



HASCOL PETROLEUM LIMITED

**THIRD QUARTER &
NINE MONTH PERIOD ENDED REPORT
SEPTEMBER 2014**

**Hascol Petroleum Limited
Company Information**

Chairman & C.E.O

Mr. Mumtaz Hasan Khan

Directors

Dr. Akhtar Hasan Khan
Mr. Farooq Rahmatullah Khan
Mr. Najmus Saquib Hameed
Mr. Sohail Hasan
Mr. Liaquat Ali
Mr. Saleem Butt

Audit Committee

Mr. Sohail Hasan (Chairman)
Mr. Liaquat Ali (Member)
Mr. Najmus Saquib Hameed (Member)

Strategy Committee

Mr. Farooq Rahmatullah Khan (Chairman)
Mr. Liaquat Ali (Member)
Mr. Mumtaz Hasan Khan (Member)
Mr. Saleem Butt (Member)

Human Resources Committee

Mr. Najmus Saquib Hameed (Chairman)
Mr. Liaquat Ali (Member)
Mr. Mumtaz Hasan Khan (Member)

Chief Financial Officer

Mr. Muhammad Ali Ansari

Company Secretary

Mr. Zeeshan Ul Haq

Auditors

Grant Thornton
Anjum Asim Shahid Rehman
Chartered Accountants

Share Registrar

Central Depository of Pakistan Limited

Legal Advisor

Mohsin Tayebaly & Co.
Advocates & Legal Consultants

Bankers

Allied Bank Limited
Askari Commercial Bank Limited
Bank Al Habib Limited
Burj Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
First Women Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Soneri Bank Limited
Summit Bank Limited
United Bank Limited

Registered Office

The Forum, Suite No. 105 -106, First Floor
Khayaban - e - Jami, Clifton, Block - 9, Karachi
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Website: www.hascol.com

Hascol Petroleum Limited
Directors' Review Report
For the nine month period ended September 30, 2014

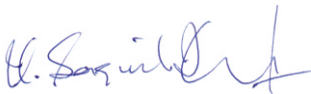
The Board of Directors of Hascol Petroleum Limited is pleased to present you the directors' review report together with the condensed interim unaudited financial statements for the nine months period ended 30th September 2014.

During the period under review, the Company continued on the path to future growth by recording gross sales revenue of Rs. 73.3 billion as compared to Rs. 38.2 billion in the corresponding period last year, showing a growth of 92%. Due to enhanced sales, the Company earned a gross profit of Rs. 1.6 billion as compared to Rs. 951.9 million in the corresponding period. This resulted an increase in profit after tax, recording Rs. 511.9 million compared to Rs. 290.1 million in the same period last year. The results translate into earnings per share of Rs. 6.51 as compared to Rs. 4.43 per share in the same period last year.

The Company is focusing on its growth by setting up retail outlets across the country and during the period under review, the Company was able to commission 4 retail outlets, bringing the total number of outlets to 224. Storage facilities at Daulatpur and Mehmoodkot are under progress and regulatory approvals are being acquired. The Company is persistently growing and has steadily gain a market share of 5.50% in 2014 as compared to 2.% in 2013, which is a significant achievement, ranking the Company among the top four Oil Marketing Companies in Pakistan. The Company during the period continued to import Motor Gasoline, Diesel and Furnace Oil to compete in a competitive environment. The Company foresees a challenging time ahead due to certain external factors such as declining trend of International Oil Prices and rupee devaluation. However, the management strongly believes on its operational excellence and will ensure that the Company continues with the same momentum.

The Board of Directors would like to thank and appreciate the employees for their dedication and hardwork. The Board would also like to express its gratitude to its customers, suppliers and shareholders for their continued support and co-operation.

On behalf of the Board



Director



Director

Dated: 29th October 2014

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014

		September 30, 2014 Unaudited	December 31, 2013 Audited
	Note	Rupees in '000	
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,198,572	2,286,425
Intangible asset		5,810	7,054
Long-term investments	6	718,282	-
Long-term deposits		41,922	27,113
Deferred taxation - net	7	437,649	327,508
Total non-current assets		4,402,235	2,648,100
Current assets			
Stock-in-trade		6,235,033	3,153,723
Trade debts	8	5,918,631	2,116,118
Advances		215,741	464,647
Short-term deposits and prepayments		51,104	40,584
Other receivables	9	313,567	66,786
Cash and bank balances		2,998,592	864,748
Total current assets		15,732,668	6,706,606
Total Assets		20,134,903	9,354,706
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	906,000	656,000
Share premium		1,070,828	3,300
Unappropriated profit		785,628	426,162
Total equity		2,762,456	1,085,462
Surplus on revaluation of fixed assets - net of tax		330,006	358,376
LIABILITIES			
Non-current liabilities			
Long term finances - secured		262,949	97,732
Liabilities against assets subject to finance lease		52,756	45,693
Long term deposits		98,551	90,872
Deferred liability - gratuity		61,263	47,054
Total non current liabilities		475,519	281,351
Current liabilities			
Trade and other payables	11	13,199,405	6,404,267
Mark-up accrued		32,458	18,001
Short term running finances - secured		756,703	679,680
Current portion of long term finances - secured		293,927	124,237
Current maturity of liabilities against assets subject to finance lease		29,760	49,309
Sales tax payable		1,568,497	4,028
Taxation - net		686,172	349,995
Total current liabilities		16,566,922	7,629,517
Total Liabilities		17,042,441	7,910,868
Total Equity and Liabilities		20,134,903	9,354,706

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial information.

The Chief Executive Officer is for the time being not in Pakistan therefore, these condensed interim unconsolidated financial statements have been signed by two directors as required by the section 241 (2) of the Companies Ordinance, 1984.

