

Report for the three months period ended March 2019

# PEOPLE FOR PEOPLE





For many imagination is a dream. For Hascol Petroleum Limited, imagination is a reality. Our reality leads us to achieve. This year, we explore our continued progress which lead to our achievements.

## People For People

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Our engine works on our endeavors, our road to success is lead with experience, diversified range of our products and facilities, and our expertise. The future progress for Hascol Petroleum Limited is invested in its stakeholders. We are a company that keeps it in front the need of its people. We believe that our future is secured with your trust.

We implement our learnings to the development of our dreams. Our dreams are that of leaders not followers. Our success is in our dreams



PEOPLE  
FOR  
TOMORROW

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# CORPORATE INFORMATION

## Chairman

Mumtaz Hasan Khan

## Chief Executive Officer

Saleem Butt

## Directors

Farooq Rahmatullah Khan

Najmus Saqib Hameed

Liaquat Ali

Farid Arshad Masood

(Nominee of Vitol Dubai Limited)

Abdul Aziz Khalid

(Nominee of Vitol Dubai Limited)

## Chief Financial Officer

Khurram Shahzad Venjhar

## Company Secretary

Zeeshan Ul Haq

## Audit Committee

Najmus Saqib Hameed (Chairman)

Liaquat Ali (Member)

Abdul Aziz Khalid (Member)

## Strategy Committee

Farooq Rahmatullah Khan (Chairman)

Mumtaz Hasan Khan (Member)

Abdul Aziz Khalid (Member)

Saleem Butt (Member)

## Human Resource Committee

Najmus Saqib Hameed (Chairman)

Mumtaz Hasan Khan (Member)

Saleem Butt (Member)

Farid Arshad Masood (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](mailto:info@hascol.com)

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

# DIRECTORS' REVIEW

I am delighted to report that the company has returned to profitability and our earnings per share of Rs.3.73, represents a tremendous improvement over our performance in the 4th quarter of 2018. We were able to cut our expenses and have a more profit-oriented approach to sales. We are confident that 2019 will prove to be an excellent year for the shareholders and our earning per share for the whole year will be significantly better than 2018.

Our Lube Oil Blending Plant will be commissioned by June this year. This will give a big boost to our lubricant sales. Similarly, our LPG and Chemical business is making a significant contribution to the bottom line. We are making efforts with the Government that the distributor's margin should be increased to reflect the devaluation of the rupee and the increase in petroleum prices.

I would also like to thank my colleagues on the Board for their significant contribution to business strategy being pursued by the company. A vote of thanks is also due to all our employees for their hard work in meeting the targets set by the Board.





# CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

for the three months period ended March





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# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	Note	March 31, 2019 Un-audited -----Rupees in '000-----	December 31, 2018 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	22,888,439	22,563,232
Intangible asset	7	2,435	2,565
Long-term investments	8	1,324,299	1,333,814
Long-term deposits		532,930	547,772
<b>Total non-current assets</b>		<b>24,748,103</b>	<b>24,447,383</b>
<b>Current assets</b>			
Stock-in-trade		25,211,373	22,615,303
Trade debts		12,501,444	13,552,235
Advances	9	87,872	109,489
Deposits and prepayments	10	301,433	199,829
Other receivables	11	3,119,092	2,845,526
Mark-up and profit accrued		41,135	92,718
Taxation - net		221,954	1,270,808
Cash and bank balances		7,130,144	8,799,447
<b>Total current assets</b>		<b>48,614,447</b>	<b>49,485,355</b>
<b>TOTAL ASSETS</b>		<b>73,362,550</b>	<b>73,932,738</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		1,810,188	1,810,188
Reserves		7,021,945	6,285,646
Surplus on revaluation of property, plant and equipment - net of tax		4,318,214	4,389,156
<b>Total shareholders' equity</b>		<b>13,150,347</b>	<b>12,484,990</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing	12	2,213,276	2,625,850
Liabilities against assets subject to finance lease		1,136,704	1,015,993
Deferred and other liabilities	13	899,428	931,300
<b>Total non-current liabilities</b>		<b>4,249,408</b>	<b>4,573,143</b>
<b>Current liabilities</b>			
Trade and other payables	14	33,581,284	34,531,147
Unclaimed dividend		361,454	362,674
Mark-up and profit accrued		287,481	311,976
Short-term borrowings		18,717,542	18,877,466
Current portion of non-current liabilities	15	3,015,035	2,791,342
<b>Total current liabilities</b>		<b>55,962,795</b>	<b>56,874,605</b>
<b>TOTAL LIABILITIES</b>		<b>60,212,203</b>	<b>61,447,748</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,362,550</b>	<b>73,932,738</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

