Hascol Petroleum Limited
Unconsolidated Condensed Interim Financial Information
For the Quarter ended June 30, 2019

CORPORATE INFORMATION

Chairman
Mumtaz Hasan Khan

Chief Executive Officer
Saleem Butt

Directors
Farooq Rahmatullah Khan
Najmus Saquib Hameed
Liaquat Ali
Farid Arshad Masood
(Nominee of Vitol Dubai Limited)
Abdul Aziz Khalid
(Nominee of Vitol Dubai Limited)

Chief Financial Officer
Khurram Shahzad Venjhar

Company Secretary
Zeeshan Ul Haq

Audit Committee
Najmus Saquib Hameed (Chairman)
Liaquat Ali (Member)
Abdul Aziz Khalid (Member)

Strategy Committee
Farooq Rahmatullah Khan (Chairman)
Mumtaz Hasan Khan (Member)
Abdul Aziz Khalid (Member)
Saleem Butt (Member)

Human Resource Committee
Najmus Saquib Hameed (Chairman)
Mumtaz Hasan Khan (Member)
Saleem Butt (Member)
Farid Arshad Masood (Member)

Auditors
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
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
Central Depository Company of Pakistan Limited

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

Registered Office
The Forum, Suite No. 105-106, First Floor,
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Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HASCOL PETROLEUM LIMITED

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Introduction

We have reviewed the accompanying condensed interim statement of financial position **Hascol Petroleum Limited** (the Company) as at June 30, 2019 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended June 30, 2019 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is **Muhammad Shaukat Naseeb**.

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: August 29,2019

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2019

	Note	Un-audited June 30, 2019	Audited December 31, 2018
ASSETS		----------Rupees in '000----------	
Non-current assets			
Property, plant and equipment	8	**33,833,710**	22,563,232
Intangible asset	9	**2,738**	2,565
Long-term investments	10	**1,076,912**	1,333,814
Deferred taxation - net	15.1	**3,381,996**	-
Long-term deposits		**559,476**	547,772
Total non-current assets		**38,854,832**	24,447,383
Current assets			
Stock-in-trade		**20,778,973**	22,615,303
Trade debts		**12,317,258**	13,552,235
Advances	11	**186,510**	109,489
Deposits and prepayments	12	**250,784**	199,829
Other receivables	13	**3,091,395**	2,845,526
Mark-up and profit accrued		**61,697**	92,718
Taxation - net		**947,073**	1,270,808
Short term investments		**105,000**	-
Cash and bank balances		**7,027,561**	8,799,447
Total current assets		**44,766,251**	49,485,355
TOTAL ASSETS		**83,621,083**	73,932,738
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		**1,991,207**	1,810,188
Reserves		**(5,198,445)**	6,285,646
Surplus on revaluation of operating fixed assets - net of tax		**4,267,010**	4,389,156
Total shareholders' equity		**1,059,772**	12,484,990
LIABILITIES			
Non-current liabilities			
Long-term financing	14	**2,124,360**	2,625,850
Liabilities against assets subject to finance lease		**1,204,459**	1,015,993
Deferred and other liabilities	15	**292,839**	931,300
Total non-current liabilities		**3,621,658**	4,573,143
Current liabilities			
Trade and other payables	16	**48,943,824**	34,531,147
Unclaimed dividend		**357,365**	362,674
Mark-up and profit accrued		**683,461**	311,976
Short-term borrowings		**25,857,467**	18,877,466
Current portion of non-current liabilities	17	**3,097,536**	2,791,342
Total current liabilities		**78,939,653**	56,874,605
TOTAL LIABILITIES		**82,561,311**	61,447,748
TOTAL EQUITY AND LIABILITIES		**83,621,083**	73,932,738
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT - (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Note	Six months period ended		Three months period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		----------Rupees in '000----------			
Sales - net		**100,586,150**	147,524,398	**41,942,097**	80,114,410
Less: sales tax		**(14,551,988)**	(25,791,309)	**(5,546,214)**	(13,890,242)
Net sales		**86,034,162**	121,733,089	**36,395,883**	66,224,168
Other revenue		**388,590**	374,569	**188,968**	226,775
Net revenue		**86,422,752**	122,107,658	**36,584,851**	66,450,943
Cost of products sold		**(86,314,966)**	(116,294,012)	**(36,499,411)**	(63,371,907)
Gross profit		**107,786**	5,813,646	**85,440**	3,079,036
Operating expenses					
Distribution and marketing	19	**(2,974,960)**	(1,660,693)	**(1,977,390)**	(798,115)
Administrative		**(549,057)**	(446,125)	**(333,672)**	(256,629)
		(3,524,017)	(2,106,818)	**(2,311,062)**	(1,054,744)
Other expense	20	**(6,324,049)**	-	**(2,859,913)**	-
Other income		**195,274**	199,012	**86,316**	130,301
Operating (loss) / profit		**(9,545,006)**	3,905,840	**(4,999,219)**	2,154,593
Finance cost		**(2,650,019)**	(435,154)	**(1,918,005)**	(240,780)
Exchange loss - net		**(2,479,818)**	(1,854,550)	**(2,299,964)**	(1,454,813)
		(5,129,837)	(2,289,704)	**(4,217,969)**	(1,695,593)
(Loss) / profit before taxation		**(14,674,843)**	1,616,136	**(9,217,188)**	459,000
Taxation	21	**3,506,527**	(587,951)	**3,798,049**	(160,465)
(Loss) / profit for the period		**(11,168,316)**	1,028,185	**(5,419,139)**	298,535
			Restated		Restated
(Loss) / earnings per share - basic and diluted (Rupees)	22	**(56.09)**	5.16	**(27.22)**	1.50

