



QUARTERLY REPORT 2020

TRANSFORMATION TODAY,
BETTER TOMORROW

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020



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CORPORATE INFORMATION

Chairman

Sir Alan Duncan

Chief Executive Officer

Mr. Adeeb Ahmad

Directors

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

Company Secretary

Mr. Farhan Ahmad

Audit Committee

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

Risk Committee

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

Human Resource Committee

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

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Bankers

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

Share Registrar

CDC Share Registrar Services Limited

Legal Advisor

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

Registered Office

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

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DIRECTOR'S REVIEW REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

We are pleased to present the un-audited condensed interim financial statements of your Company for the nine months' period ended September 30, 2020. These condensed interim financial statements have been prepared in accordance with applicable requirements of International Financial Reporting Standards (IAS 34 – Interim Financial Reporting) and the Companies Act, 2017.

The first nine months of 2020 witnessed unprecedented coronavirus (C-19) pandemic which impacted life globally; Pakistan also faced the severity of the pandemic. The C-19 affected the global oil industry two folds – drastic reductions in the demand for oil and a sharp decline in product prices. Local OMC industry ("industry") was also adversely impacted by the global oil trends.

Earlier, in Q1 2020, the shareholders injected PKR 8 Billion as additional capital, to bolster the operations and address the liquidity position of the Company, both of which had been adversely affected in FY 2019. But due to the lockdowns imposed by the government to tackle the C-19 situation; not only the sales volumes decreased due to a drop in consumption of oil products, the unprecedented fall in oil prices and devaluation of currency also had a severe dampening effect on the Company's financial performance. In addition to the above, cost of servicing an over-sized debt, high capacity charges on storage arrangement, provisioning against some doubtful assets and restatement of some liabilities contributed to a net loss of PKR 3 Billion for the three months ended September 30, 2020; and PKR 20.9 Billion for nine months ended September 30, 2020. As a result, the shareholder's deficit as of September 30, 2020 rose to PKR 29.5 Billion, and the current ratio fell to 0.30 due to high short term debt burden.

The Company's lenders agreed to partially convert short-term debt to long-term, which was completed in September, 2020 to improve the Company's debt maturity profile. However, due to the subdued economic conditions and volatility of the oil markets, the expected results of above mentioned additional equity injection and conversion of short term debt to long term debt could not be positively materialized.

There were some changes in the Board of Directors during the period under review. Sir Alan Duncan replaced Mr. Mumtaz Hasan Khan as the new Chairman of the Board, Mr. Nauman Dar replaced Mr. Atif Aslam Bajwa as Independent Director and Mr. Aqeel Ahmed Khan was appointed as the CEO and an Executive Director in the month of April 2020. In early September 2020, the Board of Directors was reconstituted with Mr. Najmus Saquib Hameed and Mr. Farooq Rahmatullah Khan retiring and replaced by Mr. Farrukh Saeed and Mr. Hasan Reza ur Rahim as Independent Directors. Soon thereafter, in late September 2020, Mr. Adeeb Ahmad was appointed as the CEO (replacing Mr. Aqeel Ahmed Khan) and an Executive Director of the Company.

Subsequent to the period under review, to return the Company to a sustainable footing, the reconstituted board and the new management formulated a business revival and financial restructuring plan ("Plan"). A number of short to medium term measures are being taken, or are in process, as part of the Plan including, but not limited to, significant reduction in operating costs, recapturing and growing sales volumes and market share, disposal of non-core assets, shoring up working capital and raising of additional equity to reduce leverage and address negative book equity. Additionally, and most importantly, the Company commenced, and making due progress on, discussions with the banks to partially convert their outstanding debt into equity and restructure all of the Company's remaining debt into long term facilities in order to reduce its onerous debt service obligations.

The Board and management of the Company are committed to, and are confident of, improving the Company's financial position and its operating and financial performance and are working with major shareholders, various lender and potential strategic partners towards an early and successful execution of the Plan.

The condensed interim financial statements for the nine months period ended September 30, 2020 have been delayed as they were to be finalized and issued after the issuance of the Reviewed Q2 2020 financial statements, which in turn were delayed due to the several changes in the management team as well as some senior and finance team members of management getting affected by C-19. The resignation of EY Ford Rhodes as the co-auditors and appointment of Grant Thornton Anjum Rahman Chartered Accountants as the auditors of the Company further added to the said delay of the Reviewed financial statements.



The Company expresses its sincere gratitude to all its shareholders, customers, dealers and partners, employees, lenders, suppliers, regulators and other stakeholders for their contributions and continuing support.

Chief Executive Officer

Director

Director

Karachi
Dated: March 25, 2021

ڈائریکٹرز کی جائزہ کی گئی رپورٹ

برائے سہ ماہی (اختتام 30 ستمبر 2020)

ہم بے حد خوشی کے ساتھ مطلع کرنا چاہتے ہیں کہ غیر آڈٹ شدہ کمپنی کے عبوری مالی بیانات جو کہ ۹ ماہ مورخہ ۳۰ ستمبر ۲۰۲۰ کو پیش کیا جا رہا ہے۔ یہ انٹرمیڈیائی بیان ضرورت کے مطابق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (آئی اے ایس ۳۴ عبوری مالی رپورٹنگ) اور کمپنیز ایکٹ ۲۰۱۷ کے ماتحت تیار کیا گیا ہے۔

یہ ۹ ماہ کی مدت بہت ہی غیر معمولی تھی چونکہ (کوویڈ ۱۹) پینڈیمک کی وجہ سے اندرونی اور بیرونی مسائل کا سامنا ہوا، پاکستان بھی اس وبی وجہ سے متاثر ہوا ہے۔ مزید یہ کہ (سی۔۱۹) کی وجہ سے پوری دنیا کی آئل انڈسٹریز دو طرح سے متاثر ہوئی ہیں، آئل کی کھپت میں کمی اور آئل کو مقررہ قیمت میں لینے سے انکاری ہونا۔ لوکل (اوائیم سی) انڈسٹری بھی اس وبی بدولت دنیاوی طور پر اثر انداز ہوئی ہے۔

پہلے ہی سے، کوآرڈنل ۲۰۲۰ میں شیئر ہولڈرز نے اپنے ۸ بلین کے اثاثہ جات شامل کیے ہیں تاکہ کمپنی کے مالی حالات میں بہتری لائی جاسکے جو کہ (ایف وائے ۲۰۱۹) پر اثر انداز ہوا ہے، لیکن (کوویڈ ۱۹) کی وجہ سے لاک ڈاؤن کی سنگین صورتحال میں صرف سیلز ہی نہیں بلکہ پروڈکٹ کی قیمتیں بھی اثر انداز ہوئیں جس کی وجہ سے قیمتوں میں کمی کی باعث مزید نقصانات کا سامنا پیش ہوا ہے۔ کرنسی کی قیمت میں کمی کی وجہ سے آئل کی قیمتوں کے باعث کمپنی کی مالی کارکردگی میں اثر نظر آیا ہے۔ مزید برآں مندرجہ بالا صورتحال حال کے باعث جو نقصانات کا سامنا ہوا ہے اس کے مطابق ۳۳ بلین جو کہ تین ماہ ۳۰ ستمبر ۲۰۲۰ تک ریکارڈ کیا گیا ہے، اور ۹ ماہ کا ریکارڈ ۲۰۹ بلین ۳۰ ستمبر ۲۰۲۰ تک ریکارڈ کیا گیا ہے جس کے نتیجے میں شیئر ہولڈرز کو ۳۰ ستمبر ۲۰۲۰ تک ۲۹.۵ بلین کا کھانا ہوا ہے اور جس کا موجودہ تناسب ۰.۳۰ کے مطابق بے حد زیادہ قرضی بوجھ ریکارڈ کیا گیا ہے۔

مزید یہ کہ کمپنی کو قرضہ دینے والے حضرات سے باہمی رضامندی سے طے کیا ہے کہ کم مدت کے قرضوں میں توسیع کر کے مزید لمبے عرصہ کے لیے بڑھادیے جائیں جو کہ ستمبر ۲۰۲۰ تک ریکارڈ کیا جائیگا تاکہ کمپنی کے مالی نقصانات کو مزید بڑھنے سے روکا جاسکے، موجودہ صورتحال کو مد نظر رکھتے ہوئے آئل مارکٹس میں ہونے والے نقصانات پر تاحال قابو نہیں پایا جاسکا ہے۔

یہ کہ بورڈ آف ڈائریکٹرز میں کچھ تبدیلیاں کی گئی ہیں، زیر غور مدت کے دوران چیئرمین کی جگہ پراسر ایلن ڈکنسن نے ممتاز حسن خان کو تبدیل کیا ہے، جناب عاطف اسلم باجوہ کی جگہ نعمان ڈار نے انڈیپنڈنٹ ڈائریکٹر بنایا گیا، اور جناب عقیل احمد خان کو متعلقہ زیر غور مدت اپریل ۲۰۲۰ میں چیف ایگزیکٹو آفسر کے عہدے پر فائز کیا گیا ہے۔ ستمبر ۲۰۲۰ کے اوّل میں بورڈ آف ڈائریکٹرز میں بھی کچھ تبدیلیاں پیش آئی ہیں جس میں جناب نجم الثاقب حمید اور جناب فاروق رحمت اللہ ریٹائر ہوئے اور ان کی جگہ جناب فرخ سعید اور جناب حسن ربیضا الرحیم کو انڈیپنڈنٹ ڈائریکٹر پر فائز کیا گیا ہے۔ جلد ہی اس کے بعد ستمبر ۲۰۲۰ میں جناب ادیب احمد کو عقیل احمد خان کی جگہ چیف ایگزیکٹو آفسر بنایا گیا ہے۔

یہ کہ کی گئی تبدیلیوں کے برعکس کمپنی کے بانیار قدم اور نئی مینجمنٹ کمپنی کو بہتری کی جانب گامزن کرنے کے لیے اپنے بہترین اور باہمی رضامندی سے طے کردہ (منصوبہ) کے تحت کام کرے گی۔ جس میں کم مدتی قرضوں اور لمبے عرصہ تک کے لیے استعمال کیا جائیگا جس کے استعمال سے ہونے والے مالی نقصانات کو پورا کرنے کی کوشش کی جائے گی اور اسی طریقے سے کمپنی میں ہونے والی سیلز کو بھی بڑھایا جائے گا۔ چونکہ کمپنی کو شیئرز میں کافی نقصان کا سامنا ہوا ہے اس نقصان کو بھی پورا کرنے کے لیے نئی مینجمنٹ کے قدم گامزن ہیں اور اس معاملے میں بینکس کے ساتھ بھی بات چیت کر کے کم مدتی قرضوں کو لمبے عرصہ تک استعمال کرنے کے منصوبے پر غور کیا جائے گا۔

کمپنی کا بورڈ اور مینجمنٹ کمپنی کی مالی حیثیت کو بہتر بنانے اور اس کی عملی اور مالی کارکردگی کو بہتر بنانے کے لئے پرعزم ہیں، اور انھیں پراعتماد ہیں اور اس منصوبے کی جلد اور کامیاب نفاذ کی سمت بڑے حصص داروں، مختلف قرض دہندگان اور مکمل اسٹریٹجک شراکت داروں کے ساتھ مل کر کام کر رہے ہیں۔