As at 31<sup>st</sup> March 2019

	Note	March 31, 2019 -----Rupees in '000-----	March 31, 2018
Sales - net		58,644,053	67,409,988
Less: sales tax		(9,005,774)	(11,901,067)
<b>Net sales</b>		<b>49,638,279</b>	<b>55,508,921</b>
Other revenue		299,622	147,794
<b>Net revenue</b>		<b>49,937,901</b>	<b>55,656,715</b>
Cost of products sold		(46,955,642)	(52,922,105)
<b>Gross profit</b>		<b>2,982,259</b>	<b>2,734,610</b>
<b>Operating expenses</b>			
Distribution and marketing		(997,570)	(862,578)
Administrative		(215,385)	(189,496)
		(1,212,955)	(1,052,074)
Other income		108,958	68,711
<b>Operating profit</b>		<b>1,878,262</b>	<b>1,751,247</b>
Finance cost		(732,014)	(194,374)
Exchange loss - net		(179,854)	(399,737)
		(911,868)	(594,111)
<b>Profit before taxation</b>		<b>966,394</b>	<b>1,157,136</b>
Taxation	17	(291,522)	(427,486)
<b>Profit for the year</b>		<b>674,872</b>	<b>729,650</b>
			<b>Restated</b>
Earnings per share - basic and diluted (Rupees)		<b>3.73</b>	<b>4.03</b>

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director  
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# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees in '000-----	
Profit for the three months period	674,872	729,650
<i>Items that may be reclassified subsequently to consolidated profit and loss account</i>		
Unrealized (loss) / gain on remeasurement of available-for-sale investments - net of tax	(9,515)	119,617
<b>Total comprehensive income</b>	<b>665,357</b>	<b>849,267</b>

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

Share Capital	Capital reserves	Revenue reserve	Others		Total shareholders' equity
	Share premium	Unappropriated profit	Surplus on remeasurement of available for sale investments to fair value	Surplus on revaluation of property, plant and equipment	
Rupees in '000					
1,448,150	4,766,854	2,702,654	322,589	1,025,789	10,266,036
-	-	729,650	-	-	729,650
-	-	-	119,617	-	119,617
-	-	729,650	119,617	-	849,267
-	-	33,414	-	(33,414)	-
-	-	763,064	119,617	(33,414)	849,267
1,448,150	4,766,854	3,465,718	442,206	992,375	11,115,303
1,810,188	4,766,854	1,735,750	(216,958)	4,389,156	12,484,990
-	-	674,872	-	-	674,872
-	-	-	(9,515)	-	(9,515)
-	-	674,872	(9,515)	-	665,357
-	-	70,942	-	(70,942)	-
-	-	745,814	(9,515)	(70,942)	665,357
1,810,188	4,766,854	2,481,564	(226,473)	4,318,214	13,150,347

Chief Executive Officer

Chief Financial Officer

Director  
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# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
		(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	(698,277)	6,935,985
Finance cost paid		(854,422)	(235,339)
Profit received on bank deposits		156,493	-
Taxes paid		709,122	(396,670)
Gratuity paid		-	(3,548)
<b>Net cash generated from operating activities</b>		<b>(687,084)</b>	<b>6,300,428</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(1,054,926)	(1,775,181)
Proceeds from disposal of property, plant and equipment		401,637	804
Long-term deposits - net		14,842	782
<b>Net cash used in investing activities</b>		<b>(638,447)</b>	<b>(1,773,595)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability obtained / (repaid) - net		162,354	(27,478)
Payment of commercial paper		(2,500,000)	-
Dividend paid		(1,220)	-
Proceeds from issue of commercial paper		3,770,753	-
Long-term finance obtained - net		(245,434)	(242,590)
<b>Net cash generated from / (used in) financing activities</b>		<b>1,186,453</b>	<b>(270,068)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(139,078)</b>	<b>4,256,765</b>
Cash and cash equivalents at beginning of the period		(7,639,654)	4,070,449
<b>Cash and cash equivalents at end of the period</b>	19	<b>(7,778,732)</b>	<b>8,327,214</b>