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Note	**June 30, 2019**	June 30, 2018
		------------**Rupees in '000**------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	**6,593,279**	4,802,219
Finance cost paid		**(2,278,534)**	(397,605)
Profit received on bank deposits		**228,697**	-
Taxes paid		**(865,589)**	(1,255,372)
Gratuity paid		**(769)**	(6,609)
Net cash generated from operating activities		**3,677,084**	3,142,633
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		**(12,447,887)**	(3,640,140)
Proceeds from disposal of property, plant and equipment		**515,532**	804
Long-term deposits - net		**(11,704)**	6,607
Net cash used in investing activities		**(11,944,059)**	(3,632,729)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained - net		**245,383**	113,819
Payment of commercial paper		**(2,500,000)**	(1,500,000)
Dividend paid		**(5,308)**	(506,853)
Proceeds from issue of commercial paper		**3,770,753**	-
Long-term finance obtained - net		**(450,202)**	1,078,310
Net cash generated from / (used in) financing activities		**1,060,626**	(814,724)
Net decrease in cash and cash equivalents		**(7,206,349)**	(1,304,820)
Cash and cash equivalents at beginning of the period		**(7,639,654)**	4,070,449
Cash and cash equivalents at end of the period	24	**(14,846,003)**	2,765,629

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

	Six months period ended		Three months period ended	
	June 30, 2019	June 30, 2018	**June 30, 2018**	June 30, 2018
	----------Rupees in '000----------			
(Loss) / profit for the period	**(11,168,316)**	1,028,185	**(5,419,139)**	298,535
Items that may be reclassified subsequently to profit and loss account				
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income	**(256,902)**	(18,802)	**(247,387)**	(138,419)
Total comprehensive (loss) / income	**(11,425,218)**	1,009,383	**(5,666,526)**	160,116

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

		Capital reserves	Revenue reserve	Others		
	Share Capital	Share premium	Unappropri-ated profit	Surplus on remeasurement of investments held at fair value through other comprehensive income	Surplus on revaluation of property, plant and equipment	Total shareholders' equity
	----------Rupees in '000----------					
Balance as at January 01, 2018 - (Audited)	1,448,150	4,766,854	2,702,654	322,589	1,025,789	10,266,036
Total comprehensive income for the six months						
Profit for the period	-	-	1,028,185	-	-	1,028,185
Other comprehensive income						
Revaluation for the year - net of tax	-	-	-	-	3,549,661	3,549,661
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	-	(18,802)	-	(18,802)
Total comprehensive income	-	-	1,028,185	(18,802)	3,549,661	4,559,044
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	51,214	-	(51,214)	-
	-	-	1,079,399	(18,802)	3,498,447	4,559,044
Transactions with owners						
Final dividend at Rs. 3.50 per share - December 2017	-	-	(506,853)	-	-	(506,853)
Total transactions with owners	-	-	572,546	(18,802)	3,498,447	4,052,191
Balance as at June 30, 2018 - (Unaudited)	1,448,150	4,766,854	3,275,200	303,787	4,524,236	14,318,227
Balance as at January 01, 2019 - (Audited)	1,810,188	4,766,854	1,735,750	(216,958)	4,389,156	12,484,990
Total comprehensive loss for the six months						
Loss for the period	-	-	(11,168,316)	-	-	(11,168,316)
Other comprehensive loss						
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	-	(256,902)	-	(256,902)
Total comprehensive loss	-	-	(11,168,316)	(256,902)	-	(11,425,218)
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	122,146	-	(122,146)	-
	-	-	(11,046,170)	(256,902)	(122,146)	(11,425,218)
Transactions with owners						
Bonus issue 10% per share - December 2018	181,019	-	(181,019)	-	-	-
Total transactions with owners	181,019	-	(11,227,189)	(256,902)	(122,146)	(11,425,218)
Balance as at June 30, 2019 - (Unaudited)	1,991,207	4,766,854	(9,491,439)	(473,860)	4,267,010	1,059,772

