HASCOL

QUARTERLY REPORT 2020

TRANSFORMATION TODAY, BETTER TOMORROW

Report for the three months period ended March 2020

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CORPORATE INFORMATION

Chairman
Sir Alan Duncan

Chief Executive Officer
Mr. Adeeb Ahmad

Directors
Mr. Hasan Reza Ur Rahim
Mr. Nauman Kramat Dar
Mr. Farrukh Saeed
Mr. Farid Arshad Masood
Mr. Abdul Aziz Khalid
Mr. Aqeel Ahmed Khan

Chief Financial Officer
Mr. Shahid Hussain Bhutto

Company Secretary
Mr. Zeeshan Ul Haq

Audit Committee
Mr. Hasan Reza Ur Rahim (Chairman)
Mr. Nauman Kramat Dar (Member)
Mr. Farid Arshad Masood (Member)

Risk Committee
Mr. Nauman Kramat Dar (Chairman)
Mr. Farrukh Saeed (Member)
Mr. Abdul Aziz Khalid (Member)

Human Resource Committee
Mr. Farrukh Saeed (Chairman)
Mr. Alan Duncan (Member)
Mr. Farid Arshad Masood (Member)

Auditors
EY Ford Rhodes
Chartered Accountants

Grant Thornton Anjum Rahman
Chartered Accountants

Bankers
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
The Bank of Khyber
The Bank of Punjab
The Citibank N. A. Pakistan Karachi Branch
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
Sindh Bank Limited
Summit Bank Limited
United Bank Limited

Share Registrar
CDC Share Registrar Services Limited

Legal Advisor
Mohsin Tayebaly & Co.
Corporate Legal Consultants – Barristers & Advocates

Registered Office
The Forum, Suite No.105-106, First Floor,
Khayaban-e-Jami, Clifton, Block-9, Karachi

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Fax: +92 21 35301351
UAN: 111-757-757
Email: info@hascol.com
Website www.hascol.com

DIRECTORS' REPORT

For the 1st Quarter ended March 31, 2020

Dear Shareholders,

The Board of Directors of Hascol Petroleum Limited (HPL) has reviewed the performance of the Company for the period ended March 31, 2020 and is pleased to present the Directors' Review Report.

The Company has been facing internal and external challenges due to COVID-19 pandemic which affected the working environment of the business. As a result, the first quarterly accounts for the period ended March 31, 2020 are being announced late.

In Q1 2020, we saw a dramatic collapse in demand and an unprecedented fall in the international oil prices which translated into inventory losses for the Company. On the macroeconomic front, the company's performance was adversely affected by the devaluation of Pak Rupee. The COVID-19 associated lockdown which was imposed towards the end of March also had a dampening effect on local economic activity, resulting in drop in consumption of petroleum products.

Due to these reasons, the Company incurred a loss after tax of Rs. 6.4 billion for the period ended March 31, 2020 as compared to Rs. 5.6 billion in the same period of last year. The loss per share (LPS) stands at Rs. 6.59, as compared to LPS of Rs. 10.02 in same period of last year.

The successful closure of equity of Rs. 8 billion in January 2020, partial conversion of short-term debt to seven (07) year long-term debt of Rs. 11.89 billion (out of a total committed long term debt Rs.13.40 billion) and the continued support of Company's principal supplier for its working capital eased the liquidity and working capital constraints of the Company. The Company is also considering further restructuring of its short-term loans.

Despite the challenging socio-economic business scenario, the Company has begun to reposition itself through organizational restructuring and cost optimization and efforts are being made to return to a sustainable and profitable business. Considering improved demand after easing of lockdown restrictions, the management is optimistic that the performance of the Company will be improved, given the Company's extensive infrastructure including depots and retail outlets. The shareholders of the Company have reorganized the Board of Directors and the Company is in the process of bringing in new talent to spearhead the growth efforts of the Company.

The Company express its sincere gratitude to all its employees, customers, financial institutions, suppliers and other stakeholders for their contributions and continuous support. We also thank the Government of Pakistan and its Ministries for their support and guidance.

Chief Executive Officer

Director

Karachi.
Dated: 8th October 2020

ڈائریکٹرز کی جائزہ کی گئی رپورٹ

برائے

پہلے سہ ماہی (اختتام ۳۱ مارچ ۲۰۲۰)

عزت مآب شیئر ہولڈرز!

یہ کہ ہیسکول پیٹرول لمیٹڈ کی 31 مارچ 2020 تک کی پرفارمنس رپورٹ کا ہیسکول پیٹرولیم لمیٹڈ (ایچ پی ایل) کے بورڈ آف ڈائریکٹز نے لے لیا ہے اور وہ اس جائزہ لی گئی رپورٹ کو پیش کرتے ہوئے بے حد خوش ہیں۔

یہ کہ کمپنی کو کوویڈ 19 پینڈیمک کی وجہ اندرونی اور بیرونی مسائل کا سامنا ہے جس کی وجہ سے کاروباری سرگرمیوں میں گہرے اثرات پیش نظر ہیں، جس کے نتیجے میں 31 مارچ 2020 کے پہلے چوتھائی اکاؤنٹ کے اعلان میں تاخیر کردی گئی ہے۔

یہ کہ کوارٹر 1، 2020 کے چلتے ہمیں کئی طرح کے ڈرامیٹک گراؤ کا سامنا ہوا ہے اور انٹرنیشنل تیل کی قیمتوں میں بے مثال کمی کے باعث کمپنی کو خاصہ نقصان کا سامنا ہوا ہے مزید برآں میکرو اکونومک کے پیش نظر کمپنی کی پرفارمنس منفی طور پر معاشی محاذ پر پاک روپے کی قدر میں کمی سے کمپنی کی کارکردگی بری طرح متاثر ہوئی ہے۔۔کوویڈ 19 سے وابستہ لاک ڈاؤن جو مارث کے آخر میں مسلط کیا گیا تھا، نے مقامی معاشی سرگرمیوں پر بھی ایک گہرا اثر ڈالا جس کے نتیجے میں پیٹرولیم مصنوعات کی کھپت میں کمی واقع ہوئی ہے۔

ان وجوہات کی بناء پر کمپنی کو ٹیکس کے بعد 31 مارچ 2020 تک 6.4 بلین کا نقصان ہوا جو کہ پچھلی بار کے اسی مدت کے نقصان 5.6 بلین سے کئی زیادہ ہے۔ یہ کہ ہونے والا نقصان فی شیئر (ایل پی ایس) جو کہ 6.59 روپے جو کہ پچھلے سال اسی مدت کے مقابلے (ایل پی ایس (10.02) روپے تھا۔

