اور اس کی کل ملکیتی ذیلی کمپنی ہائی ٹیک لمیٹڈنگ (پرائیویٹ) لمیٹڈ پر مشتمل ہے۔

کل ملکیتی ذیلی کمپنی ہائی ٹیک لمیٹڈنگ (پرائیویٹ) لمیٹڈ بیرون سند رائٹسٹریل اسٹیٹ بھائی کوٹ رائے ونڈ روڈ، لاہور پر واقع ہے اور جولائی 2016 میں کامیابی کے ساتھ اپنا آزمائشی آپریشن مکمل کرنے کے بعد 03 اگست 2016 سے سرٹشل آپریشن کا آغاز کر دیا ہے

مالیاتی کارکردگی

آپ کی کمپنی نے اس سال کے دوران میں غیر معمولی کارکردگی کا مظاہرہ کیا اور مالیاتی کارکردگی کا مختصر جائزہ درج ذیل ہے:

2016	2017	
روپے ملین میں		
8,541	9,111	مجموعی سیلز
-	(162)	آزمائشی مدت میں سیلز
(75)	(1,299)	رعایت
(1,451)	(1,299)	سیلز ٹیکس
7,015	7,328	آپریشنز سے حاصل شدہ خالص سیلز
2,046	1,930	مجموعی مارجن
922	1,241	EBITDA - آپریشنز
(41)	(66)	قدر میں کمی اور قرضوں کی ادائیگی
(18)	(77)	فنانس کی لاگت
(43)	(38)	آپریٹنگ کے دیگر اخراجات
47	96	آپریٹنگ کی دیگر آمدنی
867	1,156	آمدنی قبل از ٹیکس
349	304	ٹیکس
518	727	آمدنی بعد از ٹیکس
5.31	6.27	فی شیئر بنیادی آمدنی - روپے

2017 میں آپریشنز سے 7,328 ملین روپے کی خالص سیلز ہوئی جب کہ گزشتہ سال کی 7,015 ملین روپے کی خالص سیلز ہوئی تھی۔ اس طرح سیلز میں 4.4% کا اضافہ ہوا۔

2017 میں آپریشنز سے حاصل ہونے والی کل آمدنی، ٹیکس، قدر کی کمی اور قرضوں کی ادائیگی (EBITDA) سے قبل 1,241 ملین روپے ہے، اس کے مقابلے میں 2016 میں 922 ملین روپے تھی یعنی 319 ملین روپے کا اضافہ ہوا۔ اس کا سبب لاگت پر دانشمندانہ اور موثر کنٹرول تھا۔

2017 میں کل ملکیتی ذیلی کمپنی نے (EBITDA) میں کامیابی کے ساتھ 190 ملین روپے کی آمدنی حاصل کی جو گزشتہ سال کی آمدنی سے تقریباً 10 ملین روپے زیادہ ہے۔

AUDITORS REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Hi-Tech Lubricants Limited (the Holding Company) and its Subsidiary Company, Hi-Tech Blending (Private) Limited (together referred to as Group) as at 30 June 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Hi-Tech Lubricants Limited and Hi-Tech Blending (Private) Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Hi-Tech Lubricants Limited and its Subsidiary Company, Hi-Tech Blending (Private) Limited as at 30 June 2017 and the results of their operations for the year then ended.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: August 26, 2017
Lahore

CONSOLIDATED BALANCE SHEET

As at 30 June 2017



	Note	2017 Rupees	2016 Rupees
Equity and liabilities			
Share capital and reserves			
Authorised share capital			
150,000,000 (2016: 150,000,000)			
ordinary shares of Rupees 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up share capital	3	1,160,040,000	1,160,040,000
Reserves	4	2,573,140,599	2,142,371,554
Total equity		3,733,180,599	3,302,411,554
LIABILITIES			
Non-current liabilities			
Long term financing	5	98,557,862	215,356,033
Liabilities against assets subject to finance lease	6	103,119,783	165,067,091
Long term deposits	7	2,000,000	2,000,000
Deferred liabilities	8	40,603,480	12,584,791
		244,281,125	395,007,915
Current liabilities			
Trade and other payables	9	1,170,842,041	590,701,630
Accrued mark-up	10	27,891,018	15,297,891
Short term borrowings	11	1,235,959,909	98,994,215
Current portion of non-current liabilities	12	207,401,109	232,798,149
Taxation - net		—	22,370,779
		2,642,094,077	960,162,664
Total liabilities		2,886,375,202	1,355,170,579
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		6,619,555,801	4,657,582,133
ASSETS			
Non-current assets			
Fixed assets	14	2,465,200,699	1,851,303,435
Investment property	15	35,813,717	—
Long term loans to employees	16	1,049,136	3,235,345
Long term security deposits	17	59,083,196	101,487,135
		2,561,146,748	1,956,025,915
Current assets			
Stores		50,156,870	—
Stock-in-trade	18	2,070,841,515	752,208,413
Trade debts	19	179,584,299	151,144,449
Loans and advances	20	125,795,530	96,268,274
Short term deposits and prepayments	21	24,413,272	16,877,313
Other receivables	22	243,868,294	39,001,513
Short term investments	23	1,081,129,245	1,458,562,799
Taxation - net		61,716,183	—
Cash and bank balances	24	220,903,845	187,493,457
		4,058,409,053	2,701,556,218
TOTAL ASSETS		6,619,555,801	4,657,582,133

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

Chief Executive

Chief Financial Officer

Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	25	8,627,289,953	8,465,560,565
Sales tax		(1,298,818,374)	(1,450,896,485)
Net sales		7,328,471,579	7,014,664,080
Cost of sales	26	(5,397,910,882)	(4,969,010,662)
Gross profit		1,930,560,697	2,045,653,418
Distribution cost	27	(472,316,882)	(873,174,771)
Administrative expenses	28	(360,692,907)	(290,643,245)
Other expenses	29	(37,981,691)	(43,437,010)
		(870,991,480)	(1,207,255,026)
Other income	30	96,177,950	46,625,824
Profit from operations		1,155,747,167	885,024,216
Finance cost	31	(77,089,573)	(17,960,154)
Profit before taxation		1,078,657,594	867,064,062
Taxation	32	(334,677,749)	(348,942,104)
Profit after taxation		743,979,845	518,121,958
Earnings per share - basic and diluted	33	6.41	5.31

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017



	Note	2017 Rupees	2016 Rupees
Profit after taxation		743,979,845	518,121,958
Other comprehensive income			
Items that will not be reclassified to profit or loss		—	—
Items that may be reclassified subsequently to profit or loss		—	—
Total comprehensive income for the year		743,979,845	518,121,958

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

Chief Executive

Chief Financial Officer

Director

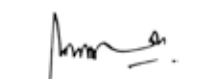
CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2017

	Note	2017 Rupees	2016 Rupees
Cash flows from operating activities			
Cash generated from operations	34	123,262,893	679,731,028
Finance cost paid		(64,496,446)	(17,915,922)
Income tax paid		(390,313,405)	(357,516,084)
Net decrease / (increase) in long term loans to employees		3,058,343	(1,176,088)
Net increase in long term security deposits		(25,122,111)	(11,595,085)
Net decrease in long term deposits		–	(1,000,000)
Net cash (used in) / generated from operating activities		(353,610,726)	290,527,849
Cash flows from investing activities			
Capital expenditure on property, plant and equipment		(761,897,536)	(554,169,949)
Capital expenditure on intangible assets		(1,865,420)	(5,984,979)
Proceeds from disposal of property, plant and equipment		74,966,513	21,304,800
Short term investments - net		378,662,602	(1,453,246,080)
Dividend income		1,150,572	–
Profit on bank deposits received		85,353,373	27,393,744
Net cash used in investing activities		(223,629,896)	(1,964,702,464)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(67,623,383)	(51,827,612)
Short term borrowings - net		1,136,965,694	78,994,215
Proceeds from issue of share capital - net		–	1,731,707,946
Dividend paid		(312,548,794)	(167,341,337)
Proceeds from long term financing		23,135,000	253,844,905
Repayment of long term financing		(169,277,507)	(86,142,988)
Net cash from financing activities		610,651,010	1,759,235,129
Net increase in cash and cash equivalents		33,410,388	85,060,514
Cash and cash equivalents at beginning of the year		187,493,457	102,432,943
Cash and cash equivalents at end of the year		220,903,845	187,493,457

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


Chief Executive


Chief Financial Officer


Director

CONSOLIDATED STATEMENT CHANGES IN EQUITY

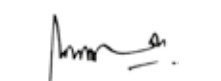
For the year ended 30 June 2017



	Share capital	Reserves			Total equity
		Capital reserve	Revenue reserve	Total reserves	
		Share premium	Un- appropriated profit Rupees		
Balance as at 30 June 2015	870,030,000	–	350,757,450	350,757,450	1,220,787,450
Transactions with owners:					
Final dividend for the year ended 30 June 2015					
@ Rupee 0.20 per share of Rupees 10 each	–	–	(17,400,600)	(17,400,600)	(17,400,600)
Interim dividend for the year ended 30 June 2016					
@ Rupees 1.30 per share of Rupees 10 each	–	–	(150,805,200)	(150,805,200)	(150,805,200)
Shares issued during the year	290,010,000	1,522,552,500	–	1,522,552,500	1,812,562,500
Share issuance cost	–	(80,854,554)	–	(80,854,554)	(80,854,554)
	290,010,000	1,441,697,946	(168,205,800)	1,273,492,146	1,563,502,146
Profit for the year ended 30 June 2016	–	–	518,121,958	518,121,958	518,121,958
Other comprehensive income for the year					
ended 30 June 2016	–	–	–	–	–
Total comprehensive income for the year					
ended 30 June 2016	–	–	518,121,958	518,121,958	518,121,958
Balance as at 30 June 2016	1,160,040,000	1,441,697,946	700,673,608	2,142,371,554	3,302,411,554
Transactions with owners:					
Final dividend for the year ended 30 June 2016					
@ Rupee 1.35 per share of Rupees 10 each	–	–	(156,605,400)	(156,605,400)	(156,605,400)
Interim dividend for year ended 30 June 2017					
@ Rupees 1.35 per share of Rupees 10 each	–	–	(156,605,400)	(156,605,400)	(156,605,400)
	–	–	(313,210,800)	(313,210,800)	(313,210,800)
Profit for the year ended 30 June 2017	–	–	743,979,845	743,979,845	743,979,845
Other comprehensive income for the year					
ended 30 June 2017	–	–	–	–	–
Total comprehensive income for the year					
ended 30 June 2017	–	–	743,979,845	743,979,845	743,979,845
Balance as at 30 June 2017	1,160,040,000	1,441,697,946	1,131,442,653	2,573,140,599	3,733,180,599

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


Chief Executive


Chief Financial Officer


Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 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 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The principal activity of the Holding Company is to procure and distribute petroleum products.

During the year, Oil and Gas Regulatory Authority (OGRA) has granted license to the Holding Company to establish an Oil Marketing Company (OMC), subject to some conditions.

Hi-Tech Blending (Private) Limited

Hi-Tech Blending (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private limited company by shares on 13 March 2014 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The principal activity of the Subsidiary Company is to construct, own and operate lubricating oil blending plant. The registered office of the Subsidiary Company is situated at 1-A, Danepur Road, GOR-1, Lahore. The Subsidiary Company is a wholly owned subsidiary of Hi-Tech Lubricants Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Group's operations and has also enhanced the definition of related parties.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments carried at fair value.

c) Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Taxation

In making the estimates for income tax currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of the assets for possible impairments on an annual basis. If such indication exist assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Provision for obsolescence of stock-in-trade

Provision for obsolescence of items of stock-in-trade is made on the basis of management's estimate of net realizable value and age analysis prepared on an item-by-item basis.

Provisions for doubtful debts

The Group reviews its receivables against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group

The following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2016:

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these consolidated statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these consolidated statements and clarification that an group's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to consolidated profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. However, the Group has not availed this option.

IAS 34 (Amendments) 'Interim Financial Reporting' (effective for annual periods beginning on or after 01 January 2016). This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim consolidated financial statements to the location of that information.

The application of the above amendments does not result in any impact on consolidated profit or loss, consolidated other comprehensive income and consolidated total comprehensive income.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these financial statements.

f) Standards, interpretations and amendments to published standards that are not yet effective but relevant to the Group

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2016 or later periods:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programs', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31 'Revenue-Barter Transactions Involving Advertising Services'. The aforesaid standard is not expected to have a material impact on the Group's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Group's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Group's consolidated financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset

in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have significant impact on Group's consolidated financial statements.

g) **Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group**

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investment held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances and transactions have been eliminated.

2.3 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less recognized impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated profit and loss account during the period in which they are incurred.

Depreciation

Depreciation is charged to consolidated profit and loss account by applying the reducing balance method whereby cost of an asset is written off over its estimated useful life at the rates given in Note 14.1. Depreciation on additions is charged for the full month in which the asset is available for use and on deletion up to the month immediately preceding the deletion.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Impairment

The Group assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in consolidated profit and loss account. The recoverable amount is higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.4 Investment property

Land held for capital appreciation or to earn rental income is classified as investment property. Land is stated at cost less any recognized impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

2.5 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.6 Leases

The Group is the lessee:

2.6.1 Finance leases

Leases where the Group has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost, is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to consolidated profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to consolidated profit and loss account.

2.6.2 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to consolidated profit and loss account on a straight line basis over the lease term.

2.7 Investments

The Group's management determines the appropriate classification of its investments at the time of purchase.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "investment at fair value through profit and loss account" which is initially measured at fair value.

The Group assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Group applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments.

2.7.1 Investment at fair value through profit and loss account

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in consolidated profit and loss account.

2.7.2 Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in consolidated profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

2.7.3 Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale.

After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in consolidated statement of comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in consolidated statement of comprehensive income is included in consolidated profit and loss account.

For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

2.8 Foreign currency

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the consolidated balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the consolidated profit and loss account.

2.9 Employee benefits

The Group operates a contributory provident fund scheme covering all regular employees. Equal monthly contributions are made both by the employees and the employers' to funds at the rate of 10% of basic salary of employees. The Group's contributions to the fund are charged to consolidated profit and loss account.

2.10 Inventories

2.10.1 Stores

Useable stores are valued principally at moving average cost, while items considered obsolete are carried at Nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.10.2 Stock-in-trade

Hi-Tech Lubricants Limited - Holding Company

Stock-in-trade, except in transit, is stated at lower of cost and net realizable value. Cost is determined on the basis of weighted average cost.

Hi-Tech Blending (Private) Limited - Subsidiary Company

Cost of raw material, work-in-process and finished goods are determined as follows:

- (i) For raw material: Weighted average basis
- (ii) For work-in-process and finished goods: Average manufacturing cost including a portion of production overheads.

Material in transit is valued at cost comprising invoice value plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.11 Financial instruments

2.11.1 Recognition and de-recognition

Financial instruments carried on the consolidated balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing, short term borrowings, accrued mark-up and trade and other payables, etc. Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Group loses control of the contractual rights that comprise the financial asset. The Group loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Group surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the consolidated profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

2.11.2 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.13 Provision

A provision is recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.14 Taxation

2.14.1 Current

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

2.14.2 Deferred

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

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

2.15 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the consolidated profit and loss account over the period of the borrowings using the effective interest rate method.

2.16 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.17 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.18 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.19 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

2.20 Impairment

2.20.1 Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2.20.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in consolidated profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in consolidated profit and loss account.

2.21 Revenue

2.21.1 Sale of goods

Revenue from sale of goods is recognized on dispatch of goods to customers.

