



HASCOL



QUATERLY REPORT 2021



EMBRACING INNOVATION

We envision becoming the leading energy firm of Pakistan with diverse ideas and advance technology to build excellence that leads us to success in building recognition in hydrocarbon and energy sectors.



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CORPORATE INFORMATION

Chairman

Sir Alan Duncan

CEO & Director

Mr Aqeel Ahmed Khan

Directors

Mr Mustafa Ashraf
Mr Zafar Iqbal Chaudhry
Mr Farid Arshad Masood
Mr Abdul Aziz Khalid
Mr Mohammad Zubair

Chief Financial Officer

Mr Rehan Riaz

Company Secretary

Mr Farhan Ahmad

Audit Committee

Mr Mustafa Ashraf (Chairman)
Mr Farid Arshad Masood (Member)
Mr Mohammad Zubair (Member)
Mr Zafar Iqbal Chaudhry (Member)

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank 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

Risk Committee

Mr Mustafa Ashraf (Chairman)
Mr Abdul Aziz Khalid (Member)
Mr Mohammad Zubair (Member)

Human Resource & Remuneration Committee

Mr Zafar Iqbal Chaudhry (Chairman)
Sir Alan Duncan (Member)
Mr Mohammad Zubair (Member)

Auditors

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
4th floor, Central Hotel Building,
Civil Lines, Mereweather Road,
Karachi.

Share Registrar

CDC Share Registrar Services Limited

Legal Advisor

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

Registered Office of the Company

29th Floor, Sky Tower, West Wing
(Tower A), Dolmen City, Abdul Sattar
Edhi Avenue, Block-4, Clifton,
Karachi. Pakistan.

Phone: +92-21-35301343-50

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UAN: 111-757-757

E-mail: info@hascol.com

Website: www.hascol.com

DIRECTORS' REPORT

The Directors of your Company are pleased to present the Quarterly Report of the Company along with un-audited standalone and consolidated financial statements for the period ending 31 March 2021.

Financial and operational performance:

During the period under review, the Company recorded net sales revenue of Rs. 21,944 million as compared to Rs. 40,740 million during the same period last year. Net sales revenue decreased due to the drop in average selling prices across the Country compared to the same period last year coupled with a decrease in sales volume.

The Company posted a gross profit of Rs. 957 million (2020: gross loss of Rs. 1,348 million) mainly due to better inventory management and better margins. The EBITDA for the period is Rs. 769 million (2020: negative EBITDA of Rs. 1,538 million) and the net loss of Rs. 897 million (2020: Rs. 9,447 million). The LPS for the period stood at Rs. 0.90 as compared to LPS of Rs. 9.65 in 2020.

The Company's gross position has been turned around with Rs. 769 million positive EBITDA on the year-on-year comparisons. The continuing net loss is due to high financial charges, something the company is working on eliminating under the planned restructuring.

Once its finances are restructured, the Company has the capacity to generate sizable EBITDA and net profits even on relatively low volumes.

Appropriations and movement in reserves have been disclosed in the condensed interim Statement of Changes in Equity on page 10 of these condensed interim financial statements.

The COVID-19 situation still negatively affected demand for petroleum products due to decreasing travel. This in turn affected oil prices globally. However, a more positive outlook was observed towards the end of the period, and prices were on a rising trend.

Way forward:

Subsequent to the year end, the Company has already started addressing disclaimers in the audit report and is aiming to close reconciliation of ledgers, fixed asset tagging and valuation in the accounts for the year ending 31 December 2021.

The reconstituted Board and new management formulated a business revival and financial restructuring plan and are currently in an advanced stage of finalizing the term sheet with lenders. Moreover, the revised term sheet between the Company and Karachi Hydrocarbon Terminal Limited (formerly known as Hascol Terminals Limited) is substantially agreed in principle to save huge fixed cost to the Company.

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

Thanking you all.
On behalf of the Board



CEO/ Director



Director

Karachi

Dated: 19 January 2022

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021ء کی اختتامی مدت کیلئے غیر آڈٹ شدہ اور مجموعی مالیاتی حسابات کے ساتھ کمپنی کی سہ ماہی رپورٹ پیش کرنے پر خوش ہیں۔

مالیاتی اور عملی کارکردگی:

زیادہ تر مدت کے دوران، کمپنی کو مبلغ 21,944 ملین روپے کی خالص فروخت آمدنی ہوئی جس کا موازنہ گزشتہ سال کی اسی مدت کے مقابلے میں مبلغ 40,740 ملین روپے کی آمدنی سے کیا جاسکتا ہے۔ ملک بھر میں فروخت کی اوسط قیمتوں میں کمی اور فروخت کے حجم میں کمی کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں خالص فروخت کی آمدنی میں کمی واقع ہوئی۔

کمپنی کو بنیادی طور پر بہتر انویسٹمنٹ منیجمنٹ اور بہتر مارجن کے باعث مبلغ 957 ملین روپے (2020: مجموعی خسارہ مبلغ 1,348 ملین روپے) کا مجموعی منافع ہوا۔ اس مدت کیلئے EBITDA مبلغ 769 ملین روپے (2020: منفی EBITDA مبلغ 1,538 ملین روپے) اور خاص خسارہ مبلغ 897 ملین روپے (2020: مبلغ 9,447 ملین روپے) ہے۔ 2020 میں LPS مبلغ 0.90 روپے رہا جو کہ گزشتہ سال مبلغ 9.65 روپے تھا۔

سالانہ موازنہ پر کمپنی کی پوزیشن مجموعی طور پر 769 ملین روپے کے مثبت EBITDA کے ساتھ تبدیل ہوئی ہے۔ زیادہ مالیاتی چارجز کے باعث مستقل طور پر خالص نقصان کا سامنا ہے، جسے کمپنی منصوبہ بند تنظیم نو کے تحت ختم کرنے پر کام کر رہی ہے۔

ایک بار جب کمپنی کے مالیات کی تنظیم ہو جائے تو کمپنی نسبتاً کم حجم پر بھی بڑے پیمانے پر EBITDA اور خالص منافع حاصل کرنے کی صلاحیت رکھتی ہے۔

ذخائر میں انھنٹس اور نقل و حرکت کا انکشاف ان عبوری مالیاتی گوشواروں کے صفحہ 10 پر ایکویٹی میں تبدیلیوں کے عبوری مالیاتی گوشواروں میں کیا گیا ہے۔

کوروناء بآء کی صورتحال اب بھی منفی ہے اور سفر میں کمی کے باعث پیپرولیم مصنوعات کی طلب متاثر ہوئی۔ جس کے نتیجے میں عالمی سطح پر تیل کی قیمتوں پر کافی گہرا اثر پڑا، تاہم اس مدت کے اختتام پر زیادہ مثبت نقطہ نظر دیکھا گیا اور قیمتوں میں اضافہ کارآمد رہا۔

مستقبل پر نظر:

سال کے اختتام پر آڈیٹرز کے ڈسکلمر پر کام کرنا شروع کر دیا ہے اور 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کھاتوں میں لکچرز، فکسڈ اثاثہ جات کی ٹیکنگ اور ویلیویشن کے سلسلے کی طرف گامزن ہے۔

