

**Hascol Petroleum Limited**  
**Half yearly review report**  
**June 30, 2021**

**DIRECTORS' REPORT**

- The Directors of your Company are pleased to present the half yearly report of the Company along with un-audited standalone and consolidated financial statements thereon for the period ended 30 June 2021.

**Financial and operational performance:**

During the period under review, the Company recorded net sales revenue of Rs. 38,431 million as compared to Rs. 58,751 million earned during same period last year. Net sales revenue decreased due to drop in average selling prices across the country compared to same period last year coupled with a decrease in sales volume.

The Company posted a gross profit of Rs. 2,024 million (2020: gross loss of Rs. 100 million) mainly due to better inventory management and better margins. The net loss of Rs. 386 million (2020: Rs. 20,094 million). The LPS for the period stood at Rs. 0.39 as compared to LPS of Rs. 20.32 in 2020.

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

COVID-19 situation still negatively affected the demand of petroleum products due to decrease in travel. This in turn affected the 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 aiming to close the reconciliation of ledgers, fixed asset tagging and valuation in the accounts for the year ended 31 December 2021.

The reconstituted Board and new management formulated a business revival and financial restructuring plan ("Plan") and are currently in an advanced stage to finalize the term sheet with its lenders.

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

  
\_\_\_\_\_  
Director / CEO

  
\_\_\_\_\_  
Director

## ڈائریکٹر رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو 30 جون 2021 کو ختم ہونے والی مدت کے لیے کمپنی کے نو ماہانہ اکاؤنٹس کے ساتھ غیر آڈٹ شدہ موقف اور ان پراکھٹا مالی بیانات پیش کرنے پر خوشی ہے۔

مالی اور آپریشنل کارکردگی:

زیر جائزہ مدت کے دوران، کمپنی کے پچھلے سال کی اسی مدت کے دوران کمائے گئے 38,431 ملین کے مقابلے میں 58,751 ملین کی خالص سیلرز ریونیوریکارڈ کی ہے، گزشتہ سال اسی مدت کے مقابلے میں ملک بھر میں فروخت کی اوسط قیمتوں میں کمی اور فروخت کے حجم میں کمی کی وجہ سے خالص سیلرز ریونیو میں کمی واقع ہوئی ہے۔

کمپنی نے روپے کا مجموعی منافع 2,024 ملین پوسٹ کیا، (2020 میں 100 ملین روپے کا مجموعی نقصان) بنیادی طور پر جس کی وجہ بہتر انوینٹری مینجمنٹ اور بہتر مارجن رہی۔ خالص نقصان 386 ملین رہا جو کہ (2020 میں 20,094 ملین) تھا۔ اس مدت میں LPS بنیادی طور پر 0.39 روپے رہا جبکہ سال 2020 میں ایل پی ایس 20.32 روپے پہنچ گیا تھا۔

ذخائر میں تخصیص اور نقل و حرکت کا انکشاف ان کنڈینسڈ عبوری مالیاتی بیانات کے صفحہ۔۔۔ پراکیویٹی میں تبدیلیوں کے کنڈینسڈ عبوری بیان میں کیا گیا ہے۔

سفر میں کمی کی وجہ سے کوویڈ 19 کی صورتحال نے اب بھی پیٹرولیم مصنوعات کی مانگ کو منفی طور پر متاثر کیا ہے۔ اس کے نتیجے میں عالمی سطح پر تیل کی قیمتوں پر اثر پڑا۔ تاہم مدت کے اختتام پر ایک زیادہ مثبت نقطہ نظر دیکھا گیا اور قیمتوں میں اضافے کا رجحان رہا۔ آگے بڑھنے کی ہموار راستہ:

سال کے اختتام کے بعد کمپنی نے پہلے ہی آڈٹ رپورٹ میں دستبردار یوں کو حل کرنا شروع کر دیا ہے اور اس کا مقصد 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کھاتوں میں لیجرز، فلکسڈ اثاثوں کی ٹیکنگ اور ویلیو ایشن کی مفاہمت کو بند کر دینا ہے۔

ازسرنو تشکیل شدہ بورڈ اور نئی انتظامیہ نے کاروبار کی بحالی اور مالیاتی تنظیم نو کا منصوبہ (پلان) تیار کیا ہے اور فی الحال اپنے قرض دہندگان کے ساتھ ٹرم شیٹ کو حتمی شکل دینے کے لیے ایک اعلیٰ درجے کے مرحلے کو تشکیل دیا۔

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

تمام بورڈ ممبران کی طرف سے

آپ سب کا بے حد شکریہ۔۔۔

ڈائریکٹر

ڈائریکٹر سی ای او



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## **TO THE MEMBERS OF HASCOL PETROLEUM LIMITED**

### **REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**

#### **Introduction**

We were engaged to review the accompanying condensed interim unconsolidated statement of financial position of Hascol Petroleum Limited (the Company) as at June 30, 2021 and the related condensed interim unconsolidated statement of profit or loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to these condensed interim unconsolidated financial statements for the six months' period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and fair presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review. However, because of matter described in Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence for expressing a conclusion on these condensed interim unconsolidated financial statements.

#### **Scope of review**

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

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### **Basis for Disclaimer of Conclusion**

- a) We disclaimed our opinion on the unconsolidated financial statements for the year ended December 31, 2020, as the Company did not have any documented policy to conduct physical verification of property, plant and equipment; hence, the items were neither counted nor tagged and matched with the Fixed Asset Register (FAR).

As explained in note no. 7.1 to the condensed interim unconsolidated financial statements, subsequent to six months period ended June 30, 2021, the Company conducted physical verification and record reconciliation exercise of property, plant and equipment and found various discrepancies. However, the Fixed Asset Register (FAR) is not completely updated and, hence, the reconciliation exercise is incomplete.

- b) We disclaimed our opinion on the unconsolidated financial statements for the year ended December 31, 2020, as we were appointed as auditors of the Company after December 31, 2020, and thus we did not observe the counting of physical inventories at the end of that year. During the six months period ended June 30, 2021, we did not perform any physical verification procedure. Further, as we did not place reliance on Company's internal controls, therefore, we were unable to apply any alternate procedure.
- c) In addition to the above stated observations, we also disclaimed our opinion on the unconsolidated financial statements for the year ended December 31, 2020, on the basis that, while reviewing General Ledgers including ledgers of prior years, we found that numerous entries were posted frequently and reversals were made in major head of accounts without any supporting evidence / reasonable justifications. The management is in the process of identifying and correcting the effected balances.
- d) As disclosed in note no. 19.1 to the condensed interim unconsolidated financial statements, the Securities and Exchange Commission of Pakistan (SECP) and Federal Investigation Agency (FIA) are investigating the affairs of the Company.
- e) We disclaimed our opinion on the unconsolidated financial statements for the year ended December 31, 2020, where management had made certain restatements and reclassifications in comparative figures. Due to limitation of scope as mentioned in para (a) to (d) of this report, we were unable to determine whether all necessary restatements / reclassifications have made in the condensed interim unconsolidated financial statements with regard to balances of prior period presented.

BM



- f) We also found multiple uncertainties related to Company's going concern assumption, which are as follows:
- i) As fully disclosed in note 1.3 to the condensed interim unconsolidated financial statements, the Company has incurred a net loss of Rs. 385.598 million (2020: Rs. 20,094.479 million Restated) during the six months period ended June 30, 2021, which has resulted in accumulated losses of Rs. 61,248.900 million (2020: Rs. 61,000.221 million Restated) and eroded the equity to Rs. 47,425.015 million (2020: Rs. 47,046.604 million Restated).
  - ii) The Company had defaulted towards all its major Financing Arrangements with Banks / Financial Institutions.
  - iii) Potential effects of the matters mentioned in para (a) to (e).

Due to above mentioned uncertainties, we are unable to conclude whether the use of the going concern assumption, in these condensed interim unconsolidated financial statements is appropriate.

As a result of the matters mentioned from para (a) to (f) of this report, we were unable to determine whether any adjustment(s) might have been found necessary in respective assets and liabilities and the elements making up condensed interim unconsolidated profit or loss account, the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows.

#### **Disclaimer of Conclusion**

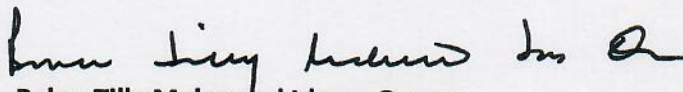
Because of the significance of the matter described in the "**Basis for Disclaimer of Conclusion**" section of our report, we have not been able to obtain sufficient appropriate evidence to form a conclusion on these condensed interim unconsolidated financial statements. Accordingly, we do not express a conclusion on these condensed interim unconsolidated financial statements.



**Other Matter**

The figures for the quarter ended June 30, 2021 in the condensed interim unconsolidated profit or loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is **Mehmood A. Razzak**.