2.21.2 Interest income

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

2.22 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.23 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.24 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group has single reportable business segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

3. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017	2016		2017	2016
Number of shares			Rupees	Rupees
41,002,000	41,002,000	Ordinary shares of Rupees 10 each fully paid-up in cash	410,020,000	410,020,000
25,000,000	25,000,000	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	250,000,000	250,000,000
50,002,000	50,002,000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	500,020,000	500,020,000
116,004,000	116,004,000		1,160,040,000	1,160,040,000

3.1 827,775 (2016: 827,775) ordinary shares of the Holding Company are held by SK Lubricants Company Limited - related party.

	2017	2016
	Rupees	Rupees
4. RESERVES		
Capital reserve		
Share premium	1,441,697,946	1,441,697,946
Revenue reserve		
Un-appropriated profit	1,131,442,653	700,673,608
	2,573,140,599	2,142,371,554

5. LONG TERM FINANCING

From banking companies - secured		
Holding Company		
Bank Al-Habib Limited-1 (Note 5.1)	–	809,625
Bank Al-Habib Limited-2 (Note 5.2)	–	1,584,000
Bank Al-Habib Limited-3 (Note 5.3)	21,207,084	–
	21,207,084	2,393,625
Subsidiary Company		
Bank Al-Habib Limited (Note 5.4)	215,410,083	375,466,048
Habib Metropolitan Bank Limited (Note 5.5)	4,895,000	9,795,000
	220,305,083	385,261,048
Total long term financing	241,512,167	387,654,673
Less: Current portion (Note 12)	142,954,305	172,298,640
	98,557,862	215,356,033

5.1 This facility has been fully repaid during the year. It was obtained for purchase of generator and was secured against charge of Rupees 1.143 million over generator and personal guarantees of directors. This carried mark-up at the rate of 3 months KIBOR plus 2% per annum. It was repayable in 24 equal monthly instalments. Effective rate of mark-up charged during the year ranged from 8.04% to 8.35% (2016: 8.35% to 8.49%) per annum.

5.2 This facility has been fully repaid during the year. It was obtained for purchase of generator and was secured against charge of Rupees 1.584 million over generator and personal guarantees of directors. This carried mark-up at the rate of 3 months KIBOR plus 2% per annum. It was repayable in 8 equal quarterly instalments. Effective rate of mark-up charged during the year ranged from 8.04% to 8.07% (2016: 8.05%) per annum.

5.3 This facility has been obtained to build warehouse at the property of Hi-Tech Blending (Private) Limited - Subsidiary Company at Sundar Raiwind Road and is secured against personal guarantee of directors of the Subsidiary Company. This carries mark-up at the rate of 3 months KIBOR plus 1.75% per annum. It is repayable in 12 equal quarterly installments. Effective rate of mark-up charged during the year ranged from 7.84% to 7.89% per annum.

- 5.4 These term finance facilities, aggregating to Rupees 250.939 million (2016: Rupees 412.641 million), are secured by pari passu hypothecation charge over current assets of the Subsidiary Company to the extent of Rupees 667.000 million (2016: Rupees 610.000 million), registered first hypothecation charge over plant and machinery, land and building of the Subsidiary Company to the extent of Rupees 1,312 million, corporate guarantee of the Holding Company and personal guarantees of directors of the Subsidiary Company. The finance facilities are repayable in 6, 12 and 16 equal quarterly instalments commenced on 31 March 2015 and ending on 25 November 2019. 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 ranged from 8.04% to 8.35% (2016: 8.35% to 10%) per annum.
- 5.5 This term finance facility of Rupees 8.570 million is secured by specific charge over specific machinery of the Subsidiary Company to the extent of Rupees 22.450 million, corporate guarantee of the Holding Company and personal guarantees of directors of the Subsidiary Company. The finance is repayable in 11 equal quarterly installments commenced on 08 November 2015 and ending on 08 May 2018. Mark-up is payable quarterly at the rate of 3 month KIBOR plus 2.00% per annum. Effective rate of mark-up charged during the year ranged from 8.04% to 8.12% (2016: 8.35 to 9.01%) per annum.

	2017 Rupees	2016 Rupees
6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	179,972,282	240,409,023
Less: Un-amortized finance charge	12,405,695	14,842,423
Present value of future minimum lease payments	167,566,587	225,566,600
Less: Current portion (Note 12)	64,446,804	60,499,509
	103,119,783	165,067,091

- 6.1 Minimum lease payments have been discounted using implicit interest rates ranging from 5.01% to 12.67% (2016: 5.61% to 12.64%) per annum. Rentals are payable in monthly instalments. Taxes, repairs and insurance costs are to be borne by the lessee. These are secured against charge on the leased assets, personal guarantees of directors and deposits of Rupees 47.856 million (2016: Rupees 98.090 million).

	2017		2016	
	Not Later than one year	Later than one year but not later than five years	Not Later than one year	Later than one year but not later than five years
	Rupees			
Future minimum lease payments	72,361,156	107,611,126	69,281,593	171,127,430
Less: Un-amortized finance charge	7,914,352	4,491,343	8,782,084	6,060,339
Present value of future minimum lease payments	64,446,804	103,119,783	60,499,509	165,067,091

7. LONG TERM DEPOSITS

These represent long term deposits from distributors of the Holding Company. These are unsecured, interest free and repayable on termination of distribution agreement.

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	2017 Rupees	2016 Rupees
8. DEFERRED LIABILITIES		
Deferred income (Note 8.1)	653,257	1,085,873
Deferred income tax liability (Note 8.2)	39,950,223	11,498,918
	40,603,480	12,584,791

	2017 Rupees	2016 Rupees
8.1 Deferred income		
Opening balance	1,085,873	760,222
Add: Excess of sales proceeds over carrying value	–	894,421
Less: Amortized during the year (Note 30)	432,616	568,770
Closing balance	653,257	1,085,873

8.1.1 This represents gain on sale and lease back transactions and is being amortized over the lease term.

	2017 Rupees	2016 Rupees
8.2 Deferred income tax liability		
The net deferred income tax liability comprised of temporary differences relating to:		
Deductible temporary differences		
Available tax losses	(101,688,662)	(17,628,697)
Provision for doubtful trade debts	(185,212)	–
	(101,873,874)	(17,628,697)
Taxable temporary differences		
Accelerated tax depreciation and amortization	133,359,802	1,087,547
Deferred income on sale and lease back	195,977	336,621
Leased assets	8,268,318	27,703,447
	141,824,097	29,127,615
Net deferred income tax liability	39,950,223	11,498,918

9. TRADE AND OTHER PAYABLES		
Creditors (Note 9.1)	630,421,850	215,303,011
Accrued liabilities (Note 9.2)	99,938,485	141,376,790
Advances from customers	191,257,137	130,872,499
Retention money payable	13,797,442	17,995,188
Customs duty and other charges payable	217,053,922	74,217,825
Income tax deducted at source	10,010,459	10,071,854
Unclaimed dividend	1,526,469	864,463
Employees' provident fund payable	3,056,993	–
Workers' profit participation fund	3,779,284	–
	1,170,842,041	590,701,630

9.1 It includes an amount of Rupees 576.694 million (2016: Rupees 155.387 million) payable to SK Lubricants Company Limited - related party.

9.2 It includes amount of Rupees 5.241 million (2016: Rupees Nil) on account of remuneration payable to directors of the Holding Company.

	2017 Rupees	2016 Rupees
10. ACCRUED MARK-UP		
Long term financing	5,225,555	8,317,527
Short term borrowings (Note 10.1)	13,771,230	6,818,156
Liabilities against assets subject to finance lease	8,894,233	162,208
	27,891,018	15,297,891

10.1 This includes mark-up of Rupees 12.012 million (2016: Rupees 6.266 million) payable to directors of the Subsidiary Company.

	2017 Rupees	2016 Rupees
11. SHORT TERM BORROWINGS		
<i>From banking companies - secured</i>		
<i>- Holding Company</i>		
Running finances (Note 11.1)	976,593,109	–
Running musharakah (Note 11.2)	142,376,117	–
	1,118,969,226	–
<i>- Subsidiary Company</i>		
Short term finance (Note 11.3)	46,792,133	12,075,977
Temporary overdraft	198,550	1,918,238
	46,990,683	13,994,215
<i>From related parties - unsecured</i>		
Loan from directors (Note 11.4)	70,000,000	85,000,000
	1,235,959,909	98,994,215

11.1 These finances are obtained under mark up arrangements and are secured against first pari passu hypothecation charge on current assets, lien over first charge on present and future fixed assets of the Holding Company and personal guarantees of sponsor directors of Holding Company. These form part of total credit facilities of Rupees 1,100 million (2016: Rupees Nil). The rates of mark up range from 7.15% to 7.72% (2016: Nil) per annum.

11.2 This represents running musharakah finance available from a commercial bank under profit arrangements amounting to Rupees 150 million (2016: Rupees Nil) and is secured against first pari passu charge on current assets of the Holding Company. The rate of profit range from 7.09% to 7.12 % (2016: Nil) per annum.

11.3 This represents finance against trust receipts from Bank Al-Habib Limited and repayable within 60 days. Mark-up is payable quarterly at the rate of 3 month KIBOR plus 1.5% per annum. Effective rate of mark-up charged during the year is 7.51% to 7.84% (2016: 7.84%) per annum. This is secured against trust receipts and ranking charge over assets of the Subsidiary Company.

11.4 These unsecured loans are from directors of the Subsidiary Company. Mark-up is payable half yearly at the rate of 3 month KIBOR plus 2% per annum. Effective rate of mark-up charged during the year ranged from 8.04% to 8.12% (2016: 8.35% to 9.01%) per annum. These are repayable on demand.

	2017 Rupees	2016 Rupees
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 5)	142,954,305	172,298,640
Liabilities against assets subject to finance lease (Note 6)	64,446,804	60,499,509
	207,401,109	232,798,149

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13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Additional Commissioner Inland Revenue has 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 Holding Company has 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 Holding Company has filed appeal before the Appellant Tribunal Inland Revenue which has remanded back all the issues assailed in appeal to the department for adjudication afresh. The management of the Holding Company expects a favorable outcome, therefore, no provision for the same has been made in these consolidated financial statements.

13.1.2 Corporate guarantees of Rupees 1,383.57 million (2016: Rupees 855 million) have been given by the Holding Company to the banks in respect of financing to the Subsidiary company.

13.1.3 Guarantees of Rupees 14.000 million (2016: Rupees Nil) are given by the bank of the Group to Director Excise and Taxation, Karachi against disputed amount of infrastructure cess.

13.1.4 Guarantees of Rupees 5.314 million (2016: Rupees Nil) are given by the bank of the Group to Chairman, Punjab Revenue Authority, Lahore against disputed amount of infrastructure cess.

	2017 Rupees	2016 Rupees
13.2 Commitments		
Contracts for capital expenditures	173,427,561	13,485,336
Letters of credit other than capital expenditure	273,526,133	402,294,220

14. FIXED ASSETS

Property, plant and equipment:		
Operating fixed assets:		
Owned (Note 14.1)	2,037,142,342	427,789,593
Leased (Note 14.1)	189,346,068	65,200,771
	2,226,488,410	492,990,364
Capital work-in-progress (Note 14.2)	230,907,986	1,345,251,183
Intangible assets:		
Computer softwares (Note 14.1)	7,804,303	13,061,888
	2,465,200,699	1,851,303,435

14.1 Reconciliations of carrying amounts of operating fixed assets and intangible assets at the beginning and at the end of the year are as follows:

Description	Operating fixed assets										Intangible assets			
	Owned										Leased			
	Freehold land	Building on free hold and lease	Building on hold land	Machinery	Electric Installation	Furniture and fittings	Vehicles	Office Equipments	Computer	Total	Plant and Machinery	Vehicles	Total	Computer softwares
Rupees														
At 30 June 2015														
Cost	200,606,708	52,115,124	-	-	-	15,017,402	70,853,243	26,276,726	11,346,154	376,215,357	-	96,356,056	96,356,056	20,490,793
Accumulated depreciation / amortization	-	(10,335,941)	-	-	-	(5,375,892)	(36,756,603)	(10,230,918)	(4,240,542)	(66,939,896)	-	(25,144,374)	(25,144,374)	(6,762,243)
Net book value	200,606,708	41,779,183	-	-	-	9,641,510	34,096,640	16,045,808	7,105,612	309,275,461	-	71,211,682	71,211,682	13,728,550
Year ended 30 June 2016														
Opening net book value	200,606,708	41,779,183	-	-	-	9,641,510	34,096,640	16,045,808	7,105,612	309,275,461	-	71,211,682	71,211,682	13,728,550
Additions	110,346,530	-	-	-	-	2,772,312	9,907,392	7,674,380	12,209,727	142,910,341	-	29,118,090	29,118,090	5,984,979
Transferred from leased assets:														
Cost	-	-	-	-	-	-	21,240,386	-	-	21,240,386	-	(21,240,386)	(21,240,386)	-
Accumulated depreciation	-	-	-	-	-	-	(7,233,622)	-	-	(7,233,622)	-	7,233,622	7,233,622	-
Disposals:														
Cost	-	-	-	-	-	-	(21,125,969)	(5,740,245)	(567,128)	(27,433,342)	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	2,477,381	2,576,997	415,463	5,469,841	-	-	-	-
Depreciation / amortization charge	-	(4,177,918)	-	-	-	(1,033,753)	(5,762,011)	(1,864,979)	(3,600,811)	(16,439,472)	-	(21,122,237)	(21,122,237)	(6,651,641)
Closing net book value	310,953,238	37,601,265	-	-	-	11,380,069	33,600,197	18,691,961	15,562,863	427,789,593	-	65,200,771	65,200,771	13,061,888
At 30 June 2016														
Cost	310,953,238	52,115,124	-	-	-	17,789,714	80,875,052	28,210,861	22,988,753	512,932,742	-	104,233,760	104,233,760	26,475,772
Accumulated depreciation / amortization	-	(14,513,859)	-	-	-	(6,409,645)	(47,274,855)	(9,518,900)	(7,425,890)	(85,143,149)	-	(39,032,989)	(39,032,989)	(13,413,884)
Net book value	310,953,238	37,601,265	-	-	-	11,380,069	33,600,197	18,691,961	15,562,863	427,789,593	-	65,200,771	65,200,771	13,061,888
Year ended 30 June 2017														
Opening net book value	310,953,238	37,601,265	-	-	-	11,380,069	33,600,197	18,691,961	15,562,863	427,789,593	-	65,200,771	65,200,771	13,061,888
Additions	357,291,500	359,203,612	27,571,142	900,334,050	58,754,269	8,870,385	69,646,779	3,979,304	4,311,015	1,789,982,056	76,513,796	87,480,404	163,994,200	1,865,420
Transferred from leased assets:														
Cost	-	-	-	-	-	-	20,679,900	-	-	20,679,900	-	(20,679,900)	(20,679,900)	-
Accumulated depreciation	-	-	-	-	-	-	(8,651,059)	-	-	(8,651,059)	-	8,651,059	8,651,059	-
Disposals:														
Cost	-	-	-	-	-	-	-	-	-	-	-	(12,028,841)	(12,028,841)	-
Accumulated depreciation	-	-	-	-	-	-	(84,048,164)	(896,343)	(209,500)	(85,154,007)	-	(3,314,130)	(3,314,130)	-
Transfer to investment property:														
Cost	(35,813,717)	-	-	-	-	-	-	-	-	(35,813,717)	-	-	-	-
Accumulated depreciation	(35,813,717)	-	-	-	-	-	-	-	-	(35,813,717)	-	-	-	-
Depreciation / amortization charge	-	(20,087,157)	(229,760)	(39,998,383)	(5,264,550)	(1,769,016)	(11,415,779)	(2,089,906)	(5,261,656)	(86,116,206)	(3,462,555)	(22,043,332)	(25,505,887)	(7,123,005)
Closing net book value	632,431,021	376,717,720	27,341,382	860,335,667	53,489,719	18,481,438	33,698,765	20,119,535	14,527,095	2,037,142,342	73,051,241	116,294,827	189,346,068	7,804,303
At 30 June 2017														
Cost	632,431,021	411,318,736	27,571,142	900,334,050	58,754,269	26,660,099	87,153,567	31,293,822	27,090,268	2,202,606,974	76,513,796	167,720,134	244,233,930	28,341,192
Accumulated depreciation / amortization	-	(34,601,016)	(229,760)	(39,998,383)	(5,264,550)	(8,178,661)	(53,454,802)	(11,174,287)	(12,563,173)	(165,464,632)	(3,462,555)	(51,425,307)	(54,887,862)	(20,536,889)
Net book value	632,431,021	376,717,720	27,341,382	860,335,667	53,489,719	18,481,438	33,698,765	20,119,535	14,527,095	2,037,142,342	73,051,241	116,294,827	189,346,068	7,804,303
Annual rate of depreciation / amortization (%)		5 - 10	10	5 - 10	10	10	20	10	30	5 - 10	20	30		