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

## 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, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licenced company in the year 2018.
- 1.3** This condensed interim unconsolidated financial information are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Condensed interim consolidated financial information are prepared separately.

## 2 BASIS OF PREPARATION

The condensed interim unconsolidated financial information of the Company for the three month period ended March 31, 2019 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim unconsolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2018.

## 3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended December 31, 2018.

## 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1** The preparation of this condensed interim unconsolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 4.2** During the preparation of this condensed interim unconsolidated financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2018.

## 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, 2018.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

6	PROPERTY, PLANT AND EQUIPMENT		March 31, 2019 Un-audited	December 31, 2018 Audited
			----- (Rupees) -----	
	Operating fixed assets		17,627,184	18,115,431
	Capital work-in-progress	6.3	5,261,255	4,447,801
			<u>22,888,439</u>	<u>22,563,232</u>

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

	March 31, 2019 Un-audited	December 31, 2018 Audited
	----- (Rupees) -----	
<b>Owned assets</b>		
Office & Depot building	-	661,880
Leasehold land	-	344,054
Tanks and pipelines	-	725,686
Pump building	-	1,032,170
Electrical, mechanical and fire fighting equipment	-	452,676
Tank lorries	-	795,201
Motor cars	-	69,044
Dispensing pumps	-	189,197
Furniture, office equipment and other assets	-	103,592
Plant and machinery	-	102,689
Computer auxiliaries	-	65,476
	-	<u>4,541,665</u>
<b>Leased assets</b>		
Electrical, mechanical and fire fighting equipments	-	2,512
Tank lorries	240,842	885,397
	<u>240,842</u>	<u>5,429,574</u>

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

	Cost	Accumulated Depreciation	Net Book Value
	----- (Rupees) -----		
<b>March 31, 2019 (unaudited)</b>	<u>(441,636)</u>	<u>41,717</u>	<u>(399,919)</u>
December 31, 2018 (audited)	<u>(715,970)</u>	<u>33,929</u>	<u>(682,041)</u>

6.2.1 For details of the assets disposed/ written off during the year ended December 31, 2018, please refer note 8.11 of the annual audited financial statements for the same year.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31, 2019 Un-audited	December 31, 2018 Audited
	----- (Rupees) -----	

## 6.3 Capital work-in-progress

Office & Depot building	1,508,343	1,413,796
Tanks and pipelines	890,328	807,801
Pump building	535,629	316,206
Electrical, mechanical and fire fighting equipment	621,118	456,270
Tank lorries	-	80,018
Advances to contractors	67,301	61,834
Dispensing pumps	263,433	156,146
Furniture, office equipment and other assets	331,211	239,304
Plant and machinery	707,133	650,910
Borrowing cost capitalized	336,759	249,984
Computer auxiliaries	-	15,532
	<u>5,261,255</u>	<u>4,447,801</u>

## 7 INTANGIBLE ASSET

### Computer software

	2,435	2,565
Net book value at beginning of the year	2,565	-
Addition	-	2,608
Amortization charge for the year	(130)	(43)
Net book value at the end of the year	<u>2,435</u>	<u>2,565</u>

### Net book value

Cost	10,907	10,907
Accumulated amortization	(8,472)	(8,342)
Net book value	<u>2,435</u>	<u>2,565</u>
Rate of amortization - %	<u>33.33</u>	<u>33.33</u>

## 8 LONG-TERM INVESTMENTS

### Investment in subsidiary company - at cost

Hascombe Lubricant (Private) Limited - <i>unquoted</i>	8.1	-	-
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### Investment in associated company - at cost

