



HASCOL PETROLEUM LIMITED
QUARTERLY REPORT 2022
FOR THE THREE MONTHS PERIOD
ENDED MARCH 31, 2022

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CORPORATE INFORMATION

Chairman

Sir Alan Duncan

CEO & Director

Mr Aqeel Ahmed Khan

Directors

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

Chief Financial Officer

Mr. Amad Uddin

Company Secretary

Mr Farhan Ahmad

Audit Committee

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

Bankers

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

Risk Committee

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

Human Resource & Remuneration Committee

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

Auditors

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

Share Registrar

CDC Share Registrar Services Limited

Legal Advisor

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

Registered Office of the Company

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

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UAN: 111-757-757
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Website: www.hascol.com



DIRECTORS' REPORT

The Directors of your Company are pleased to present the quarterly report of the Company along with un-audited standalone and consolidated financial statements thereon for the period ended 31 March 2022.

Financial Results

During the period under review, the Company recorded net sales revenue of Rs. 12,476 million as compared to Rs. 18,702 million earned during same period last year. Net sales revenue decreased due to decrease in sales volume caused by liquidity issues of the company.

The financial results of the company for the period ended 31 March 2022 are shown as below:

Particulars	2022	2021
	Rupees in '000	
Gross profit	918,955	957,434
Operating profit	24,534	132,065
Loss for the period	(2,372,930)	(897,340)
	Rupees	
Loss per share	(2.38)	(0.90)

The company reported a loss of Rs. 2, 373 million compared to loss of Rs. 897 million during the same period of last year due to high exchange losses. There are several risks faced by the company inherent to the industry itself, however, the main challenge for company is the interest cost and financial charges accrued on the overdue loans and the non-availability of working capital banking facilities. These, together with operational bottlenecks and unpaid non-banking creditors create operational obstacles to the company's growth and profitability.

The Board of Directors (the board) has carried out a detailed review of the profitability and cash flow 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 under the restructuring plan taking into account the upward revision in company as well as dealer margin.

Way forward:

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 board firmly believes that subject to the approval of restructuring plan with major banks the Company will have sufficient liquidity to continue its operations and achieve its potential.

Directors' Report

Head Office (Karachi)
Office # 29, 29th Floor, Sky Towers - West Wing,
Dolmen City, Abdul Sattar Edhi Avenue,
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UAN: +92 (21) 111-757-757
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1

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E-Mail: info@hascol.com, Web: www.hascol.com

Hascol Petroleum Limited

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



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

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والے سال کے لیے کمپنی کی سہ ماہی رپورٹ کے ساتھ ساتھ غیر آڈٹ شدہ اسٹینڈالون مالیاتی بیانات کی رپورٹ پیش کرتے ہوئے بے حد خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران، کمپنی کے پچھلے سال کی اسی مدت کے دوران کمائے گئے 12,476 ملین کے مقابلے میں 18,702 ملین کی خالص سیلرز ریونیوریکارڈ کی ہے، گزشتہ سال اسی مدت کے مقابلے میں نیٹ سیل ریونیو میں کمی اور لیکوڈیٹی مسائل کی وجہ سے خاص سیلرز ریونیو میں کمی واقع ہوئی ہے۔

31 مارچ 2022ء کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج درجہ ذیل میں دکھائے گئے ہیں:

تفصیل	2022	2021
	روپے 000	
گراس پرافٹ	918,955	957,434
آپریٹنگ پرافٹ	24,534	132,065
مدت میں ہوا نقصان	(2,372,930)	(897,340)
	روپے	
فی شیئر نقصان	(2.38)	(0.90)

کمپنی کو 2373 ملین روپے کا نقصان ہے جو کہ گزشتہ سال کی اسی مدت میں 897 ملین روپے کے نقصان کے مقابلے میں زیادہ زرمبادلہ کے نقصانات کی وجہ سے ہوا تھا۔ خود صنعت سے وابستہ کمپنی کو کئی خطرات کا سامنا ہے، تاہم کمپنی کے لیے سب سے بڑا چیلنج سود کی لاگت اور زائد المیعا قرضوں پر عائد مالیاتی چارجز اور ورکنگ کیپٹل بینکنگ کی سہولیات کی عدم دستیابی ہے۔ یہ آپریشنل رکاوٹوں اور بلا معاوضہ غیر بینکنگ قرض دہندگان کے ساتھ مل کر کمپنی کی ترقی اور منافع میں آپریشنل رکاوٹ پیدا کر رہے ہیں۔

بورڈ آف ڈائریکٹرز (بورڈ) نے ان غیر متفقہ مالیاتی بیانات کی منظوری کی تاریخ سے لے کر بارہ مہینوں کے لیے کمپنی کے منافع اور کیش فلو کا تفصیلی جائزہ لیا ہے، جس میں کمپنی کے متوقع مستقبل کے لیے ورکنگ کیپٹل کو مد نظر رکھا جائے گا۔ تنظیم نو کے منصوبے کے تحت کمپنی کے مستقبل پر نظر ثانی کے ساتھ ساتھ ڈیلر مارجن کو بھی مد نظر رکھا جائے گا۔

مستقبل کا نقطہ نظر:

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۔

بورڈ کا پختہ یقین ہے کہ بڑے بینکوں کے ساتھ تنظیم نو کے منصوبے کی منظوری سے مشروط کمپنی کے پاس اپنے کام کو جاری رکھنے اور اپنی صلاحیت کو حاصل کرنے کے لیے کافی لیکویڈیٹی ہوگی۔