یہ کہ ۹ ماہ ۳۰ ستمبر ۲۰۲۰ کے عبوری مالی بیانات میں تاخیر کا سامنا ہے تاکہ اسے حصہ دوم کے فنانشل اسٹیٹمنٹ کے زیر نگرانی حتمی شکل دی جاسکے، مزید اس میں کچھ تبدیلیاں بھی پیش نظر ہیں جس میں منجمنٹ ٹیم، سینئر ز اور فنانس ٹیم میمبرز جو کہ (سی-۱۹) کا شکار ہوئے ہیں ان میں کی جانے والی تبدیلیاں ہیں، اس تاخیر میں اہم کردار ادا کرنے والی بات یہ ہے کہ (ای وائے فارڈر ہوڈز) نے کوآڈیٹر کے عہدے سے استعفیٰ دے دیا ہے اور گرانٹ تھورونٹون انجمن چارٹڈ اکاؤنٹینٹ کو کمپنی کے آڈیٹرز میں شامل کیا گیا ہے جس کی وجہ سے فنانشل اسٹیٹمنٹ میں تاخیر کا سامنا ہوا ہے۔

کمپنی نے اپنی تمام تر حالات اور معاملات بے حد شکرگزاری کے ساتھ اپنے تمام ترملازمین، صارفین، فنانشل انسٹی ٹیوشن، سپلائرز اور دیگر اسٹیک ہولڈر کے سامنے پیش کیا ہے اور اس کے ساتھ ہی ان کے شراکت اور مسلسل مدد کو بھی سراہا جا رہا ہے۔

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چیف ایگزیکٹو آفسر

کراچی

تاریخ ۲۵ مارچ ۲۰۲۱





CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020	(Restated) Audited December 31, 2019	(Restated) Audited December 31, 2018
-----Rupees in '000-----				
ASSETS				
Non-current assets				
Property, plant and equipment	8	32,238,061	33,824,831	22,563,232
Intangible asset	9	4,578	3,134	2,565
Long-term investments	10	4,376,491	4,272,165	1,378,199
Deferred taxation - net	11	-	-	164,027
Long-term deposits		542,902	571,065	547,772
Total non-current assets		37,162,032	38,671,195	24,655,795
Current assets				
Stock-in-trade		12,145,139	19,219,871	22,615,303
Trade debts		3,355,302	11,040,583	13,552,235
Advances	12	102,702	166,662	65,104
Deposits and prepayments	13	287,555	165,756	199,829
Other receivables	14	4,317,274	3,840,343	2,845,526
Mark-up and profit accrued		8,628	114,159	92,718
Taxation - net		105,357	566,012	1,270,808
Short term investments		100,800	103,688	-
Cash and bank balances		2,162,628	13,586,382	8,799,447
Total current assets		22,585,385	48,803,456	49,440,970
TOTAL ASSETS		59,747,417	87,474,651	74,096,765
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	15	9,991,207	1,991,207	1,810,188
Reserves		(43,297,644)	(22,428,634)	4,253,392
Surplus on revaluation of property, plant and equipment - net of tax		3,765,975	4,033,053	4,389,156
Share deposit money		-	5,752,443	-
Total shareholders' (deficit) / equity		(29,540,462)	(10,651,931)	10,452,736
LIABILITIES				
Non-current liabilities				
Long-term financing - secured	16	12,413,087	1,590,538	2,625,850
Liabilities against assets subject to finance lease		2,125,333	2,379,875	1,015,993
Deferred liabilities	17	-	257,282	250,593
Total non-current liabilities		14,538,420	4,227,695	3,892,436
Current liabilities				
Trade and other payables	18	35,065,107	53,436,409	38,728,255
Unclaimed dividend		356,406	356,597	362,674
Mark-up and profit accrued		2,028,910	1,549,403	311,976
Short-term borrowings		35,432,337	37,017,653	18,877,466
Current portion of non-current liabilities	19	1,866,699	1,538,825	1,471,222
Total current liabilities		74,749,459	93,898,887	59,751,593
TOTAL LIABILITIES		89,287,879	98,126,582	63,644,029
TOTAL EQUITY AND LIABILITIES		59,747,417	87,474,651	74,096,765

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.


 Chief Executive Officer


 Director


 Director



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	(Restated) Nine months period ended		(Restated) Three months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		-----Rupees in '000-----			
Sales - net		99,418,458	130,254,176	30,277,606	29,668,026
Less: sales tax		(14,821,596)	(18,853,882)	(4,431,586)	(4,301,894)
Net sales		84,596,862	111,400,294	25,846,020	25,366,132
Other revenue		342,106	210,742	124,787	65,627
Net revenue		84,938,968	111,611,036	25,970,807	25,431,759
Cost of products sold		(87,542,978)	(111,645,376)	(26,475,178)	(25,441,001)
Gross loss		(2,604,010)	(34,340)	(504,371)	(9,242)
Operating expenses					
Distribution and marketing		(2,310,578)	(2,956,406)	(899,112)	(1,068,715)
Administrative		(802,548)	(820,978)	(263,279)	(310,921)
		(3,113,126)	(3,777,384)	(1,162,390)	(1,379,636)
Impairment losses on financial asset	21	(8,098,908)	(838,373)	(495,040)	-
Other expenses	22	(58,590)	(6,326,849)	-	-
Other income		426,274	293,936	114,713	98,662
Operating loss		(13,448,360)	(10,683,010)	(2,047,088)	(1,290,216)
Finance cost		(5,049,579)	(5,246,827)	(1,335,157)	(2,439,172)
Exchange loss - net		(1,707,537)	(3,093,131)	389,337	195,706
		(6,757,116)	(8,339,958)	(945,820)	(2,243,465)
Loss before taxation		(20,205,476)	(19,022,968)	(2,992,908)	(3,533,681)
Taxation	23	(734,402)	4,618,149	(46,831)	950,780
Loss for the period		(20,939,878)	(14,404,819)	(3,039,739)	(2,582,901)
Loss per share - basic and diluted (Rupees)	24	(21.10)	(38.16)	(3.06)	(6.84)

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Director

Director

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME - UNAUDITED**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>-----Rupees in '000-----</u>			
Loss for the period	(20,939,878)	(14,404,819)	(3,039,739)	(2,582,901)
Other comprehensive (loss) / income for the period				
<i>Items that may be reclassified subsequently to consolidated profit or loss account</i>				
Unrealized (loss) / gain on remeasurement of investment held at fair value through other comprehensive income - net of tax	(69,092)	(272,065)	222,934	(89,665)
Total comprehensive loss for the period	<u>(21,008,970)</u>	<u>(14,676,884)</u>	<u>(2,816,805)</u>	<u>(2,672,566)</u>

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Director

Director



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020 -----Rupees in '000-----	September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	25	(18,313,935)	(10,287,779)
Finance cost paid		(4,448,748)	(3,765,823)
Finance cost on leased assets paid		(121,324)	-
Profit received on bank deposits		389,381	338,384
Profit received on short term investment		6,201	5,389
Profit received on sale of derivatives		70,142	-
Taxes paid		(245,526)	(1,375,324)
Gratuity paid		(77,091)	(948)
Net cash used in operating activities		(22,740,900)	(15,086,101)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(113,060)	(12,711,298)
Proceeds from disposal of property, plant and equipment		204,394	532,995
Net cash generated from / (used in) investing activities		91,334	(12,178,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained		(277,840)	-
Payment of commercial paper		-	(6,500,000)
Payment of unclaimed dividend		(191)	-
Proceeds from issue of commercial paper		-	3,770,753
Proceeds from issue of right shares		2,247,557	-
Rights share issuance cost		(127,119)	-
Long term investment		(205,000)	-
Long-term finance obtained /(paid)		11,173,721	(676,590)
Net cash generated from /(used in) financing activities		12,811,128	(3,405,837)
Net decrease in cash and cash equivalents		(9,838,438)	(30,670,241)
Cash and cash equivalents at beginning of the period		(23,431,271)	(7,639,654)
Cash and cash equivalents at end of the period	26	(33,269,709)	(38,309,895)

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statement.

Chief Executive Officer

Director

Director

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT
OF CHANGES IN EQUITY - UNAUDITED**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Share Capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment - net of tax	Share deposit money	Total shareholders' equity / (deficit)
		Share premium	Unrealized loss on remeasurement of FVTOCI investments	Unappropriated profit / (loss)			
Rupees in '000							
Balance as at January 01, 2019 - (audited)	1,810,188	4,766,854	(216,958)	585,068	4,389,156	-	11,334,308
Effect of restatement (note 4)	-	-	-	(881,572)	-	-	(881,572)
Balance as at January 01, 2019 (restated)	1,810,188	4,766,854	(216,958)	(296,504)	4,389,156	-	10,452,736
Total comprehensive loss for the period							
Loss for the period	-	-	-	(14,404,819)	-	-	(14,404,819)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(272,065)	-	-	-	(272,065)
Total comprehensive loss for the period	-	-	(272,065)	(14,404,819)	-	-	(14,676,884)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	191,214	(191,214)	-	-
	-	-	(272,065)	(14,213,605)	(191,214)	-	(14,676,884)
Transactions with owners							
Bonus issue 10% per share - December 2018	181,019	-	-	(181,019)	-	-	-
	181,019	-	-	(181,019)	-	-	-
Balance as at September 30, 2019 - unaudited	1,991,207	4,766,854	(489,023)	(14,691,128)	4,197,942	-	(4,224,148)
Balance as at January 01, 2020 (audited)	1,991,207	4,766,854	(267,992)	(25,189,293)	4,033,053	5,752,443	(8,913,728)
Effect of restatement (note 4)	-	-	-	(1,738,203)	-	-	(1,738,203)
Balance as at January 01, 2020 (restated)	1,991,207	4,766,854	(267,992)	(26,927,496)	4,033,053	5,752,443	(10,651,931)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(20,939,878)	-	-	(20,939,878)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(69,092)	-	-	-	(69,092)
Total comprehensive loss for the period	-	-	(69,092)	(20,939,878)	-	-	(21,008,970)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	267,078	(267,078)	-	-
	-	-	(69,092)	(20,672,800)	(267,078)	-	(21,008,970)
Transactions with owners							
Right issue - 400% @ Rs. 10/- per share - October 2019 (note 15.3)	8,000,000	-	-	-	-	(8,000,000)	-
Share deposit money received	-	-	-	-	-	2,247,557	2,247,557
Issuance cost	-	(127,119)	-	-	-	-	(127,119)
	8,000,000	(127,119)	-	-	-	(5,752,443)	2,120,438
Balance as at September 30, 2020 - unaudited	9,991,207	4,639,735	(337,084)	(47,600,296)	3,765,975	-	(29,540,462)

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.