از سر نو تشکیل شدہ بورڈ اور نئی انتظامیہ نے کاروبار کی بحالی اور مالیاتی تنظیم نو کا منصوبہ بنایا ہے اور فی الحال اپنے قرض دہندگان کے ساتھ ٹرم شیٹ کو حتمی شکل دینے کے لیے ایڈوائس مراحل میں ہے۔ مزید برآں، کمپنی اور کراچی ہائیڈروکاربن ٹریڈ لمیٹڈ کے درمیان نظر ثانی شدہ ٹرمینل لمیٹڈ (سابقہ پیسکول ٹرمینل لمیٹڈ) کمپنی کی مقررہ لاگت کو بچانے کے لیے اصولی طور پر متفق ہے۔

کمپنی اپنے تمام ملازمین، صارفین، مالیاتی اداروں، سپلائرز اور دیگر اسٹیک ہولڈرز کا ان کے مسلسل تعاون کیلئے تہہ دل سے شکریہ ادا کرتی ہے۔ ہم حکومت پاکستان اور اس کی وزارتوں کے تعاون اور رہنمائی کے لیے ان کا بھی شکریہ ادا کرتے ہیں۔

آپ سب کا شکریہ
توسط بورڈ

7171
ڈائریکٹر

ڈائریکٹر/CEO

کراچی

19 جنوری 2022ء



CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

For the three month period
ended March 31, 2021





CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	22,064,823	23,272,207
Right-of-use assets	7	13,499,114	13,245,320
Intangible asset	8	1,161	1,477
Long-term investments	9	3,565,000	3,565,000
Deferred taxation - net	10	-	-
Long-term deposits		482,937	492,653
Total non-current assets		39,613,035	40,576,657
Current assets			
Stock-in-trade		5,092,940	11,435,266
Trade debts		1,485,361	1,571,051
Advances	11	1,331,458	1,013,786
Deposits and prepayments	12	251,697	167,699
Other receivables	13	3,349,536	3,463,509
Accrued mark-up and profit		1,689	13,118
Short term investments		97,650	98,700
Cash and bank balances		1,799,447	3,079,606
Total current assets		13,409,778	20,842,735
TOTAL ASSETS		53,022,813	61,419,392
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	9,991,207
Reserves		(61,311,463)	(60,478,989)
Surplus on revaluation of property, plant and equipment - net of tax		3,897,544	3,962,410
Total shareholders' deficit		(47,422,712)	(46,525,372)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	14	12,037,548	12,314,364
Lease liabilities	15	17,150,299	17,124,906
Deferred and other liabilities		131,231	130,046
Total non-current liabilities		29,319,078	29,569,316
Current liabilities			
Trade and other payables	16	28,491,575	40,466,205
Unclaimed dividend		357,249	357,249
Taxation - net		151,374	70,192
Accrued mark-up		3,257,461	2,538,666
Short-term borrowings		36,562,714	33,054,245
Current portion of non-current liabilities	17	2,306,074	1,888,891
Total current liabilities		71,126,447	78,375,448
TOTAL LIABILITIES		100,445,525	107,944,764
TOTAL EQUITY AND LIABILITIES		53,022,813	61,419,392
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	Restated March 31, 2020
		-----Rupees in '000-----	
Sales - net		21,944,188	40,739,681
Less: sales tax		(3,242,415)	(6,045,622)
Net sales		18,701,773	34,694,059
Other revenue		74,245	130,063
Net revenue		18,776,018	34,824,122
Cost of products sold		(17,818,584)	(36,172,528)
Gross profit / (loss)		957,434	(1,348,406)
Operating expenses			
Distribution and marketing		(750,649)	(759,079)
Administrative		(236,219)	(180,772)
		(986,868)	(939,851)
Impairment losses on financial assets		-	(47)
Other expenses		(1,050)	(2,737,914)
Other income		162,549	139,602
Operating profit/(loss)		132,065	(4,886,616)
Finance cost	19	(1,589,576)	(2,489,512)
Exchange gain/(loss) - net		664,592	(1,854,941)
		(924,984)	(4,344,453)
Loss before taxation		(792,919)	(9,231,069)
Taxation	20	(104,421)	(215,695)
Loss for the period		(897,340)	(9,446,764)
			Restated
Loss per share - basic and diluted (Rupees)		(0.90)	(9.65)

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	Restated March 31, 2020
	-----Rupees in '000-----	
Loss for the three months period	(897,340)	(9,446,764)
<i>Items that will not be reclassified subsequently to consolidated profit or loss account</i>		
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	(445,470)
Total comprehensive loss	(897,340)	(9,892,234)

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

Share Capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment	Share deposit money	Total shareholders' equity	
	Share premium	Unrealized loss on remeasurement of FVTOCI investments	Unappropriated profit				
Rupees in '000							
Balance as at January 01, 2020 - audited	1,991,207	4,766,854	(267,992)	(40,075,021)	4,221,873	5,752,443	(23,610,636)
Total comprehensive loss for the period							
Loss for the period - restated	-	-	-	(9,446,764)	-	-	(9,446,764)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(445,470)	-	-	-	(445,470)
Total comprehensive loss for the period	-	-	(445,470)	(9,446,764)	-	-	(9,892,234)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax - restated	-	-	-	64,866	(64,866)	-	-
	-	-	(445,470)	(9,381,898)	(64,866)	-	(9,892,234)
Transactions with owners							
Right issue - 401% - January 2020	8,000,000	-	-	-	-	-	8,000,000
Share deposit money	-	-	-	-	-	(5,752,443)	(5,752,443)
Transaction cost	-	(127,119)	-	-	-	-	(127,119)
	8,000,000	(127,119)	-	-	-	(5,752,443)	2,120,438
Balance as at March 31, 2020 - unaudited	9,991,207	4,639,735	(713,462)	(49,456,919)	4,157,007	-	(31,382,432)
Balance as at January 01, 2021 - audited	9,991,207	4,639,735	-	(65,118,724)	3,962,410	-	(46,525,372)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(897,340)	-	-	(897,340)
Other comprehensive income							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(897,340)	-	-	(897,340)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	64,866	(64,866)	-	-
	-	-	-	(832,474)	(64,866)	-	(897,340)
Balance as at March 31, 2021 - unaudited	9,991,207	4,639,735	-	(65,951,198)	3,897,544	-	(47,422,712)

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021	Restated March 31, 2020
	Note	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	21	(4,514,515)	(6,115,295)
Finance cost paid		(300,911)	(1,610,984)
Profit received on bank deposits		22,979	99,571
Taxes paid		(23,238)	(207,016)
Gratuity paid		(9,317)	(57,791)
Net cash used in operating activities		(4,825,002)	(7,891,515)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(124,074)	(268,399)
Proceeds from disposal of property, plant and equipment		1,044,144	-
Long-term deposits - net		9,716	2,540
Net cash generated from / (used in) investing activities		929,786	(265,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability - net		(778,382)	(594,716)
Dividend paid		-	(791)
Proceeds from issue of right shares		-	2,076,323
Long-term finance repaid - net		(115,030)	(162,453)
Net cash (used in) / generated from financing activities		(893,412)	1,318,363
Net decrease in cash and cash equivalents		(4,788,628)	(6,839,011)
Cash and cash equivalents at beginning of the period		(29,974,639)	(23,368,817)
Cash and cash equivalents at end of the period	22	(34,763,267)	(30,207,828)

