



قدم قدم آباد

REPORT FOR THE NINE MONTHS
PERIOD ENDED SEPTEMBER 2018

LEAVING IMPRINTS
OF SUCCESS WITH
EVERY STRIDE







قدم قدم آباد

Nine 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)
Mumtaz Hasan Khan (Member)
Najmus Saquib Hameed (Member)
Saleem Butt (Member)

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Bankers

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

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
Website: www.hascol.com



Directors' Report

Dear Shareholders,

On behalf of the Board of Directors of Hascol Petroleum Limited we would like to share the results of your Company for the nine months ended 30th September 2018. The Company has reported a gross profit of Rs. 8.2 billion as compared to Rs. 4.4 billion, resulting an increase of 85% as compared to the corresponding period of last year. The Company's net profit after tax was affected due to exchange losses incurred as result of devaluation of Pakistani rupee during the nine months period ended. However, the Company recorded an increase of 38% in the net profit after tax as compared to corresponding period of last year.

During the nine months our sales volume increased by 13% over the same period of last year. The EPS for the period stand at Rs. 10.41 from Rs. 8.48 as compared to the same period of last year. Keeping into account the performance of the Company, the Board of Directors has approved to issue interim bonus shares in the proportion of one share for every four shares held i.e. 25%. The Company had already announced an interim cash dividend of Rs. 3.50 per share i.e. 35% which has already been paid.

The Company has completed the acquisition of LPG assets from Marshal Gas (Private) Limited and Oil & Gas Regulatory Authority (OGRA) has granted approval / NOC for transfer of LPG assets with license to operate LPG business. The storage infrastructure development is in full swing. The Company's Lube Oil Blending Plant is in the final stages of completion and will be commissioned shortly.

We would like to thank the Board for their guidance and pursuing an aggressive business strategy. We would also like to highlight the commitment and passion shown by our management team and all employees for delivering the outstanding results which will continue in future Inshallah.



Saleem Butt
Chief Executive Officer
& Director



Abdul Aziz Khalid
Director

ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

پیسکول پٹرولیم لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر، 2018 کو ختم ہونے والے نو ماہ کے نتائج کا اشتراک کرنا چاہتے ہیں۔ کمپنی نے اپنا مجموعی منافع گزشتہ سال کے 4.4 ارب روپے کے مقابلے میں اس سال 8.2 ارب روپے درج کروایا جو کہ گزشتہ سال کے اسی مدت کے مقابلے میں 85 فیصد کے اضافے کو ظاہر کرتا ہے۔ نو ماہ کی مدت کے دوران پاکستانی روپے میں کوٹھنی نے کمپنی کے ٹیکس کے بعد کے مجموعی منافع کو اثر انداز کیا۔ اس کے باوجود کمپنی نے گزشتہ سال کے اسی مدت کے مقابلے میں ٹیکس کے بعد کا مجموعی منافع 38 فیصد کے اضافے کے ساتھ درج کروایا۔

نو ماہ کے دوران گزشتہ سال کے اسی مدت میں ہماری فروخت کا حجم 13 فیصد تک بڑھا۔ گزشتہ سال کے اسی مدت میں 8.48 روپے کے مقابلے میں اس سال، فی حصص آمدنی 10.41 روپے رہی۔ کمپنی کی کارکردگی کو سامنے رکھتے ہوئے بورڈ آف ڈائریکٹرز نے ہر رکھے گئے 4 حصص کے لئے 1 حصص کے تناسب میں یعنی 25 فیصد پر انٹرم بونس جاری کرنے کی منظوری دی ہے۔ کمپنی نے پہلے ہی 3.50 روپے فی حصص یعنی 35 فیصد کا انٹرم کیش ڈیویڈنڈ کا اعلان کیا تھا جو کہ پہلے ہی ادا کیا جا چکا ہے۔

کمپنی نے مارشل گیس (پرائیوٹ) لمیٹڈ سے ایل پی جی کے اثاثوں کے حصول کو مکمل کر لیا ہے اور آئل اینڈ گیس ریگولیٹری اتھارٹی (اؤگرا) نے ایل پی جی کے کاروبار کو چلانے کے لئے لائسنس کے ساتھ ایل پی جی کے اثاثوں کی منتقلی کے لئے این اوی کی منظوری دی ہے۔ ذخیرہ کاری کی بنیادی ترقی اپنے عروج پر ہے۔ کمپنی کے لیوب آئل بلینڈنگ پلانٹ کی تکمیل اپنے آخری مراحل پر ہے اور جلد ہی اس کا آغاز کیا جائے گا۔

آخر میں، ہم اپنے کارپوریٹ کے انتظامات کی تجویز پیش کرنے پر بورڈ کی رہنمائی کے لئے شکریہ ادا کرنا چاہتے ہیں۔ ہم انتظامی جماعت اور تمام ملازمین کی کاوشوں کو بھی سراہنا چاہتے ہیں جنہوں نے کمپنی کی کاروباری منصوبہ بندی کی تکمیل اور مہذب ہدف کو بڑھانے میں اپنی قابلیت کو منوایا جو کہ انشاء اللہ مستقبل میں بھی جاری رہے گا۔

سعید سلیم بٹ
Chief Executive Officer
& Director

عبدالعزیز خالد
Director

Condensed Interim Unconsolidated Financial Information - Unaudited

for the nine months period ended September 30, 2018





CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2018

(Rupees in thousand)

	Note	Unaudited September 30, 2018	Audited December 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	6	22,399,609	13,680,349
Long-term investments	7	1,797,016	1,899,518
Long-term deposits		443,565	331,537
Total non-current assets		24,640,190	15,911,404
Current assets			
Stock-in-trade		25,098,808	18,557,106
Trade debts		12,268,138	11,518,218
Advances	8	193,897	181,365
Deposits and prepayments	9	172,646	80,633
Other receivables	10	2,981,493	2,218,429
Cash and bank balances		10,267,352	9,628,057
Total current assets		50,982,334	42,183,808
TOTAL ASSETS		75,622,524	58,095,212
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,448,150	1,448,150
Reserves		8,312,866	7,792,097
Total shareholders' equity		9,761,016	9,240,247
Surplus on revaluation of operating fixed assets - net of tax	11	4,453,250	1,025,789
LIABILITIES			
Non-current liabilities			
Long-term financing	12	2,937,550	2,240,163
Liabilities against assets subject to finance lease		1,084,174	377,603
Deferred and other liabilities	13	1,217,169	1,413,122
Total non-current liabilities		5,238,893	4,030,888
Current liabilities			
Trade and other payables	14	43,462,470	34,321,373
Mark-up and profit accrued		169,827	117,258
Short-term borrowings		9,728,610	6,944,699
Current portion of non-current liabilities	15	2,591,586	1,642,892
Taxation		216,872	772,066
Total current liabilities		56,169,365	43,798,288
TOTAL LIABILITIES		61,408,258	47,829,176
TOTAL EQUITY AND LIABILITIES		75,622,524	58,095,212
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 26 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