Director

Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

	Note	Nine month period ended		Quarter ended	
		September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
----- Rupees in '000 -----					
Sales		73,258,016	38,236,442	31,925,932	13,102,834
Less: Sales tax		(10,415,109)	(5,181,461)	(4,616,560)	(1,481,273)
		62,842,907	33,054,981	27,309,372	11,621,561
Other revenue		40,057	32,090	13,670	10,917
Net revenue		62,882,964	33,087,071	27,323,042	11,632,478
Cost of products sold		(61,237,434)	(32,135,133)	(26,683,492)	(11,292,817)
Gross profit		1,645,530	951,938	639,550	339,661
Selling and distribution expenses		(567,004)	(422,633)	(188,926)	(140,012)
Administrative expenses		(227,817)	(151,324)	(103,839)	(51,448)
		850,709	377,981	346,785	148,201
Other operating income		178,998	17,486	119,753	8,364
Operating profit		1,029,707	395,467	466,538	156,565
Finance cost		(177,313)	(81,301)	(82,045)	(34,332)
Exchange loss - net		(148,272)	-	(135,197)	-
Profit before taxation		704,122	314,166	249,296	122,233
Taxation	13	(192,231)	(23,863)	(53,256)	(21,519)
Profit after taxation		511,891	290,303	196,040	100,714
Earnings per share - Basic and Diluted (Rupees per share)		6.51	4.43	2.49	1.54

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Director

Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

Nine month period ended
September 30, September 30, September 30, September 30,
2014 2013 2014 2013
 -----Rupees in '000-----

Profit for the period	511,891	290,303	196,040	100,714
Other comprehensive income	-	-	-	-
<i>Items that will never be reclassified to profit and loss account</i>	-	-	-	-
Deferred liability - actuarial loss - net of tax	-	-	-	5,734
<i>Item that are to be reclassified subsequently to profit and loss account</i>	-	-	-	-
Unrealised appreciation during the period on remeasurement of investment classified as "available for sale" - net of tax	405	-	405	-
	405	-	405	5,734
Total comprehensive income for the period	512,296	290,303	196,445	106,448

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Director


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HASCOL PETROLEUM LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

<i>Note</i>	Issued, subscribed and paid-up capital	Share premium	Unrealized appreciation on remeasurement of investment classified as "available for sale"	Unappro- priated loss	Sub - Total	Total
	----- Rupees in '000 -----					
Balance as at January 01, 2013	656,000	3,300	-	2,281	2,281	661,581
Total Comprehensive income for the nine month period ended September 30, 2013						
Profit for the period	-	-	-	290,303	290,303	290,303
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	28,369	28,369	28,369
	-	-	-	318,672	318,672	318,672
Balance as at September 30, 2013	656,000	3,300	-	320,953	320,953	980,253
Balance as at January 01, 2014	656,000	3,300	-	426,162	426,162	1,085,462
Transaction with owners						
Share issued during the period	250,000	1,162,500	-	-	-	1,412,500
Share issuance cost	-	(94,972)	-	-	-	(94,972)
Cash dividend for the three month period ended March 31, 2014 (Rs. 1 per share)				(90,600)	(90,600)	(90,600)
Cash dividend for the six month period ended June 30, 2014 (Rs. 1 per share)	-	-	-	(90,600)	(90,600)	(90,600)
17	250,000	1,067,528	-	(181,200)	(181,200)	1,136,328
Total Comprehensive income for the nine month period ended September 30, 2014						
Profit for the period	-	-	-	511,891	511,891	511,891
Unrealized appreciation during the period on remeasurement of investment classified as 'available for sale' - net of tax	-	-	405	-	405	405
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	28,370	28,370	28,370
	-	-	405	540,261	540,666	540,666
Balance as at September 30, 2014	906,000	1,070,828	405	785,223	785,628	2,762,456

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Director



Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

	Note	Nine month period ended	
		September 30, 2014	September 30, 2013
Rupees in '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	2,360,692	866,234
Mark-up on short-term finance paid		(162,856)	(63,337)
Dividend paid		(90,600)	-
Gratuity paid		-	(8,593)
Taxes paid		33,747	(18,679)
Net cash generated from operating activities		2,140,983	775,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure paid		(1,021,049)	(580,572)
Acquisition of long term investment		(819,920)	-
Proceeds from disposal of long term investment		107,453	-
Proceeds from disposal of property, plant and equipment		16,536	3,178
Long term deposits		(14,809)	5,163
Net cash used in investing activities		(1,731,789)	(572,231)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(12,487)	(55,100)
Proceed from issuance of shares		1,317,528	-
Long term finance obtained and repaid - net		334,907	(107,468)
Long term deposits		7,679	5,349
Net cash used in financing activities		1,647,627	(157,219)
Net decrease in cash and cash equivalents		2,056,821	46,175
Cash and cash equivalents as at the beginning of the period		185,068	92,500
Cash and cash equivalents as at the end of the period	15	2,241,889	138,675

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Director

Director

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

1 STATUS AND NATURE OF BUSINESS

Hascol Petroleum Limited (the Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company. The registered office of the Company is situated at Suite No.105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company markets petroleum products and compressed natural gas. It also get blends and markets various kinds of lubricating products.

The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005. Commercial Operations were started in the month of September 2005.

- 1.1 During the period, the Company has made an Initial Public Offering (IPO) through issuance of 25 million ordinary shares of Rs. 10 each at a price of Rs. 56.50 per share determined through book building process. The share premium at Rs. 46.50 per share amounting to Rs. 1,162.50 million out of which Rs. 94.97 million have been adjusted against share issuance cost. Out of the total issue of 25 million ordinary shares, 18.75 million shares were subscribed through book building by high net worth individuals & institutional investors and the remaining 6.25 million shares were subscribed by the General Public and the shares has been duly allotted. On May 12, 2014, The Karachi, Lahore & Islamabad Stock Exchanges have approved the Company's application for formal listing and quotation of shares.