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

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 29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi.
- 1.2 The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licensed company in the year 2018.
- 1.3 This condensed interim unconsolidated financial information are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Condensed interim consolidated financial information are prepared separately.
- 1.4 During the current period, the Company incurred a net loss of Rs. 897 million (2020-Restated: Rs. 9,447 million), resulting in net shareholders deficit of Rs. 47,423 million (December 31, 2020: Rs. 46,525 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. 57,717 million (2020: Rs. 57,533 million) and has defaulted in majority of its outstanding loans with banks. These conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in order to ensure the Company's ability to operate as a going concern, certain plans and measures have been taken to improve its liquidity and financial position which includes, but not limited to, the following:
 - a) 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. Further, the Company has stopped payment of markup cost from last quarter of 2020.
 - b) The Company is also taking measures to reduce its storage costs through revision of existing agreements as disclosed in note 26.1.2 of the annual audited financial statements for the year ended December 31, 2020.
 - c) 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 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 subject to the approval of restructuring plan with major banks the Company will have sufficient cash resources to continue its operations.

2 BASIS OF PREPARATION

The condensed interim unconsolidated financial information of the Company for the three month period ended March 31, 2021 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim unconsolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2020.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended December 31, 2020.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1** The preparation of this condensed interim unconsolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2** During the preparation of this condensed interim unconsolidated financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2020.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended December 31, 2020.

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		18,995,165	19,412,342
Capital work-in-progress	6.3	3,069,658	3,859,865
		<u>22,064,823</u>	<u>23,272,207</u>

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

	March 31, 2021 Un-audited	December 31, 2020 Audited
	-----Rupees in '000-----	
Owened assets		
Office & Depot building	872,188	193,497
Tanks and pipelines	-	7,275
Electrical, mechanical and fire fighting equipment	36,473	148,089
Motor cars	-	32,161
Dispensing pumps	-	248,465
Furniture, office equipment and other assets	6,504	3,308
Plant and machinery	-	37,667
Computer auxiliaries	88	7,890
	<u>915,253</u>	<u>678,352</u>

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

	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
March 31, 2021 (unaudited)	<u>(944,637)</u>	<u>13,137</u>	<u>(931,500)</u>
December 31, 2020 (audited)	<u>(208,306)</u>	<u>34,675</u>	<u>(173,631)</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

- 6.2.1** For details of the assets disposed/ written off during the year ended December 31, 2020, please refer note 6.9 of the annual audited financial statements for the same year.

	March 31, 2021 Un-audited	December 31, 2020 Audited
	-----Rupees in '000-----	
6.3 Capital work-in-progress		
Office & depot building	613,697	1,426,164
Tanks and pipelines	941,220	932,015
Electrical, mechanical and fire fighting equipment	700,824	716,009
Dispensing pumps	84,068	80,571
Furniture, office equipment and other assets	195,290	176,664
Plant and machinery	360,740	360,740
Borrowing cost capitalized	167,702	167,702
Computer auxiliaries	6,117	-
	3,069,658	3,859,865

- 6.4** In the year 2020, the management has identified that certain fake purchase orders amounting to Rs. 7,493 million were posted for the year ended December 31, 2019. The Company has retrospectively adjusted this amount in the relevant period.

- 6.5** There was no tagging exercise carried out on the entire property, plant and equipment. Due to this and what mentioned in note 6.4 above, the management decided to conduct a physical verification, tagging and valuation exercise of its fixed assets using the services of an independent professional firm / valuers. Once this exercise is done, the property, plant and equipment will be entered in accounting system and any adjustment arising will be reflected in subsequent year's financial statements.

	March 31, 2021 Un-audited	December 31, 2020 Audited
	-----Rupees in '000-----	
7 RIGHT-OF-USE ASSETS		
Storage facility	10,425,872	10,605,000
Pumpsites	2,654,134	2,628,451
Offices	419,108	11,869
	13,499,114	13,245,320

- 7.1** Movement in right of use assets during the period/year is as follows:

Balance at beginning of the period/year	13,245,320	20,960,480
Additions during the period/year	489,301	223,007
Effect of modification	-	(6,982,016)
Disposals/terminations during the period/year	-	(92,935)
Depreciation charged during the period/year	(235,507)	(863,216)
Balance at the end of the period/year	13,499,114	13,245,320

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
8 INTANGIBLE ASSET			
Computer software		1,161	1,477
Net book value at beginning of the period/year		1,477	3,134
Additions during the period/year		-	85
Amortization charge for the period/year		(316)	(1,742)
Net book value at the end of the period/year		1,161	1,477
Net book value			
Cost		12,095	12,095
Accumulated amortization		(10,934)	(10,618)
Net book value		1,161	1,477
Rate of amortization - %		33.33	33.33
9 LONG-TERM INVESTMENTS			
Investment in subsidiary company - at cost			
Hascombe Lubricant (Private) Limited - unquoted	9.1	-	-
Hascol Lubricants (Private) Limited - unquoted	9.2	3,150,000	3,150,000
Investment in associated company - at cost			
VAS LNG (Private) Limited - unquoted	9.3	-	-
Karachi Hydrocarbon Terminal Limited - unquoted	9.4	412,500	412,500
		3,562,500	3,562,500
Advance against purchase of shares - with related parties			
Karachi Hydrocarbon Terminal Limited - unquoted		2,500	2,500
		3,565,000	3,565,000
9.1 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	9.1.1	-	-
9.1.1	This represents investment in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The Company holds 9.78 million ordinary shares (December 31, 2020: 9.78 million) of Rs. 10 per share.		
9.2	This represents investment in wholly owned subsidiary of the Company. Its shares are not quoted in active market. The Company holds 315 million ordinary shares (December 31, 2020: 315 million ordinary shares) of Rs. 10 per share. The investment is carried at cost as the fair value cannot be measured reliably.		

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
9.3 Investment at cost		3,000	3,000
Advance against purchase of shares		1,023	1,023
Movement in provision for impairment			
Balance at the beginning of the period/year		(4,023)	-
Provision made during the period/year		-	(4,023)
Balance at the end of the period/year		(4,023)	(4,023)
Net book value	9.3.1	-	-

9.3.1 Investment in VAS LNG (Private) Limited (VL) amounts to Rs. 3 million (2020: Rs. 3 million) representing 30% (December 31, 2020: 30%) equity stake and Advance against issue of shares to VAS LNG (Private) Limited which amounts to Rs. 1.02 million (December 31, 2020: Rs. 1.02 million). The Company holds 0.3 million ordinary shares (December 31, 2020: 0.3 million ordinary shares) of Rs. 10 per share which have been provided during the year 2020 as VL has already file liquidation in the month of October 2020 and the Company is not expecting recoverability of its investment.