 Chief Executive Officer


 Director


 Director



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

1 STATUS AND NATURE OF BUSINESS

- 1.1** Hascol Petroleum Limited (the Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Suite No.105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi.
- 1.2** The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licensed company in the year 2018.
- 1.3** These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary and associated companies, have been accounted for at cost less accumulated impairment losses, if any.
- 1.4** The Company incurred a net loss of Rs. 20,940 (2019: Rs. 14,405) million for the nine months ended September 30, 2020, resulting in accumulated losses of Rs. 43,298 (2019: Rs. 22,429) million as of the condensed interim unconsolidated statement of financial position date. Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 52,164 (2019: Rs. 45,095) million. Further, the Company did not make certain payments during the period in accordance with the repayment term to a financial institution and is currently in the process of negotiating for restructuring the terms for repayment. The Company has taken certain plans and measures to improve its liquidity and financial position which includes the following:
- a) The Company is in the process of increasing its Authorised Share Capital to address its equity deficit. In this respect, the shareholders of the Company have approved increase of Authorized Capital of the Company from Rs. 10 billion to Rs. 50 billion.
 - b) The Company is also planning a capital restructuring exercise, in consultation with major banks to reduce its debt burden and financial costs, which will help the Company improve its future operating and financial performance.
 - c) The Company is also taking measures to reduce its storage costs through revisioning its existing agreements.
 - d) The Board of Directors (the Board) have carried out a detailed review of the profitability and cashflow forecast of the Company for the twelve months period from the date of approval of these condensed interim unconsolidated financial statements, which took into account the projected future working capital of the Company. The Board believes that the Company will have sufficient cash resources to continue its operations for the next twelve months from the date of approval of these condensed interim unconsolidated financial statements.
- Considering expected equity injection and support from financial institutions, the Company, therefore, believes that the going concern assumption is appropriate and has, as such, prepared these condensed interim unconsolidated financial statements on a going concern basis.
- 1.5** These condensed interim unconsolidated financial statements have not been authenticated by the Chief Financial Officer as required by the Companies Act, 2017 because the same was not appointed till the date of authorization of these condensed interim unconsolidated financial statements. In this regard, the Board of Directors through a resolution has authorized a Director to authenticate these condensed interim unconsolidated financial statements.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

2 BASIS OF PREPARATION

These condensed interim unconsolidated financial statements of the Company for the nine months period ended September 30, 2020 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These condensed interim unconsolidated financial statements are being submitted to the shareholders in accordance with Section 237 of the Act and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2019.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2019, except as follows:

New / Revised Standards, Interpretations and Amendments

IFRS 3	Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7	Interest Rate Benchmark Reform (Amendments)
IFRS 14	Regulatory Deferral Accounts
IFRS 16	COVID 19 Related Rent Concessions (Amendments)
IAS 1 / IAS 8	Definition of a Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The Company follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim unconsolidated financial statements

4 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

The following restatements have been made on account of prior period errors in the financial statement.

Impact on statement of financial position As at 31 December 2018	As previously reported	Adjustments Rs in '000	As restated
Reserves	5,134,964	(881,572)	4,253,392
Trade and other payables			
Trade creditors	(26,686,559)	(1,241,651)	(27,928,210)
Deferred taxation - net	-	164,027	164,027
Deferred liabilities			
Deferred taxation - net	(196,052)	196,052	-



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

- 4.1** As disclosed in note 18 of these condensed interim unconsolidated financial statements, the Company was involved in a litigation with counter party that was then referred in the court of arbitration, the liability was revised after receipt of final award from the arbitrator. The final award was received during the prior period however, the balances were not revised in the relevant period. Accordingly, the balances have been retrospectively restated, taking cumulative impact in the opening retained earning of the earliest prior period presented net of deferred taxation.

Impact on statement of financial position As at 31 December 2019	As previously reported	Adjustments Rs in '000	As restated
Reserves - note 4.3	(21,932,082)	(496,552)	(22,428,634)
Trade and other payables			
Trade creditors - note 4.1, 4.2	(46,647,987)	(496,552)	(47,144,539)

- 4.2** The amount of trade creditors has been restated to Rs. 46,648 million as at December 31, 2019 after incorporating the effect of previous year restatement of Rs. 1,242 million. Previously the balance was stated as Rs. 45,406 million as at December 31, 2019.

- 4.3** The amount of reserves has been restated to Rs. 21,932 million as at December 31, 2019 after incorporating the effect of previous year restatement of Rs. 1,242 million. Previously the balance was stated as Rs. 20,690 million as at December 31, 2019.

Impact on statement of comprehensive income For the nine months ended September 30, 2019	As previously reported	Adjustments Rs in '000	As restated
Cost of products sold - note 4.4	(111,805,003)	159,627	(111,645,376)
Distribution and marketing - note 4.5	(4,226,681)	66,804	(4,159,877)
Finance cost - note 4.6	(5,014,129)	(232,698)	(5,246,827)
Exchange loss - net - note 4.7	(2,512,515)	(580,616)	(3,093,131)
Unrealized loss on remeasurement of investment carried at FVOCI - note 4.8	(383,191)	111,126	(272,065)
Taxation - note 4.9	4,559,078	59,071	4,618,149

- 4.4** Refer note 37.4 of the annual audited financial statements for the year ended December 31, 2019. The amount represents six months impact of shipping cost related to import transactions.
- 4.5** This represents net impact of recognition of depreciation expense on right of use assets and reversal of rental expense as recognized in unconsolidated financial statement for the year ended December 31, 2019.
- 4.6** This represents finance on outstanding amount of the liability against arbitration order and lease liability against right of use assets as referred in note 4.1 and 4.5 respectively.
- 4.7** This represents exchange loss on outstanding amount of the liability against arbitration order and shipping cost as referred in note 4.1 and 4.4 respectively.
- 4.8** The amount is due to deferred tax impact on the unrealized loss on remeasurement of investment carried at FVOCI.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

4.9 The amount represents the deferred tax impact on the above mentioned restatements.

4.10 Investment in Hascol Terminal (Private) Limited has been carried at cost under IAS-28 'Investment in Associates and Joint Ventures' on the basis of significant influence in the entity, which was previously being carried at fair value through other comprehensive income under IFRS-9 'Financial Instruments'.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

6 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

- Significant related party transactions are disclosed in note 28.
- As of September 30, 2020, the Company's current ratio has declined below the minimum requirement under Sukuk agreement.
- As at September 30, 2020, the Company has overdue balances of Rs. 16,007 million in respect of financial institutions.
- During the period, prior year balances have been restated as disclosed in note 4.
- The Company has received certain notices from the regulatory bodies of Pakistan against which appropriate responses have been given to clarify the Company's stance from time to time in consultation with Company's legal council and requisite legal recourse was taken by the Company.

7 FINANCIAL RISK MANAGEMENT

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

8	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
			-----Rupees in '000-----	
	Operating fixed assets		27,222,177	28,402,074
	Capital work-in-progress	8.3	3,831,660	4,167,173
	Right of use asset	8.4	1,184,224	1,255,584
			<u>32,238,061</u>	<u>33,824,831</u>



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

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

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	-----Rupees in '000-----	
Owned assets		
Office building	-	2,081,643
Tanks and pipelines	45,832	2,583,719
Pump building	366,405	1,362,308
Electrical, mechanical and fire fighting equipment	18,192	2,967,604
Tank lorries	-	76,823
Motor cars	-	7,250
Dispensing pumps	-	512,100
Furniture, office equipment and other assets	2,574	110,487
Plant and machinery	-	1,589,281
Computer auxiliaries	7,183	16,103
	<u>440,186</u>	<u>11,307,318</u>
Leased assets	-	462,641
Tank lorries	<u>440,186</u>	<u>11,769,959</u>

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

	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
September 30, 2020 (Un-audited)	<u>(177,498)</u>	<u>23,325</u>	<u>(154,173)</u>
December 31, 2019 (Audited)	<u>(788,000)</u>	<u>124,976</u>	<u>(663,024)</u>

8.3 **Capital work-in-progress**

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	-----Rupees in '000-----	
Office building	1,412,177	1,360,721
Tanks and pipelines	932,015	1,016,818
Pump building	-	259,127
Electrical, mechanical and fire fighting equipment	699,202	699,202
Dispensing pumps	80,571	102,845
Furniture, office equipment and other assets	173,315	194,080
Plant and machinery	360,740	360,740
Borrowing cost capitalized	167,702	167,702
Computer auxiliaries	5,938	5,938
	<u>3,831,660</u>	<u>4,167,173</u>

8.4 **Right of use asset**

Opening balance	1,255,584	-
Additions during the period / year	-	1,349,100
Depreciation during the period / year	(71,360)	(93,516)
Closing balance	<u>1,184,224</u>	<u>1,255,584</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
			-----Rupees in '000-----	
9	INTANGIBLE ASSET	Note		
	Computer software		4,578	3,134
	Net book value at beginning of the period / year		3,134	2,565
	Additions for the period / year		2,064	1,103
	Amortization charge for the period / year		(620)	(534)
	Net book value at the end of the period / year		4,578	3,134
	Net book value			
	Cost		14,074	12,010
	Accumulated amortization		(9,496)	(8,876)
	Net book value		4,578	3,134
	Rate of amortization - %		33.33	33.33
10	LONG-TERM INVESTMENTS			
	Investment in subsidiary company			
	Hascombe Lubricant (Private) Limited - unquoted	10.1	-	-
	Hascol Lubricant (Private) Limited - unquoted	10.2	3,150,000	1,497
	Investment in associate - at cost			
	VAS LNG (Private) Limited - unquoted	10.3	3,000	3,000
	Hascol Terminal Limited - unquoted	10.4	412,500	375,000
	Investment at fair value through other comprehensive income			
	Pakistan Refinery Limited - quoted	10.5	807,468	904,780
	Advance against purchase of shares - with related parties			
	Hascol Terminal Limited		2,500	40,000
	VAS LNG (Private) Limited		1,023	1,023
	Hascol Lubricants (Private) Limited		-	2,946,865
			3,523	2,987,888
			4,376,491	4,272,165
10.1	Investment at cost		30,604	30,604
	Movement in provision for impairment			
	Balance at the beginning of the period / year		(30,604)	(30,604)
	Provision made during the period / year		-	-
	Balance at the end of the period / year		(30,604)	(30,604)
	Net book value	10.1.1	-	-
10.1.1	This represents investment in wholly owned subsidiary of the Company. Its shares are not quoted in active market.			
10.2	This represents investment in wholly owned subsidiary of the Company. Its shares are not quoted in active market. The Company holds 315 (December 31, 2019: 0.15) million ordinary shares of Rs. 10 per share.			



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

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

10.4 Investment in Hascol Terminals Limited amounts to Rs. 412.5 (December 31, 2019: Rs. 375) million representing 15% (December 31, 2019: 15%) equity stake which amounts to 41.25 (December 31, 2019 : 37.5) million shares of Rs. 10 per share. The investment has been carried at cost under provisions of IAS-28 'Investment in Associates and Joint Venture' as disclosed in note 4.10.

		Cost	Unrealized loss	Carrying value
	Note	-----Rupees in '000-----		
10.5	Pakistan Refinery Limited			
	September 30, 2020	1,172,772	(365,304)	807,468
	December 31, 2019	1,172,772	(267,992)	904,780

10.5.1 Investment in Pakistan Refinery Limited represents 14.71% (December 31, 2019: 14.71%) equity stake. The investment represents 43.25 (December 31, 2019: 43.25) million shares fully paid ordinary shares which were subsequently disposed off at an average rate of Rs. 19.5 per share.

10.6 Investments in associated companies and undertakings have been made in accordance with the requirements of the Companies Act, 2017.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		-----Rupees in '000-----	
11	Deferred Taxation - Net		
	This comprises the following:		
	Taxable temporary difference arising in respect of :		
	Accelerated depreciation	(3,660,736)	(3,243,392)
	Deductible temporary difference arising in respect of :		
	Long term investments	107,037	77,392
	Liabilities against assets subject to finance lease	614,716	803,232
	Exchange loss	140,134	175,285
	Provision for :		
	- other liabilities	1,043	2,187
	- retirement benefit	71,314	74,299
	- doubtful debts	2,318,151	666,935
	- short term investments - TFCs	1,202	379
	Normal tax loss	10,432,859	7,873,001
	Unrecognized deferred tax asset	(10,025,720)	(6,429,318)
		<u>-</u>	<u>-</u>

11.1 Deferred tax asset of Rs. 10,026 million (2019: Rs. 6,429 million) has not been recognized in these condensed interim unconsolidated financial statements due to uncertainty in availability of future taxable profits based on financial projections of future five years.

