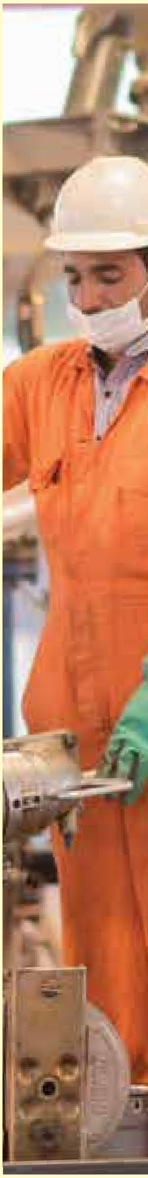
The Nine Months Period Ended September 30, 2019

PEOPLE FOR PEOPLE



HASCOL

For many imagination is a dream. For Hascol Petroleum Limited, imagination is a reality. Our reality leads us to achieve. This year, we explore our continued progress which lead to our achievements.

People For People

Our engine works on our endeavors, our road to success is lead with experience, diversified range of our products and facilities, and our expertise. The future progress for Hascol Petroleum Limited is invested in its stakeholders. We are a company that keeps it in front the need of its people. We believe that our future is secured with your trust.

We implement our learnings to the development of our dreams. Our dreams are that of leaders not followers. Our success is in our dreams

PEOPLE FOR TOMORROW

TABLE OF CONTENTS

CORPORATE INFORMATION

Chairman
Mumtaz Hasan Khan

Chief Executive Officer
Saleem Butt

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

Chief Financial Officer
Khurram Shahzad Venjhar

Company Secretary
Zeeshan Ul Haq

Audit Committee
Najmus Saquib Hameed (Chairman)
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 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
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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Fax: +92-21-35301351
UAN: 111-757-757
E-mail: info@hascol.com
Website: www.hascol.com

DIRECTOR'S REVIEW

The 3rd Quarter 2019 continues a challenging pattern that we experienced in the first six months of this year. The Company volumes drastically fell from 646,000 Metric Tons to 210,000 Metric Tons as compared to the corresponding quarter of 2018. The major reason for this decline was the shortage of working capital to procure the product. The overall market of HSD fell 25% and a meager growth of 2% was witnessed in Motor Gasoline in the current Q3, 2019. The overall oil industry remained under pressure amid high interest cost and low demand.

Hascol Petroleum Limited has reliance on import of petroleum products and have very minor allocation of local refineries. The exchange losses and the inventory losses combined with the unperformed cargoes in Q1 2019 has badly affected the working capital cycle which resulted in short term borrowing of Rs. 43 billion at the end of the period resulting in huge financial charges of Rs. 2.2 billion for Q3, 2019 and Rs. 4.9 billion for overall 9 months.

The result of our senior leadership meeting with decision makers in Islamabad has created an awareness of the problems of the Oil Sector and the government is seriously considering an increase in the overall margins of the OMCs and dealers and is implementing a mechanism wherein the exchange losses in future are absorbed as a part of the cost, thereby not affecting the profitability of the OMCs.

Future Outlook of the Business:

Your Board has approved a Capital Reorganization Program and also approved the medium and long term plans, for the Company to overcome these challenges. In this connection the implementation of the following program is in progress:

a. Successful negotiations of Rs. 16 billion long term finance from Banking consortium led by one of the major bank operating in the country and LC Line of approx. Rs. 50 billion.

b. Issuance of right shares out of which approx. 58% will be fully presubscribed by the Directors and Sponsors of the Company and the remaining portion will be underwritten.

The Company has started regaining its market share. The October 2019 will be closing around 120,000 MTs as compared to 210,000 MTs for the complete 3rd Quarter, 2019. The Company has achieved 9% and 8.8% market share in Motor Gasoline and HSD respectively for the month of October 2019 as compared to 5% for both MS and HSD in the previous months. The management expects that by the end of Q1 2020, the Company will regain its market share which once stood at 12%.

The management has very aggressively reviewed the cost in each and every area of the business and there is a significant reduction of approx. Rs. 1.5 billion per annum as compared to the year 2018. We will continue to closely monitor cost in order to reduce overheads of the business.

A more conservative approach has been taken in import of products and more reliance has been put in place on local availability of products from the refineries and less on imports. Most of our major bankers are fully aware of the problems being faced by the oil industry and Hascol in particular, and have provided the appropriate support to ensure that the Company meets its financial obligations.

The Company has one of the largest infrastructure in the Country in private sector with a capacity of 420,000 MTs. This gives the Company a big edge over its competitors and will prove as a strong pillar in doing business at much more efficient and cost effective manner resulting in a better bottom line for the company. The Company will continue investment in its Retail infrastructure which currently stands at 700+ retail outlets.

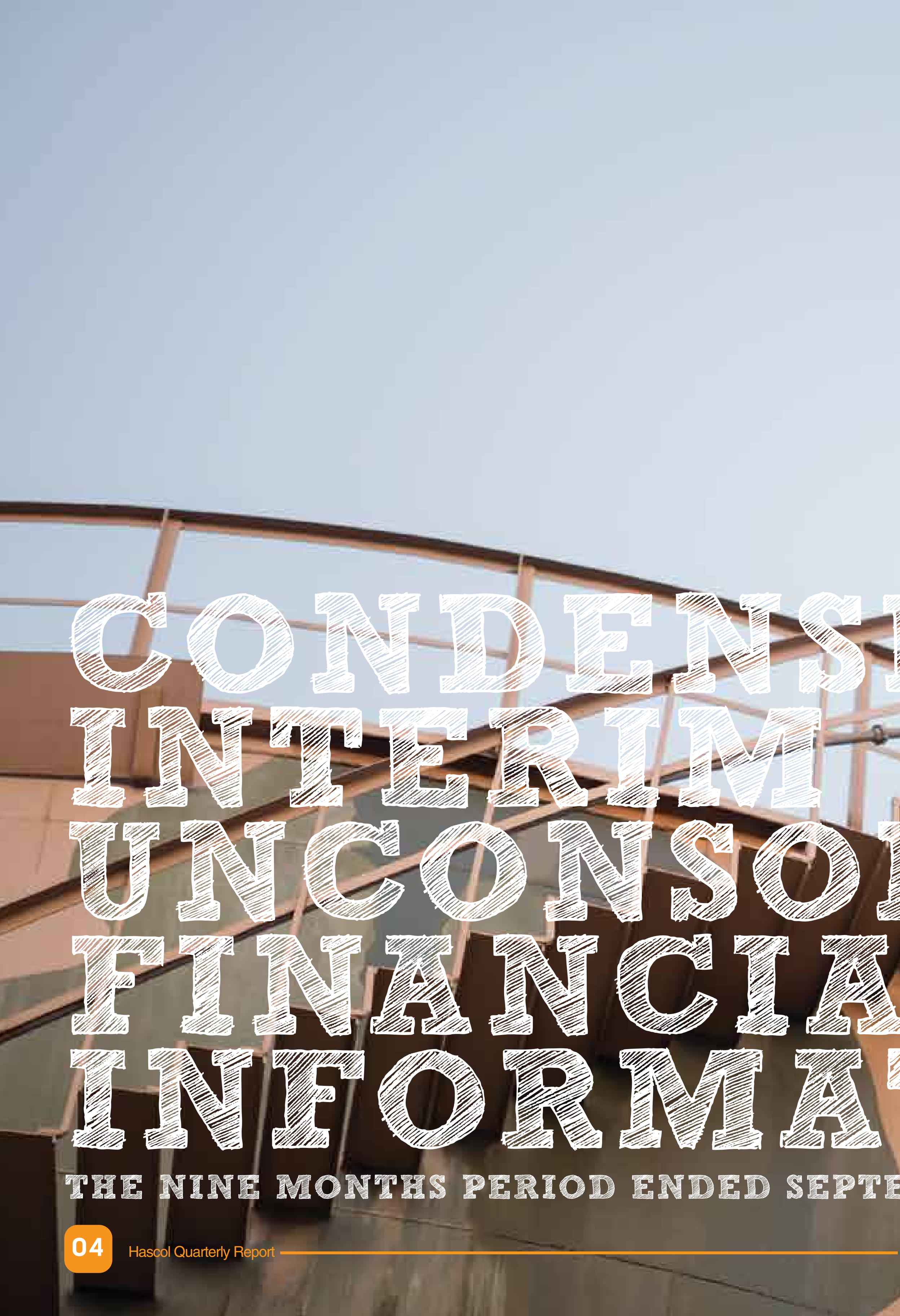
The Company has successfully started its state of the art Lubricant Plant which has got a capacity of 45,000 MTs per annum. This will significantly improve the availability of product in the market and profitability of the business and to the bottom line of the Company.