9.4 Investment in Karachi Hydrocarbon Terminal Limited (formerly Hascol Terminals Limited) represent 41.25 million shares (2020 : 41.25 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products. The investment is carried at cost as the fair value cannot be measured reliably.

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

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
10 Deferred Taxation - Net		
This comprises the following:		
<i>Taxable temporary difference arising in respect of :</i>		
Accelerated depreciation	(1,948,178)	(5,095,411)
<i>Deductible temporary difference arising in respect of :</i>		
Liabilities against assets subject to finance lease	4,903,147	4,522,450
Exchange loss	-	58,822
Provision for :		
- other liabilities	966	934
- retirement benefit	37,526	37,223
- doubtful debts	2,768,935	2,760,845
- short term investments - TFCs	2,102	1,801
Normal tax loss	12,039,189	15,283,743
	17,803,687	17,570,407
Unrecognized deferred tax asset	(17,803,687)	(17,570,407)
	-	-

10.1 Deferred tax asset of Rs. 17,804 million has not been recognised in these condensed interim unconsolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future years. However, in future years and based on the availability of taxable profits, the unutilized deferred tax asset will be recognized.

As at the period/year end, the Company's tax losses amounted to Rs. 39,906 million (2020 : 49,812 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
		-----Rupees in '000-----	
11 ADVANCES - considered good, unsecured	Note		
To employees			9,321
- against expenses		10,518	24,950
- against salaries		23,884	7,229,387
Supplier & Service provider		7,546,928	(6,249,872)
Provision for Supplier & Services Advance	11.1	(6,249,872)	
		1,331,458	1,013,786
11.1 Movement of provision for Suppliers and Service provider			
Balance at the beginning of the period/year		6,249,872	5,437,687
Provisions made during the period/year		-	812,185
Balance at the end of the period/year		6,249,872	6,249,872
11.2	Advance to suppliers and service providers mainly relates to cartage contractors and for the construction, maintenance and ancillary services to the Company's retail sites and depots, which were previously netted off with other liabilities.		
11.3	Balance of Advances to Suppliers is the resultant figure of various adjustments of significant amounts including certain numerous entries with no reference to any invoices or purchase orders in the system. In March 31, 2021 no provision is recorded against outstanding advance as the reconciliation of long outstanding advances and other liabilities is still ongoing and expected to be concluded in the financial.		
	Any adjustment / reclassification arising from further reconciliation effort will be reflected in subsequent years financial statements.		
12 DEPOSITS AND PREPAYMENTS		March 31, 2021 Un-audited	December 31, 2020 Audited
		-----Rupees in '000-----	
Deposits	Note		
Current portion of lease deposits		80,181	71,579
Other deposits		55,895	10,145
		136,076	81,724
Prepayments			
- Insurance and others		51,170	12,596
- Rent		64,451	73,379
		115,621	85,975
		251,697	167,699
13 OTHER RECEIVABLES			
Inland freight equalization margin receivable		4,303,169	4,360,699
Receivable against regulatory duty		25,533	25,533
Receivable from Hascol Lubricants (Private) Limited		40,079	121,977
Price differential claims	13.1	5,083	5,083
Others		25,455	-
Provisioning of IFEM, RD and PDC	13.2	(1,049,783)	(1,049,783)
		3,349,536	3,463,509
13.1	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.		

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
13.2 Movement of provision for impairment			
Balance at the beginning of the period/year		1,049,783	1,358,052
Reversal made during the period/year		-	(308,269)
Balance at the end of the period/year	13.2.1	1,049,783	1,049,783
13.2.1 This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).			
	Note	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
14 LONG TERM FINANCING - secured			
Borrowing from conventional banks		13,044,558	13,147,683
Borrowing from non banking financial institutions		92,857	104,762
Sukuk certificates		495,227	495,227
		13,632,642	13,747,672
Current portion of long term finances			
Borrowing from conventional banks		(1,080,819)	(833,319)
Borrowing from non banking financial institutions		(19,048)	(104,762)
Sukuk certificates		(495,227)	(495,227)
		(1,595,094)	(1,433,308)
Non-current portion of long term financing		12,037,548	12,314,364
15 LEASE LIABILITIES			
Finance lease liability	15.1	653,764	731,547
Lease liability against right of use asset	15.2	16,496,535	16,393,359
		17,150,299	17,124,906
15.1 Finance lease liability			
Present value of future minimum lease payments		986,912	1,086,334
Less: current portion		(333,148)	(354,787)
Non current portion		653,764	731,547
15.2 Lease liability against right of use asset			
Present value of future minimum lease payments		16,874,367	16,494,155
Less: current portion		(377,832)	(100,796)
Non current portion		16,496,535	16,393,359

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
		-----Rupees in '000-----	
15.2.1 Movement during the period/year	Note		
Balance at beginning		16,494,155	21,676,698
Additions during the period/year		489,301	223,007
Accretion of interest		569,871	2,291,878
Lease contracts modified during the period/year		-	(5,038,445)
Less: Disposals / terminations		-	(110,571)
Less: Lease rentals paid		(678,960)	(2,548,412)
		16,874,367	16,494,155
Less: current portion shown under current liability		(377,832)	(100,796)
Balance as at end		16,496,535	16,393,359

16 TRADE AND OTHER PAYABLES

Trade creditors	16.1	11,486,333	20,576,578
Payable to cartage contractors		2,375,962	4,169,103
Advance from customers		680,252	1,429,004
Dealers' and customers' security deposits	16.2	491,191	475,503
Sales tax payable		704,701	338,360
Accrued liabilities		9,675	8,213
Other liabilities	16.3	12,743,461	13,469,444
		28,491,575	40,466,205

16.1 Trade creditors includes procurement of fuel from local refineries and imports, storage charges and associated duties and levies.

16.2 The security deposits are non-interest bearing and are refundable on termination of contracts. A separate bank account has been opened with effect March 2021 and any deposit so received from March 2021 will be deposited in the said account.

16.3 In Other Liabilities certain main vendors including related parties had outstanding balances aggregating to significant amount that comprised of adjustments of material amounts with no reference to any invoices or purchase orders in the system which needs further reconciliation as to ascertain the accuracy of carrying amount. Any adjustment arising as a result of this will be reflected in subsequent years' financial statements.

Further, Other Liabilities comprise of significant balances outstanding with various vendors against which outstanding balances are appearing under Advances to Suppliers account. Offsetting of advances against liabilities have not been done in the condensed interim unconsolidated financial information for the period ended 31 March 2021 till the time reconciliation is completed.

		March 31, 2021 Un-audited	December 31, 2020 Audited
		-----Rupees in '000-----	
17 CURRENT PORTION OF NON-CURRENT LIABILITIES	Note		
Current portion of long term financing	14	1,595,094	1,433,308
Current portion of liabilities subject to finance lease	15.1	333,148	354,787
Current portion of lease liability of right of use assets	15.2	377,832	100,796
		2,306,074	1,888,891

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

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.

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 the Company.