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14.1.1 Detail of operating fixed assets exceeding book value of Rupees 50,000 disposed of during the year is as follows:

Particulars	Cost	Accumulated depreciation	Net book value Rupees	Consideration	Gain / (loss)	Mode of disposal	Particulars of purchasers
Vehicles							
Honda City LED-12-3922	1,453,000	906,451	546,549	1,210,000	663,451	Negotiation	Mr. Mohammad Ishaq Javeed, Lahore
Toyota Corolla Altis LED-10-572	1,799,000	989,034	809,966	1,150,000	340,034	Insurance claim	EFU General Insurance Limited
Suzuki Alto LED-10-4054	612,000	459,542	152,458	274,650	122,192	Group policy	Mr. Rana Junaidullah Minhas, Group's employee, Lahore
Suzuki Alto LEA-09-5489	175,000	102,610	72,390	262,733	190,343	Group policy	Mr. Asim Hussain, Group's employee, Lahore
Suzuki Alto LEB-10-3801	667,000	527,560	139,440	271,600	132,160	Group policy	Mr. Rizwan Butt, Group's employee, Lahore
Suzuki Alto LEB-12-8661	640,800	365,934	274,866	288,257	13,391	Group policy	Mr. Kashif Pervaiz, Group's employee, Lahore
Suzuki Swift LED-13-3308	1,317,220	752,209	565,011	498,525	(66,486)	Group policy	Mr. Mirza Adnan Baig, Group's employee, Lahore
Suzuki Alto LEC-09-3832	150,000	84,549	65,451	274,200	208,749	Group policy	Mr. Ashfaq Ahmed, Group's employee, Lahore
Suzuki Alto LE-10-4032	685,000	526,132	158,868	271,440	112,572	Group policy	Mr. Syed Yasser Abbas, Group's employee, Lahore
Honda City LED-10-6840	1,419,000	745,534	673,466	740,267	66,801	Group policy	Mr. Omer Farooq, Group's employee, Lahore
Suzuki Alto LE-10-3086	678,859	530,707	148,152	260,100	111,948	Group policy	Mr. Mohammad Imran Rafiq, Group's employee, Lahore
Suzuki Alto LEB-10-3805	667,000	527,560	139,440	273,343	133,903	Group policy	Mr. Masood Ahmed, Group's employee, Lahore
Suzuki Alto LEC-09-3835	150,000	84,549	65,451	265,500	200,049	Group policy	Mr. Hasnat Ahmed, Group's employee, Lahore
Suzuki Alto LEE-09-1156	637,000	513,987	123,013	271,439	148,426	Group policy	Mr. Saeed Hashmi, Group's employee, Lahore
Suzuki Alto LEE-08-2578	565,200	471,288	93,912	250,800	156,888	Group policy	Mr. Kamran Saleem, Group's employee, Lahore
Suzuki Cultus LEA-11-1339	870,000	642,654	227,346	346,610	119,264	Group policy	Mr. Khawaja Mohammad Faraz Amjad, Group's employee, Lahore
Suzuki Alto LEE-08-4229	667,000	650,524	16,476	237,600	221,124	Group policy	Mr. Hamza Iqbal, Group's employee, Lahore
Suzuki Alto ATF-672	744,792	359,221	385,571	265,500	(120,071)	Group policy	Mr. Noman Manzar, Group's employee, Karachi
Suzuki Cultus ATC-477	835,000	673,751	161,249	309,000	147,751	Group policy	Mr. Syed Waqar Ahmed, Group's employee, Karachi
Suzuki Alto ASG-417	687,600	550,050	137,550	249,000	111,450	Group policy	Mr. Syed Mehmood Ali, Group's employee, Karachi
Suzuki Alto ATW-137	674,859	527,594	147,265	256,500	109,235	Group policy	Mr. Mubeen Ahmed, Group's employee, Karachi
Suzuki Swift LED-11-8178	1,259,295	820,860	438,435	850,000	411,565	Insurance claim	EFU General Insurance Limited
Suzuki Cultus LEA-16-6155	1,039,000	258,884	780,116	537,900	(242,216)	Group policy	Mr. Mohammad Anwar Sajjad, Group's employee, Lahore
Suzuki Cultus LEF-14-2296	1,123,040	486,651	636,389	472,467	(163,922)	Group policy	Mr. Hisham Iqbal, Group's employee, Lahore
Suzuki Cultus LEH-15-6305	1,152,090	254,420	897,670	510,900	(386,770)	Group policy	Mr. Sameer Iqbal, Group's employee, Lahore
Mercedes - LE-17- 400	21,675,317	722,511	20,952,806	20,400,000	(552,806)	Sale and lease back	Bank Al-Habib Limited

Particulars	Cost	Accumulated depreciation	Net book value Rupees	Consideration	Gain / (loss)	Mode of disposal	Particulars of purchasers
Range Rover - LE-17-95	39,426,431	1,314,214	38,112,217	37,845,421	(266,796)	Sale and lease back	First Habib Modaraba
Honda Civic LEB-17-201	2,712,000	–	2,712,000	2,637,000	(75,000)	Sale and lease back	Bank Al-Habib Limited
Honda Civic LEB-17-4479	2,712,000	–	2,712,000	2,637,000	(75,000)	Sale and lease back	Bank Al-Habib Limited
Suzuki Alto LEE-08-4231	118,991	37,866	81,125	244,890	163,765	Negotiation	Miss Zunaira Shahid, Lahore
	87,313,494	14,886,846	72,426,648	74,362,642	1,935,994		
Office equipment							
Generator	790,000	373,077	416,923	500,000	83,077	Negotiation	Mr. Mohammad Afzal, Lahore
	790,000	373,077	416,923	500,000	83,077		
Computers							
Laptop	58,000	25,520	32,480	28,480	(4,000)	Insurance claim	EFU General Insurance Limited
Laptop	50,500	32,186	18,314	25,111	6,797	Insurance claim	EFU General Insurance Limited
Laptop	101,000	66,667	34,333	25,280	(9,053)	Insurance claim	EFU General Insurance Limited
	209,500	124,373	85,127	78,871	(6,256)		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000							
	155,143	61,442	93,701	25,000	(68,701)		
	88,468,137	15,445,738	73,022,399	74,966,513	1,944,114		

14.1.2 The depreciation charge on operating fixed assets for the year has been allocated as follows:

	2017 Rupees	2016 Rupees
Cost of sales (Note 26)	52,177,374	–
Distribution cost (Note 27)	27,168,421	21,726,262
Administrative expenses (Note 28)	32,276,298	13,271,291
Capital work-in-progress	–	2,564,156
	111,622,093	37,561,709

14.1.3 Amortization on intangible assets amounting to Rupees 7.123 million (2016: Rupees 6.652 million) has been allocated to administrative expenses.

14.1.4 The cost of intangible assets as at reporting date includes fully amortized intangible assets of Rupees 3.531 million (2016: Rupees 3.531 million) which are still in use of the Holding Company.

	2017 Rupees	2016 Rupees
14.2 Capital work-in-progress		
Owned:		
Civil works (Note 14.2.1)	111,548,093	316,634,834
Plant and machinery (Note 14.2.1)	–	575,595,283
Electric installations	–	48,524,215
Mobilization advances and other advances	20,224,164	2,076,368
Advance for purchase of apartment (Note 14.2.2)	25,226,750	25,226,750
Advances for capital expenditure	24,394,498	28,204,100
Unallocated expenditures	49,514,481	91,922,830
	230,907,986	1,088,184,380
Plant and machinery - Leased (Note 14.2.1)	–	257,066,803
	230,907,986	1,345,251,183

14.2.1 Borrowings costs amounting to Rupees Nil (2016: Rupees 41.838 million) has been capitalized during the year.

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14.2.2 This represent advance given by the Holding Company to BNP (Private) Limited against purchase of apartment in Grand Hayatt at 1-Constitution Avenue, Islamabad. On July 29, 2016, Capital Development Authority (CDA) cancelled the lease deed of BNP (Private) Limited for violating the terms and conditions of the said lease. Against the alleged order, BNP (Private) Limited filed a writ petition before the Honorable Islamabad High Court ("the Court") challenging the cancellation of said lease. The Court dismissed the writ petition of BNP (Private) Limited and bound the Federal Government to ensure that the purchasers do not suffer. Based on the decision of the Court, the management of the Group expects full compensation of the advance amount and therefore, no provision for impairment has been made in these consolidated financial statements.

	2017 Rupees	2016 Rupees
15 INVESTMENT PROPERTY		
Land at cost (Note 15.1)	35,813,717	–

15.1 Land having cost of Rupees 35.814 million (2016: Rupees Nil) has been given by Subsidiary Company to its Holding Company on operating lease. The market value of land is Rupees 36 million. The valuation has been made by Unicorn International Surveyors, an independent valuer.

	2017 Rupees	2016 Rupees
16. LONG TERM LOANS TO EMPLOYEES		
Considered good		
- Executives (Note 16.1)	2,418,723	5,285,198
- Other employees	20,857	212,725
	2,439,580	5,497,923
Less: Current portion shown under current assets (Note 20)		
- Executives	1,369,623	2,049,853
- Other employees	20,821	212,725
	1,390,444	2,262,578
	1,049,136	3,235,345

16.1 Reconciliation of carrying amounts of loans to executives:

Opening balance	5,285,198	3,870,369
Add: Disbursements	–	3,142,128
Less: Repayments	2,866,475	1,727,299
Closing balance	2,418,723	5,285,198

16.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 4.009 million (2016: Rupees 6.035 million).

16.2 These represent loans to employees of the Holding Company for the purpose of house building. These are interest free and repayable over a period of four years. These are secured against deposit of original land documents and credit balance of employees in provident fund trust.

16.3 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

	2017 Rupees	2016 Rupees
17. LONG TERM SECURITY DEPOSITS		
Security deposits against leased assets	47,856,046	98,089,750
Security deposits - other	16,420,900	8,312,885
	64,276,946	106,402,635
Less: Current portion (Note 21)	5,193,750	4,915,500
	59,083,196	101,487,135
18. STOCK-IN-TRADE		
Raw and packing materials (Note 18.1)	482,262,231	28,975,677
Work-in-process	8,555,976	–
	490,818,207	28,975,677
Finished goods (Note 18.2)	1,581,923,657	722,874,237
Less: Provision for slow moving and damaged inventory items	2,215,187	–
	1,579,708,470	722,874,237
Stock of promotional items	314,838	358,499
	2,070,841,515	752,208,413

18.1 Raw and packing materials include stock in transit of Rupees 243.913 million (2016: Rupees 53.275 million).

18.2 This includes stock-in-transit of Rupees 1,067.471 million (2016: Rupees 434.590 million) lying at custom bonded warehouses.

	2017 Rupees	2016 Rupees
19. TRADE DEBTS		
Unsecured and considered good:		
Other than related parties (Note 19.1)	179,584,299	151,144,449
Considered doubtful (Note 19.2)	1,575,557	492,392
	181,159,856	151,636,841
Less: Provision for doubtful trade debts (Note 19.3)	1,575,557	492,392
	179,584,299	151,144,449

19.1 As at 30 June 2017, trade debts of Rupees 148.921 million (2016: Rupees 128.548 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2017 Rupees	2016 Rupees
Upto 1 month	82,306,505	82,430,379
1 to 6 months	61,259,643	38,592,590
More than 6 months	5,354,781	7,524,552
	148,920,929	128,547,521

19.2 As at 30 June 2017, trade debts of Rupees 1.575 million (2016: Rupees 0.492 million) were impaired and provided for. The age analysis of these trade debts was more than one year.

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	2017 Rupees	2016 Rupees
19.3 Provision for doubtful trade debts		
Opening balance	492,392	3,641,868
Add: Charge for the year (Note 29)	1,575,557	492,392
Less: Reversal made during the year (Note 30)	15,937	–
Less: Bad debts written off during the year	476,455	3,641,868
Closing balance	1,575,557	492,392
20. LOANS AND ADVANCES		
Considered good, unsecured:		
Employees - interest free against salaries		
- Executives	1,983,936	1,273,436
- Other employees	1,934,903	1,766,647
	3,918,839	3,040,083
Employees - against expenses	1,411,110	1,272,560
Current portion of long term loans to employees (Note 16)	1,390,444	2,262,578
Advances to suppliers	53,910,649	46,929,702
Margin against letters of credit	61,084,488	42,763,351
Margin against bank guarantees	4,080,000	–
	125,795,530	96,268,274
21. SHORT TERM DEPOSITS AND PREPAYMENTS		
Current portion of long term security deposits (Note 17)	5,193,750	4,915,500
Short term deposits	11,067,870	3,882,500
Prepaid insurance	5,721,719	6,873,894
Prepaid rent	2,429,933	1,205,419
	24,413,272	16,877,313
22. OTHER RECEIVABLES		
MAS Associates (Private) Limited - associated company	114,623	215,832
Receivable from SK Lubricants Company Limited - related party	55,875,455	–
Sales tax receivable	171,396,482	38,492,600
Insurance claims receivable	16,220,423	–
Receivable from employees' provident fund trust	–	234,195
Accrued interest on bank deposits	175,736	31,283
Others	85,575	27,603
	243,868,294	39,001,513
23. SHORT TERM INVESTMENTS		
Held-to-maturity (Note 23.1)	1,006,004,644	1,455,364,109
At fair value through profit or loss (Note 23.2)	75,124,601	3,198,690
	1,081,129,245	1,458,562,799
23.1 Held-to-maturity		
Term deposit receipts	1,001,031,917	1,450,000,000
Add: Interest accrued thereon	4,972,727	5,364,109
	1,006,004,644	1,455,364,109

- 23.1.1** These term deposit receipts issued by banking companies having maturity period ranging from one month to one year and carry interest ranging from 5.90% to 6.40% (2016: 6% to 7.15%) per annum. Term deposits receipts amounting to Rupees 491.031 million are under lien with banks against short term borrowings of the Holding Company.