The Company's new chemical business is contributing positively to the bottom line and during the last 9 months has contributed Rs. 2 billion to the sales of the Company.

Finally, I would like to thank the Board for their guidance in pursuing a sound business strategy and making appropriate recommendations in our corporate governance. I would also like to place on record the efforts of our management team and all employees for efficiently responding to the challenges facing the Company due to factors beyond the control.

I am confident that within the next twelve months, I will have a much more positive report to make to the shareholders.

Chairman | **Chief Executive Officer**



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EMBER 30, 2019

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
ASSETS		----------Rupees in '000----------	
Non-current assets			
Property, plant and equipment	8	34,006,272	22,563,232
Intangible asset	9	2,601	2,565
Long-term investments	10	950,623	1,333,814
Deferred taxation - net		4,604,346	-
Long-term deposits		531,912	547,772
Total non-current assets		40,095,754	24,447,383
Current assets			
Stock-in-trade		17,275,669	22,615,303
Trade debts		11,089,732	13,552,235
Advances	11	800,968	109,489
Deposits and prepayments	12	192,698	199,829
Other receivables	13	3,255,942	2,845,526
Mark-up and profit accrued		34,637	92,718
Taxation - net		915,865	1,270,808
Short term investments		105,000	-
Cash and bank balances		4,668,953	8,799,447
Total current assets		38,339,464	49,485,355
TOTAL ASSETS		78,435,218	73,932,738
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,991,207	1,810,188
Reserves		(7,964,357)	6,285,646
Surplus on revaluation of operating fixed assets - net of tax		4,197,942	4,389,156
Total shareholders' equity		(1,775,208)	12,484,990
LIABILITIES			
Non-current liabilities			
Long-term financing	14	1,944,609	2,625,850
Liabilities against assets subject to finance lease		1,172,112	1,015,993
Deferred and other liabilities	15	314,168	931,300
Total non-current liabilities		3,430,889	4,573,143
Current liabilities			
Trade and other payables	16	28,838,597	34,531,147
Unclaimed dividend		357,136	362,674
Mark-up and profit accrued		1,563,303	311,976
Short-term borrowings		42,978,848	18,877,466
Current portion of non-current liabilities	17	3,041,653	2,791,342
Total current liabilities		76,779,537	56,874,605
TOTAL LIABILITIES		80,210,426	61,447,748
TOTAL EQUITY AND LIABILITIES		78,435,218	73,932,738
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

		Nine months period ended		Three months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Note	---Rupees in '000---			
Sales - net		130,254,176	220,375,883	29,668,026	72,851,485
Less: sales tax		(18,853,882)	(36,686,924)	(4,301,894)	(10,895,615)
Net sales		111,400,294	183,688,959	25,366,132	61,955,870
Other revenue		573,040	615,532	184,450	240,963
Net revenue		111,973,334	184,304,491	25,550,582	62,196,833
Cost of products sold		(111,805,003)	(176,091,584)	(25,490,037)	(59,797,572)
Gross profit		168,331	8,212,907	60,545	2,399,261
Operating expenses					
Distribution and marketing	19	(4,226,681)	(2,655,233)	(1,212,721)	(994,540)
Administrative		(820,978)	(647,569)	(310,921)	(201,444)
		(5,047,659)	(3,302,802)	(1,523,642)	(1,195,984)
Other expense	20	(6,324,049)	-	-	-
Other income		293,936	341,167	98,662	142,155
Operating (loss) / profit		(10,909,441)	5,251,272	(1,364,435)	1,345,432
Finance cost		(5,014,129)	(782,616)	(2,364,110)	(347,462)
Exchange loss - net		(2,512,515)	(2,517,381)	(32,697)	(662,831)
		(7,526,644)	(3,299,997)	(2,396,807)	(1,010,293)
(Loss) / profit before taxation		(18,436,085)	1,951,275	(3,761,242)	335,139
Taxation	21	4,559,078	(444,186)	1,052,551	143,765
(Loss) / profit for the period		(13,877,007)	1,507,089	(2,708,691)	478,904
			Restated		Restated
(Loss) / earnings per share - basic and diluted (Rupees)	22	(69.69)	7.57	(13.60)	2.41

The annexed notes 1 to 29 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Nine months period ended		Three months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----------------------------Rupees in '000----------------------------			
(Loss) / profit for the nine months period	**(13,877,007)**	1,507,089	**(2,708,691)**	478,904
Items that may be reclassified subsequently to unconsolidated profit and loss account				
Unrealized loss on remeasurement of investment held at value through other comprehensive income	**(383,191)**	(94,813)	**(126,289)**	(214,430)
Total comprehensive (loss) / income	**(14,260,198)**	1,412,276	**(2,834,980)**	264,474

The annexed notes 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

		Capital reserves	Revenue reserve	Others		
	Share Capital	Share premium	Unappropri-ated profit	Surplus on remeasurement of available for sale investments to fair value	Surplus on revaluation of property, plant and equipment	Total shareholders' equity
	----------	----------	----------Rupees in '000	----------	----------	----------
Balance as at January 01, 2018	1,448,150	4,766,854	2,702,654	322,589	1,025,789	10,266,036
Total comprehensive income for the nine months						
Profit for the period	-	-	1,507,089	-	-	1,507,089
Other comprehensive income						
Revaluation for the year - net of tax	-	-	-	-	3,549,660	3,549,660
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	-	(94,813)	-	(94,813)
Total comprehensive income	-	-	1,507,089	(94,813)	3,549,660	4,961,936
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	122,199	-	(122,199)	-
	-	-	1,629,288	(94,813)	3,427,461	4,961,936
Transactions with owners						
Final dividend at Rs. 3.50 per share - December 2017	-	-	(506,853)	-	-	(506,853)
Interim dividend at Rs. 3.50 per share - June 2018	-	-	(506,853)	-	-	(506,853)
Total transactions with owners	-	-	(1,013,706)	-	-	(1,013,706)
Balance as at September 30, 2018 - (Unaudited)	1,448,150	4,766,854	3,318,236	227,776	4,453,250	14,214,266
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 nine months						
Loss for the period	-	-	(13,877,007)	-	-	(13,877,007)
Other comprehensive loss						
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	-	(383,191)	-	(383,191)
Total comprehensive loss	-	-	(13,877,007)	(383,191)	-	(14,260,198)
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	191,214	-	(191,214)	-
	-	-	(13,685,793)	(383,191)	(191,214)	(14,260,198)
Transactions with owners						
Bonus issue 10% per share - December 2018	181,019	-	(181,019)	-	-	-
Total transactions with owners	181,019	-	(181,019)	-	-	-
Balance as at September 30, 2019 - (Unaudited)	1,991,207	4,766,854	(12,131,062)	(600,149)	4,197,942	(1,775,208)

The annexed notes 1 to 29 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	September 30, 2018
		------------Rupees in '000------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used) in / generated from operations	23	(11,524,769)	4,499,033
Finance cost paid		(3,533,125)	(628,631)
Dividend paid		-	(1,013,706)
Profit received on bank deposits		343,773	-
Taxes paid		(371,032)	(1,611,394)
Gratuity paid		(948)	(14,993)
Net cash (used in) / generated from operating activities		(15,086,101)	1,230,309
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(12,948,994)	(5,318,904)
Proceeds from disposal of property, plant and equipment		517,135	460,747
Long-term deposits obtained / (repaid) - net		15,860	(112,028)
Net cash used in investing activities		(12,415,999)	(4,970,185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained		237,696	870,469
Payment of commercial paper		(6,500,000)	(1,500,000)
Proceeds from issue of commercial paper		3,770,753	2,399,714
Long-term finance (repaid) / obtained - net		(676,590)	826,208
Net cash (used in) / generated from financing activities		(3,168,141)	2,596,391
Net decrease in cash and cash equivalents		(30,670,241)	(1,143,485)
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	(38,309,895)	2,926,964

The annexed notes 1 to 29 form an integral part of these condensed interim unconsolidated 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.13.877 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 provided 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
	42

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) Issuance of right shares
The Board of Directors of the Company, in their meeting held on 30th October 2019 has approved the increase in the ordinary paid up share capital of the Company by issue of a further 800,000,000 ordinary shares, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act 2017, at a price of Rs. 10/- each per share, in the ratio of 4 right shares for every 1 existing ordinary share of PKR 10/- each (i.e. 400%).