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 and Rs. 3.9 billion. The Company has filed a C.P No. 4837/2021 before Supreme Court of Pakistan against the judgment passed by Sindh High Court in W.P No. 7569/2019 and a C.P 6150/2021 before Supreme Court of Pakistan against the judgment passed by Sindh High Court in C.P No. 797/2020 wherein SHC has validated Sindh Development and Maintenance of Infrastructure Cess Act 2017. This petition was fixed on 01.09.2021 along with other petitions on the same subject, SCP vide its order dated 01.09.2021 has suspended the judgment passed by SHC and issued notices to the respondents.

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.

18.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2020 amounted to Rs 41,911 million (December 31, 2020: Rs 42,486 million) of which the amount remaining unutilized as at that date was Rs 4,151 million (December 31, 2020: Rs 3,581 million)
- (ii) There are commitments for the purchase from Vitol Bahrain E.C., a party related to the Company, amounting to Rs. nil (December 31, 2020: Rs. 289 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
(iii) Bank guarantees	894,081	894,081
(iv) Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
Property, plant and equipment	4,814,852	4,787,592
(v) Commitments for rentals of assets under operating lease/ Ijarah :		
Not later than one year	212,809	249,813
Later than one year and not later than five years	299,549	349,067
Later than five years	-	-
	512,358	598,880

19 FINANCE COST

The Company has accrued interest cost on the outstanding debt at the cost of funds. This is because the outstanding debt and associated finance cost as of December 31, 2021 is currently under restructuring, thereby the Company believe that the finance cost for 2021 will be based on cost of funds.

		March 31, 2021 Un-audited -----Rupees in '000-----	March 31, 2020
20 TAXATION	Note		
Current		104,421	215,695
Deferred		-	-
		104,421	215,695

21 CASH USED IN OPERATIONS

Loss before taxation		(792,919)	(9,231,069)
<i>Adjustment for:</i>			
Depreciaiton on property, plant and equipment		399,959	394,164
Depreciaiton on right of use assets	7.1	235,507	216,525
Amortization	8	316	389
M2M of short term investment		1,050	788
Provision for advance to supplier		-	788,754
Reversal of provision for doubtful debts	11.1	(30,542)	(36,990)
Provision for gratuity		10,502	17,753
Gain on disposal of operating fixed assets		(112,645)	-
Gain/(loss) on termination of lease		-	1,943,572
Markup/profit on bank deposits		(11,550)	(101,269)
Markup charged on lease liability	15.2.1	569,871	577,303
Exchange (gain)/loss - unrealized		(500,527)	1,489,770
Finance cost		1,019,705	1,912,209
Working capital changes	21.1	(5,303,242)	(4,087,194)
		(4,514,515)	(6,115,295)
21.1 Changes in working capital			
(Increase) / decrease in current assets			
Stock-in-trade		6,342,326	650,656
Trade debts		116,232	(644,003)
Deposits, prepayments and other receivables		(83,998)	(66,333)
Loans and advances - considered good		(317,672)	(593,397)
Other receivable		113,973	(354,903)
		6,170,861	(1,007,980)
Increase in current liabilities			
Trade and other payables		(11,474,103)	(3,079,214)
		(5,303,242)	(4,087,194)

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021 Un-audited -----Rupees in '000-----	March 31, 2020 Un-audited
22 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,799,447	4,752,858
Short-term borrowings	(36,562,714)	(34,960,686)
	(34,763,267)	(30,207,828)

23 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

			March 31, 2021 Un-audited -----Rupees in '000-----	March 31, 2020
23.1 Transactions with related parties				
Nature of relationship	Nature of transaction	Percentage of shareholding		
Vitol Bahrain E.C	Product procurement	N/A	2,862,073	22,459,804
Hascol Lubricants (Private) Limited	Procurement of oil	100%	8,146	4,649
Hascol Lubricants (Private) Limited	Sale of product and others	100%	2,771	19,652
Hascol Lubricants (Private) Limited	Investment	100%	-	201,638
Vitol Resource (Private) Limited	Reimbursement of works	N/A	25,455	-
Karachi Hydrocarbon Terminal Limited	Services procurement	15%	248,647	339,938
Karachi Hydrocarbon Terminal Limited	Reimbursement of expenses	15%	-	6,735

			March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
23.2 Balances with related parties				
Shareholding by the Company				
Karachi Hydrocarbon Terminal Limited	Advance against issue of shares	15%	2,500	2,500
Karachi Hydrocarbon Terminal Limited	Investments	15%	412,500	412,500
Karachi Hydrocarbon Terminal Limited	Services procurement	15%	1,598,060	1,182,277
Hascol Lubricants (Private) Limited	Investments	100%	3,150,000	3,150,000
Hascol Lubricants (Private) Limited	Procurement and sale - net	100%	40,079	121,977
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	5,907,784	19,180,802
Vitol Resource (Pvt) Limited	Reimbursement of works	N/A	25,455	-
Gas & Oil Pakistan Limited	Duties and levies	N/A	104,000	61,000

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

24 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, 2020 and the corresponding figures in the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances that are in conformity with the restatements made in the financial statements for the year ended December 31, 2020 that related to the first quarter of 2020.

25 DATE OF AUTHORISATION

These condensed interim unconsolidated financial information have been authorized for issue on January 19, 2022 by the board of directors of the Company.

26 GENERAL

All amounts have been rounded to the nearest thousand.



Chief Executive Officer



Chief Financial Officer



Director





CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

For the three month period
ended March 31, 2021



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
		-----Rupees in '000-----	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	24,116,239	25,344,689
Right-of-use assets	7	13,511,208	13,257,222
Intangible asset	8	2,489	3,007
Long-term investments	9	387,331	404,881
Deferred taxation - net	10	-	-
Long-term deposits		482,937	492,653
Total non-current assets		38,500,204	39,502,452
Current assets			
Stock-in-trade		5,612,656	11,917,055
Trade debts		1,737,486	1,826,859
Advances	11	1,444,133	1,068,705
Deposits and prepayments	12	262,783	176,540
Other receivables	13	3,310,264	3,342,328
Accrued mark-up and profit		1,689	13,118
Taxation - net		-	-
Short term investments		97,650	98,700
Cash and bank balances		1,944,382	3,301,861
Total current assets		14,411,043	21,745,166
TOTAL ASSETS		52,911,247	61,247,618
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	9,991,207
Reserves		(61,552,103)	(60,680,407)
Surplus on revaluation of property, plant and equipment - net of tax		3,897,544	3,962,410
Total shareholders' deficit		(47,663,352)	(46,726,790)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	14	12,037,548	12,314,364
Lease liabilities	15	17,160,105	17,134,454
Deferred and other liabilities		165,746	162,594
Total non-current liabilities		29,363,399	29,611,412
Current liabilities			
Trade and other payables	16	28,597,592	40,468,990
Unclaimed dividend		357,249	357,249
Taxation - net		125,878	51,649
Accrued mark-up		3,257,461	2,538,666
Short-term borrowings		36,562,714	33,054,245
Current portion of non-current liabilities	17	2,310,306	1,892,197
Total current liabilities		71,211,200	78,362,996
TOTAL LIABILITIES		100,574,599	107,974,408
TOTAL EQUITY AND LIABILITIES		52,911,247	61,247,618
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021	Restated March 31, 2020
	Note	-----Rupees in '000-----	
Sales - net		22,256,394	40,953,240
Less: sales tax		(3,242,415)	(6,045,622)
Net sales		19,013,979	34,907,618
Other revenue		76,559	130,063
Net revenue		19,090,538	35,037,681
Cost of products sold		(18,065,330)	(36,358,019)
Gross profit / (loss)		1,025,208	(1,320,338)
Operating expenses			
Distribution and marketing		(803,866)	(802,033)
Administrative		(272,583)	(213,539)
		(1,076,449)	(1,015,572)
Impairment losses on financial assets		-	(47)
Other expenses		(1,050)	(2,737,914)
Other income		163,372	144,102
Operating profit/ (loss)		111,081	(4,929,769)
Finance cost	19	(1,590,264)	(2,489,512)
Exchange gain/(loss) - net		664,592	(1,854,941)
Share of (loss) / profit on associate		(17,550)	16,491
		(943,222)	(4,327,962)
Loss before taxation		(832,141)	(9,257,731)
Taxation	20	(104,421)	(215,695)
Loss for the period		(936,562)	(9,473,426)
Loss per share - basic and diluted (Rupees)		(0.94)	Restated (9.68)