		Nine months period ended		Three months period ended	
	Note	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sales - net		220,375,883	152,321,380	72,851,485	57,768,607
Less: sales tax		(36,686,924)	(28,297,052)	(10,895,615)	(11,274,918)
Net sales		183,688,959	124,024,328	61,955,870	46,493,689
Other revenue		615,532	336,906	240,963	125,016
Net revenue		184,304,491	124,361,234	62,196,833	46,618,705
Cost of products sold		(176,091,584)	(119,919,075)	(59,797,572)	(45,226,439)
Gross profit		8,212,907	4,442,159	2,399,261	1,392,266
Operating expenses					
Distribution and marketing		(2,655,233)	(1,790,338)	(994,540)	(622,488)
Administrative		(647,569)	(466,807)	(201,444)	(165,725)
		(3,302,802)	(2,257,145)	(1,195,984)	(788,213)
Other income		341,167	242,576	142,155	108,901
Operating profit		5,251,272	2,427,590	1,345,432	712,954
Finance cost		(782,616)	(388,817)	(347,462)	(126,459)
Other expenses		-	(15,000)	-	7,647
Exchange loss - net		(2,517,381)	(165,839)	(662,831)	(165,839)
		(3,299,997)	(569,656)	(1,010,293)	(284,651)
Profit before taxation		1,951,275	1,857,934	335,139	428,303
Taxation	17	(444,186)	(762,140)	143,765	(123,116)
Profit for the period		1,507,089	1,095,794	478,904	305,187
Earnings per share - basic and diluted (Rupees)	18	10.41	(Restated) 8.48	3.31	(Restated) 2.36

The annexed notes 1 to 26 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>September 30,</u> <u>2018</u>	<u>September 30,</u> <u>2017</u>	<u>September 30,</u> <u>2018</u>	<u>September 30,</u> <u>2017</u>
Profit for the period	1,507,089	1,095,794	478,904	305,187
Other comprehensive income:				
Items that may be reclassified to unconsolidated profit and loss account				
Unrealized (loss) / gain on remeasurement of available-for-sale investments - net of tax	(94,813)	189,730	(214,430)	(231,234)
Total comprehensive income for the period	<u>1,412,276</u>	<u>1,285,524</u>	<u>264,474</u>	<u>73,953</u>

The annexed notes 1 to 26 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Share Capital	Capital reserve Share premium	Surplus on re-measurement of available for sale investment to fair value	Revenue reserve Unappropriated profit	Total shareholders' equity
Balance as at December 31, 2016 - Audited	1,206,792	1,070,828	624,930	2,059,588	4,962,138
Total comprehensive income for the nine months					
Profit for the period	-	-	-	1,095,794	1,095,794
Other comprehensive income					
Unrealized gain due to change in fair value of long-term investments - net of tax	-	-	189,730	-	189,730
Total comprehensive income for the period	-	-	189,730	1,095,794	1,285,524
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	-	83,680	83,680
	-	-	189,730	1,179,474	1,369,204
Transactions with owners recognized directly in equity					
Final dividend at Rs. 3.50 per share - December 2016	-	-	-	(422,377)	(422,377)
Interim dividend at Rs. 3.50 per share - June 2017	-	-	-	(422,377)	(422,377)
Total transactions with owners recognized directly in equity	-	-	-	(844,754)	(844,754)
Balance as at September 30, 2017 - Unaudited	1,206,792	1,070,828	814,660	2,394,308	5,486,588
Balance as at December 31, 2017 - Audited	1,448,150	4,766,854	322,589	2,702,654	9,240,247
Total comprehensive income for the nine months					
Profit for the period	-	-	-	1,507,089	1,507,089
Other comprehensive income					
Unrealized loss due to change in fair value of long-term investments - net of tax	-	-	(94,813)	-	(94,813)
Total comprehensive (loss)/ income for the period	-	-	(94,813)	1,507,089	1,412,276
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	-	122,199	122,199
	-	-	(94,813)	1,629,288	1,534,475
Transactions with owners recognized directly in equity					
Final dividend at Rs. 3.50 per share - December 2017	-	-	-	(506,853)	(506,853)
Interim Dividend at Rs. 3.50 per shares - June 2018	-	-	-	(506,853)	(506,853)
Total transactions with owners recognized directly in equity	-	-	-	(1,013,706)	(1,013,706)
Balance as at September 30, 2018 - Unaudited	1,448,150	4,766,854	227,776	3,318,236	9,761,016

The annexed notes 1 to 26 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

		Nine months period ended	
	Note	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	4,499,033	9,380,086
Finance cost paid		(628,631)	(410,464)
Dividend paid		(1,013,706)	(422,377)
Taxes paid		(1,611,394)	(668,727)
Gratuity paid		(14,993)	-
Net cash generated from operating activities		1,230,309	7,878,518
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(5,318,904)	(3,350,172)
Proceeds from disposal of property, plant and equipment		460,747	173,401
Long term investment made during the period		-	(165,000)
Long-term deposits paid		(112,028)	(32,583)
Net cash used in investing activities		(4,970,185)	(3,374,354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained / (repaid) - net		870,469	(26,757)
Payment of commercial paper		(1,500,000)	-
Proceeds from issue of commercial paper		2,399,714	-
Long-term finance obtained - net		826,208	557,190
Net cash generated from financing activities		2,596,391	530,433
Net (decrease) / increase in cash and cash equivalents		(1,143,485)	5,034,597
Cash and cash equivalents at beginning of the period		4,070,449	3,871,441
Cash and cash equivalents at the end of the period	20	2,926,964	8,906,038

The annexed notes 1 to 26 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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 Block-9, 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 unconsolidated financial information is separate financial information of the Company in which investments in subsidiaries 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 nine months period ended September 30, 2018 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standards 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 annual audited unconsolidated 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 statements 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 September 30, 2017 and 2018.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 statements 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 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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1** The preparation of this condensed interim unconsolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2** During the preparation of this condensed interim unconsolidated financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited unconsolidated 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 September 30, 2018	Audited December 31, 2017
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		15,126,844	9,869,027
Capital work-in-progress	6.3	7,272,765	3,811,322
		22,399,609	13,680,349