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۔

آپ سب کا بے حد شکریہ۔۔۔

ڈائریکٹر

ڈائریکٹر سی ای او

Hascol Petroleum Limited
Unconsolidated Condensed Interim Financial Statements
For the Three months ended March 31, 2022

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		Un-audited March 31, 2022	Audited December 31, 2021
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	24,346,911	24,742,668
Right-of-use assets	7	3,109,975	3,146,623
Intangible asset	8	-	286
Long-term investments	9	3,675,000	3,675,000
Deferred taxation - net	10	-	-
Long-term deposits		445,472	445,472
Total non-current assets		31,577,358	32,010,049
Current assets			
Stock-in-trade		3,633,734	10,255,676
Trade debts		650,594	672,107
Advances	11	297,246	295,933
Deposits and prepayments	12	459,006	208,239
Other receivables	13	2,883,444	2,739,419
Accrued mark-up and profit		4,150	2,623
Short term investments		98,700	98,700
Cash and bank balances		558,434	997,748
Total current assets		8,585,308	15,270,445
TOTAL ASSETS		40,162,666	47,280,494
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	9,991,207
Reserves		(65,981,173)	(63,678,509)
Revaluation surplus on property, plant and equipment - net of tax		6,311,430	6,381,696
Total shareholders' deficit		(49,678,536)	(47,305,606)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	14	11,420,937	11,420,938
Lease liabilities	15	3,834,296	3,939,804
Deferred liabilities		654,001	654,001
Total non-current liabilities		15,909,234	16,014,743
Current liabilities			
Trade and other payables	16	24,566,809	30,629,653
Unclaimed dividend		356,930	356,930
Taxation - net		424,008	362,677
Accrued mark-up and profit		8,737,895	7,309,609
Short-term borrowings		37,211,717	37,280,935
Current portion of non-current liabilities	17	2,634,609	2,631,554
Total current liabilities		73,931,968	78,571,357
TOTAL LIABILITIES		89,841,202	94,586,100
TOTAL EQUITY AND LIABILITIES		40,162,666	47,280,494
CONTINGENCIES AND COMMITMENTS	18		

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


Chief Executive Officer


Chief Financial Officer


Director

HASCOL PETROLEUM LIMITED
**CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

		Three months period ended	
		March 31, 2022	March 31, 2021
Note		-----Rupees in '000-----	
Sales - net		12,630,100	21,944,188
Less: sales tax		(153,983)	(3,242,415)
Net sales		12,476,117	18,701,773
Other revenue		29,004	74,245
Net revenue		12,505,121	18,776,018
Cost of products sold		(11,586,166)	(17,818,584)
Gross profit		918,955	957,434
Operating expenses			
Distribution and marketing		(696,528)	(750,649)
Administrative		(219,188)	(236,219)
		(915,716)	(986,868)
Impairment losses on financial assets	19	-	-
Other expenses		-	(1,050)
Other income		21,295	162,549
Operating profit		24,534	132,065
Finance cost		(1,772,484)	(1,589,576)
Exchange (loss) / gain - net		(531,412)	664,592
		(2,303,896)	(924,984)
Loss before taxation		(2,279,362)	(792,919)
Taxation	20	(93,568)	(104,421)
Loss for the period		(2,372,930)	(897,340)
		Restated	
Loss per share - basic and diluted (Rupees)		(2.38)	(0.90)

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


 Chief Executive Officer


 Chief Financial Officer


 Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	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, 2021 - audited	9,991,207	4,639,735	-	(64,702,896)	3,962,410	-	(46,109,544)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(897,340)	-	-	(897,340)
Other comprehensive loss for the period							
Unrealized loss on remeasurment of investment held at fair value through other comprehensive income - net of tax	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(897,340)	-	-	(897,340)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	64,866	(64,866)	-	-
	-	-	-	(832,474)	(64,866)	-	(897,340)
Balance as at March 31, 2021 - unaudited	9,991,207	4,639,735	-	(65,535,370)	3,897,544	-	(47,006,884)
Balance as at January 01, 2022 - audited	9,991,207	4,639,735	-	(68,318,244)	6,381,696	-	(47,305,606)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(2,372,930)	-	-	(2,372,930)
Other comprehensive income							
Remeasurement of actuarial gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,372,930)	-	-	(2,372,930)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	70,266	(70,266)	-	-
	-	-	-	(2,302,664)	(70,266)	-	(2,372,930)
Balance as at March 31, 2022 - unaudited	9,991,207	4,639,735	-	(70,620,908)	6,311,430	-	(49,678,536)

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



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Three months period ended	
	March 31, 2022	March 31, 2021
	-----Rupees in '000-----	
Loss for the period	(2,372,930)	(897,340)
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 -	-	-
Total comprehensive loss for the period	<u>(2,372,930)</u>	<u>(897,340)</u>

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



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS- Unaudited
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		March 31, 2022	March 31, 2021
Note		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	21	149,878	(4,514,515)
Cash used in from operations		(196,752)	(300,911)
Finance cost paid		17,044	22,979
Profit received on bank deposits and TFC		(32,237)	(23,238)
Taxes paid		-	(9,317)
Gratuity paid			
Net cash used in operating activities		(62,067)	(4,825,001)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(9,285)	(124,074)
Proceeds from disposal of property, plant and equipment		-	1,044,144
Long term deposit repaid - net		-	9,716
Net cash (used in) / generated from investing activities		(9,285)	929,786
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repaid		(298,744)	(778,382)
Long-term finance paid		-	(115,030)
Net cash used in financing activities		(298,744)	(893,412)
Net decrease in cash and cash equivalents		(370,096)	(4,788,627)
Cash and cash equivalents at beginning of the period		(36,283,187)	(29,974,639)
Cash and cash equivalents at end of the period	22	(36,653,283)	(34,763,266)