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020 Rupees in '000	
Loss for the period		(10,914,158)	
Shareholders' deficit		(33,271,924)	
Total non-current assets		47,187,752	
Loss per share (Rupees)		(11.00)	
		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		-----Rupees in '000-----	
12	ADVANCES - considered good, unsecured	Note	
To employees			
- against expenses		27,243	28,264
- against salaries		28,389	33,290
Suppliers		47,070	105,108
		<u>102,702</u>	<u>166,662</u>
13	DEPOSITS AND PREPAYMENTS		
Deposits			
- current portion of lease deposits		15,472	1,414
- other deposits		9,639	8,996
		25,111	10,410
Prepayments			
- Insurance and others		151,022	42,055
- Rent		111,422	113,291
		262,444	155,346
		<u>287,555</u>	<u>165,756</u>
14	OTHER RECEIVABLES		
Inland freight equalization margin receivable		4,118,443	3,646,078
Receivable against services rendered	14.1	16,495	20,863
Receivable against regulatory duty		25,533	25,533
Receivable from Hascol Lubricants (Private) Limited		151,720	142,786
Price differential claims	14.2	5,083	5,083
		<u>4,317,274</u>	<u>3,840,343</u>
14.1	This represents amount receivable from Hascol Terminals Limited (an associated Company) against services rendered by the Company on account of business support services.		
14.2	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.		



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

15 SHARE CAPITAL

15.1	Authorized share capital			(Un-audited) September 30, 2020	(Audited) December 31, 2019
				-----Rupees in '000-----	
	2020	2019			
	Number of shares				
	<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

15.2 Issued, subscribed and paid-up share capital

	2020	2019			
	Number of shares				
	<u>89,540,000</u>	<u>89,540,000</u>	Ordinary shares of Rs. 10 each fully paid	<u>895,400</u>	<u>895,400</u>
			Ordinary shares of Rs. 10 each for consideration other than cash	<u>10,600</u>	<u>10,600</u>
	<u>1,060,000</u>	<u>1,060,000</u>	Annual bonus @ 11% Dec, 2014	<u>99,660</u>	<u>99,660</u>
	<u>20,113,200</u>	<u>20,113,200</u>	Interim bonus @ 20% Jun, 2015	<u>201,132</u>	<u>201,132</u>
	<u>24,135,840</u>	<u>24,135,840</u>	Right issue @ 20% Sep, 2017	<u>241,359</u>	<u>241,359</u>
	<u>36,203,760</u>	<u>36,203,760</u>	Bonus issue @ 25% Sep, 2018	<u>362,038</u>	<u>362,038</u>
	<u>18,101,808</u>	<u>18,101,808</u>	Bonus issue @ 10% Dec, 2018	<u>181,018</u>	<u>181,018</u>
	<u>800,000,000</u>	<u>-</u>	Right issue @ 400% Jan, 2020	<u>8,000,000</u>	<u>-</u>
	<u>999,120,608</u>	<u>199,120,608</u>		<u>9,991,207</u>	<u>1,991,207</u>

15.3 The right shares were issued for the purpose of meeting the working capital requirements of the Company.

16	LONG TERM FINANCING - secured	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
			-----Rupees in '000-----	
	Borrowing from conventional banks		<u>13,178,883</u>	<u>1,554,250</u>
	Borrowing from non banking financial institutions		<u>128,621</u>	<u>283,113</u>
	Sukuk certificates	16.1	<u>594,034</u>	<u>890,454</u>
			<u>13,901,538</u>	<u>2,727,817</u>
	Current portion of long term finances			
	Borrowing from conventional banks		<u>(775,369)</u>	<u>(537,500)</u>
	Borrowing from non banking financial institutions		<u>(119,048)</u>	<u>(199,779)</u>
	Sukuk certificates	19	<u>(594,034)</u>	<u>(400,000)</u>
			<u>(1,488,451)</u>	<u>(1,137,279)</u>
	Non-current portion of long term financing		<u>12,413,087</u>	<u>1,590,538</u>
16.1	Sukuk certificate	16.1.1	<u>600,000</u>	<u>900,000</u>
	Issuance cost			
	Balance at the beginning of the period / year		<u>(9,546)</u>	<u>(19,092)</u>
	Charged to profit or loss account for the period / year		<u>3,580</u>	<u>9,546</u>
	Balance at the end of the period / year		<u>(5,966)</u>	<u>(9,546)</u>
			<u>594,034</u>	<u>890,454</u>

16.1.1 During the period, Sukuk amounting to Rs. 300 (2019: Rs. 300) million have been matured.

17 DEFERRED LIABILITIES

	Deferred liability - gratuity	18.3	<u>-</u>	<u>257,282</u>
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NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
18	TRADE AND OTHER PAYABLES	Note	-----Rupees in '000-----	
	Trade creditors		24,782,568	43,602,245
	Payable to cartage contractors		3,177,823	2,031,042
	Advance from customers		482,668	409,490
	Dealers' and customers' security deposits		438,805	421,407
	Accrued liabilities		9,175	6,518
	Other liabilities	18.1 to 18.4	6,174,068	6,965,707
			<u>35,065,107</u>	<u>53,436,409</u>

18.1 The amount includes a liability amounting to Rs. 1,577 (2019: 1,473) million against claim lodged by a counterparty in out of court settlement of a litigation in the English Commercial Court, London between the counterparty and the Company.

18.2 The amount includes a liability amounting to Rs. 3,538 (2019: 3,542) million recorded against arbitration award in litigation between the counterparty and the Company.

18.3 During the period, the Company has created a funded gratuity plan. The liability against gratuity is yet to be transferred to the fund amounting to Rs. 234 million (2019: Nil).

18.4 This amount represents a payable to Hascol Lubricants (Private) Limited amounting to Rs. 34.2 million (2019: Nil)

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
19	CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	-----Rupees in '000-----	
	Current portion of long term financing	16	1,488,451	1,137,279
	Current portion of liabilities subject to finance lease		378,248	401,546
			<u>1,866,699</u>	<u>1,538,825</u>

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

- i The Collector (Adjudication) - Customs House Karachi, has issued a show cause notice dated February 06, 2019 regarding clearance of 52 and 84 consignments of HSFO under PCT heading 2710.1941 without alleged payment of minimum value additional tax @ 3% of value of the goods of Rs. 481 million. A petition was filed by the Company on March 20, 2019 challenging the impugned show-cause notice on the ground that the impugned notifications and Chapter X of the Rules 2007 particularly 58B and 58C are ultra vires to the Constitution of Islamic Republic of Pakistan against which an interim order was passed on March 22, 2019. The legal counsel is hopeful about success of this petition.



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

- ii A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills were unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards HPL.
- iii The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Constitutional petition is filed by the Company on November 25, 2019 against the Province of Sindh challenging the constitutionality of levy of infrastructure cess which amounts to Rs. 260 million. The matter is pending with Court and stay been granted to the Company on November 26, 2019 and to be fixed with other cases. The legal counsel is of the view that the Company have a strong defense against tax authorities.
- iv FBR issued show cause notice U/S 11(2) of the Sales Tax Act, 1990 and U/S 14(1)(2) of the FED Act, 2005 read with Petroleum Development Surcharge Ordinance, 1961 for the period from January 2015 to December 2018 in which FBR stated that scrutiny of sales quantity in terms of liters for products i.e. MS (Motor Spirit) and HSD obtained from regulatory authority Oil & Gas Regulatory Authority (OGRA) for the period January 2015 to December 2018 as compared with the Sales Tax Returns filed by the Company reveals that the Company has under declared sales quantity of MS and HSD, resulting in short payment of Sales tax amounting to Rs. 16,368 million and Petroleum Development Levy amounting to Rs. 7,303 million. On this pretext, FBR called upon the Company to show cause as to why Rs. 23,671 million and default surcharge may not be recovered and penal action may not be taken for violation of aforementioned provisions. The Company submitted its reply to FBR and then challenged the show cause in the High Court on November 5, 2019. After hearing Company's case, Honorable Court was pleased to pass ad-interim order dated November 5, 2019, whereby Deputy Commissioner Inland Revenue has been restrained from passing any final adverse order against the Company on the basis of impugned Show Cause Notice. The matter is still pending adjudication and in the view of the advisor, the Company has a good arguable case on merits with a chance of favorable outcome. There is no immediate financial liability against the Company.

The accumulated impact of contingencies as at September 30, 2020 amounts to Rs. 24.515 billion.

20.2 Commitments

- (i) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Company amounting to Rs. 73 (2019: Rs. 3,898) million.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	-----Rupees in '000-----	
(ii) Letter of credit	20.2.1	10,758,030	27,426,457
(iii) Bank guarantees		150,000	372,026
(iv) Capital commitments		62,818	1,325,836
(v) Commitments for rental of assets under operating lease / ijarah:			
Not later than one year		442,418	479,820
Later than one year and not later than five years		1,271,509	1,474,449
Later than five years		2,093,987	2,259,004
		3,807,914	4,213,273

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

20.2.1 The Company has total unutilised facility limit against letters of credit aggregating to Rs. 3,222 (2019: Rs. 3,261) million as at reporting date.

21 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

This represents provision for expected credit losses - ECL under IFRS 9. A trade debt balance has been fully provided during the period.

			Un-audited	
			September 30, 2020	September 30, 2020
22	OTHER EXPENSES	Note	-----Rupees in '000-----	
	Unfavourable losses on imports		-	6,324,049
	Penalty	22.1	58,590	2,800
			<u>58,590</u>	<u>6,326,849</u>

22.1 This represents penalty charged by Oil and Gas Regulatory Authority (OGRA) amounting to Rs. 58.59 (2019: Rs. 2.8) million.

		Un-audited	
		September 30, 2020	September 30, 2020
23	TAXATION	-----Rupees in '000-----	
	Current	471,710	725,975
	Prior period	234,472	-
	Deferred	28,220	(5,344,142)
		<u>734,402</u>	<u>(4,618,149)</u>

24	LOSS PER SHARE	Unaudited			
		Nine months period ended		Three months period ended	
		Restated		Restated	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		-----Rupees in '000-----			
	Loss after tax for the period	<u>(20,939,878)</u>	<u>(14,404,819)</u>	<u>(3,039,739)</u>	<u>(2,582,901)</u>
		-----Number of shares in'000-----			
	Weighted average number of ordinary shares	<u>992,315</u>	<u>377,513</u>	<u>992,315</u>	<u>377,513</u>
		-----Amount in Rupees -----			
	Loss per share	<u>(21.10)</u>	<u>(38.16)</u>	<u>(3.06)</u>	<u>(6.84)</u>



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

		Un-audited	
		September 30, 2020	September 30, 2020
25	CASH USED IN OPERATIONS	Note	-----Rupees in '000-----
	Loss before taxation		(20,205,476) (19,022,968)
	Adjustment for:		
	Depreciation and amortization		1,537,890 980,240
	Provision for gratuity		53,258 64,523
	Fair value change in short term investment		2,888 -
	Impairment losses on financial assets		8,098,898 928,373
	Gain on sale of fixed assets		(43,899) 8,579
	Profit on bank deposits		(288,741) (285,691)
	Profit on sale of derivate assets		(71,453) -
	Exchange loss unrealized		481,620 695,330
	Finance cost		5,049,579 5,246,827
	Working capital changes	25.1	(12,928,499) 1,097,008
			(18,313,935) (10,287,779)
25.1	Changes in working capital		
	Decrease / (increase) in current assets		
	Stock-in-trade		7,074,732 5,339,634
	Trade debts		(412,734) 1,534,130
	Deposits, prepayments and other receivables		(570,661) (403,285)
	Advances		63,960 (691,479)
			6,155,297 5,779,000
	Decrease in current liabilities		
	Trade and other payables		(19,083,796) (4,681,992)
			(12,928,499) 1,097,008
26	CASH AND CASH EQUIVALENTS		
	Cash and bank balances		2,162,628 4,668,953
	Short-term borrowings		(35,432,337) (42,978,848)
			(33,269,709) (38,309,895)

27 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

These condensed interim unconsolidated financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended December 31, 2019. There have been no change in any risk management policies since the year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values. The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3)

As at September 30, 2020, except for the Company's investment in PRL, none of the financial instruments are carried at fair value through other comprehensive income.