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

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 licenced company in the year 2018.

1.3 The economic down trend and reduction in overall market size has impacted the company's profitability. During the period under review, the Company reported Loss of Rs. 11 billion. Major contributory of this extra ordinary loss are lower gross profit due to dip in sales volume , inventory losses and substantial increase in finance cost due to a sharp rise in the discount rate by SBP, and higher average borrowing levels vs. same period last year. However, the company managed to control its operating cost at the same level despite mounting inflation.

The management of the Company has taken the following steps to improve the Company's financial position.

1) Financial support from major shareholder
Vitol Dubai Limited has agreed to provide facilities of USD 42 million, details of which includes:

	USD in millions
Bank Guarantee facility	15
Open Credit Limit facility:	12
Stock availability at HTL Port Qasim Terminal	15
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2) Monitoring of the Company's operating cash flows
The company has taken various measures to tighten cost controls over operating costs and expenses with the aim to attain profitable and positive cash flow operations. The directors are taking steps to improve the company's liquidity and financial performance including active cost-saving and other measures to improve the company's operating cash flows and financial position.

3) Financial support from directors of the Company
In addition, a director of the Company has confirmed to provide financial support to the company to meet its financial obligations as they fall due, if required.

The directors of the Company have reviewed the Company's cash flow projections prepared by management. The cash flow projections covered a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, the company would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period.

2 BASIS OF PREPARATION

2.1 Statement of Compliance
The condensed interim financial information of the Company for the six month period ended June 30, 2019 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 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, 2018.

3 Initial application of standards, amendments or an interpretation to existing standards.
Standards, interpretations and amendments to published approved accounting standards that became effective during the period The following accounting standards became effective during the period as applicable in Pakistan for the first time for the period ended June 30, 2019 and are relevant to the Company.

3.1 IFRS 15 - Revenue from Contracts with Customers
Effective July 1, 2018, the Company has applied IFRS 15 "Revenue from Contracts with Customers" for determining its revenue recognition policy. IFRS 15 replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. IFRS 15 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred in acquiring a contract with a customer.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5 - step approach to revenue recognition:

Step 1: Identify the contract with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is engaged in the procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils. The Company has assessed that significant performance obligations in contracts with customers is based on transfer of control of related goods and is discharged at that point of time. The transfer of goods takes place upon delivery of goods to customers. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Based on the above, the Company considers that its existing accounting policies are substantially in compliance with the requirements of IFRS 15.

3.2 IFRS 9 - 'Financial instruments'

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. "Financial instruments: Recognition and measurement"

IFRS 9 introduces new requirements for:
i) the classification and measurement of financial assets and financial liabilities;
ii) Impairment of financial assets and;
iii) hedge accounting.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's financial statements are described below:

3.2.1 Classification and measurement of financial assets and financial liabilities

This new standard requires the Company to assess the classification of financial assets in its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial asset.

IFRS 9 no longer has an "Available for Sale" classification for financial assets. IFRS 9 has different requirements for debt and equity financial assets.

Debt instrument should be classified and measured at either:
- amortised cost, where the effective interest rate method will apply;
- fair value through other comprehensive income (FVTOCI), with subsequent recycling to the profit or loss upon disposal of the financial asset; or
- fair value through profit or loss (FVTPL).