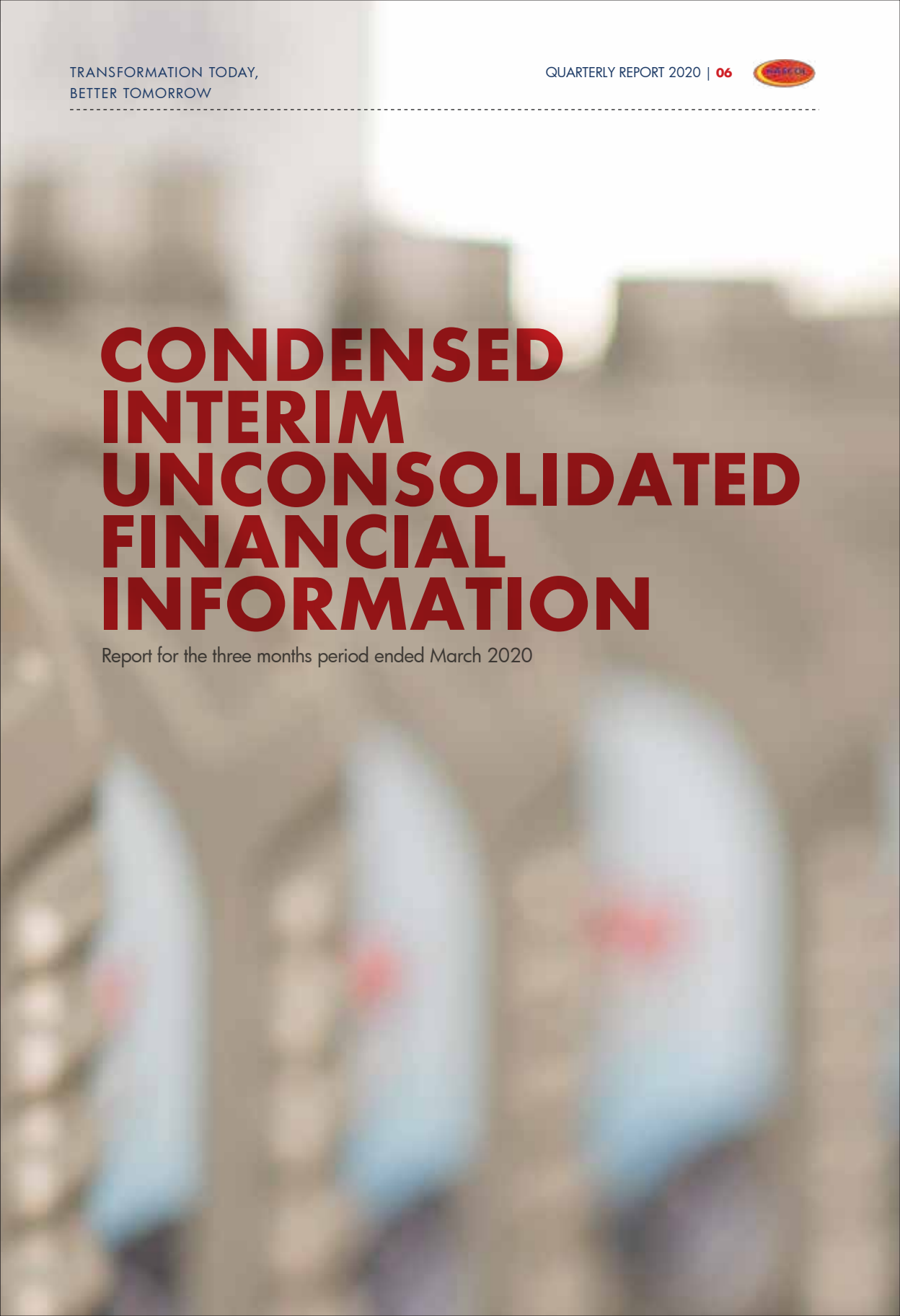
جنوری 2020 تک کے 8 بلین ایکوٹی کی کامیاب بندش تھی، مختصر مدت کے قرض کا سات سال طویل مدتی قرضوں پر 11.89 بلین کا جزوی تبادلہ (مجموعی طور پر طویل مدتی قرضوں میں سے 13.40 کامیاب بلین روپے میں سے اور اس کے ورکنگ سرمایہ کے کمپنی کے پرنسپل سپلائز کی مسلسل حمایت سے کمپنی کی لیکویڈیٹی ورورکنگ سرمایہ کی رکاوٹوں کو کم کیا گیا کمپنی اپنے مختصر مدتی قرضوں کی مزید تنظیم نو پر بھی غور کررہی ہے۔

چیلنج کن معاشرتی واقتصادی کاروباری منظرنامے کے باوجود، کمپنی نے تنظیم نو اور لاگت کی اصلاح کے ذریعے اپنے آپ کو تبدیل کرنا شروع کیا ہے۔ لاک ڈاؤن کی پابندیوں کے اختتام کے بعد ہونے والے بہتر مطالبات پر غور کرتے ہوئے مینجمنٹ پر امید ہے کہ کمپنی کی پرفارمنس جلد از جلد بہتری کی طرف گامزن ہے جس میں ڈپو اور آؤٹلیٹ سے آنے والے رپورٹ کو بھی شمار کیا گیا ہے۔ شیئر ہولڈرز کی جانب سے کمپنی کے بورڈ آف ڈائریکٹرز کی تنظیم نو عمل میں لائی جارہی ہے اور مزید اس عمل میں کمپنی نئے ٹیلنٹ کو بھی شامل کرنے پر تیزی سے کام کررہے ہے۔

کمپنی نے اپنی تمام تر حالات اور معاملات بے حد شکرگزاری کے ساتھ اپنے تمام تر ملازمین، صارفین، فنانشل انسٹی ٹیوشن، سپلائرز اور دیگر اسٹیک ہولڈر کے سامنے پیش کیا ہے اور اس کے ساتھ ہی ان کے شراکت اور مسلسل مدد کو بھی سراہا ہے۔ مزید گورنمنٹ آف پاکستان اور متعلقہ منسٹریز کو بھی ان کے تعاون اور مدد کے لیے شکریہ ادا کرتے ہیں۔

چیف ایگزیکٹو آفسر	ڈائریکٹر

AW
GEAR S
r Oil
TAW



CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

Report for the three months period ended March 2020

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
ASSETS		----------Rupees in '000----------	
Non-current assets			
Property, plant and equipment	6	33,639,564	33,870,864
Intangible asset	7	2,745	3,134
Long-term investments	8	4,028,333	4,272,165
Deferred taxation - net	9	-	-
Long-term deposits		568,572	571,065
Total non-current assets		38,239,214	38,717,228
Current assets			
Stock-in-trade		18,014,658	19,219,871
Trade debts		11,684,586	11,040,583
Advances	10	75,756	120,630
Deposits and prepayments	11	203,918	165,756
Other receivables	12	4,282,336	3,840,342
Accrued mark-up and profit		115,857	114,159
Taxation - net		470,242	566,012
Short term investments		102,900	103,688
Cash and bank balances		4,690,404	13,586,382
Total current assets		39,640,657	48,757,423
TOTAL ASSETS		77,879,871	87,474,651
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	1,991,207
Reserves		(27,621,331)	(20,690,431)
Surplus on revaluation of property, plant and equipment - net of tax		3,944,025	4,033,053
Share deposit money		-	5,752,443
Total shareholders' deficit		(13,686,099)	(8,913,728)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	13	1,369,858	1,590,538
Liabilities against assets subject to finance lease		2,316,584	2,379,875
Deferred and other liabilities	14	3,603,840	3,534,285
Total non-current liabilities		7,290,282	7,504,698
Current liabilities			
Trade and other payables	15	45,540,433	48,421,203
Unclaimed dividend		355,805	356,597
Accrued mark-up and profit		1,850,628	1,549,403
Short-term borrowings		34,960,686	37,017,653
Current portion of non-current liabilities	16	1,568,136	1,538,825
Total current liabilities		84,275,688	88,883,681
TOTAL LIABILITIES		91,565,970	96,388,379
TOTAL EQUITY AND LIABILITIES		77,879,871	87,474,651
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS ACCOUNT - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
Sales - net		40,739,681	58,644,053
Less: sales tax		(6,045,622)	(9,005,774)
Net sales		34,694,059	49,638,279
Other revenue		409,613	299,622
Net revenue		35,103,672	49,937,901
Cost of products sold		(36,713,439)	(49,815,555)
Gross (loss)/profit		(1,609,767)	122,346
Operating expenses			
Distribution and marketing		(1,170,521)	(997,570)
Administrative expenses		(180,772)	(215,385)
		(1,351,293)	(1,212,955)
Other expenses		-	(3,464,136)
Other income		101,825	108,958
Operating loss		(2,859,235)	(4,445,787)
Finance cost		(1,914,328)	(732,014)
Exchange loss - net		(1,458,995)	(179,854)
		(3,373,323)	(911,868)
Loss before taxation		(6,232,558)	(5,357,655)
Taxation	18	(215,695)	(291,522)
Loss for the period		(6,448,253)	(5,649,177)
			Restated
Loss per share - basic and diluted (Rupees)		(6.59)	(10.02)