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

Owned assets

Tank lorries	608,376	309,242
Pump building	406,276	226,179
Electrical, mechanical and fire fighting equipments	142,763	554,514
Office and depot building	92,334	1,608,596
Furniture, office equipment and other assets	72,644	22,996
Tanks and pipelines	67,597	1,358,026
Land lease hold	58,195	857,520
Motor cars	54,132	67,964
Computer auxiliaries	53,746	16,949
Dispensing pumps	30,971	53,182
Plant & machinery	15,812	78,379

Leased assets

Tank lorries	252,804	174,919
Motor cars	1,811	7,723
Electrical, mechanical and fire fighting equipments	-	20,070
	1,857,461	5,356,259

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

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

	Cost	Accumulated Depreciation	Net Book Value
September 30, 2018 - Unaudited	(425,107)	14,462	(410,645)
December 31, 2017 - Audited	(197,625)	5,420	(192,205)

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

6.3 Capital work-in-progress

	Unaudited September 30, 2018	Audited December 31, 2017
Office and depots building	2,515,066	1,505,203
Tanks and pipelines	1,298,022	697,086
Electrical, mechanical and fire fighting equipments	852,743	304,894
Tank lorries	747,262	260,357
Pump building	739,794	435,325
Plant and machinery	298,503	25,697
Dispensing pumps	279,102	160,087
Advances to contractors	230,999	232,592
Borrowing cost capitalized	172,157	22,035
Furniture, office equipment and other assets	124,012	155,567
Computer auxiliaries	15,105	12,479
	7,272,765	3,811,322

7 LONG-TERM INVESTMENTS

Investment in subsidiary company - at cost

Hascombe Lubricant (Private) Limited - unquoted

7.1

-

-

Investment in associated company - at cost

VAS LNG (Private) Limited - unquoted

3,000

3,000

Available for sale investment

Pakistan Refinery Limited (quoted) - at fair value

7.2

1,419,016

1,521,518

Hascol Terminal Limited (unquoted) - at cost

375,000

375,000

1,794,016

1,896,518

1,797,016

1,899,518

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

7.1 Subsidiary - at cost

	Note	Cost	Provision For Impairment	Carrying Value	
				September 30, 2018 Unaudited	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, incorporated in Pakistan under the Companies Ordinance, 1984. 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
September 30, 2018 (Unaudited)	7.2.1	1,172,772	246,244	1,419,016
December 31, 2017 (Audited)		1,172,772	348,746	1,521,518

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

8	ADVANCES - considered good, unsecured	Note	Unaudited September 30, 2018	Audited December 31, 2017
	To employees			
	- against expenses		15,372	46,023
	- against salaries		25,893	63,755
	Advance against purchase of shares	8.1	44,385	60,721
	Suppliers		96,270	10,866
	Advance against lease		11,977	-
			193,897	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
Other deposits

Prepayments

Insurance and others
Rent

762	794
4,981	2,477
5,743	3,271
66,623	23,676
100,280	53,686
166,903	77,362
172,646	80,633

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Note	Unaudited September 30, 2018	Audited December 31, 2017
10 OTHER RECEIVABLES			
Inland freight equalization margin receivable		2,703,139	2,019,113
Sales tax receivable		191,034	-
Receivable against services rendered		10,183	53,346
Franchise income receivable - net		-	34,642
Receivable against regulatory duty		25,533	25,533
Receivable from oil marketing companies	10.1	1,685	9,073
Price differential claims	10.2	5,083	5,083
Others		44,836	71,639
		<u>2,981,493</u>	<u>2,218,429</u>

10.1 This represents amount receivable from various oil marketing companies on account of share of motor gasoline imported on their behalf.

10.2 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.

	Unaudited September 30, 2018	Audited December 31, 2017
11 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - net of tax		
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	(192,749)	(190,935)
Balance at the end of the period / year	<u>5,748,878</u>	<u>1,465,412</u>
Related deferred tax		
Balance at the beginning of the period / year	439,623	513,467
Effective rate adjustment	(14,216)	(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	(56,333)	(57,281)
Balance at the end of the period / year	<u>(1,295,628)</u>	<u>(439,623)</u>
	<u>4,453,250</u>	<u>1,025,789</u>

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

		Unaudited September 30, 2018	Audited December 31, 2017
12 LONG TERM FINANCING - secured	Note		
Borrowings from conventional banks		1,966,750	562,500
Borrowings from Non Banking Financial Institutions		728,579	1,013,769
Sukuk certificates	12.1	1,378,521	1,671,373
		4,073,850	3,247,642
Current portion of long term finances			
Borrowings from conventional banks		(371,625)	(225,000)
Borrowings from Non Banking Financial Institutions		(364,675)	(382,479)
Sukuk certificates		(400,000)	(400,000)
		(1,136,300)	(1,007,479)
Non-current portion of long term financing		2,937,550	2,240,163
12.1 Sukuk certificate - gross amount		1,400,000	1,700,000
Issuance cost			
Balance at the beginning of the period / year		(28,627)	(38,179)
Charged to unconsolidated profit and loss account		7,148	9,552
Balance at the end of the period / year		(21,479)	(28,627)
Sukuk certificate - net amount		1,378,521	1,671,373
13 DEFERRED AND OTHER LIABILITIES			
Other liabilities		-	524,875
Deferred taxation - net	13.1	1,006,273	699,422
Deferred liability - gratuity		210,896	188,825
		1,217,169	1,413,122
13.1 Deferred taxation - net			
This comprises the following:			
Taxable temporary difference arising in respect of :			
Accelerated depreciation		(705,141)	(818,063)
Assets under finance lease		(166,150)	(160,068)
Revaluation of operating fixed assets		(1,295,628)	(439,623)
Surplus on remeasurement of investment		(18,468)	(26,156)
Deductible temporary difference arising in respect of :			
Liabilities against assets subject to finance lease		389,169	146,442
Unrealised exchange loss		37,553	92,461
Provision for :			
- investments in subsidiary		8,875	9,181
- other liabilities		300,697	314,925
- retirement benefit		60,410	56,648
- doubtful trade debts		2,261	2,368
- franchise income		27,043	18,768
Turnover tax		353,106	103,695
		(1,006,273)	(699,422)