2 BASIS OF PREPARATION

The condensed interim unconsolidated financial statements of the Company for the nine month period ended September 30, 2014 are un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

This un-audited condensed interim unconsolidated financial information is being presented and submitted to the shareholders as required by the listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges and under section 245 of the Companies Ordinance, 1984. The condensed interim unconsolidated financial information does not include all information and disclosure required in the annual financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2013.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this un-audited condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended December 31, 2013.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this un-audited condensed interim unconsolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2 During the preparation of this un-audited condensed interim unconsolidated financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2013.

5 FIXED ASSETS

Property, plant and equipment

Operating fixed assets
Capital work-in-progress

Note	September 30, 2014 Un-audited	December 31, 2013 Audited
	Rupees in '000	
5.1, 5.2 & 5.3	1,756,986	1,206,554
5.4	1,441,586	1,079,871
	<u>3,198,572</u>	<u>2,286,425</u>

5.1 Additions to operating assets, including transfer from capital work-in-progress, during the period/ year were as follows:

	September 30, 2014	December 31, 2013
	Un-audited	Audited
	Rupees in '000	
Owned assets		
Office building	269,355	5,327
Pump building	26,232	26,544
Plant and machinery	11,608	4,070
Tanks and pipelines	160,611	6,356
Dispensing pumps	25,141	8,781
Vehicles	1,031	138
Computer auxiliaries	4,530	14,464
Furniture, office equipment and other assets	10,380	10,052
Electrical, mechanical and firefighting equipments	104,861	3,026
	<u>613,749</u>	<u>78,758</u>
Leased assets		
Dispensing pumps	15,630	
Plant and machinery	4,508	-
Electrical, mechanical and firefighting equipments	18,104	-
Vehicles	7,343	-
	<u>45,585</u>	<u>-</u>
	<u>659,334</u>	<u>78,758</u>

5.2 The following assets were disposed off during the period/ year:

	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000 -----		
September 30, 2014			
Leased assets			
Vehicles	14,892	(12,463)	2,429
	<u>14,892</u>	<u>(12,463)</u>	<u>2,429</u>
December 31, 2013 - audited	2,378	2,378	-
	<u>2,378</u>	<u>2,378</u>	<u>-</u>

5.3 The depreciation charge for the period has been allocated as follows:

	September 30, 2014	September 30, 2013
	Un-audited	Un-audited
	Rupees in '000	
Distribution expenses	86,061	64,140
Administrative expenses	9,170	7,801
	<u>95,231</u>	<u>71,941</u>

5.4 Capital work-in-progress

	September 30, 2014	December 31, 2013
	Un-audited	Audited
	Rupees in '000	
Office Building	532,039	455,794
Pump Building	201,195	69,000
Tanks & Pipelines	302,660	220,078
Dispensing Pumps	67,907	77,673
Electrical, mechanical and fire fighting equipments	233,759	125,677
Others	52,592	72,186
Borrowing cost capitalized	51,433	59,463
	<u>1,441,586</u>	<u>1,079,871</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

6 LONG-TERM INVESTMENTS		September 30,	December 31,
		2014	2013
		Un-audited	Audited
		Rupees in '000	
At cost			
Investment in subsidiaries	6.1	-	-
Available for sale			
Pakistan Refinery Limited - Associate Company	6.2	718,282	-
		<u>718,282</u>	<u>-</u>

	September 30,		December 31,	
	Percentage holding	Amount	Percentage holding	Amount
		Rupees in '000		Rupees in '000
6.1 Investment in subsidiaries				
Hascombe Lubricants (Private) Limited				
Cost				
9,779,800 ordinary shares of Rs. 10 each	100	30,604	100	30,604
Less: Provision for impairment loss				
Opening balance		(30,604)		(30,604)
Charge during the period		-		-
Closing balance		(30,604)		(30,604)
		<u>-</u>		<u>-</u>
6.2 Pakistan Refinery Limited - Associate Company				
Pakistan Refinery Limited (PRL)				
Cost				
4,327,000 ordinary shares of Rs. 10 each	12.36	717,819		-
Unrealized appreciation / (diminution) on remeasurement of investment				
Opening balance		-		-
Transferred during the period to equity		463		-
Closing balance		463		-
		<u>718,282</u>		<u>-</u>

6.2.1 Investment in PRL (quoted) amounts to Rs. 718.282 million (December 2013: Rs. Nil), representing 12.36% (December 2013: Nil%) of PRL paid up share capital as at 30 September 2014. During the period Company purchase 4.327 million (December 2013: Nil) at Rs.165.89 per share (December 2013: Rs. Nil).

7 DEFERRED TAXATION - NET	Note	September 30,	December 31,
		2014	2013
		Un-audited	Audited
		Rupees in '000	
This is comprised of the following:			
<i>Taxable temporary difference arising in respect of :</i>			
- Accelerated depreciation net of revaluation of fixed assets		(350,381)	(276,687)
- Assets under finance lease		(105,912)	(93,379)
- Incremental deprecation		15,276	20,368
- Remeasurement of investment "available for sale"		(58)	-
<i>Deductible temporary difference arising in respect of :</i>			
- Liabilities against assets subject to finance lease		28,880	33,251
- Employee benefits		21,442	16,469
- Investments		10,711	10,711
- Provision for doubtful debts		2,651	2,629
- Carry forward tax losses	7.1	-	112,015
- Turnover tax		763,145	501,240
- Exchange loss		51,895	891
		<u>437,649</u>	<u>327,508</u>

7.1 Deferred income tax asset is recognized for tax losses available for carry-forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The aggregate tax losses available for carry forward as at September 30, 2014 amount to Rs. Nil (December 31, 2013: Rs. 320.042 million).