  
**Baker Tilly Mehmoed Idrees Qamar**  
**Chartered Accountants**

*Karachi*

*Date: August 26, 2022*

**Hascol Petroleum Limited**  
**Unconsolidated Condensed Interim Financial Statements**  
**For the Half year ended June 30, 2021**



HASCOL PETROLEUM LIMITED  
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021

		Un-audited June 30, 2021	Restated Audited December 31, 2020	Restated Audited December 31, 2019
ASSETS	Note	Rupees in '000		
<b>Non-current assets</b>				
Property, plant and equipment	7	21,163,457	22,750,975	24,159,358
Right-of-use assets	8	3,068,614	13,245,320	20,960,480
Intangible asset	9	1,394	1,477	3,134
Long-term investments	10	3,675,000	3,675,000	4,382,165
Deferred taxation - net	11	-	-	-
Long-term deposits		482,419	492,653	571,065
<b>Total non-current assets</b>		<b>28,390,884</b>	<b>40,165,425</b>	<b>50,076,202</b>
<b>Current assets</b>				
Stock-in-trade		14,000,945	11,435,266	19,012,237
Trade debts		548,797	1,571,051	11,040,583
Advances	12	321,251	1,013,786	676,728
Deposits and prepayments	13	194,434	167,699	137,585
Other receivables	14	3,475,006	3,463,509	2,569,381
Accrued mark-up and profit		2,156	13,118	114,159
Taxation - net		-	-	478,921
Short term investments		98,700	98,700	103,688
Cash and bank balances		2,319,339	3,079,606	13,648,836
<b>Total current assets</b>		<b>20,960,628</b>	<b>20,842,735</b>	<b>47,782,118</b>
<b>TOTAL ASSETS</b>		<b>49,351,512</b>	<b>61,008,160</b>	<b>97,858,320</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
Share capital		9,991,207	9,991,207	1,991,207
Reserves		(61,248,900)	(61,000,221)	(36,097,391)
Revaluation surplus on property, plant and equipment - net of tax		3,832,678	3,962,410	4,221,873
Share deposit money		-	-	5,752,443
<b>Total shareholders' deficit</b>		<b>(47,425,015)</b>	<b>(47,046,604)</b>	<b>(24,131,868)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term financing - secured	15	11,514,357	12,314,364	1,590,538
Lease liabilities	16	3,927,598	16,915,039	22,447,809
Deferred liabilities		130,446	130,046	257,282
<b>Total non-current liabilities</b>		<b>15,572,401</b>	<b>29,359,449</b>	<b>24,295,629</b>
<b>Current liabilities</b>				
Trade and other payables	17	39,103,021	40,576,205	57,057,357
Unclaimed dividend		356,930	357,249	357,790
Taxation - net		331,990	70,192	-
Accrued mark-up and profit		4,877,742	2,538,666	1,450,611
Short-term borrowings		33,983,776	33,054,245	37,017,653
Current portion of non-current liabilities	18	2,550,667	2,098,758	1,811,148
<b>Total current liabilities</b>		<b>81,204,126</b>	<b>78,695,315</b>	<b>97,694,559</b>
<b>TOTAL LIABILITIES</b>		<b>96,776,527</b>	<b>108,054,764</b>	<b>121,990,188</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,351,512</b>	<b>61,008,160</b>	<b>97,858,320</b>

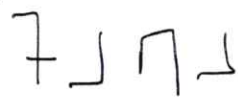
CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**HASCOL PETROLEUM LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

	Note	Restated		Restated	
		Six months period ended		Three months period ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- Rupees in '000 -----					
Sales - net		45,066,064	69,140,852	23,121,876	28,401,171
Less: sales tax		(6,635,004)	(10,390,010)	(3,392,589)	(4,344,388)
<b>Net sales</b>		<b>38,431,060</b>	<b>58,750,842</b>	<b>19,729,287</b>	<b>24,056,783</b>
Other revenue		571,106	217,319	496,861	87,256
<b>Net revenue</b>		<b>39,002,166</b>	<b>58,968,161</b>	<b>20,226,148</b>	<b>24,144,039</b>
Cost of products sold		(36,978,357)	(59,068,112)	(19,159,773)	(22,895,584)
<b>Gross profit / (loss)</b>		<b>2,023,809</b>	<b>(99,951)</b>	<b>1,066,375</b>	<b>1,248,455</b>
<b>Operating expenses</b>					
Distribution and marketing		(1,993,410)	(1,323,577)	(1,242,761)	(564,498)
Administrative		(495,267)	(495,267)	(259,048)	(314,495)
		(2,488,677)	(1,818,844)	(1,501,809)	(878,993)
Impairment losses on financial assets	20	(154,030)	(7,603,915)	(154,030)	(7,603,868)
Other expenses		-	(2,796,504)	1,050	(58,590)
Other income		3,927,565	349,338	3,765,016	209,736
<b>Operating profit / (loss)</b>		<b>3,308,667</b>	<b>(11,969,876)</b>	<b>3,176,602</b>	<b>(7,083,260)</b>
Finance cost		(3,364,190)	(4,903,493)	(1,774,614)	(2,413,981)
Exchange loss - net		(43,778)	(2,533,539)	(708,370)	(678,598)
		(3,407,968)	(7,437,032)	(2,482,984)	(3,092,579)
<b>Profit / (loss) before taxation</b>		<b>(99,301)</b>	<b>(19,406,908)</b>	<b>693,618</b>	<b>(10,175,839)</b>
Taxation	21	(286,297)	(687,571)	(181,876)	(471,876)
<b>Profit / (loss) for the period</b>		<b>(385,598)</b>	<b>(20,094,479)</b>	<b>511,742</b>	<b>(10,647,715)</b>
Earnings / (loss) per share - basic and diluted (Rupees)		(0.39)	(20.32)	0.51	(10.77)


The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director



HASCOL PETROLEUM LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

	Six months period ended		Three months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees in '000-----			
Profit / (loss) for the period	(385,598)	(20,094,479)	511,742	(10,647,715)
Other comprehensive (loss) / income for the period				
<i>Items that will not be reclassified subsequently to consolidated profit or loss account</i>				
Remeasurement of actuarial gain on defined benefit obligation -	7,187	-	7,187	-
Unrealized (loss) / gain on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	(292,025)	-	24,259
Total comprehensive (loss) / income for the period	<u>(378,411)</u>	<u>(20,386,504)</u>	<u>518,929</u>	<u>(10,623,456)</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**HASCOL PETROLEUM LIMITED**
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW - Unaudited  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

		June 30, 2021	Restated June 30, 2020
Note		Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	22	(1,182,009)	(11,166,123)
Cash used in from operations			
Finance cost paid		(518,300)	(2,854,554)
Profit received on bank deposits and TFC		38,347	219,376
Profit received on sale of derivatives		-	70,142
Taxes paid		(27,435)	(262,650)
Gratuity paid		(3,841)	(67,891)
<b>Net cash used in operating activities</b>		<b>(1,693,238)</b>	<b>(14,061,700)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(141,650)	(59,818)
Proceeds from disposal of property, plant and equipment		1,010,428	180,705
Long term deposit repaid - net		10,234	-
<b>Net cash generated from investing activities</b>		<b>879,012</b>	<b>120,887</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability repaid		(764,996)	(1,442,514)
Payment of unclaimed dividend		(319)	(191)
Issue of right shares		-	2,247,557
Rights share issuance cost		-	(127,120)
Long term investment		-	(205,000)
Long-term finance paid		(110,257)	(405,861)
<b>Net cash (used in) / generated from financing activities</b>		<b>(875,572)</b>	<b>66,871</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,689,798)</b>	<b>(13,873,942)</b>
Cash and cash equivalents at beginning of the period		(29,974,639)	(23,368,817)
<b>Cash and cash equivalents at end of the period</b>	23	<b>(31,664,437)</b>	<b>(37,242,759)</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director



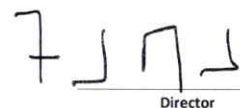
HASCOL PETROLEUM LIMITED  
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