VAS LNG (Private) Limited - <i>unquoted</i>	8.2	3,000	3,000
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### Available for sale investment

Pakistan Refinery Limited ( <i>quoted</i> ) - at fair value	8.3	946,299	955,814
Hascol Terminal Limited ( <i>unquoted</i> ) - at cost	8.4	375,000	375,000
		<u>1,321,299</u>	<u>1,330,814</u>

	<u>1,324,299</u>	<u>1,333,814</u>
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### 8.1 Investment at cost

	<u>30,604</u>	<u>30,604</u>
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### Movement in provision for impairment

Balance at the beginning of the year	(30,604)	(30,604)
Provision made during the year	-	-
Balance at the end of the year	<u>(30,604)</u>	<u>(30,604)</u>

### Net book value

8.1.1	-	-
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

**8.1.1** This represents investment in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The company holds 9.78 million ordinary shares (December 31, 2018: 9.78 million) of Rs. 10 per share.

**8.2** Investment in VAS LNG (Private) Limited amounts to Rs. 3 million (December 31, 2018: Rs. 3 million) representing 30% (December 31, 2018: 30%) equity stake. The Company holds 0.3 million ordinary shares (December 31, 2018: 0.3 million) of Rs. 10 per share.

		Cost	Unrealized loss	Carrying Value	
		----- (Rupees) -----			
8.3	Pakistan Refinery Limited				
	March 31, 2019	8.3.1	1,172,772	(226,473)	946,299
	December 31, 2018		1,172,772	(216,958)	955,814

**8.3.1** Investment in Pakistan Refinery Limited represents 13.72% (December 31, 2018: 13.72%) equity stake which amounts to 43.25 million shares (December 31, 2018: 43.25 million shares).

**8.4** Investment in Hascol Terminals Limited amounts to Rs. 375 million (December 31, 2018: Rs. 375 million) representing 15% (December 31, 2018: 15%) equity stake which amounts to 37.5 million shares (December 31, 2018 : 37.5 million shares) as at March 31, 2019.

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

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>9</b>	<b>ADVANCES - considered good, unsecured</b>		
To employees			
- against expenses		11,363	28,169
- against salaries		17,902	20,071
Advance against purchase of shares	9.1	44,385	44,385
Suppliers		14,222	16,864
		<b>87,872</b>	<b>109,489</b>
<b>9.1</b>	<b>Advance against purchase of shares - related parties</b>		
Hascol Terminals Limited		40,000	40,000
Hascol Lubricants (Private) Limited		3,362	3,362
VAS LNG (Private) Limited		1,023	1,023
		<b>44,385</b>	<b>44,385</b>

## 10 DEPOSITS AND PREPAYMENTS

### Deposits

Current portion of lease deposits  
Other deposits

762	762
53,520	6,636
<b>54,282</b>	<b>7,398</b>

### Prepayments

- Insurance and others  
- Rent

121,684	128,485
125,467	63,946
<b>247,151</b>	<b>192,431</b>
<b>301,433</b>	<b>199,829</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>11 OTHER RECEIVABLES</b>			
Inland freight equalization margin receivable		3,036,872	2,792,259
Receivable against services rendered	11.1	37,038	22,069
Receivable against regulatory duty		25,533	25,533
Price differential claims	11.2	5,083	5,083
Others		14,566	582
		<b>3,119,092</b>	<b>2,845,526</b>

**11.1** This represents amount receivable from Hascol Terminals Limited (an associated Company) against services rendered by the Company on account of business support services.

