

# HASCOL PETROLEUM LIMITED



15 November 2021

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sirs,

**Re: FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2020**

We are pleased to inform you that the Board of Directors of the Company in their meeting held today at the corporate office of the Company, has approved the annual accounts for the year ended 31<sup>st</sup> December 2020 and recommended the following:

**DIVIDEND**

Nil.

**FINANCIAL RESULTS**

The financial results of the Company for the year ended 31<sup>st</sup> December 2020 are attached herewith.

Head Office (Karachi)  
Office # 29, 29<sup>th</sup> Floor, Sky Towers - West Wing,  
Dolmen City, Abdul Sattar Edhi Avenue,  
Block-4, Clifton, Karachi, Pakistan.  
UAN: +92 (21) 111-757-757  
Fax: +92 (21) 35184015

Lahore Office  
5<sup>th</sup> Floor, South Tower,  
Lahore Stock Exchange Building  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore.  
Tel : +92 (42) 36311013-14-15-16-18  
Fax: +92 (42) 35718033  
E-Mail [info@hascol.com](mailto:info@hascol.com), Web [www.hascol.com](http://www.hascol.com)

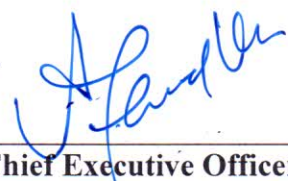
Islamabad Office  
Islamabad Stock Exchange (ISE) Tower  
16<sup>th</sup> Floor, Office # 5, 6, 7  
Blue Area Islamabad, Pakistan.  
Tel: +92 (51) 2895391-5, Fax: +92 (51) 2895394

# HASCOL PETROLEUM LIMITED



**HASCOL PETROLEUM LIMITED**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	Restated 2019
	----- Rupees in '000 -----	
Sales - net	132,903,803	179,922,956
Less: sales tax	(19,833,182)	(25,862,729)
<b>Net sales</b>	<b>113,070,621</b>	<b>154,060,227</b>
Other revenue	847,012	160,039
<b>Net revenue</b>	<b>113,917,633</b>	<b>154,220,266</b>
Cost of sales	(115,296,600)	(166,744,513)
<b>Gross loss</b>	<b>(1,378,967)</b>	<b>(12,524,247)</b>
Distribution and marketing expenses	(2,881,388)	(3,242,637)
Administrative expenses	(731,950)	(962,138)
<b>Operating expenses</b>	<b>(3,613,338)</b>	<b>(4,204,775)</b>
Impairment losses on financial assets	(7,349,594)	(2,099,444)
Other expenses	(2,841,284)	(3,615,230)
Other income	706,648	510,657
<b>Operating loss</b>	<b>(14,476,535)</b>	<b>(21,933,039)</b>
Finance cost	(8,646,947)	(9,558,278)
Exchange loss - net	(1,049,169)	(2,745,743)
	(9,696,116)	(12,304,021)
<b>Loss before taxation</b>	<b>(24,172,651)</b>	<b>(34,237,060)</b>
Taxation	(850,771)	(865,502)
<b>Loss for the year</b>	<b>(25,023,422)</b>	<b>(35,102,562)</b>
<b>Loss before taxation from discontinued operations</b>	-	(169,065)
Taxation	-	47,891
<b>Loss after tax from discontinued operations</b>	-	(121,174)
<b>Loss for the year</b>	<b>(25,023,422)</b>	<b>(35,223,736)</b>
<b>Loss per share - basic and diluted</b>	<b>(25.17)</b>	<b>(93.30)</b>

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

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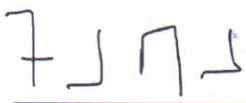