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)
Effect of restatement as referred in note 4	-	-	-	(521,232)	-	-	(521,232)
	1,991,207	4,766,854	(267,992)	(40,596,253)	4,221,873	5,752,443	(24,131,868)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(20,094,479)	-	-	(20,094,479)
Other comprehensive loss for the period							
Unrealized loss on remeasurment of investment held at fair value through other comprehensive income - net of tax	-	-	(292,025)	-	-	-	(292,025)
Total comprehensive loss for the period	-	-	(292,025)	(20,094,479)	-	-	(20,386,504)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax							
	-	-	-	178,052	(178,052)	-	-
	-	-	(292,025)	(19,916,427)	(178,052)	-	(20,386,504)
Transactions with owners							
Right issue - 401% - January 2020	8,000,000	-	-	-	-	(8,000,000)	-
Share deposit money	-	-	-	-	-	2,247,557	2,247,557
Transaction cost	-	(127,119)	-	-	-	-	(127,119)
	8,000,000	(127,119)	-	-	-	(5,752,443)	2,120,438
Balance as at June 30, 2020 - unaudited							
	9,991,207	4,639,735	(560,017)	(60,512,680)	4,043,821	-	(42,397,934)
Balance as at January 01, 2021 - audited							
	9,991,207	4,639,735	-	(65,639,956)	3,962,410	-	(47,046,604)
Total comprehensive income for the period							
Loss for the period	-	-	-	(385,598)	-	-	(385,598)
Other comprehensive income							
Remeasurement of actuarial gain on defined benefit obligation - net of tax	-	-	-	7,187	-	-	7,187
Total comprehensive loss for the period	-	-	-	(378,411)	-	-	(378,411)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax							
	-	-	-	129,732	(129,732)	-	-
	-	-	-	(248,679)	(129,732)	-	(378,411)
Balance as at June 30, 2021 - unaudited							
	9,991,207	4,639,735	-	(65,888,635)	3,832,678	-	(47,425,015)

The annexed notes from 1 to 27 form an integral part of these condensed interim unconsolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**HASCOL PETROLEUM LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

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**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. The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licenced company in the year 2018.
- 1.2** These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary and associated company, have been accounted for at cost less accumulated impairment losses, if any.
- 1.3** During the current period, the Company incurred a net loss of Rs. 386 million (2020-Restated: Rs. 20.0 billion), resulting in net shareholders deficit of Rs. 47.42 billion (2020-Restated: Rs. 47.05 billion) as of the unconsolidated statement of financial position date. Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 60.2 billion (2020-Restated: Rs. 57.8 billion) 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.
  - 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 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**

These condensed interim unconsolidated financial statements of the Company for the six month period ended June 30, 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. 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 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.



#### 4. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

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

##### Impact on statement of financial position - as at December 31, 2019

	Note	As previously reported	Restatements	Reclassification	As restated
----- Rupees in '000 -----					
Reserves		(35,576,159)	(521,232)	-	(36,097,391)
Operating fixed assets	4.1	20,513,416	-	(1,332,670)	19,180,746
Capital work-in-progress	4.1	4,167,174	(521,232)	1,332,670	4,978,612
Long-term investments	4.2	4,272,165	-	110,000	4,382,165

##### Impact on statement of financial position - as at December 31, 2020

	Note	As previously reported	Restatements	Reclassification	As restated
----- Rupees in '000 -----					
Operating fixed assets	4.1	18,079,672	-	(121,726)	17,957,946
Capital work-in-progress	4.1	4,671,303	-	121,726	4,793,029

**4.1** This represents provision against operating fixed assets & CWIP along-with reclassification from operating fixed assets to CWIP.

**4.2** This represents investment in Magic River Services Limited previously classified as advances to suppliers.

#### 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, 2020.

## 6. 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.

		(Un-audited) June 30, 2021	Restated (Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets		<b>17,210,788</b>	17,957,946
Capital work-in-progress	<b>7.4</b>	<b>3,952,669</b>	4,793,029
		<b><u>21,163,457</u></b>	<u>22,750,975</u>

**7.1** Subsequent to year-end December 31, 2021 but before authorization of Unconsolidated condensed interim financial statements, the Management carried out tagging, physical verification and matching with the fixed asset register for all depots and retails sites in accordance with the company policy. As a result of the exercise, the Management found various discrepancies in the fixed asset register for which the necessary adjustments have been made and adequately disclosed in note 4 of the Unconsolidated Financial Statements for the year ended December 31, 2021. The status of tagging exercise completed so far & duly matched with fixed asset register and the provision reflected in the unconsolidated financial statements are as follows:

	Tagged / title documents	Not tagged	Total	Provisions (refer note 4)
	----- Rupees in '000 -----			
Leasehold Land	4,179,742	-	4,179,742	-
Building on lease hold land	7,514,332	-	7,514,332	354,535
Tanks and pipelines	3,787,470	492,897	4,280,367	366,616
Dispensing Pumps	1,037,981	810,638	1,848,619	1,295
Plant and machinery	320,368	184,523	504,891	24,947
Electrical, Mechanical and firefighting equipment	1,950,460	370,793	2,321,253	187,259
Furniture, office equipment and others	33,795	71,879	105,674	3,370
Vehicles	1,514,969	-	1,514,969	10
Computer auxiliaries	3,195	12,847	16,042	1,160
	<b><u>20,342,312</u></b>	<b><u>1,943,577</u></b>	<b><u>22,285,889</u></b>	<b><u>939,192</u></b>

Assets that are physically verified post visiting each depot and retails represents 91% of the total carrying amount while the remaining 9% is still in process.

		(Un-audited) June 30, 2021	Restated (Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
<b>7.2</b>	Movement in capital work-in-progress during the period / year is as follows:		
Balance at the beginning of the year		<b>4,793,029</b>	4,978,612
Additions during the period / year		<b>143,197</b>	371,044
Transfers during the period / year		<b>(983,557)</b>	(556,627)
		<b><u>3,952,669</u></b>	<u>4,793,029</u>

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

	Cost	Accumulated Depreciation	Net Book Value
	----- Rupees in '000 -----		
<b>June 30, 2021 (un-audited)</b>	-	-	-
December 31, 2020 (audited)	(208,306)	34,675	(173,631)

	(Un-audited) June 30, 2021	Restated (Audited) December 31, 2020
	----- Rupees in '000 -----	
<b>7.4 Capital work-in-progress</b>		
Office building	912,870	1,748,267
Tanks and pipelines	959,200	960,625
Electrical, mechanical and fire fighting equipment	1,262,069	1,255,526
Dispensing pumps	85,601	80,571
Furniture, office equipment and other assets	193,770	190,076
Plant and machinery	371,457	390,262
Borrowing cost capitalized	167,702	167,702
	<b>3,952,669</b>	<b>4,793,029</b>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
<b>8. RIGHT OF USE ASSETS</b>		
Storage facility	24,101	10,605,000
Pumpsites	2,647,981	2,628,451
Offices	396,532	11,869
	<b>3,068,614</b>	<b>13,245,320</b>

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

Balance at the beginning of the period/year	13,245,320	20,960,480
Additions during the period/year	566,881	223,007
Effect of modification	-	(6,982,016)
Disposals/terminations during the period/year	(10,463,846)	(92,935)
Depreciation charged during the period/year	(279,741)	(863,216)
<b>Balance at the end of the period/year</b>	<b>3,068,614</b>	<b>13,245,320</b>



		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
<b>9. INTANGIBLE ASSET</b>			
<b>Computer software</b>		<b>1,394</b>	<b>1,477</b>
Net book value at the beginning of the period/year		1,477	3,134
Addition		-	85
Amortization charge for the period/year		(83)	(1,742)
Net book value at the end of the period/year		<b>1,394</b>	<b>1,477</b>
<b>Net book value</b>			
Cost		12,095	12,095
Accumulated amortization		(10,701)	(10,618)
Net book value		<b>1,394</b>	<b>1,477</b>
Rate of amortization - %		<b>33.33</b>	<b>33.33</b>
		(Un-audited) June 30, 2021	Restated (Audited) December 31, 2020
		----- Rupees in '000 -----	
<b>10. LONG-TERM INVESTMENTS</b>	<b>Note</b>		
<b>Investment in subsidiary company - at cost</b>			
Hascombe Lubricant (Private) Limited - unquoted	<b>10.1</b>	-	-
Hascol Lubricant (Private) Limited - unquoted	<b>10.2</b>	<b>3,150,000</b>	3,150,000
<b>Investment in associate - at cost</b>			
VAS LNG (Private) Limited - unquoted	<b>10.3</b>	-	-
Magic River Services Limited	<b>10.4</b>	<b>110,000</b>	110,000
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	<b>10.5</b>	<b>412,500</b>	412,500
		<b>3,672,500</b>	3,672,500
<b>Advance against purchase of shares - with related parties</b>			
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)		<b>2,500</b>	2,500
		<b>3,675,000</b>	3,675,000
<b>10.1 Investment at cost</b>		<b>30,604</b>	30,604
<b>Movement in provision for impairment</b>			
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		<b>(30,604)</b>	(30,604)
<b>Net book value</b>	<b>10.1.1</b>	<b>-</b>	<b>-</b>