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021	Restated March 31, 2020
	-----Rupees in '000-----	
Loss for the three months period	(936,562)	(9,473,426)
<i>Items that will not be reclassified subsequently to consolidated profit or loss account</i>		
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	(445,470)
Total comprehensive loss	<u>(936,562)</u>	<u>(9,918,896)</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021	Restated March 31, 2020
	Note	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	21	(4,578,378)	(6,376,423)
Finance cost paid		(301,599)	(1,610,984)
Profit received on bank deposits		22,979	99,571
Taxes paid		(30,191)	(207,016)
Gratuity paid		(9,911)	(57,791)
Net cash used in operating activities		(4,897,100)	(8,152,643)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(127,934)	(268,399)
Proceeds from disposal of property, plant and equipment		1,044,144	-
Long-term deposits - net		9,716	2,540
Net cash generated from / (used in) investing activities		925,926	(265,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability - net		(779,744)	(594,716)
Dividend paid		-	(791)
Proceeds from issue of right shares		-	2,076,323
Long-term finance repaid - net		(115,030)	(162,453)
Net cash (used in) / generated from financing activities		(894,774)	1,318,363
Net decrease in cash and cash equivalents		(4,865,948)	(7,100,139)
Cash and cash equivalents at beginning of the period		(29,752,384)	(23,107,689)
Cash and cash equivalents at end of the period	22	(34,618,332)	(30,207,828)

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

1 STATUS AND NATURE OF BUSINESS

The Group consists of:

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

1.1 Group Companies

1.1.1 Holding Company

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 29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, 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.

1.1.2 Subsidiaries

Hascol Lubricants (Private) Limited

Hascol Lubricants (Private) Limited (the Subsidiary Company) was incorporated on January 31, 2017 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at "29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi.". The 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. 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 has not been prepared on a going concern basis.

- 1.2** During the current period, the Group incurred a net loss of Rs. 937 million (2020-Restated: Rs. 9,473 million), resulting in net shareholders deficit of Rs. 47,663 million (December 31, 2020: Rs. 46,727 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. 56,800 million (2020: Rs. 56,618 million) and has defaulted in majority of its outstanding loans with banks. These conditions may cast significant doubt on the Group's ability to continue as a going concern. However, in order to ensure the Group's ability to operate as a going concern, certain plans and measures have been taken to improve its liquidity and financial position which includes, but not limited to, the following:

- a) The Group 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. Further, the Group has stopped payment of markup cost from last quarter of 2020.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW - Unaudited

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

- b) The Group is also taking measures to reduce its storage costs through revision of existing agreements as disclosed in note 27.1.2 of the annual audited financial statements for the year ended December 31, 2020.
- c) 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 subject to the approval of restructuring plan with major banks the Group will have sufficient cash resources to continue its operations.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information of the Group for the three month period ended March 31, 2021 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim consolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2020.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of consolidated audited annual financial statements of the Group for the year ended December 31, 2020.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this condensed interim consolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2 During the preparation of this condensed interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2020.

5 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, 2020.

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		20,907,424	21,345,667
Capital work-in-progress	6.3	3,208,815	3,999,022
		<u>24,116,239</u>	<u>25,344,689</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

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

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
Owned assets		
Office & Depot building	872,188	710,497
Tanks and pipelines	-	364,924
Electrical, mechanical and fire fighting equipment	40,334	395,233
Tank lorries	-	1,069
Motor cars	-	32,161
Dispensing pumps	-	248,465
Furniture, office equipment and other assets	6,504	21,388
Plant and machinery	-	739,932
Computer auxiliaries	88	3,650
	<u>919,114</u>	<u>2,517,319</u>

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

	Cost -----Rupees in '000-----	Accumulated Depreciation	Net Book Value
March 31, 2021 (unaudited)	<u>(944,637)</u>	<u>13,137</u>	<u>(931,500)</u>
December 31, 2020 (audited)	<u>(228,355)</u>	<u>34,675</u>	<u>(193,680)</u>

6.2.1 For details of the assets disposed/ written off during the year ended December 31, 2020, please refer note 7.9 of the annual audited financial statements for the same year.

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
6.3 Capital work-in-progress		
Office & depot building	613,697	1,426,164
Tanks and pipelines	941,220	932,015
Electrical, mechanical and fire fighting equipment	700,824	855,166
Dispensing pumps	84,068	80,571
Furniture, office equipment and other assets	195,290	176,664
Plant and machinery	360,740	360,740
Borrowing cost capitalized	167,702	167,702
Computer auxiliaries	6,117	-
	<u>3,069,658</u>	<u>3,999,022</u>

6.4 In the year 2020, the management has identified that certain fake purchase orders amounting to Rs. 7,493 million were posted for the year ended December 31, 2019. The Group has retrospectively adjusted this amount in the relevant period.