The condensed interim unconsolidated financial information does not include the effect of the aforementioned appropriation.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The condensed interim financial information of the Company for the nine month period ended September 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 September 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; and
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 assets

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 September 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	11,928,62	11,089,732	838,889
Deposits and other receivables	Amortised Cost	Amortised Cost	3,448,640	3,448,640	-
Short term investments - TFC	Amortised Cost	Amortised Cost	105,000	105,000	-
Cash and bank balances	Amortised Cost	Amortised Cost	4,668,953	4,668,953	-
Non-current financial assets					
Long term investments					
equity shares	Available for sale	FVTOCI	572,623	572,623	-
long term investments					
equity shares	Cost	Cost	378,000	378,000	-
Current financial liabilities					
Trade and other payables	Amortised Cost	Amortised Cost	28,838,597	29,605,175	-
Unclaimed dividend	Amortised Cost	Amortised Cost	357,136	357,136	-

3.2.3 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 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, 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; and
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 cash and 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; and
- 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 ages.

The 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.

Subsequent recoveries of amounts previously written off will result in impairment gains.

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 period, 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 settle the liability simultaneously.

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. 383 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 20.

- Significant related party transactions are disclosed in note 25.

- During the period the company has transfer to PPE from CWIP amounting to Rs. 603 million.

- Due to devaluation of Pak Rupee during the period ended September 30, 2019 the Company suffered exchange loss amounting to Rs. 2.512 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.

8 PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
		----------Rupees in '000----------	
Operating fixed assets		17,212,920	18,115,431
Capital work-in-progress	8.3	16,793,352	4,447,801
		34,006,272	22,563,232

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

	September 30, 2019 Un-audited	December 31, 2018 Audited
	----------Rupees in '000----------	
Owned assets		
Office & Depot building	3,474	661,880
Leasehold land	5,735	344,054
Tanks and pipelines	804	725,686
Pump building	-	1,032,170
Electrical, mechanical and fire fighting equipment	35,692	452,676
Tank lorries	57,661	795,201
Motor cars	6,687	69,044
Dispensing pumps	-	189,197
Furniture, office equipment and other assets	9,415	103,592
Plant and machinery	-	102,689
Computer auxiliaries	5,668	65,476
	125,136	4,541,665
Leased assets		
Electrical, mechanical and fire fighting equipments	-	2,512
Tank lorries	478,218	885,397
	603,354	5,429,574

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

	Cost	Accumulated Depreciation	Net Book Value
	---------------Rupees in '000		---------------
September 30, 2019 (unaudited)	**(576,850)**	**51,136**	**(525,714)**
December 31, 2018 (audited)	(715,970)	33,929	(682,041)

8.2.1 For details of the assets disposed/ written off during the year ended December 31, 2018, please refer note 8.11 of the annual audited financial statements for the same year.

8.3 Capital work-in-progress	September 30, 2019 Un-audited	December 31, 2018 Audited
	----------Rupees in '000	----------
Office & Depot building	3,216,590	1,413,796
Tanks and pipelines	4,137,841	807,801
Pump building	938,456	316,206
Electrical, mechanical and fire fighting equipment	4,197,731	456,270
Tank lorries	26,029	80,018
Advances to contractors	-	61,834
Dispensing pumps	467,184	156,146
Furniture, office equipment and other assets	423,333	239,304
Plant and machinery	2,817,835	650,910
Borrowing cost capitalized	521,635	249,984
Computer auxiliaries	46,718	15,532
	16,793,352	4,447,801

9 INTANGIBLE ASSET

Computer software	2,601	2,565
Net book value at beginning of the year	2,565	-
Addition	434	2,608
Amortization charge for the year	(398)	(43)
Net book value at the end of the year	2,601	2,565
Net book value		
Cost	11,342	10,907
Accumulated amortization	(8,741)	(8,342)
Net book value	2,601	2,565
Rate of amortization - %	33.33	33.33

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
10 LONG-TERM INVESTMENTS		----------Rupees in '000----------	
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	572,623	955,814
Hascol Terminal Limited (***unquoted) -*** at cost	10.4	375,000	375,000
		947,623	1,330,814
		950,623	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	10.1.1	-	-

10.1.1 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, 2018: 9.78 million) of Rs. 10 per

10.2 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.

10.3 Pakistan Refinery Limited	Note	Cost	Unrealized loss	Carrying Value
		---------------Rupees in '000---------------		
September 30, 2019	10.3.1	1,172,772	(600,149)	572,623
December 31, 2018		1,172,772	(216,958)	955,814

10.3.1 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).

10.4 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 September 30, 2019.

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

		Note	September 30, 2019 Un-audited	December 31, 2018 Audited
11	**ADVANCES - considered good, unsecured**		----------Rupees in '000----------	
	To employees			
	- against expenses		25,109	28,169
	- against salaries		34,932	20,071
	Advance against purchase of shares	11.1	44,385	44,385
	Suppliers		696,542	16,864
			800,968	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		523	762
	Other deposits		2,246	6,636
			2,769	7,398
	Prepayments			
	- Insurance and others		57,382	128,485
	- Rent		132,547	63,946
			189,929	192,431
			192,698	199,829
13	**OTHER RECEIVABLES**			
	Inland freight equalization margin receivable		3,189,335	2,792,259
	Receivable against services rendered	13.1	35,991	22,069
	Receivable against regulatory duty		25,533	25,533
	Price differential claims	13.2	5,083	5,083
	Others		-	582
			3,255,942	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.

14 LONG TERM FINANCING - secured

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
		----------Rupees in '000--------	
Borrowing from conventional banks		1,791,750	1,910,500
Borrowing from non banking financial institutions		363,905	631,290
Sukuk certificates	14.1	988,067	1,280,908
		3,143,722	3,822,698
Current portion of long term finances			
Borrowing from conventional banks		(551,875)	(444,938)
Borrowing from non banking financial institutions		(247,238)	(351,910)
Sukuk certificates		(400,000)	(400,000)
		(1,199,113)	(1,196,848)
Non-current portion of long term financing		1,944,609	2,625,850

14.1 Sukuk certificate

Sukuk certificate	1,000,000	1,300,000
Issuance cost		
Opening	(19,092)	(28,627)
Charged to profit and loss	7,159	9,535
	(11,933)	(19,092)
	988,067	1,280,908

15 DEFERRED AND OTHER LIABILITIES

	Note		
Deferred taxation - net	15.1	-	680,707
Deferred liability - gratuity		314,168	250,593
		314,168	931,300

15.1 Deferred Taxation - Net

This comprises the following:

Taxable temporary difference arising in respect of :		
Accelerated depreciation	(624,543)	(673,552)
Assets under finance lease	(210,779)	(106,526)
Revaluation of operating fixed assets	(1,481,068)	(1,555,453)
Deductible temporary difference arising in respect of :		
Liabilities against assets subject to finance lease	434,032	356,942
Exchange loss	(14,323)	102,939
Provision for :		
- investments in subsidiary	8,875	8,569
- other liabilities	422,252	290,383
- retirement benefit	97,369	69,417
- doubtful debts	263,696	24,728
- franchise income	26,800	26,100
- turnover tax	5,682,034	775,746
	4,604,346	(680,707)

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
		----------Rupees in '000----------	
16 TRADE AND OTHER PAYABLES			
Trade creditors		23,933,946	25,004,964
Payable to cartage contractors		1,754,789	3,348,014
Advance from customers		463,366	4,278,366
Dealers' and customers' security deposits		417,021	309,905
Accrued liabilities		5,520	13,838
Other liabilities		2,263,955	1,576,060
		28,838,597	34,531,147
17 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing		1,199,113	1,196,848
Current portion of deferred and other liabilities		1,486,589	1,320,120
Current portion of liabilities subject to finance lease		355,951	274,374
		3,041,653	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 September 30, 2019 amounted to Rs. 66,150 million (December 31, 2018: Rs 68,250 million) of which the amount remaining unutilized as at that date was Rs. 17,317 million (December 31, 2018: Rs. 6,433 million)

	September 30, 2019 Un-audited	December 31, 2018 Audited
	----------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	2,185,237	1,029,427
(iv) Commitments for rental of assets under ijarah:		
Not later than one year	502,488	479,942
Later than one year and not later than five years	1,677,357	1,719,780
Later than five years	2,347,847	2,795,313
	4,527,692	4,995,035

19 DISTRIBUTION AND MARKETING

This includes provisions for Expected Credit Losses - ECL amounting to Rs.839 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 Rs.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.

