



# قدم قدم آباد

REPORT FOR THE SIX MONTHS  
PERIOD ENDED JUNE 2018

LEAVING IMPRINTS  
OF SUCCESS WITH  
EVERY STRIDE









# قدم قدم آباد

## Six Months Report - 2018

We are continuously striving on aligning our business strategy with our objectives. Our objectives are to continue building the trust acumen for our shareholders and keep our direction towards our goals.

The priority for Hascol is to keep our focus towards achieving success for the organization and our shareholders. It is through their trust that we lead towards continuous success.

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# Corporate Information



**Chairman**

Mumtaz Hasan Khan

**Chief Executive Officer**

Saleem Butt

**Directors**

Farid Arshad Masood  
(Nominee of Vitol Dubai Limited)  
Abdul Aziz Khalid  
(Nominee of Vitol Dubai Limited)  
Farooq Rahmatullah Khan  
Liaquat Ali  
Najmus Saquib Hameed

**Chief Financial Officer**

Khurram Shahzad Venjhar

**Company Secretary**

Zeeshan UI Haq

**Audit Committee**

Najmus Saquib Hameed (Chairman)  
Abdul Aziz Khalid (Member)  
Liaquat Ali (Member)

**Strategy Committee**

Farooq Rahmatullah Khan (Chairman)  
Mumtaz Hasan Khan (Member)  
Abdul Aziz Khalid (Member)  
Saleem Butt (Member)

**Human Resource Committee**

Farid Arshad Masood (Chairman)  
Najmus Saquib Hameed (Member)  
Mumtaz Hasan Khan (Member)  
Saleem Butt (Member)

**Auditors**

Grant Thornton Anjum Rahman  
Chartered Accountants

**Bankers**

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

**Share Registrar**

Central Depository Company of Pakistan Limited

**Legal Advisor**

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

**Registered Office**

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

Phone: +92-21-35301343-50

Fax: +92-21-35301351

UAN: 111-757-757

E-mail: [info@hascol.com](mailto:info@hascol.com)

Website: [www.hascol.com](http://www.hascol.com)

# Directors' Report

Dear Shareholders,

The Directors' of the Company are happy to report that the sales in the first half have grown by almost 28% compared to last year six months, and today Hascol is the second largest Oil Marketing Company in Pakistan in terms of volume. The Company's growth strategy is being executed in a very efficient manner and we hope to maintain this momentum during the second half of 2018. The only disappointing aspect has been that the Company's Profit After Tax does not reflect the growth that we have achieved. This is largely due to the exchange losses incurred due to the devaluation of Pakistani rupee. Despite that, our profit in the first half is almost 30% more than last year.

The Company's storage infrastructure development has almost reached a mature phase. Our two depots, Thaliam (near Islamabad) and Kotlajam are complete and ready to start functioning as soon as some regulatory formalities are completed. Similarly, the first phase of the Hascol Terminals project at Port Qasim is almost complete and INSHA ALLAH will be inaugurated soon.

As mentioned in the Annual Report 2017, the Company has started an ambitious strategy to move into the LPG and Chemicals business. We have already imported and profitably marketed large quantity of chemicals. For LPG, the Company have acquired the LPG assets of Marshal Gas (Private) Limited and this will enable the Company to start marketing of LPG cylinders under the Hascol brand name during the next four months.

The Company's Lube Oil Blending Plant is in the final stages of completion and hope to commission by November 2018. This should give a boost to the Company's lubricants business in the years to come.

Finally, we would like to place on record the efforts of the management team and all employees for efficiently executing the Business Plan of the company and maintaining Company's ambitious growth strategy.



**Saleem Butt**  
Chief Executive Officer  
& Director



**Abdul Aziz Khalid**  
Director

# ڈائریکٹر ز رپورٹ

ہمیں اس بات کی اطلاع دیتے ہوئے خوشی ہے کہ گزشتہ سال کے چھ مہینے کے مقابلے میں حالیہ سال کے پہلے نصف کی فروخت میں 28 فیصد کا اضافہ ہوا ہے اور آج ہم حجم کے اعتبار سے پاکستان کی دوسری بڑی آئل مارکیٹنگ کمپنی ہیں۔ ہماری ترقی کی حکمت عملی کو بہت موثر طریقے سے انجام دیا جا رہا ہے اور ہمیں امید ہے کہ 2018 کے دوسرے نصف کے دوران اس رفتار کو برقرار رکھا جائے گا۔ مایوس کن پہلو یہ ہے کہ ٹیکس کے بعد کا منافع ہماری حاصل کردہ ترقی کی عکاسی نہیں کرتا اور اس کی ایک بڑی وجہ پاکستانی روپے میں کمیوں کی ہے۔ اس کے باوجود پہلے نصف میں ہمارا منافع گزشتہ سال سے تقریباً 30 فیصد زیادہ ہے۔

ہماری ذخیرہ کاری کے بنیادی ڈھانچہ کی ترقی ایک حتمی مرحلے پر پہنچ گئی ہے۔ ہمارے دواستورج ڈیپوٹیلیٹین (اسلام آباد کے فریب) اور کوٹلا جام مکمل ہیں اور کچھ تنظیمی رسومات کے مکمل ہوتے ہی کام شروع کرنے کے لیے تیار ہیں۔ اسی طرح پورٹ قاسم پر پریسکول ٹرینٹل پر چیٹ کا پہلا مرحلہ مکمل ہو چکا ہے اور انشاء اللہ جلد از جلد اُس کا افتتاح کیا جائے گا۔

جیسا کہ میں نے اپنی سالانہ رپورٹ میں ذکر کیا تھا کہ کمپنی نے ایل پی جی اور کیمیکل کے کاروبار میں منتقلی کرنے کے لیے ایک مہذب حکمت عملی کا آغاز کیا تھا۔ ہم پہلے ہی کیمیکلز کی بڑی مقدار کو درآمد کرنے کے ساتھ ساتھ منافع بخش خرید و فروخت کر چکے ہیں۔ ہم نے مارشل گیس کی ایل پی جی کے اثاثوں کو حاصل کیا ہے جو کہ اگلے چار مہینوں کے دوران ہیسکول برائڈ کے نام کے تحت ایل پی جی سلنڈرز کی خرید و فروخت کو شروع کرنے میں مدد دے گا۔

ہمارا ایوب آئل پلانٹ مکمل ہونے کے حتمی مرحلے پر ہے اور نومبر 2018 تک اس کے آغاز کی امید ہے جسے آنے والے سالوں میں لبریکنس کی تجارت میں فروغ ملے گا۔

آخر میں، ہم انتظامی جماعت اور تمام ملازمین کی کاوشوں کو بھی سراہنا چاہتے ہیں جنہوں نے کمپنی کی کاروباری منصوبہ بندی کی تکمیل اور ہماری مہذب ترقیاتی حکمت عملی کو برقرار رکھنے میں اپنی قابلیت کو منوایا۔

سلیم بٹ  
Chief Executive Officer  
& Director

عبد العزيز خالد  
Director

# Review Report to the members

for the six months period ended June 30, 2018





...  
فهم



**Grant Thornton**

An instinct for growth™

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## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS ON CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENT OF HASCOL PETROLEUM LIMITED**

### **Introduction**

We have reviewed the accompanying condensed unconsolidated interim statement of financial position **Hascol Petroleum Limited** (the Company) as at June 30, 2018, and the related condensed interim unconsolidated profit and loss account, condensed unconsolidated interim statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement, and notes to the financial statement for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management of the Company is responsible for the preparation and fair presentation of this condensed interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim 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 Standards 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.

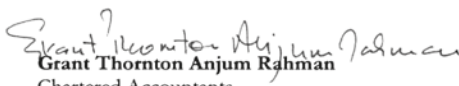
### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed unconsolidated interim financial statements as is not prepared, in all material respects, in accordance with approved accounting standards, as applicable in Pakistan for interim financial reporting.

**Other matter**

The figures for the condensed interim unconsolidated profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2018 and June 30, 2017 have not been reviewed, as we are required to review only cumulative figures for the six-months period ended June 30, 2018.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Shaukat Naseeb.