- 10.1.1** This represents investment in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The Company holds 9.78 million ordinary shares (2020: 9.78 million) of Rs. 10 per share.
- 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, 2020: 315) million ordinary shares of Rs. 10 per share.
- 10.3** Investment in VAS LNG (Private) Limited (VL) amounts to Rs. 3 million (2020: Rs. 3 million) representing 30% (2020: 30%) equity stake and Advance against issue of shares to VAS LNG (Private) Limited which amounts to Rs. 1.02 (2020: Rs. 1.02) million . The Company holds 0.3 million ordinary shares (2020: 0.3 million) of Rs. 10 per share which have been provided in the year 2020 as VL has already filed liquidation in the month of October 2020 and the Company is not expecting recoverability of its investment.
- 10.4** Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.
- 10.5** Investment in Karachi Hydrocarbon Terminals Limited (formerly Hascol Terminal Limited) represent 41.3 million shares (2020: 41.3 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.
- 10.6** Investments in associated companies and undertakings have been made in accordance with the requirements of the Companies Act, 2017. The Management cannot assess the recoverable amount as of June 30, 2021 in accordance with the requirement of International Financial Reporting Standards (IFRS) as the audit of the underlying entities are still in process.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
<b>11. DEFERRED TAXATION - NET</b>		
<b>This comprises the following:</b>		
<i><b>Taxable temporary difference arising in respect of :</b></i>		
Accelerated depreciation	(764,707)	(5,095,411)
<i><b>Deductible temporary difference arising in respect of :</b></i>		
Liabilities against assets subject to finance lease	391,567	4,522,450
Exchange loss	65,630	58,822
Provision for :		
- other liabilities	390	934
- retirement benefit	37,676	37,223
- doubtful debts	2,823,814	2,760,845
- short term investments - TFCs	1,820	1,801
Normal tax loss	12,442,521	15,283,743
Unrecognized deferred tax asset	(14,998,711)	(17,570,407)
	<u>-</u>	<u>-</u>

**11.1** Deferred tax asset of Rs. 14,999 million (2020: Rs. 17,570 million) has not been recognized in these condensed interim unconsolidated financial information 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:

	<b>June 30, 2021</b>
	<b>Rupees in '000</b>
Loss for the period	14,613,113
Shareholders' equity	(46,250,190)
Total non-current assets	43,389,595
Loss per share	<u>14.63</u>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
<b>12. ADVANCES - considered good, unsecured</b>		
To employees		
- against expenses	10,518	9,321
- against salaries	22,138	24,950
Supplier & Service provider	5,910,266	7,229,387
Provision for Supplier & Services Advance	(5,621,671)	(6,249,872)
	<u>321,251</u>	<u>1,013,786</u>



		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
<b>13. DEPOSITS AND PREPAYMENTS</b>	<b>Note</b>		
<i>Deposits</i>			
- current portion of lease deposits		80,816	71,579
- other deposits		55,895	10,145
		136,711	81,724
<i>Prepayments</i>			
- Insurance and others		9,102	12,596
- Rent		48,621	73,379
		57,723	85,975
		<u>194,434</u>	<u>167,699</u>
<b>14. OTHER RECEIVABLES</b>			
Inland freight equalization margin receivable		4,391,506	4,360,699
Receivable against share of profit		28,670	-
Receivable against regulatory duty ("RD")		25,533	25,533
Receivable from Hascol Lubricants (Private) Limited		73,266	121,977
Sales tax refundable		1,679	-
Price differential claims ("PDC")	14.1	5,083	5,083
Provisioning of IFEM, RD and PDC	14.2	(1,050,731)	(1,049,783)
		<u>3,475,006</u>	<u>3,463,509</u>
<b>14.1</b>	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 pursuing 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.		
<b>14.2</b>	This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).		
		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
<b>15. LONG TERM FINANCING - secured</b>			
Borrowing from conventional banks		13,044,558	13,147,683
Borrowing from non banking financial institutions		92,857	104,762
Sukuk certificates		500,000	495,227
		13,637,415	13,747,672
<b>Less: Current portion of long term financing</b>			
Borrowing from conventional banks		(1,530,201)	(833,319)
Borrowing from non banking financial institutions		(92,857)	(104,762)
Sukuk certificates		(500,000)	(495,227)
		(2,123,058)	(1,433,308)
<b>Non-current portion of long term financing</b>		<u>11,514,357</u>	<u>12,314,364</u>
<b>16. LEASE LIABILITIES</b>			
Finance lease liability	16.1	593,273	731,547
Lease liability against right of use asset	16.2	3,334,325	16,183,492
		<u>3,927,598</u>	<u>16,915,039</u>

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
<b>16.1</b>	<b>Finance lease liability</b>		
	Present value of future minimum lease payments	899,948	1,086,334
	Less: Current portion	(306,675)	(354,787)
	Non current portion	<u>593,273</u>	<u>731,547</u>
<b>16.2</b>	<b>Lease liability against right of use asset</b>		
	Present value of future minimum lease payments	3,455,259	16,494,155
	Less: Current portion	(120,934)	(310,663)
	Non current portion	<u>3,334,325</u>	<u>16,183,492</u>
<b>17.</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Trade creditors	28,124,112	20,576,578
	Payable to cartage contractors	2,739,185	4,169,103
	Advance from customers - unsecured	1,138,502	1,429,004
	Dealers' and customers' security deposits	511,766	475,503
	Sales tax Payable	-	338,360
	Accrued liabilities	9,675	8,213
	Other liabilities	6,579,781	13,579,444
		<u>39,103,021</u>	<u>40,576,205</u>
<b>18.</b>	<b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
	Current portion of long term financing	15 2,123,058	1,433,308
	Current portion of liabilities subject to finance lease	16.1 306,675	354,787
	Current portion of lease liability of right of use assets	16.2 120,934	310,663
		<u>2,550,667</u>	<u>2,098,758</u>
<b>19.</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>19.1</b>	<b>Contingencies</b>		
<i>i</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.		
<i>ii</i>	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 has 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 has 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.

v *United Bank Limited (UBL)*

The Company availed the following financial facilities from UBL from time to time. The summary of finance availed, amounts paid by the Company and finance recoverable from the Company has been tabulated below: -

	Rupees in '000
a) Principal amount of Finance availed:	750,000
b) Principal amount repaid	3,138
c) Balance principal amount outstanding: (a-b)	746,862
d) Mark-up payable till 28-02-2021	29,906
e) Mark-up outstanding as on 30-06-2021	29,906
Total Outstanding (c+e)	<u><u>776,768</u></u>

The Company made default in payment of above stipulated amount to UBL, resultantly UBL has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001 against the Company and its former Chairman in capacity of the Guarantor, which is pending before SHC for further proceeding and arguments on leave to defend filed by the Company which is likely to be succeeded in favor of the Company.

vi *The Bank of Punjab (BOP)*

The Company availed different finance facilities from BOP in terms of Letter of Credit and Running Finance. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 2,192 million and thereby made default. BOP has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001. SHC vide its order dated 20-09-2021 attached the Company property situated at Eastern Industrial Zone, Port Qasim bearing Plot F-32, 32-B, F-04 measuring 06 acres. The Company has filed leave to defend in the pending for the arguments which is likely to be succeeded in favor of the Company.

*vii MCB*

The Company availed different finance facilities from MCB in terms of Letter of Credit, Demand Finance and Local LCs, Running Finance. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 478 million and thereby made default. MCB has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Company which is likely to be succeeded in favor of the Company.

*viii Samba Bank Limited*

The Company availed different finance facilities from Samba Bank in terms of Letter of Credit, Short Term Finance and Running Finance. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 1,018 million and thereby made default. Samba Bank has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Company which is likely to be succeeded in favor of the Company.

*ix National Bank Of Pakistan (NBP)*

NBP had earlier sent the Company a legal notice for recovery of funds and now filed a recovery suit. The recovery suit has been filed under section 9 of FIO, 2001 for recovery of Rs. 4,019 million along with liquated damages, cost of funds, charges, costs, till the realization of whole amount. The liability of the Company pertains to an indemnity cum undertaking given by the Company to NBP regarding a loan facility which was disbursed by NBP to KHTL for its terminal infrastructure development. The Company has filed leave to defend in the instant case to the extent of the Company which is likely to be succeeded in favor of the Company.

*x Sindh Bank Limited*

The Company availed different finance facilities from Sindh Bank in terms of Letter of Credit and Running Finance facility. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 2,334 million and thereby made default. Sindh Bank has filed a suit for recovery of Rs. 2,334 million under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Company which is likely to be succeeded in favor of the Company.

*xi Summit Bank Limited*

The Company availed different finance facilities from Summit Bank in terms of Letter of Credit, Letter of Guarantee and Running Finance facility. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 547 million and thereby made default. Summit Bank has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Company which is likely to be succeeded in favor of the Company.

*xii Bank Alfalah Limited (BAFL)*

The Company availed different finance facilities from BAFL in terms of Letter of Credit, Inland Letter of Credit, Local Salam, Advance Salam and Syndicated Diminishing Musharkah facility. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 1,130 million and thereby made default. BAFL has filed a suit for recovery along with profit/charity, costs and cost of funds, compensatory charges and liquidated damages under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for submission of leave to defend by the Company.



*xiii Meezan Bank Limited*

The Company availed different finance facilities from Meezan Bank in terms of Ijara, Istisna and Diminishing Musharkah facility. The Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 4,580 million and thereby made default. Meezan Bank has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for submission of leave to defend by the Company.