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	----------Rupees in '000----------	
Loss for the three months period	**(6,448,253)**	(5,649,177)
Items that may be reclassified subsequently to unconsolidated profit or loss account		
Unrealized loss on remeasurement investment held at fair value through other comprehensive income - net of tax	**(445,470)**	(9,515)
Total comprehensive loss	**(6,893,723)**	(5,658,692)

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Share Capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment	Share deposit money	Total shareholders' equity
		Share premium	Unrealized loss on remeasurement of FVTOCI investments	Unappropriated profit			
	----------	----------	----------	Rupees in '000	----------	----------	----------
Balance as at January 01, 2019	1,810,188	4,766,854	(216,958)	1,735,750	4,389,156	-	12,484,990
Total comprehensive income for the three months							
Profit for the period	-	-	-	(5,649,177)	-	-	(5,649,177)
Other comprehensive income							
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	(9,515)	-	-	-	(9,515)
Total comprehensive income	-	-	(9,515)	(5,649,177)	-	-	(5,658,692)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	70,942	(70,942)	-	-
	-	-	(9,515)	(5,578,235)	(70,942)	-	(5,658,692)
Balance as at March 31, 2019 - unaudited	**1,810,188**	**4,766,854**	**(226,473)**	**(3,842,485)**	**4,318,214**	**-**	**6,826,298**
Balance as at January 01, 2020	**1,991,207**	**4,766,854**	**(267,992)**	**(25,189,293)**	**4,033,053**	**5,752,443**	**(8,913,728)**
Total comprehensive income for the three months							
Profit for the period	-	-	-	(6,448,253)	-	-	(6,448,253)
Other comprehensive income							
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	(445,470)	-	-	-	(445,470)
Total comprehensive income	**-**	**-**	**(445,470)**	**(6,448,253)**	**-**	**-**	**(6,893,723)**
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	89,028	(89,028)	-	-
	-	**-**	**(445,470)**	**(6,359,225)**	**(89,028)**	**-**	**(6,893,723)**
Transactions with owners							
Right issue ~ 400% @ Rs. 10/- per share - October 2019	8,000,000	-	-	-	-	(5,752,443)	2,247,557
Issuance cost	-	(126,205)	-	-	-	-	(126,205)
	8,000,000	**(126,205)**	**-**	**-**	**-**	**(5,752,443)**	**2,121,352**
Balance as at March 31, 2020 - unaudited	**9,991,207**	**4,640,649**	**(713,462)**	**(31,548,518)**	**3,944,025**	**-**	**(13,686,099)**

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	19	(6,676,682)	(698,278)
Finance cost paid		(1,632,896)	(854,422)
Profit received on bank deposits		99,571	156,493
Taxes paid		(126,177)	709,122
Gratuity paid		(57,791)	-
Net cash used in operating activities		(8,393,976)	(687,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(268,399)	(1,054,926)
Proceeds from disposal of property, plant and equipment		-	401,637
Long-term deposits - net		2,493	14,842
Net cash used in investing activities		(265,906)	(638,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability (repaid)/obtained - net		(92,207)	162,354
Payment of commercial paper		-	(2,500,000)
Dividend paid		(792)	(1,220)
Proceeds from issue of right shares		2,076,323	-
Proceeds from issue of commercial paper		-	3,770,754
Long-term finance repaid - net		(162,453)	(245,434)
Net cash used in financing activities		1,820,871	1,186,454
Net decrease in cash and cash equivalents		(6,839,011)	(139,078)
Cash and cash equivalents at beginning of the period		(23,431,271)	(7,639,654)
Cash and cash equivalents at end of the period	20	(30,270,282)	(7,778,732)

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

1 STATUS AND NATURE OF BUSINESS

1.1 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 and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Suite No.105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi.

1.2 The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licensed company in the year 2018.

1.3 This condensed interim unconsolidated financial information are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Condensed interim consolidated financial information are prepared separately.

2 BASIS OF PREPARATION

The condensed interim unconsolidated financial information of the Company for the three month period ended March 31, 2020 is unaudited and have 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 Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim unconsolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2019.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this 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, 2019.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of this 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 condensed interim unconsolidated financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainly were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2019.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended December 31, 2019.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

6 PROPERTY, PLANT AND EQUIPMENT	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
Operating fixed assets		27,947,011	28,402,075
Capital work-in-progress	6.3	4,460,756	4,213,205
Right of use asset		1,231,797	1,255,584
		33,639,564	33,870,864

6.1 Additions / transfer from CWIP to operating fixed assets during the period / year were as follows:

	March 31, 2020 Un-audited	December 31, 2019 Audited
	----------Rupees in '000----------	
Owned assets		
Office & depot building	-	2,168,204
Tanks and pipelines	-	2,691,158
Pump building	-	1,418,957
Electrical, mechanical and fire fighting equipment	-	3,091,006
Tank lorries	-	80,018
Motor cars	-	7,551
Dispensing pumps	-	533,395
Furniture, office equipment and other assets	-	115,081
Plant and machinery	-	1,655,368
Computer auxiliaries	-	16,773
	-	11,777,511
Leased assets		
Tank lorries	-	481,879
	-	12,259,390

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

	Cost	Accumulated Depreciation	Net Book Value
	----------Rupees in '000 ----------		
March 31, 2020 (unaudited)	-	-	-
December 31, 2019 (audited)	(788,000)	124,976	(663,024)

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

6.2.1 For details of the assets disposed/ written off during the year ended December 31, 2019, please refer note 6.12 & 6.13 of the annual audited financial statements for the same year.

		March 31, 2020 Un-audited	December 31, 2019 Audited
6.3	**Capital work-in-progress**	----------Rupees in '000----------	
	Office & depot building	1,481,043	1,360,721
	Tanks and pipelines	1,047,738	1,016,818
	Pump building	355,809	305,159
	Electrical, mechanical and fire fighting equipment	725,068	699,202
	Dispensing pumps	102,845	102,845
	Furniture, office equipment and other assets	194,080	194,080
	Plant and machinery	360,740	360,740
	Borrowing cost capitalized	187,495	167,702
	Computer auxiliaries	5,938	5,938
		4,460,756	4,213,205
7	**INTANGIBLE ASSET**		
	Computer software	2,745	3,134
	Net book value at beginning of the period	3,134	2,565
	Addition	-	1,103
	Amortization charge for the period	(389)	(534)
	Net book value at the end of the period	2,745	3,134
	Net book value		
	Cost	12,010	12,010
	Accumulated amortization	(9,265)	(8,876)
	Net book value	2,745	3,134
	Rate of amortization - %	33.33	33.33

		Note	March 31, 2020 Un-audited	December 31, 2019 Audited
8	**LONG-TERM INVESTMENTS**		----------Rupees in '000----------	
	Investment in subsidiary company - at cost			
	Hascombe Lubricant (Private) Limited - ***unquoted***	8.1	-	-
	Investment in associated company - at cost			
	VAS LNG (Private) Limited - ***unquoted***	8.2	3,000	3,000
	Investment at fair value through other comprehensive income			
	Pakistan Refinery Limited (***quoted***)	8.3	459,310	904,780
	Hascol Terminal Limited (***unquoted***)	8.4	375,000	375,000
			834,310	1,279,780
			837,310	1,282,780
	Advance against purchase of shares - with related parties			
	Hascol Terminals Limited		40,000	40,000
	VAS LNG (Private) Limited		1,023	1,023
	Hascol Lubricants (Private) Limited	8.5	3,150,000	2,948,362
			3,191,023	2,989,385
			4,028,333	4,272,165

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

		Note	March 31, 2020 Un-audited	December 31, 2019 Audited
			----------Rupees in '000----------	
8.1	**Investment at cost**		30,604	30,604
	Movement in provision for impairment			
	Balance at the beginning of the period		(30,604)	(30,604)
	Provision made during the period		-	-
	Balance at the end of the period		(30,604)	(30,604)
	Net book value	8.1.1	-	-

8.1.1 This represents investment in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The company holds 9.78 million ordinary shares (December 31, 2019: 9.78 million) of Rs. 10 per

8.2 Investment in VAS LNG (Private) Limited amounts to Rs. 3 million (December 31, 2019: Rs. 3 million) representing 30% (December 31, 2019: 30%) equity stake. The Company holds 0.3 million ordinary shares (December 31, 2019: 0.3 million) of Rs. 10 per share.