  
**Grant Thornton Anjum Rahman**

Chartered Accountants

Karachi

Date: August 20, 2018

# Condensed Interim Unconsolidated Financial Information - Unaudited

for the six months period ended June 30, 2018





# CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2018

(Rupees in thousand)

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	6	21,402,218	13,680,349
Long-term investments	7	1,879,190	1,899,518
Long-term deposits		324,930	331,537
<b>Total non-current assets</b>		<b>23,606,338</b>	<b>15,911,404</b>
<b>Current assets</b>			
Stock-in-trade		26,870,057	18,557,106
Trade debts		11,310,485	11,518,218
Advances	8	184,046	181,365
Deposits and prepayments	9	169,780	80,633
Other receivables	10	3,063,352	2,161,031
Mark-up and profit accrued		49,497	57,398
Cash and bank balances		8,684,005	9,628,057
<b>Total current assets</b>		<b>50,331,222</b>	<b>42,183,808</b>
<b>TOTAL ASSETS</b>		<b>73,937,560</b>	<b>58,095,212</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital and reserves			
Share capital		1,448,150	1,448,150
Reserves		8,345,841	7,792,097
<b>Total shareholders' equity</b>		<b>9,793,991</b>	<b>9,240,247</b>
Surplus on revaluation of operating fixed assets - net of tax	11	4,524,236	1,025,789
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing	12	3,249,251	2,240,163
Liabilities against assets subject to finance lease		462,456	377,603
Deferred and other liabilities	13	1,949,364	1,413,122
<b>Total non-current liabilities</b>		<b>5,661,071</b>	<b>4,030,888</b>
<b>Current liabilities</b>			
Trade and other payables	14	45,639,927	34,321,373
Mark-up and profit accrued		101,898	117,258
Short-term borrowings		5,858,376	6,944,699
Current portion of non-current liabilities	15	2,082,605	1,642,892
Taxation		275,456	772,066
<b>Total current liabilities</b>		<b>53,958,262</b>	<b>43,798,288</b>
<b>TOTAL LIABILITIES</b>		<b>59,619,333</b>	<b>47,829,176</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,937,560</b>	<b>58,095,212</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

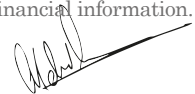
The annexed notes 1 to 27 form an integral part of these condensed interim unconsolidated financial information.



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

		<u>Six months period ended</u>		<u>Three months period ended</u>	
	Note	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Sales - net		147,524,398	94,552,773	80,114,410	51,750,587
Less: sales tax		(25,791,309)	(17,022,134)	(13,890,242)	(9,028,283)
<b>Net sales</b>		<b>121,733,089</b>	<b>77,530,639</b>	<b>66,224,168</b>	<b>42,722,304</b>
Other revenue		374,569	211,890	226,775	125,774
<b>Net revenue</b>		<b>122,107,658</b>	<b>77,742,529</b>	<b>66,450,943</b>	<b>42,848,078</b>
Cost of products sold		(116,294,012)	(74,692,636)	(63,371,907)	(41,226,211)
<b>Gross profit</b>		<b>5,813,646</b>	<b>3,049,893</b>	<b>3,079,036</b>	<b>1,621,867</b>
<b>Operating expenses</b>					
Distribution and marketing		(1,660,693)	(1,167,850)	(798,115)	(627,697)
Administrative		(446,125)	(301,082)	(256,629)	(152,480)
		(2,106,818)	(1,468,932)	(1,054,744)	(780,177)
Other income		199,012	134,119	130,301	67,186
<b>Operating profit</b>		<b>3,905,840</b>	<b>1,715,080</b>	<b>2,154,593</b>	<b>908,876</b>
Finance costs		(435,154)	(262,358)	(240,780)	(148,489)
Other expenses		-	(15,414)	-	-
Exchange loss - net		(1,854,550)	(7,674)	(1,454,813)	-
		(2,289,704)	(285,449)	(1,695,593)	(148,489)
<b>Profit before taxation</b>		<b>1,616,136</b>	<b>1,429,631</b>	<b>459,000</b>	<b>760,387</b>
Taxation	17	(587,951)	(639,024)	(160,465)	(346,506)
<b>Profit for the period</b>		<b>1,028,185</b>	<b>790,607</b>	<b>298,535</b>	<b>413,881</b>
			(Restated)		(Restated)
Earnings per share - basic and diluted (Rupees)	18	<b>7.10</b>	<b>6.12</b>	<b>2.06</b>	<b>3.20</b>

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Note	Six months period ended		Three months period ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Profit for the period</b>		<b>1,028,185</b>	790,607	<b>298,535</b>	413,881
<b>Other comprehensive income / (loss)</b>					
<i>Items that may be reclassified to unconsolidated profit and loss account</i>					
Unrealized (loss) / gain on remeasurement of available-for-sale investments - net of tax		<b>(18,802)</b>	420,964	<b>(138,419)</b>	(944,044)
<b>Total comprehensive income /(loss) for the period</b>		<b><u>1,009,383</u></b>	<u>1,211,571</u>	<b><u>160,116</u></b>	<u>(530,163)</u>

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Share Capital	Capital reserve	Revenue reserve	Total
		Share premium	Surplus on re-measurement of available for sale investment to fair value	Unappropriated profit
Balance as at January 01, 2017 - Audited	1,206,792	1,070,828	624,930	2,059,588
<b>Total comprehensive income for the six months</b>				
Profit for the period	-	-	-	790,607
<b>Other comprehensive income</b>				
Unrealized gain due to change in fair value of long-term investments - net of tax	-	-	420,964	-
<b>Total comprehensive income for the period</b>	-	-	420,964	790,607
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	-	50,267
	-	-	420,964	840,874
<b>Transactions with owners</b>				
Final dividend at Rs. 3.50 per share - December 2016	-	-	-	(422,377)
<b>Total transactions with owners</b>	-	-	-	(422,377)
<b>Balance as at June 30, 2017 - unaudited</b>	<u>1,206,792</u>	<u>1,070,828</u>	<u>1,045,894</u>	<u>2,478,085</u>
<b>Balance as at January 01, 2018 - Audited</b>	<b>1,448,150</b>	<b>4,766,854</b>	<b>322,589</b>	<b>2,702,654</b>
<b>Total comprehensive income for the six months</b>				
Profit for the period	-	-	-	1,028,185
<b>Other comprehensive income</b>				
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	(18,802)	-
<b>Total comprehensive (loss) / income for the period</b>	-	-	(18,802)	1,028,185
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	-	51,214
	-	-	(18,802)	1,079,399
<b>Transactions with owners</b>				
Final dividend at Rs. 3.50 per share - December 2017	-	-	-	(506,853)
<b>Total transactions with owners</b>	-	-	-	(506,853)
<b>Balance as at June 30, 2018 - unaudited</b>	<u>1,448,150</u>	<u>4,766,854</u>	<u>303,787</u>	<u>3,275,200</u>

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

		Six months period ended	
	Note	June 30, 2018	June 30, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19	4,802,219	7,807,488
Finance costs paid		(397,605)	(271,379)
Dividend paid		(506,853)	(422,377)
Taxes paid		(1,255,372)	(698,260)
Gratuity paid		(6,609)	-
<b>Net cash generated from operating activities</b>		<b>2,635,780</b>	<b>6,415,472</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(3,640,140)	(2,099,641)
Proceeds from disposal of property, plant and equipment		804	24,268
Long-term deposits received /(paid) - net		6,607	(2,235)
<b>Net cash used in investing activities</b>		<b>(3,632,729)</b>	<b>(2,077,608)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability obtained - net		113,819	15,768
Payment of commercial paper		(1,500,000)	-
Long-term finance obtained - net		1,078,310	373,576
<b>Net cash (used in) / generated from financing activities</b>		<b>(307,871)</b>	<b>389,344</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,304,820)</b>	<b>4,727,208</b>
Cash and cash equivalents at beginning of the period		4,070,449	3,871,441
<b>Cash and cash equivalents at end of the period</b>	20	<b>2,765,629</b>	<b>8,598,649</b>

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

## 1 STATUS AND NATURE OF BUSINESS

- 1.1 Hascol Petroleum Limited (the Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Suite No.105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi.
- 1.2 The Company is engaged in the business of procurement, storage and marketing of petroleum and related products, for which the Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005.
- 1.3 This condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial information is prepared separately.

## 2 BASIS OF PREPARATION

The condensed interim unconsolidated financial information of the Company for the six months period ended June 30, 2018 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim unconsolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2017.

### 2.1 Standards, Amendments and Interpretations to Approved Accounting Standards

#### 2.1.1 Promulgation of Companies Act, 2017

The Companies Act 2017 applicable for periods ending after December 31, 2017 which result in additional disclosures and certain changes in financial information presentation.

#### 2.1.2 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current period

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 1, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 1, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 1, 2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	January 1, 2018
Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the period ended June 30, 2017 and 2018.	