*xiv Lawyers' opinion*

The Lawyers are contesting the above suits staunchly and the Company is putting all its efforts for the success of the suits vigorously, so there are high chances of grant of Leave to Defend in each case by the Honourable Courts.

*xv Federal Investigation Agency (FIA)*

During the second half of 2021, the Federal Investigation Agency (FIA) started a formal inquiry to probe the defaults incurred at banks on account of the Company. This inquiry focusses on individuals working for the Company (both Management and Board of Directors) and primarily National Bank of Pakistan. A formal First Investigation Report (FIR) was launched in January 2022 followed by a preliminary challan in High Court under the Anti Money Laundering act against thirty two (32) individuals. The Company is complying with the FIA to facilitate this investigation via provision of information. It is of extreme importance that the inquiry nor the challan is against the Company and the Company expects no outflow of economic benefit as a result of this case.

*xvi Securities and Exchange Commission of Pakistan (SECP)*

In 2021, the Securities and Exchange Commission of Pakistan (SECP) appointed an inspector to investigate the affairs of the Company pertaining to historical financial statements till 2019. The investigations pertain to the individuals holding Management and Director position at that time. The Company is co-operating with SECP and providing all the requisite information's on a timely manner. Further, the Company is not expecting any financial adjustment in books of accounts as of result of this investigation.

## 19.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at June 30, 2021 amounted to Rs. 41,105 (2020: Rs. 42,486) million of which the amount remaining unutilized as at that date was Rs. 4,344 (2020: Rs. 3,581) million.
- (ii) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Company, amounting to Rs. 20 million. (2020: Rs. 289 million).

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
(iii) Bank guarantees	<u>744,000</u>	<u>894,081</u>
(iv) Capital commitments:	<u>995,725</u>	<u>4,787,592</u>
(v) Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	193,014	249,813
Later than one year and not later than five years	158,333	349,067
	<u>351,347</u>	<u>598,880</u>

## 20. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

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

	(Un-audited) June 30, 2021	(Un-audited) June 30, 2020
	----- Rupees in '000 -----	
21. TAXATION		
Current	286,297	333,821
Prior period	-	234,472
Deferred	-	119,278
	<u>286,297</u>	<u>687,571</u>

	(Un-audited) June 30, 2021	Restated (Un-audited) June 30, 2020
	----- Rupees in '000 -----	
<b>22. CASH USED IN OPERATIONS</b>		
<b>Loss before taxation</b>	<b>(99,301)</b>	<b>(19,406,908)</b>
<b>Adjustment for:</b>		
Depreciation and amortization	799,545	1,021,576
Depreciation on right-of-use asset	279,742	433,084
Provision for IFEM	948	-
Reversal against slow moving stock	(26)	-
M2M of short term investment	-	788
Provision for doubtful debts	121,862	7,603,868
Exchange loss - unrealized	227,230	1,723,276
Provision for gratuity	14,363	35,505
Gain on disposal of operating fixed assets	(80,722)	(26,532)
Gain on termination of lease	(3,070,135)	(17,636)
(Reversal) / provision of advance to supplier	(628,201)	788,754
Markup / profit on bank deposits	(27,385)	(192,512)
Profit on sale of derivate assets	-	(71,453)
Markup charged on lease liability	506,814	1,152,673
Finance cost	2,857,376	3,750,820
ROUA liability reversal	-	1,943,572
Changes in working capital	(2,084,119)	(9,904,998)
	<b><u>(1,182,009)</u></b>	<b><u>(11,166,123)</u></b>

	(Un-audited) June 30, 2021	Restated (Un-audited) June 30, 2020
	----- Rupees in '000 -----	
<b>22.1 Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	(2,565,653)	3,269,762
Trade debts	900,392	(480,703)
Deposits, prepayments and other receivables	(39,180)	(166,820)
Advances	1,320,736	857,602
	(383,705)	3,479,841
<b>Decrease in current liabilities</b>		
Trade and other payables	(1,700,414)	(13,384,839)
	<u>(2,084,119)</u>	<u>(9,904,998)</u>
	(Un-audited) June 30, 2021	(Un-audited) June 30, 2020
	----- Rupees in '000 -----	
<b>23. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,319,339	3,832,249
Short-term borrowings	(33,983,776)	(41,075,008)
	<u>(31,664,437)</u>	<u>(37,242,759)</u>

#### 24. 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 unconsolidated condensed interim financial information, are as follows:

##### 24.1 Transactions with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) June 30, 2021	(Un-audited) June 30, 2020
----- Rupees in '000 -----				
<b>Shareholding by the Company</b>				
Karachi Hydrocarbon Terminal Limited	Rendering of services	15%	288,677	917,578
Karachi Hydrocarbon Terminal Limited	Business support service	15%	-	13,303
Hascol Lubricants (Private) Limited	Advance against issue of shares	100%	-	205,000
Hascol Lubricants (Private) Limited	Sale, purchase and others	N/A	48,711	24,221
<b>Other related parties</b>				
Vitol Bahrain E.C	Procurement	N/A	18,246,634	33,378,228



## 24.2 Balances with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited)	(Audited)
			June 30, 2021	December 31, 2020
----- Rupees in '000 -----				
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	Rendering of services	N/A	1,519,675	1,543,003
Hascol Lubricants (Private) Limited	Business support service	100%	73,266	77,621
VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Investments	30%	3,000	3,000
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	18,485,156	12,707,630
VOS Petroleum Limited	Rendering of services	N/A	45,862	45,862
Gas & Oil Pakistan Limited	Duty	N/A	(84,366)	(84,366)

## 25. 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 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 six months of 2020.

## 26. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements have been authorised for issue on 23 August 2022 by the Board of Director the Company.

## 27. GENERAL

All amounts have been rounded to the nearest thousand.



Chief Executive Officer



Chief Financial Officer



Director

**Hascol Petroleum Limited**  
**Consolidated Condensed Interim Financial Statements**  
**For the Half year ended June 30, 2021**

**HASCOL PETROLEUM LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2021**

		Un-audited June 30, 2021	Restated Audited December 31, 2020	Restated Audited December 31, 2019
	Note	-----Rupees in '000-----		
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7	23,190,602	24,823,457	26,318,670
Right-of-use assets	8	3,080,516	13,257,222	20,960,480
Intangible asset	9	2,924	3,007	5,232
Long-term investments	10	513,413	514,881	1,441,781
Deferred taxation - net	11	-	-	-
Long-term deposits		482,419	492,653	585,066
<b>Total non-current assets</b>		<b>27,269,874</b>	<b>39,091,220</b>	<b>49,311,229</b>
<b>Current assets</b>				
Stock-in-trade		14,488,016	11,917,055	19,516,458
Trade debts		869,276	1,826,859	11,156,299
Advances	12	345,511	1,068,705	709,855
Deposits and prepayments	13	206,141	176,540	137,596
Other receivables	14	3,463,666	3,342,328	2,508,753
Accrued mark-up and profit		2,156	13,118	114,159
Taxation - net		-	-	479,226
Short term investments		98,700	98,700	103,688
Cash and bank balances		2,510,803	3,301,861	13,909,964
<b>Total current assets</b>		<b>21,984,269</b>	<b>21,745,166</b>	<b>48,635,998</b>
<b>TOTAL ASSETS</b>		<b>49,254,143</b>	<b>60,836,386</b>	<b>97,947,227</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
Share capital		9,991,207	9,991,207	1,991,207
Reserves		(61,470,711)	(61,201,640)	(36,096,586)
Revaluation surplus on property, plant and equipment - net of tax		3,832,678	3,962,410	4,221,873
Share deposit money		-	-	5,752,443
<b>Total shareholders' deficit</b>		<b>(47,646,826)</b>	<b>(47,248,023)</b>	<b>(24,131,063)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term financing - secured	15	11,514,357	12,314,364	1,590,538
Lease liabilities	16	3,937,146	16,924,587	22,447,809
Deferred liabilities		164,388	162,594	286,844
<b>Total non-current liabilities</b>		<b>15,615,891</b>	<b>29,401,545</b>	<b>24,325,191</b>
<b>Current liabilities</b>				
Trade and other payables	17	39,199,210	40,578,991	57,115,897
Unclaimed dividend		356,930	357,249	357,790
Taxation - net		313,447	51,649	-
Accrued mark-up and profit		4,877,742	2,538,666	1,450,611
Short-term borrowings		33,983,776	33,054,245	37,017,653
Current portion of non-current liabilities	18	2,553,973	2,102,064	1,811,148
<b>Total current liabilities</b>		<b>81,285,078</b>	<b>78,682,864</b>	<b>97,753,099</b>
<b>TOTAL LIABILITIES</b>		<b>96,900,969</b>	<b>108,084,409</b>	<b>122,078,290</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,254,143</b>	<b>60,836,386</b>	<b>97,947,227</b>
<b>CONTINGENCIES AND COMMITMENTS</b>				

The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**HASCOL PETROLEUM LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