		Note	Cost	Unrealized loss	Carrying Value
8.3	**Pakistan Refinery Limited**		----------Rupees in '000----------		
	March 31, 2020	***8.3.1***	**1,172,772**	**(713,462)**	**459,310**
	December 31, 2019		1,172,772	(267,992)	904,780

8.3.1 Investment in Pakistan Refinery Limited represents 14.71% (December 31, 2019: 14.71%) equity stake which amounts to 43.25 million shares (December 31, 2019: 43.25 million shares).

8.4 Investment in Hascol Terminals Limited represent 37.5 million shares (2019 : 37.5 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products. The management has carried out valuation of this investment, based on future expected cashflows, capacity multiple and EBITDA multiple for the future years and terminal values. Based on this analysis and considering the wide range of possible fair value measurement, the cost of this investment represents the best

8.5 This includes advance against equity in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The Company holds 315 million ordinary shares (2019: 294.5 million) of Rs. 10 per share.

8.6 Investments in associated companies and undertakings have been made in accordance with the requirements of the Act.

8.7 The maximum aggregate amount due from the related party at the end of any month during the year outstanding was Rs. 3,191 million (2019: Rs. 2,989).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

		March 31, 2020	December 31, 2019
9	**DEFERRED TAXATION - Net**	Un-audited	Audited
	This comprises the following:	----------Rupees in '000----------	
	Taxable temporary difference arising in respect of :		
	Accelerated depreciation	(1,816,617)	(1,771,448)
	Assets under finance lease	(223,719)	(235,275)
	Revaluation of operating fixed assets	(1,475,318)	(1,454,359)
	Deductible temporary difference arising in respect of :		
	Liabilities against assets subject to finance lease	390,799	412,193
	Exchange loss	380,992	(23,216)
	Provision for :		
	- investments in subsidiary	8,875	8,875
	- other liabilities	453,820	420,186
	- retirement benefit	62,296	81,247
	- doubtful debts	662,250	658,789
	- franchise income	27,056	26,915
	Turnover tax	1,529,565	1,876,093
		-	-

9.1 Deferred tax asset of Rs. 5,743 million (2019: Rs. 6,376 million) has not been recognised in these condensed interim unconsolidated financial statements due to uncertainty in availability of future taxable profits based on financial projections of future five years. As at the year end, the Company's tax losses amounted to Rupees 29,930 million (2019: Rs. 25,078 million).

The Company has prepared a five years projections for taxable profits and concluded based on the recent developments that there would not be enough profits against which deferred tax asset created on unused tax losses can be utilized in current scenario. However, in future years and based on the availability of taxable profits, the unutilized deferred tax asset will be recognized.

9.2 Had the Company recognized full amount of deferred tax asset the impact on these unconsolidated financial statements would have been:

	Rupees in '000
Loss for the period	(705,253)
Shareholders' deficit	(7,943,099)
Total non-current assets	43,982,214
Loss per share would have been (Rupees)	(0.71)

			March 31, 2020	December 31, 2019
10	**ADVANCES - considered good, unsecured**	Note	Un-audited	Audited
			----------Rupees in '000----------	
	To employees			
	- against expenses		27,447	28,264
	- against salaries		32,341	33,290
	Suppliers		15,968	59,076
			75,756	120,630

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
11 DEPOSITS AND PREPAYMENTS			
Deposits			
Current portion of lease deposits		1,426	1,414
Other deposits		9,928	8,996
		11,354	10,410
Prepayments			
- Insurance and others		88,577	42,055
- Rent		103,987	113,291
		192,564	155,346
		203,918	165,756

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
12 OTHER RECEIVABLES			
Inland freight equalization margin receivable		3,821,404	3,646,078
Receivable against services rendered	12.1	-	20,863
Receivable against regulatory duty		25,533	25,533
Receivable against exchangee losses	12.2	287,531	-
Receivable from Hascol Lubricants (Private) Limited		142,785	142,785
Price differential claims	12.3	5,083	5,083
Others		-	-
		4,282,336	3,840,342

12.1 This represents amount receivable from Hascol Terminals Limited (an associated Company) against services rendered by the Company on account of business support services.

12.2 This represents an amount receivable from the Government of Pakistan on account of exchange losses suffered by the Company. The economic coordination committee of the cabinet has approved the summary dated March 31, 2020 submitted by the petroleum division regarding losses incurred by the Oil industry due to devaluation of Pakistani Rupee for adjustment with

12.3 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. The Company together with other oil marketing companies is actively perusing 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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
13 LONG TERM FINANCING - secured			
Borrowing from conventional banks		1,523,000	1,554,250
Borrowing from non banking financial institutions		249,524	283,113
Sukuk certificates		792,840	890,454
		2,565,364	2,727,817
Current portion of long term finances			
Borrowing from conventional banks		(603,125)	(537,500)
Borrowing from non banking financial institutions		(192,381)	(199,779)
Sukuk certificates		(400,000)	(400,000)
		(1,195,506)	(1,137,279)
Non-current portion of long term financing		1,369,858	1,590,538
14 DEFERRED AND OTHER LIABILITIES			
Deferred liability - gratuity		217,244	257,282
Other liabilities		3,386,596	3,277,003
		3,603,840	3,534,285
15 TRADE AND OTHER PAYABLES			
Trade creditors		40,552,563	43,602,336
Payable to cartage contractors		2,024,046	2,031,042
Advance from customers		372,988	409,490
Dealers' and customers' security deposits		428,188	421,407
Accrued liabilities		8,725	6,518
Other liabilities		2,153,923	1,950,410
		45,540,433	48,421,203
16 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing		1,195,506	1,137,279
Current portion of liabilities subject to finance lease		372,630	401,546
		1,568,136	1,538,825

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

17 CONTINGENCIES AND COMMITMENTS

17.1 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 (PDCs) 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 (December 31, 2019: 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.