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


 Chief Executive Officer


 Chief Financial Officer


 Director

HASCOL PETROLEUM LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

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. 2.4 billion (2021: Rs. 0.9 billion), resulting in net shareholders deficit of Rs. 49.7 billion (2021: Rs. 47.3 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. 65.3 billion (2021: Rs. 63.3 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.
 - d) The Board of Directors (the board) have carried out a detailed review of the profitability and cashflow forecast of the Company for the twelve months 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 three month period ended March 31, 2022 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, 2021.

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, 2021.

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**
4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1** 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.
- 4.2** 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, 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended December 31, 2021.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
6 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets		21,892,358	22,285,889
Capital work-in-progress	6.3	2,454,553	2,456,779
		<u>24,346,911</u>	<u>24,742,668</u>
6.1 Movement in capital work-in-progress during the period / year is as follows:			
Balance at beginning of the year		2,456,779	4,793,029
Additions during the period / year		9,285	231,992
Transfers during the period / year		(11,511)	(1,136,677)
Provisions during the period / year		-	(1,431,565)
		<u>2,454,553</u>	<u>2,456,779</u>
6.2 The following assets were disposed off during the period/ year:			
	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
March 31, 2022 (un-audited)	<u>14,970</u>	<u>10,330</u>	<u>4,640</u>
December 31, 2021 (audited)	<u>978,346</u>	<u>14,842</u>	<u>963,504</u>
		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
6.3 Capital work-in-progress			
Buildings		383,381	386,244
Machinery, tanks and pumps		1,895,374	1,888,150
Retail sites		21,600	21,600
Furniture, office equipment and other assets		15,860	22,447
Borrowing cost capitalized		138,338	138,338
		<u>2,454,553</u>	<u>2,456,779</u>
7 Right of use asset			
Storage facility		22,918	23,312
Pumpsites		2,758,254	2,771,933
Offices		328,803	351,378
		<u>3,109,975</u>	<u>3,146,623</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
7.1	Movement in right of use assets during the period/year is as follows:		
	Balance at beginning of the period/year	3,146,623	13,245,320
	Additions during the period/year	48,845	829,832
	Disposals/terminations during the period/year	-	(10,463,846)
	Depreciation charged during the period/year	(85,493)	(464,683)
	Balance at the end of the period/year	3,109,975	3,146,623
8	INTANGIBLE ASSET		
	<i>Computer software</i>	-	286
	Net book value at beginning of the period/year	286	1,477
	Addition	-	-
	Amortization charge for the period/year	(286)	(1,191)
	Net book value at the end of the period/year	-	286
	Net book value		
	Cost	12,095	12,095
	Accumulated amortization	(12,095)	(11,809)
	Net book value	-	286
	Rate of amortization - %	33.33	33.33
9	LONG-TERM INVESTMENTS		
	Investment in subsidiary company - at cost		
	Hascombe Lubricant (Private) Limited - unquoted	9.1	-
	Hascol Lubricant (Private) Limited - unquoted	9.2	3,150,000
	Investment in associate - at cost		
	VAS LNG (Private) Limited - unquoted	9.3	-
	Magic River Services Limited	9.4	110,000
	Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	9.5	412,500
		3,672,500	3,672,500
	Advance against purchase of shares - with related parties		
	Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	2,500	2,500
		3,675,000	3,675,000
9.1	Investment at cost	30,604	30,604
	Movement in provision for impairment		
	Balance at the beginning of the period / year	(30,604)	(30,604)
	Provision made during the period / year	-	-
	Balance at the end of the period / year	(30,604)	(30,604)
	Net book value	-	-
9.1.1	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 (2021: 9.78 million) of Rs. 10 per share.		
9.2	This represents investment in wholly owned subsidiary of the Company. Its shares are not quoted in active market. The Company holds 315 (December 31, 2021: 315) million ordinary shares of Rs. 10 per share.		

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

- 9.3** Investment in VAS LNG (Private) Limited (VL) amounts to Rs. 3 million (2021: Rs. 3 million) representing 30% (2021: 30%) equity stake and Advance against issue of shares to VAS LNG (Private) Limited which amounts to Rs. 1.02 (2021: Rs. 1.02) million. The Company holds 0.3 million ordinary shares (2021: 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.
- 9.4** Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.
- 9.5** Investment in Karachi Hydrocarbon Terminals Limited (formerly Hascol Terminal Limited) represent 41.3 million shares (2021: 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.
- 9.6** 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 31 March 2022 in accordance with the requirement of International Financial Reporting Standards (IFRS) as the audit of the underlying entity is still in process.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
10 DEFERRED TAXATION - NET			
This comprises the following:	Note	-----Rupees in '000-----	
<i>Taxable temporary difference arising in respect of:</i>			
Accelerated depreciation		(2,097,766)	(1,540,001)
Revaluation of operating fixed assets		(1,830,315)	(1,850,692)
<i>Deductible temporary difference arising in respect of:</i>			
Liabilities against assets subject to finance lease		783,143	783,143
Exchange loss		99,178	248,739
Provision for :			
- other liabilities		780	780
- retirement benefit		39,880	39,880
- doubtful debts		2,803,323	2,857,731
- short term investments - TFCs		1,820	1,820
Normal tax loss		18,278,035	15,443,658
Unrecognized deferred tax asset		(18,078,078)	(15,985,058)
		<u>-</u>	<u>-</u>