28 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.

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

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
			-----Rupees in '000-----	
28.1	Balances with related parties			
	Nature of relationship	Nature of transaction	Percentage of shareholding	
	Investment in the Company			
	Fossil Energy (Private) Limited	Payable against services	10.66%	-
	Vitol Bahrain E.C	Payable against procurement	40.40%	3,475
				<u>15,142,736</u>
	Investment in associate			
	VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023
		Investments	30%	3,000
	Hascol Terminals Limited	Advance against issue of shares	15%	2,500
		Investments	15%	412,500
		Receivable against support services	15%	16,495
		Payable against services	15%	1,497,481
				<u>853,643</u>
	Investment in subsidiary			
	Hascol Lubricants (Private) Limited	Advance against issue of shares	100%	-
		Investments	100%	3,150,000
		Receivable	100%	151,720
		Payable	100%	34,192
				<u>2,948,362</u>
	Other related parties - Common directorship			
	VOS Petroleum Limited	Payable against services	N/A	51,478
	Faysal Bank Limited	Bank balances	N/A	1,525,856
	Gas & Oil Pakistan Limited	Payable against support services	N/A	205,000
				<u>1,853,063</u>
				<u>205,000</u>



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

			Un-audited	
			September 30, 2020	September 30, 2019
			-----Rupees in '000-----	
28.2	Transactions with related parties			
Nature of relationship	Nature of transaction	Percentage of shareholding		
Vitol Bahrain E.C	Procurement	40.40%	46,954,867	60,344,844
Hascol Lubricants (Private) Limited	Advance against Issue of Shares	100%	205,000	-
	Purchase	100%	16,839	-
	Sale	100%	10,698	-
Faysal Bank Limited	Rendering of services	N/A	327,207	-
VOS Petroleum Limited	Rendering of services	N/A	10,931	129,855
Clover Pakistan Limited	Rendering of services	N/A	-	228,792
Fossil Energy (Private) Limited	Rendering of services	N/A	-	15,354
Hascol Terminals Limited	Rendering of services	15%	1,404,256	35,991
	Business support services	15%	16,495	927,369
Key management personnel	Managerial remuneration	N/A	121,584	84,864
	Directors fee	N/A	10,340	14,550
	Retirement benefits	N/A	2,241	2,625
	Vehicles transferred	N/A	26,920	-

29 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2019 and the corresponding figures in the condensed interim unconsolidated statement of 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 unaudited condensed interim unconsolidated financial statements of the Company for the nine months ended September 30, 2019.

The following items presented in these condensed interim unconsolidated statement of financial position as at December 31, 2019 and December 31, 2018 have been reclassified to confirm current period's presentation.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Statement of financial position As at December 31, 2018

Before reclassification	Reclassification	After reclassification
-----Rupees in '000-----		

Trade and other payables

Trade creditors	(27,928,210)	3,045,742	(24,882,468)
Other liabilities	(1,529,802)	(4,365,862)	(5,895,664)

Current portion of non-current liabilities

Current portion of deferred and other liabilities	(2,791,342)	1,320,120	(1,471,222)
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As at December 31, 2019

Property, plant and equipment

Capital work-in-progress	4,213,205	(46,032)	4,167,173
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Advances

Suppliers	59,076	46,032	105,108
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Long-term investments

Advance against purchase of shares - with related parties Hasco Lubricant (Private) Limited - unquoted	2,948,362	(1,497)	2,946,865
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Investment in subsidiary company - at cost Hasco Lubricant (Private) Limited - unquoted	-	1,497	1,497
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Trade and other payables

Trade creditors (refer note 4)	(47,144,539)	3,542,294	(43,602,245)
Other liabilities	(1,950,410)	(5,015,297)	(6,965,707)

Current portion of non-current liabilities

Current portion of deferred and other liabilities	(1,473,003)	1,473,003	-
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The following items presented in these condensed interim unconsolidated statement of profit or loss account for the period ended September 30, 2019 have been reclassified to confirm current period's presentation.

For the nine months ended September 30, 2019 Statement of profit or loss account

Before reclassification	Reclassification	After reclassification
-----Rupees in '000-----		

Other Revenue	573,040	(362,298)	210,742
Distribution and marketing - note 29.1	(4,159,877)	1,203,471	(2,956,406)
Other expenses	(6,324,049)	(2,800)	(6,326,849)
Impairment losses on financial asset	-	(838,373)	(838,373)

29.1

The amount of distribution and marketing has been restated to Rs. 4,160 million for the period ended September 30, 2019 after incorporating the effect of previous periods restatement as disclosed in note 4.5. Previously the amount was stated as Rs. 4,227 million for the period ended September 30, 2019.



NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

30 IMPACT OF COVID-19

The Company has been closely monitoring the impact of COVID-19 on its businesses and has put in place contingency measures. These contingency measures include reviewing the supplies closely, reassessing the required level of inventory, assessing our logistics readiness and negotiating with customers on delivery timetable. The Company will keep our contingency measures under review as the situation evolves.

As far as the Company's businesses are concerned, the outbreak has a significant impact in the change in oil prices which is currently being managed by monitoring the inventory level. As the situation is evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

31 EVENTS AFTER THE REPORTING PERIOD

The Company has subsequently increased its Authorized Share Capital from Rs. 10 billion to Rs. 50 billion through resolution passed in extraordinary general meeting held on February 23, 2021.

32 DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements have been authorised for issue on March 25, 2021 by the Board of Directors of the Company.

33 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer

Director

Director





CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

**CONDENSED INTERIM CONSOLIDATED STATEMENT
OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	Restated (Audited) December 31, 2019	Restated Audited December 31, 2018
ASSETS	Note	-----Rupees in '000-----		
Non-current assets				
Property, plant and equipment	8	34,339,747	35,984,144	22,563,232
Intangible asset	9	6,222	5,232	2,565
Long-term investments	10	1,277,194	1,331,783	1,321,754
Deferred taxation - net	11	-	-	164,027
Long-term deposits		542,902	585,066	547,772
Total non-current assets		36,166,065	37,906,225	24,599,350
Current assets				
Stock-in-trade		12,825,261	19,724,092	22,615,303
Trade debts		3,635,945	11,156,299	13,552,235
Advances	12	287,537	199,788	65,104
Deposits and prepayments	13	295,960	165,767	199,829
Other receivables	14	4,170,384	3,697,557	2,844,944
Mark-up and profit accrued		8,628	114,159	92,718
Taxation - net		183,811	648,474	1,270,808
Short term investments		100,800	103,688	-
Cash and bank balances		2,413,907	13,847,510	8,799,447
Total current assets		23,922,233	49,657,335	49,440,388
TOTAL ASSETS		60,088,298	87,563,560	74,039,738
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	15	9,991,207	1,991,207	1,810,188
Reserves		(43,343,196)	(22,427,821)	4,196,025
Surplus on revaluation of property, plant and equipment - net of tax		3,765,975	4,033,053	4,389,156
Share deposit money		-	5,752,443	-
Total shareholders' (deficit) / equity		(29,586,014)	(10,651,118)	10,395,369
LIABILITIES				
Non-current liabilities				
Long-term financing - secured	16	12,413,087	1,590,538	2,625,850
Liabilities against assets subject to finance lease		2,136,345	2,379,875	1,015,993
Deferred liabilities	17	30,598	286,844	250,593
Total non-current liabilities		14,580,030	4,257,257	3,892,436
Current liabilities				
Trade and other payables	18	35,406,498	53,494,943	38,728,595
Unclaimed dividend		356,406	356,597	362,674
Mark-up and profit accrued		2,028,910	1,549,403	311,976
Short-term borrowings		35,432,337	37,017,653	18,877,466
Current portion of non-current liabilities	19	1,870,131	1,538,825	1,471,222
Total current liabilities		75,094,282	93,957,421	59,751,933
TOTAL LIABILITIES		89,674,312	98,214,678	63,644,369
TOTAL EQUITY AND LIABILITIES		60,088,298	87,563,560	74,039,738
CONTINGENCIES AND COMMITMENTS	20			

The annexed notes from 1 to 33 form an integral part of these condensed interim consolidated financial statements.


 Chief Executive Officer


 Director


 Director



CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Restated		Restated	
		Nine months period ended		Three months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
-----Rupees in '000-----					
Sales - net		100,177,337	130,254,176	30,598,172	29,668,026
Less: sales tax		(14,944,771)	(18,853,882)	(4,478,967)	(4,301,894)
Net sales		85,232,566	111,400,294	26,119,205	25,366,132
Other revenue		348,431	210,742	127,993	65,627
Net revenue		85,580,997	111,611,036	26,247,198	25,431,759
Cost of products sold		(88,076,624)	(111,645,376)	(26,693,296)	(25,441,001)
Gross loss		(2,495,627)	(34,340)	(446,098)	(9,242)
Operating expenses					
Distribution and marketing		(2,395,178)	(2,956,406)	(919,274)	(1,068,715)
Administrative		(938,772)	(820,978)	(316,022)	(310,921)
		(3,333,950)	(3,777,384)	(1,235,296)	(1,379,636)
Impairment losses on financial asset	21	(8,098,908)	(838,373)	(495,040)	-
Other expenses	22	(58,590)	(6,326,849)	-	-
Other income		447,315	293,936	119,213	98,662
Operating loss		(13,539,760)	(10,683,010)	(2,057,221)	(1,290,216)
Finance cost		(5,052,658)	(5,246,827)	(1,335,305)	(2,439,172)
Exchange loss - net		(1,707,537)	(3,093,130)	389,337	195,707
Share of profit from associate		44,136	45,834	14,712	15,278
		(6,716,059)	(8,294,123)	(931,256)	(2,228,187)
Loss before taxation		(20,255,819)	(18,977,133)	(2,988,477)	(3,518,403)
Taxation	23	(734,402)	4,618,149	(46,831)	950,780
Loss for the period		(20,990,221)	(14,358,984)	(3,035,308)	(2,567,623)
Loss per share - basic and diluted (Rupees)	24	(21.15)	Restated (38.04)	(3.06)	Restated (6.80)

The annexed notes from 1 to 33 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Director

Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME – UNAUDITED**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Restated		Restated	
	Nine months period ended		Three months period ended	
	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	2019
	-----Rupees in '000-----			
Loss for the period	(20,990,221)	(14,358,984)	(3,035,308)	(2,567,623)
Other comprehensive (loss) / income for the period				
<i>Items that will not be reclassified subsequently to consolidated profit or loss account</i>				
Unrealized (loss) / gain on remeasurement of investment held at fair value through other comprehensive income - net of tax	(69,092)	(272,065)	222,934	(89,665)
Gain on remeasurement of defined benefit obligation	3,978	-	-	-
Total comprehensive loss for the period	<u>(21,055,335)</u>	<u>(14,631,049)</u>	<u>(2,812,374)</u>	<u>(2,657,288)</u>