17.2 Commitments

(i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2020 amounted to Rs 60,889 million (December 31, 2019: Rs 60,710 million) of which the amount remaining unutilized as at that date was Rs 7,116 million (December 31, 2019: Rs 3,261 million)

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
(ii) Bank guarantees		337,026	337,026
(iii) Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:			
Property, plant and equipment		922,934	1,325,836
(iv) Commitments for rentals of assets under operating lease/ Ijarah :			
Not later than one year		493,048	479,820
Later than one year and not later than five years		1,734,669	1,474,449
Later than five years		2,795,313	2,259,004
		5,023,030	4,213,273

	Note	March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
18 TAXATION			
Current		215,695	344,901
Deferred		-	(53,379)
		215,695	291,522
19 CASH USED IN OPERATIONS			
Loss before taxation		(6,232,558)	(5,357,655)
Adjustment for:			
Depreciation and amortization		479,906	329,801
Provision for gratuity		17,753	21,508
Gain on sale of fixed assets		-	(1,719)
Profit on bank deposits		(101,269)	(104,909)
Exchange loss		1,489,770	207,329
Finance cost		1,914,328	732,014
Working capital changes	19.1	(4,244,612)	3,475,353
		(6,676,682)	(698,278)
19.1 Changes in working capital			
(Increase) / decrease in current assets			
Stock-in-trade		1,205,213	(2,596,070)
Trade debts		(644,003)	1,050,791
Deposits, prepayments and other receivables		(429,370)	(375,170)
Loans and advances - considered good		44,874	21,617
		176,714	(1,898,833)
Increase in current liabilities			
Trade and other payables		(4,421,326)	5,374,186
Short term borrowings		-	-
		(4,244,612)	3,475,353

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
20 CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,690,404	7,130,144
Less: term deposit receipt		-	(60,000)
		4,690,404	7,070,144
Short-term borrowings		(34,690,686)	(18,717,542)
Add: commercial paper		-	3,868,666
		(34,690,686)	(14,848,876)
		(30,270,282)	(7,778,732)

21 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of associated undertakings, directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and staff retirement fund.

Significant transactions with related parties, other than those disclosed elsewhere in this unconsolidated condensed interim financial information, are as follows:

21.1 Transactions with related parties

Nature of relationship	Nature of transaction	Percentage of shareholding	March 31, 2020	March 31, 2019
			---------Rupees in '000----------	
Vitol Bahrain E.C	Procurement	40.40%	22,459,804	31,776,970
Hascol Terminals Limited	Rendering of services	N/A	339,938	15,077
Clover Pakistan Limited	Rendering of services	N/A	-	12,138

21.2 Balances with related parties

			March 31, 2020 Un-audited	December 31, 2019 Audited
			---------Rupees in '000----------	
Shareholding in the Company				
Fossil Energy (Private) Limited	Rendering of services	10.66%	-	**3,475**
Shareholding by the Company				
Hascol Terminals Limited	Advance against issue of shares	15%	40,000	40,000
Hascol Terminals Limited	Investments	15%	375,000	375,000
Hascol Terminals Limited	Business support service	15%	-	20,863
Hascol Terminals Limited	Rendering of services	N/A	1,182,277	853,643
Hascol Lubricants (Private) Limited	Advance against issue of shares	100%	3,150,000	2,948,362
Hascol Lubricants (Private) Limited	Business support service	100%	-	142,785
VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Investments	30%	3,000	3,000

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

			March 31, 2020 Un-audited	December 31, 2019 Audited
			----------Rupees in '000----------	
Other related parties				
Vitol Bahrain E.C	Procurement	40.40%	19,180,802	29,620,793
Clover Pakistan Limited	Procurement	N/A	-	31,610
VOS Petroleum Limited	Rendering of services	N/A	-	46,918
Faysal Bank Limited	Rendering of services	N/A	-	1,853,063
Gas & Oil Pakistan Limited	Business support service	N/A	-	205,000

21.3 Following are the associated companies with whom the Company had ended into transactions or have agreement / agreements:

S.No.	Company Name	Basis of Association
1	Vitol Bahrain E.C	Associated Company
2	Hascol Terminal Limited	Common Directorship

22 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2019 and the corresponding figures in the condensed interim unconsolidated statement of profit or loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances that are in conformity with the restatements made in the financial statements for the second quarter of 2019 that related to the first quarter of 2019.

23 COMPARATIVE FIGURES

Items presented in these condesned interim unconsolidated statement of financial position as at December 31, 2019 have been reclassified to confirm to current years' presentation.

	Before reclassification	Reclassification	After reclassification
Deferred and other liabilities			
Other liabilities	-	3,277,003	3,277,003
Trade and other payables			
Trade creditors	45,406,336	(1,804,000)	43,602,336
Current portion of non-current liabilites			
Current portion of deferred and other liabilities	1,473,003	(1,473,003)	-
	46,879,339	-	46,879,339

24 DATE OF AUTHORISATION

These condensed interim unconsolidated financial information have been authorised for issue on October 8th, 2020 by the board of directors of the Company.

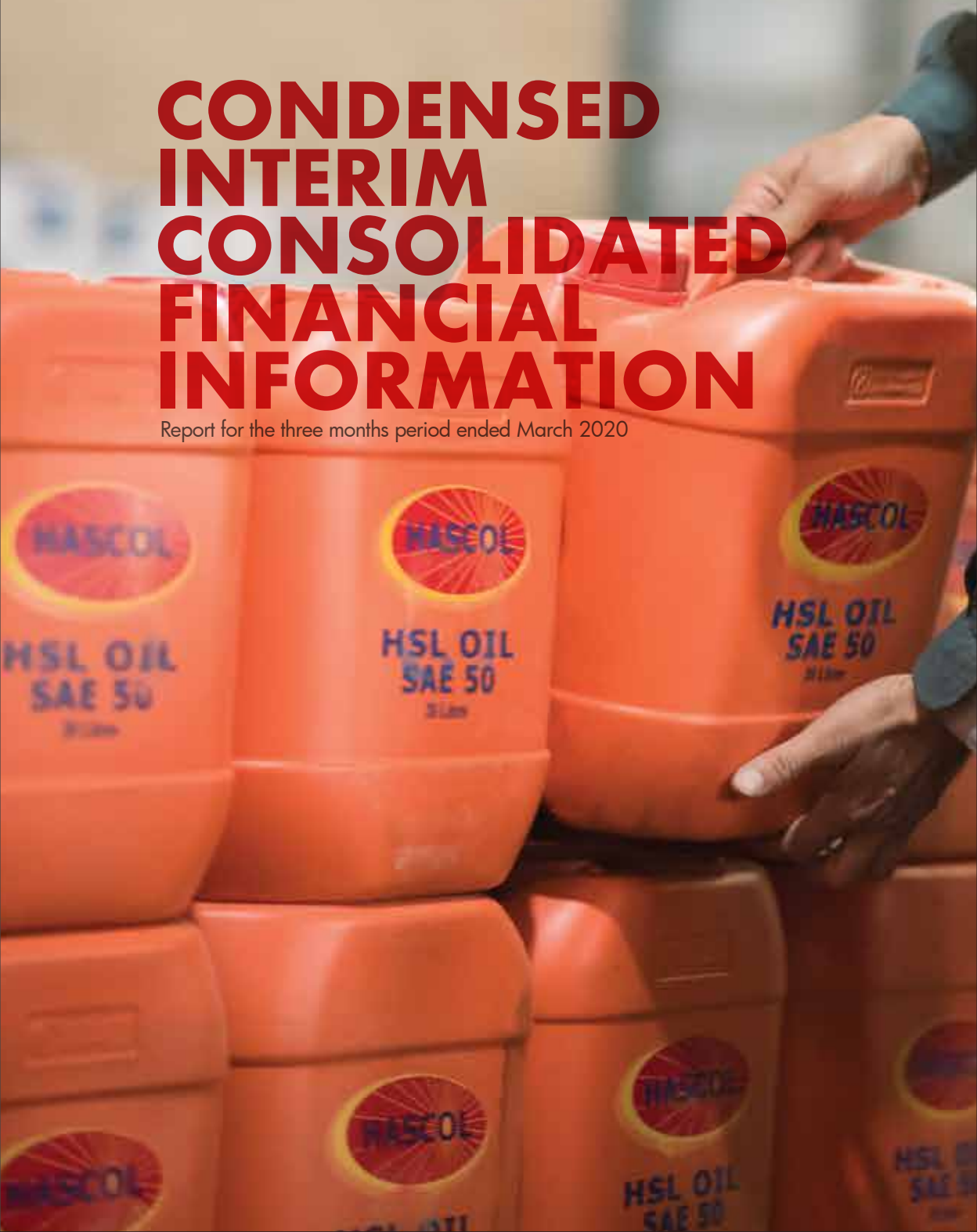
25 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Report for the three months period ended March 2020