- 10.1** Deferred tax asset of Rs. 18,078 million (2021: Rs. 15,985 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 ADVANCES - considered good, unsecured

To employees			
- against expenses		11,222	10,593
- against salaries		11,893	11,209
Supplier & Service provider		2,311,167	2,311,167
Provision for Supplier & Services Advance		(2,037,036)	(2,037,036)
		<u>297,246</u>	<u>295,933</u>

12 DEPOSITS AND PREPAYMENTS
Deposits

- current portion of lease deposits	80,816	80,816
- other deposits	180,305	55,895
	<u>261,121</u>	<u>136,711</u>

Prepayments

- Insurance and others	86,796	6,411
- Rent	111,089	65,117
	<u>197,885</u>	<u>71,528</u>
	<u>459,006</u>	<u>208,239</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
13 OTHER RECEIVABLES			
Inland freight equalization margin ("IFEM") receivable		3,948,665	4,140,421
Miscellaneous receivables		160,701	41,234
Receivable against regulatory duty ("RD")		25,533	25,533
Receivable from Hascol Lubricants (Private) Limited		55,315	48,852
Sales tax refundable		169,121	140,361
Price differential claims ("PDC")	13.1	218,536	37,445
Provisioning of IFEM, RD and PDC	13.2	(1,694,427)	(1,694,427)
		<u>2,883,444</u>	<u>2,739,419</u>
13.1	This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The Company together with other oil marketing companies is actively 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.		
13.2	This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).		
14 LONG TERM FINANCING - secured			
Borrowing from conventional banks		13,044,558	13,044,558
Borrowing from non banking financial institutions		92,857	92,857
Sukuk certificates		500,000	500,000
		<u>13,637,415</u>	<u>13,637,415</u>
Borrowing from conventional banks		(1,623,621)	(1,623,621)
Borrowing from non banking financial institutions		(92,857)	(92,857)
Sukuk certificates		(500,000)	(500,000)
		<u>(2,216,478)</u>	<u>(2,216,478)</u>
Non-current portion of long term financing		<u>11,420,937</u>	<u>11,420,938</u>
15 LEASE LIABILITIES			
Finance lease liability	15.1	309,464	419,012
Lease liability against right of use asset	15.2	3,524,832	3,520,792
		<u>3,834,296</u>	<u>3,939,804</u>
15.1 Finance lease liability			
Present value of future minimum lease payments		621,157	705,023
Less: current portion		(311,693)	(286,011)
Non current portion		<u>309,464</u>	<u>419,012</u>
15.2 Lease liability against right of use asset			
Present value of future minimum lease payments		3,631,270	3,649,857
Less: current portion		(106,438)	(129,065)
Non current portion		<u>3,524,832</u>	<u>3,520,792</u>
16 TRADE AND OTHER PAYABLES			
Trade creditors		9,898,861	16,450,484
Payable to cartage contractors		1,079,759	930,141
Advance from customers - unsecured		1,005,134	1,138,502
Dealers' and customers' security deposits		517,881	514,780
Accrued liabilities		7,920	7,920
Other liabilities		12,057,254	11,587,826
		<u>24,566,809</u>	<u>30,629,653</u>
17 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	14	2,216,478	2,216,478
Current portion of liabilities subject to finance lease	15.1	311,693	286,011
Current portion of lease liability of right of use assets	15.2	106,438	129,065
		<u>2,634,609</u>	<u>2,631,554</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

- i* The Collector (Adjudication) - Customs House Karachi, has issued a show cause notice dated February 06, 2019 regarding clearance of 52 and 84 consignments of HSFO under PCT heading 2710.1941 without alleged payment of minimum value additional tax @ 3% of value of the goods of Rs. 481 million. A petition was filed by the Company on March 20, 2019 challenging the impugned show-cause notice on the ground that the impugned notifications and Chapter X of the Rules 2007 particularly 58B and 58C are ultra vires to the Constitution of Islamic Republic of Pakistan against which an interim order was passed on March 22, 2019. The legal counsel is hopeful about success of this petition.
- ii* A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills were unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards HPL.
- iii* The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Constitutional petition is filed by the Company on November 25, 2019 against the Province of Sindh challenging the constitutionality of levy of infrastructure cess which amounts to Rs. 260 million. The matter is pending with Court and stay 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>776,768</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 succeed 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 succeed in favor of the Company.

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

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 succeed 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 succeed 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 succeed 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 succeed 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 succeed 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.