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

## 2.1.3 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

## 2.1.4 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 16 - Leases	January 1, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
IAS 19 - Plan Amendment, Curtail or Settlement (Amendments to IAS 19)	January 1, 2019

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial information of the Company.

## 2.1.5 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 17 - Insurance Contracts	January 1, 2021

## 3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

unconsolidated financial information are the same as those applied in the preparation of annual audited unconsolidated financial statements of the Company for the year ended December 31, 2017.

## 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this condensed interim unconsolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2 During the preparation of this condensed interim unconsolidated financial information, the significant judgments 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, 2017.

## 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, 2017.

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets		15,158,578	9,869,027
Capital work-in-progress	6.3	6,243,640	3,811,322
		<b>21,402,218</b>	<b>13,680,349</b>

### 6.1 Additions / transfer from CWIP to operating fixed assets during the period / year:

#### Owned assets

Land lease hold	58,195	857,520
Office and depot building	-	1,608,596
Pump building	406,276	226,179
Tanks and pipelines	59,503	1,358,026
Dispensing pumps	30,971	53,182
Plant & machinery	-	78,379
Electrical, mechanical and fire fighting equipment	107,194	554,514
Furniture, office equipment and other assets	64,879	22,996
Tank lorries	462,090	309,242
Motor cars	8,899	67,964
Computer auxiliaries	8,119	16,949

#### Leased assets

Electrical, mechanical and fire fighting equipment	-	20,070
Tank lorries	-	174,919
Motor cars	1,811	7,723
	<b>1,207,936</b>	<b>5,356,259</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

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

	Cost	Accumulated Depreciation	Net Book Value
<b>June 30, 2018 (un-audited)</b>	<b>(205)</b>	<b>17</b>	<b>(188)</b>
December 31, 2017 (audited)	(197,625)	5,420	(192,205)

6.2.1 For details of the assets disposed during the year ended December 31, 2017, please refer note 5.10 of the annual audited unconsolidated financial statements for the same year.

	Unaudited June 30, 2018	Audited December 31, 2017
<b>6.3 Capital work-in-progress</b>		
Office & depots building	2,248,867	1,505,203
Tanks and pipelines	1,158,421	697,086
Pump building	576,306	435,325
Electrical, mechanical and fire fighting equipment	569,655	304,894
Tank lorries	611,748	260,357
Advances to contractors	212,742	232,592
Dispensing pumps	315,456	160,087
Furniture, office equipment and other assets	138,530	155,567
Plant and machinery	256,691	25,697
Borrowing cost capitalized	103,111	22,035
Computer auxiliaries	52,113	12,479
	<b>6,243,640</b>	<b>3,811,322</b>

6.4 During the period, the Company has carried out revaluation through an independent valuation firm. Revalued amount of assets were Rs. 14,009 million, resulting in surplus (net of deferred tax) amounting to Rs. 3,550 million.

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>7 LONG-TERM INVESTMENTS</b>			
<b>Investment in subsidiary company - at cost</b>			
Hascombe Lubricant (Private) Limited - (unquoted)	7.1	-	-
<b>Investment in associated company - at cost</b>			
VAS LNG (Private) Limited - (unquoted)		3,000	3,000
<b>Available for sale investment</b>			
Pakistan Refinery Limited (quoted) - at fair value	7.2	1,501,190	1,521,518
Hascol Terminal Limited (unquoted) - at cost		375,000	375,000
		<b>1,876,190</b>	<b>1,896,518</b>
		<b>1,879,190</b>	<b>1,899,518</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 7.1 Subsidiary - at cost

	Note	Cost	Provision For Impairment	Carrying Value	
				June 30, 2018 Un-audited	December 31, 2017 Audited
Hascombe Lubricant (Private) Limited	7.1.1	30,604	(30,604)	-	-

7.1.1 This represents investment in wholly owned subsidiary of the Company. Its shares are not quoted in active market. The Company holds 9.78 million ordinary shares (December 31, 2017: 9.78 million) of Rs. 10/-.

## 7.2 Pakistan Refinery Limited

	Note	Cost	Unrealized gain	Carrying Value
June 30, 2018 - Unaudited	7.2.1	1,172,772	328,418	1,501,190
December 31, 2017 - Audited		1,172,772	348,746	1,521,518

7.2.1 Investment in Pakistan Refinery Limited represents 13.72% (December 31, 2017: 13.72%) to equity stake which amounts to 43.25 million shares (December 31, 2017: 43.25 million shares).

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>8 ADVANCES - considered good, unsecured</b>			
To employees			
- against expenses		15,766	46,023
- against salaries		21,959	63,755
Advance against purchase of shares	8.1	44,385	60,721
Suppliers		90,558	10,866
Advance against lease		11,378	-
		184,046	181,365

## 8.1 Advance against purchase of shares - related parties

Hascol Terminals Limited	40,000	57,685
Hascol Lubricants (Private) Limited	3,362	2,013
VAS LNG (Private) Limited	1,023	1,023
	44,385	60,721

## 9 DEPOSITS AND PREPAYMENTS

### Deposits

Current portion of lease deposits	193	794
Other deposits	6,239	2,477
	6,432	3,271

### Prepayments

Insurance and others	67,900	23,676
Rent	95,448	53,686
	163,348	77,362
	169,780	80,633

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>10 OTHER RECEIVABLES</b>			
Inland freight equalization margin receivable		2,385,656	2,019,113
Sales tax receivable		586,875	-
Receivable against services rendered		5,907	53,346
Franchise income receivable - net		31,848	34,642
Receivable against regulatory duty		25,533	25,533
Receivable from oil marketing companies	10.1	9,073	9,073
Price differential claims	10.2	5,083	5,083
Others		13,377	14,241
		<b>3,063,352</b>	<b>2,161,031</b>
<b>10.1</b>	This represents amount receivable from various oil marketing companies on account of share of motor gasoline imported on their behalf.		
<b>10.2</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 perusing the matter with the concerned authorities for the early settlement of above claim. The Company considers that the balance amount will be reimbursed by GoP in due course of time.		
<b>11 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - net of tax</b>			
		Unaudited June 30, 2018	Audited December 31, 2017
Balance at the beginning of the period / year		1,465,412	1,656,347
Add : revaluation for the period / year		4,476,215	-
Transfer in respect of incremental depreciation for the period / year		(95,468)	(190,935)
Balance at the end of the period / year		<b>5,846,159</b>	<b>1,465,412</b>
<b>Related deferred tax</b>			
Balance at the beginning of the period / year		439,623	513,467
Effective rate adjustment		(16,568)	(16,563)
Deferred tax on revaluation during the period / year		926,554	-
Reversal of deferred tax liability on account of incremental depreciation charged during the period / year		(27,686)	(57,281)
Balance at the end of the period / year		<b>(1,321,923)</b>	<b>(439,623)</b>
		<b>4,524,236</b>	<b>1,025,789</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 12 LONG TERM FINANCING - Secured

		Unaudited June 30, 2018	Audited December 31, 2017
Borrowing from conventional banks		2,023,000	562,500
Borrowing from non banking financial institutions		826,817	1,013,769
Sukuk certificates	12.1	1,476,135	1,671,373
		<b>4,325,952</b>	<b>3,247,642</b>
<b>Current portion of long term finances</b>			
Borrowing from conventional banks		(298,313)	(225,000)
Borrowing from non banking financial institutions		(378,388)	(382,479)
Sukuk certificates		(400,000)	(400,000)
		<b>(1,076,701)</b>	<b>(1,007,479)</b>
<b>Non-current portion of long term financing</b>		<b>3,249,251</b>	<b>2,240,163</b>
<b>12.1 Sukuk certificate</b>		<b>1,500,000</b>	<b>1,700,000</b>
<b>Issuance cost</b>			
Balance at the beginning of the period / year		(28,627)	(38,179)
Charged to unconsolidated profit and loss account		4,762	9,552
Balance at the end of the period / year		<b>(23,865)</b>	<b>(28,627)</b>
		<b>1,476,135</b>	<b>1,671,373</b>

## 13 DEFERRED AND OTHER LIABILITIES

Other liabilities		288,800	524,875
Deferred taxation - net	13.1	1,453,639	699,422
Deferred liability - gratuity		206,925	188,825
		<b>1,949,364</b>	<b>1,413,122</b>

### 13.1 Deferred Taxation - Net

#### This comprises the following:

*Taxable temporary difference arising in respect of :*

Accelerated depreciation	(797,868)	(818,063)
Assets under finance lease	(112,721)	(160,068)
Revaluation of operating fixed assets	(1,321,923)	(439,623)
Surplus on remeasurement of investment	(24,631)	(26,156)