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
ASSETS		----------Rupees in '000----------	
Non-current assets			
Property, plant and equipment	6	35,472,260	36,030,176
Intangible asset	7	4,843	5,232
Long-term investments	8	876,835	1,322,305
Deferred taxation - net	9	-	-
Long-term deposits		582,573	585,066
Total non-current assets		36,936,511	37,942,779
Current assets			
Stock-in-trade		18,521,508	19,724,092
Trade debts		11,895,767	11,156,299
Advances	10	88,695	153,757
Deposits and prepayments	11	482,965	165,767
Other receivables	12	4,282,336	3,697,557
Accrued mark-up and profit		115,857	114,159
Taxation - net		590,361	648,474
Short term investments		102,900	103,688
Cash and bank balances		5,130,996	13,847,510
Total current assets		41,211,385	49,611,303
TOTAL ASSETS		78,147,896	87,554,082
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	1,991,207
Reserves		(27,673,149)	(20,699,096)
Surplus on revaluation of property, plant and equipment - net of tax		3,944,025	4,033,053
Share deposit money		-	5,752,443
Total shareholders' deficit		(13,737,917)	(8,922,393)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	13	1,369,858	1,590,538
Liabilities against assets subject to finance lease		2,316,584	2,379,875
Deferred and other liabilities	14	3,633,402	3,563,847
Total non-current liabilities		7,319,844	7,534,260
Current liabilities			
Trade and other payables	15	45,830,714	48,479,737
Unclaimed dividend		355,805	356,597
Accrued mark-up and profit		1,850,628	1,549,403
Short-term borrowings		34,960,686	37,017,653
Current portion of non-current liabilities	16	1,568,136	1,538,825
Total current liabilities		84,565,969	88,942,215
TOTAL LIABILITIES		91,885,813	96,476,475
TOTAL EQUITY AND LIABILITIES		78,147,896	87,554,082
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS ACCOUNT - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
Sales - net		40,994,408	58,644,053
Less: sales tax		(6,086,790)	(9,005,774)
Net sales		34,907,618	49,638,279
Other revenue		409,613	299,622
Net revenue		35,317,231	49,937,901
Cost of products sold		(36,898,930)	(49,815,555)
Gross (loss)/profit		(1,581,699)	122,346
Operating expenses			
Distribution and marketing		(1,153,475)	(997,570)
Administrative expense		(273,539)	(215,385)
		(1,427,014)	(1,212,955)
Other expenses		-	(3,464,136)
Other income		106,325	108,958
Operating loss		(2,902,388)	(4,445,787)
Finance cost		(1,914,328)	(732,014)
Exchange loss - net		(1,458,995)	(179,854)
		(3,373,323)	(911,868)
Loss before taxation		(6,275,711)	(5,357,655)
Taxation	18	(215,695)	(291,522)
Loss for the period		(6,491,406)	(5,649,177)
			Restated
Loss per share - basic and diluted (Rupees)		(6.63)	(10.02)

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	----------Rupees in '000----------	
Loss for the three months period	**(6,491,406)**	(5,649,177)
Items that may be reclassified subsequently to unconsolidated profit or loss account		
Unrealized loss on remeasurement of FVTOCI investments - net of tax	**(445,470)**	(9,515)
Total comprehensive loss	**(6,936,876)**	(5,658,692)

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Share Capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment	Share deposit money	Total shareholders' equity
		Share premium	Unrealized gain/ (loss) on remeasurement of FVTOCI investments	Unappropri-ated profit			
	Rupees in '000						
Balance as at January 01, 2019	1,810,188	4,766,854	(216,958)	1,732,464	4,389,156	-	12,481,704
Total comprehensive income for the three months							
loss for the period	-	-	-	(5,649,177)	-	-	(5,649,177)
Other comprehensive income							
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	(9,515)	-	-	-	(9,515)
Total comprehensive income	-	-	(9,515)	(5,649,177)	-	-	(5,658,692)
Transferred from surplus on revaluation of PPE on account of incremental depreciation - net of tax	-	-	-	70,942	(70,942)	-	-
	-	-	(9,515)	(5,578,235)	(70,942)	-	(5,658,692)
Balance as at March 31, 2019 - unaudited	1,810,188	4,766,854	(226,473)	(3,845,771)	4,318,214	-	6,823,012
Balance as at January 01, 2020	1,991,207	4,766,854	(267,992)	(25,197,958)	4,033,053	5,752,443	(8,922,393)
Total comprehensive income for the three months							
Loss for the period	-	-	-	(6,491,406)	-	-	(6,491,406)
Other comprehensive income							
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	(445,470)	-	-	-	(445,470)
Total comprehensive income	-	-	(445,470)	(6,491,406)	-	-	(6,936,876)
Transferred from surplus on revaluation of PPE on account of incremental depreciation - net of tax	-	-	-	89,028	(89,028)	-	-
	-	-	(445,470)	(6,402,378)	(89,028)	-	(6,936,876)
Transactions with owners							
Right issue ~ 400% @ Rs. 10/- per share - October 2019	8,000,000	-	-	-	-	(5,752,443)	2,247,557
Issuance cost	-	(126,205)	-	-	-	-	(126,205)
	8,000,000	(126,205)	-	-	-	(5,752,443)	2,121,352
Balance as at March 31, 2020 - unaudited	9,991,207	4,640,649	(713,462)	(31,600,336)	3,944,025	-	(13,737,917)

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	19	(6,610,707)	(698,278)
Finance cost paid		(1,632,896)	(854,422)
Profit received on bank deposits		99,571	156,493
Taxes paid		(163,835)	709,122
Gratuity paid		(57,791)	-
Net cash used in operating activities		(8,365,659)	(687,085)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(117,252)	(1,054,926)
Proceeds from disposal of property, plant and equipment		-	401,637
Long-term deposits - net		2,493	14,842
Net cash used in investing activities		(114,759)	(638,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained/(repaid) - net		(92,207)	162,354
Payment of commercial paper		-	(2,500,000)
Dividend paid		(792)	(1,220)
Proceeds from issue of shares		2,076,323	-
Proceeds from issue of commercial paper		-	3,770,754
Long-term finance repaid - net		(162,453)	(245,434)
Net cash generated from financing activities		1,820,871	1,186,454
Net decrease in cash and cash equivalents		(6,659,547)	(139,078)
Cash and cash equivalents at beginning of the period		(23,170,143)	(7,639,654)
Cash and cash equivalents at end of the period	20	(29,829,690)	(7,778,732)

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

1 STATUS AND NATURE OF BUSINESS

The Group consists of:

1.1

Name of the Company	Status in the Group	% of holding
Hascol Petroleum Limited	Holding Company	-
Hascol Lubricants (Private) Limited	Subsidiary Company	100%
Hascombe Lubricants (Private) Limited	Subsidiary Company	100%

Hascol Petroleum Limited

Hascol Petroleum Limited (the Holding Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Holding Company was converted into a public unlisted company and on May 12, 2014 the Holding Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at Suite No.105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi.

The Holding Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Holding Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licensed company in the year 2018.

Hascol Lubricants (Private) Limited

Hascol Lubricants (Private) Limited (the Subsidiary Company) was incorporated on January 31, 2017 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at "The Forum, 1st floor, Suite No. 101-104-105-106 & 120-213, G-20, Khayaban-e-Jami, Clifton, Karachi". The Subsidiary Company is formed to carry on the business of blending and producing of lubricating oils, greases and other petroleum products. The company is a wholly owned subsidiary of Hascol Petroleum Limited.