	2017	2016
	Rupees	Rupees
23.2 At fair value through profit or loss		
Quoted - other than related party:		
Engro Fertilizer Limited		
49,500 (2016: 49,500) fully paid ordinary shares of 10 each	3,246,080	3,246,080
Alfalah GHP Stock Fund B Growth Units		
461,430 (2016: Nil) Units of Rupees 159.2592 each	73,486,932	–
Less: Unrealized loss on remeasurement of investments at fair value	1,608,411	47,390
	75,124,601	3,198,690

24. CASH AND BANK BALANCES

Cash in hand	1,143,417	687,138
Cash at banks:		
Saving accounts (Note 24.1)	36,135,276	86,009,244
Current accounts	166,225,152	100,797,075
	202,360,428	186,806,319
Term deposit (Note 24.3)	17,400,000	–
	220,903,845	187,493,457

- 24.1** Saving accounts carry mark-up at the rates ranging from 3.75% to 6% (2016: 4% to 6%) per annum.
- 24.2** Bank balances of Rupees 20.053 million (2016: Rupees 29.973 million) and short term investments of Rupees 1,075 million (2016: Rupees 1,450 million) as at 30 June 2017 represents un-utilized proceeds of the initial public offer of the Holding Company and can only be utilized for the purposes mentioned in the prospectus dated 28 December 2015 as per special condition imposed by regulators.
- 24.3** This represents term deposit with banking company having maturity period of one month and profit at the rate of 5.91% (2016 : Nil) per annum.

	2017	2016
	Rupees	Rupees
25. SALES - net		
Gross sales	9,110,677,214	8,540,619,808
Less: Discount / stock given under sales promotion schemes	321,712,015	75,059,243
Less: Sales related to trial run production	161,675,246	–
	8,627,289,953	8,465,560,565

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	2017 Rupees	2016 Rupees
26. COST OF SALES		
Raw material consumed	1,567,776,860	—
Purchase of lubricants	4,604,500,736	5,186,618,198
Packing material consumed	184,069,930	—
Salaries, wages and other benefits	33,318,930	—
Fuel and power	20,921,449	—
Repair and maintenance	10,070,770	—
Insurance	3,227,961	—
Miscellaneous expenses	3,595,408	—
Depreciation on operating fixed assets (Note 14.1.2)	52,177,374	—
	6,479,659,418	5,186,618,198
Work in process		
Opening stock	—	—
Closing stock	(8,555,976)	—
	(8,555,976)	—
Cost of goods manufactured	6,471,103,442	5,186,618,198
Finished goods		
Opening stock	662,906,276	505,266,701
Closing stock	(1,579,708,470)	(722,874,237)
	(916,802,194)	(217,607,536)
	5,554,301,248	4,969,010,662
Less: Cost of sales related to trial run production	(156,390,366)	—
	5,397,910,882	4,969,010,662
27. DISTRIBUTION COST		
Salaries, wages and other benefits	247,991,160	231,189,543
Sales promotion and advertisements - net (Note 27.1)	7,396,424	433,660,783
Freight outward	56,511,272	55,916,991
Rent, rates and taxes	45,719,323	46,131,277
Sales commission	2,972,170	4,182,544
Travelling and conveyance	32,838,479	35,830,494
Insurance	8,736,157	7,161,013
Utilities	2,745,069	3,259,989
Printing and stationery	432,221	424,904
Repair and maintenance	6,128,753	6,454,197
Vehicles' running and maintenance	9,368,393	7,716,744
Communication	7,143,730	6,949,984
Entertainment	2,906,814	3,576,963
Depreciation on operating fixed assets (Note 14.1.2)	27,168,421	21,726,262
Miscellaneous	14,258,496	8,993,083
	472,316,882	873,174,771

27.1 These are net off with incentives in shape of reimbursement against sales promotion expenses and advertisements amounting to Rupees 156.335 million (2016: Rupees 121.179 million) from SK Lubricants Company Limited, South Korea - related party.

	2017 Rupees	2016 Rupees
28. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	224,577,550	202,562,047
Rent, rates and taxes	11,066,682	9,039,310
Legal and professional (Note 28.1)	13,997,093	11,187,120
Insurance	7,212,562	4,637,714
Vehicles' running and maintenance	8,849,365	7,443,430
Utilities	3,780,266	3,123,382
Repair and maintenance	7,949,447	3,990,141
Fee and subscription	14,663,390	1,878,489
Printing and stationery	940,694	748,465
Communication	6,872,895	3,652,722
Entertainment	4,832,428	3,299,419
Auditors' remuneration (Note 28.2)	2,896,500	2,274,000
Travelling and conveyance	12,594,967	15,338,927
Depreciation on operating fixed assets (Note 14.1.2)	32,276,298	13,271,291
Amortization on intangible assets (Note 14.1.3)	7,123,005	6,651,641
Miscellaneous	5,949,005	1,545,147
	365,582,147	290,643,245
Less: Expenses related to trial run production	(4,889,240)	—
	360,692,907	290,643,245

28.1 It includes an amount of Rupees 2.095 million (2016: Rupees 1.106 million) on account of internal audit services rendered by EY Ford Rhodes.

	2017 Rupees	2016 Rupees
28.2 Auditors' remuneration		
Annual audit fee	1,750,000	1,400,000
Certifications	385,000	175,000
Half year review	550,000	500,000
Reimbursable expenses	211,500	199,000
	2,896,500	2,274,000

29. OTHER EXPENSES		
Provision for doubtful trade debts (Note 19.3)	1,575,557	492,392
Bad debts written off	127,107	4,745,603
Exchange loss - net	18,400,485	24,713,804
Loss on disposal of operating fixed assets	—	1,553,122
Charities and donations (Note 29.1)	12,538,238	11,884,699
Workers' profit participation fund	3,779,284	—
Unrealised loss on remeasurement of investments at fair value	1,561,020	47,390
	37,981,691	43,437,010

29.1 It includes amount of Rupees 12.000 million (2016: Rupees 11.000 million) paid to Sabra Hamida Trust, 1 - A Danepur Road, GOR - 1, Lahore, in which Mr. Hassan Tahir - Chief Executive, Mr. Basit Hassan - Director, Mr. Shaukat Hassan - Director, Mr. Tahir Azam - Director, Mr. Ali Hassan - Director and Mr. Zalmi Azam - Director of the Holding Company are trustees.

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	2017 Rupees	2016 Rupees
30. OTHER INCOME		
Income from financial assets		
Dividend income	1,150,572	—
Profit on bank deposits and short term investments	85,106,444	32,789,136
Gain on sale of short term investment	3,181,451	—
Income from non - financial assets		
Gain on disposal of operating fixed assets	1,944,114	—
Credit balances written back	1,983,967	10,791,307
Reversal of provision for doubtful debts (Note 19.3)	15,937	—
Scrap sale	2,362,849	2,476,611
Amortization of deferred income (Note 8.1)	432,616	568,770
	96,177,950	46,625,824
31. FINANCE COST		
Mark up on long term financing	24,784,789	50,409
Mark up on short term borrowings	37,113,622	12,012,775
Finance charges on liabilities against assets subject to finance lease	7,611,303	4,170,282
Mark up on loans from directors	5,745,988	—
Interest on employees' provident fund	15,654	—
Bank charges and commission	1,818,217	1,726,688
	77,089,573	17,960,154
32. TAXATION		
For the year		
Current (Note 32.1)	303,371,545	358,480,248
Deferred tax	28,451,305	(9,183,422)
Prior year adjustment	2,854,899	(354,722)
	334,677,749	348,942,104

32.1 Provision for income tax is made in accordance with the provisions of the Income Tax Ordinance, 2001.

	2017 Rupees	2016 Rupees
33. EARNINGS PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share which based on:		
Profit after taxation attributable to ordinary shareholders (Rupees)	743,979,845	518,121,958
Weighted average number of shares (Number)	116,004,000	97,620,852
Basic earnings per share (Rupees)	6.41	5.31

	2017 Rupees	2016 Rupees
34. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,078,657,594	867,064,062
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	111,622,093	34,997,552
Amortization on intangible assets	7,123,005	6,651,641
Amortization of deferred income	(432,616)	(568,770)
Provision for doubtful trade debts	1,575,557	492,392
Provision for slow moving and damaged inventory items	2,215,187	—
Reversal of provision for doubtful debts	(15,937)	—
Bad debts written off	127,107	4,745,603
Credit balances written back	(1,983,967)	(10,791,307)
Loss / (gain) on disposal of property and equipment	(1,944,114)	1,553,122
Dividend income	(1,150,572)	—
Profit on bank deposits and short term investments	(85,106,444)	(32,789,136)
Unrealised loss on remeasurement of investments at fair value	1,561,020	47,390
Gain on disposal of short term investment	(3,181,451)	—
Finance cost	77,089,573	17,960,154
Exchange loss	1,307,006	—
Provision for workers' profit participation fund	3,779,284	—
Cash flows from operating activities before working capital changes	1,191,242,325	889,362,703
Working capital changes		
(Increase) / decrease in current assets:		
Stores	(50,156,870)	—
Stock-in-trade	(1,320,848,289)	(243,727,503)
Trade debts	(29,504,514)	81,460,791
Loans and advances	(30,399,390)	14,202,892
Short term deposits and prepayments	(7,257,709)	(399,292)
Other receivables	(204,866,781)	1,379,541
	(1,643,033,553)	(147,083,571)
Increase / (decrease) in trade and other payables	575,054,121	(62,548,104)
	123,262,893	679,731,028

35. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund trust of the Holding Company:

Size of the fund - Total assets	87,478,981	87,938,878
Cost of investments	82,349,230	87,393,726
Percentage of investments made	94.14%	99.38%
Fair value of investments	86,638,634	89,192,259

35.1 The break-up of fair value of investments is as follows:

	2017 Percentage	2016 Percentage	2017 Rupees	2016 Rupees
Deposits with banks	71.16%	83.15%	61,656,005	74,161,656
Listed securities	16.53%	15.00%	14,319,900	13,375,460
Units of mutual fund	12.31%	1.85%	10,662,729	1,655,143
	100.00%	100.00%	86,638,634	89,192,259

35.2 Investments, out of provident fund, have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

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36. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of 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 significant transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

		2017 Rupees	2016 Rupees
Relationship	Nature of transaction		
Associated companies			
MAS Associates (Private) Limited	Share of common expenses	641,658	384,149
Other related parties			
SK Lubricants Company Limited	Purchase of lubricants	5,030,838,528	131,554,569
Directors	Repayment of loans	15,000,000	–
Directors	Loans received	–	65,000,000
Directors	Mark-up on loans from directors	5,767,617	5,767,617
Directors	Rent expense	16,518,699	16,518,696
Provident fund trust	Contribution	11,541,355	10,681,105
Spouse of director	Sale of generator	–	750,000
Sabra Hamida Trust	Donations	12,000,000	11,000,000

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Company are as follows:

	2017				2016			
	Chief executives	Directors Executives	Non- executives	Executives	Chief executives	Directors Executives	Non- executives	Executives
	Rupees							
Managerial remuneration	11,870,968	15,806,452	9,290,322	48,645,343	11,612,903	15,741,935	6,967,742	37,556,274
House rent allowance	5,341,936	7,112,903	4,180,645	21,871,338	5,225,806	7,083,871	3,135,484	16,900,324
Medical allowance	1,187,097	1,580,645	929,032	4,860,297	1,161,290	1,574,194	696,774	3,755,634
Bonus	–	–	–	19,696,003	–	–	–	14,165,948
Contribution to provident fund trust	–	–	–	4,608,815	–	–	–	3,747,900
Other allowances and benefits	12,179,877	16,885,148	2,000,000	21,901,763	13,046,943	17,905,358	327,560	17,663,215
	30,579,878	41,385,148	16,399,999	121,583,559	31,046,942	42,305,358	11,127,560	93,789,295
Number of persons	1	2	2	48	1	2	2	39

	2017		2016	
	Permanent	Contractual	Permanent	Contractual
38. NUMBER OF EMPLOYEES				
Total number of employees as on 30 June	340	105	130	72
Average number of employees during the year	402	83	390	69

39. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

Recurring fair value measurements	30, June 2017			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	2,734,380	72,390,221	–	75,124,601
	30, June 2016			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets				
Financial assets at fair value through profit or loss	3,198,690	–	–	3,198,690

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments is the use of quoted market prices.

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40 FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made for non-financial assets not measured at fair value in these consolidated financial statements but for which the fair value is described in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

	30, June 2017			Total
	Level 1	Level 2	Level 3	
	Rupees			
Investment property	–	36,000,000	–	36,000,000

	30, June 2016			Total
	Level 1	Level 2	Level 3	
	Rupees			
Investment property	–	–	–	–

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

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

(ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuation for its investment property at least annually. At the end of reporting period, the management updates the assessment of the fair value of property, taking into account the most recent independent valuation. The management determines a property's value within a range of reasonable fair value estimate. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Group engaged external, independent and qualified valuer to determine the fair value of the Group's investment property at the end of financial year. As at 30 June 2017, the fair value of the investment property has been determined by Unicorn International Surveyors.

Change in fair value is analyzed at the end of year during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Group's activities exposes it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors (the Board). The Group's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) **Market risk**

(i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). As on reporting date, the Group's foreign exchange risk exposure is restricted to the amounts payable to a foreign entity and other receivables. The Group's exposure to currency risk was as follows:

	2017 USD	2016 USD
Other receivables	527,596	—
Trade and other payables	(7,468,028)	(1,483,450)
Net exposure	(6,940,432)	(1,483,450)

The following significant exchange rates were applied during the year:

	Rupees per US Dollar	
Average rate	104.55	104.26
Reporting date rate	104.80	104.70

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on Group's profit after taxation for the year would have been Rupees 35.569 million (2016: Rupees 7.766 million) lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) **Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is exposed to equity securities price risk because of short term investments held by the Group and classified at fair value through profit or loss. The Group is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's profit after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

	Impact on Group's profit after taxation	
Index	2017 Rupees	2016 Rupees
PSX 100 (5% increase)	3,756,230	159,935
PSX 100 (5% decrease)	(3,756,230)	(159,935)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no long term interest bearing asset. The Group's interest rate risk arises from short term investments, bank balances on saving accounts, term deposit, long term financing, liabilities against assets subject to finance lease and short term borrowings. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments, if any, at fixed rate expose the Group to fair value interest rate risk.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was as follows:

	2017 Rupees	2016 Rupees
Fixed rate instruments		
Financial assets		
Short term investments	1,006,004,644	1,455,364,109
Term deposit	17,400,000	—
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	36,135,276	86,009,244
Financial liabilities		
Long term financing	241,512,167	387,654,673
Liabilities against assets subject to finance lease	167,566,587	225,566,600
Short term borrowings	1,235,959,909	98,994,215
Net exposure against floating rate	1,608,903,387	626,206,244

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the reporting date, fluctuates by 1% higher / lower with all other variables held constant, Group's profit after taxation for the year would have been Rupees 16.089 million lower / higher (2016: Rupees 6.262 million lower / higher), mainly as a result of higher / lower interest expense / income on long term financing, liabilities against assets subject to finance lease, short term borrowings and bank balances. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2017 Rupees	2016 Rupees
Deposits	27,488,770	12,195,385
Trade debts	179,584,299	151,144,449
Loans and advances	10,438,419	8,538,006
Other receivables	72,471,812	274,718
Short term investments	1,081,129,245	1,458,562,799
Bank balances	219,760,428	186,806,319
	1,590,872,973	1,817,521,676

The age analysis of trade debts as at reporting date is given in note 19.1.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating		Agency	2017	2016
	Short term	Long term		Rupees	Rupees
Short term investments					
Bank Alfalah Limited	A1+	AA+	PACRA	200,000,000	300,828,493
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	300,000,000	602,214,110
JS Bank Limited	A1+	AA-	PACRA	451,031,917	502,321,506
United Bank Limited	A-1+	AAA	JCR-VIS	50,000,000	50,000,000
Engro Fertilizer Limited	A1+	AA-	PACRA	2,734,380	3,198,690
Alfalah GHP Stock Fund B Growth Units		3-Star	PACRA	72,390,221	–
Banks					
Bank Alfalah Limited	A1+	AA+	PACRA	13,769,809	78,167,723
Bank Al-Habib Limited	A1+	AA+	PACRA	99,348,951	22,836,967
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	52,799,636	34,399,851
MCB Bank Limited	A1+	AAA	PACRA	24,190,933	30,938,947
National Bank of Pakistan	A1+	AAA	PACRA	597,754	9,899,053
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	8,074,629	77,678
The Bank of Punjab	A1+	AA	PACRA	33,301	63,301
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,862,764	371
Askari Bank Limited	A1+	AA+	PACRA	409,846	236,678
United Bank Limited	A-1+	AAA	JCR-VIS	662,002	58,442
JS Bank Limited	A1+	AA-	PACRA	14,960,656	10,127,308
Summit Bank	A-1	A-	JCR-VIS	420	–
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	49,727	–
				1,295,916,946	1,645,369,118