Investment in equity instruments, other than those to which consolidation or equity accounting applies should be classified and measured at:
- fair value through other comprehensive income (FVTOCI), with no subsequent recycling to the profit or loss upon disposal of the financial asset; or
- fair value through profit or loss (FVTPL).

Application of IFRS 9 had no impact on financial assets and financial liabilities of the Company except long term investment in PRL classified as FVTOCI.

3.2.2 Impairment of financial

IFRS 9 introduces the Expected Credit Loss (ECL) model, which replaces the incurred loss model of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets (deposits and other receivables, PIBs, T-Bills and cash and bank balances) i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Application of IFRS 9 had no impact on financial liabilities of the Company.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 as at June 30, 2019 is as follows:

	Measurement category		Carrying amount		
	Original (IAS 39)	**New (IFRS 9)**	**Original Rs '000**	**New Rs '000**	**Difference Rs '000**
Current financial assets					
Trade receivables	Amortised Cost	Amortised Cost	13,156,147	12,317,258	838,889
Deposits and other receivables	Amortised Cost	Amortised Cost	3,342,179	3,342,179	-
Short term investments - TFC	Amortised Cost	Amortised Cost	105,000	105,000	-
Cash and bank balances	Amortised Cost	Amortised Cost	7,027,561	7,027,561	-
Non-current financial assets					
Long term investments					
equity shares	Available for sale	FVTOCI	698,912	698,912	-
long term investments					
equity shares	Cost	Cost	378,000	378,000	-
Current financial liabilities					
Trade and other payables	Amortised Cost	Amortised Cost	48,943,824	48,943,824	-
Unclaimed dividend	Amortised Cost	Amortised Cost	357,365	357,365	-

3.2.2 IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard also sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under the new standard, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions, will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

The right-of-use assets were recognized based on the amount equal to lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. However the management assessed that IFRS 16 is not applicable on the Company as all the rental properties having lease term less than 12 months and other leased assets are obtained via Islamic financing.

4 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim 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, 2018.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 The preparation of this condensed interim 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.

5.2 During the preparation of this condensed interim 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, 2018.

Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company losses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

a) Financial assets

Classification

Effective July 1, 2018, the Company classifies its financial assets in the following measurement categories:
i) Amortized cost where the effective interest rate method will apply;
ii) fair value through profit or loss;
iii) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income (OCI). For investment in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the asset. Further financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortised cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income/cost in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

Effective July 1, 2018, the Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investment and deposits and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

-Trade debts
- Deposits and other receivables
- Short term investments
- cash and bank Balances

(i) General approach for short term investment, deposits and other receivables and cashand bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are ecognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(ii) Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted Amount that is determined by evaluating A range of possible outcomes;
- reasonable and supportable information that is available at the reporting Date about Past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. To measure ECL, trade debts have been grouped by amounts due from individual customers, corporate customers and other miscellaneous customer groups based on similar credit risk characteristics and agesThe expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including timevalue of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Write-off
The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-fortrading and financial liabilities designated upon initial recognition as being at fair value through profit or loss.

The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and

6 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

- The Company made an irrevocable election for its equity investment in Pakistan refinary limited, therefore any change in its fair value will be route through other comprehensive income (OCI) . During the period the unrealise loss amounting to Rs. 257 million is recorded in OCI.
- The Company sustained abnormal losses during the period due to fluctuation in foreign currency and decrease in petroleum product prices internationally refer note 19.
- Significant related party transactions are disclosed in note 20.
- During the period the company has transfer to PPE from CWIP amounting to Rs. 412 million.
- Due to devaluation of Pak Rupee during the period ended June 30, 2019 the Company suffered exchange loss amounting to Rs. 2,292 million for liabilities denominated in US Dollar.
- During the period the entity has recorded life time Expected credit loss on trade receivables of amounting to Rs. 839 million.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company as at and for the year ended December 31, 2018.