8 TRADE DEBTS	Note	September 30,	December 31,
		2014	2013
		Un-audited	Audited
		Rupees in '000	
Considered good		5,918,631	2,116,118
Considered doubtful		7,973	7,973
Trade debts - gross		5,926,604	2,124,091
Less: Provision for doubtful debts	8.1	(7,973)	(7,973)
		<u>5,918,631</u>	<u>2,116,118</u>

8.1 MOVEMENT OF PROVISION FOR DOUBTFUL DEBTS

Balance at beginning of the period / year		7,973	7,573
Provision made during the period / year		-	400
Balance at end of the period / year		<u>7,973</u>	<u>7,973</u>

9 OTHER RECEIVABLES

Price differential claims	9.1	5,083	5,083
Others	9.2	308,484	61,703
		<u>313,567</u>	<u>66,786</u>

9.1 This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources (MPNR). The company together with other oil marketing companies is actively pursuing the matter with the concerned authorities for the early settlement of above claim. The company considers that the balance amount will be reimbursed by GoP in due course of time.

9.2 This includes Rs. 16.67 million (December 31, 2013 : 12.32 million) receivable from related parties.

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
 FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

10.1 Authorised Share Capital

September 30, 2014	December 31, 2013		September 30, 2014	December 31, 2013
			Un-audited	Audited
Number of shares			Rupees in "000"	
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary Shares of Rs. 10 each	<u>1,500,000</u>	<u>1,500,000</u>

10.2 Issued, Subscribed and Paid Up-capital

September 30, 2014	December 31, 2013		September 30, 2014	December 31, 2013
Un-audited	Audited		Un-audited	Audited
Number of shares			Rupees in "000"	
64,540,000	64,540,000	Ordinary shares of Rs. 10 each fully paid in cash	645,400	645,400
1,060,000	1,060,000	Ordinary shares of Rs. 10 each for Consideration other than cash	10,600	10,600
25,000,000	-	Issued during the current period 2014 (Refer Note 1.1)	250,000	-
<u>90,600,000</u>	<u>65,600,000</u>		<u>906,000</u>	<u>656,000</u>

11 TRADE AND OTHER PAYABLES

	September 30, 2014	December 31, 2013
	Un-audited	Audited
Rupees in '000		
Trade creditors	11,534,356	5,271,350
Accrued liabilities	30,191	78,933
Advance from customers	386,345	142,635
Other advances	181,465	200,565
IFEM payable	-	233,275
Other liabilities	1,067,048	477,509
	<u>13,199,405</u>	<u>6,404,267</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

As per the deliberations of the Main Committee of the Oil Companies Advisory Committee (OCAC) held in their meeting number MCM-168 dated September 20, 2007, the financial costs on outstanding Price Differential Claims (PDC) should be worked and billed to the Government of Pakistan (GOP) through OCAC by the Oil Marketing Companies (OMCs) on a regular basis. Although the Company had billed Rs 65.97 million (2013: Rs 65.97 million) to the GOP/ OCAC, the management had not accounted for its impact in these financial statements as the inflow of economic benefits, though probable, is not virtually certain.

The facility for opening letters of credit (LCs) acceptances as at September 30, 2014 amounted to Rs. 5,739 million (December 31, 2013: Rs 3,399 million) of which the amount remaining unutilized as at that date was Rs. 3,736 million (December 31, 2013: Rs 1,507.467 million).

12.2 Commitments

12.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

	September 30, 2014	December 31, 2013
	Un-audited	Audited
Rupees in '000		
Property, plant and equipment	<u>323,660</u>	<u>30,872</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

12.2.2 Commitments for rental of assets under operating lease agreements as at September 30, 2014 amounted to Rs 1,140.297 million (December 31, 2013: Rs 1,176.627 million) payable as follows:

	September 30, 2014	December 31, 2013
	Un-audited	Audited
	Rupees in '000	
Not later than one year	76,203	76,203
Later than one year and not later than five years	304,812	304,812
Later than five years	759,282	795,612
	<u>1,140,297</u>	<u>1,176,627</u>

Note	September 30, 2014	September 30, 2013
	Rupees in '000	
13 TAXATION		
Current	(302,428)	(148,510)
Deferred	110,197	124,647
	<u>(192,231)</u>	<u>(23,863)</u>
14 CASH GENERATED FROM OPERATIONS		
Profit before taxation	704,122	314,166
Adjustment for non-cash charges and other items:		
Depreciation/ amortisation expense	96,475	71,941
Gain on sale of fixed assets	(2,865)	(2,498)
Capital gain	(5,352)	-
Provision for gratuity	14,209	24,880
Mark-up on short-term running finances and loans	177,313	81,301
Working capital changes	14.1 1,376,790	376,444
	<u>2,360,692</u>	<u>866,234</u>
14.1 Working capital changes		
(Increase) / decrease in current assets		
Stock-in-trade	(3,081,310)	(1,709,282)
Trade debts	(3,802,513)	262,980
Short-term deposits and prepayments	(10,520)	(15,777)
Other receivables - net	(246,781)	(7,671)
Sales tax receivable / payable	-	(71,219)
Loans and advances - considered good	248,906	(131,178)
	<u>(6,892,218)</u>	<u>(1,672,147)</u>
Increase/ (decrease) in current liabilities		
Trade and other payables	8,269,008	2,048,591
	<u>1,376,790</u>	<u>376,444</u>
15 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise of the following		
Cash and bank balances	2,998,592	576,827
Finances utilised under mark-up arrangements - secured	(756,703)	(438,152)
	<u>2,241,889</u>	<u>138,675</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

16 RELATED PARTY TRANSACTIONS

Transactions entered during the period by the Company with related parties are as follows:

Nature of relationship	Nature of transaction	September 30, 2014 Un-audited	September 30, 2013 Audited
-----Rupees in '000-----			
Transactions			
Associated Companies			
Pakistan Refinery Limited	<i>Purchase of fuels</i>	<u>16,669,017</u>	<u>12,178,891</u>
	<i>Expenses charged</i>	<u>20,771</u>	<u>11,542</u>
Marshal Gas (Pvt) Ltd	<i>Purchase of LPG</i>	<u>6,657</u>	<u>9,790</u>
Sigma Motors	<i>Sale of fuels</i>	<u>4,408</u>	<u>5,446</u>
	<i>Rental Income</i>	<u>4,309</u>	<u>3,917</u>
Habib Metropolitan Bank Limited	<i>LC Charges</i>	<u>1,005</u>	<u>248</u>
Staff retirement benefits / contribution funds			
Provident fund	<i>Contribution</i>	<u>5,662</u>	<u>4,127</u>
Gratuity fund	<i>Contribution</i>	<u>14,208</u>	<u>7,713</u>
Key management personnel			
	<i>Salaries and other short term employee benefits</i>	<u>32,262</u>	<u>27,332</u>
Other related parties			
	<i>Commission</i>	<u>31,486</u>	<u>6,188</u>
Balances			
Associated Companies			
Pakistan Refinery Limited	<i>Trade creditors</i>	<u>2,223,943</u>	<u>2,128,102</u>
Marshal Gas (Private) Limited	<i>Trade creditors</i>	<u>495</u>	<u>338</u>
Sigma Motors	<i>Trade debtors</i>	<u>16,675</u>	<u>12,342</u>

All transactions with related parties have been carried out on commercial terms and conditions.

Expenses recovered from / charged by related parties are based on actual.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Company considers its Chief Executive and Executive Director to be key management personnel

17 APPROPRIATION FOR DIVIDEND

Directors have approved in the Board of Directors meeting held on 26th August, 2014 cash dividend of Rs. 1 per share amounting to Rs. 90.6 million. This condensed interim financial information includes the effect of the aforementioned appropriation

Subsequent to the balance sheet date, cash dividend were distributed to those shareholders whose name were appearing on the Members' Register as on the close of business on 16th September 2014.

18 DATE OF AUTHORISATION

These condensed interim financial information have been authorised for issue on 29th October 2014 by the board of directors of the Company.

19 GENERAL

All amounts have been rounded to the nearest thousand.

Director

Director

**Condensed Interim Consolidated
Financial Information**

**For the nine month period ended
September 30, 2014**

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2014

		September 30, 2014	December 31, 2013
	Note	Unaudited Rupees in '000	Audited Rupees in '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,198,572	2,286,425
Intangible asset		5,810	7,054
Long-term investments	6	718,282	-
Long-term deposits		37,040	27,113
Deferred taxation - net	7	437,649	327,508
Total non-current assets		<u>4,397,353</u>	<u>2,648,100</u>
Current assets			
Stock-in-trade		6,235,033	3,153,723
Trade debts	8	5,918,631	2,116,118
Advances		215,741	464,647
Short-term deposits and prepayments		55,986	40,584
Other receivables	9	313,567	66,786
Cash and bank balances		2,999,354	865,510
Total current assets		<u>15,738,312</u>	<u>6,707,368</u>
Total Assets		<u><u>20,135,665</u></u>	<u><u>9,355,468</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	906,000	656,000
Share premium		1,070,828	3,300
Unappropriated profit		785,330	425,864
Total equity		<u>2,762,158</u>	<u>1,085,164</u>
Surplus on revaluation of fixed assets - net of tax		330,006	358,376
LIABILITIES			
Non-current liabilities			
Long term finances - secured		262,949	97,732
Liabilities against assets subject to finance lease		52,756	45,693
Long term deposits		98,551	90,872
Deferred liability - gratuity		61,263	47,054
Total non current liabilities		<u>475,519</u>	<u>281,351</u>
Current liabilities			
Trade and other payables	11	13,200,465	6,405,327
Mark-up accrued		32,458	18,001
Short term running finances - secured		756,703	679,680
Current portion of long term finances - secured		293,927	124,237
Current maturity of liabilities against assets subject to finance lease		29,760	49,309
Sales tax payable		1,568,497	4,028
Taxation - net		686,172	349,995
Total current liabilities		<u>16,567,982</u>	<u>7,630,577</u>
Total Liabilities		<u>17,043,501</u>	<u>7,911,928</u>
Total Equity and Liabilities		<u><u>20,135,665</u></u>	<u><u>9,355,468</u></u>

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial information.

The Chief Executive Officer is for the time being not in Pakistan therefore, these complete interim consolidated financial statements have been signed by two directors as required by the section 241 (2) of the Companies Ordinance, 1984.



Director



Director

HASCOL PETROLEUM LIMITED

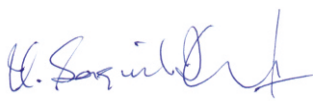
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

	Note	Nine month period ended		Quarter ended	
		September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
----- Rupees in '000 -----					
Sales		73,258,016	38,236,442	31,925,932	13,102,834
Less: Sales tax		(10,415,109)	(5,181,461)	(4,616,560)	(1,481,273)
		62,842,907	33,054,981	27,309,372	11,621,561
Other revenue		40,057	32,090	13,670	10,917
Net revenue		62,882,964	33,087,071	27,323,042	11,632,478
Cost of products sold		(61,237,434)	(32,135,133)	(26,683,492)	(11,292,817)
Gross profit		1,645,530	951,938	639,550	339,661
Selling and distribution expenses		(567,004)	(422,633)	(188,926)	(140,012)
Administrative expenses		(227,817)	(151,524)	(103,839)	(51,448)
		850,709	377,781	346,785	148,201
Other operating income		178,998	17,486	119,753	8,364
Operating profit		1,029,707	395,267	466,538	156,565
Finance cost		(177,313)	(81,301)	(82,045)	(34,332)
Exchange loss - net		(148,272)	-	(135,197)	-
Profit before taxation		704,122	313,966	249,296	122,233
Taxation	13	(192,231)	(23,863)	(53,256)	(21,519)
Profit after taxation		511,891	290,103	196,040	100,714
Earnings per share - Basic and Diluted (Rupees per share)		6.51	4.43	2.49	1.54

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Director



Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

	Nine month period ended		Quarter ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	-----Rupees in '000-----			
Profit for the period	511,891	290,103	196,040	100,714
Other comprehensive income	-	-	-	-
Items that will never be reclassified to profit and loss account	-	-	-	-
Deferred liability - actuarial loss - net of tax	-	-	-	5,734
Item that are to be reclassified subsequently to profit and loss account	-	-	-	-
Unrealised appreciation during the period on remeasurement of investment classified as "available for sale" - net of tax	405	-	405	-
	405	-	405	5,734
Total comprehensive income for the period	512,296	290,103	196,445	106,448

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial information.