Due to the Group's business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. As 30 June 2017, the Group had Rupees 826.966 million (2016: Rupees 202.924 million) available borrowing limits from financial institutions and Rupees 220.904 million (2016 Rupees 187.493 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	241,512,167	257,181,300	90,824,254	61,323,503	86,607,988	18,425,555
Liabilities against assets subject						
to finance lease	167,566,587	179,704,261	38,153,693	33,939,442	107,611,126	–
Long term deposits	2,000,000	2,000,000	–	–	–	2,000,000
Trade and other payables	745,684,246	744,157,777	744,157,777	–	–	–
Accrued mark-up	27,891,018	27,891,018	27,891,018	–	–	–
Short term borrowings	1,235,959,909	1,270,918,573	1,262,842,460	8,076,113	–	–
	2,420,613,927	2,481,852,929	2,163,869,202	103,339,058	194,219,114	20,425,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

Contractual maturities of financial liabilities as at 30 June 2016:

	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	More than 2 years
	Rupees					
Non-derivative financial liabilities:						
Long term financing	387,654,673	425,912,061	98,029,596	96,826,141	142,427,303	88,629,021
Liabilities against assets subject to finance lease	225,566,600	240,409,023	38,414,274	30,867,319	58,557,768	112,569,662
Long term deposits	2,000,000	2,000,000	–	–	–	2,000,000
Trade and other payables	374,674,989	374,674,989	374,674,989	–	–	–
Accrued mark-up	15,297,891	15,297,891	15,297,891	–	–	–
Short term borrowings	98,994,215	103,016,343	103,016,343	–	–	–
	1,104,188,368	1,161,310,307	629,433,093	127,693,460	200,985,071	203,198,683

41.2 Financial instruments by categories

	Loans and receivables	Held-to maturity	At fair value through profit or loss	Total
	2017			
	Rupees			
Financial assets				
Deposits	27,488,770	–	–	27,488,770
Trade debts	179,584,299	–	–	179,584,299
Loans and advances	10,438,419	–	–	10,438,419
Other receivables	72,471,812	–	–	72,471,812
Short term investments	–	1,006,004,644	75,124,601	1,081,129,245
Cash and bank balances	220,903,845	–	–	220,903,845
	510,887,145	1,006,004,644	75,124,601	1,592,016,390

	Loans and receivables	Held-to maturity	At fair value through profit or loss	Total
	2016			
	Rupees			
Financial assets				
Deposits	12,195,385	–	–	12,195,385
Trade debts	151,144,449	–	–	151,144,449
Loans and advances	8,538,006	–	–	8,538,006
Other receivables	274,718	–	–	274,718
Short term investments	–	1,455,364,109	3,198,690	1,458,562,799
Cash and bank balances	187,493,457	–	–	187,493,457
	359,646,015	1,455,364,109	3,198,690	1,818,208,814

At amortized cost

	2017 Rupees	2016 Rupees
Financial liabilities		
Long term financing	241,512,167	387,654,673
Liabilities against assets subject to finance lease	167,566,587	225,566,600
Long term deposits	2,000,000	2,000,000
Trade and other payables	745,684,246	374,674,989
Short term borrowings	1,235,959,909	15,297,891
Accrued mark-up	27,891,018	98,994,215
	2,420,613,927	1,104,188,368

42. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Consistent with others in the industry, and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, liabilities against assets subject to finance lease and short term borrowings as referred to in note 5,6 and 11 to the financial statements. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'.

		2017 Rupees	2016 Rupees
Borrowings	Rupees	1,645,038,663	712,215,488
Total equity	Rupees	3,733,180,599	3,302,411,554
Total capital employed	Rupees	5,378,219,262	4,014,627,042
Gearing ratio	Percentage	30.59%	17.74%

The increase in gearing ratio is mainly due to increase in borrowings.

43. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Total facilities	2,790,895,028	795,000,000	2,590,115,465	215,000,000
Utilized at the end of the year	863,761,381	402,294,220	1,763,149,784	12,075,977
Unutilized at the end of the year	1,927,133,647	392,705,780	826,965,681	202,924,023

44. SEGMENT INFORMATION

These consolidated financial statements have been prepared on the basis of single reportable segment. All of the sales of the Group relates to customers in Pakistan. All non-current assets of the Group as at reporting date were located in Pakistan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2017

45. EVENTS AFTER THE REPORTING PERIOD

- 45.1 The Board of Directors of the Holding Company has proposed a cash dividend for the year ended 30 June 2017 of Rupees 1.75 per share (2016: Rupee 1.35 per share). However, this event has been considered as non-adjusting event under IAS 10 'Event after Reporting Period' and has not been recognized in these consolidated financial statements.
- 45.2 Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 7.5% of accounting profit before tax of the Holding Company if it does not distribute at least 40% of its after tax profit for the year within six months of the end of the year ended 30 June 2017 through cash or bonus shares. The requisite cash dividend has been proposed by the Board of Directors of the Holding Company in their meeting held on 26 August 2017 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 26 August 2017 by the Board of Directors of the Holding Company.

47. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary for the purpose of comparison. However, no significant re-arrangements of corresponding figures have been made in these consolidated financial statements.

48. GENERAL

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

PATTERN OF SHAREHOLDING

as of 30 June 2017



Number of Shareholders		Shareholdings Slab		Total Share Held
423	1	to	100	25,012
2052	101	to	500	934,102
874	501	to	1000	834,218
955	1001	to	5000	2,569,039
193	5001	to	10000	1,563,259
67	10001	to	15000	874,117
63	15001	to	20000	1,139,720
26	20001	to	25000	624,700
15	25001	to	30000	424,100
15	30001	to	35000	493,332
13	35001	to	40000	509,022
7	40001	to	45000	300,300
14	45001	to	50000	697,000
5	50001	to	55000	264,000
7	55001	to	60000	414,500
2	60001	to	65000	128,300
4	65001	to	70000	273,884
2	70001	to	75000	148,000
3	75001	to	80000	235,140
3	80001	to	85000	246,500
1	85001	to	90000	90,000
2	90001	to	95000	189,000
4	95001	to	100000	400,000
3	105001	to	110000	325,000
2	115001	to	120000	236,000
1	120001	to	125000	121,500
1	170001	to	175000	172,080
1	195001	to	200000	200,000
1	220001	to	225000	225,000
1	240001	to	245000	242,800
2	250001	to	255000	504,900
1	290001	to	295000	295,000
1	325001	to	330000	326,000
1	420001	to	425000	423,700
1	445001	to	450000	450,000
1	485001	to	490000	485,900
2	495001	to	500000	1,000,000
1	600001	to	605000	600,200
1	825001	to	830000	827,775
1	915001	to	920000	915,400
1	940001	to	945000	941,100
1	2235001	to	2240000	2,236,700
3	3750001	to	3755000	11,250,450
1	5095001	to	5100000	5,098,700
3	7500001	to	7505000	22,500,900
1	24745001	to	24750000	24,748,750
1	28495001	to	28500000	28,498,900
4783				116,004,000

PATTERN OF SHAREHOLDING

as of 30 June 2017

S.No.	Folio	Number of Shareholders	Number of Share	Percentage
Directors and their spouse(s) and minor children				
1	1	SHAUKAT HASAN	500	0.00
2	4	HASSAN TAHIR	7,500,300	6.47
3	6	MOHAMMAD ALI HASSAN	7,500,300	6.47
4	2	TAHIR AZAM	500	0.00
5	12	ZALMAI AZAM	500	0.00
6	06452-38431	JI WON PARK	500	0.00
7	15	SYED ASAD ABBAS HUSSAIN	500	0.00
8	16	DR. SAFDAR ALI BUTT	500	0.00
9	11	MUHAMMAD TABASSUM MUNIR	500	0.00
10	06122-58719	FARAZ AKHTAR ZAIDI	500	0.00
11	3	UZRA TAHIR	28,498,900	24.57
12	06452-37946	UZRA TAHIR	82,500	0.07
13	7	ARIFA SHAUKAT	24,748,750	21.33
14	06452-37938	ARIFA SHAUKAT	83,000	0.07
15	10	AMNA ZAIDI	3,750,150	3.23
		15	72,167,900	62.21

Associated Companies, undertakings and related parties

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Executive

1	923	SYED WAQAR AHMED	500	0.00
2	924	FAWWAD NAFEEES SIDDIQUI	500	0.00
3	925	SARFARAZ AHMED SHAIKH	500	0.00
4	969	RAFIQUE MUHAMMAD	500	0.00
5	1088	ABDUL MOIZ	500	0.00
6	1097	MUNAWAR HUSSAIN	500	0.00
7	1099	SHEHZADA TAMUR SHAH	500	0.00
8	1101	SYED YASSER ABBAS	500	0.00
9	1107	FARHAN BAIG	500	0.00
10	1109	HASSAN AZHAR	500	0.00
11	1110	JAMIL JOSPEH	1,000	0.00
12	1112	SOHAIB BIN ASHRAF	1,000	0.00
13	1113	SHUMAILA HAMEED	1,000	0.00
14	1114	CHAUDARY AHMED SHUJA	1,000	0.00
15	1116	UMAR AFTAB RANA	1,500	0.00
16	1119	MUHAMMAD SAEED IQBAL HASHMI	500	0.00
17	1271	MUHAMMAD SHAIQ	500	0.00
18	2005	MR. ABDUL MOIZ	1,500	0.00
19	03525-47170	KAMRAN SALEEM	500	0.00
20	03525-61566	SHAHZAD SOHAIL CHAUDHRY	500	0.00
21	06122-109769	UMAR AFTAB RANA	1,024	0.00
22	06122-47977	MUHAMMAD ASHRAF BASHIR	500	0.00
23	06122-49163	MOHAMMAD ISMAIL	500	0.00
24	06122-94904	UMAR FAROOQ	1,500	0.00
25	06122-96883	NOSHEEN	1,500	0.00
26	06122-96891	MUHAMMAD IQBAL JAVED	1,000	0.00
27	06684-163637	QAISAR KHAN	1,500	0.00
28	06122-96925	IMRAN SAEED	500	0.00
		28	22,024	0.02

S.No.	Folio	Number of Shareholders	Number of Share	Percentage
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Public sector companies and corporations

1	02659-34	PAK LIBYA HOLDING COMPANY (PVT.) LIMITED	75,000	0.06
		1	75,000	0.06

Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds

1	02618-20	HABIB METROPOLITAN BANK LIMITED	254,500	0.22
2	03277-90405	DAWOOD FAMILY TAKAFUL LIMITED	20,000	0.02
3	03277-90406	DAWOOD FAMILY TAKAFUL LIMITED	19,000	0.02
4	02832-32	MEEZAN BANK LIMITED	450,000	0.39
5	05132-26	ASKARI BANK LIMITED	941,100	0.81
6	03277-2538	EFU LIFE ASSURANCE LTD	5,098,700	4.40
7	03277-8372	EXCEL INSURANCE CO.LTD.	20,000	0.02
8	03277-9404	ALLIANZ EFU HEALTH INSURANCE LIMITED	100,000	0.09
9	03277-73166	PAK QATAR FAMILY TAKAFUL LIMITED	25,000	0.02
10	13748-501	ADAMJEE LIFE ASSURANCE CO.LTD-IMF	1,900	0.00
11	13748-550	ADAMJEE LIFE ASSURANCE COMPANY LIMITED-ISF	22,300	0.02
12	13748-568	ADAMJEE LIFE ASSURANCE COMPANY LIMITED-ISF-II	13,000	0.01
13	10397-29	CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	295,000	0.25
14	03277-90408	DAWOOD FAMILY TAKAFUL LIMITED	8,000	0.01
		14	7,268,500	6.27

Mutual Funds

1	05371-28	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	121,500	0.10
2	11262-23	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	65,000	0.06
3	05488-25	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	17,400	0.01
4	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	200,000	0.17
5	07062-23	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	225,000	0.19
6	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	2,236,700	1.93
7	10108-22	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	47,000	0.04
8	12278-21	M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	37,000	0.03
9	13813-23	CDC - TRUSTEE ASKARI EQUITY FUND	57,000	0.05
10	13953-27	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	95,000	0.08
11	13961-26	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	109,600	0.09
12	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	242,800	0.21
13	16519-26	CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	423,700	0.37
14	16675-28	CDC - TRUSTEE MEEZAN ENERGY FUND	600,200	0.52
		14	4,477,900	3.86

PATTERN OF SHAREHOLDING

as of 30 June 2017

S.No.	Folio	Number of Shareholders	Number of Share	Percentage
Foreign Investor				
1	00364-15220	Rafique Suleman	5,000	0.00
2	03533-698	Habib Bank AG Zurich, Zurich,Switzerland	45,000	0.04
3	03533-722	HABIB BANK AG ZURICH, DEIRA DUBAI	100,000	0.09
4	06452-36831	SK LUBRICANTS	827,775	0.71
		4	977,775	0.84

Others

1	00356-33	ASIAN SECURITIES LIMITED	94,000	0.08
2	03277-4841	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	76,800	0.07
3	03277-78974	CS CAPITAL (PVT) LTD	15,000	0.01
4	03525-63817	NH SECURITIES (PVT) LIMITED.	20,000	0.02
5	03525-67537	SHAMALIK BROTHERS (PVT) LTD	1,000	0.00
6	04184-22	AZEE SECURITIES (PRIVATE) LIMITED	500	0.00
7	04952-28	SHERMAN SECURITIES (PRIVATE) LIMITED	4,900	0.00
8	05470-26	B & B SECURITIES (PRIVATE) LIMITED	41,400	0.04
9	05660-22	ABBASI SECURITIES (PRIVATE) LIMITED	32,000	0.03
10	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	19,700	0.02
11	06452-27	ARIF HABIB LIMITED	215	0.00
12	06684-29	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD.	81,000	0.07
13	06684-118011	ASIATIC TRADERS	3,500	0.00
14	07286-27	DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT) LTD.	1,000	0.00
15	09563-20	VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED	374	0.00
16	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	10,000	0.01
17	11072-26	SEVEN STAR SECURITIES (PVT.) LTD.	300	0.00
18	11387-29150	B. K. SAADAAN (PVT) LIMITED	20,000	0.02
19	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	500,000	0.43
20	12203-12148	MERIN (PRIVATE) LIMITED	500	0.00
21	14118-27	ASDA SECURITIES (PVT.) LTD.	5,000	0.00
22	04192-2126	MANAGING COMMITTEE RAZIA SHEIKH WELFARE TRUST	10,000	0.01
23	04424-2648	TRUSTEES AAL- BAWANY FOUNDATION (200)	2,000	0.00
24	05660-15202	TRUSTEE FRANCISCANS OF ST.JOHN THE BAPTIST PAKISTAN	7,500	0.01
25	03277-78616	TRUSTEES THE GENERAL TYRE&RUBBER CO OF PAKISTAN LTD EMPL G.F	10,000	0.01
26	04234-18316	TRUSTEE-GHANI VALUE GLASS LTD EMPLOYEES PROVIDENT FUND	9,000	0.01
27	00539-17174	PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND	25,000	0.02
28	07419-8676	PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVEST FUND	100,000	0.09
29	01826-87767	ABRIS (PRIVATE) LIMITED	10,000	0.01
30	01826-86231	AJCL (PRIVATE) LIMITED	5,000	0.00
31	03228-27	ABBASI & COMPANY (PRIVATE) LIMITED	11,000	0.01
32	03277-4230	CRESCENT STEEL AND ALLIED PRODUCTS LTD.	15,000	0.01
33	03277-4865	SHAKOO (PVT) LTD.	10,000	0.01
34	03277-67767	ANAM FABRICS (PVT) LTD.	20,000	0.02
35	03277-80189	PREMIER CABLES (PVT) LIMITED	20,000	0.02
36	03277-87758	TERMINAL ONE LIMITED	100	0.00
37	03277-89780	GLOBE MANAGEMENTS (PRIVATE) LIMITED	25,000	0.02