**11.2** 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 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.

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>12 LONG TERM FINANCING - secured</b>			
Borrowing from conventional banks		1,854,250	1,910,500
Borrowing from non banking financial institutions		537,334	631,290
Sukuk certificates	12.1	1,183,294	1,280,908
		<b>3,574,878</b>	<b>3,822,698</b>
Current portion of long term finances			
Borrowing from conventional banks		(619,125)	(444,938)
Borrowing from non banking financial institutions		(342,477)	(351,910)
Sukuk certificates		(400,000)	(400,000)
		<b>(1,361,602)</b>	<b>(1,196,848)</b>
Non-current portion of long term financing		<b>2,213,276</b>	<b>2,625,850</b>

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>12.1 Sukuk certificate</b>		<b>1,200,000</b>	<b>1,300,000</b>
<i>Issuance cost</i>			
Opening		(19,092)	(28,627)
Charged to profit and loss		2,386	9,535
		<b>(16,706)</b>	<b>(19,092)</b>
		<b>1,183,294</b>	<b>1,280,908</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		March 31, 2019 Un-audited -----Rupees in '000-----	December 31, 2018 Audited
<b>13 DEFERRED AND OTHER LIABILITIES</b>	Note		
Deferred taxation - net	13.1	627,328	680,707
Deferred liability - gratuity		272,100	250,593
		<u>899,428</u>	<u>931,300</u>
<b>13.1 Deferred Taxation - Net</b>			
<b>This comprises the following:</b>			
<b>Taxable temporary difference arising in respect of :</b>			
Accelerated depreciation		(681,704)	(673,552)
Assets under finance lease		(158,633)	(106,526)
Revaluation of operating fixed assets		(1,527,930)	(1,555,453)
<b>Deductible temporary difference arising in respect of :</b>			
Liabilities against assets subject to finance lease		401,004	356,942
Exchange loss		57,230	102,939
Provision for :			
- investments in subsidiary		8,569	8,569
- other liabilities		364,401	290,383
- retirement benefit		83,243	69,417
- doubtful debts		24,701	24,728
- franchise income		26,045	26,100
Turnover tax		775,746	775,746
		<u>(627,328)</u>	<u>(680,707)</u>
<b>14 TRADE AND OTHER PAYABLES</b>			
Trade creditors		27,085,495	25,004,964
Payable to cartage contractors		4,243,065	3,348,014
Advance from customers		507,316	4,278,366
Dealers' and customers' security deposits		329,211	309,905
Accrued liabilities		14,837	13,838
Other liabilities		1,401,360	1,576,060
		<u>33,581,284</u>	<u>34,531,147</u>
<b>15 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long term financing		1,361,602	1,196,848
Current portion of deferred and other liabilities		1,337,416	1,320,120
Current portion of liabilities subject to finance lease		316,017	274,374
		<u>3,015,035</u>	<u>2,791,342</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

## 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 Company had billed Rs 65.97 million (December 31, 2018: 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.

### 16.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2019 amounted to Rs 68,750 million (December 31, 2018: Rs 68,250 million) of which the amount remaining unutilized as at that date was Rs 3,749 million (December 31, 2018: Rs 6,433 million)

	March 31, 2019 Un-audited -----Rupees in '000-----	December 31, 2018 Audited
(ii) Bank guarantees	557,051	350,268
(iii) Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
Property, plant and equipment	922,934	1,029,427
(iv) Commitments for rental of assets under ijarah:		
Not later than one year	493,048	479,942
Later than one year and not later than five years	1,734,669	1,719,780
Later than five years	2,795,313	2,795,313
	5,023,030	4,995,035