	Note	September 30, 2019	September 30, 2018
		Un-audited	
		----------Rupees in '000----------	
21 TAXATION			
Current		725,975	927,086
Prior period		-	121,761
Deferred		(5,285,053)	(604,661)
		(4,559,078)	444,186

21.1 The Company has recorded deferred tax assets of Rs. 4,604 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 expansion plans, potential provision against assets, interest rate, cost of funds and expected recoveries of classified loans.

21.2 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 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

22.1 There is no dilutive effect on the basic loss per share of the company which is based on:

	Unaudited			
	Six months period ended		Three months period ended	
		Restated		Restated
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----------Rupees in '000----------			
(Loss) / profit after tax for the period	(13,877,007)	1,507,089	(2,708,691)	478,904
	----------Number of shares in'000----------			
Weighted average number of shares	199,121	199,121	199,121	199,121
	----------Rupees----------			
(Loss) / profit per share	(69.69)	7.57	(13.60)	2.41

	Note	September 30, 2019	September 30, 2018
		Un-audited	
		----------Rupees in '000----------	
23 CASH GENERATED FROM OPERATIONS			
(Loss) / profit before taxation		(18,436,085)	1,951,275
Adjustment for:			
Depreciation and amortization		980,240	665,214
Provision for gratuity		64,523	37,064
Gain on sale of fixed assets		8,579	(50,102)
Profit on bank deposits		(285,692)	-
Exchange loss		114,714	131,100
Finance cost		5,014,129	782,616
Working capital changes	23.1	1,014,823	981,866
		(11,524,769)	4,499,033
23.1 Changes in working capital			
Decrease / (increase) in current assets			
Stock-in-trade		5,339,634	(6,541,702)
Trade debts		2,462,503	(749,920)
Deposits, prepayments and other receivables		(403,285)	(855,077)
Loans and advances - considered good		(691,479)	(12,532)
		6,707,373	(8,159,231)
(Decrease) / increase in current liabilities			
Trade and other payables		(5,692,550)	9,141,097
		1,014,823	981,866
24 CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,668,953	10,267,352
Less: term deposit receipt		-	(60,000)
		4,668,953	10,207,352
Short-term borrowings		(42,978,848)	(9,728,610)
Add: commercial paper		-	2,448,222
		(42,978,848)	(7,280,388)
		(38,309,895)	2,926,964

25 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:

25.1 Transactions with related parties

Related parties	Nature of transaction	Percentage of shareholding	September 30, 2019	September 30, 2018
			Un-audited	
			---------Rupees in '000----------	
Vitol Dubai Limited	Procurement	27.46%	60,344,844	65,337,367
Hascol Terminals Limited	Business support service	N/A	927,369	-
Hascol Terminals Limited	Rendering of services	N/A	35,991	45,675
Clover Pakistan Limited	Rendering of services	N/A	228,792	-
Fossil Energy (Private) Limited	Rendering of services	10.66%	15,354	-
VOS Petroleum Limited	Rendering of services	N/A	129,855	-

25.2 Balances with related parties

Associated companies	Nature of transaction		September 30, 2019	December 31, 2018
			Un-audited	Audited
			---------Rupees in '000----------	
Vitol Dubai Limited	Procurement	27.46%	8,298,976	14,118,911
Hascol Terminals Limited	Advance against issue of shares	N/A	40,000	40,000
Hascol Terminals Limited	Investments	N/A	375,000	375,000
Hascol Terminals Limited	Business support service	N/A	26,334	-
Hascol Terminals Limited	Rendering of services	N/A	621,201	-
Clover Pakistan Limited	Procurement	N/A	43,857	-
Fossil Energy (Private) Limited	Rendering of services	10.66%	15,354	-
VOS Petroleum Limited	Rendering of services	N/A	72,539	-
Hascol Lubricants (Private) Limited	Advance against issue of shares	N/A	3,362	3,362
VAS LNG (Private) Limited	Advance against issue of shares	N/A	1,023	1,023
VAS LNG (Private) Limited	Investments	N/A	3,000	3,000

25.3 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 Dubai Limited	Associated Company
2	Hascol Terminal Limited	Common Directorship
3	Clover Pakistan Limited	Common Directorship
4	Fossil Energy (Private) Limited	Associated Company

26 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, 2018 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 of comparable period as per the condensed interim unconsolidated financial information of the Company for the nine months

27 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company, in their meeting held on October 30, 2019 has approved the increase in the ordinary paid up share capital of the Company by issue of a further 800,000,000 ordinary shares, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act 2017, at a price of Rs. 10/- each per share, in the ratio of 4 right shares for every 1 existing ordinary share of PKR 10/- each (i.e. 400%).

The condensed interim unconsolidated financial information does not include the effect of the aforementioned appropriation.

28 DATE OF AUTHORISATION

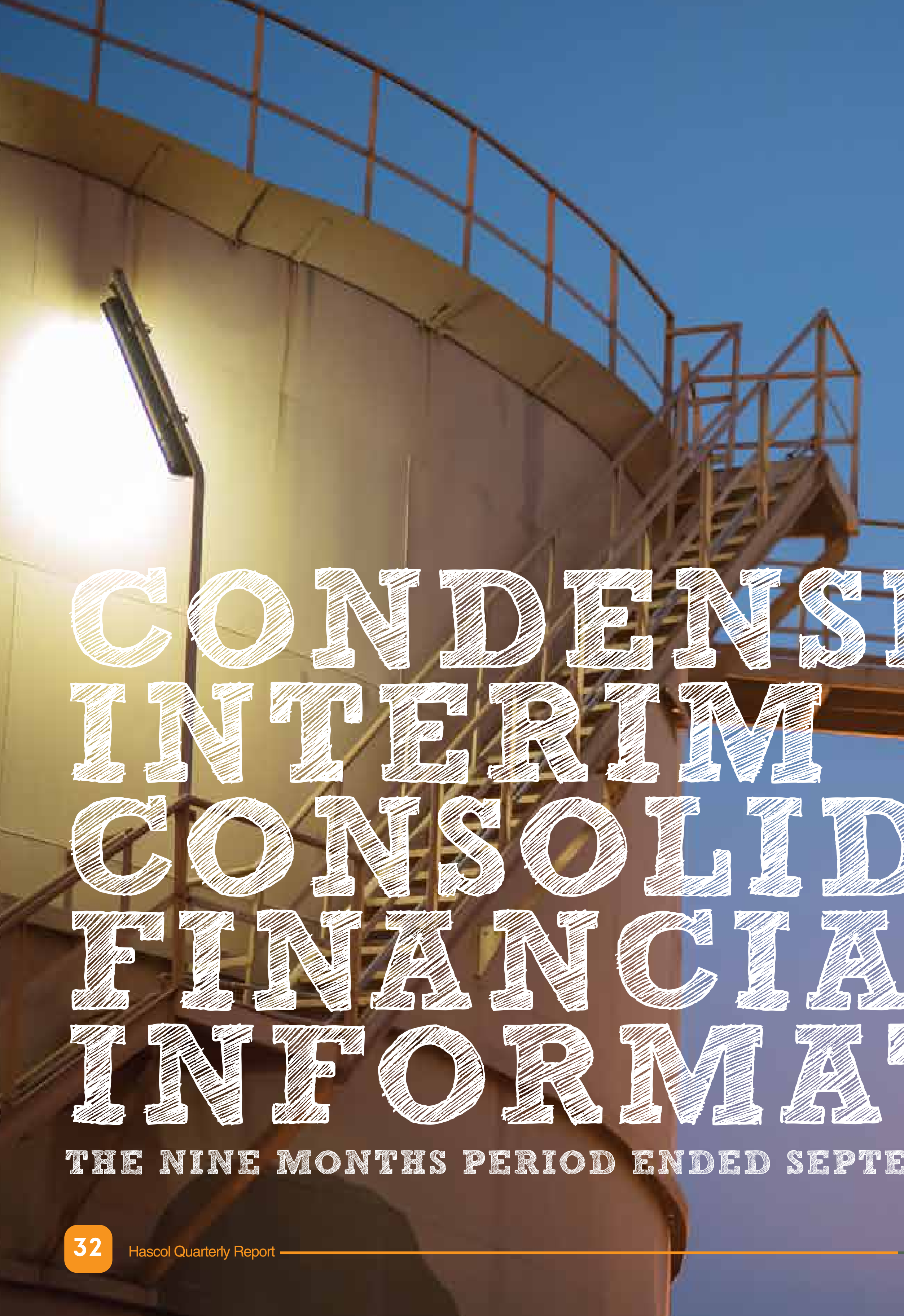
These condensed interim unconsolidated financial information have been authorised for issue on October 30, 2019 by the board of directors of the Company.