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Director

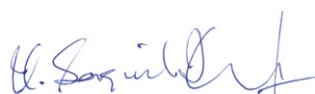
Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

Note	Issued, subscribed and paid-up capital	Share premium	Unrealized appreciation on remeasurement of investment classified as "available for sale"	Unappro- priated loss	Sub - Total	Total
----- Rupees in '000 -----						
Balance as at January 01, 2013	656,000	3,300	-	2,163	2,163	661,463
Total Comprehensive income for the nine month period ended September 30, 2013						
Profit for the period	-	-	-	290,103	290,103	290,103
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	28,369	28,369	28,369
	-	-	-	318,472	318,472	318,472
Balance as at September 30, 2013	656,000	3,300	-	320,635	320,635	979,935
Balance as at January 01, 2014	656,000	3,300	-	425,864	425,864	1,085,164
Transaction with owners						
Share issued during the period	250,000	1,162,500	-	-	-	1,412,500
Share issuance cost	-	(94,972)	-	-	-	(94,972)
Cash dividend for the three month period ended 31, March 2014 (Rs. 1 per share)	-	-	-	(90,600)	(90,600)	(90,600)
Cash dividend for the six month period ended 30, June 2014 (Rs. 1 per share)	-	-	-	(90,600)	(90,600)	(90,600)
17	250,000	1,067,528	-	(181,200)	(181,200)	1,136,328
Total Comprehensive income for the nine month period ended September 30, 2014						
Profit for the period	-	-	-	511,891	511,891	511,891
Unrealized appreciation during the period on remeasurement of investment classified as 'available for sale' - net of tax	-	-	405	-	405	405
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	28,370	28,370	28,370
	-	-	405	540,261	540,666	540,666
Balance as at September 30, 2014	906,000	1,070,828	405	784,925	785,330	2,762,158

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial information

The Chief Executive Officer is for the time being not in Pakistan therefore, these complete interim consolidated financial statements have been signed by two directors as required by the section 241 (2) of the Companies Ordinance, 1984



Director



Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

	Note	Nine month period ended	
		September 30, 2014	September 30, 2013
Rupees in '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	2,355,809	866,234
Mark-up on short-term finance paid		(162,856)	(63,337)
Dividend paid		(90,600)	-
Gratuity paid		-	(8,593)
Taxes paid		33,747	(18,679)
Net cash generated from operating activities		2,136,100	775,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure paid		(1,021,049)	(580,572)
Acquisition of long term investment		(819,920)	-
Proceeds from disposal of long term investment		107,453	-
Proceeds from disposal of property, plant and equipment		16,536	3,178
Long term deposits		(9,927)	5,163
Net cash used in investing activities		(1,726,907)	(572,231)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(12,486)	(55,100)
Proceed from issuance of shares		1,317,528	-
Long term finance obtained and repaid - net		334,907	(107,468)
Long term deposits		7,679	5,349
Net cash used in financing activities		1,647,628	(157,219)
Net decrease in cash and cash equivalents		2,056,821	46,175
Cash and cash equivalents as at the beginning of the period		185,830	93,262
Cash and cash equivalents as at the end of the period	15	2,242,651	139,437

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial information.

The Chief Executive Officer is for the time being not in Pakistan therefore, these complete interim consolidated financial statements have been signed by two directors as required by the section 241 (2) of the Companies Ordinance, 1984.

Director

Director

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

1 STATUS AND NATURE OF BUSINESS

Hascol Petroleum Limited (the Company), the Parent Company, was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company. The registered office of the Company is situated at Suite No.105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company markets petroleum products and compressed natural gas. It also blends and markets various kinds of lubricating products.

The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005. Commercial operations were started in the month of September 2005.

- 1.1 During the period, the Company has made an Initial Public Offering (IPO) through issuance of 25 million ordinary shares of Rs. 10 each at a price of Rs. 56.50 per share determined through book building process. The share premium at Rs. 46.50 per share amounting to Rs. 1,162.50 million out of which Rs. 94.97 million have been adjusted against share issuance cost. Out of the total issue of 25 million ordinary shares, 18.75 million shares were subscribed through book building by high net worth individuals & institutional investors and the remaining 6.25 million shares were subscribed by the General Public and the shares have been duly allotted. On May 12, 2014, The Karachi, Lahore & Islamabad Stock Exchanges have approved the Company's application for formal listing and quotation of shares.

The Group comprises of the Parent Company and the following subsidiary company that have been consolidated in these financial statements on line by line basis. All material inter company balances, and transaction have been eliminated.

Subsidiary Company	Nature of Business	Holding
Hascombe Lubricants (Private) Limited	Lubricant Marketing	100%

Hascombe Lubricants (Private) Limited was incorporated on 27 December 2001 as a private limited company under the Companies Ordinance 1984. The registered office of the Subsidiary at suite no. 105 - 106, The Forum, Khayaban-e-Jami, Clifton, Karachi. Principal activity of the Subsidiary includes marketing and selling imported and locally produced automobile and industrial lubricants. Hascombe Lubricants (Private) Limited is a wholly owned subsidiary of Hascol Petroleum Limited.

2 BASIS OF PREPARATION

The condensed interim consolidated financial statements of the group for the nine month period ended September 30, 2014 are unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

This un-audited condensed interim consolidated financial information is being presented and submitted to the shareholders as required by the listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges and under section 245 of the Companies Ordinance, 1984. The condensed interim consolidated financial information does not include all information and disclosure required in the annual financial statements and should be read in conjunction with the audited consolidated financial statements of the group for the year ended December 31 2013

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this un-audited condensed interim consolidated financial information are the same as those applied in the preparation of audited annual consolidated financial statements of the group for the year ended December 31, 2013.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this un-audited condensed interim consolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2 During the preparation of this un-audited condensed interim consolidated financial information, the significant judgements made by management in applying the group accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual consolidated financial statements for the year ended December 31, 2013.