	Restated		Restated	
	Six months period ended		Three months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Note	-----Rupees in '000-----			
Sales - net	45,878,681	69,579,165	23,622,287	28,839,484
Less: sales tax	(6,757,036)	(10,465,804)	(3,514,621)	(4,420,182)
<b>Net sales</b>	<b>39,121,645</b>	<b>59,113,361</b>	<b>20,107,666</b>	<b>24,419,302</b>
Other revenue	571,106	220,439	494,547	90,375
<b>Net revenue</b>	<b>39,692,751</b>	<b>59,333,800</b>	<b>20,602,213</b>	<b>24,509,677</b>
Cost of products sold	(37,488,267)	(59,383,640)	(19,422,937)	(23,211,113)
<b>Gross profit / (loss)</b>	<b>2,204,484</b>	<b>(49,840)</b>	<b>1,179,276</b>	<b>1,298,564</b>
<b>Operating expenses</b>				
Distribution and marketing	(2,011,413)	(1,388,015)	(1,207,547)	(628,935)
Administrative	(681,029)	(578,747)	(408,446)	(397,975)
	(2,692,442)	(1,966,762)	(1,615,993)	(1,026,910)
Impairment losses on financial assets	20 (154,030)	(7,603,915)	(154,030)	(7,603,868)
Other expenses	-	(2,796,504)	1,050	(58,590)
Other income	3,932,673	365,879	3,769,301	226,277
<b>Operating profit / (loss)</b>	<b>3,290,685</b>	<b>(12,051,142)</b>	<b>3,179,604</b>	<b>(7,164,527)</b>
Finance cost	(3,364,571)	(4,906,424)	(1,774,307)	(2,416,912)
Exchange loss - net	(44,339)	(2,533,539)	(708,931)	(678,598)
Share of profit / (loss) from associate	(1,468)	32,937	16,082	16,468
	(3,410,378)	(7,407,026)	(2,467,156)	(3,079,042)
<b>Profit / (loss) before taxation</b>	<b>(119,693)</b>	<b>(19,458,168)</b>	<b>712,448</b>	<b>(10,243,569)</b>
Taxation	21 (286,297)	(687,571)	(181,876)	(481,786)
<b>Profit / (loss) for the period</b>	<b>(405,990)</b>	<b>(20,145,739)</b>	<b>530,572</b>	<b>(10,725,355)</b>
		<b>Restated</b>		<b>Restated</b>
Earnings / (loss) per share - basic and diluted (Rupees)	(0.41)	(20.37)	0.53	(10.85)

The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



HASCOL PETROLEUM LIMITED

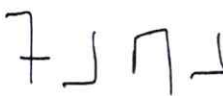
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021

	Six months period ended		Three months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees in '000-----			
Profit / (loss) for the period	(405,990)	(20,145,739)	530,572	(10,725,355)
Other comprehensive income / (loss) for the period				
<i>Items that will not be reclassified subsequently to consolidated profit or loss account</i>				
Remeasurement of actuarial gain on defined benefit obligation -	7,187	3,978	7,187	3,978
Unrealized (loss) / gain on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	(292,025)	-	24,259
<b>Total comprehensive (loss) / income for the period</b>	<b>(398,803)</b>	<b>(20,433,786)</b>	<b>537,759</b>	<b>(10,697,118)</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

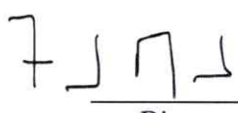
**HASCOL PETROLEUM LIMITED**
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS- Unaudited  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

		June 30, 2021	Restated June 30, 2020
Note	-----Rupees in '000-----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in from operations	22	(1,315,219)	(10,995,165)
Finance cost paid		(518,300)	(2,854,554)
Profit received on bank deposits and TFC		41,218	219,376
Profit received on sale of derivatives		-	70,142
Taxes paid		75,863	(262,650)
Gratuity paid		(2,447)	(67,891)
<b>Net cash used in operating activities</b>		<b>(1,718,885)</b>	<b>(13,890,742)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(146,794)	(59,818)
Proceeds from disposal of property, plant and equipment		1,010,428	180,705
Long term deposit repaid - net		10,234	-
<b>Net cash generated from investing activities</b>		<b>873,868</b>	<b>120,887</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability repaid		(764,996)	(1,442,514)
Payment of unclaimed dividend		(319)	(191)
Issue of right shares		-	2,247,557
Rights share issuance cost		-	(127,120)
Long term investment		-	(205,000)
Long-term finance paid		(110,257)	(405,861)
<b>Net cash (used in) / generated from financing activities</b>		<b>(875,572)</b>	<b>66,871</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,720,589)</b>	<b>(13,702,984)</b>
Cash and cash equivalents at beginning of the period		(29,752,384)	(23,107,689)
<b>Cash and cash equivalents at end of the period</b>	23	<b>(31,472,973)</b>	<b>(36,810,673)</b>

The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

HASCOL PETROLEUM LIMITED  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 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)	(40,074,216)	4,221,873	5,752,443	(23,609,831)
Effect of restatement as referred in note 4	-	-	-	(521,232)	-	-	(521,232)
	1,991,207	4,766,854	(267,992)	(40,595,448)	4,221,873	5,752,443	(24,131,063)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(20,145,739)	-	-	(20,145,739)
Other comprehensive loss for the period							
Unrealized loss on remeasurment of investment held at fair value through other comprehensive income - net of tax	-	-	(288,047)	-	-	-	(288,047)
Total comprehensive loss for the period	-	-	(288,047)	(20,145,739)	-	-	(20,433,786)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	178,052	(178,052)	-	-
	-	-	(288,047)	(19,967,687)	(178,052)	-	(20,433,786)
Transactions with owners							
Right issue - 401% - January 2020	8,000,000	-	-	-	-	(8,000,000)	-
Share deposit money	-	-	-	-	-	2,247,557	2,247,557
Transaction cost	-	(127,119)	-	-	-	-	(127,119)
	8,000,000	(127,119)	-	-	-	(5,752,443)	2,120,438
Balance as at June 30, 2020 - unaudited	9,991,207	4,639,735	(556,039)	(60,563,135)	4,043,821	-	(42,444,411)
Balance as at January 01, 2021 - audited	9,991,207	4,639,735	5,817	(65,847,192)	3,962,410	-	(47,248,023)
Total comprehensive income for the period							
Loss for the period	-	-	-	(405,990)	-	-	(405,990)
Other comprehensive income							
Remeasurement of actuarial gain on defined benefit obligation - net of tax	-	-	-	7,187	-	-	7,187
Total comprehensive loss for the period	-	-	-	(398,803)	-	-	(398,803)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	129,732	(129,732)	-	-
	-	-	-	(269,071)	(129,732)	-	(398,803)
Balance as at June 30, 2021 - unaudited	9,991,207	4,639,735	5,817	(66,116,263)	3,832,678	-	(47,646,826)

The annexed notes from 1 to 27 form an integral part of these condensed interim consolidated financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**HASCOL PETROLEUM LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

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**1 STATUS AND NATURE OF BUSINESS**

**1.1** The Group consists of:

<b>Name of the Company</b>	<b>Status in the Group</b>	<b>% of holding</b>
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 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.

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.

**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 "The Forum, 1st floor, Suite No. 101-104-105-106 & 120-213, G-20, Khayaban-e-Jami, Clifton, Karachi".

The Company is formed to carry on the business of blending and producing of lubricating oils, greases and other petroleum products. The 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 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.



## **HASCOL PETROLEUM LIMITED**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

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- 1.2 During the current period, the Group incurred a net loss of Rs. 406 million (2020-Restated: Rs. 20.1 billion), resulting in net shareholders deficit of Rs. 47.6 billion (2020-Restated: Rs. 47.2 billion) 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. 59.3 billion (2020-Restated: Rs. 56.9 billion) 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.
- b) The Group is also taking measures to reduce its storage costs through revision of 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 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**

These condensed interim consolidated financial statements of the Group for the six month period ended June 30, 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. 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 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 audited annual financial statements of the Group for the year ended December 31, 2020.

#### 4 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

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

##### Impact on statement of financial position - as at December 31, 2019

	Note	As previously reported	Restatements	Reclassification	As restated
----- Rupees in '000 -----					
Reserves		(35,575,354)	(521,232)	-	(36,096,586)
Operating fixed assets	4.1	20,704,789	-	(1,332,670)	19,372,119
Capital work-in-progress	4.1	6,135,113	(521,232)	1,332,670	6,946,551
Long-term investments	4.2	1,331,781	-	110,000	1,441,781
Trade and Other Payable	4.2	57,005,897	-	110,000	57,115,897

##### Impact on statement of financial position - as at December 31, 2020

	Note	As previously reported	Restatements	Reclassification	As restated
----- Rupees in '000 -----					
Operating fixed assets	4.1	20,012,997	-	(121,726)	19,891,271
Capital work-in-progress	4.1	4,810,460	-	121,726	4,932,186

4.1 This represents provision against operating fixed assets & CWIP along-with reclassification from operating fixed

4.2 This represents investment in Magic River Services Limited previously classified as advances to suppliers.

#### 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'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 consolidated financial statements, 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.