S.No.	Folio	Number of Shareholders	Number of Share	Percentage
38	03525-82219	UHF CONSULTING (PRIVATE) LIMITED	2,000	0.00
39	03525-93669	IHSAN SONS (PRIVATE) LIMITED	500	0.00
40	04226-42	ZILLION CAPITAL SECURITIES (PVT) LTD.	15,000	0.01
41	04457-45	FDM CAPITAL SECURITIES (PVT) LIMITED	20,000	0.02
42	04457-78	FDM CAPITAL SECURITIES (PVT) LIMITED	25,000	0.02
43	06890-24	MAYARI SECURITIES (PVT) LIMITED	30,000	0.03
44	07344-29	GMI CAPITAL SECURITIES (PVT) LTD.	10,000	0.01
45	07419-11316	FALCON-I (PRIVATE) LIMITED	44,400	0.04
46	10470-29	GPH SECURITIES (PVT.) LTD.	3,000	0.00
47	13300-25	BMA CAPITAL MANAGEMENT LTD. - MF	50,000	0.04
48	13649-24	JS GLOBAL CAPITAL LIMITED - MF	6,900	0.01
49	14381-26	DIN CAPITAL LTD.	32,500	0.03
50	14670-20	MULTILINE SECURITIES (PVT) LIMITED - MF	5,000	0.00
51	14753-20	ARIF HABIB LIMITED - MF	2,000	0.00
52	15198-556	SHAFI LIFESTYLE (PVT.) LTD.	29,000	0.02
53	15990-21	K & I GLOBAL CAPITAL (PVT) LTD.	2,300	0.00
54	16261-28	AXIS GLOBAL LIMITED - MF	6,000	0.01
55	16311-21	DIN CAPITAL LTD. - MF	500	0.00
56	16352-27	RELIANCE SECURITIES LIMITED - MF	3,500	0.00
57	16493-21	MARKET 786 (PRIVATE) LIMITED - MF	326,000	0.28
58	16576-20	INTERMARKET SECURITIES LIMITED - MF	17,700	0.02
59	16618-24	HORIZON SECURITIES LIMITED - MF	500	0.00
60	16857-26	MRA SECURITIES LIMITED - MF	26,600	0.02
61	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES(P)LTD - MF	250,400	0.22
62	16998-20	ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED - MF	20,000	0.02
63	17004-27	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	11,300	0.01
64	11544-6959	UNITED TOWEL EXPORTERS (PVT) LIMITED	19,500	0.02
65	15198-1786	EVERFRESH FARMS (PVT.) LIMITED	22,000	0.02
66	15214-2467	PAK THREAD	1,500	0.00
67	00935-38040	TRUSTEE CITY SCHOOLS PROVIDENT FUND TRUST	80,000	0.07
68	03525-28788	TRUSTEES D.G.KHAN CEMENT CO .LTD.EMP. P.F	60,000	0.05
69	13748-980	TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	2,000	0.00
70	03277-76635	TRUSTEES OF THE GENERAL TYRE & RUBBER CO. - LOCAL STAFF P.F.	40,000	0.03
71	16410-29	ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	3,000	0.00
72	03277-89483	TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	500	0.00
		72	2,375,389	2.05
General Public Local		4635	28,639,512	24.69
Total		4783	116,004,000	100.00

PATTERN OF SHAREHOLDING

as of 30 June 2017

Categories of Shareholders	Shareholders	Share helds	Percentage
Directors and their spouse(s) and minor children			
SHAUKAT HASAN	1	500	0.00
HASSAN TAHIR	1	7,500,300	6.47
MOHAMMAD ALI HASSAN	1	7,500,300	6.47
TAHIR AZAM	1	500	0.00
ZALMAI AZAM	1	500	0.00
JI WON PARK	1	500	0.00
SYED ASAD ABBAS HUSSAIN	1	500	0.00
DR. SAFDAR ALI BUTT	1	500	0.00
MUHAMMAD TABASSUM MUNIR	1	500	0.00
FARAZ AKHTAR ZAIDI	1	500	0.00
UZRA TAHIR	2	28,581,400	24.64
ARIFA SHAUKAT	2	24,831,750	21.41
AMNA ZAIDI	1	3,750,150	3.23
Associated Companies, undertakings and related parties			
	—	—	
Executives	28	22,024	0.02
Public Sector Companies and Corporations	1	75,000	0.06
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	14	7,268,500	6.27
Mutual Funds			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	121,500	0.10
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	65,000	0.06
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	17,400	0.01
CDC - TRUSTEE MEEZAN BALANCED FUND	1	200,000	0.17
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	225,000	0.19
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	2,236,700	1.93
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	47,000	0.04
M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	1	37,000	0.03
CDC - TRUSTEE ASKARI EQUITY FUND	1	57,000	0.05
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	95,000	0.08
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	109,600	0.09
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	242,800	0.21
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1	423,700	0.37
CDC - TRUSTEE MEEZAN ENERGY FUND	1	600,200	0.52
General Public			
a. Local	4635	28,639,512	24.69
Foreign Investor	4	977,775	0.84
OTHERS	72	2,375,389	2.05
Totals	4783	116,004,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
UZRA TAHIR	28,581,400	24.64
ARIFA SHAUKAT	24,831,750	21.41
HASSAN TAHIR	7,500,300	6.47
MOHAMMAD BASIT HASSAN	7,500,300	6.47
MOHAMMAD ALI HASSAN	7,500,300	6.47

NOTICE OF 9TH ANNUAL GENERAL MEETING



Notice is hereby given that the 9th Annual General Meeting of the shareholders of Hi-Tech Lubricants Limited (HTL) will be held on Friday September 29, 2017 at 11:30 a.m. at Falettis Hotel, 24-Egerton Road, Lahore. Pakistan, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2017 together with the Board of Directors' and Auditor's reports thereon.
2. To approve and declare final cash dividend of Rs. 1.75 per share i.e. @ 17.5% as recommended by the Board of Directors and also the interim cash dividend of Rs. 1.35 per share i.e. @ 13.5% (already paid), making a total of Rs. 3.1 per share i.e. @ 31% for the year ended June 30, 2017.
3. To appoint Auditors of the Company for the next financial year 2017-18 and to fix their remuneration. The present auditors M/s Riaz Ahmad & Co. Chartered Accountants, retired and being eligible, offer themselves for reappointment as Auditors of the Company.

SPECIAL BUSINESS

4. To consider, and if thought fit, to approve utilization of IPO funds in OMC Project of the Company keeping in view successful fulfillment of initial mandatory requirements of Oil and Gas Regulatory Authority (OGRA) for setting up of an Oil Marketing Company (OMC) and future prospects of OMC business in current international scenario as prospected under financial feasibility report and to pass the following resolution with or without modification(s), addition(s) or deletion(s) as special resolution.

"Resolved that, "Diversion and utilization of un-utilized IPO funds from HTL Express Centers and wholly owned subsidiary company Hi-Tech Blending (Pvt.) Limited to OMC Project of the Company be and is hereby approved keeping in view overall growth of the Company and ultimate benefit to all the shareholders and stakeholders of the Company."

"Further resolved that, "Chief Executive Officer alongwith any non-executive director of the Company be and are hereby jointly authorized to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution".

5. To ratify and approve Related Party Transactions with Sabra, Hamida Trust (SHT) for the year ended June 30, 2017 and to pass the following resolution with or without modification(s), addition(s) or deletion(s) as Special Resolution;

"Resolved that the following Related Party Transaction with Sabra, Hamida Trust (SHT) for the year ended June 30, 2017 be and are hereby ratified, approved and confirmed."

Name(s)	Nature	Amount
Sabra, Hamida Trust	Donation	12 million

"Resolved further that Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions to be carried out in normal course of business with any associated undertakings and associated companies during the ensuing year ending June 30, 2018 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/ execute any and all such documents/ indentures as may be required in this regard on behalf of the Company."

6. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

(FRAZ AMJAD KHAWAJA)
Company Secretary

Lahore,
September 08, 2017

NOTICE OF 9TH ANNUAL GENERAL MEETING

Notes:

1. The share transfer books of the company will remain closed from 23-09-2017 to 29-09-2017 (both days inclusive). Transfers received in order at the office of the company's Independent Share Registrar, M/s Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e- Faisal, Karachi-74400 by the close of business (5:00 PM) on 22-09-2017 will be considered in time to be eligible for the purpose of attending and voting at General Meeting.
2. A member entitled to attend and vote at the general meeting is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time fixed for the general meeting.
3. Members who have deposited their shares in the Central Depository System of the Central Depository Company of Pakistan Limited will have to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan:
 - A. For Attending the Meeting
 - a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the general meeting.
 - b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the general meeting.
 - B. For Appointing Proxies
 - a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the general meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. Electronic Transmission of Financial Statements; Securities and Exchange Commission of Pakistan (SECP) through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of annual Audited Financial Statements along with Notice of Annual General Meeting to the members of the company through e-mail. The members who desire to opt to receive aforesaid statements and notice of Annual General Meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website. The company shall, however, provide hard copy of the annual Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request. The standard consent form for electronic transmission is available at the company's website. i.e. <http://investor.hitechlubricants.com/>
5. Placement of Financial Statements on Website: The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2017 along with Auditors' and Directors' Reports thereon on company's website. i.e. <http://investor.hitechlubricants.com/>
6. Deduction of Withholding Tax on the amount of Dividend: Pursuant to Circular No. 19/2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in the Section 150 of the Income Tax Ordinance, 2001. The company, hereby advise to its shareholders, the important amendments, as under:

The Government of Pakistan has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

 - a. For filers of income tax returns 15%
 - b. For non-filers of income tax returns 20%

To enable the company to make tax deduction on the amount of cash dividend whenever declared @ 15% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 20% instead @ 15%.

For any query/problem/information, the investors may contact the Company and / or the Share Registrar: The Manager, Share Registrar Department, Central Depository Company Pakistan Limited, Telephone Number: 0800-23275 (Toll Free), email address: info@cdcpak.com

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas, corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. Transfer Agent M/s. Central Depository Company of Pakistan Limited. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers.

In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax will be deducted by the company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint holder shall be presumed to have an equal number of shares.

7. Dividend Mandate

The provisions of Section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a company must be paid to its registered shareholders or to their order within such period and in such manner as may be specified. Further, the second Proviso of the said section states that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Further the SECP through its notification No. 8(4)/SM/CDC-2008 dated April 5, 2013 has advised that the shareholders who have provided bank mandate should be paid dividend by transferring directly to their respective bank accounts (e-dividend mechanism). Therefore, the registered shareholders of the Company are requested to provide the following details in order to credit their cash dividends directly to their bank account, if declared:

- (i) in case of book-entry securities in CDS, to CDS Participants; and
- (ii) In case of physical securities to the Company's Share Registrar as mentioned below.

S. No.	Shareholder/Member Details
1.	Shareholder's Name
2.	Father's / Husband's Name
3.	Folio Number
4.	Postal Address
5.	Name of Bank
6.	Name of Branch
7.	Address of Branch
8.	Title of Bank Account
9.	Bank Account Number (Complete with code)
10.	IBAN Number *(Complete with code)
11.	Cell Number
12.	Telephone Number (if any)
13.	CNIC Number (attach copy)
14.	NTN (in case of corporate entity, attach copy)

* IBAN number (International Bank Account Number) will be provided by your banker, containing alpha, numeric and without any space and gap.

Signature of Member / Shareholder

Share Registrar:

Central Depository Company of Pakistan Limited
99-B, Block – B, S.M.C.H.S., Shahrah-e-Faisal Karachi.

NOTICE OF 9TH ANNUAL GENERAL MEETING

STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special businesses to be transacted at the Annual General Meeting of Hi-Tech Lubricants Limited (the "Company") to be held on September 29, 2017 at 11:30 a.m.

Item No. 4 of the Agenda, Initial Plan as Mentioned in Prospectus for IPO Expansion plan

During the year ended 30 June 2016, the Company 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 were duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited approved the Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016.

Till June 30, 2017, the Company has utilized the proceeds of the initial public offer of 29,001,000 ordinary shares for the purposes mentioned under heading 5.5 'Expansion Plan' in prospectus dated 28 December 2015, as per the following detail:

During the year ended 30 June 2016, the Company 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 were duly allotted on 18 February 2016. On 01 March 2016, Pakistan Stock Exchange Limited approved the Company's application for formal listing of ordinary shares and trading of shares started on 03 March 2016.

Till June 30, 2017, the Company has utilized the proceeds of the initial public offer of 29,001,000 ordinary shares for the purposes mentioned under heading 5.5 'Expansion Plan' in prospectus dated 28 December 2015, as per the following detail:

Purposes Mentioned Under Heading 5.5 'Expansion Plan' In Prospectus Dated 28 December 2015	Total amount (Rupees)	Total amount utilized till 30 June 2017 (Rupees)
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Investment in HTLL

Land	470,000,000	60,618,100
Building	128,000,000	12,486,445
Plant, machinery and equipment	139,000,000	2,719,201
Pre-operating costs	33,000,000	249,630
Working capital	842,562,500	739,126,208

Sub-total	1,612,562,500	815,199,584
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Investment in 100% owned subsidiary

Additional filling lines for blending plant, Hi-Tech Blending (Private) Limited	200,000,000	–
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Total	1,812,562,500	815,199,584
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IPO proceeds	A	1,812,562,500
Amount un-utilized	A – B	997,362,916

The un-utilized proceeds of the public offer have been safely kept by the Company in the shape of bank balances, term deposit receipts and mutual fund.

As stated in the prospectus dated 28 December 2015, the Company planned to offer state of the art retail outlets across Pakistan with multitude of unique services and also planned to install additional filling lines at the blending plant of its subsidiary. The plan of 2015-16 covered 37 grand outlet openings in 11 major cities of Pakistan including Lahore, Gujranwala, Sialkot, Faisalabad, Multan, Islamabad, Rawalpindi, Karachi & Hyderabad. Over a period of 5 years, the Company planned to open 75 retail outlets (including 67 rented) across 16 major cities of Pakistan. The Company planned to invest further in its wholly owned subsidiary company, Hi-Tech Blending (Private) Limited to introduce Jerry Can and Drum filling lines. As per quarterly progress report number 06 dated 14 July 2017, the Company informed all stakeholders the progress on implementation of project: Expansion through retail outlet: 1 Owned service centre under regulatory approval and out of the 10 rented service centres, 1 is operational, 3 are approved and under construction, 3 are under regulatory approvals and 3 are under negotiations.