	Note	September 30, 2014 Un-audited	December 31, 2013 Audited
Rupees in '000			
5 FIXED ASSETS			
Property, plant and equipment			
Operating fixed assets	5.1, 5.2 & 5.3	1,756,986	1,206,554
Capital work-in-progress	5.4	1,441,586	1,079,871
		<u>3,198,572</u>	<u>2,286,425</u>

5.1 Additions to operating assets, including transfer from capital work-in-progress, during the period/ year were as follows:

Owned assets

Office building	269,355	5,327
Pump building	26,232	26,544
Plant and machinery	11,608	4,070
Tanks and pipelines	160,611	6,356
Dispensing pumps	25,141	8,781
Vehicles	1,031	138
Computer auxiliaries	4,530	14,464
Furniture, office equipment and other assets	10,380	10,052
Electrical, mechanical and firefighting equipments	104,861	3,026
	<u>613,749</u>	<u>78,758</u>

Leased assets

Dispensing pumps	15,630	-
Plant and machinery	4,508	-
Electrical, mechanical and firefighting equipments	18,104	-
Vehicles	7,343	-
	<u>45,585</u>	<u>-</u>
	<u>659,334</u>	<u>78,758</u>

5.2 The following assets were disposed off during the period/ year:

	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000 -----		
September 30, 2014			
Leased assets			
Vehicles	14,892	(12,463)	2,429
	<u>2,378</u>	<u>2,378</u>	<u>-</u>

5.3 The depreciation charge for the period has been allocated as follows:

	September 30, 2014	September 30, 2013
Rupees in '000		
Distribution expenses	86,061	64,140
Administrative expenses	9,170	7,801
	<u>95,231</u>	<u>71,941</u>
	<u>September 30, 2014 Un-audited</u>	<u>December 31, 2013 Audited</u>
	Rupees in '000	

5.4 Capital work-in-progress

Petrol pump buildings & equipment	882,657	296,863
Depots, tanks and dispensers	507,496	723,545
Borrowing cost capitalized	51,433	59,463
	<u>1,441,586</u>	<u>1,079,871</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

		September 30, 2014 Un-audited	December 31, 2013 Audited
		Rupees in '000	
6 LONG-TERM INVESTMENTS			
Available for sale			
Pakistan Refinery Limited - Associate Company	6.1	<u>718,282</u>	<u>-</u>

	September 30,		December 31,	
	Percentage holding	Amount Rupees in '000	Percentage holding	Amount Rupees in '000
6.1 Pakistan Refinery Limited - Associate Company				
Pakistan Refinery Limited (PRL)				
Cost				
4,327,000 ordinary shares of Rs. 10 each	12.36	717,819		-
Unrealized appreciation / (diminution) on remeasurement of investment				
Opening balance		-		-
Transferred during the period to equity		463		-
Closing balance		463		-
		<u>718,282</u>		<u>-</u>

6.2.1 Investment in PRL (quoted), an associate undertaking of the group due to common directorship, amounts to Rs. 718.282 million (December 2013: Rs. Nil), representing 12.36% (December 2013: Nil%) of PRL paid up share capital as at 30 September 2014. During the period Company purchase 4.327 million (December 2013: Nil) at Rs.165.89 per share (December 2013: Rs. Nil) .

	September 30, 2014 Un-audited	December 31, 2013 Audited
		Rupees in '000
7 DEFERRED TAXATION - NET		
This is comprised of the following:		
<i>Taxable temporary difference arising in respect of :</i>		
- Accelerated depreciation net of revaluation of fixed assets	(350,381)	(276,687)
- Assets under finance lease	(105,912)	(93,379)
- Incremental depreciation	15,276	20,368
- Remeasurement of investment "available for sale"	(58)	-
<i>Deductible temporary difference arising in respect of :</i>		
- Liabilities against assets subject to finance lease	28,880	33,251
- Employee benefits	21,442	16,469
- Investments	10,711	10,711
- Provision for doubtful debts	2,651	2,629
- Carry forward tax losses	-	112,015
- Turnover tax	763,145	501,240
- Exchange loss	51,895	891
	<u>437,649</u>	<u>327,508</u>

7.1 Deferred income tax asset is recognized for tax losses available for carry-forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The aggregate tax losses available for carry forward as at September 30, 2014 amount to Rs. Nil (December 31, 2013: Rs. 320.042 million).

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	December 31, 2013
	Un-audited	Audited
	Rupees in "000"	
8 TRADE DEBTS		
Considered good	<u>5,918,631</u>	<u>2,116,118</u>
9 OTHER RECEIVABLES		
Price differential claims	9.1 5,083	5,083
Others	9.2 308,484	61,703
	<u>313,567</u>	<u>66,786</u>

9.1 This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources (MPNR). The company together with other oil marketing companies is actively pursuing the matter with the concerned authorities for the early settlement of above claim. The company considers that the balance amount will be reimbursed by GoP in due course of time.