29 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer	Chief Financial Officer	Director

DEFINING LEADERSHIP



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CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
		----------Rupees in '000----------	
ASSETS			
Non-current assets			
Property, plant and equipment	8	34,006,272	22,563,232
Intangible asset	9	2,601	2,565
Long-term investments	10	949,174	1,333,814
Deferred taxation - net		4,604,346	-
Long-term deposits		531,912	547,772
Total non-current assets		40,094,305	24,447,383
Current assets			
Stock-in-trade		17,275,669	22,615,303
Trade debts		11,089,732	13,552,235
Advances	11	800,968	109,489
Deposits and prepayments	12	192,698	199,829
Other receivables	13	3,255,942	2,845,526
Mark-up and profit accrued		34,637	92,718
Taxation - net		915,865	1,270,808
Short term investments		105,000	-
Cash and bank balances		4,668,953	8,799,447
Total current assets		38,339,464	49,485,355
TOTAL ASSETS		78,433,769	73,932,738
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,991,207	1,810,188
Reserves		(7,967,643)	6,285,646
Surplus on revaluation of operating fixed assets - net of tax		4,197,942	4,389,156
Total shareholders' equity		(1,778,494)	12,484,990
LIABILITIES			
Non-current liabilities			
Long-term financing	14	1,944,609	2,625,850
Liabilities against assets subject to finance lease		1,172,112	1,015,993
Deferred and other liabilities	15	314,168	931,300
Total non-current liabilities		3,430,889	4,573,143
Current liabilities			
Trade and other payables	16	28,840,434	34,531,147
Unclaimed dividend		357,136	362,674
Mark-up and profit accrued		1,563,303	311,976
Short-term borrowings		42,978,848	18,877,466
Current portion of non-current liabilities	17	3,041,653	2,791,342
Total current liabilities		76,781,374	56,874,605
TOTAL LIABILITIES		80,212,263	61,447,748
TOTAL EQUITY AND LIABILITIES		78,433,769	73,932,738
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	Nine months period ended		Three months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		-----Rupees in '000-----			
Sales - net		130,254,176	220,375,883	29,668,026	72,851,485
Less: sales tax		(18,853,882)	(36,686,924)	(4,301,894)	(10,895,615)
Net sales		111,400,294	183,688,959	25,366,132	61,955,870
Other revenue		573,040	615,532	184,450	240,963
Net revenue		111,973,334	184,304,491	25,550,582	62,196,833
Cost of products sold		(111,805,003)	(176,091,584)	(25,490,037)	(59,797,572)
Gross profit		168,331	8,212,907	60,545	2,399,261
Operating expenses					
Distribution and marketing	19	(4,226,681)	(2,655,233)	(1,251,721)	(994,540)
Administrative		(820,978)	(647,569)	(271,921)	(201,444)
		(5,047,659)	(3,302,802)	(1,523,642)	(1,195,984)
Other expense	20	(6,324,049)	-	-	-
Other income		293,936	341,167	98,662	142,155
Operating (loss) / profit		(10,909,441)	5,251,272	(1,364,435)	1,345,432
Finance cost		(5,014,129)	(782,616)	(2,364,110)	(347,462)
Exchange loss - net		(2,512,515)	(2,517,381)	(32,697)	(662,831)
		(7,526,644)	(3,299,997)	(2,396,807)	(1,010,293)
(Loss) / profit before taxation		(18,436,085)	1,951,275	(3,761,242)	335,139
Taxation	21	4,559,078	(444,186)	1,052,551	143,765
(Loss) / profit for the period		(13,877,007)	1,507,089	(2,708,691)	478,904
			Restated		Restated
(Loss) / earnings per share - basic and diluted (Rupees)	22	(69.69)	7.57	(13.60)	2.41

The annexed notes 1 to 29 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Nine months period ended		Three months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	-----Rupees in '000-----			
(Loss) / profit for the nine months period	(13,877,007)	1,507,089	(2,708,691)	478,904
Items that may be reclassified subsequently to Consolidated profit and loss account				
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income	(383,191)	(94,813)	(126,289)	(214,430)
Total comprehensive (loss) / income	(14,260,198)	1,412,276	(2,834,980)	264,474

The annexed notes 1 to 29 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Share Capital	Capital reserves	Revenue reserve	Others		Total shareholders' equity
		Share premium	Unappropriated profit	Surplus on remeasurement of available for sale investments to fair value	Surplus on revaluation of property, plant and equipment	
	----------------------------------	----------------------	Rupees in '000	----------------------	----------------------------------	
Balance as at January 01, 2018	1,448,150	4,766,854	2,700,180	322,589	1,025,789	10,263,562
Total comprehensive income for the nine months						
Profit for the period	-	-	1,507,089	-	-	1,507,089
Other comprehensive income						
Revaluation for the year - net of tax	-	-	-	-	3,549,660	3,549,660
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	-	(94,813)	-	(94,813)
Total comprehensive income	-	-	1,507,089	(94,813)	3,549,660	4,961,936
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	122,199	-	(122,199)	-
	-	-	1,629,288	(94,813)	3,427,461	4,961,936
Transactions with owners						
Final dividend at Rs. 3.50 per share - December 2017	-	-	(506,853)	-	-	(506,853)
Interim dividend at Rs. 3.50 per share - June 2018	-	-	(506,853)	-	-	(506,853)
Total transactions with owners	-	-	(1,013,706)	-	-	(1,013,706)
Balance as at September 30, 2018 - (Unaudited)	1,448,150	4,766,854	3,315,762	227,776	4,453,250	14,211,792
Balance as at January 01, 2019 - (Audited)	1,810,188	4,766,854	1,732,464	(216,958)	4,389,156	12,481,704
Total comprehensive loss for the nine months						
Loss for the period	-	-	(13,877,007)	-	-	(13,877,007)
Other comprehensive loss						
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	-	(383,191)	-	(383,191)
Total comprehensive loss	-	-	(13,877,007)	(383,191)	-	(14,260,198)
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	191,214	-	(191,214)	-
	-	-	(13,685,793)	(383,191)	(191,214)	(14,260,198)
Transactions with owners						
Bonus issue 10% per share - December 2018	181,019	-	(181,019)	-	-	-
Total transactions with owners	181,019	-	(181,019)	-	-	-
Balance as at September 30, 2019 - (Unaudited)	1,991,207	4,766,854	(12,134,348)	(600,149)	4,197,942	(1,778,494)

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	September 30, 2018
		----------Rupees in '000----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used) in / generated from operations	23	(11,524,769)	4,499,033
Finance cost paid		(3,533,125)	(628,631)
Dividend paid		-	(1,013,706)
Profit received on bank deposits		343,773	-
Taxes paid		(371,032)	(1,611,394)
Gratuity paid		(948)	(14,993)
Net cash (used in) / generated from operating activities		(15,086,101)	1,230,309
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(12,948,994)	(5,318,904)
Proceeds from disposal of property, plant and equipment		517,135	460,747
Long-term deposits obtained / (repaid) - net		15,860	(112,028)
Net cash used in investing activities		(12,415,999)	(4,970,185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained		237,696	870,469
Payment of commercial paper		(6,500,000)	(1,500,000)
Proceeds from issue of commercial paper		3,770,753	2,399,714
Long-term finance (repaid) / obtained - net		(676,590)	826,208
Net cash (used in) / generated from financing activities		(3,168,141)	2,596,391
Net decrease in cash and cash equivalents		(30,670,241)	(1,143,485)
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	(38,309,895)	2,926,964

The annexed notes 1 to 29 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

1 STATUS AND NATURE OF BUSINESS

The Group consist of:

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

1.1 Hascol Petroleum Limited

Hascol Petroleum Limited (the Parent) 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.