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**
18.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2022 amounted to Rs 36,613 (2021: Rs 41,193) million of which the amount remaining unutilized as at that date was Rs 195 (2021: Rs 4,304) million.
- (ii) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Company, amounting to Rs. nil. (2021: Rs. 84 million).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	-----Rupees in '000-----	
(iii) Bank guarantees	-	150,000
(iv) Capital commitments:	995,725	995,725
(v) Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	206,125	193,014
Later than one year and not later than five years	82,431	158,333
	288,556	351,347

19 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

20 TAXATION

	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	-----Rupees in '000-----	
Current	93,568	104,421

21 CASH USED IN FROM OPERATIONS

Loss before taxation	(2,279,362)	(792,919)
Adjustment for:		
Depreciation and amortization	400,640	400,275
Depreciation on right-of-use asset	85,493	235,507
M2M of short term investment	-	1,050
Reversals for doubtful debts	-	(30,542)
Exchange loss - unrealized	343,377	(500,527)
Provision for gratuity	-	10,502
Gain on disposal of operating fixed assets	-	(112,645)
Markup / profit on bank deposits	(8,076)	(11,550)
Markup charged on lease liability	147,446	569,871
Finance cost	1,625,038	1,019,705
Changes in working capital	(164,678)	(5,303,242)
	149,878	(4,514,515)

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	-----Rupees in '000-----	
21.1 Changes in working capital		
(Increase) / decrease in current assets		
Stock-in-trade	6,621,942	6,342,326
Trade debts	21,513	116,232
Deposits, prepayments and other receivables	(394,792)	29,975
Advances	(1,313)	(317,672)
	<u>6,247,350</u>	<u>6,170,861</u>
Decrease in current liabilities		
Trade and other payables	(6,412,028)	(11,474,103)
	<u>(164,678)</u>	<u>(5,303,242)</u>
22 CASH AND CASH EQUIVALENTS		
Cash and bank balances	558,434	1,799,447
Short-term borrowings	(37,211,717)	(36,562,713)
	<u>(36,653,283)</u>	<u>(34,763,266)</u>

23 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

23.1 Transactions with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
-----Rupees in '000-----				
Shareholding by the Company				
Karachi Hydrocarbon Terminal Limited	Rendering of services	15%	25,564	248,647
Hascol Lubricants (Private) Limited	Sale, purchase and others	N/A	6,463	10,918
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	5,963,362	2,862,073
Vitol Resource (Private) Limited	Reimbursement of works	N/A	-	25,455

23.2 Balances with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited)	(Audited)
			March 31, 2022	December 31, 2021
-----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	1,425,727	1,429,241
Hascol Lubricants (Private) Limited	Business support service	100%	55,315	48,852
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	9,209,366	15,386,212
VOS Petroleum Limited	Rendering of services	N/A	45,862	45,862

24 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2021 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, 2021 that related to the three months of 2021.

25 DATE OF AUTHORISATION

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

26 GENERAL

All amounts have been rounded to the nearest thousand.



Chief Executive Officer

Chief Financial Officer

Director

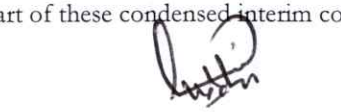
Hascol Petroleum Limited
Consolidated Condensed Interim Financial Statements
For the Three months ended March 31, 2022

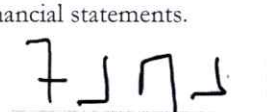
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		Un-audited March 31, 2022	Audited December 31, 2021
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	26,378,113	26,773,775
Right-of-use assets	7	3,121,876	3,158,525
Intangible asset	8	1,530	1,816
Long-term investments	9	521,185	521,185
Deferred taxation - net	10	-	-
Long-term deposits		445,472	445,472
Total non-current assets		30,468,176	30,900,773
Current assets			
Stock-in-trade		4,132,964	10,770,349
Trade debts		896,132	902,425
Advances	11	489,666	431,682
Deposits and prepayments	12	475,768	224,694
Other receivables	13	2,850,554	2,733,052
Accrued mark-up and profit		4,150	2,623
Short term investments		98,700	98,700
Cash and bank balances		852,076	1,333,265
Total current assets		9,800,010	16,496,790
TOTAL ASSETS		40,268,186	47,397,563
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,991,207	9,991,207
Reserves		(66,158,343)	(63,858,171)
Revaluation surplus on property, plant and equipment - net of tax		6,311,430	6,381,696
Total shareholders' deficit		(49,855,706)	(47,485,268)
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	14	11,420,937	11,420,938
Lease liabilities	15	3,843,844	3,949,352
Deferred liabilities		687,938	689,148
Total non-current liabilities		15,952,719	16,059,438
Current liabilities			
Trade and other payables	16	24,798,624	30,887,403
Unclaimed dividend		356,930	356,930
Taxation - net		405,465	353,656
Accrued mark-up and profit		8,737,895	7,309,609
Short-term borrowings		37,211,717	37,280,935
Current portion of non-current liabilities	17	2,660,542	2,634,860
Total current liabilities		74,171,173	78,823,393
TOTAL LIABILITIES		90,123,892	94,882,831
TOTAL EQUITY AND LIABILITIES		40,268,186	47,397,563
CONTINGENCIES AND COMMITMENTS			
	18		

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


Chief Executive Officer


Chief Financial Officer


Director

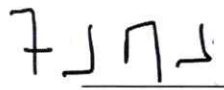
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		Three months period ended	
		March 31, 2022	March 31, 2021
	Note	-----Rupees in '000-----	
Sales - net		13,035,792	22,256,394
Less: sales tax		(214,733)	(3,242,415)
Net sales		12,821,059	19,013,979
Other revenue		29,004	76,559
Net revenue		12,850,063	19,090,538
Cost of products sold		(11,858,990)	(18,065,330)
Gross profit		991,073	1,025,208
Operating expenses			
Distribution and marketing		(706,974)	(803,866)
Administrative		(278,926)	(272,583)
		(985,900)	(1,076,449)
Impairment losses on financial assets	19	-	-
Other expenses		-	(1,050)
Other income		20,373	163,372
Operating profit		25,546	111,081
Finance cost		(1,772,499)	(1,590,264)
Exchange (loss) / gain - net		(531,385)	664,592
Share of (loss) / profit on associate		1,468	(17,550)
		(2,302,416)	(943,222)
Loss before taxation		(2,276,870)	(832,141)
Taxation	20	(93,568)	(104,421)
Loss for the period		(2,370,438)	(936,562)
			Restated
Loss per share - basic and diluted (Rupees)		(2.37)	(0.94)