6.5 There was no tagging exercise carried out on the entire property, plant and equipment. Due to this and what mentioned in note 6.4 above, the management decided to conduct a physical verification, tagging and valuation exercise of its fixed assets using the services of an independent professional firm / valuers. Once this exercise is done, the property, plant and equipment will be entered in accounting system and any adjustment arising will be reflected in subsequent year's financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
7 RIGHT-OF-USE ASSETS			
Storage facility		10,437,966	10,619,693
Pumpsites		2,654,134	2,628,451
Offices		419,108	9,078
		13,511,208	13,257,222
7.1	Movement in right of use assets during the period/year is as follows:		
Balance at beginning of the period/year		13,257,222	20,960,480
Additions during the period/year		489,301	237,700
Effect of modification		1,318	(6,982,016)
Disposals/terminations during the period/year		-	(92,935)
Depreciation charged during the period/year		(236,633)	(866,007)
Balance at the end of the period/year		13,511,208	13,257,222
8 INTANGIBLE ASSET			
Computer software		2,489	3,007
Net book value at beginning of the period/year		3,007	5,232
Additions during the period/year		-	410
Amortization charge for the period/year		(518)	(2,635)
Net book value at the end of the period/year		2,489	3,007
Net book value			
Cost		14,518	14,518
Accumulated amortization		(12,029)	(11,511)
Net book value		2,489	3,007
Rate of amortization - %		33.33	33.33
9 LONG-TERM INVESTMENTS			
Investment in associated company			
VAS LNG (Private) Limited - unquoted	9.1	1,468	1,468
Karachi Hydrocarbon Terminal Limited - unquoted	9.2	382,340	399,890
		383,808	401,358
Advance against purchase of shares - with related parties			
Karachi Hydrocarbon Terminal Limited - unquoted		2,500	2,500
VAS LNG (Private) Limited - unquoted		1,023	1,023
		387,331	404,881
9.1 Details of the investment is as follows:			
Balance at the beginning of the period/year		1,468	1,502
Share of loss for the period/year		-	(34)
Balance at the end of the period/year		1,468	1,468
9.2	Investment in Karachi Hydrocarbon Terminal Limited (formerly Hascol Terminals Limited) represent 41.25 million shares (December 31, 2020 : 41.25 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products.		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
Balance at the beginning of the period/year	399,890	384,435
Share of loss for the period/year	(17,550)	(22,045)
Addition in Investment during the period/year	-	37,500
Balance at the end of the period/year	<u>382,340</u>	<u>399,890</u>

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

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
10 Deferred Taxation - Net This comprises the following:		
<i>Taxable temporary difference arising in respect of :</i>		
Accelerated depreciation	(1,948,178)	(5,095,411)
<i>Deductible temporary difference arising in respect of :</i>		
Liabilities against assets subject to finance lease	4,903,147	4,522,450
Exchange loss	-	58,822
Provision for :		
- other liabilities	966	934
- retirement benefit	37,526	37,223
- doubtful debts	2,768,935	2,760,845
- short term investments - TFCs	2,102	1,801
Normal tax loss	12,039,189	15,283,743
	<u>17,803,687</u>	<u>17,570,407</u>
Unrecognized deferred tax asset	<u>(17,803,687)</u>	<u>(17,570,407)</u>
	<u>-</u>	<u>-</u>

10.1 Deferred tax asset of Rs. 17,804 million has not been recognised in these condensed interim consolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future years. However, in future years and based on the availability of taxable profits, the unutilized deferred tax asset will be recognized.

As at the period/year end, the Group's tax losses amounted to Rs. 39,906 million (2020 : 49,812 million).

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
11 ADVANCES - considered good, unsecured		
To employees		
- against expenses	10,692	9,448
- against salaries	29,206	30,613
Supplier & Service provider	7,654,107	7,278,516
Provision for Supplier & Services Advance	<u>(6,249,872)</u>	<u>(6,249,872)</u>
	<u>1,444,133</u>	<u>1,068,705</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
11.1 Movement of provision for Suppliers and Service provider			
Balance at the beginning of the period/year		6,249,872	5,437,687
Provisions made during the period/year		-	812,185
Balance at the end of the period/year		6,249,872	6,249,872
11.2	Advance to suppliers and service providers mainly relates to cartage contractors and for the construction, maintenance and ancillary services to the Holding Company's retail sites and depots, which were previously netted off with other liabilities.		
11.3	Balance of Advances to Suppliers is the resultant figure of various adjustments of significant amounts including certain numerous entries with no reference to any invoices or purchase orders in the system. In March 31, 2021 no provision is recorded against outstanding advance as the reconciliation of long outstanding advances and other liabilities is still ongoing and expected to be concluded in the financial.		
	Any adjustment / reclassification arising from further reconciliation effort will be reflected in subsequent years financial statements.		
12 DEPOSITS AND PREPAYMENTS		March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
<i>Deposits</i>	Note		
Current portion of lease deposits		80,181	71,579
Other deposits		60,389	14,271
		140,570	85,850
<i>Prepayments</i>			
- Insurance and others		57,762	16,756
- Rent		64,451	73,934
		122,213	90,690
		262,783	176,540
13 OTHER RECEIVABLES			
Inland freight equalization margin receivable		4,303,169	4,360,699
Receivable against services rendered		807	796
Receivable against regulatory duty		25,533	25,533
Price differential claims	13.1	5,083	5,083
Receivable from Vitol Resource (Private) Limited		25,455	-
Provisioning of IFEM, RD and PDC	13.2	(1,049,783)	(1,049,783)
		3,310,264	3,342,328
13.1	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 Holding Company together with other oil marketing companies is actively perusing the matter with the concerned authorities for the early settlement of above claim.		
13.2 Movement of provision for impairment		March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
Balance at the beginning of the period/year	Note	1,049,783	1,358,052
Reversal made during the period/year		-	(308,269)
Balance at the end of the period/year	13.2.1	1,049,783	1,049,783
13.2.1	This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
14 LONG TERM FINANCING - secured			
Borrowing from conventional banks		13,044,558	13,147,683
Borrowing from non banking financial institutions		92,857	104,762
Sukuk certificates		495,227	495,227
		13,632,642	13,747,672
Current portion of long term finances			
Borrowing from conventional banks		(1,080,819)	(833,319)
Borrowing from non banking financial institutions		(19,048)	(104,762)
Sukuk certificates		(495,227)	(495,227)
		(1,595,094)	(1,433,308)
Non-current portion of long term financing		12,037,548	12,314,364
15 LEASE LIABILITIES			
Finance lease liability	15.1	653,764	731,547
Lease liability against right of use asset	15.2	16,506,341	16,402,907
		17,160,105	17,134,454
15.1 Finance lease liability			
Present value of future minimum lease payments		986,912	1,086,334
Less: current portion		(333,148)	(354,787)
Non current portion		653,764	731,547
15.2 Lease liability against right of use asset			
Present value of future minimum lease payments		16,888,405	16,507,009
Less: current portion		(382,064)	(104,102)
Non current portion		16,506,341	16,402,907
15.2.1 Movement during the period/year			
Balance at beginning		16,507,009	21,676,697
Additions during the period/year		489,301	237,700
Accretion of interest		571,233	2,293,032
Lease contracts modified during the period/year		1,183	(5,038,444)
Less: Disposals / terminations		-	(110,571)
Less: Lease rentals paid		(680,321)	(2,551,405)
		16,888,405	16,507,009
Less: current portion shown under current liability		(382,064)	(104,102)
Balance as at end		16,506,341	16,402,907

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
16 TRADE AND OTHER PAYABLES			
Trade creditors	16.1	11,688,841	20,629,565
Payable to cartage contractors		2,378,303	4,170,668
Advance from customers		680,252	1,429,004
Dealers' and customers' security deposits	16.2	491,191	475,503
Sales tax payable		638,553	271,947
Accrued liabilities		8,638	15,898
Other liabilities	16.3	12,711,814	13,476,405
		<u>28,597,592</u>	<u>40,468,990</u>

16.1 Trade creditors includes procurement of fuel from local refineries and imports, storage charges and associated duties and levies.