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Unaudited September 30, 2018	Audited December 31, 2017
14 TRADE AND OTHER PAYABLES		
Trade creditors	36,284,657	25,112,678
Payable to cartage contractors	1,490,214	3,054,943
Advance from customers	4,229,516	4,608,668
Dealers' and customers' security deposits	304,090	254,680
Accrued liabilities	25,078	11,220
Other liabilities	1,128,915	1,279,184
	<u>43,462,470</u>	<u>34,321,373</u>
15 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of long term financing	1,136,300	1,007,479
Current portion of deferred and other liabilities	1,180,850	524,875
Current portion of liabilities subject to finance lease	274,436	110,538
	<u>2,591,586</u>	<u>1,642,892</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
<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 these financial statements as the inflow of economic benefits, though probable, is not virtually certain.</p>		
16.2 Commitments		
<p>The facility for opening letters of credit (LCs) acceptances as at September 30, 2018 amounted to Rs. 55,225 million (December 31, 2017: Rs. 45,425 million) of which the amount remaining unutilized as at that date was Rs. 10,190 million (December 31, 2017: Rs. 14,752 million)</p>		

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

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

	Unaudited September 30, 2018	Audited December 31, 2017
Property, plant and equipment	<u>960,018</u>	<u>978,418</u>

Commitments for rental of assets under operating lease / ijarah:

Not later than one year	<u>321,922</u>	262,484
Later than one year and not later than five years	<u>1,069,009</u>	913,557
Later than five years	<u>2,293,239</u>	<u>1,709,781</u>
	<u>3,684,170</u>	<u>2,885,822</u>

Unaudited September 30, 2018	Unaudited September 30, 2017
------------------------------------	------------------------------------

17 TAXATION

Current	<u>927,086</u>	429,291
Prior period	<u>121,761</u>	64,619
Deferred	<u>(604,661)</u>	<u>268,230</u>
	<u>444,186</u>	<u>762,140</u>

18 EARNINGS PER SHARE

18.1 Basic

	Nine months period ended September 30, 2018		Three months period ended September 30, 2018	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Unaudited) -----			
Profit for the period attributable to ordinary shareholders	<u>1,507,089</u>	<u>1,095,794</u>	<u>478,904</u>	<u>305,187</u>
Weighted average number of ordinary shares in issue during the period (number of shares)	<u>144,815,000</u>	<u>129,199,000</u>	<u>144,815,000</u>	<u>129,199,000</u>
Earnings per share - basic (Rupees)	<u>10.41</u>	<u>8.48</u>	<u>3.31</u>	<u>2.36</u>

18.2 Diluted

There is no dilutive effect on basic earning per share as the Company has no potential ordinary shares outstanding as at period end.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Note	Unaudited September 30, 2018	Unaudited September 30, 2017
19 CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,951,275	1,857,934
Adjustment for:			
Depreciation		665,214	389,488
Provision for gratuity		37,064	26,259
Gain on sale of operating fixed assets		(50,102)	(22,528)
Exchange loss		131,100	-
Finance cost		782,616	388,817
Working capital changes	19.1	981,866	6,740,116
		<u>4,499,033</u>	<u>9,380,086</u>
19.1 Changes in working capital			
Current assets			
Stock-in-trade		(6,541,702)	(3,134,117)
Trade debts		(749,920)	(3,470,822)
Deposits, prepayments and other receivables		(855,077)	(731,190)
Advances		(12,532)	(34,695)
		<u>(8,159,231)</u>	<u>(7,370,824)</u>
Current liabilities			
Trade and other payables		9,141,097	14,110,940
		<u>981,866</u>	<u>6,740,116</u>
20 CASH AND CASH EQUIVALENTS			
Cash and bank balances		10,267,352	10,210,185
Less: term deposit receipt		(60,000)	(60,000)
		<u>10,207,352</u>	<u>10,150,185</u>
Short-term borrowings		(9,728,610)	(1,244,147)
Add: commercial paper		2,448,222	-
		<u>(7,280,388)</u>	<u>(1,244,147)</u>
Cash and cash equivalents at the end of the period		<u>2,926,964</u>	<u>8,906,038</u>
21 FAIR VALUATION OF FINANCIAL INSTRUMENTS			

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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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 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.

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 instruments being valued and selection of appropriate discount rates.

	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
September 2018 - Unaudited					
Long term investments	<u>1,797,016</u>	<u>1,419,016</u>	<u>378,000</u>	<u>-</u>	<u>1,797,016</u>
December 2017 - Audited					
Long term investments	<u>1,899,518</u>	<u>1,521,518</u>	<u>378,000</u>	<u>-</u>	<u>1,899,518</u>
Non-financial assests					
September 2018 - Unaudited					
Freehold land	2,205,232	-	-	2,205,232	2,205,232
Building on lease hold land					
- Office and depots building	3,321,709	-	-	3,321,709	3,321,709
- Pump building	2,548,788	-	-	2,548,788	2,548,788
Tanks and pipelines	2,919,533	-	-	2,919,533	2,919,533
Dispensing pumps	928,302	-	-	928,302	928,302
Plant and machinery	411,284	-	-	411,284	411,284
Electrical, mechanical and fire fighting equipments	1,479,348	-	-	1,479,348	1,479,348
Furniture, office equipments and other assets	246,662	-	-	246,662	246,662
	<u>14,060,858</u>	<u>-</u>	<u>-</u>	<u>14,060,858</u>	<u>14,060,858</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 equipments	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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

22 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

22.1 Transactions

Nature of relationship	Nature of transaction	Unaudited September 30, 2018	Unaudited September 30, 2017
Associated companies			
Vitol Dubai Limited	Purchase of petroleum products	95,784,753	64,887,577
Clover Pakistan Limited	Purchase of non-fuel products	150,890	-
Hascol Terminals Limited	Business support service	55,858	-
Common directorship			
Layton Rahmatulla Benevolent Trust - LRBT	Donation	1,000	880
Staff retirement benefits/ contributory funds			
Provident fund	Contribution	21,796	17,109
Gratuity fund	Contribution	37,064	26,259
Key management personnel			
	Salaries and benefits	50,243	66,588
Directors' fee			
	Fee for attending meetings	14,600	5,650

22.2 Balances

		Unaudited September 30, 2018	Audited December 31, 2017
Associated companies			
Vitol Dubai Limited	Purchase of petroleum products	19,937,050	13,609,319
Clover Pakistan Limited	Purchase of non-fuel products	56,880	-
Hascol Terminals Limited	Business support services	10,183	53,346

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

23 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standards 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated balance sheet comprise of balances as per the annual audited unconsolidated 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, 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 nine months period ended September 30, 2017.

24 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on October 26, 2018 has declared bonus issue @ 25% i.e. one share for every four shares held for the nine months period ended September 30, 2018. This condensed interim unconsolidated financial information does not include the effect of the aforementioned appropriation.

25 DATE OF AUTHORISATION

This condensed interim unconsolidated financial information have been authorised for issue on October 26, 2018 by the Board of Directors of the Company.

26 GENERAL

All amounts have been rounded to the nearest thousand.