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


Chief Executive Officer


Chief Financial Officer


Director

HASCOL PETROLEUM LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Three months period ended	
	March 31, 2022	March 31, 2021
	-----Rupees in '000-----	
Loss for the period	(2,370,438)	(936,562)
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 -	-	-
Total comprehensive loss for the period	<u>(2,370,438)</u>	<u>(936,562)</u>

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



Chief Executive Officer



Chief Financial Officer



Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

	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, 2021 - audited	9,991,207	4,639,735	5,817	(64,910,220)	3,962,410	-	(46,311,051)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(936,562)	-	-	(936,562)
Other comprehensive loss for the period							
Unrealized loss on remeasurment of investment held at fair value through other comprehensive income - net of tax	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(936,562)	-	-	(936,562)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	64,866	(64,866)	-	-
	-	-	-	(871,696)	(64,866)	-	(936,562)
Balance as at March 31, 2021 - unaudited	9,991,207	4,639,735	5,817	(65,781,916)	3,897,544	-	(47,247,613)
Balance as at January 01, 2022 - audited	9,991,207	4,639,735	5,817	(68,503,723)	6,381,696	-	(47,485,268)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(2,370,438)	-	-	(2,370,438)
Other comprehensive income							
Remeasurement of actuarial gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,370,438)	-	-	(2,370,438)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	70,266	(70,266)	-	-
	-	-	-	(2,300,172)	(70,266)	-	(2,370,438)
Balance as at March 31, 2022 - unaudited	9,991,207	4,639,735	5,817	(70,803,895)	6,311,430	-	(49,855,706)

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


Chief Executive Officer



Chief Financial Officer


Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS- Unaudited
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		March 31, 2022	March 31, 2021
Note		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	21	96,224	(4,578,378)
Cash used in from operations		(196,767)	(301,599)
Finance cost paid		17,044	22,979
Profit received on bank deposits and TFC		(41,759)	(30,191)
Taxes paid		(1,210)	(9,911)
Gratuity paid			
Net cash used in operating activities		(126,468)	(4,897,100)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(9,386)	(127,934)
Proceeds from disposal of property, plant and equipment		-	1,044,144
Long term deposit repaid - net		-	9,716
Net cash (used in) / generated from investing activities		(9,386)	925,926
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability repaid		(276,117)	(779,744)
Long-term finance paid		-	(115,030)
Net cash used in financing activities		(276,117)	(894,774)
Net decrease in cash and cash equivalents		(411,971)	(4,865,948)
Cash and cash equivalents at beginning of the period		(35,947,670)	(29,752,384)
Cash and cash equivalents at end of the period	22	(36,359,641)	(34,618,332)

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


Chief Executive Officer


Chief Financial Officer


Director

HASCOL PETROLEUM LIMITED**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022****1 STATUS AND NATURE OF BUSINESS****1.1** The Group consists of:

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

Hascol Petroleum Limited

Hascol Petroleum Limited (the 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 29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi.

The Company is formed to carry on the business of blending and producing of lubricating oils, greases and other petroleum products. The 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 Company is situated at 29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, 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 THREE MONTHS PERIOD ENDED MARCH 31, 2022

- 1.2 During the current period, the Group incurred a net loss of Rs. 2.4 billion (2021: Rs. 0.9 billion), resulting in net shareholders deficit of Rs. 49.9 billion (2021: Rs. 47.5 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. 64.4 billion (2021: Rs. 62.3 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 three month period ended March 31, 2022 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, 2021.

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, 2021.

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**
4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 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 Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2 During the preparation of these condensed interim consolidated 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, 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Company as at and for the year ended December 31, 2021.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
6 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets		23,781,334	24,174,871
Capital work-in-progress	6.3	2,596,779	2,598,904
		<u>26,378,113</u>	<u>26,773,775</u>
6.1	Movement in capital work-in-progress during the period / year is as follows:		
Balance at beginning of the year		2,598,904	4,932,186
Additions during the period / year		9,386	241,098
Transfers during the period / year		(11,511)	(1,142,815)
Provisions during the period / year		-	(1,431,565)
		<u>2,596,779</u>	<u>2,598,904</u>
6.2	The following assets were disposed off during the period/ year:		
	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
March 31, 2022 (un-audited)	<u>14,970</u>	<u>10,330</u>	<u>4,640</u>
December 31, 2021 (audited)	<u>978,346</u>	<u>14,842</u>	<u>963,504</u>
		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
6.3 Capital work-in-progress			
Buildings		386,244	386,244
Machinery, tanks and pumps		2,025,182	2,027,307
Retail sites		21,600	21,600
Furniture, office equipment and other assets		25,415	25,415
Borrowing cost capitalized		138,338	138,338
		<u>2,596,779</u>	<u>2,598,904</u>
7 Right of use asset			
Storage facility		37,611	38,005
Pumpsites		2,758,254	2,771,933
Offices		326,011	348,587
		<u>3,121,876</u>	<u>3,158,525</u>