Accurate, effective and timely implementation of the above plans of the Company became a big challenge for the Company due to expensive lands and properties at key locations in almost all the cities for express service centers. Hence, the Company has now planned for incorporation of Express Centers into its fuel stations to be established under the umbrella of Oil Marketing Company Project of the HTL (OMC). In this regard, the Company has obtained a financial feasibility report from KPMG Taseer Hadi & Co., Chartered Accountants, Pakistan regarding investment in OMC project. Salient Features of the Project are as follows:

The Project envisages setting up 360 retail outlets across Punjab, Sindh and KP Provinces of Pakistan. The fuel stations will offer full range of services such as general store, tire shop and a car shop amongst others. To support sales, the Company plans to invest in building storage capacities of 25,735 metric tons (Mogas and HSD) across the country over a period of 7-years. The funds will be arranged 50% from equity and 50% through debt. Key results are expected to be:

Based on the assumption and valuation metrics, the project provides the following results:

NPV of PKR 5.1 Billion assuming a WACC of 11.16 %

IRR of 23.6%

Payable period of 7.0 years

Average net profit margin of 0.43%

During the year, OGRA has granted license to the Company to establish an Oil Marketing Company (OMC), subject to some conditions. Conceptual design of oil storage depot has been completed and project has been awarded for construction of the same. No objection certificates are expected to be received soon. On approval construction would start. The completion of storage is expected in the 2nd quarter ending December 2017.

Currently demand of fuel is met by 13 major oil marketing companies, with Pakistan State Oil Company Limited having the lion's share of total market share with 3,700 plus filling stations across Pakistan. Other key players include Shell Pakistan Limited, Total Parco Pakistan Limited, Attock Petroleum Limited, Hascol Petroleum Limited and Byco Petroleum Pakistan Limited. During 2015, Total Parco Pakistan Limited formally acquired the filling station network of Chevron Pakistan, which included 538 retail outlets giving Total Parco a total network strength of approximately 814 outlets. International oil prices have fallen from USD 145.31 in 2008 to below USD 45 in August 2017. The Government of Pakistan has partially passed on the relief to end consumers by reducing the retail price of MOGAS from PKR 113.24 in Oct 2013 to PKR 62.77 in August 2017. The reduction in sale price, coupled with poor supply of CNG, directly affected the demand and it was a possible reason for the fuel shortage crises of January 2015. Demand of petroleum products have been steadily increasing at a rate of 4.35% from 2005-06 to 2014-15. The demand is further being fueled by a recovering economy and healthy per capita income of general population – a scenario further supported by increasing sales of automotive vehicles.

Projected balance sheet, projected income statement and projected cash flow statement of the Project are given below:

Projected Balance Sheet

PKR 'million	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
Non-current assets											
Property, plant and equipment	526.5	1,091.8	1,883.3	2,271.6	2,460.8	2,437.8	2,267.2	2,055.5	1,854.2	1,652.8	1,451.5
Deferred tax asset	-	36.6	85.1	158.7	218.6	257.1	253.4	182.2	35.9	-	-
Total Non-current assets	526.5	1,128.5	1,968.4	2,430.3	2,679.3	2,694.9	2,520.6	2,237.7	1,890.1	1,652.8	1,451.5
Current assets											
Stock in trade	-	288.4	844.3	1,674.9	2,832.2	3,782.0	4,244.1	4,474.7	4,722.9	4,983.4	5,259.5
Trade debtors	-	334.6	972.5	1,926.5	3,250.1	4,335.4	4,858.2	5,114.1	5,389.4	5,678.4	5,984.6
Advances and prepayments	-	95.6	277.9	550.4	928.6	1,238.7	1,388.0	1,461.2	1,539.8	1,622.4	1,709.9
and other receivable	-	8.7	25.4	50.2	84.7	113.0	126.7	133.3	140.5	148.0	156.0
IFEM Receivable	-	43.9	76.7	112.3	153.2	113.1	51.8	23.3	23.0	22.8	22.5
Sales tax receivable	-	111.4	106.8	109.4	57.5	81.0	193.4	287.2	318.4	419.3	606.8
Cash and Bank	23.5	882.7	2,303.5	4,423.6	7,306.4	9,663.1	10,862.2	11,493.8	12,134.1	12,874.3	13,739.3
Total current assets	23.5	882.7	2,303.5	4,423.6	7,306.4	9,663.1	10,862.2	11,493.8	12,134.1	12,874.3	13,739.3
Total assets	550.0	2,011.1	4,271.9	6,853.9	9,985.7	12,358.0	13,382.8	13,731.5	14,024.2	14,527.1	15,190.8
Liabilities											
Non Current Liabilities											
Long term Loans	-	-	601.9	925.3	804.7	594.9	259.8	79.7	23.3	-	-
Long term lease	-	14.3	-	-	-	-	-	-	-	-	-
Deferred taxation	-	-	-	-	-	-	-	-	-	99.2	79.6
Total non current liabilities	-	14.3	601.9	925.3	804.7	594.9	259.8	79.7	23.3	99.2	79.6
Current Liabilities											
Trade payables	-	742.8	2,112.7	4,143.0	6,948.9	9,162.8	10,164.4	10,655.6	11,230.3	11,833.3	12,472.6
Income tax payable	-	21.8	63.4	125.6	211.8	282.6	316.6	333.3	351.3	370.1	436.7
Current portion of long term loans	-	-	123.1	226.6	270.6	309.8	335.1	180.1	56.4	23.3	-
Current portion of long term lease	-	13.3	14.3	-	-	-	-	-	-	-	-
WWF payable	-	-	-	2.6	9.4	16.5	20.2	23.2	25.3	26.9	28.3
Total current liabilities	-	777.9	2,313.5	4,497.7	7,440.7	9,771.6	10,836.4	11,192.2	11,663.2	12,253.6	12,937.7
Total liabilities	-	792.2	2,915.4	5,423.0	8,245.4	10,366.5	11,096.2	11,271.9	11,686.5	12,352.8	13,017.3
Net assets	550.0	1,218.9	1,356.5	1,430.9	1,740.3	1,991.5	2,286.6	2,459.6	2,337.7	2,174.3	2,173.5
Equity											
Issued, subscribed & paid-up capital	550.0	1,350.0	1,525.0	1,525.0	1,525.0	1,525.0	1,525.0	1,525.0	1,525.0	1,525.0	1,525.0
Retained earnings	-	(131.1)	(168.5)	(94.1)	215.3	466.5	761.6	934.6	812.7	649.4	648.5
Total equity	550.0	1,218.9	1,356.5	1,430.9	1,740.3	1,991.5	2,286.6	2,459.6	2,337.7	2,174.4	2,173.5

NOTICE OF 9TH ANNUAL GENERAL MEETING

Projected Income Statement

PKR 'million	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Sales	-	4,361.6	12,679.9	25,111.7	42,367.8	56,514.8	63,329.5	66,666.1	70,254.9	74,021.5	78,013.1
Cost of Sales	-	(4,240.0)	(12,322.6)	(24,424.5)	(41,202.3)	(54,908.6)	(61,504.7)	(64,732.2)	(68,218.8)	(71,883.6)	(75,766.0)
Gross Profit	-	121.6	354.3	687.2	1,165.5	1,606.2	1,824.8	1,933.9	2,036.1	2,137.9	2,247.2
Administrative expenses	-	(104.7)	(67.5)	(82.5)	(97.1)	(108.7)	(117.6)	(125.4)	(133.9)	(143.1)	(153.1)
Selling expenses	-	(95.5)	(152.9)	(247.5)	(338.4)	(403.2)	(426.2)	(450.6)	(476.6)	(504.2)	(533.6)
Other Income	-	26.9	37.1	72.0	95.4	87.0	60.1	60.1	60.1	60.1	60.1
EBITDA	-	(51.6)	171.1	429.3	825.4	1,181.3	1,341.1	1,417.9	1,485.7	1,550.7	1,620.6
Depreciation & Amortisation	-	91.3	(162.8)	(217.4)	(254.2)	(266.3)	(255.4)	(211.7)	(201.3)	(201.3)	(201.1)
EBIT	-	(142.9)	8.3	211.9	571.2	914.9	1,085.7	1,206.3	1,284.4	1,349.3	1,419.2
Finance cost	-	(3.0)	(30.7)	(83.0)	(100.5)	(92.2)	(74.1)	(48.7)	(21.3)	(6.5)	(1.9)
EBT	-	(145.9)	(22.4)	128.9	470.7	822.8	1,011.6	1,157.5	1,263.1	1,342.8	1,417.3
WPPF	-	-	-	-	-	-	-	-	-	-	-
WWF	-	-	-	(2.6)	(9.4)	(16.5)	(20.2)	(23.2)	(25.3)	(26.9)	28.3
Current tax expenses	-	(21.8)	(63.4)	(125.6)	(211.8)	(282.6)	(316.6)	(333.3)	(351.3)	(370.1)	436.7
Deferred tax income/ (expense)	-	36.6	48.4	73.6	59.9	38.6	(3.7)	(71.2)	(146.3)	(135.1)	19.6
Net profit	-	(131.1)	(37.4)	74.4	309.3	562.3	671.0	729.8	740.3	810.7	971.8

Projected Cash Flow Statement

PKR 'million	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cashflow from operating activities	-	(145.9)	(22.4)	128.9	470.7	822.8	1,011.6	1,157.5	1,263.1	1,342.8	1,417.3
Profit/(loss) before taxation	-	-	-	-	-	-	-	-	-	-	-
Adjustment of non-cash items	-	-	(26.4)	(36.0)	(71.6)	(140.0)	(181.5)	(209.2)	(226.2)	(238.5)	(253.9)
Inventory (gain)/ loss	-	91.3	162.8	217.4	254.2	266.3	255.4	211.7	201.3	201.3	201.3
Depreciation	-	-	28.6	81.9	100.5	92.2	74.1	48.7	21.3	6.5	1.9
Finance cost	-	-	-	-	-	-	-	-	-	-	-
Working capital changes	-	(334.6)	(637.9)	(953.9)	(1,323.8)	(1,085.2)	(522.8)	(256.0)	(275.3)	(288.9)	(306.2)
Debtors	-	(288.4)	(529.4)	(794.6)	(1,085.6)	(809.8)	(280.6)	(21.4)	22.0	(22.0)	(22.2)
Stock in trade	-	(8.7)	(16.6)	(24.9)	(34.5)	(28.3)	(13.6)	(6.7)	(7.2)	(7.5)	(8.0)
IFEM	-	(95.6)	(182.3)	(272.5)	(378.2)	(310.1)	(149.4)	(73.1)	(78.7)	(82.6)	(87.5)
Advances and prepayments	-	(43.9)	(32.8)	(35.6)	(40.9)	40.1	61.2	28.6	0.2	0.3	0.3
Sales tax payable	-	742.8	1,369.9	2,030.3	2,805.9	2,213.9	1,001.6	491.2	574.7	603.0	639.3
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Cashflow from operations	-	(83.0)	113.5	340.9	696.7	1,061.9	1,256.1	1,371.4	1,451.3	1,514.4	1,582.3
Income tax paid	-	-	(21.8)	(63.4)	(125.6)	(211.8)	(282.6)	(316.6)	(333.3)	(351.3)	(370.1)
WWF	-	-	-	(2.6)	(9.4)	(16.5)	(20.2)	(23.2)	(25.3)	(26.9)	28.3
Finance cost paid	-	-	(28.6)	(81.9)	(100.5)	(92.2)	(74.1)	(48.7)	(21.3)	(6.5)	(1.9)
Net cash flow from operating activities	-	(83.0)	63.1	195.6	468.1	748.5	882.9	985.8	1,073.5	1,131.4	1,183.4
Cash flow from investing activities	-	-	-	-	-	-	-	-	-	-	-
CAPEX	(526.5)	(656.7)	(954.4)	(605.6)	(443.3)	(243.4)	(84.8)	-	-	-	-
Net cash flow from investing activities	(526.5)	(656.7)	(954.4)	(605.6)	(443.3)	(243.4)	(84.8)	-	-	-	-
Cash flows from financing activities	-	-	725.0	550.0	150.0	100.0	-	-	-	-	-
Loans acquired	-	-	-	(123.1)	(226.6)	(270.6)	(309.8)	(335.1)	(180.1)	(56.4)	(23.3)
Repayment of long term finances	-	-	-	-	-	-	-	-	-	-	-
Financlease	-	40.0	-	-	-	-	-	-	-	-	-
Repayment of finance lease	-	(12.4)	(13.3)	(14.3)	-	-	-	-	-	-	-
Shares issued	550.0	800.0	175.0	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(311.0)	(375.9)	(556.9)	(862.2)	(974.0)	(972.7)
Net cashflow from financing activities	550.0	827.6	886.7	412.6	(76.6)	(481.7)	(685.7)	(892.0)	(1,042.3)	(1,030.4)	(996.0)
Net cash flows during the year	23.5	87.9	(4.6)	2.5	(51.8)	23.4	112.5	93.8	31.2	100.9	187.4
Opening cash and cash equivalents	-	23.5	111.4	106.8	109.4	57.5	81.0	193.4	287.2	318.4	419.3
Closing cash and cash equivalents	23.5	111.4	106.8	109.8	57.4	81.0	193.4	287.2	318.4	419.3	606.8

In view of above all, approval of shareholders is required for utilization of un-utilized IPO funds in OMC Project of the Company keeping in view successful fulfilment of initial mandatory requirements of Oil and Gas Regulatory Authority (OGRA) for setting up of an Oil Marketing Company (OMC) and future prospects of OMC business in current international scenario as prospected under financial feasibility report.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the Company.

Item No. 5 of the Agenda, Related Party Transactions(RPTs)

The transactions with related party in respect of contributions/donations to Sabra, Hamida Trust (SHT) presented by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause (x) of the Code of Corporate Governance, 2012 (CCG).

The Audit Committee of the Board referred related party transactions relating to the donations to SHT reported in the second and third quarterly unconsolidated and consolidated condensed interim financial information of Hi-Tech Lubricants

Limited for consideration by the Board as the quorum was not maintainable at the meetings of Board's Audit Committee meeting on account of members interest in the transaction. Details of these transactions along with all supporting documents have been maintained as per requirements of CCG. All Contributions to SHT are Tax Exempted under Clause (C) of Sub Section (36) of Section 2 of Income Tax Ordinance 2001 Vide FBR Letter No.2769/J Dated: Jan.14, 2014.

In the meetings of the Board of Directors, majority of the Directors were interested in said transaction with SHT due to their direct or indirect relationship with trustees of SHT, and unavailability of required quorum for approval of above said transactions pursuant to section 216 of the Companies Ordinance, 1984 required the Board to recommended the same for placement before the shareholders of the Company in the general meeting for approval.

All the other statements of related party transactions during the period under review were executed at Arms-Length-Price. There was no departure from the guidelines mentioned in CCG for such transactions.

Pursuant to above, these transactions have to be approved by the shareholders in the General Meeting.

FORM OF PROXY



I/We _____ a member / member of Hi-Tech Lubricants Limited and holder of _____ shares as per Share Register Folio # / CDC Participant I.D. Participant ID # Sub A/C # / Investor A/C # _____ do hereby appoint _____ of _____ or failing him _____ of who is also member of the Company vide Registered Folio # _____ as my/our Proxy to attend, speak and vote for me /us and on my / our behalf at the Annual General Meeting of the Company to be held on Friday the September 29, 2017 at 11:30 a.m. and at any adjournment thereof.

As witness my/our hand this _____ day of September, 2017 at _____

Witness' Signature:

.....

Name

CNIC #

Address.....

.....

Witness' Signature:

.....

Name

CNIC #

Address.....

.....

Date:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Place:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Affix Revenue
Stamp of Rs. 5/-

Member's
Signature

Notes:

1. The Form of Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their Computerized National Identity Cards / Passport in original to provide his / her identity, and in case of Proxy, must enclosed an attested copy of his / her CNIC or Passport. Representatives of corporate members should bring the usual documents for such purpose.