16.2 The security deposits are non-interest bearing and are refundable on termination of contracts. A separate bank account has been opened with effect March 2021 and any deposit so received from March 2021 will be deposited in the said account.

16.3 In Other Liabilities certain main vendors including related parties had outstanding balances aggregating to significant amount that comprised of adjustments of material amounts with no reference to any invoices or purchase orders in the system which needs further reconciliation as to ascertain the accuracy of carrying amount. Any adjustment arising as a result of this will be reflected in subsequent years' financial statements.

Further, Other Liabilities comprise of significant balances outstanding with various vendors against which outstanding balances are appearing under Advances to Suppliers account. Offsetting of advances against liabilities have not been done in the condensed interim unconsolidated financial information for the period ended 31 March 2021 till the time reconciliation is completed.

		March 31, 2021 Un-audited	December 31, 2020 Audited
	Note	-----Rupees in '000-----	
17 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	14	1,595,094	1,433,308
Current portion of liabilities subject to finance lease	15.1	333,148	354,787
Current portion of lease liability of right of use assets	15.2	382,064	104,102
		<u>2,310,306</u>	<u>1,892,197</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

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.

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 the Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

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 and Rs. 3.9 billion. The Company has filed a C.P No. 4837/2021 before Supreme Court of Pakistan against the judgment passed by Sindh High Court in W.P No. 7569/2019 and a C.P 6150/2021 before Supreme Court of Pakistan against the judgment passed by Sindh High Court in C.P No. 797/2020 wherein SHC has validated Sindh Development and Maintenance of Infrastructure Cess Act 2017. This petition was fixed on 01.09.2021 along with other petitions on the same subject, SCP vide its order dated 01.09.2021 has suspended the judgment passed by SHC and issued notices to the respondents.

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 Holding Company reveals that the Holding 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 Holding 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 Holding Company submitted its reply to FBR and then challenged the show cause in the High Court on November 5, 2019. After hearing Holding 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 Holding Company on the basis of impugned Show Cause Notice. The matter is still pending adjudication and in the view of the advisor, the Holding Company has a good arguable case on merits with a chance of favorable outcome. There is no immediate financial liability against the Holding Company.

18.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2020 amounted to Rs 41,911 million (December 31, 2020: Rs 42,486 million) of which the amount remaining unutilized as at that date was Rs 4,151 million (December 31, 2020: Rs 3,581 million)
- (ii) There are commitments for the purchase from Vitol Bahrain E.C., a party related to the Group, amounting to Rs. nil (December 31, 2020: Rs. 289 million).

	March 31, 2021 Un-audited -----Rupees in '000-----	December 31, 2020 Audited
(iii) Bank guarantees	894,081	894,081
(iv) Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
Property, plant and equipment	4,814,852	4,787,592
(v) Commitments for rentals of assets under operating lease/ Ijarah :		
Not later than one year	212,809	249,813
Later than one year and not later than five years	299,549	349,067
Later than five years	-	-
	512,358	598,880

19 FINANCE COST

The Company has accrued interest cost on the outstanding debt at the cost of funds. This is because the outstanding debt and associated finance cost as of December 31, 2021 is currently under restructuring, thereby the Company believe that the finance cost for 2021 will be based on cost of funds.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
		Un-audited -----Rupees in '000-----	
20 TAXATION	Note		
Current		104,421	215,695
Deferred		-	-
		104,421	215,695
21 CASH USED IN OPERATIONS			
Loss before taxation		(832,141)	(9,257,731)
<i>Adjustment for:</i>			
Depreciation on property, plant and equipment		424,885	418,717
Depreciation on right of use assets	7.1	236,633	216,525
Amortization	8	518	389
M2M of short term investment		1,050	788
Provision for advance to supplier	11.1	472,542	788,754
Reversal of provision for doubtful debts		(30,542)	(36,990)
Share of (loss)/profit on associate		17,550	(16,491)
Provision for gratuity		13,063	19,344
Gain on disposal of operating fixed assets		(112,645)	-
(Gain)/loss on termination/modification of lease		(134)	1,943,572
Markup/profit on bank deposits		(11,550)	(101,269)
Markup charged on lease liability	15.2.1	571,233	577,303
Exchange (gain)/loss - unrealized		(500,527)	1,489,770
Finance cost		1,241,493	1,912,209
Working capital changes	21.1	(5,376,164)	(4,331,313)
		(4,578,378)	(6,376,423)
21.1 Changes in working capital			
(Increase) / decrease in current assets			
Stock-in-trade		6,304,399	143,806
Trade debts		119,915	(855,184)
Deposits, prepayments and other receivables		(86,243)	(312,913)
Loans and advances - considered good		(375,428)	(605,093)
Other receivable		32,064	(387,370)
		5,994,707	(2,016,754)
Increase in current liabilities			
Trade and other payables		(11,370,871)	(2,314,559)
		(5,376,164)	(4,331,313)
22 CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,944,382	4,752,858
Short-term borrowings		(36,562,714)	(34,960,686)
		(34,618,332)	(30,207,828)

23 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

March 31,
2021

March 31,
2020

Un-audited

-----Rupees in '000-----

23.1 Transactions with related parties

Nature of relationship	Nature of transaction	Percentage of shareholding	March 31, 2021	March 31, 2020
Vitol Bahrain E.C	Product procurement	N/A	2,862,073	22,459,804
Vitol Resource (Private) Limited	Reimbursement of works	N/A	25,455	-
Karachi Hydrocarbon Terminal Limited	Services procurement	15%	248,647	339,938
Karachi Hydrocarbon Terminal Limited	Reimbursement of expenses	15%	-	6,735

March 31,
2021

Un-audited

-----Rupees in '000-----

December 31,
2020

Audited

23.2 Balances with related parties

Shareholding by the Company

Karachi Hydrocarbon Terminal Limited	Advance against issue of shares	15%	2,500	2,500
Karachi Hydrocarbon Terminal Limited	Investments	15%	412,500	412,500
Karachi Hydrocarbon Terminal Limited	Services procurement	15%	1,598,060	1,182,277

Other related parties

Vitol Bahrain E.C	Procurement	N/A	5,907,784	19,180,802
Vitol Resource (Pvt) Limited	Reimbursement of works	N/A	25,455	-
Gas & Oil Pakistan Limited	Duties and levies	N/A	104,000	61,000

24 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, 2020 and the corresponding figures in the condensed interim consolidated statement of profit or loss, 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 that are in conformity with the restatements made in the financial statements for the year ended December 31, 2020 that related to the first quarter of 2020.

25 DATE OF AUTHORISATION

These condensed interim consolidated financial information have been authorised for issue on January 19, 2022 by the board of directors of the Group.

26 GENERAL

All amounts have been rounded to the nearest thousand.

Chief Executive Officer

Chief Financial Officer

Director

Hascol Petroleum Limited

29th Floor, Sky Tower, West Wing (Tower A), Dolmen City,
Abdul Sattar Edhi Avenue, Block-4, Clifton, Karachi.