The annexed notes from 1 to 33 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Director

Director



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020 -----Rupees in '000-----	September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	25	(18,489,113)	(10,287,778)
Finance cost paid		(4,448,748)	(3,765,823)
Finance cost on leased assets paid		(121,324)	-
Profit received on bank deposits		389,381	343,773
Profit received on short term investment		6,201	-
Profit received on sale of derivatives		70,142	-
Taxes paid		(245,526)	(1,375,324)
Gratuity paid		(77,091)	(948)
Net cash used in operating activities		(22,916,078)	(15,086,100)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(118,688)	(12,711,298)
Proceeds from disposal of property, plant and equipment		204,394	532,995
Net cash generated from / (used in) investing activities		85,706	(12,178,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability (obtained)		(277,840)	-
Payment of commercial paper		-	(6,500,000)
Payment of unclaimed dividend		(191)	-
Proceeds from issue of commercial paper		-	3,770,753
Proceeds from issue of right shares		2,247,557	-
Rights share issuance cost		(127,119)	-
Long term investment		(205,000)	-
Long-term finance obtained / (paid)		11,173,720	(676,591)
Net cash generated from / (used in) financing activities		12,811,127	(3,405,838)
Net decrease in cash and cash equivalents		(10,019,245)	(30,670,241)
Cash and cash equivalents at beginning of the period		(22,999,185)	(7,639,654)
Cash and cash equivalents at end of the period	26	(33,018,430)	(38,309,895)

The annexed notes from 1 to 33 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Director

Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY – UNAUDITED**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Share Capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment - net of tax	Share deposit money	Total shareholders' equity / (deficit)	
	Share premium	Unrealized loss on remeasurement of FVTOCI investments	Unappropriated profit/(loss)				
Rupees in '000							
Balance as at January 01, 2019 (audited)	1,810,188	4,766,854	(216,958)	585,068	4,389,156	-	11,334,308
Effect of restatement (note 4)	-	-	-	(1,241,651)	-	-	(1,241,651)
Balance as at January 01, 2019 (restated)	1,810,188	4,766,854	(216,958)	(656,583)	4,389,156	-	10,092,657
Total comprehensive loss for the period							
Loss for the period	-	-	-	(14,358,984)	-	-	(14,358,984)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(272,065)	-	-	-	(272,065)
Total comprehensive loss for the period	-	-	(272,065)	(14,358,984)	-	-	(14,631,049)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax							
-	-	-	191,214	(191,214)	-	-	-
-	-	(272,065)	(14,167,770)	(191,214)	-	-	(14,631,049)
Transactions with owners							
Bonus issue 10% per share - December 2018	181,019	-	-	(181,019)	-	-	-
181,019	-	-	(181,019)	-	-	-	-
Balance as at September 30, 2019 (Restated) - unaudited	1,991,207	4,766,854	(489,023)	(15,005,372)	4,197,942	-	(4,538,392)
Balance as at January 01, 2020 (audited)							
1,991,207	4,766,854	(267,992)	(25,197,958)	4,033,053	5,752,443	-	(8,922,393)
Effect of restatement (note 4)	-	-	-	(1,728,725)	-	-	(1,728,725)
Balance as at January 01, 2020 (restated)	1,991,207	4,766,854	(267,992)	(26,926,683)	4,033,053	5,752,443	(10,651,118)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(20,990,221)	-	-	(20,990,221)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(65,114)	-	-	-	(65,114)
Total comprehensive loss for the period	-	-	(65,114)	(20,990,221)	-	-	(21,055,335)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax							
-	-	-	267,078	(267,078)	-	-	-
-	-	(65,114)	(20,723,143)	(267,078)	-	-	(21,055,335)
Transactions with owners							
Right issue ~ 400% @ Rs. 10/- per share - October 2019 (note 15.3)	8,000,000	-	-	-	-	(8,000,000)	-
Share deposit money received	-	-	-	-	-	2,247,557	2,247,557
Issuance cost	-	(127,119)	-	-	-	-	(127,119)
8,000,000	(127,119)	-	-	-	-	(5,752,443)	2,120,438
Balance as at September 30, 2020 - unaudited	9,991,207	4,639,735	(333,106)	(47,649,826)	3,765,975	-	(29,586,014)

The annexed notes from 1 to 33 form an integral part of these condensed interim consolidated financial statements.


 Chief Executive Officer


 Director


 Director



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

1 STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

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

Hascol Petroleum Limited

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

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

Hascol Lubricants (Private) Limited

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

Hascombe Lubricants (Private) Limited

Hascombe Lubricants (Private) Limited (the Subsidiary Company) was incorporated on December 27, 2001 as a private limited Company under the repealed Companies Ordinance, 1984 (now, Companies Act, 2017). The registered office of the Subsidiary Company is situated at Suite No. 105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi. Principal activity of the Subsidiary Company was marketing and selling imported and locally produced automobile and industrial lubricants. The Subsidiary Company is a wholly owned subsidiary of Hascol Petroleum Limited.

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

1.2 The Group incurred a net loss of Rs. 20,990 (2019: Rs. 14,359) million for the nine months ended September 30, 2020, resulting in accumulated losses of Rs. 43,343 (2019: Rs. 22,428) million as of the condensed interim consolidated statement of financial position date. Further, as of that date the current liabilities of the Group exceeded its current assets by Rs. 51,172 (2019: Rs. 44,300) million. Further, the Group did not make certain payments during the period in accordance with the repayment term to a financial institution and is currently in the process of negotiating for restructuring the terms for repayment. The Group's has taken certain plans and measures to improve its liquidity and financial position which includes , but not limited to, the following:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

- a) The Holding Company is in the process of increasing its Authorised Share Capital to address its equity deficit. In this respect, the shareholders of the Holding Company have approved increase of Authorized Share Capital of the Holding Company from Rs. 10 billion to Rs. 50 billion.
- b) The Holding Company is also planning a capital restructuring exercise, in consultation with major banks to reduce its debt burden and financial costs, which will help the Group improve its future operating and financial performance.
- c) The Group is also taking measures to reduce its storage costs through revisioning its existing agreements.
- d) The Board of Directors (the Board) have carried out a detailed review of the profitability and cashflow forecast of the Group for the twelve months from the date of approval of these condensed interim consolidated financial statements, which took into account the projected future working capital of the Group. The board believes that the Group will have sufficient cash resources to continue its operations for the next twelve months from the date of approval of these condensed interim consolidated financial statements.

Considering expected equity injection and support from financial institutions, the Group, therefore, believes that the going concern assumption is appropriate and has, as such, prepared these condensed interim consolidated financial statements on a going concern basis.

- 1.3 These condensed interim consolidated financial statements have not been authenticated by the Chief Financial Officer as required by the Companies Act, 2017 because the same was not appointed till the date of authorization of these condensed interim consolidated financial statements. In this regard, the Board of Directors through a resolution has authorized a Director to authenticate these condensed interim consolidated financial statements.

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Group for the nine months period ended September 30, 2020 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These condensed interim consolidated financial statements are being submitted to the shareholders in accordance with Section 237 of the Act and should be read in conjunction with the annual audited consolidated financial statements of the group for the year ended December 31, 2019.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2019, except as follows:

New / Revised Standards, Interpretations and Amendments

IFRS 3
IFRS 9 / IAS 39 / IFRS 7
IFRS 14
IFRS 16
IAS 1 / IAS 8

Definition of a Business (Amendments)
Interest Rate Benchmark Reform (Amendments)
Regulatory Deferral Accounts
COVID 19 Related Rent Concessions (Amendments)
Definition of a Material (Amendments)



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The Group follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim consolidated financial statements

4 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

The following restatements have been made on account of prior period errors in the financial statements.

Impact on statement of financial position As at 31 December 2018	As previously reported	Adjustments	As restated
	-----Rs in '000-----		
Reserves - note 4.1	5,129,231	(933,206)	4,196,025
Long term investment Hascal Terminals Limited - note 4.2	375,000	(51,634)	323,366
Trade and other payables Trade creditors - note 4.1	(26,686,559)	(1,241,651)	(27,928,210)
Deferred taxation - net - note 4.1	-	164,027	164,027
Deferred liabilities Deferred taxation - net - note 4.1	(196,052)	196,052	-

4.1 As disclosed in note 18 of these condensed interim consolidated financial statements, the Group was involved in a litigation with counter party that was then referred in the court of arbitration, the liability was revised after receipt of final award from the arbitrator. The final award was received during the prior period however, the balances were not revised in the relevant period. Accordingly, the balances have been retrospectively restated, taking cumulative impact in the opening retained earning of the earliest prior period presented net of deferred taxation.

4.2 Investment in Hascal Terminal (Private) Limited had been carried at cost under IAS -28 'Investment in Associates and Joint Ventures' on the basis of significant influence in the entity, which was previously being carried at fair value through other comprehensive income under IFRS-9 'Financial Instrument'.

Impact on statement of financial position As at 31 December 2019	As previously reported	Adjustments	As restated
	-----Rs in '000-----		
Reserves - note 4.4	(21,992,381)	(435,440)	(22,427,821)
Long term investment Hascal Terminals Limited - note 4.2	323,366	61,112	384,478
Trade and other payables Trade creditors - note 4.1, 4.3	(46,693,320)	(496,552)	(47,189,872)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

4.3 The amount of trade creditors has been restated to Rs. 46,693 million as at December 31, 2019 after incorporating the effect of previous year restatement of Rs. 1,242 million. Previously the balance was stated as Rs. 45,452 million as at December 31, 2019.

4.4 The amount of reserves has been restated to Rs. 21,992 million as at December 31, 2019 after incorporating the effect of previous year restatement of Rs. 1,242 million. Previously the balance was stated as Rs. 20,699 million as at December 31, 2019.

Impact on statement of comprehensive income For the nine months ended September 30, 2019

As previously reported	Adjustments	As restated
-----Rs in '000-----		
Cost of products sold - note 4.5	(111,805,003)	159,627 (111,645,376)
Distribution and marketing - note 4.6	(4,226,681)	66,804 (4,159,877)
Finance cost - note 4.7	(5,014,129)	(232,698) (5,246,827)
Exchange loss - net - note 4.8	(2,512,515)	(580,615) (3,093,130)
Share of profit from associate	-	45,834 45,834
Unrealized loss on remeasurement of investment carried at FVOCI - note 4.9	(383,191)	111,126 (272,065)
Taxation - note 4.10	4,559,078	59,071 4,618,149

4.5 Refer note 37.4 of the annual audited financial statements for the year ended December 31, 2019. The amount represents nine months impact of shipping cost related to import transactions.

4.6 This represents net impact of recognition of depreciation expense on right of use assets and reversal of rental expense as recognized in consolidated financial statement for the year ended December 31, 2019.

4.7 This represents finance cost on outstanding amount of the liability against arbitration order and lease liability against right of use assets as referred in note 4.1 and 4.5 respectively.

4.8 This represents exchange loss on outstanding amount of the liability against arbitration order and shipping cost as referred in note 4.1 and 4.4 respectively.

4.9 The amount is due to deferred tax impact on the unrealized loss on remeasurement of investment carried at FVOCI.

4.10 The amount represents the deferred tax impact on the above mentioned restatements.

4.11 Investment in Hascol Terminal (Private) Limited has been carried at cost under IAS-28 'Investment in Associates and Joint Ventures' on the basis of significant influence in the entity, which was previously being carried at fair value through other comprehensive income under IFRS-9 'Financial Instruments'.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1 The preparation of these condensed interim consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

5.2 During the preparation of these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group consolidated accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements for the year ended December 31, 2019.