## 6 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.

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	-----Rupees in '000-----	
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets		19,098,442	19,891,271
Capital work-in-progress	7.3	4,092,160	4,932,186
		<u>23,190,602</u>	<u>24,823,457</u>

### 7.1 Movement in capital work-in-progress during the period / year is as follows:

Balance at beginning of the year	4,932,186	6,946,551
Additions during the period / year	143,531	381,229
Transfers during the period / year	(983,557)	(2,395,594)
	<u>4,092,160</u>	<u>4,932,186</u>

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

	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
<b>June 30, 2021 (un-audited)</b>	-	-	-
December 31, 2020 (audited)	<u>(208,306)</u>	<u>34,675</u>	<u>(173,631)</u>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	-----Rupees in '000-----	
<b>7.3 Capital work-in-progress</b>		
Office building	912,870	1,748,267
Tanks and pipelines	959,200	960,625
Electrical, mechanical and fire fighting equipment	1,401,226	1,394,683
Dispensing pumps	85,601	80,571
Furniture, office equipment and other assets	194,104	190,076
Plant and machinery	371,457	390,262
Borrowing cost capitalized	167,702	167,702
	<u>4,092,160</u>	<u>4,932,186</u>
<b>8 Right of use asset</b>		
Storage facility	38,794	10,619,693
Pumpsites	2,647,981	2,628,451
Offices	393,741	9,078
	<u>3,080,516</u>	<u>13,257,222</u>

### 8.1 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	566,881	237,700
Effect of modification	-	(6,982,016)
Disposals/terminations during the period/year	(10,463,846)	(92,935)
Depreciation charged during the period/year	(279,741)	(866,007)
<b>Balance at the end of the period/year</b>	<u>3,080,516</u>	<u>13,257,222</u>

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		-----Rupees in '000-----	
<b>9</b>	<b>INTANGIBLE ASSET</b>		
	<i>Computer software</i>	<u>2,924</u>	<u>3,007</u>
	Net book value at beginning of the period/year	3,007	5,232
	Addition	-	410
	Amortization charge for the period/year	<u>(83)</u>	<u>(2,635)</u>
	Net book value at the end of the period/year	<u>2,924</u>	<u>3,007</u>
	<b>Net book value</b>		
	Cost	14,518	14,518
	Accumulated amortization	<u>(11,594)</u>	<u>(11,511)</u>
	Net book value	<u>2,924</u>	<u>3,007</u>
	Rate of amortization - %	<u>33.33</u>	<u>33.33</u>
<b>10</b>	<b>LONG-TERM INVESTMENTS</b>		
	<b>Investment in associated companies - unquoted</b>		
	VAS LNG (Private) Limited - unquoted	10.1 -	1,468
	Magic River Services Limited	10.2 110,000	110,000
	Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	10.3 <u>399,890</u>	<u>399,890</u>
		<u>509,890</u>	<u>511,358</u>
	<b>Advance against purchase of shares - with related parties</b>		
	Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	2,500	2,500
	VAS LNG (Private) Limited - unquoted	<u>1,023</u>	<u>1,023</u>
		<u>513,413</u>	<u>514,881</u>
<b>10.1</b>	<b>VAS LNG (Private) Limited - unquoted</b>		
	<b>Balance at the beginning of the year</b>		
	Share of loss for the period / year	1,468	1,502
	Balance at the end of the period / year	<u>(1,468)</u>	<u>(34)</u>
		<u>-</u>	<u>1,468</u>
<b>10.2</b>	Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.		
<b>10.3</b>	Investment in Karachi Hydrocarbon Terminals Limited (formerly Hascol Terminal Limited) represent 41.3 million shares (2020: 41.3 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.		
	Balance at the beginning of the year	399,890	384,476
	Share of loss for the period / year	-	(22,086)
	Addition in Investment during the period / year	<u>-</u>	<u>37,500</u>
	Balance at the end of the period / year	<u>399,890</u>	<u>399,890</u>
<b>10.4</b>	Investments in associated companies and undertakings have been made in accordance with the requirements of the Companies Act, 2017. The Management cannot assess the recoverable amount as of 31 December 2021 in accordance with the requirement of International Financial Reporting Standards (IFRS) as the audit of the underlying entity is still in process.		

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		(Un-audited) June 30, 2021	(Audited) December 31, 2020
<b>11 DEFERRED TAXATION - NET</b>			
<i>This comprises the following:</i>		-----Rupees in '000-----	
<i>Taxable temporary difference arising in respect of:</i>			
Accelerated depreciation		(764,707)	(5,095,411)
<i>Deductible temporary difference arising in respect of:</i>			
Liabilities against assets subject to finance lease		391,567	4,522,450
Exchange loss		65,630	58,822
Provision for :			
- other liabilities		390	934
- retirement benefit		37,676	37,223
- doubtful debts		2,823,814	2,760,845
- short term investments - TFCs		1,820	1,801
Normal tax loss		12,442,521	15,283,743
Unrecognized deferred tax asset		(14,998,711)	(17,570,407)
		<u>-</u>	<u>-</u>
<b>11.1</b>	Deferred tax asset of Rs. 14,999 million (2020: Rs. 17,570 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.		
		(Un-audited) June 30, 2021	(Audited) December 31, 2020
<b>12 ADVANCES - considered good, unsecured</b>	<b>Note</b>	-----Rupees in '000-----	
To employees			
- against expenses		13,533	9,448
- against salaries		27,572	30,613
Supplier & Service provider		5,926,077	7,278,516
Provision for Supplier & Services Advance		(5,621,671)	(6,249,872)
		<u>345,511</u>	<u>1,068,705</u>
<b>13 DEPOSITS AND PREPAYMENTS</b>			
<i>Deposits</i>			
- current portion of lease deposits		80,816	71,579
- other deposits		60,760	14,271
		<u>141,576</u>	<u>85,850</u>
<i>Prepayments</i>			
- Insurance and others		15,389	16,756
- Rent		49,176	73,934
		<u>64,565</u>	<u>90,690</u>
		<u>206,141</u>	<u>176,540</u>
<b>14 OTHER RECEIVABLES</b>			
Inland freight equalization margin receivable		4,391,506	4,360,699
Miscellaneous receivables		40,726	796
Receivable against regulatory duty ("RD")		25,533	25,533
Sales tax refundable		51,549	-
Price differential claims ("PDC")	14.1	5,083	5,083
Provisioning of IFEM, RD and PDC	14.2	(1,050,731)	(1,049,783)
		<u>3,463,666</u>	<u>3,342,328</u>

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14.1 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 Group together with other oil marketing companies is actively pursuing 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.

14.2 This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		-----Rupees in '000-----	
<b>15 LONG TERM FINANCING - secured</b>			
Borrowing from conventional banks		13,044,558	13,147,683
Borrowing from non banking financial institutions		92,857	104,762
Sukuk certificates		500,000	495,227
		13,637,415	13,747,672
Borrowing from conventional banks		(1,530,201)	(833,319)
Borrowing from non banking financial institutions		(92,857)	(104,762)
Sukuk certificates		(500,000)	(495,227)
		(2,123,058)	(1,433,308)
<b>Non-current portion of long term financing</b>		<b>11,514,357</b>	<b>12,314,364</b>
<b>16 LEASE LIABILITIES</b>			
Finance lease liability	16.1	593,273	731,547
Lease liability against right of use asset	16.2	3,343,873	16,193,040
		<b>3,937,146</b>	<b>16,924,587</b>
<b>16.1 Finance lease liability</b>			
Present value of future minimum lease payments		899,948	1,086,334
Less: current portion		(306,675)	(354,787)
Non current portion		<b>593,273</b>	<b>731,547</b>
<b>16.2 Lease liability against right of use asset</b>			
Present value of future minimum lease payments		3,468,113	16,507,009
Less: current portion		(124,240)	(313,969)
Non current portion		<b>3,343,873</b>	<b>16,193,040</b>
<b>17 TRADE AND OTHER PAYABLES</b>			
Trade creditors		28,237,324	20,629,565
Payable to cartage contractors		2,740,366	4,170,668
Advance from customers - unsecured		1,138,502	1,429,004
Dealers' and customers' security deposits		511,766	475,503
Sales tax Payable		-	271,947
Accrued liabilities		17,360	15,898
Other liabilities		6,553,892	13,586,406
		<b>39,199,210</b>	<b>40,578,991</b>
<b>18 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long term financing	15	2,123,058	1,433,308
Current portion of liabilities subject to finance lease	16.1	306,675	354,787
Current portion of lease liability of right of use assets	16.2	124,240	313,969
		<b>2,553,973</b>	<b>2,102,064</b>



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**19 CONTINGENCIES AND COMMITMENTS**

**19.1 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 the Holding Company.
- 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 has 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 has 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 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.
- v* *United Bank Limited (UBL)*

The Holding Company availed the following financial facilities from UBL from time to time. The summary of finance availed, amounts paid by the Holding Company and finance recoverable from the Holding Company has been tabulated below: -

	<b>Rupees in '000</b>
a) Principal amount of Finance availed:	750,000
b) Principal amount repaid	3,138
c) Balance principal amount outstanding: (a-b)	746,862
d) Mark-up payable till 28-02-2021	29,906
e) Mark-up outstanding as on 30-06-2021	29,906
Total Outstanding (c+e)	<u><u>776,768</u></u>

The Holding Company made default in payment of above stipulated amount to UBL, resultantly UBL has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001 against the Holding Company and its former Chairman in capacity of the Guarantor, which is pending before SHC for further proceeding and arguments on leave to defend filed by the Holding Company which is likely to be succeed in favor of the Holding Company.