			Un-audited June 30, 2019	Audited December 31, 2018
8	**PROPERTY, PLANT AND EQUIPMENT**	**Note**	----------Rupees in '000----------	
	Operating fixed assets		**17,349,842**	18,115,431
	Capital work-in-progress	**8.1**	**16,483,868**	4,447,801
			33,833,710	22,563,232

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

	Un-audited June 30, 2019	Audited December 31, 2018
	----------Rupees in '000----------	
Owned assets	**3,474**	661,880
Office & Depot building	**5,735**	344,054
Leasehold land	**720**	725,686
Tanks and pipelines	**-**	1,032,170
Pump building	**35,603**	452,676
Electrical, mechanical and fire fighting equipment	**57,596**	795,201
Tank lorries	**65**	69,044
Motor cars	**-**	189,197
Dispensing pumps	**9,499**	103,592
Furniture, office equipment and other assets	**-**	102,689
Plant and machinery	**5,668**	65,476
Computer auxiliaries	**118,360**	4,541,665
Leased assets	**-**	2,512
Electrical, mechanical and fire fighting equipments	**293,198**	885,397
Tank lorries	**411,558**	5,429,574
Capital work-in-progress		
Office & Depot building	**3,103,240**	1,413,796
Tanks and pipelines	**4,025,148**	807,801
Pump building	**926,761**	316,206
Electrical, mechanical and fire fighting equipment	**4,167,732**	456,270
Tank lorries	**152,284**	80,018
Advances to contractors	**-**	61,834
Dispensing pumps	**455,784**	156,146
Furniture, office equipment and other assets	**423,333**	239,304
Plant and machinery	**2,762,417**	650,910
Borrowing cost capitalized	**424,450**	249,984
Computer auxiliaries	**42,718**	15,532
	16,483,868	4,447,801

	Cost	Accumulated Depreciation	Net Book Value
	--------------Rupees in '000 --------		
June 30, 2019 (un-audited)	**(576,356)**	**53,353**	**(523,003)**
December 31, 2018 (audited)	(715,970)	33,929	(682,041)

			Un-audited June 30, 2019	Audited December 31, 2018
			----------Rupees in '000----------	
9	**INTANGIBLE ASSET**			
	Computer software		**2,738**	2,565
	Net book value at beginning of the year		**2,565**	-
	Addition		**435**	2,608
	Amortization charge for the year		**(262)**	(43)
	Net book value at the end of the		**2,738**	2,565
	Net book value			
	Cost		**11,343**	10,907
	Accumulated amortization		**(8,605)**	(8,342)
	Net book value		**2,738**	2,565
	Rate of amortization - %		**33.33**	33.33
10	**LONG-TERM INVESTMENTS**			
	Investment in subsidiary company - at cost			
	Hascombe Lubricant (Private) Limited - ***unquoted***	**10.1**	**-**	-
	Investment in associated company - at cost			
	VAS LNG (Private) Limited - ***unquoted***	**10.2**	**3,000**	3,000
	Investment at fair value through other comprehensive income			
	Pakistan Refinery Limited (***quoted)*** **-** at fair value	**10.3**	**698,912**	955,814
	Hascol Terminal Limited (***unquoted)*** **-** at cost	**10.4**	**375,000**	375,000
			1,073,912	1,330,814
			1,076,912	1,333,814
10.1	**Investment at cost**		**30,604**	30,604
	Movement in provision for impairment			
	Balance at the beginning of the year		**(30,604)**	(30,604)
	Provision made during the year		**-**	-
	Balance at the end of the year		**(30,604)**	(30,604)
	Net book value	**8.1.1**	**-**	-

10.2 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, 2018: 9.78 million) of Rs. 10 per share.

10.3 Investment in VAS LNG (Private) Limited amounts to Rs. 3 million (December 31, 2018: Rs. 3 million) representing 30% (December 31, 2018: 30%) equity stake. The Company holds 0.3 million ordinary shares (December 31, 2018: 0.3 million) of Rs. 10 per share.

10.4	**Pakistan Refinery Limited**	**Note**	**Cost**	**Unrealized loss**	**Carrying Value**
			---------------Rupees in '000---------------		
	June 30, 2019	**10.4.1**	**1,172,772**	**(473,860)**	**698,912**
	December 31, 2018		1,172,772	(216,958)	955,814

10.4.1 Investment in Pakistan Refinery Limited represents 13.72% (December 31, 2018: 13.72%) equity stake which amounts to 43.25 million shares (December 31, 2018: 43.25 million shares).

10.5 Investment in Hascol Terminals Limited amounts to Rs. 375 million (December 31, 2018: Rs. 375 million) representing 15% (December 31, 2018: 15%) equity stake which amounts to 37.5 million shares (December 31, 2018 : 37.5 million shares) as at June 30, 2019.