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
7.1	Movement in right of use assets during the period/year is as follows:		
	Balance at beginning of the period/year	3,158,525	13,257,222
	Additions during the period/year	48,845	829,832
	Disposals/terminations during the period/year	-	(10,463,846)
	Depreciation charged during the period/year	(85,494)	(464,683)
	Balance at the end of the period/year	3,121,876	3,158,525
8	INTANGIBLE ASSET		
	<i>Computer software</i>	1,530	1,816
	Net book value at beginning of the period/year	1,816	3,007
	Addition	-	-
	Amortization charge for the period/year	(286)	(1,191)
	Net book value at the end of the period/year	1,530	1,816
	Net book value		
	Cost	14,518	14,518
	Accumulated amortization	(12,988)	(12,702)
	Net book value	1,530	1,816
	Rate of amortization - %	33.33	33.33
9	LONG-TERM INVESTMENTS		
	Investment in associate - unquoted		
	VAS LNG (Private) Limited - unquoted	9.1	-
	Magic River Services Limited	9.2	117,772
	Karachi Hydrocarbon Terminal Limited - unquoted	9.3	399,890
			517,662
	Advance against purchase of shares - with related parties		
	Karachi Hydrocarbon Terminal Limited - unquoted		2,500
	VAS LNG (Private) Limited		1,023
			521,185
9.1	Details of the investments is as follows:		
	Balance at the beginning of the year	-	1,468
	Share of loss for the period / year	-	(1,468)
	Balance at the end of the period / year	-	-
9.2	Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.		
	Balance at the beginning of the year	117,772	116,582
	Share of profit for the period / year	1,468	8,580
	Profit received during the period / year	(1,468)	(7,390)
	Balance at the end of the period / year	117,772	117,772
9.3	Investment in Karachi Hydrocarbon Terminal Limited represent 41.25 million shares (December 31, 2020 : 41.25 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products.		
	Balance at the beginning of the year	399,890	399,890
	Share of loss for the period / year	-	-
	Balance at the end of the period / year	399,890	399,890
9.4	Investments in associated companies and undertakings have been made in accordance with the requirements of the Act.		

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
10 DEFERRED TAXATION - NET			
<i>This comprises the following:</i>			
<i>Taxable temporary difference arising in respect of:</i>	Note	-----Rupees in '000-----	
Accelerated depreciation		(2,097,766)	(1,540,001)
Revaluation of operating fixed assets		(1,830,315)	(1,850,692)
<i>Deductible temporary difference arising in respect of:</i>			
Liabilities against assets subject to finance lease		783,143	783,143
Exchange loss		99,178	248,739
Provision for:			
- other liabilities		780	780
- retirement benefit		39,880	39,880
- doubtful debts		2,803,323	2,857,731
- short term investments - TFCs		1,820	1,820
Normal tax loss		18,278,035	15,443,658
Unrecognized deferred tax asset		(18,078,078)	(15,985,058)
		<u>-</u>	<u>-</u>
10.1	Deferred tax asset of Rs. 18,078 million (2021: Rs. 15,985 million) has not been recognized in these condensed interim consolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future five years.		
11 ADVANCES - considered good, unsecured			
To employees			
- against expenses		14,354	13,810
- against salaries		18,354	17,355
Supplier & Service provider		2,493,994	2,437,553
Provision for Supplier & Services Advance		(2,037,036)	(2,037,036)
		<u>489,666</u>	<u>431,682</u>
12 DEPOSITS AND PREPAYMENTS			
<i>Deposits</i>			
- current portion of lease deposits		80,816	80,816
- other deposits		188,989	64,271
		269,805	145,087
<i>Prepayments</i>			
- Insurance and others		98,732	13,225
- Rent		107,231	66,382
		205,963	79,607
		<u>475,768</u>	<u>224,694</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
13 OTHER RECEIVABLES			
Inland freight equalization margin ("IFEM") receivable		3,948,665	4,140,421
Miscellaneous receivables		204,448	73,770
Receivable against regulatory duty ("RD")		25,533	25,533
Sales tax refundable		147,799	150,310
Price differential claims ("PDC")	13.1	218,536	37,445
Provisioning of IFEM, RD and PDC	13.2	(1,694,427)	(1,694,427)
		<u>2,850,554</u>	<u>2,733,052</u>
13.1	This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The Company together with other oil marketing companies is actively 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.		
13.2	This represents provision against regulatory duty (RD), price differential claim (PDC) and Inland Freight Equalization Margin (IFEM).		
14 LONG TERM FINANCING - secured			
Borrowing from conventional banks		13,044,558	13,044,558
Borrowing from non banking financial institutions		92,857	92,857
Sukuk certificates		500,000	500,000
		<u>13,637,415</u>	<u>13,637,415</u>
Borrowing from conventional banks		(1,623,621)	(1,623,621)
Borrowing from non banking financial institutions		(92,857)	(92,857)
Sukuk certificates		(500,000)	(500,000)
		<u>(2,216,478)</u>	<u>(2,216,478)</u>
Non-current portion of long term financing		<u>11,420,937</u>	<u>11,420,938</u>
15 LEASE LIABILITIES			
Finance lease liability	15.1	309,464	419,012
Lease liability against right of use asset	15.2	3,534,380	3,530,340
		<u>3,843,844</u>	<u>3,949,352</u>
15.1 Finance lease liability			
Present value of future minimum lease payments		621,157	705,023
Less: current portion		(311,693)	(286,011)
Non current portion		<u>309,464</u>	<u>419,012</u>
15.2 Lease liability against right of use asset			
Present value of future minimum lease payments		3,666,751	3,662,711
Less: current portion		(132,371)	(132,371)
Non current portion		<u>3,534,380</u>	<u>3,530,340</u>
16 TRADE AND OTHER PAYABLES			
Trade creditors		10,046,635	16,645,691
Payable to cartage contractors		1,082,154	933,818
Advance from customers - unsecured		1,005,134	1,138,502
Dealers' and customers' security deposits		517,881	514,780
Accrued liabilities		15,605	15,605
Other liabilities		12,131,215	11,639,007
		<u>24,798,624</u>	<u>30,887,403</u>
17 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	14	2,216,478	2,216,478
Current portion of liabilities subject to finance lease	15.1	311,693	286,011
Current portion of lease liability of right of use assets	15.2	132,371	132,371
		<u>2,660,542</u>	<u>2,634,860</u>