Saleem Butt
Chief Executive Officer
& Director



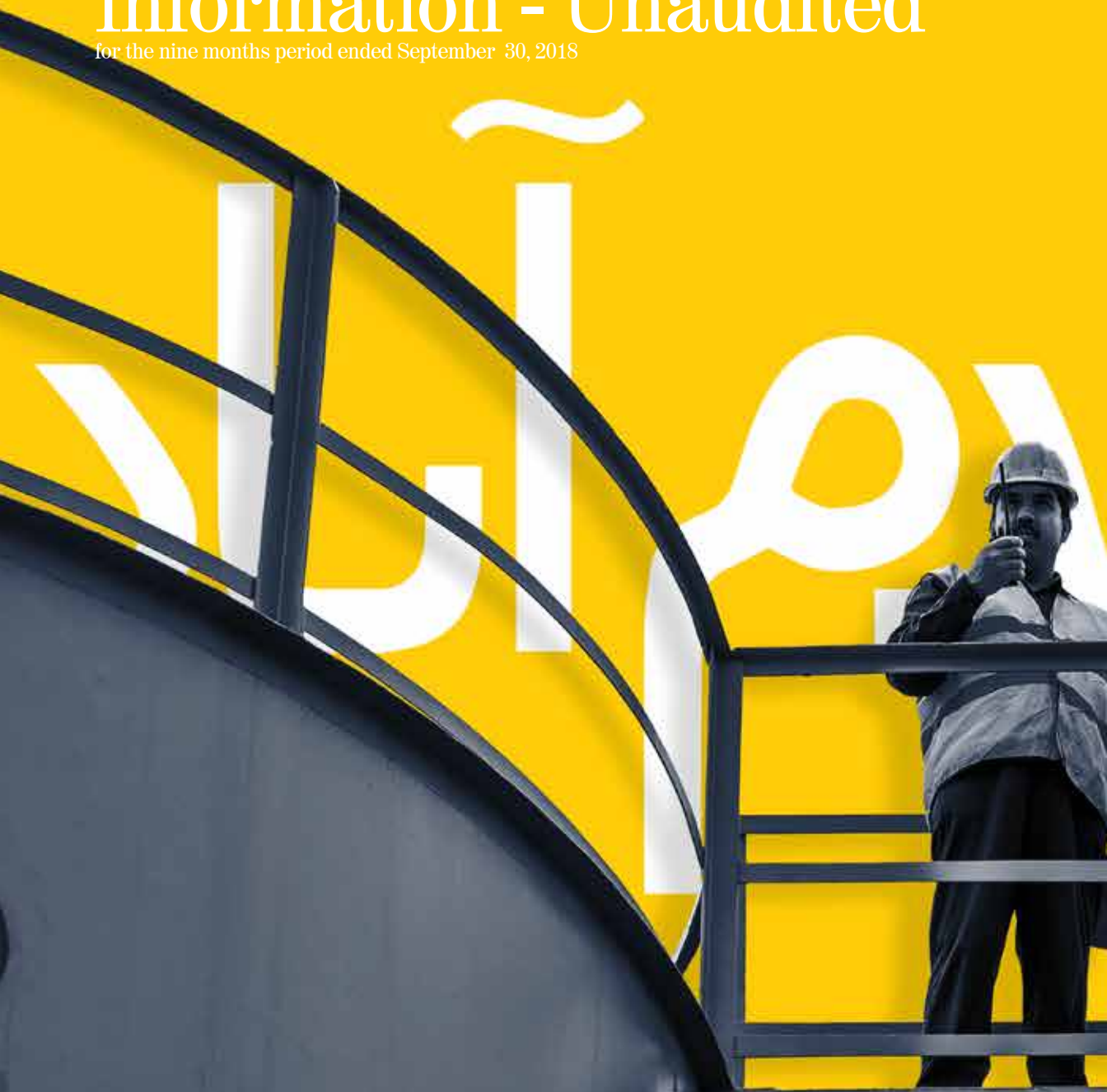
Khurram Shahzad Venjhar
Chief Financial Officer



Abdul Aziz Khalid
Director

Condensed Interim Consolidated Financial Information - Unaudited

for the nine months period ended September 30, 2018





CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2018

(Rupees in thousand)

ASSETS	Note	Unaudited September 30, 2018	Audited December 31, 2017
Non-current assets			
Property, plant and equipment	6	22,399,609	13,680,349
Long-term investments	7	1,795,761	1,898,263
Long-term deposits		443,565	331,537
Total non-current assets		24,638,935	15,910,149
Current assets			
Stock-in-trade		25,098,808	18,557,106
Trade debts		12,268,138	11,518,218
Advances	8	193,897	181,365
Deposits and prepayments	9	172,646	80,633
Other receivables	10	2,981,493	2,218,429
Cash and bank balances		10,267,808	9,628,513
Total current assets		50,982,790	42,184,264
TOTAL ASSETS		75,621,725	58,094,413
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,448,150	1,448,150
Reserves		8,310,392	7,789,623
Total shareholders' equity		9,758,542	9,237,773
Surplus on revaluation of operating fixed assets - net of tax	11	4,453,250	1,025,789
LIABILITIES			
Non-current liabilities			
Long-term financing	12	2,937,550	2,240,163
Liabilities against assets subject to finance lease		1,084,174	377,603
Deferred and other liabilities	13	1,217,169	1,413,122
Total non-current liabilities		5,238,893	4,030,888
Current liabilities			
Trade and other payables	14	43,464,145	34,323,048
Mark-up and profit accrued		169,827	117,258
Short-term borrowings		9,728,610	6,944,699
Current portion of non-current liabilities	15	2,591,586	1,642,892
Taxation		216,872	772,066
Total current liabilities		56,171,040	43,799,963
TOTAL LIABILITIES		61,409,933	47,830,851
TOTAL EQUITY AND LIABILITIES		75,621,725	58,094,413
CONTINGENCIES AND COMMITMENTS	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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Note	Nine months period ended		Three months period ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Sales - net		220,375,883	152,321,380	72,851,485	57,768,607
Less: sales tax		(36,686,924)	(28,297,052)	(10,895,615)	(11,274,918)
Net sales		183,688,959	124,024,328	61,955,870	46,493,689
Other revenue		615,532	336,906	240,963	125,016
Net revenue		184,304,491	124,361,234	62,196,833	46,618,705
Cost of products sold		(176,091,584)	(119,919,075)	(59,797,572)	(45,226,439)
Gross profit		8,212,907	4,442,159	2,399,261	1,392,266
Operating expenses					
Distribution and marketing		(2,655,233)	(1,790,338)	(994,540)	(622,488)
Administrative		(647,569)	(466,807)	(201,444)	(165,725)
		(3,302,802)	(2,257,145)	(1,195,984)	(788,213)
Other income		341,167	242,576	142,155	108,901
Operating profit		5,251,272	2,427,590	1,345,432	712,954
Finance costs		(782,616)	(388,817)	(347,462)	(126,459)
Other expenses		-	(15,000)	-	7,647
Exchange loss - net		(2,517,381)	(165,839)	(662,831)	(165,839)
		(3,299,997)	(569,656)	(1,010,293)	(284,651)
Profit before taxation		1,951,275	1,857,934	335,139	428,303
Taxation	17	(444,186)	(762,140)	143,765	(123,116)
Profit for the period from continued operations		1,507,089	1,095,794	478,904	305,187
Profit for the period from discontinued operations		-	(27,703)	-	(8,519)
Profit after tax		1,507,089	1,068,091	478,904	296,668
Profit/(loss) attributable to:					
<i>Equity holders of the holding company</i>					
From continued operations		1,507,089	1,095,794	478,904	305,187
From discontinued operations		-	1,639	-	13,629
		1,507,089	1,097,433	478,904	318,816
<i>Non-controlling interest</i>					
From continued operations		-	-	-	-
From discontinued operations		-	(29,342)	-	(22,148)
		-	(29,342)	-	(22,148)
		1,507,089	1,068,091	478,904	296,668
			(Restated)		(Restated)
From continued operations		10.41	8.48	3.31	2.36
From discontinued operations		-	0.01	-	0.11
Total	18	10.41	8.49	3.31	2.64