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

		Note	**Un-audited June 30, 2019**	Audited December 31, 2018
			----------Rupees in '000----------	
11	**ADVANCES - considered good, unsecured**	**Note**		
	To employees			
	- against expenses		**26,073**	28,169
	- against salaries		**37,418**	20,071
	Advance against purchase of shares	**11.1**	**44,385**	44,385
	Suppliers		**78,634**	16,864
			186,510	109,489
11.1	**Advance against purchase of shares - related parties**			
	Hascol Terminals Limited		**40,000**	40,000
	Hascol Lubricants (Private) Limited		**3,362**	3,362
	VAS LNG (Private) Limited		**1,023**	1,023
			44,385	44,385
12	**DEPOSITS AND PREPAYMENTS**			
	Deposits			
	Current portion of lease deposits		**734**	762
	Other deposits		**2,247**	6,636
			2,981	7,398
	Prepayments			
	Insurance and others		**107,910**	128,485
	Rent		**139,893**	63,946
			247,803	192,431
			250,784	199,829
13	**OTHER RECEIVABLES**			
	Inland freight equalization margin receivable		**3,028,115**	2,792,259
	Receivable against services rendered	**13.1**	**32,664**	22,069
	Receivable against regulatory duty		**25,533**	25,533
	Price differential claims	**13.2**	**5,083**	5,083
	Others		**-**	582
			3,091,395	2,845,526

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

13.2 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.

		Un-audited June 30, 2019	Audited December 31, 2018
14	**LONG TERM FINANCING - secured**	**----------Rupees in '000----------**	
	Borrowing from conventional banks	**1,823,000**	1,910,500
	Borrowing from non banking financial institutions	**461,429**	631,290
	Sukuk certificates	**1,085,681**	1,280,908
		3,370,110	3,822,698
	Current portion of long term finances		
	Borrowing from conventional banks	**(551,875)**	(444,938)
	Borrowing from non banking financial institutions	**(293,875)**	(351,910)
	Sukuk certificates	**(400,000)**	(400,000)
		(1,245,750)	(1,196,848)
	Non-current portion of long term financing	**2,124,360**	2,625,850

		Note	Un-audited June 30, 2019	Audited December 31, 2018
			----------Rupees in '000----------	
14.1	**Sukuk certificate**		**1,100,000**	1,300,000
	Issuance cost			
	Balance at the beginning of the period / year		**(19,092)**	(28,627)
	Charged to profit and loss account		**4,773**	9,535
	Balance at the end of the period / year		**(14,319)**	(19,092)
			1,085,681	1,280,908
15	**DEFERRED AND OTHER LIABILITIES**			
	Deferred taxation - net	**15.1**	**-**	680,707
	Deferred liability - gratuity		**292,839**	250,593
			292,839	931,300
15.1	**Deferred Taxation - Net**			
	This comprises the following:			
	Taxable temporary difference arising in respect of :			
	Accelerated depreciation		**(682,661)**	(673,552)
	Assets under finance lease		**(165,305)**	(106,526)
	Revaluation of operating fixed assets		**(1,508,830)**	(1,555,453)
	Deductible temporary difference arising in respect of :			
	Liabilities against assets subject to finance lease		**436,426**	356,942
	Exchange loss		**286,968**	102,939
	Provision for :			
	- investments in subsidiary		**8,875**	8,569
	- other liabilities		**432,091**	290,383
	- retirement benefit		**91,351**	69,417
	- doubtful debts		**263,823**	24,728
	- franchise income		**26,813**	26,100
	Turnover tax		**4,192,444**	775,746
			3,381,996	(680,707)
16	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**44,682,642**	25,004,964
	Payable to cartage contractors		**1,272,164**	3,348,014
	Advance from customers		**866,593**	4,278,366
	Dealers' and customers' security deposits		**386,398**	309,905
	Accrued liabilities		**11,879**	13,838
	Other liabilities		**1,724,148**	1,576,060
			48,943,824	34,531,147
17	**CURRENT PORTION OF NON-CURRENT LIABILITIES**			
	Current portion of long term financing		**1,245,750**	1,196,848
	Current portion of deferred and other liabilities		**1,520,495**	1,320,120
	Current portion of liabilities subject to finance lease		**331,291**	274,374
			3,097,536	2,791,342

18 CONTINGENCIES AND COMMITMENTS

18.1 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, 2018: 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.