Hascombe Lubricants (Private) Limited

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

The Subsidiary Company has ceased to be as a going concern and therefore the financial statements of the Subsidiary Company has not been prepared on a going concern basis.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information of the Group for the three month period ended March 31, 2020 is unaudited and have 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 Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim consolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2019.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Group for the year ended December 31, 2019.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of this 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'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 condensed interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainly were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2019.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited onsolidated financial statements of the Group as at and for the year ended December 31, 2019

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		---------Rupees in '000---------	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		29,769,187	28,593,448
Capital work-in-progress	6.3	4,471,276	6,181,144
Right of use asset		1,231,797	1,255,584
		35,472,260	36,030,176

6.1 Additions / transfer from CWIP to operating fixed assets during the period / year were as follows:

Owned assets		
Office & depot building	-	2,168,204
Tanks and pipelines	-	2,691,158
Pump building	-	1,418,957
Electrical, mechanical and fire fighting equipment	-	3,091,006
Tank lorries	-	80,018
Motor cars	-	7,551
Dispensing pumps	-	533,395
Furniture, office equipment and other assets	-	115,081
Plant and machinery	-	1,655,368
Computer auxiliaries	-	16,773
	-	11,777,511
Leased assets		
Tank lorries	-	481,879
	-	12,259,390

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

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

	Cost	Accumulated Depreciation	Net Book Value
	----------Rupees in '000 ----------		
March 31, 2020 (unaudited)	-	-	-
December 31, 2019 (audited)	(788,000)	124,976	(663,024)

	March 31, 2020 Un-audited	December 31, 2019 Audited
	----------Rupees in '000----------	
6.3 Capital work-in-progress		
Office & depot building	1,481,043	1,850,581
Tanks and pipelines	1,048,597	1,370,414
Pump building	365,120	305,159
Electrical, mechanical and fire fighting equipment	725,068	1,118,780
Tank lorries	-	36,000
Dispensing pumps	102,845	102,845
Furniture, office equipment and other assets	194,080	222,501
Plant and machinery	361,090	996,125
Borrowing cost capitalized	187,495	167,702
Computer auxiliaries	5,938	11,037
	4,471,276	6,181,144
7 INTANGIBLE ASSET		
Computer software	4,843	3,134
Net book value at beginning of the period	5,232	2,565
Addition	-	3,201
Amortization charge for the period	(389)	(534)
Net book value at the end of the period	4,843	5,232
Net book value		
Cost	14,108	14,108
Accumulated amortization	(9,932)	(8,876)
Net book value	4,176	5,232
Rate of amortization - %	33.33	33.33

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

		Note	March 31, 2020 Un-audited	December 31, 2019 Audited
8	**LONG-TERM INVESTMENTS**		----------Rupees in '000----------	
	Investment in associated company			
	VAS LNG (Private) Limited - ***unquoted***	8.1	1,502	1,502
	Investment at fair value through other comprehensive income			
	Pakistan Refinery Limited (***quoted***)	8.2	459,310	904,780
	Hascol Terminal Limited (***unquoted***)	8.3	375,000	375,000
			834,310	1,279,780
			835,812	1,281,282
	Advance against purchase of shares - with related parties			
	Hascol Terminals Limited		40,000	40,000
	VAS LNG (Private) Limited		1,023	1,023
			41,023	41,023
			876,835	1,322,305

8.1 Investment in associated company

2020 Number of shares	2019 Number of shares		2020	2019
		Unquoted		
300,002	300,002	VAS LNG (Private) Limited	1,502	1,502

8.1.1 The investment has been accounted for using equity method.

8.1.2 The Holding Company holds 0.3 million ordinary share (2019: 0.3 million) of Rs. 10 per share, representing 30% (2019: 30%) equity stake in VAS LNG (Private) Limited, acquired at a cost of Rs. 3 million in the year 2017.

	Note	Cost	Unrealized loss	Carrying Value
8.2 Pakistan Refinery Limited		----------Rupees in '000----------		
March 31, 2020	8.2.1	1,172,772	(713,462)	459,310
December 31, 2019		1,172,772	(267,992)	904,780

8.2.1 Investment in Pakistan Refinery Limited represents 14.71% (December 31, 2019: 14.71%) equity stake which amounts to 43.25 million shares (December 31, 2019: 43.25 million shares).

8.3 Investment in Hascol Terminals Limited represent 37.5 million shares (2019 : 37.5 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products. The management has carried out valuation of this investment, based on future expected cashflows, capacity multiple and EBITDA multiple for the future years and terminal values. Based on this analysis and considering the wide range of possible fair value measurement, the cost of this investment represents the best estimate of fair value within that range.

8.4 Investments in associated companies and undertakings have been made in accordance with the requirements of the Act.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

		March 31, 2020 Un-audited	December 31, 2019 Audited
9	**DEFERRED TAXATION - Net**		
	This comprises the following:	----------Rupees in '000----------	
	Taxable temporary difference arising in respect of :		
	Accelerated depreciation	(1,816,617)	(1,771,448)
	Assets under finance lease	(223,719)	(235,275)
	Revaluation of operating fixed assets	(1,475,318)	(1,454,359)
	Deductible temporary difference arising in respect of :		
	Liabilities against assets subject to finance lease	390,799	412,193
	Exchange loss	380,992	(23,216)
	Provision for :		
	- investments in subsidiary	8,875	8,875
	- other liabilities	453,820	420,186
	- retirement benefit	62,296	81,247
	- doubtful debts	662,250	658,789
	- franchise income	27,056	26,915
	Turnover tax	1,529,565	1,876,093
		-	-

9.1 Deferred tax asset of Rs. 5,743 million (2019: Rs. 6,376 million) has not been recognised in these consolidated financial statements due to uncertainty in availability of future taxable profits based on financial projections of future five years. As at the year end, the Group's tax losses amounted to Rupees 29,930 million (2019: Rs. 25,078 million).

The management of the Holding Company has prepared a five years projections for taxable profits and concluded based on the recent developments that there would not be enough profits against which deferred tax asset created on unused tax losses can be utilized in current scenario. However, in future years and based on the availability of taxable profits, the unutilized deferred tax asset will be recognized.

9.2 Had the Group recognized full amount of deferred tax asset the impact on these unconsolidated financial statements would have been:

	Rupees in '000
Loss for the period	(748,406)
Shareholders' deficit	(7,994,917)
Total non-current assets	42,679,511
Loss per share would have been	(0.76)

		March 31, 2020 Un-audited	December 31, 2019 Audited
10	**ADVANCES - considered good, unsecured**	----------Rupees in '000----------	
	To employees		
	- against expenses	27,447	28,264
	- against salaries	32,773	33,304
	Suppliers	28,475	92,189
		88,695	153,757

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

		March 31, 2020 Un-audited	December 31, 2019 Audited
11	**DEPOSITS AND PREPAYMENTS**	----------Rupees in '000----------	
	Deposits		
	Current portion of lease deposits	1,426	1,414
	Other deposits	9,928	8,996
		11,354	10,410
	Prepayments		
	- Insurance and others	121,044	42,055
	- Rent	350,567	113,302
		471,611	155,357
		482,965	165,767

		Note	March 31, 2020 Un-audited	December 31, 2019 Audited
12	**OTHER RECEIVABLES**		----------Rupees in '000----------	
	Inland freight equalization margin receivable		3,821,404	3,646,078
	Receivable against services rendered	12.1	-	20,863
	Receivable against regulatory duty		25,533	25,533
	Receivable against exchangee losses	12.2	287,531	-
	Receivable from Hascol Lubricants (Private) Limited		142,785	-
	Price differential claims	12.3	5,083	5,083
			4,282,336	3,697,557

12.1 This represents amount receivable from Hascol Terminals Limited (an associated Company) against services rendered by the Company on account of business support services.