*Deductible temporary difference arising in respect of :*

Liabilities against assets subject to finance lease	173,308	146,442
Provision for :		
- investments in subsidiary	8,875	9,181
- other liabilities	302,229	314,925
- unrealized exchange loss	239,233	92,461
- retirement benefit	59,575	56,648
- doubtful debts	2,273	2,368
- franchise income	18,011	18,768
Turnover tax	-	103,695
	<b>(1,453,639)</b>	<b>(699,422)</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Unaudited June 30, 2018	Audited December 31, 2017
<b>14 TRADE AND OTHER PAYABLES</b>		
Trade creditors	37,279,790	25,112,678
Payable to cartage contractors	2,464,951	3,054,943
Advance from customers	4,166,760	4,608,668
Dealers' and customers' security deposits	291,878	254,680
Accrued liabilities	20,520	11,220
Other liabilities	1,416,028	1,279,184
	<u>45,639,927</u>	<u>34,321,373</u>
<b>15 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Current portion of long term financing	1,076,701	1,007,479
Current portion of deferred and other liabilities	866,400	524,875
Current portion of liabilities subject to finance lease	139,504	110,538
	<u>2,082,605</u>	<u>1,642,892</u>
<b>16 CONTINGENCIES AND COMMITMENTS</b>		
<b>16.1 Contingencies</b>		
<p>As per the deliberations of the main committee of the Oil Companies Advisory Committee (OCAC) held in their meeting number MCM-168 dated September 20, 2007, the financial costs on outstanding Price Differential Claims (PDCs) should be worked and billed to the Government of Pakistan (GOP) through OCAC by the Oil Marketing Companies (OMCs) on a regular basis. Although the Company had billed Rs. 65.97 million (December 31, 2017: Rs. 65.97 million) to the GOP/ OCAC, the management had not accounted for its impact in this unconsolidated financial information as the inflow of economic benefits, though probable, is not virtually certain.</p>		
<b>16.2 Commitments</b>		
<p>The facility for opening letters of credit (LCs) acceptances as at June 30, 2018 amounted to Rs. 53,925 million (December 31, 2017: Rs. 45,425 million) of which the amount remaining unutilized as at that date was Rs. 2,095 million (December 31, 2017: Rs. 14,752 million).</p>		

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

	Unaudited June 30, 2018	Audited December 31, 2017
Property, plant and equipment	<u>1,101,618</u>	<u>978,418</u>
Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	<u>320,304</u>	262,484
Later than one year and not later than five years	<u>1,091,700</u>	913,557
Later than five years	<u>2,293,239</u>	<u>1,709,781</u>
	<u>3,705,243</u>	<u>2,885,822</u>

## 17 TAXATION

	Unaudited June 30, 2018	Unaudited June 30, 2017
Current	<u>679,002</u>	450,272
Prior period	<u>79,761</u>	64,619
Deferred	<u>(170,812)</u>	<u>124,133</u>
	<u>587,951</u>	<u>639,024</u>

## 18 EARNING PER SHARE

### 18.1 Basic

	Six months period ended		Three months period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Profit for the period attributable to ordinary shareholders (Rs. 000)	<u>1,028,185</u>	<u>790,607</u>	<u>298,535</u>	<u>413,881</u>
Weighted average number of ordinary shares in issue during the period (number of share)	<u>144,815,000</u>	<u>129,199,000</u>	<u>144,815,000</u>	<u>129,199,000</u>
	----- (Rupees) -----			
Earning per share- basic	<u>7.10</u>	<u>6.12</u>	<u>2.06</u>	<u>3.20</u>

### 18.2 Diluted

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible potential ordinary shares in issue as at June 30, 2018

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Unaudited June 30, 2018	Unaudited June 30, 2017
<b>19 CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>1,616,136</b>	1,429,631
<i>Adjustment for:</i>		
Depreciation and amortization	394,298	252,693
Provision for gratuity	24,709	17,506
Gain on sale of fixed assets	(616)	(741)
Exchange loss	877,492	-
Finance cost	435,154	262,358
Working capital changes	19.1 1,455,046	5,846,041
	<u>4,802,219</u>	<u>7,807,488</u>
<b>19.1 Changes in working capital</b>		
<b>Current assets</b>		
Stock-in-trade	(8,312,951)	4,489,317
Trade debts	207,733	(3,802,611)
Deposits, prepayments and other receivables	(983,567)	(801,218)
Loans and advances	(2,681)	(223,917)
	<u>(9,091,466)</u>	<u>(338,429)</u>
<b>Current liabilities</b>		
Trade and other payables	10,546,512	6,184,470
	<u>1,455,046</u>	<u>5,846,041</u>
<b>20 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	8,684,005	11,416,786
Less: term deposit receipt	(60,000)	(60,000)
	<u>8,624,005</u>	<u>11,356,786</u>
Short-term borrowings	(5,858,376)	(2,758,137)
	<u>2,765,629</u>	<u>8,598,649</u>
<b>21 FAIR VALUATION OF FINANCIAL INSTRUMENTS</b>		

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market / quoted price in an active market and whose fair value cannot be reliably measured.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

## Financial assets

	Carrying Value	Level 1	Level 2	Level 3	Total
<b>June 2018 - Unaudited</b>					
Long term investments	<u>1,876,190</u>	<u>1,501,190</u>	<u>375,000</u>	<u>-</u>	<u>1,876,190</u>

December 2017 - Audited					
Long term investments	<u>1,896,518</u>	<u>1,521,518</u>	<u>375,000</u>	<u>-</u>	<u>1,896,518</u>

## Non-financial assets

<b>June 2018 - Unaudited</b>					
Freehold land	2,205,232	-	-	2,205,232	2,205,232
Building on lease hold land					
- Office and depots building	3,272,872	-	-	3,272,872	3,272,872
- Pump building	2,588,283	-	-	2,589,160	2,589,160
Tanks and pipelines	2,947,402	-	-	2,947,421	2,947,421
Dispensing pumps	961,544	-	-	961,678	961,678
Plant and machinery	402,653	-	-	402,354	402,354
Electrical, mechanical and fire fighting equipment	1,488,091	-	-	1,488,066	1,488,066
Furniture, office equipment and other assets	214,937	-	-	214,937	214,937
	<u>14,081,014</u>	<u>-</u>	<u>-</u>	<u>14,081,014</u>	<u>14,081,014</u>

	Carrying Value	Level 1	Level 2	Level 3	Total
December 2017 - Audited					
Building on lease hold land					
- Office and depots building	2,464,822	-	-	2,464,822	2,464,822
- Pump building	1,552,314	-	-	1,552,314	1,552,314
Tanks and pipelines	2,161,249	-	-	2,161,249	2,161,249
Dispensing pumps	706,492	-	-	706,492	706,492
Plant and machinery	303,547	-	-	303,547	303,547
Electrical, mechanical and fire fighting equipment	1,035,584	-	-	1,035,584	1,035,584
	<u>8,224,008</u>	<u>-</u>	<u>-</u>	<u>8,224,008</u>	<u>8,224,008</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 22 RELATED PARTY TRANSACTIONS AND BALANCES

### 22.1 Transactions

Nature of relationship	Nature of transaction	Unaudited June 30, 2018	Unaudited June 30, 2017
<b>Associated companies</b>			
Vitol Dubai Limited	Purchase of petroleum products	<u>65,337,367</u>	<u>37,071,622</u>
Hascol Terminals Limited	Business support service	<u>45,675</u>	<u>-</u>
<b>Common directorship</b>			
Layton Rahmatulla Benevolent Trust - LRB T	Donation	<u>1,000</u>	<u>380</u>
<b>Staff retirement benefits / contribution funds</b>			
Provident fund	Contribution	<u>14,407</u>	<u>11,162</u>
Gratuity fund	Contribution	<u>24,709</u>	<u>17,506</u>
<b>Key management personnel</b>			
	Salaries and benefits	<u>33,848</u>	<u>44,392</u>
<b>Director fee</b>			
	Fee for attending meetings	<u>9,700</u>	<u>3,600</u>

### 22.2 Balances

		Unaudited June 30, 2017	Audited December 31, 2017
<b>Associated companies</b>			
Vitol Dubai Limited	Purchase of petroleum products	<u>24,014,744</u>	<u>13,609,319</u>
Hascol Terminals Limited	Business support services	<u>5,920</u>	<u>53,346</u>
Hascol Terminals Limited	Advance against issue of shares	<u>40,000</u>	<u>151,123</u>
Hascol Lubricants (Private) Limited	Advance against issue of shares	<u>3,362</u>	<u>2,013</u>
VAS LNG (Private) Limited	Advance against issue of shares	<u>1,023</u>	<u>1,023</u>
VAS LNG (Private) Limited	Investments	<u>3,000</u>	<u>3,000</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 23 OPERATING SEGMENTS

These financial informations have been prepared on the basis of a single reportable segment.