6 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

- Significant related party transactions are disclosed in note 28.
- As of September 30, 2020, the Group's current ratio has declined below the minimum requirement under Sukuk agreement.
- As at September 30, 2020, the Group has overdue balances of Rs. 16,007 million in respect of financial institutions.
- During the period, prior year balances have been restated as disclosed in note 4.
- The Holding Company has received certain notices from the regulatory bodies of Pakistan against which appropriate responses have been given to clarify the Holding Company's stance from time to time in consultation with Holding Company's legal council and requisite legal recourse was taken by the Holding Company.

7 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
8	PROPERTY, PLANT AND EQUIPMENT	Note	-----Rupees in '000-----
	Operating fixed assets		29,170,753
	Capital work-in-progress	8.3	3,970,817
	Right of use asset	8.4	1,198,176
			<u>34,339,747</u>
			<u>35,984,145</u>

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

Owned assets

Office building	90	2,168,204
Tanks and pipelines	46,828	2,691,158
Pump building	366,405	1,418,957
Electrical, mechanical and fire fighting equipment	19,466	3,091,006
Tank lorries	-	80,018
Motor cars	2,105	7,551
Dispensing pumps	-	533,395
Furniture, office equipment and other assets	2,833	115,081
Plant and machinery	-	1,655,368
Computer auxiliaries	8,087	16,773
	<u>445,814</u>	<u>11,777,511</u>

Leased assets

Tank lorries	-	481,879
	<u>445,814</u>	<u>12,259,390</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

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

	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
September 30, 2020 (un-audited)	(177,498)	23,325	(154,173)
December 31, 2019 (audited)	(788,000)	124,976	(663,024)

8.3 Capital work-in-progress

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	-----Rupees in '000-----	
Office building	1,365,259	2,003,319
Tanks and pipelines	932,015	1,497,008
Pump building	-	381,499
Electrical, mechanical and fire fighting equipment	699,202	1,029,399
Dispensing pumps	80,571	151,413
Furniture, office equipment and other assets	173,315	285,734
Plant and machinery	546,815	531,099
Borrowing cost capitalized	167,702	246,899
Computer auxiliaries	5,938	8,742
	<u>3,970,817</u>	<u>6,135,112</u>

8.4 Right of use asset

Opening balance	1,255,584	-
Additions during the period / year	13,952	1,349,100
Depreciation during the period / year	(71,359)	(93,516)
Closing balance	<u>1,198,176</u>	<u>1,255,584</u>

9 INTANGIBLE ASSET

Computer software	<u>6,222</u>	<u>5,232</u>
Net book value at beginning of the period / year	4,978	2,565
Additions for the period / year	2,064	3,201
Amortization charge for the period / year	(820)	(534)
Net book value at the end of the period / year	<u>6,222</u>	<u>5,232</u>
Net book value		
Cost	16,497	14,108
Accumulated amortization	(10,274)	(8,876)
Net book value	<u>6,222</u>	<u>5,232</u>
Rate of amortization - %	<u>33.33</u>	<u>33.33</u>



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
10	LONG-TERM INVESTMENTS	Note	-----Rupees in '000-----	
	Investment in associated companies			
	VAS LNG (Private) Limited - unquoted	10.1	1,413	1,502
	Hascol Terminal Limited - unquoted	10.2	466,203	384,478
	Investment at fair value through other comprehensive income			
	Pakistan Refinery Limited - quoted	10.3	807,468	904,780
	Advance against purchase of shares - with related parties			
	VAS LNG (private) Limited		1,023	1,023
	Hascol Terminal Limited		2,500	40,000
			3,523	41,023
			1,277,194	1,331,783

10.1	2020	2019		2020	2019
	Number of shares		unquoted	----- Rupees in '000-----	
	300,002	300,002	VAS LNG (Private) Limited	1,413	1,502

10.1.1 The investment has been accounted for using equity method.

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

Details of the investment is as follows:

Balance at the beginning of the year	1,502	1,551
Share of loss for the period / year	(89)	(49)
Balance at the end of the year	1,413	1,502

10.2	2020	2019		2020	2019
	Number of shares		unquoted	----- Rupees in '000-----	
	41,250,000	37,500,000	Hascol Terminals Limited	466,203	384,478

10.2.1 The investment has been accounted for using equity method.

10.2.2 The Holding Company holds 41.25 (2019: 37.50) million ordinary shares of Rs. 10 per share, representing 15% (2019: 15%) equity stake in Hascol Terminals Limited, acquired at a cost of Rs. 413 (2019: 375) million.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

(Un-audited) (Audited)
September 30, December 31,
2020 2019
-----Rupees in '000-----

Details of the investment is as follows:

Balance at the beginning of the year	384,478	323,366
Equity injection	37,500	-
Share of profit for the period / year	44,225	61,112
Balance at the end of the year	<u>466,203</u>	<u>384,478</u>

			Cost	Unrealized loss	Carrying Value
10.3	Pakistan Refinery Limited	Note	-----	Rupees in '000	-----
	September 30, 2020	10.3.1	1,172,772	(365,304)	807,468
	December 31, 2019		<u>1,172,772</u>	<u>(267,992)</u>	<u>904,780</u>

10.3.1 Investment in Pakistan Refinery Limited represents 14.71% (December 31, 2019: 14.71%) equity stake. The investment represents 43.25 (December 31, 2019: 43.25) million shares fully paid ordinary shares which were subsequently disposed off at an average rate of Rs. 19.5 per share.

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	-----Rupees in '000-----	
11	DEFERRED TAXATION - NET	
	This comprises the following:	
	Taxable temporary difference arising in respect of :	
Accelerated depreciation	(3,660,736)	(3,243,392)
	Deductible temporary difference arising in respect of :	
Long term investment	107,037	77,392
Liabilities against assets subject to finance lease	614,716	803,232
Exchange loss	140,134	175,285
Provision for:		
- other liabilities	1,043	2,187
- retirement benefit	71,314	74,299
- doubtful debts	2,318,151	666,935
- short term investments - TFCs	1,202	379
Normal tax loss	10,432,859	7,873,001
Unrecognized deferred tax asset	<u>(10,025,720)</u>	<u>(6,429,318)</u>
	<u>-</u>	<u>-</u>

11.1 Deferred tax asset of Rs. 10,026 million (2019: Rs. 6,429 million) has not been recognized in these condensed interim consolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future five years.

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



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

(Un-audited)
September 30,
2020
Rupees in '000

Loss for the period	(10,964,501)
Shareholders' deficit	(33,317,476)
Total non-current assets	46,191,785
Loss per share (Rupees)	(11.05)

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
12	ADVANCES - considered good, unsecured	Note	-----Rupees in '000-----
	To employees		
	- against expenses	27,345	28,264
	- against salaries	28,922	33,304
	Suppliers	231,270	138,221
		<u>287,537</u>	<u>199,788</u>

13 DEPOSITS AND PREPAYMENTS

Deposits

- current portion of lease deposits	-	1,414
- other deposits	25,903	8,996
	<u>25,903</u>	<u>10,410</u>

Prepayments

- Insurance and others	158,130	42,055
- Rent	111,927	113,302
	<u>270,057</u>	<u>155,357</u>
	<u>295,960</u>	<u>165,767</u>

14 OTHER RECEIVABLES

Inland freight equalization margin receivable		4,118,443	3,646,078
Receivable against services rendered	14.1	16,495	20,863
Receivable against regulatory duty		25,533	25,533
Price differential claims	14.2	5,083	5,083
Others		4,830	-
		<u>4,170,384</u>	<u>3,697,557</u>

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

14.2 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

15 SHARE CAPITAL

15.1 Authorized share capital

2020	2019		(Un-audited) September 30, 2020	(Audited) December 31, 2019
Number of shares				
			-----Rupees in '000-----	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

15.2 Issued, subscribed and paid-up share capital

2020	2019			
Number of shares				
89,540,000	89,540,000	Ordinary shares of Rs. 10 each fully paid	895,400	895,400
1,060,000	1,060,000	Ordinary shares of Rs. 10 each for consideration other than cash	10,600	10,600
9,966,000	9,966,000	Annual bonus @ 11% Dec, 2014	99,660	99,660
20,113,200	20,113,200	Interim bonus @ 20% Jun, 2015	201,132	201,132
24,135,840	24,135,840	Right issue @ 20% Sep, 2017	241,358	241,358
36,203,760	36,203,760	Bonus issue @ 25% Sep, 2018	362,038	362,038
18,101,808	18,101,808	Bonus issue @ 10% Dec, 2018	181,018	181,018
800,000,000	-	Right issue @ 400% Jan, 2020	8,000,000	-
<u>999,120,608</u>	<u>199,120,608</u>		<u>9,991,206</u>	<u>1,991,206</u>

15.3 The right shares were issued for the purpose of meeting the working capital requirements of the Holding Company.

16 LONG TERM FINANCING - secured

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	-----Rupees in '000-----	
Borrowing from conventional banks	13,178,883	1,554,250
Borrowing from non banking financial institutions	128,621	283,113
Sukuk certificates	594,034	890,454
	<u>13,901,538</u>	<u>2,727,817</u>

Current portion of long term finances

Borrowing from conventional banks	(775,369)	(537,500)
Borrowing from non banking financial institutions	(119,048)	(199,779)
Sukuk certificates	(594,034)	(400,000)
	<u>(1,488,451)</u>	<u>(1,137,279)</u>

Non-current portion of long term financing

	<u>12,413,087</u>	<u>1,590,538</u>
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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note		-----Rupees in '000-----	
16.1 Sukuk certificate	16.1.1		600,000	900,000
Issuance cost				
Balance at the beginning of the period / year			(9,546)	(19,092)
Charged to profit or loss account for the period / year			3,580	9,546
Balance at the end of the period / year			(5,966)	(9,546)
			<u>594,034</u>	<u>890,454</u>
16.1.1	During the period, Sukuk amounting to Rs. 300 million (2019: Rs. 300 million) have been matured.			
			(Un-audited) September 30, 2020	(Audited) December 31, 2019
17 DEFERRED LIABILITIES	Note		-----Rupees in '000-----	
Deferred liability - gratuity	18.3		<u>30,598</u>	<u>286,844</u>
18 TRADE AND OTHER PAYABLES				
Trade creditors			25,034,460	43,647,578
Payable to cartage contractors			3,182,020	2,032,209
Advance from customers - unsecured			482,668	414,969
Dealers' and customers' security deposits			438,805	421,407
Accrued liabilities			35,681	9,434
Other liabilities	18.1 to 18.3		6,232,864	6,965,707
			<u>35,406,498</u>	<u>53,491,304</u>
18.1	The amount includes a liability amounting to Rs. 1,577 (2019: 1,473) million against claim lodged by a counterparty in out of court settlement of a litigation in the English Commercial Court, London between the counterparty and the Company.			
18.2	The amount includes a liability amounting to Rs. 3,538 (2019: 3,542) million recorded against arbitration award in litigation between the counterparty and the Company.			
18.3	During the period, the Company has created a funded gratuity plan. The liability against gratuity is yet to be transferred to the fund amounting to Rs. 234 million (2019: Nil).			
			(Un-audited) September 30, 2020	(Audited) December 31, 2019
19 CURRENT PORTION OF NON-CURRENT LIABILITIES	Note		-----Rupees in '000-----	
Current portion of long term financing	16		1,488,450	1,137,279
Current portion of liabilities subject to finance lease			381,681	401,546
			<u>1,870,131</u>	<u>1,538,825</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