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Profit for the period	1,507,089	1,097,433	478,904	318,816
Other comprehensive income / (loss):				
<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	(94,813)	189,730	(214,430)	(231,234)
Total comprehensive income for the period	1,412,276	1,287,163	264,474	87,582

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Share Capital	Capital reserve	Revenue reserve	Sub Total	Non- control- lin interest	Total shareholders' equity	
		Share premium	Surplus on re-measurement of available for sale investment to fair value	Unappropri- ated profit			
Balance as at December 31, 2016	1,206,792	1,070,828	624,930	2,050,907	4,953,457	469,714	5,423,171
Total comprehensive income for the nine months							
Profit for the period	-	-	-	1,097,433	1,097,433	(29,342)	1,068,091
Other comprehensive income							
Unrealized gain due to change in fair value of long-term investments - net of tax	-	-	189,730	-	189,730	-	189,730
Total comprehensive income for the period	-	-	189,730	1,097,433	1,287,163	(29,342)	1,257,821
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	-	83,680	83,680	-	83,680
	-	-	189,730	1,181,113	1,370,843	(29,342)	1,341,501
Transactions with owners recognized directly in equity							
Final dividend at Rs. 3.50 per share - December 2016	-	-	-	(422,377)	(422,377)	-	(422,377)
Interim dividend at Rs. 3.50 per share - June 2017	-	-	-	(422,377)	(422,377)	-	(422,377)
	-	-	-	(844,754)	(844,754)	-	(844,754)
Disposal of non-controlling interest with a change in control of HTL	-	-	-	-	-	(440,372)	(440,372)
Total transactions with owners recognized directly in equity	-	-	-	-	-	(440,372)	(440,372)
Balance as at September 30, 2017 - Unaudited	1,206,792	1,070,828	814,660	2,387,266	5,479,546	-	5,479,546
Balance as at December 31, 2017	1,448,150	4,766,854	322,589	2,700,180	9,237,773	-	9,237,773
Total comprehensive income for the nine months							
Profit for the period	-	-	-	1,507,089	1,507,089	-	1,507,089
Other comprehensive income							
Unrealized gain due to change in fair value of long-term investments - net of tax	-	-	(94,813)	-	(94,813)	-	(94,813)
Total comprehensive income for the period	-	-	(94,813)	1,507,089	1,412,276	-	1,412,276
Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax	-	-	-	122,199	122,199	-	122,199
	-	-	-	122,199	122,199	-	122,199
Transactions with owners							
Final dividend at Rs. 3.50 per share - December 2017	-	-	-	(506,853)	(506,853)	-	(506,853)
Interim dividend at Rs. 3.50 per share - June 2018	-	-	-	(506,853)	(506,853)	-	(506,853)
	-	-	-	(1,013,706)	(1,013,706)	-	(1,013,706)
Balance as at September 30, 2018 - Unaudited	1,448,150	4,766,854	227,776	3,315,762	9,758,542	-	9,758,542

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 CASH FLOWS - Unaudited

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

		Nine months period ended	
	Note	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	4,499,033	9,305,279
Finance costs paid		(628,631)	(410,464)
Dividend paid		(1,013,706)	(422,377)
Taxes paid		(1,611,394)	(668,727)
Gratuity paid		(14,993)	-
Net cash generated from operating activities		1,230,309	7,803,711
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(5,318,904)	(3,287,603)
Proceeds from disposal of property, plant and equipment		460,747	173,401
Long term investment made during the period		-	(165,000)
Long-term deposits paid		(112,028)	(31,103)
Net cash used in investing activities		(4,970,185)	(3,310,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability obtained / (repaid) - net		870,469	(26,757)
Payment of commercial paper		(1,500,000)	-
Proceeds from issue of commercial paper		2,399,714	-
Contribution of NCI in subsidiary company		-	557,190
Long-term finance obtained - net		826,208	-
Net cash generated from financing activities		2,596,391	530,433
Net (decrease) / increase in cash and cash equivalents		(1,143,485)	5,023,839
Cash and cash equivalents at beginning of the period		4,070,905	3,882,655
Cash and cash equivalents at end of the period	20	2,927,420	8,906,494

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 NINE MONTHS PERIOD ENDED SEPTEMBER 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 Block-9, 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 Block-9, 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 nine months period ended September 30, 2018 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standards 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 statements 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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 September 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 statements 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 NINE MONTHS PERIOD ENDED SEPTEMBER 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
September 30,
2018

Audited
December 31,
2017

6.3

15,126,844
7,272,765
22,399,609

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Unaudited September 30, 2018	Audited December 31, 2017
6.1 Additions to operating fixed assets during the period / year:		
Owned assets		
Land lease hold	58,195	857,520
Office and depot building	92,334	1,608,596
Pump building	406,276	226,179
Tanks and pipelines	67,597	1,358,026
Dispensing pumps	30,971	53,182
Plant & machinery	15,812	78,379
Electrical, mechanical and fire fighting equipment	142,763	554,514
Furniture, office equipment and other assets	72,644	26,934
Tank lorries	608,376	309,242
Motor cars	54,132	75,129
Computer auxiliaries	53,746	16,949
Leased assets		
Electrical, mechanical and fire fighting equipment	-	20,070
Tank lorries	252,804	174,919
Motor cars	1,811	7,723
	<u>1,857,461</u>	<u>5,367,362</u>

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

	Cost	Accumulated Depreciation	Net Book Value
September 30, 2018 - Unaudited	<u>(425,107)</u>	<u>14,462</u>	<u>(410,645)</u>
December 31, 2017 - Audited	<u>(828,669)</u>	<u>6,868</u>	<u>(821,801)</u>

6.2.1 For details of the assets disposed during the year ended December 31, 2017, please refer note 6.11 of the annual audited consolidated financial statements for the same year.