*vi The Bank of Punjab (BOP)*

The Holding Company availed different finance facilities from BOP in terms of Letter of Credit and Running Finance. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 2,192 million and thereby made default. BOP has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001. SHC vide its order dated 20-09-2021 attached the Holding Company property situated at Eastern Industrial Zone, Port Qasim bearing Plot F-32, 32-B, F-04 measuring 06 acres. The Holding Company has filed leave to defend in the pending for the arguments which is likely to be succeed in favor of the Holding Company.

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*vii MCB*

The Holding Company availed different finance facilities from MCB in terms of Letter of Credit, Demand Finance and Local LCs, Running Finance. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 478 million and thereby made default. MCB has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Holding Company which is likely to be succeed in favor of the Holding Company.

*viii Samba Bank Limited*

The Holding Company availed different finance facilities from Samba Bank in terms of Letter of Credit, Short Term Finance and Running Finance. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 1,018 million and thereby made default. Samba Bank has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Holding Company which is likely to be succeed in favor of the Holding Company.

*ix National Bank Of Pakistan (NBP)*

NBP had earlier sent the Holding Company a legal notice for recovery of funds and now filed a recovery suit. The recovery suit has been filed under section 9 of FIO, 2001 for recovery of Rs. 4,019 million along with liquated damages, cost of funds, charges, costs, till the realization of whole amount. The liability of the Holding Company pertains to an indemnity cum undertaking given by the Holding Company to NBP regarding a loan facility which was disbursed by NBP to KHTL for its terminal infrastructure development. The Holding Company has filed leave to defend in the instant case to the extent of the Holding Company which is likely to be succeed in favor of the Holding Company.

*x Sindh Bank Limited*

The Holding Company availed different finance facilities from Sindh Bank in terms of Letter of Credit and Running Finance facility. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 2,334 million and thereby made default. Sindh Bank has filed a suit for recovery of Rs. 2,334 million under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Holding Company which is likely to be succeed in favor of the Holding Company.

*xi Summit Bank Limited*

The Holding Company availed different finance facilities from Summit Bank in terms of Letter of Credit, Letter of Guarantee and Running Finance facility. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 547 million and thereby made default. Summit Bank has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for arguments on leave to defend filed by the Holding Company which is likely to be succeed in favor of the Holding Company.

*xii Bank Alfalah Limited (BAFL)*

The Holding Company availed different finance facilities from BAFL in terms of Letter of Credit, Inland Letter of Credit, Local Salam, Advance Salam and Syndicated Diminishing Musharkah facility. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 1,130 million and thereby made default. BAFL has filed a suit for recovery along with profit/charity, costs and cost of funds, compensatory charges and liquidated damages under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for submission of leave to defend by the Holding Company.

*xiii Meezan Bank Limited*

The Holding Company availed different finance facilities from Meezan Bank in terms of Ijara, Istisna and Diminishing Musharkah facility. The Holding Company failed to make payment against these facilities and mark-up thereon total amounting Rs. 4,580 million and thereby made default. Meezan Bank has filed a suit for recovery under Section 9 of The Financial Institutions (Recovery) of Finances Ordinance 2001, now the case is fixed for submission of leave to defend by the Holding Company.

*xiv Lawyers' opinion*

The Lawyers are contesting the above suits staunchly and the Holding Company is putting all its efforts for the success of the suits vigorously, so there are high chances of grant of Leave to Defend in each case by the Honourable Courts.

**HASCOL PETROLEUM LIMITED**  
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**19.2 Commitments**

- (i) The facility for opening letters of credit (LCs) acceptances as at December 31, 2021 amounted to Rs 41,105 (2020: Rs 42,486) million of which the amount remaining unutilized as at that date was Rs 4,344 (2020: Rs 3,581) million.
- (ii) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Group, amounting to Rs. 20 million. (2020: Rs. 289 million).

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	-----Rupees in '000-----	
(iii) Bank guarantees	744,000	894,081
(iv) Capital commitments:	995,725	4,787,592
(v) Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	193,014	249,813
Later than one year and not later than five years	158,333	349,067
	<u>351,347</u>	<u>598,880</u>

**20 IMPAIRMENT LOSSES ON FINANCIAL ASSETS**

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

**21 TAXATION**

	(Un-audited) June 30, 2021	(Un-audited) June 30, 2020
	-----Rupees in '000-----	
Current	286,297	333,821
Prior period	-	234,472
Deferred	-	119,278
	<u>286,297</u>	<u>687,571</u>

**22 CASH USED IN FROM OPERATIONS**

<b>Loss before taxation</b>	(119,693)	(19,458,168)
<b>Adjustment for:</b>		
Depreciation and amortization	850,026	1,021,576
Depreciation on right-of-use asset	279,742	433,084
Provision for IFEM	948	-
Reversal against slow moving stock	(26)	-
M2M of short term investment	-	788
Provision for doubtful debts	121,862	7,603,868
Exchange loss - unrealized	227,230	1,723,276
Provision for gratuity	14,363	35,505
Gain on disposal of operating fixed assets	(80,722)	(26,532)
Gain on termination of lease	(3,070,135)	(17,636)
(Reversal) / provision of advance to supplier	(628,201)	788,754
Markup / profit on bank deposits	(30,256)	(192,512)
Profit on sale of derivate assets	-	(71,453)
Markup charged on lease liability	506,814	1,152,673
Finance cost	2,857,376	3,750,820
Share of profit / (loss) from associate	1,468	(32,937)
ROUA liability reversal	-	1,943,572
Changes in working capital	(2,246,015)	(9,649,843)
	<u>(1,315,219)</u>	<u>(10,995,165)</u>

**HASCOL PETROLEUM LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

	(Un-audited) June 30, 2021	(Un-audited) June 30, 2020
	-----Rupees in '000-----	
<b>22.1 Changes in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stock-in-trade	(2,570,935)	3,269,762
Trade debts	835,721	(480,703)
Deposits, prepayments and other receivables	(151,887)	(166,820)
Advances	1,351,395	857,602
	<u>(535,706)</u>	<u>3,479,841</u>
<b>Decrease in current liabilities</b>		
Trade and other payables	(1,710,309)	(13,129,684)
	<u>(2,246,015)</u>	<u>(9,649,843)</u>
<b>23 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,510,803	4,264,335
Short-term borrowings	(33,983,776)	(41,075,008)
	<u>(31,472,973)</u>	<u>(36,810,673)</u>

**24 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:

**24.1 Transactions with related parties**

			(Un-audited)	(Un-audited)
Name of related party	Nature of transaction	Percentage of shareholding	June 30, 2021	June 30, 2020
			-----Rupees in '000-----	
<b>Shareholding by the Holding Company</b>				
Karachi Hydrocarbon Terminal Limited	Rendering of services	15%	288,677	917,578
Karachi Hydrocarbon Terminal Limited	Business support service	15%	-	13,303
<b>Other related parties</b>				
Vitol Bahrain E.C	Procurement	N/A	18,246,634	33,378,228

**24.2 Balances with related parties**

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited)	(Audited)
			June 30,	December 31,
			2021	2020
-----Rupees in '000-----				
<b>Shareholding by the Holding Company</b>				
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	Rendering of services	N/A	1,519,675	1,543,003
VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Investments	30%	3,000	3,000
<b>Other related parties</b>				
Vitol Bahrain E.C	Procurement	N/A	18,485,156	12,707,630
VOS Petroleum Limited	Rendering of services	N/A	45,862	45,862
Gas & Oil Pakistan Limited	Duty	N/A	(84,366)	(84,366)

**HASCOL PETROLEUM LIMITED**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2021**

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**25 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 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 six months of 2020.

**26 DATE OF AUTHORISATION**

These condensed interim consolidated financial statements have been authorised for issue on 23 August 2022 by the Board of Director the Group.

**27 GENERAL**

All amounts have been rounded to the nearest thousand.

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

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

  
\_\_\_\_\_  
Director