- Sales from petroleum products represents 99.5 % (2017: 99.7%) of total revenues of the Company.
- All non-current assets of the Company as at June 30, 2018 are located in Pakistan.

The Company sells its product to dealers, government agencies, autonomous bodies, independent power projects and other corporate customers. However, none of the customers exceeds 10% threshold.

## 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, 2017 and the corresponding figures in the condensed interim unconsolidated statement of profit and loss statement, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances of comparable period as per the condensed interim unconsolidated financial information of the Company for the six months ended June 30, 2017.

## 25 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on August 20, 2018 has proposed interim cash dividend of Rs. 3.50 per share for the half year ended June 30, 2018. This condensed interim unconsolidated financial information does not include the effect of the aforementioned appropriation.

## 26 DATE OF AUTHORISATION

This condensed interim unconsolidated financial information have been authorised for issue on August 20, 2018 by the Board of Directors of the Company.

## 27 GENERAL

All amounts have been rounded to the nearest thousand.



**Saleem Butt**  
Chief Executive Officer  
& Director



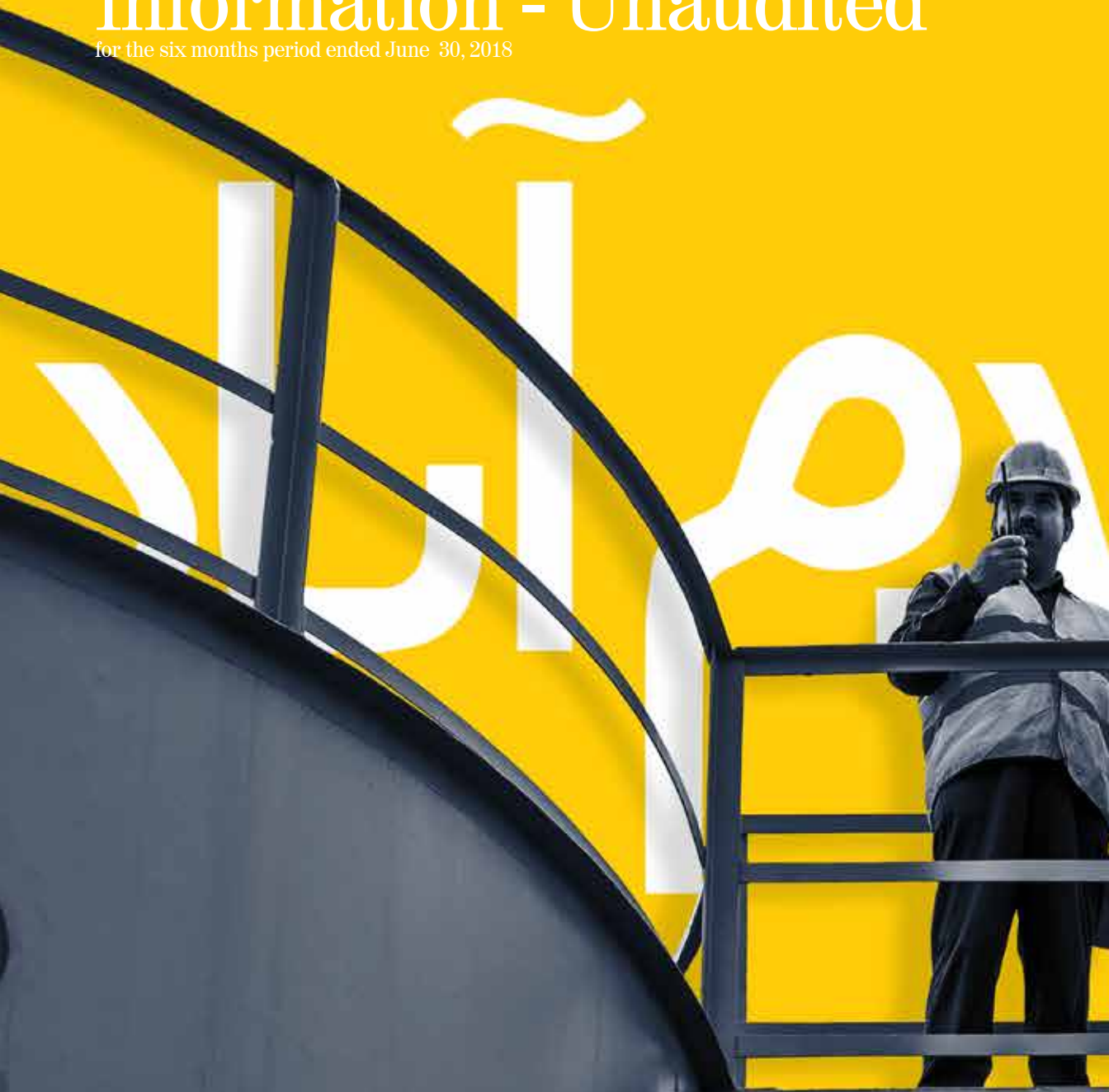
**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# Condensed Interim Consolidated Financial Information - Unaudited

for the six months period ended June 30, 2018





# CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2018

(Rupees in thousand)

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	21,402,218	13,680,349
Long-term investments	7	1,877,935	1,898,263
Long-term deposits		324,930	331,537
<b>Total non-current assets</b>		<b>23,605,083</b>	<b>15,910,149</b>
<b>Current assets</b>			
Stock-in-trade		26,870,057	18,557,106
Trade debts		11,310,485	11,518,218
Advances	8	184,046	181,365
Deposits and prepayments	9	169,780	80,633
Other receivables	10	3,063,352	2,161,031
Mark-up and profit accrued		49,497	57,398
Cash and bank balances		8,684,461	9,628,513
<b>Total current assets</b>		<b>50,331,678</b>	<b>42,184,264</b>
<b>TOTAL ASSETS</b>		<b>73,936,761</b>	<b>58,094,413</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		1,448,150	1,448,150
Reserves		8,343,367	7,789,623
<b>Total shareholders' equity</b>		<b>9,791,517</b>	<b>9,237,773</b>
Surplus on revaluation of operating fixed assets - net of tax	11	4,524,236	1,025,789
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing	12	3,249,251	2,240,163
Liabilities against assets subject to finance lease		462,456	377,603
Deferred and other liabilities	13	1,949,364	1,413,122
<b>Total non-current liabilities</b>		<b>5,661,071</b>	<b>4,030,888</b>
<b>Current liabilities</b>			
Trade and other payables	14	45,641,602	34,323,048
Mark-up and profit accrued		101,898	117,258
Short-term borrowings		5,858,376	6,944,699
Current portion of non-current liabilities	15	2,082,605	1,642,892
Taxation		275,456	772,066
<b>Total current liabilities</b>		<b>53,959,937</b>	<b>43,799,963</b>
<b>TOTAL LIABILITIES</b>		<b>59,621,008</b>	<b>47,830,851</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,936,761</b>	<b>58,094,413</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

		Six months period ended		Three months period ended	
	Note	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Sales - net		147,524,398	94,552,773	80,114,410	51,750,587
Less: sales tax		(25,791,309)	(17,022,134)	(13,890,242)	(9,028,283)
<b>Net sales</b>		<b>121,733,089</b>	<b>77,530,639</b>	<b>66,224,168</b>	<b>42,722,304</b>
Other revenue		374,569	211,890	226,775	125,774
<b>Net revenue</b>		<b>122,107,658</b>	<b>77,742,529</b>	<b>66,450,943</b>	<b>42,848,078</b>
Cost of products sold		(116,294,012)	(74,692,636)	(63,371,907)	(41,226,211)
<b>Gross profit</b>		<b>5,813,646</b>	<b>3,049,893</b>	<b>3,079,036</b>	<b>1,621,867</b>
Operating expenses					
Distribution and marketing		(1,660,693)	(1,167,850)	(798,115)	(627,697)
Administrative		(446,125)	(320,266)	(256,629)	(167,268)
		(2,106,818)	(1,488,116)	(1,054,744)	(794,965)
Other income		199,012	134,119	130,301	67,186
<b>Operating profit</b>		<b>3,905,840</b>	<b>1,695,896</b>	<b>2,154,593</b>	<b>894,088</b>
Finance costs		(435,154)	(262,358)	(240,780)	(148,489)
Other expenses		-	(15,417)	-	-
Exchange loss - net		(1,854,550)	(7,674)	(1,454,813)	-
		(2,289,704)	(285,449)	(1,695,593)	(148,489)
<b>Profit before taxation</b>		<b>1,616,136</b>	<b>1,410,447</b>	<b>459,000</b>	<b>745,599</b>
Taxation	17	(587,951)	(639,024)	(160,465)	(346,506)
<b>Profit for the period</b>		<b>1,028,185</b>	<b>771,423</b>	<b>298,535</b>	<b>399,093</b>
<b>Profit/(loss) attributable to:</b>					
Equity holders of the holding company		1,028,185	778,617	298,535	404,638
Non-controlling interest		-	(7,194)	-	(5,545)
		1,028,185	771,423	298,535	399,093
Earnings per share - basic and diluted (Rupees)	18	7.10	(Restated) 6.03	2.06	(Restated) 3.13