	Unaudited September 30, 2018	Audited December 31, 2017
6.3 Capital work-in-progress		
Office & depots building	2,515,066	1,505,203
Tanks and pipelines	1,298,022	697,086
Electrical, mechanical and fire fighting equipments	852,743	304,894
Tank lorries	747,262	260,357
Pump building	739,794	435,325
Plant and machinery	298,503	25,697
Dispensing pumps	279,102	160,087
Advances to contractors	230,999	232,592
Borrowing cost capitalized	172,157	22,035
Furniture, office equipment and other assets	124,012	155,567
Computer auxiliaries	15,105	12,479
	<u>7,272,765</u>	<u>3,811,322</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

- 6.4** During the period, the Holding 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 September 30, 2018	Audited December 31, 2017
7 LONG-TERM INVESTMENTS			
Investment in associated company - at cost			
VAS LNG (Private) Limited - (unquoted)	7.1	1,745	1,745
Available for sale investment			
Pakistan Refinery Limited (quoted) - at fair value	7.2	1,419,016	1,521,518
Hascol Terminal Limited (unquoted) - at cost		375,000	375,000
		1,794,016	1,896,518
		1,795,761	1,898,263

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)
	(1,255)	(1,255)
Balance at the end of the period	1,745	1,745

	Note	Cost	Unrealized gain	Carrying Value
7.2 Pakistan Refinery Limited				
September 30, 2018 - Unaudited	7.2.1	1,172,772	246,244	1,419,016
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 September 30, 2018	Audited December 31, 2017
8 ADVANCES - considered good, unsecured			
To employees			
- against expenses		15,372	46,023
- against salaries		25,893	63,755
Advance against purchase of shares	8.1	44,385	60,721
Suppliers		96,270	10,866
Advance purchase against lease		11,977	-
		193,897	181,365

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Note	Unaudited September 30, 2018	Audited December 31, 2017
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
		<u>44,385</u>	<u>60,721</u>
9 DEPOSITS AND PREPAYMENTS			
Deposits			
Current portion of lease deposits		762	794
Other deposits		4,981	2,477
		<u>5,743</u>	<u>3,271</u>
Prepayments			
Insurance and others		66,623	23,676
Rent		100,280	53,686
		<u>166,903</u>	<u>77,362</u>
		<u>172,646</u>	<u>80,633</u>
10 OTHER RECEIVABLES			
Inland freight equalization margin receivable		2,703,139	2,019,113
Sales tax receivable		191,034	-
Receivable against services rendered		10,183	53,346
Franchise income receivable - net		-	34,642
Receivable against regulatory duty		25,533	25,533
Receivable from oil marketing companies	10.1	1,685	9,073
Price differential claims	10.2	5,083	5,083
Others		44,836	71,639
		<u>2,981,493</u>	<u>2,218,429</u>
10.1	This represents amount receivable from various oil marketing companies on account of share of motor gasoline imported on their behalf.		
10.2	This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The Holding Company together with other oil marketing companies is actively pursuing the matter with the concerned authorities for the early settlement of above claim. The Group considers that the balance amount will be reimbursed by GoP in due course of time.		

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Note	Unaudited September 30, 2018	Audited December 31, 2017
11 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - net of tax			
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		(192,749)	(190,935)
Balance at the end of the period / year		<u>5,748,878</u>	<u>1,465,412</u>
Related deferred tax			
Balance at the beginning of the period / year		439,623	513,467
Effective rate adjustment		(14,216)	(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		(56,333)	(57,281)
Balance at the end of the period / year		<u>(1,295,628)</u>	<u>(439,623)</u>
		<u>4,453,250</u>	<u>1,025,789</u>
12 LONG TERM FINANCING - Secured			
Borrowing from Conventional Banks		1,966,750	562,500
Borrowing from Non Banking Financial Institutions		728,579	1,013,769
Sukuk Certificates	12.1	1,378,521	1,671,373
		<u>4,073,850</u>	<u>3,247,642</u>
Current portion of long term finances			
Borrowing from Conventional Banks		(371,625)	(225,000)
Borrowing from Non Banking Financial Institutions		(364,675)	(382,479)
Sukuk Certificates		(400,000)	(400,000)
		<u>(1,136,300)</u>	<u>(1,007,479)</u>
Non-current portion of long term financing		<u>2,937,550</u>	<u>2,240,163</u>
12.1 Sukuk certificate - gross amount		1,400,000	1,700,000
Issuance cost			
Balance at the beginning of the period / year		(28,627)	(38,179)
Charged to consolidated profit and loss account		7,148	9,552
Balance at the end of the period / year		(21,479)	(28,627)
Sukuk certificate - net amount		<u>1,378,521</u>	<u>1,671,373</u>
13 DEFERRED AND OTHER LIABILITIES			
Other liabilities		-	524,875
Deferred taxation - net	13.1	1,006,273	699,422
Deferred liability - gratuity		210,896	188,825
		<u>1,217,169</u>	<u>1,413,122</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	Unaudited September 30, 2018	Audited December 31, 2017
13.1 Deferred taxation - net		
This comprises the following:		
<i>Taxable temporary difference arising in respect of :</i>		
Accelerated depreciation	(705,144)	(818,063)
Assets under finance lease	(166,150)	(160,068)
Revaluation of operating fixed assets	(1,295,625)	(439,623)
Surplus on remeasurement of investment	(18,468)	(26,156)
<i>Deductible temporary difference arising in respect of :</i>		
Liabilities against assets subject to finance lease	389,169	146,442
Provision for :		
- investments in subsidiary	8,875	9,181
- other liabilities	300,697	314,925
- unrealized exchange loss	37,553	92,461
- retirement benefit	60,410	56,648
- doubtful trade debts	2,261	2,368
- franchise income	27,043	18,768
Turnover tax	353,106	103,695
	(1,006,273)	(699,422)
14 TRADE AND OTHER PAYABLES		
Trade creditors	36,284,657	25,112,678
Payable to cartage contractors	1,490,214	3,054,943
Advance from customers	4,229,516	4,608,668
Dealers' and customers' security deposits	304,090	254,680
Accrued liabilities	26,753	12,895
Other liabilities	1,128,915	1,279,184
	43,464,145	34,323,048
15 CURRENT PORTION OF NON-CURRENT LIABILITIES		
Current portion of long term financing	1,136,300	1,007,479
Current portion of deferred and other liabilities	1,180,850	524,875
Current portion of liabilities subject to finance lease	274,436	110,538
	2,591,586	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 Holding 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 these financial statements as the inflow of economic benefits, though probable, is not virtually certain.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

16.2 Commitments

The facility for opening letters of credit (LCs) acceptances as at September 30, 2018 amounted to Rs. 55,225 million (December 31, 2017: Rs. 45,425 million) of which the amount remaining unutilized as at that date was Rs. 10,190 million (December 31, 2017: Rs. 14,752 million).