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.

1.2 Hascombe Lubricant (Private) Limited

Hascombe Lubricant (Private) Limited (the Subsidiary Company) was incorporated on December 27, 2001 as a private limited company under the 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 lubricant. 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 condensed interim financial statement of the subsidiary Company has not been prepared on a going concern basis.

1.3 The economic down trend and reduction in overall market size has impacted the Group's profitability. During the period under review, the Group reported Loss of Rs. 13.877 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 Group managed to control its operating cost at the same level despite mounting inflation.

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

1) Financial support from major shareholder

Vitol Dubai Limited has provided 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
	42

2) Monitoring of the Group's operating cash flows

The Group 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 Group's liquidity and financial performance including active cost-saving and other measures to improve the Group's operating cash flows and financial position.

3) Issuance of right shares

The Board of Directors of the Holding Company, in their meeting held on 30th October 2019 has approved the increase in the ordinary paid up share capital of the Holding Company by issue of a further 800,000,000 ordinary shares, to be offered to the shareholders of the Holding Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act 2017, at a price of Rs. 10/- each per share, in the ratio of 4 right shares for every 1 existing ordinary share of PKR 10/- each (i.e. 400%).

The condensed interim consolidated financial information does not include the effect of the aforementioned appropriation.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The condensed interim financial information of the Group for the nine month period ended September 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 Group 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 September 30, 2019 and are relevant to the Group.

3.1 IFRS 15 - Revenue from Contracts with Customers

Effective July 1, 2018, the Group 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; and
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 Group is engaged in the procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils. The Group 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 Group 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 Group 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 Group's financial statements are described below:

3.2.1 Classification and measurement of financial assets and financial liabilities

This new standard requires the Group 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 Group 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 Group except long term investment in PRL classified as FVTOCI.

3.2.2 Impairment of financial assets

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 Group 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 Group 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 Group.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 as at September 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	11,928,621	11,089,732	838,889
Deposits and other receivables	Amortised Cost	Amortised Cost	3,448,640	3,448,640	-
Short term investments - TFC	Amortised Cost	Amortised Cost	105,000	105,000	-
Cash and bank balances	Amortised Cost	Amortised Cost	4,668,953	4,668,953	-
Non-current financial assets					
Long term investments equity shares	Available for sale	FVTOCI	572,623	572,623	-
long term investments equity shares	Cost	Cost	376,551	376,551	-
Current financial liabilities					
Trade and other payables	Amortised Cost	Amortised Cost	28,840,434	28,840,434	-
Unclaimed dividend	Amortised Cost	Amortised Cost	357,136	357,136	-

3.2.3 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 Group 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 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, 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 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.

5.2 During the preparation of this condensed interim 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, 2018.

Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Group 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 Group 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; and
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 Group 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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group 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 Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 Group subsequently measures all equity investments at fair value. Where the Group'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 Group's right to receive payments is established.

Impairment of financial assets

Effective July 1, 2018, the Group 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 cash and 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 Group 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 Group 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 Group 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 Group, in full (without taking into account any collaterals held by the Group).

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 Group 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 ages. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Group'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 Group 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 Group 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 Group 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 Group 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 period, when the liabilities are derecognized as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when and only when the Group'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 settle the liability simultaneously.

6 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

- The Group 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. 383 million is recorded in OCI.
- The Group sustained abnormal losses during the period due to fluctuation in foreign currency and decrease in petroleum product prices internationally refer note 20.
- Significant related party transactions are disclosed in note 25.
- During the period the Group has transfer to PPE from CWIP amounting to Rs. 603 million.
- Due to devaluation of Pak Rupee during the period ended September 30, 2019 the Group suffered exchange loss amounting to Rs. 2.512 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 Group as at and for the year ended December 31, 2018. .

8 PROPERTY, PLANT AND EQUIPMENT	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
		-----------Rupees in '000	-------------
Operating fixed assets		17,212,920	18,115,431
Capital work-in-progress	8.3	16,793,352	4,447,801
		34,006,272	22,563,232

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

	September 30, 2019 Un-audited	December 31, 2018 Audited
	-----------Rupees in '000	-------------
Owned assets		
Office & Depot building	3,474	661,880
Leasehold land	5,735	344,054
Tanks and pipelines	804	725,686
Pump building	-	1,032,170
Electrical, mechanical and fire fighting equipment	35,692	452,676
Tank lorries	57,661	795,201
Motor cars	6,687	69,044
Dispensing pumps	-	189,197
Furniture, office equipment and other assets	9,415	103,592
Plant and machinery	-	102,689
Computer auxiliaries	5,668	65,476
	125,136	4,541,665
Leased assets		
Electrical, mechanical and fire fighting equipments	-	2,512
Tank lorries	478,218	885,397
	603,354	5,429,574

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

	Cost	Accumulated Depreciation	Net Book Value
	--------------Rupees in '000		--------------
September 30, 2019 (unaudited)	(576,850)	51,136	(525,714)
December 31, 2018 (audited)	(715,970)	33,929	(682,041)

8.2.1 For details of the assets disposed/ written off during the year ended December 31, 2018, please refer note 8.11 of the annual audited financial statements for the same year.

8.3 Capital work-in-progress

	September 30, 2019 Un-audited	December 31, 2018 Audited
	-----------Rupees in '000	-------------
Office & Depot building	3,216,590	1,413,796
Tanks and pipelines	4,137,841	807,801
Pump building	938,456	316,206
Electrical, mechanical and fire fighting equipment	4,197,731	456,270
Tank lorries	26,029	80,018
Advances to contractors	-	61,834
Dispensing pumps	467,184	156,146
Furniture, office equipment and other assets	423,333	239,304
Plant and machinery	2,817,835	650,910
Borrowing cost capitalized	521,635	249,984
Computer auxiliaries	46,718	15,532
	16,793,352	4,447,801

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
		-----------Rupees in '000	-------------
9 INTANGIBLE ASSET			
Computer software		2,601	2,565
Net book value at beginning of the year		2,565	-
Addition		434	2,608
Amortization charge for the year		(398)	(43)
Net book value at the end of the year		2,601	2,565
Net book value			
Cost		11,342	10,907
Accumulated amortization		(8,741)	(8,342)
Net book value		2,601	2,565
Rate of amortization - %		33.33	33.33
10 LONG-TERM INVESTMENTS			
Investment in associated company - at cost			
VAS LNG (Private) Limited - *unquoted*	10.1	1,551	1,551
Investment at fair value through other comprehensive income			
Pakistan Refinery Limited (*quoted*) - at fair value	10.2	572,623	955,814
Hascol Terminal Limited (unquoted) - at cost	10.3	375,000	375,000
		947,623	1,330,814
		949,174	1,332,365

10.1 Investment in associated company

September 30, 2019	December 31, 2018			September 30, 2019	December 31, 2018
Number of shares				Amount	
		Unquoted			
300,002	300,002	VAS LNG (Private) Limited	10.11	1,551	1,551

	September 30, 2019 Un-audited	December 31, 2018 Audited
	-----------Rupees in '000	-------------
10.1.1 Balance at the beginning of the period	1,551	1,745
Investment made during the period	-	-
Share of loss for the period	-	(194)
Balance at the end of the period	1,551	1,551

10.1.2 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 Group holds 0.3 million ordinary shares (December 31, 2018: 0.3 million) of Rs. 10 per share.

10.2 Pakistan Refinery Limited	Note	Cost	Unrealized loss	Carrying Value
		---------------Rupees in '000		---------------
September 30, 2019	10.2.1	1,172,772	(600,149)	572,623
December 31, 2018		1,172,772	(216,958)	955,814

10.2.1 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).

10.3 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 September 30, 2019.