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

Note	Six months period ended		Three months period ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Profit for the period</b>	<b>1,028,185</b>	771,423	<b>298,535</b>	399,093
<b>Other comprehensive income / (loss):</b>				
<i>Items that may be reclassified to consolidated profit and loss account</i>				
Unrealized (loss) / gain on remeasurement of available-for-sale investments - net of tax	(18,802)	420,964	(138,419)	(944,044)
<b>Total comprehensive income /(loss) for the period</b>	<b>1,009,383</b>	1,192,387	<b>160,116</b>	(544,951)
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the holding company	1,009,383	1,199,581	160,116	(539,406)
Non-controlling interest	-	(7,194)	-	(5,545)
	<b>1,009,383</b>	1,192,387	<b>160,116</b>	(544,951)

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Share Capital	Capital reserve	Revenue reserve	Total	Non - controllin interest	Total shareholders' equity	
		Share premium	Surplus on re-measurement of available for sale investment to fair value	Unappropri-ated profit			
Balance as at January 01, 2017	1,206,792	1,070,828	624,930	2,050,907	4,953,457	469,714	5,423,171
Total comprehensive income for the six months							
Profit for the period	-	-	-	778,617	778,617	(7,194)	771,423
Other comprehensive income							
Unrealized gain due to change in fair value of long-term investments - net of tax	-	-	420,964	-	420,964	-	420,964
Total comprehensive income for the period	-	-	420,964	778,617	1,199,581	(7,194)	1,192,387
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax							
	-	-	-	50,267	50,267	-	50,267
	-	-	420,964	828,884	1,249,848	(7,194)	1,242,654
Transactions with owners recognized directly in equity							
Final dividend at Rs. 3.50 per share - December 2016	-	-	-	(422,377)	(422,377)	-	(422,377)
Consideration for acquisition of subsidiary	-	-	-	-	-	592,294	592,294
Total transactions with owners recognized directly in equity	-	-	-	(422,377)	(422,377)	592,294	169,917
Balance as at June 30, 2017 - unaudited	1,206,792	1,070,828	1,045,894	2,457,414	5,780,928	1,054,814	6,835,742
Balance as at January 01, 2018	1,448,150	4,766,854	322,589	2,700,180	9,237,773	-	9,237,773
Total comprehensive income for the six months							
Profit for the period	-	-	-	1,028,185	1,028,185	-	1,028,185
Other comprehensive income							
Unrealized gain due to change in fair value of long-term investments - net of tax	-	-	(18,802)	-	(18,802)	-	(18,802)
Total comprehensive income for the period	-	-	(18,802)	1,028,185	1,009,383	-	1,009,383
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax							
	-	-	-	51,214	51,214	-	51,214
	-	-	(18,802)	1,079,399	1,060,597	-	1,060,597
Transactions with owners							
Final dividend at Rs. 3.50 per share - December 2017	-	-	-	(506,853)	(506,853)	-	(506,853)
	-	-	-	(506,853)	(506,853)	-	(506,853)
Balance as at June 30, 2018 - unaudited	1,448,150	4,766,854	303,787	3,272,726	9,791,517	-	9,791,517

The annexed notes 1 to 23 form an integral part of these condensed interim consolidated financial information.



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS - Unaudited

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

		Six months period ended	
	Note	June 30, 2018	June 30, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19	4,802,219	8,125,336
Finance costs paid		(397,605)	(271,379)
Dividend paid		(506,853)	(422,377)
Taxes paid		(1,255,372)	(698,260)
Gratuity paid		(6,609)	-
<b>Net cash generated from operating activities</b>		<b>2,635,780</b>	<b>6,733,320</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(3,640,140)	(2,773,133)
Proceeds from disposal of property, plant and equipment		804	24,268
Long-term deposits received /(paid) - net		6,607	(3,049)
<b>Net cash used in investing activities</b>		<b>(3,632,729)</b>	<b>(2,751,914)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability obtained - net		113,819	15,768
Payment of commercial paper		(1,500,000)	-
Contribution of NCI in subsidiary company		-	592,294
Long-term finance obtained - net		1,078,310	373,576
<b>Net cash (used in) / generated from financing activities</b>		<b>(307,871)</b>	<b>981,638</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,304,820)</b>	<b>4,963,044</b>
Cash and cash equivalents at beginning of the period		4,070,905	3,882,655
<b>Cash and cash equivalents at end of the period</b>	20	<b>2,766,085</b>	<b>8,845,699</b>

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



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer



**Abdul Aziz Khalid**  
Director

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

## 1 STATUS AND NATURE OF BUSINESS

The Group consists of:

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

### Hascol Petroleum Limited - Holding Company

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

The Holding Company is engaged in the business of procurement, storage and marketing of petroleum and related products, for which the Holding Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005.

### Hascombe Lubricants (Private) Limited - Subsidiary

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

## 2 BASIS OF PREPARATION

The condensed interim consolidated financial information of the Group for the six months period ended June 30, 2018 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim consolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2017.

### 2.1 Standards, Amendments and Interpretations to Approved Accounting Standards

#### 2.1.1 Promulgation of Companies Act, 2017

The Companies Act 2017 applicable for periods ending after December 31, 2017 which result in additional disclosures and certain changes in financial information presentation.

#### 2.1.2 Standards, amendments and interpretations to the published standards that are relevant to the Group and adopted in the current period

The Group has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

## Standard or Interpretation

## Effective Date (Annual periods beginning on or after)

IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 1, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 1, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 1, 2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	January 1, 2018

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the period ended June 30, 2017 and 2018.

### 2.1.3 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2018 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are therefore not presented here.

### 2.1.4 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Group

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

## Standard or Interpretation

## Effective Date (Annual periods beginning on or after)

IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 16 - Leases	January 1, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
IAS 19 - Plan Amendment, Curtail or Settlement (Amendments to IAS 19)	January 1, 2019

The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial information of the Group.

### 2.1.5 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## Standard or Interpretation

## IASB effective date (Annual periods beginning on or after)

IFRS 14 - Regulatory Deferral Accounts

January 1, 2016

IFRS 17 - Insurance Contracts

January 1, 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 annual audited consolidated financial statements of the Group for the year ended December 31, 2017.

## 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.2 During the preparation of this condensed interim consolidated financial information, the significant judgments 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, 2017.

## 5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended December 31, 2017.

## 6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work-in-progress

Note

Unaudited  
June 30,  
2018

Audited  
December 31,  
2017

15,158,578  
6,243,640  
21,402,218

9,869,027  
3,811,322  
13,680,349

6.3

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Unaudited June 30, 2018	Audited December 31, 2017
<b>6.1 Additions / transfer from CWIP to operating fixed assets during the period / year:</b>		
<b>Owned assets</b>		
Land lease hold	58,195	857,520
Office and depot building	-	1,608,596
Pump building	406,276	226,179
Tanks and pipelines	59,503	1,358,026
Dispensing pumps	30,971	53,182
Plant & machinery		78,379
Electrical, mechanical and fire fighting equipment	107,194	554,514
Furniture, office equipment and other assets	64,879	22,996
Tank lorries	462,090	309,242
Motor cars	8,899	67,964
Computer auxiliaries	8,119	16,949
<b>Leased assets</b>		
Electrical, mechanical and fire fighting equipment	-	20,070
Tank lorries	-	174,919
Motor cars	1,811	7,723
	<u>1,207,936</u>	<u>5,356,259</u>

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

	Cost	Accumulated Depreciation	Net Book Value
<b>June 30, 2018 (un-audited)</b>	<u>(205)</u>	<u>17</u>	<u>(188)</u>
December 31, 2017 (audited)	<u>(197,625)</u>	<u>5,420</u>	<u>(192,205)</u>

**6.2.1** For details of the assets disposed during the year ended December 31, 2017, please refer note 5.10 of the annual audited consolidated financial statements for the same year.