ہائی-ٹیک لبریکنٹس لمیٹڈ

مختار نامہ

میں اہم _____ کا _____
 بحیثیت رکن ہائی۔ ٹیک لبریکنٹس لمیٹڈ اور حامل حصص، بمطابق شیئرز رجسٹر فوئیو نمبر _____
 اور ایسی ڈی سی پارٹنرسپٹ (شرکت آئی ڈی نمبر _____
 اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
 محترم/محترمہ _____
 کو اپنے اہماریے ایماء پر _____ مورخہ 29 ستمبر 2017 بروز جمعہ بوقت صبح 11:30
 کو منعقد ہونے والے کھیتی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا اہماریہ بطور مختار (پراکسی) مقرر کرتا ہوں کرتے ہیں۔
 آج بروز _____ بتاریخ _____ 2017 کو دیکھلے کیے گئے۔

گواہان

پانچ روپے مالیت کے رسید گھٹ پر دیکھلے

دیکھلے کھیتی کے نمونہ دیکھلے سے
 سے کرائی ہوئے پائینس۔

1۔ _____
 دیکھلے: _____
 نام: _____
 پتہ: _____
 کمپیوٹر انکوارڈ قومی شناختی کارڈ نمبر: _____
 2۔ _____
 دیکھلے: _____
 نام: _____
 پتہ: _____
 کمپیوٹر انکوارڈ قومی شناختی کارڈ نمبر: _____

نوٹ

- 1۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دیکھلے کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کر دے۔
 - 2۔ سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:
- (الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب سکاؤنٹ ہولڈر اور ایڈووکیٹ کی سیکنڈ رجسٹرڈ گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تصدیق قاعدہ ضوابط کے مطابق اپ لوڈ ہوں انہیں کھیتی کی جانب سے دی گئی ہدایت کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔
- (ب) مختار نامہ پر بطور گواہان دو افراد کے دیکھلے ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹر انکوارڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
- (ج) غلطیوں اور (مستفید ہونے والے فرد) کمپیوٹر انکوارڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔
- (د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹر انکوارڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ه) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز قرار داد مع جزو کردہ شخص انارنی کے نمونہ دیکھلے یا و آف انارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کھیتی میں جمع کرانا ہوگا۔

NOTICE FOR MANDATORY REQUIREMENT OF DIVIDEND MANDATE



Dear Shareholder,

Under Section 242 of the Companies Act, 2017, listed companies are required to PAY CASH DIVIDENDS ONLY THROUGH ELECTRONIC MODE directly into the bank accounts designated by the entitled shareholders, and therefore, all the valuable shareholders of Hi-Tech Lubricants Limited (HTL) are requested to kindly authorize HTL for direct credit of their cash dividend(s) in your bank accounts by providing following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar M/s. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 (in case your shareholding is in Physical Form).

Also please note that all those shareholders who have already provided their dividend mandate are requested to check correctness and activeness of their bank accounts for credit of their future cash dividend(s) without any delay and complications.

PLEASE NOTE THAT THE DIVIDEND MANDATE INFORMATION IS A MANDATORY REQUIREMENT FOR ALL THE SHAREHOLDERS IRRESPECTIVE OF CDC ACCOUNT/SUB ACCOUNT HOLDERS AND PHYSICAL SHARE CERTIFICATE HOLDERS.

MANDATORY INFORMATION REQUIRED UNDER COMPANIES ACT, 2017	
PERSONAL INFORMATION OF SHAREHOLDER OF HI-TECH LUBRICANTS LIMITED	
NAME OF SHAREHOLDER	
COMPUTORIZED NATIONAL IDENTITY CARD NUMBER/(CNIC #)	
COMPLETE MAILING ADDRESS (for notice of dividend and other correspondence by HTL/Share Registrar)	
FOLIO NUMBER / CDC ACCOUNT NUMBER	
BANK ACCOUNT DETAILS OF SHAREHOLDER OF HI-TECH LUBRICANTS LIMITED	
TITLE OF BANK ACCOUNT (Complete As On Cheque Book)	
BANK ACCOUNT NUMBER (Complete As On Cheque Book)	
IBAN	
BANK NAME (Complete As On Cheque Book)	
BRANCH NAME AND ADDRESS (Complete As On Cheque Book)	
MOBILE PHONE NUMBER (active)	
EMAIL ADDRESS, (active) if any	
LANDLINE NUMBER, if any	
It is stated that above mentioned information is true and correct and I undertake to intimate any changes in above mentioned information to the HTL and its Share Registrar as soon as these occur.	
<div style="display: flex; justify-content: space-between;"> <div> <p>_____</p> <p>SIGNATURE OF SHAREHOLDER (AS ON CNIC)</p> </div> <div> <p>Dated: _____</p> </div> </div>	

نوٹس برائے لازمی مینڈیٹ بابت نقد ڈیویڈنڈ

عزیز حصص دار

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت لسٹڈ کمپنیوں کو نقد ڈیویڈنڈ کی ادائیگی صرف الیکٹرونک ذریعہ سے اہل حصص داران کے مقررہ بینک اکاؤنٹ کے توسط سے ہی کرنے کا اختیار ہے۔ اس لئے ہائی ٹیک لبریکٹنس لمیٹڈ (ایچ ٹی ایل) کے تمام حصص داران سے درخواست ہے کہ وہ ایچ ٹی ایل کو ان کے نقد ڈیویڈنڈ براہ راست ان کے مقررہ بینک اکاؤنٹ میں جمع کرانے کا مجاز قرار دیں اور بک انٹری حصہ دار ہونے کی صورت میں اپنے متعلقہ سی ڈی سی پارٹیسپیٹ سی ڈی سی انویسٹر اکاؤنٹ سروسز کو اور حصص کے طبعی شکل میں ہونے کی صورت میں ہمارے شیئر رجسٹرار میسرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے شیئر رجسٹرار ڈپارٹمنٹ واقع CDC ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400، پاکستان کو لازمی معلومات بابت بینک ضرور فراہم کریں۔

برائے مہربانی نوٹ فرمائیں کہ جن حصص داران نے اپنے ڈیویڈنڈ مینڈیٹ کی معلومات پہلے ہی فراہم کر دی ہیں، وہ اپنے بینک اکاؤنٹ کی درستی اور اس کے فعال ہونے کی تصدیق کر لیں تاکہ آئندہ ان کے نقد ڈیویڈنڈ بلا تاخیر یا بنا کسی پیچیدگی کے ان کے اکاؤنٹ میں جمع ہو جائیں۔

برائے تاکید مذکور نوٹ فرمائیں کہ ڈیویڈنڈ مینڈیٹ کی معلومات فراہم کرنا تمام حصص داران کیلئے لازمی ہے خواہ وہ سی ڈی سی اکاؤنٹ / سب اکاؤنٹ ہولڈر ہوں یا وہ فزیکل شیئر سرٹیفکیٹ کے حامل ہوں۔

کمپنیز ایکٹ 2017 کے تحت مطلوبہ لازمی معلومات

ہائی ٹیک لبریکٹنس لمیٹڈ (ایچ ٹی ایل) کے حصص داران کی ذاتی معلومات

شیئر ہولڈر کا نام:

کمپیوٹر ازرقومی شناختی کارڈ نمبر: (CNIC):

ڈاک کا مکمل پتہ (ایچ ٹی ایل / شیئر رجسٹرار کی جانب سے ڈیویڈنڈ کی اطلاع اور خط و کتابت کیلئے درکار)

فونیو نمبر / سی ڈی سی اکاؤنٹ نمبر

ہائی ٹیک لبریکٹنس کے حصص دار کے بینک اکاؤنٹ کی معلومات

بینک اکاؤنٹ کا ٹائٹل (مکمل برعلاق چیک بک)

IBAN

بینک کا نام (مکمل برعلاق چیک بک)

برانچ کا نام اور پتہ (مکمل برعلاق چیک بک)

موبائل فون نمبر (فعال)

ای میل کا پتہ (فعال) اگر ہے۔

لینڈ لائن نمبر، اگر ہے۔

میں تصدیق کرتا / کرتی ہوں کہ درج بالا معلومات سچ اور درست ہیں اور ان معلومات میں کسی تبدیلی کی صورت میں ایچ ٹی ایل یا اس کے شیئر رجسٹرار کو فوری مطلع کرنے کا / کی ذمہ دار ہوں۔

تاریخ

حصص دار کے دستخط (CNIC کے مطابق)

NOTICE FOR MANDATORY REQUIREMENT OF ZAKAT DECLARATION ON CZ-50 FORMAT/ SOLEMN AFFIRMATION FOR ZAKAT EXEMPTION



Dear Shareholder,

According to Zakat & Ushr Ordinance, 1980, Zakat Declaration / Solemn Affirmation in case of Non-Muslim of all Zakat Exempted shareholders (physical or CDS) is mandatory as per the prescribed format.

We are scrutinizing the records pertaining to Zakat deduction / exemption in respect to the dividend issued by the Company to its shareholders enabling us to avoid any future objections raised by Zakat Audit Authorities.

Keeping in view above precautions, following instruction must be followed while filling the Zakat Declaration Form;

- Zakat Declaration must be submitted as per the format attached (Form CZ-50) on Non-Judicial Stamp Paper of Rs.50/-
- All required fields / columns must be filled properly. Complete information are required including age, address, CNIC & Folio / CDS Account No. etc.
- Zakat Declaration must be Notarized by Notary Public / Oath Commissioner.
- Your Fiqah / Faith / Religion clearly mentioned on Zakat Declaration.

Therefore, in order to avoid such objections of Zakat Audit Authorities and also to comply with the prescribed format of Zakat declaration, kindly submit us the following documents within 15 days of receipt of this notice.

1. Companies / Muslim Individuals claiming Zakat exemptions on the basis of faith / fiqah:

Attested Zakat Declaration (CZ-50) (format available at <http://investor.hitechlubricants.com/>) on non-judicial stamp paper of Rs.50/- along with copies of your and witnesses CNICs.

2. Non-Muslim Individuals claiming exemption from compulsory deduction of Zakat:

Affidavit / Solemn Affirmation (format available at <http://investor.hitechlubricants.com/>) duly signed by shareholder / CDS Account holder on plain paper along with copies of your and witnesses CNICs.

Please also provide copy of your and witnesses CNICs along with copy of fresh Zakat Declaration on CZ-50 format.

In case we do not receive attested copy of Zakat Declaration on CZ-50 format and/or Affidavit / Solemn Affirmation from the registered shareholders within 15 Days of this Notice, we will be marking your zakat status from Muslim Zakat Non-Payable to 'Muslim Zakat Payable' OR Non-Muslim Zakat Non-Payable to Non-Muslim Zakat Payable, as the case may be, for all the future dividend(s) and we will also be constrained to report this status as non-filing / non-availability of Zakat Declarations/ Affidavit / Solemn Affirmation to Zakat Authorities as and when they conduct audit.

Shareholders are requested to please use signatures as they have registered in the Share Registrar's record.

اطلاع برائے لازمی معلومات کی فراہمی بابت زکوٰۃ ڈکلیئریشن بمطابق CZ-50 فارمیٹ / حلفیہ تصدیق برائے استثنائی زکوٰۃ

عزیز محض دار،

زکوٰۃ و عشر آرڈیننس 1980 کے تحت زکوٰۃ ڈکلیئریشن / حلفیہ تصدیق: زکوٰۃ سے مستثنیٰ، غیر مسلم حصہ دار (فزیکل یا سی ڈی ایس) کے لئے مقررہ فارمیٹ کے مطابق فراہم کرنا لازمی ہے۔ ہم کمپنی کی جانب سے حصص داران کو جاری کئے جانے والے ڈیویڈنڈ کے سلسلے میں زکوٰۃ کی کٹوتی / استثنائی سے متعلق اپنے ریکارڈ کو درست کرنے کی جانچ پڑتال کر رہے ہیں تاکہ آئندہ زکوٰۃ آڈٹ اتھارٹیز کی جانب سے کوئی اعتراض نہ اٹھایا جائے۔

درج بالا احتیاط کے سبب آپ سے درخواست ہے کہ زکوٰۃ ڈکلیئریشن فارم پر کرتے وقت درج ذیل ہدایات پر عمل کریں:

- زکوٰۃ ڈکلیئریشن صرف مقررہ فارمیٹ (CZ-50) کے مطابق -/Rs.50 کے نان جوڈیشل اسٹیپ پیپر پر جمع کرائی جائے۔
- تمام مطلوبہ شعبہ / کالم درست طور پر پُر کئے جائیں۔ عمر، پتہ، CNIC اور فوٹو / CDS اکاؤنٹ نمبر وغیرہ کی مکمل معلومات ہوں۔
- زکوٰۃ ڈکلیئریشن لازمی طور پر نوٹری پبلک / اوتھ کشنر سے تصدیق شدہ ہونا چاہئے۔
- زکوٰۃ ڈکلیئریشن پر اپنا فقہ / عقیدہ / مذہب واضح طور پر تحریر کیا گیا ہو۔

لہذا زکوٰۃ آڈٹ اتھارٹیز کی جانب سے ایسے اعتراضات سے بچنے اور زکوٰۃ ڈکلیئریشن کے مجوزہ فارمیٹ کی پیروی کیلئے برائے مہربانی درج ذیل دستاویزات اس نوٹس کی وصولی کے 15 دن کے اندر جمع کرا دیں۔

۱۔ کمپنیاں / مسلمان افراد جو اپنے عقیدے / فقہ کی بناء پر زکوٰۃ سے استثنائی کا دعویٰ کرتے ہوں:

تصدیق شدہ زکوٰۃ ڈکلیئریشن (CZ-50) (فارمیٹ <http://investor.hitechlubricants.com> پر دستیاب ہے) -/Rs.50 کے نان جوڈیشل اسٹیپ پیپر پر جمع اپنے اور گواہان کے CNIC کی کاپیاں۔

۲۔ غیر مسلم افراد جو زکوٰۃ کی لازمی کٹوتی سے مستثنیٰ ہونے کے دعویدار ہوں:

حلف نامہ: حلفیہ تصدیق (فارمیٹ <http://investor.hitechlubricants.com> پر دستیاب ہے) جو سادہ کاغذ پر حصہ دار CDS / اکاؤنٹ ہولڈر کا دستخط شدہ ہومع اپنے اور گواہان کے CNIC کی کاپیاں۔

برائے مہربانی اپنے اور گواہان کے CNIC کی کاپیاں، تازہ ترین (CZ-50) فارمیٹ پر زکوٰۃ ڈکلیئریشن کے ہمراہ فراہم کریں۔

رجسٹرڈ حصص داران کی جانب سے (CZ-50) فارمیٹ پر زکوٰۃ ڈکلیئریشن اور / یا حلف نامہ / حلفیہ تصدیق اس نوٹس کے 15 دن کے اندر اندر موصول نہ ہونے کی صورت میں آئندہ ڈیویڈنڈز کیلئے ہم آپ کے زکوٰۃ کے اسٹیٹس کو صورتحال کے مطابق مسلم زکوٰۃ نا قابل ادائیگی سے مسلم زکوٰۃ قابل ادائیگی میں یا غیر مسلم زکوٰۃ نا قابل ادائیگی کو غیر مسلم زکوٰۃ قابل ادائیگی کے زمرے میں شامل کر دیں گے اور زکوٰۃ اتھارٹیز کو آڈٹ کے وقت زکوٰۃ ڈکلیئریشن / حلف نامہ / حلفیہ تصدیق کی عدم وصولی / عدم دستیابی کے طور پر رپورٹ کرنے پر مجبور ہوں گے۔

حصص داران سے درخواست ہے کہ وہ ان دستاویزات پر وہی دستخط کریں جو شیئر رجسٹرار کے ریکارڈ میں رجسٹرڈ ہیں۔

Note:

[illegible]

Note:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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