**HASCOL PETROLEUM LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	Restated 2019
	----- Rupees in '000 -----	
Sales - net	134,030,080	181,658,808
Less: sales tax	(20,008,964)	(26,139,174)
<b>Net sales</b>	<b>114,021,116</b>	<b>155,519,634</b>
Other revenue	877,129	160,364
<b>Net revenue</b>	<b>114,898,245</b>	<b>155,679,998</b>
Cost of sales	(116,148,147)	(167,974,976)
<b>Gross loss</b>	<b>(1,249,902)</b>	<b>(12,294,978)</b>
Distribution and marketing expenses	(2,971,604)	(3,634,359)
Administrative expenses	(966,737)	(974,683)
<b>Operating expenses</b>	<b>(3,938,341)</b>	<b>(4,609,042)</b>
Impairment losses on financial assets	(7,371,571)	(2,099,444)
Other expenses	(2,841,284)	(3,615,230)
Other income	731,178	513,703
<b>Operating loss</b>	<b>(14,669,920)</b>	<b>(22,104,991)</b>
Finance cost	(8,648,810)	(9,558,279)
Exchange loss - net	(1,048,965)	(2,745,743)
Share of (loss) / profit on associates	(22,121)	61,062
<b>Loss before taxation</b>	<b>(9,719,896)</b>	<b>(12,242,960)</b>
	<b>(24,389,816)</b>	<b>(34,347,951)</b>
Taxation	(850,771)	(817,611)
<b>Loss for the year</b>	<b>(25,240,587)</b>	<b>(35,165,562)</b>
<b>Loss per share - basic and diluted</b>	<b>(25.39)</b>	<b>(93.15)</b>

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

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**ANNUAL GENEREAL MEETING**

The Annual General Meeting of the Company will be held on 7 December 2021.


**BOOK CLOSURE DATES**

The Share Transfer Books of the Company will be closed from 1 December 2021 to 7 December 2021, (both days inclusive). Transfers received at the office of the Company's Share Registrar, Messrs CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal Karachi, at the close of business on 30 November 2021 will be treated in time for the purpose of attending the Annual General Meeting.

The Annual Report of the Company for the year ended 31<sup>st</sup> December 2020 will be transmitted through PUCARS at least 21 days before the holding of the Annual General Meeting.

Yours sincerely,

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Chief Financial Officer**

  
\_\_\_\_\_  
**Director**

Copy to: The Securities and Exchange Commission of Pakistan, Islamabad.





### **Chairman's Review**

Hascol Petroleum Limited, HPL, has issued its financial statements for the calendar year ending 31 December 2020 (CY20), simultaneously restating financial statements for CY18 and CY19.

Recent years have been challenging for the global petroleum industry due to extreme volatility in international oil prices and demand shocks. Pakistan's petroleum sector also had to contend with large foreign exchange risk. In 2020, to support the company through this difficult period, Vitol, Hascol's major shareholder, increased its equity stake from 25% to 40%. In an effort to turn Hascol around and get it back on track to profitability, a new Chairman and CEO were appointed in 2020. Much of the management was replaced and the Board was reconstituted.

Hascol's new management has been working tirelessly in coordination with the Board to restore Hascol to profitability. The Board has focused on controlling and reducing the operating costs, managing the oil price risk, managing foreign exchange risk and controlling credit in the market. Rigorous systems and risk management protocols have been adopted to address these concerns and raise the quality of operations and ensure that best practices are adhered to in all of the company's processes.

The collapse in demand caused by COVID-19 hit Hascol very hard. As a result in 2021 the company entered into negotiations with its banks to comprehensively restructure and refinance its liabilities, appointing leading global advisors, Alvarez & Marsal, to advise on the restructuring. The Company has been in detailed discussions with the major banks on the restructuring in close coordination with the Board. We think that we are now in a position where we can soon announce a restructuring agreement which would include the restructuring of bank debt to long-term debt, additional equity being injected and the selling of non-core assets. The aim of this restructuring is to provide the company the required liquidity to reach its potential and ensure that the liabilities are managed and paid down over a reasonable time period, thus restoring investor confidence. Despite this loss and uncertainty, Vitol has continued to support Hascol through this turbulent period, on the understanding that HPL's other significant stakeholders, especially the banks, will restructure the company's liabilities.

The company discovered inaccurate entries in its 2019 accounts and immediately reported these to its national regulators. It is subsequently restating its results from 2018 through 2020; the restated accounts show that Hascol posted a loss of PKR 25.0 billion for CY20, a loss of PKR 35.2 billion for CY19 (restated), and a loss of PKR 3.4 billion for CY18 (restated).

The Company has taken a conservative view in the accounts about provisions, while the verification of certain historic book entries is undertaken. Until a full reconciliation effort is completed, and third party records are proved consistent, appropriate adjustments cannot be made.

**Chairman**  
**Sir Alan Duncan**