	March 31, 2019 Un-audited -----Rupees in '000-----	March 31, 2018
Note		

## 17 TAXATION

Current	344,901	383,425
Deferred	(53,379)	44,061
	291,522	427,486

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		March 31, 2019	March 31, 2018
		Un-audited	
		-----Rupees in '000-----	
<b>18 CASH GENERATED FROM OPERATIONS</b>	<b>Note</b>		
<b>Profit before taxation</b>		<b>966,394</b>	<b>1,157,136</b>
<b>Adjustment for:</b>			
Depreciation and amortization		329,801	189,095
Provision for gratuity		21,508	12,355
Gain on sale of fixed assets		(1,719)	(616)
Profit on bank deposits		(104,909)	-
Exchange loss		207,329	308,429
Finance cost		732,014	194,374
Working capital changes	18.1	(2,848,695)	5,075,212
		<b>(698,277)</b>	<b>6,935,985</b>
<b>18.1 Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Stock-in-trade		(2,596,070)	2,831,222
Trade debts		1,050,791	(2,678,420)
Deposits, prepayments and other receivables		(375,170)	(413,676)
Loans and advances - considered good		21,617	(140)
		<b>(1,898,832)</b>	<b>(261,014)</b>
<b>Increase in current liabilities</b>			
Trade and other payables		(949,863)	5,336,226
		<b>(2,848,695)</b>	<b>5,075,212</b>
<b>19 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		7,130,144	10,852,258
Less: term deposit receipt		(60,000)	(60,000)
		<b>7,070,144</b>	<b>10,792,258</b>
Short-term borrowings		(18,717,542)	(3,912,135)
Add: commercial paper		3,868,666	1,447,091
		<b>(14,848,876)</b>	<b>(2,465,044)</b>
		<b>(7,778,732)</b>	<b>8,327,214</b>
<b>20 RELATED PARTY TRANSACTIONS AND BALANCES</b>			

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

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



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

March 31,  
2019  
Un-audited  
-----Rupees in '000-----

March 31,  
2018

## 20.1 Transactions with related parties

Nature of relationship	Nature of transaction	Percentage of shareholding		
Vitol Dubai Limited	Procurement	27.46%	31,776,970	23,731,813
Hascol Terminals Limited	Business support service	N/A	15,077	24,832
Clover Pakistan Limited	Rendering of services	N/A	12,138	12,355

March 31,  
2019  
Un-audited  
-----Rupees in '000-----

December 31,  
2018  
Audited

## 20.2 Balances with related parties

### Associated companies

Vitol Dubai Limited	Procurement	27.46%	15,587,623	14,141,911
Hascol Terminals Limited	Advance against issue of shares	N/A	40,000	40,000
Hascol Terminals Limited	Investments	N/A	375,000	375,000
Clover Pakistan Limited		N/A	28,224	-
Hascol Lubricants (Private) Limited	Advance against issue of shares	N/A	3,362	3,362
VAS LNG (Private) Limited	Advance against issue of shares	N/A	1,023	1,023
VAS LNG (Private) Limited	Investments	N/A	3,000	3,000

## 20.3 Related parties with no transaction or balances

Name	Relationship	Patter of sharehlding 2019	2018
Fossil Energy (Private) Limited	Associated Company	10.66%	10.66%

## 20.4 Following are the associated companies with whom the Company had ended into transactions or have agreement / agreements:

S.No.	Company Name	Basis of Association
1	Vitol Dubai Limited	Associated Company
2	Hascol Terminal Limited	Common Directorship
3	Clover Pakistan Limited	Common Directorship

## 21 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated balance sheet comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2018 and the corresponding figures in the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances of comparable period as per the condensed interim unconsolidated financial information of the Company for the three months ended March 31, 2018.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

## 22 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on April 03, 2019 has proposed bonus issue @ 10% i.e. one share of every ten shares held for the year ended December 31, 2018. Shareholders in their annual general meeting held on April 29, 2019 have approved the aforementioned appropriation. This condensed interim unconsolidated financial information does not include the effect of the aforementioned appropriation.

## 23 DATE OF AUTHORISATION

These condensed interim unconsolidated financial information have been authorised for issue on April 29, 2019 by the board of directors of the Company.

## 24 GENERAL

All amounts have been rounded to the nearest thousand.