18.2 Commitments

(i) The facility for opening letters of credit (LCs) acceptances as at June 30, 2019 amounted to Rs 68,750 million (December 31, 2018: Rs 68,250 million) of which the amount remaining unutilized as at that date was Rs 3,749 million (December 31, 2018: Rs 6,433 million).

		Un-audited June 30, 2019	Audited December 31, 2018
		----------Rupees in '000----------	
(ii)	Bank guarantees	**557,051**	350,268
(iii)	Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
	Property, plant and equipment	**922,934**	1,029,427
(iv)	Commitments for rental of assets under ijarah:		
	Not later than one year	**492,833**	479,942
	Later than one year and not later than five years	**1,615,145**	1,719,780
	Later than five years	**2,333,327**	2,795,313
		4,441,305	4,995,035

19 DISTRIBUTION AND MARKETING

This includes provisions for ECL amounting to Rs 838 million (2018 Rs: nil). This provision was made under the requirements of IFRS 9 as disclosed in note 3.2.2.

20 OTHER EXPENSE

This represents incurred loss amounting to Rupees 6,324 million caused by an unfavorable fluctuation in the international oil prices, market volatility in the backdrop of uncertain global and / or local economic conditions coupled with massive devaluation of Pakistani Rupee caused an increase in product cost. Regulated eventual selling prices verses the product cost resulted in the reported loss.

21 TAXATION	**Note**	**Un-audited June 30, 2019**	Audited December 31, 2018
		----------Rupees in '000----------	
Current		**556,176**	679,002
Prior period		**-**	79,761
Deferred	21.1	**(4,062,703)**	(170,812)
		(3,506,527)	587,951

21.1 The Company has recorded deferred tax assets of Rs 3,382 million which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the company would be able to set off the profits earned in those years against taxable temporary difference relating to prior years. The Company has prepared five years financial projects for future taxable profits, which have been approved by the Board of Directors of the Company, to assess the recoverability of deferred tax assets. The projections involved certain key managaement assumptions underline the estimation of future taxable profits. the determination of future taxable profits is most sensitive to certain key assumption such as growth of low cost deposits, growth in high yield consumer advances, investment returns, retail outlet expantion plans, potential provision against assets, interest rate, cost of funds and expected recoveries of classified loans.

Any significant change in such assumptions may have an effect on the recoverability of the deferred tax asset. Managment believe that it is probable that is the Company will be able to achieve profits and consequently, the deferred tax asset will be fully realised in future.

22 (LOSS) / EARNINGS PER SHARE

	Unaudited			
	Six months period ended		Three months period ended	
		Restated		Restated
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
	Rupees in '000			
22.1 There is no dilutive effect on the basic loss per share of the company which is based on:				
(Loss) / profit after tax for the period	**(11,168,316)**	1,028,185	**(5,419,139)**	298,535
	Number of shares in'000			
Weighted average number of ordinary shares	**199,121**	199,121	**199,121**	199,121
	Rupees in '000			
(Loss) / profit per share	**(56.09)**	5.16	**(27.22)**	1.50

	Note	Un-audited June 30, 2019	Audited December 31, 2018
23 CASH GENERATED FROM OPERATIONS		Rupees in '000	
Profit before taxation		**(14,674,843)**	1,616,136
Adjustment for:			
Depreciation and amortization		**652,162**	394,298
Provision for gratuity		**43,015**	24,709
Gain on sale of fixed assets		**9,715**	(616)
Profit on bank deposits		**(197,677)**	-
Exchange loss		**1,000,749**	877,492
Finance cost		**2,650,019**	435,154
Working capital changes	**23.1**	**17,110,139**	1,455,046
		6,593,279	4,802,219
23.1 Changes in working capital			
(Increase) / decrease in current assets			
Stock-in-trade		**1,836,330**	(8,312,951)
Trade debts		**1,234,977**	207,733
Deposits, prepayments and other receivables		**(296,824)**	(983,567)
Loans and advances - considered good		**(77,021)**	(2,681)
		2,697,462	(9,091,466)
Increase in current liabilities			
Trade and other payables		**14,412,677**	10,546,512
		17,110,139	1,455,046

24 CASH AND CASH EQUIVALENTS

Cash and bank balances	**7,027,561**	8,684,005
Less: term deposit receipt	**-**	(60,000)
	7,027,561	8,624,005
Short-term borrowings	**(25,857,467)**	(5,858,376)
Add: commercial paper	**3,983,903**	-
	(21,873,564)	(5,858,376)
	(14,846,003)	2,765,629