	Unaudited June 30, 2018	Audited December 31, 2017
<b>6.3 Capital work-in-progress</b>		
Office & depots building	2,248,867	1,505,203
Tanks and pipelines	1,158,421	697,086
Pump building	576,306	435,325
Electrical, mechanical and fire fighting equipment	569,655	304,894
Tank lorries	611,748	260,357
Advances to contractors	212,742	232,592
Dispensing pumps	315,456	160,087
Furniture, office equipment and other assets	138,530	155,567
Plant and machinery	256,691	25,697
Borrowing cost capitalized	103,111	22,035
Computer auxiliaries	52,113	12,479
	<u>6,243,640</u>	<u>3,811,322</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

- 6.4** During the period, the Company has carried out revaluation through an independent valuation firm. Revalued amount of assets were Rs. 14,009 million, resulting in surplus (net of deferred tax) amounting to Rs. 3,550 million

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>7 LONG-TERM INVESTMENTS</b>			
<b>Investment in associated company - at cost</b>			
VAS LNG (Private) Limited - (unquoted)	7.1	1,745	1,745
<b>Available for sale investment</b>			
Pakistan Refinery Limited (quoted) - at fair value	7.2	1,501,190	1,521,518
Hascol Terminal Limited (unquoted) - at cost		375,000	375,000
		<u>1,876,190</u>	<u>1,896,518</u>
		<u>1,877,935</u>	<u>1,898,263</u>

## 7.1 Investment in associated company

Cost of Investment	3,000	3,000
Share of Profit		
Opening	(1,255)	-
During the period / year	-	(1,255)
	<u>(1,255)</u>	<u>(1,255)</u>
Balance at the end of the period	<u>1,745</u>	<u>1,745</u>

	Note	Cost	Unrealized gain	Carrying Value
<b>Pakistan Refinery Limited</b>				
<b>June 30, 2018 - Unaudited</b>	7.2.1	<u>1,172,772</u>	<u>328,418</u>	<u>1,501,190</u>
December 31, 2017 - Audited		<u>1,172,772</u>	<u>348,746</u>	<u>1,521,518</u>

- 7.2** Investment in Pakistan Refinery Limited represents 13.72% (December 31, 2017: 13.72%) to equity stake which amounts to 43.25 million shares (December 31, 2017: 43.25 million shares).

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>8 ADVANCES - considered good, unsecured</b>			
To employees			
- against expenses		15,766	46,023
- against salaries		21,959	63,755
Advance against purchase of shares	8.1	44,385	60,721
Suppliers		90,558	10,866
Advance against lease		11,378	-
		<u>184,046</u>	<u>181,365</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

	Note	Unaudited June 30, 2018	Audited December 31, 2017
<b>8.1 Advance against purchase of shares - related parties</b>			
Hascol Terminals Limited		40,000	57,685
Hascol Lubricants (Private) Limited		3,362	2,013
VAS LNG (Private) Limited		1,023	1,023
		<u>44,385</u>	<u>60,721</u>
<b>9 DEPOSITS AND PREPAYMENTS</b>			
Deposits			
Current portion of lease deposits		193	794
Other deposits		6,239	2,477
		<u>6,432</u>	<u>3,271</u>
Prepayments			
- insurance and others		67,900	23,676
- rent		95,448	53,686
		<u>163,348</u>	<u>77,362</u>
		<u>169,780</u>	<u>80,633</u>
<b>10 OTHER RECEIVABLES</b>			
Inland freight equalization margin receivable		2,385,656	2,019,113
Sales tax receivable		586,875	-
Receivable against services rendered		5,907	53,346
Franchise income receivable - net		31,848	34,642
Receivable against regulatory duty		25,533	25,533
Receivable from oil marketing companies	10.1	9,073	9,073
Price differential claims	10.2	5,083	5,083
Others		13,377	14,241
		<u>3,063,352</u>	<u>2,161,031</u>
<b>10.1</b>	This represents amount receivable from various oil marketing companies on account of share of motor gasoline imported on their behalf.		
<b>10.2</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 Group together with other oil marketing companies is actively perusing the matter with the concerned authorities for the early settlement of above claim. The Group considers that the balance amount will be reimbursed by GoP in due course of time.		

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 11 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - net of tax

	Unaudited June 30, 2018	Audited December 31, 2017
Balance at the beginning of the period / year	1,465,412	1,656,347
Add : revaluation for the period / year	4,476,215	-
Transfer in respect of incremental depreciation for the period / year	(95,468)	(190,935)
Balance at the end of the period / year	<u>5,846,159</u>	<u>1,465,412</u>
<b>Related deferred tax</b>		
Balance at the beginning of the period / year	439,623	513,467
Effective rate adjustment	(16,568)	(16,563)
Deferred tax on revaluation during the period / year	926,554	-
Reversal of deferred tax liability on account of incremental depreciation charged during the period / year	(27,686)	(57,281)
Balance at the end of the period / year	<u>(1,321,923)</u>	<u>(439,623)</u>
	<u>4,524,236</u>	<u>1,025,789</u>

## 12 LONG TERM FINANCING - Secured

Borrowing from conventional banks	2,023,000	562,500
Borrowing from non banking financial institutions	826,817	1,013,769
Sukuk certificates	1,476,135	1,671,373
	<u>4,325,952</u>	<u>3,247,642</u>
<b>Current portion of long term finances</b>		
Borrowing from conventional banks	(298,313)	(225,000)
Borrowing from non banking financial institutions	(378,388)	(382,479)
Sukuk certificates	(400,000)	(400,000)
	<u>(1,076,701)</u>	<u>(1,007,479)</u>
<b>Non-current portion of long term financing</b>	<u>3,249,251</u>	<u>2,240,163</u>

### 12.1 Sukuk certificate

Issuance cost	1,500,000	1,700,000
Balance at the beginning of the period / year	(28,627)	(38,179)
Charged to consolidated profit and loss account	4,762	9,552
Balance at the end of the period / year	<u>(23,865)</u>	<u>(28,627)</u>
	<u>1,476,135</u>	<u>1,671,373</u>

## 13 DEFERRED AND OTHER LIABILITIES

Other liabilities	288,800	524,875
Deferred taxation - net	1,453,639	699,422
Deferred liability - gratuity	206,925	188,825
	<u>1,949,364</u>	<u>1,413,122</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 13.1 Deferred Taxation - Net

**This comprises the following:**

*Taxable temporary difference arising in respect of :*

Accelerated depreciation

Assets under finance lease

Revaluation of operating fixed assets

Surplus on remeasurement of investment

*Deductible temporary difference arising in respect of :*

Liabilities against assets subject to finance lease

Provision for :

- investments in subsidiary

- other liabilities

- unrealized exchange loss

- retirement benefit

- doubtful debts

- franchise income

Turnover tax

**Unaudited  
June 30,  
2018**

**Audited  
December 31,  
2017**

**(797,868)**

**(818,063)**

**(112,721)**

**(160,068)**

**(1,321,923)**

**(439,623)**

**(24,631)**

**(26,156)**

**173,308**

**146,442**

**8,875**

**9,181**

**302,229**

**314,925**

**239,233**

**92,461**

**59,575**

**56,648**

**2,273**

**2,368**

**18,011**

**18,768**

**-**

**103,695**

**(1,453,639)**

**(699,422)**

## 14 TRADE AND OTHER PAYABLES

Trade creditors

**37,279,790**

**25,112,678**

Payable to cartage contractors

**2,464,951**

**3,054,943**

Advance from customers

**4,166,760**

**4,608,668**

Dealers' and customers' security deposits

**291,878**

**254,680**

Accrued liabilities

**20,520**

**12,895**

Other liabilities

**1,417,703**

**1,279,184**

**45,641,602**

**34,323,048**

## 15 CURRENT PORTION OF NON-CURRENT LIABILITIES

Current portion of long term financing

**1,076,701**

**1,007,479**

Current portion of deferred and other liabilities

**866,400**

**524,875**

Current portion of liabilities subject to finance lease

**139,504**

**110,538**

**2,082,605**

**1,642,892**

## 16 CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

As per the deliberations of the main committee of the Oil Companies Advisory Committee (OCAC) held in their meeting number MCM-168 dated September 20, 2007, the financial costs on outstanding Price Differential Claims (PDCs) should be worked and billed to the Government of Pakistan (GOP) through OCAC by the Oil Marketing Companies (OMCs) on a regular basis. Although the Group had billed Rs. 65.97 million (December 31, 2017: Rs. 65.97 million) to the GOP/ OCAC, the management had not accounted for its impact in this condensed interim consolidated financial information as the inflow of economic benefits, though probable, is not virtually certain.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 16.2 Commitments

The facility for opening letters of credit (LCs) acceptances as at June 30, 2018 amounted to Rs. 53,925 million (December 31, 2017: Rs. 45,425 million) of which the amount remaining unutilized as at that date was Rs. 2,095 million (December 31, 2017: Rs. 14,752 million).

Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

	Unaudited June 30, 2018	Audited December 31, 2017
Property, plant and equipment	<u>1,101,618</u>	<u>978,418</u>
Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	320,304	262,484
Later than one year and not later than five years	1,091,700	913,557
Later than five years	<u>2,293,239</u>	<u>1,709,781</u>
	<u>3,705,243</u>	<u>2,885,822</u>
	Unaudited June 30, 2018	Unaudited June 30, 2017
Current	664,684	450,272
Prior period	79,761	64,619
Deferred	<u>(156,494)</u>	<u>124,133</u>
	<u>587,951</u>	<u>639,024</u>

## 17 TAXATION

Six months period ended		Three months period ended	
June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017

## 18 EARNING PER SHARE

### 18.1 Basic

Profit for the period attributable to ordinary shareholders (Rs. 000)	<u>1,028,185</u>	<u>778,617</u>	<u>298,535</u>	<u>404,638</u>
Weighted average number of ordinary shares in issue during the period (number of share)	<u>144,815,000</u>	<u>129,199,000</u>	<u>144,815,000</u>	<u>129,199,000</u>
	(Rupees)			
Earning per share- basic	<u>7.10</u>	<u>(Restated) 6.03</u>	<u>2.06</u>	<u>(Restated) 3.13</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 18.2 Diluted

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible potential ordinary shares in issue as at June 30, 2018

## 19 CASH GENERATED FROM OPERATIONS

	Unaudited June 30, 2018	Unaudited June 30, 2017
Profit before taxation	1,616,136	1,410,447
Adjustment for:		
Depreciation and amortization	394,298	252,693
Provision for gratuity	24,709	17,506
Gain on sale of fixed assets	(616)	(741)
Exchange loss	877,492	-
Finance cost	435,154	262,358
Working capital changes	19.1 1,455,046	6,183,073
	<u>4,802,219</u>	<u>8,125,336</u>

## 19.1 Changes in working capital

Current assets		
Stock-in-trade	(8,312,951)	4,489,317
Trade debts	207,733	(3,802,611)
Deposits, prepayments and other receivables	(983,567)	(805,570)
Loans and advances	(2,681)	(30,817)
	<u>(9,091,466)</u>	<u>(149,681)</u>
<b>Current liabilities</b>		
Trade and other payables	10,546,512	6,332,754
	<u>1,455,046</u>	<u>6,183,073</u>

## 20 CASH AND CASH EQUIVALENTS

Cash and bank balances	8,684,461	11,663,836
Less: term deposit receipt	(60,000)	(60,000)
	<u>8,624,461</u>	<u>11,603,836</u>
Short-term borrowings	(5,858,376)	(2,758,137)
	<u>2,766,085</u>	<u>8,845,699</u>

## 21 FAIR VALUATION OF FINANCIAL INSTRUMENTS

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Group determines fair values using valuation techniques unless the instruments do not have a market / quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Group include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

## Financial assets

	Carrying Value	Level 1	Level 2	Level 3	Total
<b>June 2018 - Unaudited</b>					
Long term investments	<u>1,876,190</u>	<u>1,501,190</u>	<u>375,000</u>	<u>-</u>	<u>1,876,190</u>
December 2017 - Audited					
Long term investments	<u>1,896,518</u>	<u>1,521,518</u>	<u>375,000</u>	<u>-</u>	<u>1,896,518</u>

## Non-financial assets

<b>June 2018 - Unaudited</b>					
Freehold land	2,205,232	-	-	2,205,232	2,205,232
Building on lease hold land					
- Office and depots building	3,272,872	-	-	3,272,872	3,272,872
- Pump building	2,588,283	-	-	2,589,160	2,589,160
Tanks and pipelines	2,947,402	-	-	2,947,421	2,947,421
Dispensing pumps	961,544	-	-	961,678	961,678
Plant and machinery	402,653	-	-	402,354	402,354
Electrical, mechanical and fire fighting equipment	1,488,091	-	-	1,488,066	1,488,066
Furniture, office equipment and other assets	214,937	-	-	214,937	214,937
	<u>14,081,014</u>	<u>-</u>	<u>-</u>	<u>14,081,014</u>	<u>14,081,014</u>

## December 2017 - Audited

Building on lease hold land					
- Office and depots building	2,464,822	-	-	2,464,822	2,464,822
- Pump building	1,552,314	-	-	1,552,314	1,552,314
Tanks and pipelines	2,161,249	-	-	2,161,249	2,161,249
Dispensing pumps	706,492	-	-	706,492	706,492
Plant and machinery	303,547	-	-	303,547	303,547
Electrical, mechanical and fire fighting equipment	1,035,584	-	-	1,035,584	1,035,584
	<u>8,224,008</u>	<u>-</u>	<u>-</u>	<u>8,224,008</u>	<u>8,224,008</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 22 RELATED PARTY TRANSACTIONS AND BALANCES

### 22.1 Transactions

Nature of relationship	Nature of transaction	Unaudited June 30, 2018	Unaudited June 30, 2017
<b>Associated companies</b>			
Vitol Dubai Limited	Purchase of petroleum products	<u>65,337,367</u>	<u>37,071,622</u>
Hascol Terminals Limited	Business support service	<u>45,675</u>	<u>-</u>
<b>Common directorship</b>			
Layton Rahmatulla Benevolent Trust - LRB T	Donation	<u>1,000</u>	<u>380</u>
<b>Staff retirement benefits / contribution funds</b>			
Provident fund	Contribution	<u>14,407</u>	<u>11,162</u>
Gratuity fund	Contribution	<u>24,709</u>	<u>17,506</u>
<b>Key management personnel</b>			
	Salaries and benefits	<u>33,848</u>	<u>44,392</u>
<b>Director fee</b>			
	Fee for attending meetings	<u>9,700</u>	<u>3,600</u>

### 22.2 Balances

		Unaudited June 30, 2018	Audited December 31, 2017
<b>Associated companies</b>			
Vitol Dubai Limited	Purchase of petroleum products	<u>24,014,744</u>	<u>13,609,319</u>
Hascol Terminals Limited	Business support services	<u>5,920</u>	<u>53,346</u>
Hascol Terminals Limited	Advance against issue of shares	<u>40,000</u>	<u>151,123</u>
Hascol Lubricants (Private) Limited	Advance against issue of shares	<u>3,362</u>	<u>2,013</u>
VAS LNG (Private) Limited	Advance against issue of shares	<u>1,023</u>	<u>1,023</u>
VAS LNG (Private) Limited	Investments	<u>3,000</u>	<u>3,000</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018

(Rupees in thousand)

## 23 OPERATING SEGMENTS

These financial informations have been prepared on the basis of a single reportable segment.

- Sales from petroleum products represents 99.5 % (2017: 99.7%) of total revenues of the Group.
- All non-current assets of the Group as at June 30, 2018 are located in Pakistan.

The Group sells its product to dealers, government agencies, autonomous bodies, independent power projects and other corporate customers. However, none of the customers exceeds 10% threshold.

## 24 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited financial statements of the Group for the year ended December 31, 2017 and the corresponding figures in the condensed interim consolidated statement of profit and loss statement, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows comprise of balances of comparable period as per the condensed interim consolidated financial statements of the Group for the six months ended June 30, 2017.

## 25 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on August 20, 2018 has proposed interim cash dividend of Rs. 3.50 per share for the half year ended June 30, 2018. This condensed interim consolidated financial information does not include the effect of the aforementioned appropriation.

## 26 DATE OF AUTHORISATION

This condensed interim consolidated financial information have been authorised for issue on August 20, 2018 by the Board of Directors of the Group.

## 27 GENERAL

All amounts have been rounded to the nearest thousand.



**Saleem Butt**  
Chief Executive Officer  
& Director



**Khurram Shahzad Venjhar**  
Chief Financial Officer










**Abdul Aziz Khalid**  
Director










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