9.2 This includes Rs. 16.67 million (December 31, 2013 : 12.32 million) receivable from related parties.

10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

10.1 Authorised Share Capital

September 30, 2014	December 31, 2013		September 30, 2014	December 31, 2013
Un-audited	Audited		Un-audited	Audited
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary Shares of Rs. 10 each	<u>1,500,000</u>	<u>1,500,000</u>

10.2 Issued, Subscribed and Paid Up-capital

September 30, 2014	December 31, 2013		September 30, 2014	December 31, 2013
Un-audited	Audited		Un-audited	Audited
Number of shares			Rupees in "000"	
64,540,000	64,540,000	Ordinary shares of Rs. 10 each fully paid in cash	645,400	645,400
1,060,000	1,060,000	Ordinary shares of Rs. 10 each for Consideration other than cash	10,600	10,600
25,000,000	-	Issued during the current period 2014 (Refer Note 1.1)	250,000	-
<u>90,600,000</u>	<u>65,600,000</u>		<u>906,000</u>	<u>656,000</u>

11 TRADE AND OTHER PAYABLES

Trade creditors	11,534,356	5,271,351
Accrued liabilities	30,191	78,933
Advance from customers	386,345	142,635
Other advances	181,465	200,565
IFEM payable	-	233,275
Other liabilities	1,068,108	478,568
	<u>13,200,465</u>	<u>6,405,327</u>

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12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

As per the deliberations of the Main Committee of the Oil Companies Advisory Committee (OCAC) held in their meeting number MCM-168 dated September 20, 2007, the financial costs on outstanding Price Differential Claims (PDC) should be worked and billed to the Government of Pakistan (GOP) through OCAC by the Oil Marketing Companies (OMCs) on a regular basis. Although the Company had billed Rs 65.97 million (2013: Rs 65.97 million) to the GOP/ OCAC, the management had not accounted for its impact in these financial statements as the inflow of economic benefits, though probable, is not virtually certain.

The facility for opening letters of credit (LCs) acceptances as at September 30, 2014 amounted to Rs. 5,739 million (December 31, 2013: Rs 3,399 million) of which the amount remaining unutilized as at that date was Rs. 3,736 million (December 31, 2013: Rs 1,507.467 million).

12.2 Commitments

12.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

	September 30, 2014 Un-audited	December 31, 2013 Audited
	Rupees in "000"	
Property, plant and equipment	<u>323,660</u>	<u>30,872</u>

12.2.2 Commitments for rental of assets under operating lease agreements as at September 30, 2014 amounted to Rs 1,140.297 million (December 31, 2013: Rs 1,176.627 million) payable as follows:

	September 30, 2014 Un-audited	December 31, 2013 Audited
	Rupees in "000"	
Not later than one year	76,203	76,203
Later than one year and not later than five years	304,812	304,812
Later than five years	759,282	795,612
	<u>1,140,297</u>	<u>1,176,627</u>

13 TAXATION

	September 30, 2014	September 30, 2013
	Rupees in '000	
Current	(302,428)	(148,510)
Deferred	110,197	124,647
	<u>(192,231)</u>	<u>(23,863)</u>

	September 30, 2014	September 30, 2013
	Rupees in '000	
14 CASH GENERATED FROM OPERATIONS		
Profit before taxation	704,122	313,966
Adjustment for non-cash charges and other items:		
Depreciation/ amortisation expense	96,475	71,941
Gain on sale of fixed assets	(2,865)	(2,498)
Capital gain	(5,352)	-
Provision for gratuity	14,209	24,880
Mark-up on short-term running finances and loans	177,313	81,301
Working capital changes	14.1 1,371,907	376,644
	<u>2,355,809</u>	<u>866,234</u>
14.1 Working capital changes		
(Increase) / decrease in current assets		
Stock-in-trade	(3,081,310)	(1,709,282)
Trade debts	(3,802,513)	262,980
Short-term deposits and prepayments	(15,402)	(15,777)
Other receivables - net	(246,781)	(7,671)
Sales tax receivable / payable	-	(71,219)
Loans and advances - considered good	248,906	(131,178)
	<u>(6,897,100)</u>	<u>(1,672,147)</u>
Increase/ (decrease) in current liabilities		
Trade and other payables	8,269,007	2,048,791
	<u>1,371,907</u>	<u>376,644</u>
15 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise of the following		
Cash and bank balances	2,999,354	577,589
Finances utilised under mark-up arrangements - secured	(756,703)	(438,152)
	<u>2,242,651</u>	<u>139,437</u>

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16 RELATED PARTY TRANSACTIONS

Transactions entered during the period by the Company with related parties are as follows:

Nature of relationship	Nature of transaction	September 30,	September 30,
		2014	2013
Transactions		Un-audited	Audited
		-----Rupees in '000-----	
Associated Companies			
Pakistan Refinery Limited	Purchase of fuels	16,669,017	12,178,891
	Expenses charged	20,771	-
Marshal Gas (Pvt) Ltd	Purchase of LPG	6,657	9,790
Sigma Motors	Sale of fuels	4,408	5,446
	Rental Income	4,309	3,917
Habib Metropolitan Bank Limited	LC Charges	1,005	-
Staff retirement benefits / contribution funds			
Provident fund	Contribution	5,662	4,127
Gratuity fund	Contribution	14,208	7,713
Key management personnel			
	Salaries and other short term employee benefits	32,262	27,332
Other related parties			
	Commission	31,486	6,188
Balances		September 30,	December 31,
		2014	2013
		Un-audited	Audited
		-----Rupees in '000-----	
Associated Companies			
Pakistan Refinery Limited	Trade creditors	2,223,943	2,128,102
Marshal Gas (Private) Limited	Trade creditors	495	338
Sigma Motors	Trade debtors	16,675	12,342

All transactions with related parties have been carried out on commercial terms and conditions.

Expenses recovered from / charged by related parties are based on actual.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Group considers its Chief Executive and Executive Director to be key management personnel.

17 APPROPRIATION FOR DIVIDEND

Directors have approved in the Board of Directors meeting held on 26th August, 2014 cash dividend of Rs. 1 per share amounting to Rs. 90.6 million. This un-audited condensed interim consolidated financial information includes the effect of the aforementioned appropriation.

Subsequent to the balance sheet date, cash dividend were distributed to those shareholders whose name were appearing on the Members' Register as on the close of business on 16th September 2014.

18 DATE OF AUTHORISATION

These un-audited condensed interim consolidated financial information have been authorised for issue on 29th October 2014 by the board of directors of the Group.

19 GENERAL

All amounts have been rounded to the nearest thousand.

Director

Director