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

	Unaudited September 30, 2018	Audited December 31, 2017
Property, plant and equipment	<u>960,018</u>	<u>978,418</u>
Commitments for rental of assets under operating lease / ijarah:		
Not later than one year	321,922	262,484
Later than one year and not later than five years	1,069,009	913,557
Later than five years	<u>2,293,239</u>	<u>1,709,781</u>
	<u>3,684,170</u>	<u>2,885,822</u>
	Unaudited September 30, 2018	Unaudited September 30, 2017

17 TAXATION

Current	927,086	429,291
Prior period	121,761	64,619
Deferred	<u>(604,661)</u>	<u>268,230</u>
	<u>444,186</u>	<u>762,140</u>

18 EARNINGS PER SHARE

18.1 Basic

	Nine months period ended		Three months period ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- (Unaudited) -----			
Profit for the period attributable to ordinary shareholders	<u>1,507,089</u>	<u>1,095,794</u>	<u>478,904</u>	<u>305,187</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>
Earnings per share- basic (Rupees)	<u>10.41</u>	(Restated) <u>8.48</u>	<u>3.31</u>	(Restated) <u>2.36</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

18.2 Diluted

There is no dilutive effect on the basic earning per share as the Company has no potential ordinary shares outstanding as at period end.

	Note	Unaudited September 30, 2018	Unaudited September 30, 2017
19 CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,951,275	1,830,231
Adjustment for:			
Depreciation and amortization		665,214	389,488
Provision for gratuity		37,064	26,259
Gain on sale of fixed assets		(50,102)	(22,528)
Gain on disposal of subsidiary		-	(1,639)
Exchange loss		131,100	-
Finance cost		782,616	388,817
Working capital changes	19.1	981,866	6,694,651
		<u>4,499,033</u>	<u>9,305,279</u>
19.1 Changes in working capital			
Current assets			
Stock-in-trade		(6,541,702)	(3,134,117)
Trade debts		(749,920)	(3,470,822)
Deposits, prepayments and other receivables		(855,077)	(720,310)
Loans and advances		(12,532)	(78,503)
		<u>(8,159,231)</u>	<u>(7,403,752)</u>
Current liabilities			
Trade and other payables		9,141,097	14,098,403
		<u>981,866</u>	<u>6,694,651</u>
20 CASH AND CASH EQUIVALENTS			
Cash and bank balances		10,267,808	10,210,641
Less: term deposit receipt		(60,000)	(60,000)
		<u>10,207,808</u>	<u>10,150,641</u>
Short-term borrowings		(9,728,610)	(1,244,147)
Add: commercial paper		2,448,222	-
		<u>(7,280,388)</u>	<u>(1,244,147)</u>
		<u>2,927,420</u>	<u>8,906,494</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

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.

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.

	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
September 2018 - Unaudited					
Long term investments	<u>1,794,016</u>	<u>1,419,016</u>	<u>378,000</u>	<u>-</u>	<u>1,794,016</u>
December 2017 - Audited					
Long term investments	<u>1,896,518</u>	<u>1,521,518</u>	<u>378,000</u>	<u>-</u>	<u>1,896,518</u>
Non-financial assets					
September 2018 - Unaudited					
Freehold land	2,205,232	-	-	2,205,232	2,205,232
Building on lease hold land					
- Office and depots building	3,272,872	-	-	2,205,232	2,205,232
- 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 equipments and other assets	214,937	-	-	214,937	214,937
	<u>14,081,014</u>	<u>-</u>	<u>-</u>	<u>10,593,911</u>	<u>10,593,911</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

	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 equipments	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>

22 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of associated undertakings, directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and staff retirement fund. Significant transactions with related parties, other than those disclosed else where in these condensed interim consolidated financial information, are as follows:

22.1 Transactions

Nature of relationship	Nature of transaction	Unaudited September 30, 2018	Unaudited September 30, 2017
Associated companies			
Vitol Dubai Limited	Purchase of petroleum products	<u>95,784,753</u>	<u>64,887,577</u>
Clover Pakistan Limited	Purchase of non-fuel product	<u>150,890</u>	<u>-</u>
Hascol Terminals Limited	Business support service	<u>55,858</u>	<u>-</u>
Common directorship			
Layton Rahmatulla			
Benevolent Trust - LRBT	Donation	<u>1,000</u>	<u>880</u>
Staff retirement benefits / contributory funds			
Provident fund	Contribution	<u>21,796</u>	<u>17,109</u>
Gratuity fund	Contribution	<u>37,064</u>	<u>26,259</u>
Key management personnel	Salaries and benefits	<u>50,243</u>	<u>66,588</u>
Directors' fee	Fee for attending meetings	<u>14,600</u>	<u>5,650</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

(Rupees in thousand)

		Unaudited September 30, 2017	Audited December 31, 2017
22.2 Balances			
Associated companies			
Vitol Dubai Limited	Purchase of petroleum products	<u>19,937,050</u>	<u>13,609,319</u>
Clover Pakistan Limited	Purchase of non-fuel product	<u>56,880</u>	<u>-</u>
Hascol Terminals Limited	Business support services	<u>10,183</u>	<u>53,346</u>

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 September 30, 2018 are located in Pakistan.

The Holding 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 Standards 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 information of the Group for the nine months ended September 30, 2017.

25 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of the Holding Company in their meeting held on October 26, 2018 has declared bonus issue @ 25% i.e. one share for every four shares held for the nine months period ended September 30, 2018. This condensed interim unconsolidated financial information does not include the effect of the aforementioned appropriation.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

26 DATE OF AUTHORISATION

This condensed interim consolidated financial information has been authorised for issue on October 26, 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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