- i** The Collector (Adjudication) - Customs House Karachi, has issued a show cause notice dated February 06, 2019 regarding clearance of 52 and 84 consignments of HSFO under PCT heading 2710.1941 without alleged payment of minimum value additional tax @ 3% of value of the goods of Rs. 481 million. A petition was filed by the Holding Company on March 20, 2019 challenging the impugned show-cause notice on the ground that the impugned notifications and Chapter X of the Rules 2007 particularly 58B and 58C are ultra vires to the Constitution of Islamic Republic of Pakistan against which an interim order was passed on March 22, 2019. The legal counsel is hopeful about success of this petition.
- ii** A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Holding Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills were unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards HPL.
- iii** The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Constitutional petition is filed by the Holding Company on November 25, 2019 against the Province of Sindh challenging the constitutionality of levy of infrastructure cess which amounts to Rs. 260 million. The matter is pending with Court and stay been granted to the Holding Company on November 26, 2019 and to be fixed with other cases. The legal counsel is of the view that the Holding Company have a strong defense against tax authorities.
- iv** FBR issued show cause notice U/S 11(2) of the Sales Tax Act, 1990 and U/S 14(1)(2) of the FED Act, 2005 read with Petroleum Development Surcharge Ordinance, 1961 for the period from January 2015 to December 2018 in which FBR stated that scrutiny of sales quantity in terms of liters for products i.e. MS (Motor Spirit) and HSD obtained from regulatory authority Oil & Gas Regulatory Authority (OGRA) for the period January 2015 to December 2018 as compared with the Sales Tax Returns filed by the Company reveals that the Company has under declared sales quantity of MS and HSD, resulting in short payment of Sales tax amounting to Rs. 16,368 million and Petroleum Development Levy amounting to Rs. 7,303 million. On this pretext, FBR called upon the Company to show cause as to why Rs. 23,671 million and default surcharge may not be recovered and penal action may not be taken for violation of aforementioned provisions. The Company submitted its reply to FBR and then challenged the show cause in the High Court on November 5, 2019. After hearing Company's case, Honorable Court was pleased to pass ad-interim order dated November 5, 2019, whereby Deputy Commissioner Inland Revenue has been restrained from passing any final adverse order against the Company on the basis of impugned Show Cause Notice. The matter is still pending adjudication and in the view of the advisor, the Company has a good arguable case on merits with a chance of favorable outcome. There is no immediate financial liability against the Company.

The accumulated impact of contingencies as at September 30, 2020 amount to Rs. 24,515 billion.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

20.2 Commitments

- (i) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Holding Company amounting to Rs. 73 (2019: Rs. 3,898) million.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	-----Rupees in '000-----	
(ii) Letter of credit	20.2.1	10,714,790	27,426,457
(iii) Bank guarantees		150,000	372,026
(iv) Capital commitments		62,818	1,325,836
(v) Commitments for rental of assets under operating lease / ijarah:			
Not later than one year		442,418	479,820
Later than one year and not later than five years		1,271,509	1,474,449
Later than five years		2,093,987	2,259,004
		3,807,914	4,213,273

- 20.2.1 The Company has total unutilised facility limit against letters of credit aggregating to Rs. 3,222 (2019: Rs. 3,261) million as of reporting date.

21 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

This represents provision for expected credit losses - ECL under IFRS 9. A trade debts have been fully provided during the period.

		Un-audited September 30, 2020	September 30, 2019
	Note	-----Rupees in '000-----	
22 OTHER EXPENSES			
Unfavorable losses on imports		-	6,324,049
Penalty	22.1	58,590	2,800
		58,590	6,326,849

- 22.1 This represents penalty charged by Oil and Gas Regulatory Authority (OGRA) amounting to Rs. 58.59 (2019: Rs. 2.8) million.

		Un-audited September 30, 2020	September 30, 2019
		-----Rupees in '000-----	
23 TAXATION			
Current		471,710	725,975
Prior period		234,472	-
Deferred		28,220	(5,344,124)
		734,402	(4,618,149)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

24 LOSS PER SHARE

	Unaudited			
	Nine months period ended		Three months period ended	
	Restated		Restated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees in '000-----			
Loss after tax for the period	<u>(20,990,221)</u>	<u>(14,358,984)</u>	<u>(3,035,308)</u>	<u>(2,567,623)</u>
	-----Number of shares in'000-----			
Weighted average number of ordinary shares	<u>992,315</u>	<u>377,513</u>	<u>992,315</u>	<u>377,513</u>
	-----Amount in Rupees -----			
Loss per share	<u>(21.15)</u>	<u>(38.04)</u>	<u>(3.06)</u>	<u>(6.80)</u>

25	CASH USED IN OPERATIONS	Note	Un-audited	
			September 30, 2020	September 30, 2019
			-----Rupees in '000-----	
	Loss before taxation		(20,255,819)	(18,977,133)
	Adjustment for:			
	Depreciation and amortization		1,629,491	980,240
	Provision for gratuity		57,595	64,523
	Fair value change in short term investment		2,888	-
	Share of profit from associate		(44,136)	(45,834)
	Impairment losses on financial assets		8,098,908	928,373
	Gain on sale of fixed assets		(43,899)	8,579
	Profit on bank deposits		(288,740)	(285,691)
	Profit on sale of derivate assets		(71,453)	-
	Exchange loss unrealized		481,620	695,330
	Finance cost		5,511,173	5,246,827
	Working capital changes	25.1	(13,566,740)	1,097,008
			<u>(18,489,113)</u>	<u>(10,287,778)</u>
25.1	Changes in working capital			
	(Increase) / decrease in current assets			
	Stock-in-trade		6,394,610	5,339,634
	Trade debts		(693,387)	1,534,130
	Deposits, prepayments and other receivables		(592,321)	(403,285)
	Advances		(119,632)	(691,479)
			<u>4,989,270</u>	<u>5,779,000</u>
	Decrease in current liabilities			
	Trade and other payables		(18,556,009)	(4,681,992)
			<u>(13,566,740)</u>	<u>1,097,008</u>



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

		Un-audited	
		September 30, 2020	September 30, 2019
		-----Rupees in '000-----	
26	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	2,413,907	4,668,953
	Short-term borrowings	(35,432,337)	(42,978,848)
		<u>(33,018,430)</u>	<u>(38,309,895)</u>

27 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

These condensed interim consolidated financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended December 31, 2019. There have been no change in any risk management policies since the year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values. The Group analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3)

As at September 30, 2020, except for the Group's investment in PRL, none of the financial instruments are carried at fair value through other comprehensive income.

28 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.

Balances and significant transactions with related parties, other than those disclosed elsewhere in this consolidated condensed interim financial information, are as follows:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
			-----Rupees in '000-----	
28.1	Balances with related parties			
	Nature of relationship	Nature of transaction	Percentage of shareholding	
	Investment in the Company			
	Fossil Energy (Private) Limited	Payable against services	10.66%	-
	Vitol Bahrain E.C	Payable against procurement	40.40%	3,475
			<u>15,142,736</u>	<u>29,620,793</u>
	Investment in associate			
	VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023
		Investments	30%	3,000
	Hascol Terminals Limited	Advance against issue of shares	15%	2,500
		Investments	15%	412,500
		Receivable against support services	15%	16,495
		Payable against services	15%	1,497,481
			<u>1,497,481</u>	<u>853,643</u>
	Other related parties - Common directorship			
	VOS Petroleum Limited	Payable against services	N/A	51,478
	Faysal Bank Limited	Bank balances	N/A	1,525,856
	Gas & Oil Pakistan Limited	Payable against support services	N/A	205,000
			<u>205,000</u>	<u>205,000</u>

			Un-audited September 30, 2020	December 31, 2019
			-----Rupees in '000-----	
28.2	Transactions with related parties			

			Un-audited September 30, 2020	December 31, 2019
			-----Rupees in '000-----	
Nature of relationship	Nature of transaction	Percentage of shareholding		
Vitol Bahrain E.C	Procurement	40.40%	46,954,867	60,344,844
Faysal Bank Limited	Rendering of services	N/A	327,207	-
VOS Petroleum Limited	Rendering of services	N/A	10,931	129,855
Clover Pakistan Limited	Rendering of services	N/A	-	228,792
Fossil Energy (Private) Limited	Rendering of services	N/A	-	15,354
Hascol Terminals Limited	Rendering of services	15%	1,404,256	35,991
	Business support services	15%	16,495	927,369
Key management personnel	Managerial remuneration	N/A	121,584	84,864
	Directors fee	N/A	10,340	14,550
	Retirement benefits	N/A	2,241	2,625
	Vehicles transferred	N/A	26,920	-

29 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited financial statements of the Group for the year ended December 31, 2019 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 unaudited condensed interim consolidated financial statements of the Group for the nine months period ended September 30, 2019.

The following items presented in these condensed interim consolidated statement of financial position as at December 31, 2019 and December 31, 2018 have been reclassified to confirm current period's presentation.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Statement of financial position As at December 31, 2018	Before reclassification	Reclassification	After reclassification
	-----Rupees in '000-----		
Trade and other payables			
Trade creditors	(27,928,210)	3,045,742	(24,882,469)
Other liabilities	(1,529,802)	(4,365,862)	(5,895,664)
Current portion of deferred and other liabilities	(2,791,342)	1,320,120	(1,471,222)
As at December 31, 2019			
Property, plant and equipment			
Capital work-in-progress	6,181,144	(46,032)	6,135,112
Advances			
Suppliers	92,189	46,032	138,221
Trade and other payables			
Trade creditors (refer note 4)	(47,189,872)	3,542,294	43,647,58
Other liabilities	(1,950,410)	(5,015,297)	(6,965,707)
Current portion of non-current liabilities			
Current portion of deferred and other liabilities	(1,473,003)	1,473,003	-

The following items presented in these condensed interim consolidated statement of profit or loss account for the period ended September 30, 2019 have been reclassified to confirm current period's presentation.

For the nine months ended September 30, 2019 Statement of profit or loss account	Before reclassification	Reclassification	After reclassification
	-----Rupees in '000-----		
Other revenue	573,040	(362,298)	210,742
Distribution and marketing - note 29.1	(4,159,877)	1,203,471	(2,956,406)
Other expenses	(6,324,049)	(2,800)	(6,326,849)
Impairment losses on financial assets	-	(838,373)	(838,373)

29.1 The amount of distribution and marketing has been restated to Rs. 4,160 million for the period ended September 30, 2019 after incorporating the effect of previous periods restatement as disclosed in note 4.6. Previously the amount was stated as Rs. 4,227 million for the period ended September 30, 2019.

30 IMPACT OF COVID-19

The Group has been closely monitoring the impact of COVID-19 on its businesses and has put in place contingency measures. These contingency measures include reviewing the supplies closely, reassessing the required level of inventory, assessing our logistics readiness and negotiating with customers on delivery timetable. The Group will keep their contingency measures under review as the situation evolves.

As far as the Group's businesses are concerned, the outbreak has a significant impact in the change in oil prices which is currently being managed by monitoring the inventory level. As the situation is evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

31 EVENTS AFTER THE REPORTING PERIOD

The Holding Company has subsequently increased its Authorized Share Capital from Rs. 10 billion to Rs. 50 billion through resolution passed in extraordinary general meeting held on February 23, 2021.

32 DATE OF AUTHORISATION

These condensed interim consolidated financial statements have been authorized for issue on March 25, 2021 by the Board of Directors of the Group.

33 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer

Director

Director



Hascol Petroleum Limited

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