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

	Note	September 30, 2019 Un-audited	December 31, 2018 Audited
11 ADVANCES - considered good, unsecured		-----------Rupees in '000	-------------
To employees			
- against expenses		25,109	28,169
- against salaries		34,932	20,071
Advance against purchase of shares	11.1	44,385	44,385
Suppliers		696,542	16,864
		800,968	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		523	762
Other deposits		2,246	6,636
		2,769	7,398
Prepayments			
- Insurance and others		57,382	128,485
- Rent		132,547	63,946
		189,929	192,431
		192,698	199,829
13 OTHER RECEIVABLES			
Inland freight equalization margin receivable		3,189,335	2,792,259
Receivable against services rendered	13.1	35,991	22,069
Receivable against regulatory duty		25,533	25,533
Price differential claims	13.2	5,083	5,083
Others		-	582
		3,255,942	2,845,526

13.1 This represents amount receivable from Hascol Terminals Limited (an associated Company) against services rendered by the Holding 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 Group together with other oil marketing companies is actively perusing the matter with the concerned authorities for the early settlement of above claim. The Group considers that the balance amount will be reimbursed by GoP in due course of time. requirements of the Act.

		Note	September 30, 2019 Un-audited	December 31, 2018 Audited
14	**LONG TERM FINANCING - secured**		-----------Rupees in '000	-------------
	Borrowing from conventional banks		1,791,750	1,910,500
	Borrowing from non banking financial institutions		363,905	631,290
	Sukuk certificates	14.1	988,067	1,280,908
			3,143,722	3,822,698
	Current portion of long term finances			
	Borrowing from conventional banks		(551,875)	(444,938)
	Borrowing from non banking financial institutions		(247,238)	(351,910)
	Sukuk certificates		(400,000)	(400,000)
			(1,199,113)	(1,196,848)
	Non-current portion of long term financing		1,944,609	2,625,850
14.1	**Sukuk certificate**		1,000,000	1,300,000
	Issuance cost			
	Opening		(19,092)	(28,627)
	Charged to profit and loss		7,159	9,535
			(11,933)	(19,092)
			988,067	1,280,908

15 DEFERRED AND OTHER LIABILITIES

	Note	September 30, 2019	December 31, 2018
Deferred taxation - net	15.1	-	680,707
Deferred liability - gratuity		314,168	250,593
		314,168	931,300

15.1 Deferred Taxation - Net

	September 30, 2019	December 31, 2018
This comprises the following:		
Taxable temporary difference arising in respect of :		
Accelerated depreciation	(624,543)	(673,552)
Assets under finance lease	(210,779)	(106,526)
Revaluation of operating fixed assets	(1,481,068)	(1,555,453)
Deductible temporary difference arising in respect of :		
Liabilities against assets subject to finance lease	434,032	356,942
Exchange loss	(14,323)	102,939
Provision for :		
- investments in subsidiary	8,875	8,569
- other liabilities	422,252	290,383
- retirement benefit	97,369	69,417
- doubtful debts	263,696	24,728
- franchise income	26,800	26,100
- turnover tax	5,682,034	775,746
	4,604,346	(680,707)

	September 30, 2019 Un-audited	December 31, 2018 Audited
	-----------Rupees in '000	-------------

16 TRADE AND OTHER PAYABLES

Trade creditors	23,933,946	25,004,964
Payable to cartage contractors	1,754,789	3,348,014
Advance from customers	463,366	4,278,366
Dealers' and customers' security deposits	417,021	309,905
Accrued liabilities	5,520	13,838
Other liabilities	2,265,792	1,576,060
	28,840,434	34,531,147

17 CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of long term financing	1,199,113	1,196,848
Current portion of deferred and other liabilities	1,486,589	1,320,120
Current portion of liabilities subject to finance lease	355,951	274,374
	3,041,653	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 Group 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 September 30, 2019 amounted to Rs 66,150 million (December 31, 2018: Rs 68,250 million) of which the amount remaining unutilized as at that date was Rs 17,317 million (December 31, 2018: Rs 6,433 million)

	September 30, 2019 Un-audited	December 31, 2018 Audited
	-----------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	2,185,237	1,029,427
(iv) Commitments for rental of assets under ijarah:		
Not later than one year	502,488	479,942
Later than one year and not later than five years	1,677,357	1,719,780
Later than five years	2,347,847	2,795,313
	4,527,692	4,995,035

19 DISTRIBUTION AND MARKETING

This includes provisions for Expected Credit Losses - ECL amounting to Rs 839 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	September 30, 2019 Un-audited	December 31, 2018 Audited
		-----------Rupees in '000	-------------
Current		725,975	927,086
Prior period		-	121,761
Deferred		(5,285,053)	(604,661)
		(4,559,078)	444,186

21.1 The Holding Company has recorded deferred tax assets of Rs. 4,604 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 holding company would be able to set off the profits earned in those years against taxable temporary difference relating to prior years. The holding 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 expansion plans, potential provision against assets, interest rate, cost of funds and expected recoveries of classified loans.

21.2 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 the holding 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
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	------------------------Rupees in '000		------------------------	

22.1 There is no dilutive effect on the basic loss per share of the Group which is based on:

(Loss) / profit after tax for the period	(13,877,007)	1,507,089	(2,708,691)	478,904
	-----------------------Number of shares in'000		-----------------------	
Weighted average number of shares	199,121	199,121	199,121	199,121
	------------------------Rupees in '000		------------------------	
(Loss) / profit per share	(69.69)	7.57	(13.60)	2.41

			September 30, 2019 Un-audited	December 31, 2018 Audited
23	**CASH GENERATED FROM OPERATIONS**	**Note**	-----------Rupees in '000	-------------
	(Loss) / profit before taxation		(18,436,085)	1,951,275
	Adjustment for:			
	Depreciation and amortization		980,240	665,214
	Provision for gratuity		64,523	37,064
	Gain on sale of fixed assets		8,579	(50,102)
	Profit on bank deposits		(285,692)	-
	Exchange loss		114,714	131,100
	Finance cost		5,014,129	782,616
	Working capital changes	23.1	1,014,823	981,866
			(11,524,769)	4,499,033

		September 30, 2019 Un-audited	December 31, 2018 Audited
23.1	**Changes in working capital**	-----------Rupees in '000	-------------
	Decrease / (increase) in current assets		
	Stock-in-trade	5,339,634	(6,541,702)
	Trade debts	2,462,503	(749,920)
	Deposits, prepayments and other receivables	(403,285)	(855,077)
	Loans and advances - considered good	(691,479)	(12,532)
		6,707,373	(8,159,231)
	(Decrease) / increase in current liabilities		
	Trade and other payables	(5,692,550)	9,141,097
		1,014,823	981,866

24 CASH AND CASH EQUIVALENTS

Cash and bank balances	4,668,953	10,267,352
Less: term deposit receipt	-	(60,000)
	4,668,953	10,207,352
Short-term borrowings	(42,978,848)	(9,728,610)
Add: commercial paper	-	2,448,222
	(42,978,848)	(7,280,388)
	(38,309,895)	2,926,964

25 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 consolidated condensed interim financial information, are as follows:

25.1 Transactions with related parties

Related Parties	Nature of transaction	Percentage of shareholding	September 30, 2019	September 30, 2018
			Un-audited	
			---------Rupees in '000----------	
Vitol Dubai Limited	Procurement	27.46%	60,344,844	65,337,367
Hascol Terminals Limited	Business support service	N/A	927,369	-
Hascol Terminals Limited	Rendering of services	N/A	35,991	45,675
Clover Pakistan Limited	Rendering of services	N/A	228,792	-
Fossil Energy (Private) Limited	Rendering of services	10.66%	15,354	-
VOS Petroleum Limited	Rendering of services	N/A	129,855	-

25.2 Balances with related parties

Associated companies	Nature of Transaition		September 30, 2019	September 30, 2018
			Un-audited	Audited
			---------Rupees in '000----------	
Vitol Dubai Limited	Procurement	27.46%	8,298,976	14,118,911
Hascol Terminals Limited	Advance against issue of shares	N/A	40,000	40,000
Hascol Terminals Limited	Investments	N/A	375,000	375,000
Hascol Terminals Limited	Business support service	N/A	26,334	-
Hascol Terminals Limited	Business support service	N/A	621,201	-
Clover Pakistan Limited	Procurement	N/A	43,857	-
Fossil Energy (Private) Limited	Rendering of services	10.66%	15,354	-
VOS Petroleum Limited	Rendering of services	N/A	72,539	-
Hascol Lubricants (Private) Limited	Advance against issue of shares	N/A	3,362	3,362
VAS LNG (Private) Limited	Advance against issue of shares	N/A	1,023	1,023
VAS LNG (Private) Limited	Investments	N/A	3,000	3,000

25.3 Following are the associated companies with whom the Group 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 Directorship
4	Fossil Energy (Private) Limited	Associated Company

26 CORRESPONDING FIGURES

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

27 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Holding Company, in their meeting held on October 30, 2019 has approved the increase in the ordinary paid up share capital of the Holding Company by issue of a further 800,000,000 ordinary shares, to be offered to the shareholders of the Holding Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act 2017, at a price of Rs. 10/- each per share, in the ratio of 4 right shares for every 1 existing ordinary share of PKR 10/- each (i.e. 400%).