12.2 This represents an amount receivable from the Government of Pakistan on account of exchange losses suffered by the Group. The economic coordination committee of the cabinet has approved the summary dated March 31, 2020 submitted by the petroleum division regarding losses incurred by the Oil industry due to devaluation of Pakistani Rupee for adjustment with effect from March 01, 2020.

12.3 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. The Company together with other oil marketing companies is actively perusing 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.

		March 31, 2020 Un-audited	December 31, 2019 Audited
13	**LONG TERM FINANCING - secured**	----------Rupees in '000----------	
	Borrowing from conventional banks	1,523,000	1,554,250
	Borrowing from non banking financial institutions	249,524	283,113
	Sukuk certificates	792,840	890,454
		2,565,364	2,727,817
	Current portion of long term finances		
	Borrowing from conventional banks	(603,125)	(537,500)
	Borrowing from non banking financial institutions	(192,381)	(199,779)
	Sukuk certificates	(400,000)	(400,000)
		(1,195,506)	(1,137,279)
	Non-current portion of long term financing	1,369,858	1,590,538

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

		March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
14	**DEFERRED AND OTHER LIABILITIES**		
	Deferred liability - gratuity	**246,806**	286,844
	Other liabilities	**3,386,596**	3,277,003
		3,633,402	3,563,847

		March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
15	**TRADE AND OTHER PAYABLES**		
	Trade creditors	**40,834,314**	43,647,669
	Payable to cartage contractors	**2,024,046**	2,032,209
	Advance from customers	**380,196**	414,969
	Dealers' and customers' security deposits	**428,188**	421,407
	Accrued liabilities	**8,725**	9,434
	Other liabilities	**2,155,245**	1,954,049
		45,830,714	48,479,737

16	**CURRENT PORTION OF NON-CURRENT LIABILITIES**		
	Current portion of long term financing	**1,195,506**	1,137,279
	Current portion of liabilities subject to finance lease	**372,630**	401,546
		1,568,136	1,538,825

17 CONTINGENCIES AND COMMITMENTS

17.1 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 (PDCs) 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 Group had billed Rs 65.97 million (December 31, 2019: 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.

17.2 Commitments

(i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2020 amounted to Rs 60,889 million (December 31, 2019: Rs 60,710 million) of which the amount remaining unutilized as at that date was Rs 7,116 million (December 31, 2019: Rs 3,261 million)

	March 31, 2020 Un-audited	December 31, 2019 Audited
	----------Rupees in '000----------	
(ii) Bank guarantees	**337,026**	337,026
(iii) Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
Property, plant and equipment	**922,934**	1,325,836

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	March 31, 2020 Un-audited	December 31, 2019 Audited
		----------Rupees in '000----------	
(iv) Commitments for rentals of assets under operating lease/ Ijarah :			
Not later than one year		493,048	479,820
Later than one year and not later than five years		1,734,669	1,474,449
Later than five years		2,795,313	2,259,004
		5,023,030	4,213,273

		March 31, 2020	March 31, 2019
		----------Rupees in '000----------	
18 TAXATION			
Current		215,695	344,901
Deferred		-	(53,379)
		215,695	291,522
19 CASH USED IN OPERATIONS			
Profit before taxation		(6,275,711)	(5,357,655)
Adjustment for:			
Depreciation and amortization		504,459	329,801
Provision for gratuity		19,344	21,508
Gain on sale of fixed assets		-	(1,719)
Profit on bank deposits		(101,269)	(104,909)
Exchange loss		1,540,556	207,329
Finance cost		1,914,328	732,014
Working capital changes	19.1	(4,212,414)	3,475,353
		(6,610,707)	(698,278)
19.1 Changes in working capital			
(Increase)/decrease in current assets			
Stock-in-trade		1,202,584	(2,596,070)
Trade debts		(739,468)	1,050,791
Deposits, prepayments and other receivables		(901,977)	(375,170)
Loans and advances - considered good		65,062	21,617
		(373,799)	(1,898,833)
Increase in current liabilities			
Trade and other payables		(3,838,615)	5,374,186
		(4,212,414)	3,475,353

	March 31, 2020	March 31, 2019
	----------Rupees in '000----------	
20 CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,130,996	7,130,144
Less: term deposit receipt	-	(60,000)
	5,130,996	7,070,144
Short-term borrowings	(34,960,686)	(18,717,542)
Add: commercial paper	-	3,868,666
	(34,690,686)	(14,848,876)
	(29,829,690)	(7,778,732)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

21 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of associated undertakings, directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and staff retirement

Significant transactions with related parties, other than those disclosed elsewhere in this unconsolidated condensed interim financial information, are as follows:

21.1 Transactions with related parties

Nature of relationship	Nature of transaction	Percentage of shareholding	March 31, 2020	March 31, 2019
			---------Rupees in '000----------	
Vitol Bahrain E.C	Procurement	40.40%	22,459,804	31,776,970
Hascol Terminals Limited	Rendering of services	N/A	339,938	15,077
Clover Pakistan Limited	Rendering of services	N/A	-	12,138

21.2 Balances with related parties

			March 31, 2020 Un-audited	December 31, 2019 Audited
			---------Rupees in '000----------	
Shareholding in the Company				
Fossil Energy (Private) Limited	Rendering of services	10.66%	-	3,475
Shareholding by the Company				
Hascol Terminals Limited	Advance against issue of shares	15%	40,000	40,000
Hascol Terminals Limited	Investments	15%	375,000	
Hascol Terminals Limited	Business support service	15%	-	20,863
Hascol Terminals Limited	Rendering of services	N/A	1,182,277	853,643
Hascol Lubricants (Private) Limited	Advance against issue of shares	100%	3,150,000	2,948,362
Hascol Lubricants (Private) Limited	Business support service	100%	-	142,785
VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Investments	30%	3,000	3,000
Other related parties				
Vitol Bahrain E.C	Procurement	40.40%	19,180,802	29,620,793
Clover Pakistan Limited	Procurement	N/A	-	31,610
VOS Petroleum Limited	Rendering of services	N/A	-	46,918
Faysal Bank Limited	Rendering of services	N/A	-	1,853,063
Gas & Oil Pakistan Limited	Business support service	N/A	-	205,000

21.3 Following are the associated companies with whom the Company had ended into transactions or have agreement / agreements:

S.No.	Company Name	Basis of Association
1	Vitol Bahrain E.C	Associated Company
2	Hascol Terminal Limited	Common Directorship
3	Clover Pakistan Limited	Common Directorship

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020

22 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated balance sheet comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2019 and the corresponding figures in the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances that are in conformity with the restatements made in the financial statements for the second quarter of 2019 that related to the first quarter of 2019.

23 COMPARATIVE FIGURES

Items presented in these condesned interim unconsolidated statement of financial position as at December 31, 2019 have been reclassified to confirm to current years' presentation.

	Before reclassification	Reclassification	After reclassification
Deferred and other liabilities			
Other liabilities	-	3,277,003	3,277,003
Trade and other payables			
Trade creditors	45,451,669	(1,804,000)	43,647,669
Current portion of non-current liabilites			
Current portion of deferred and other liabilities	1,473,003	(1,473,003)	-
	46,924,672	-	46,924,672

24 DATE OF AUTHORISATION

These condensed interim unconsolidated financial information have been authorised for issue on October 8th, 2020 by the board of directors of the Company.

25 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer | Chief Financial Officer | Director

Hascol Petroleum Limited
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