25 FAIR VALUATION OF FINANCIAL INSTRUMENTS

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market / quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

Financial assets	Carrying Value	Level 1	Level 2	Level 3	Total
June 2019 - Unaudited					
Long term investments	1,076,912	698,912	375,000	-	1,073,912
December 2018 - Audited					
Long term investments	1,330,814	955,814	375,000	-	1,330,814
Non-financial assets					
June 2019 - Unaudited					
Building on lease hold land					
Office and depots building	3,926,489	-	-	3,926,489	3,926,489
Pump building	2,748,607	-	-	2,748,607	2,748,607
Tanks and pipelines	3,241,242	-	-	3,241,242	3,241,242
Dispensing pumps	979,953	-	-	979,953	979,953
Plant and machinery	434,197	-	-	434,197	434,197
Electrical, mechanical and fire				-	-
fighting equipment	1,597,088	-	-	1,597,088	1,597,088
Furniture, office equipment				-	-
and other assets	171,640	-	-	171,640	171,640
Computer auxiliaries	62,899	-	-	62,899	62,899
	13,162,115	-	-	13,162,115	13,162,115
December 2018 - Audited					
Building on lease hold land					
Office and depots building	4,116,170	-	-	4,116,170	4,116,170
Pump building	2,852,472	-	-	2,852,472	2,852,472
Tanks and pipelines	3,532,433	-	-	3,532,433	3,532,433
Dispensing pumps	1,051,529	-	-	1,051,529	1,051,529
Plant and machinery	490,461	-	-	490,461	490,461
Electrical, mechanical and fire					
fighting equipment	1,742,036	-	-	1,742,036	1,742,036
Furniture, office equipment					
and other assets	190,491	-	-	190,491	190,491
Computer auxiliaries	75,761	-	-	75,761	75,761
	14,051,353	-	-	14,051,353	14,051,353

26 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 condensed interim financial information, are as follows:

26.1 Transactions with related parties

Nature of relationship	Nature of transaction	Percentage of shareholding	Un-audited June 30, 2019	Un-audited June 30, 2018
			---------Rupees in '000---------	
Vitol Dubai Limited	Procurement	27.46%	**48,738,258**	65,337,367
Hascol Terminals Limited	Business support service	N/A	**664,543**	45,675
Clover Pakistan Limited	Rendering of services	N/A	**28,601**	-

26.2 Balances with related parties

			Un-audited June 30, 2019	Audited December 31, 2018
			---------Rupees in '000---------	
Associated companies				
Vitol Dubai Limited	Procurement	27.46%	**7,895,513**	14,118,911
Hascol Terminals Limited	Advance against issue	N/A	**40,000**	40,000
Hascol Terminals Limited	Investments	N/A	**375,000**	375,000
Hascol Terminals Limited	Business support servi	N/A	**129,938**	-
Clover Pakistan Limited		N/A	**28,224**	-
Hascol Lubricants (Private) Limited	Advance against issue	N/A	**3,362**	3,362
VAS LNG (Private) Limited	Advance against issue	N/A	**1,023**	1,023
VAS LNG (Private) Limited	Investments	N/A	**3,000**	3,000

26.3 Related parties with no transaction or balances

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

Name	Relationship	Percentage of shareholding 2019	2018
Fossil Energy (Private) Limited	Associated Company	10.66%	10.66%

26.4 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 Dubai Limited	Associated Company
2	Hascol Terminal Limited	Common Directorship
3	Clover Pakistan Limited	Common Shareholding

27 OPERATING SEGMENTS

These financial informations have been prepared on the basis of a single reportable segment.

- Sales from petroleum products represents 99.5% (2018: 99.5%) of total revenues of the Company.
- All non-current assets of the Company as at June 30, 2019 are located in Pakistan.

The Company sells its product to dealers, government agencies, autonomous bodies, independent power projects and other corporate customers. However, none of the customers exceeds 10% threshold.

28 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2018 and the corresponding figures in the condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows comprise of balances of comparable period as per the condensed interim financial information of the Company for the six months ended June 30, 2018.

29 DATE OF AUTHORISATION

These condensed interim financial information have been authorised for issue on August 29, 2019 by the board of directors of the Company.

30 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer **Chief Financial Officer** **Director**