18 CONTINGENCIES AND COMMITMENTS**18.1 Contingencies**

- i The Collector (Adjudication) - Customs House Karachi, has issued a show cause notice dated February 06, 2019 regarding clearance of 52 and 84 consignments of HSFO under PCT heading 2710.1941 without alleged payment of minimum value additional tax @ 3% of value of the goods of Rs. 481 million. A petition was filed by the Company on March 20, 2019 challenging the impugned show-cause notice on the ground that the impugned notifications and Chapter X of the Rules 2007 particularly 58B and 58C are ultra vires to the Constitution of Islamic Republic of Pakistan against which an interim order was passed on March 22, 2019. The legal counsel is hopeful about success of this petition.
- ii A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills were unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards HPL.
- iii The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Constitutional petition is filed by the Company on November 25, 2019 against the Province of Sindh challenging the constitutionality of levy of infrastructure cess which amounts to Rs. 260 million. The matter is pending with Court and stay 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>776,768</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 succeed 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 succeed in favor of the Company.

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

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 succeed 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 succeed 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 succeed 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 succeed 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 succeed 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.

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022

18.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2022 amounted to Rs 36,613 (2021: Rs 41,193) million of which the amount remaining unutilized as at that date was Rs 195 (2021: Rs 4,304) million.
- (ii) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Company, amounting to Rs. nil. (2021: Rs. 84 million).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	-----Rupees in '000-----	
(iii) Bank guarantees	-	150,000
(iv) Capital commitments:	995,725	995,725
(v) Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	206,125	193,014
Later than one year and not later than five years	82,431	158,333
	288,556	351,347

19 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

20 TAXATION

	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	-----Rupees in '000-----	
Current	93,568	104,421

21 CASH USED IN FROM OPERATIONS

Loss before taxation	(2,276,870)	(832,141)
Adjustment for:		
Depreciation and amortization	400,640	425,403
Depreciation on right-of-use asset	85,493	236,633
M2M of short term investment	-	1,050
Reversals for doubtful debts	-	(30,542)
Share of (loss) / profit on associate	1,468	17,550
Exchange loss - unrealized	343,350	(500,527)
Provision for gratuity	-	13,063
Gain on disposal of operating fixed assets	-	(112,645)
(Gain)/loss on termination / modification of lease	-	(134)
Markup / profit on bank deposits	(8,076)	(11,550)
Markup charged on lease liability	147,446	571,233
Finance cost	1,625,053	1,020,393
Changes in working capital	(222,280)	(5,376,164)
	96,224	(4,578,378)

HASCOL PETROLEUM LIMITED
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	-----Rupees in '000-----	
21.1 Changes in working capital		
(Increase) / decrease in current assets		
Stock-in-trade	6,637,385	6,304,399
Trade debts	6,293	119,915
Deposits, prepayments and other receivables	(368,576)	(54,179)
Advances	(57,984)	(375,428)
	<u>6,217,118</u>	<u>5,994,707</u>
Decrease in current liabilities		
Trade and other payables	(6,439,398)	(11,370,871)
	<u>(222,280)</u>	<u>(5,376,164)</u>
22 CASH AND CASH EQUIVALENTS		
Cash and bank balances	852,076	1,944,382
Short-term borrowings	(37,211,717)	(36,562,714)
	<u>(36,359,641)</u>	<u>(34,618,332)</u>

23 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

23.1 Transactions with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
-----Rupees in '000-----				
Shareholding by the Company				
Karachi Hydrocarbon Terminal Limited	Rendering of services	15%	25,564	248,647
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	5,963,362	2,862,073
Vitol Resource (Private) Limited	Reimbursement of works	N/A	-	25,455

23.2 Balances with related parties

			(Un-audited)	(Audited)
Name of related party	Nature of transaction	Percentage of shareholding	March 31, 2022	December 31, 2021
			-----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	1,425,727	1,429,241
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	9,209,366	15,386,212
VOS Petroleum Limited	Rendering of services	N/A	45,862	45,862

24 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2021 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, 2021 that related to the three months of 2021.

25 DATE OF AUTHORISATION

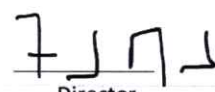
These condensed interim unconsolidated financial statements have been authorised for issue on **23 September 2022** by the Board of Directors of the Company.

26 GENERAL

All amounts have been rounded to the nearest thousand.



Chief Executive Officer

Chief Financial Officer

Director