The condensed interim consolidated financial information does not include the effect of the aforementioned appropriation.

28 DATE OF AUTHORISATION

These condensed interim consolidated financial information have been authorised for issue on October 30, 2019 by the board of directors of the Group.

29 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer | Chief Financial Officer | Director

ڈائریکٹر کی جانب سے رپورٹ کا جائزہ

تیسرا سہ ماہی 2019 ایک چیلنجنگ مدت ثابت ہوا جس کا تجربہ ہم نے اس سال کے پہلے چھ ماہ میں کیا۔ 2018 کے سہ ماہی کے مقابلہ میں اس سال کمپنی کا حجم 646,000 میٹرک ٹن سے بہت تیزی کے ساتھ گر کر 210,000 میٹرک ٹن رہ گیا۔ اس زوال کی سب سے بڑی وجہ مصنوع کی خریداری کے لئے ورکنگ کیپیٹل کی کمی تھی۔ موجودہ 2019 کے سہ ماہی میں HSD کی مجموعی مارکیٹ میں 25 فیصد کمی آئی جبکہ موٹر گیسولین میں 2 فیصد کا معمولی اضافہ دیکھنے میں آیا۔ بڑھتی ہوئی سود کی لاگت اور کم مطالبہ کے درمیان تیل کی صنعت دباؤ میں رہی۔

ہیسکول پٹرولیم لمیٹڈ کا انحصار مصنوعات کی درآمد پر ہے اور لوکل ریفائنریز پر بہت معمولی رقم مختص ہے۔ زرمبادلہ اور انوینٹری کے نقصانات سہ ماہی 2019 میں غیر مجاز کارگو کے ساتھ مل کر ورکنگ کیپیٹل سائیکل کو بری طرح متاثر کیا ہے۔ جس کے نتیجے میں، مدت کے اختتام پر 43 بلین کا قرض لیا گیا۔ نتیجتاً سہ ماہی 2019 میں 2.2 بلین اور مجموعی طور پر 9 ماہ کے لئے 4.9 بلین کے بھاری مالی چارجز کا سامنا کرنا پڑا۔

اسلام آباد میں فیصلہ سازوں کے ساتھ اعلیٰ قیادت کی ملاقات کے نتیجے میں تیل کے شعبے کے مسائل سے آگاہی پیدا ہوئی ہے اور حکومت OMCs اور ڈیلرز کے مجموعی مارجن میں اضافے پر سنجیدگی سے غور کر رہی ہے اور اس کے طریقہ کار پر عمل پیرا ہے جس میں مستقبل میں زرمبادلہ کی مد تک ہونے والے نقصانات قیمت میں شامل ہو جاتے ہیں اور اس طرح OMCs کے منافع کو متاثر نہیں کرتے۔

کاروبار کے حوالے سے مستقبل کا نقطہ نظر

(الف) آپ کے بورڈ نے کیپیٹل آرگنائزیشن پروگرام اور درمیانی و طویل منصوبوں کی منظوری دے دی ہے تاکہ کمپنی ان چیلنجوں پر قابو پا سکے اس سلسلے میں مندرجہ ذیل پروگرام پر عمل درآمد جاری ہے۔
بینکنگ کی شراکت سے 16 ملین کے طویل مدتی مالیات کی کامیاب مذاکرات جس کی سربراہی ملک کا ایک بڑا بینک کر رہا ہے اور تقریباً 50 بلین روپے کی LC لائن میں بھی معاون ہے۔

(ب) کمپنی نے اپنا مارکیٹ شیئر دوبارہ سے حاصل کرنا شروع کر دیا ہے۔ اکتوبر 2019 120,000 میٹرک ٹن پر اختتام پزیر ہوا بالمقابل مکمل تیسرے سہ ماہی 2019 جو 210,000 میٹرک ٹن رہا۔

کمپنی نے اکتوبر 2019 کے مہینے میں بالترتیب موٹر گیسولین اور HSD 9 فیصد اور 8.8 فیصد پر مارکیٹ شیئرز حاصل کئے جبکہ پچھلے مہینوں میں MS اور HSD دونوں 5 فیصد تھا۔ انتظامیہ کو توقع ہے کہ 2020 کے سہ ماہی کے آخر تک کمپنی اپنا مارکیٹ شیئر دوبارہ حاصل کر لے گی جو کہ 12 فیصد ہوا کرتا تھا۔

انتظامیہ نے کاروبار کے ہر ایک شعبے میں لاگت کا بہت جارحانہ انداز میں جائزہ لیا ہے اور پچھلے سال 2018 کے مقابلے میں سالانہ 1.5 بلین کی کمی واقع ہوئی ہے۔ ہم کاروبار کے بالائی اخراجات کو کم کرنے کے لئے اپنی لاگت کی نگرانی کرتے رہیں گے۔

مصنوعات کی درآمد کے سلسلے میں مزید قدامت پسندانہ طریقہ اختیار کیا گیا ہے اور ریفائنریز سے حاصل کردہ مصنوعات کی مقامی دستیابی پر زیادہ اور درآمد پر کم انحصار رکھا گیا ہے۔ ہمارے بیشتر بڑے بینکرز تیل کی صنعت اور خاص طور پر ہیسکول کو درپیش پریشانیوں سے پوری طرح آگاہ ہیں اور کمپنی کو اپنی مالی ذمہ داریوں کو پورا کرنے کے لئے مناسب مدد فراہم کر رہے ہے۔

کمپنی کے پاس نجی شعبے میں ملک کا سب سے بڑا بنیادی ڈھانچہ ہے جس کی صلاحیت 420,000 میٹرک ٹن ہے۔ اس سے کمپنی کو اپنے حریفوں پر برتری حاصل ہے اور بہت زیادہ موثر انداز میں کاروبار کرنے میں ایک مضبوط ستون کی طور پر ثابت ہوگا جس کے نتیجے میں کمپنی کی بوٹم لائن بہتر ہوگی۔ کمپنی اپنے ریٹیل انفراسٹرکچر میں سرمایہ کاری جاری رکھے گی جو اس وقت 700 سے زائد ریٹیل کی دکانوں پر مبنی ہے۔

آخر میں، میں بورڈ کو ان کی رہنمائی کرنے کے لئے شکریہ ادا کرنا چاہتا ہوں جو ایک مناسب کاروباری حکمت عملی پر عمل پیرا ہے اور ہماری کارپوریٹ گورننس میں مناسب تجاوزات پیش کرتے ہیں۔ میں اپنی انتظامی ٹیم اور تمام ملازمین کی کاوشوں کو بھی سراہنا چاہتا ہوں جو کہ اختیار سے باہر عوامل کی وجہ سے کمپنی کو درپیش چیلنجوں کا موثر انداز میں جواب دیتے ہیں۔

کمپنی نے اپنی اسٹیٹ آف دی آرٹ لبریکنٹ پلانٹ کا بھی کامیابی کے ساتھ آغاز کیا ہے جس کی سالانہ صلاحیت 45,000 میٹرک ٹن ہے۔ اس سے مارکیٹ میں مصنوع کی دستیابی، کاروبار میں منافع اور کمپنی کی بوٹم لائن میں بہتری آئے گی۔

کمپنی کا نیا کیمیائی کاروبار بوٹم لائن میں اپنا مثبت حصہ ڈال رہا ہے اور گزشتہ 9 ماہ کے دوران کمپنی کی فروخت میں 2 بلین کا منافع شامل کیا ہے۔

مجھے یقین ہے کہ آئندہ بارہ مہینوں کے دوران میرے پاس حصص داران کو پیش کرنے کے لئے مثبت رپورٹ ہوگی۔

چیئرمین

چیف ایگزیکٹو آفیسر