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Chief Executive Officer

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Chief Financial Officer

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Director



# DEFINING LEADERSHIP



# CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

for the three months period ended March 2024



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# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	Note	March 31, 2019 Un-audited -----Rupees in '000-----	December 31, 2018 Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	22,888,439	22,563,232
Intangible asset	7	2,435	2,565
Long-term investments	8	1,322,850	1,332,365
Long-term deposits		532,930	547,772
<b>Total non-current assets</b>		<b>24,746,654</b>	<b>24,445,934</b>
<b>Current assets</b>			
Stock-in-trade		25,211,373	22,615,303
Trade debts		12,501,444	13,552,235
Advances	9	87,872	109,489
Deposits and prepayments	10	301,433	199,829
Other receivables	11	3,118,510	2,844,944
Mark-up and profit accrued		41,134	92,718
Taxation - net		221,954	1,270,808
Cash and bank balances		7,130,144	8,799,447
<b>Total current assets</b>		<b>48,613,865</b>	<b>49,484,773</b>
<b>TOTAL ASSETS</b>		<b>73,360,519</b>	<b>73,930,707</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		1,810,188	1,810,188
Reserves		7,018,659	6,282,360
Surplus on revaluation of property plant & equipment - net of tax		4,318,214	4,389,156
<b>Total shareholders' equity</b>		<b>13,147,061</b>	<b>12,481,704</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing	12	2,213,276	2,625,850
Liabilities against assets subject to finance lease		1,136,704	1,015,993
Deferred and other liabilities	13	899,428	931,300
<b>Total non-current liabilities</b>		<b>4,249,408</b>	<b>4,573,143</b>
<b>Current liabilities</b>			
Trade and other payables	14	33,582,539	34,532,402
Unclaimed dividend		361,454	362,674
Mark-up and profit accrued		287,480	311,976
Short-term borrowings		18,717,542	18,877,466
Current portion of non-current liabilities	15	3,015,035	2,791,342
<b>Total current liabilities</b>		<b>55,964,050</b>	<b>56,875,860</b>
<b>TOTAL LIABILITIES</b>		<b>60,213,458</b>	<b>61,449,003</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,360,519</b>	<b>73,930,707</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes 1 to 24 form an integral part of these condensed interim Consolidated financial statements.

# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019 -----Rupees in '000-----	March 31, 2018
Sales - net		58,644,053	67,409,988
Less: sales tax		(9,005,774)	(11,901,067)
<b>Net sales</b>		<b>49,638,279</b>	55,508,921
Other revenue		299,622	147,794
<b>Net revenue</b>		<b>49,937,901</b>	55,656,715
Cost of products sold		(46,955,642)	(52,922,105)
<b>Gross profit</b>		<b>2,982,259</b>	2,734,610
<b>Operating expenses</b>			
Distribution and marketing		(997,570)	(862,578)
Administrative		(215,385)	(189,496)
		(1,212,955)	(1,052,074)
Other income		108,958	68,711
<b>Operating profit</b>		<b>1,878,262</b>	1,751,247
Finance cost		(732,014)	(194,374)
Exchange loss - net		(179,854)	(399,737)
		(911,868)	(594,111)
<b>Profit before taxation</b>		<b>966,394</b>	1,157,136
Taxation	17	(291,522)	(427,486)
<b>Profit for the year</b>		<b>674,872</b>	729,650
			<b>Restated</b>
Earnings per share - basic and diluted (Rupees)		<b>3.73</b>	4.03

The annexed notes 1 to 24 form an integral part of these condensed interim Consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director  
Hascol Annual Report

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# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees in '000-----	
Profit for the three months period	674,872	729,650
<i>Items that may be reclassified subsequently to unconsolidated profit and loss account</i>		
Unrealized (loss) / gain on remeasurement of available-for-sale investments - net of tax	(9,515)	119,617
<b>Total comprehensive income</b>	<b>665,357</b>	<b>849,267</b>

The annexed notes 1 to 24 form an integral part of these condensed interim Consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

Balance as at January 01, 2018

Total comprehensive income for the three months

Profit for the period

Other comprehensive income

Unrealized gain due to change in fair value of long-term investments - net of tax

Total comprehensive income

Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax

Balance as at March 31, 2018 - unaudited

Balance as at January 01, 2019

Total comprehensive income for the three months

Profit for the period

Other comprehensive income

Unrealized loss due to change in fair value of long-term investments - net of tax

Total comprehensive income

Transferred from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of tax

Balance as at March 31, 2019 - unaudited

Share Capital	Capital reserves	Revenue reserve	Others		Total shareholders' equity
	Share premium	Unappropriated profit	Surplus on remeasurement of available for sale investments to fair value	Surplus on revaluation of property, plant and equipment	
-----Rupees in '000-----					
1,448,150	4,766,854	2,700,180	322,589	1,025,789	10,263,562
-	-	729,650	-	-	729,650
-	-	-	119,617	-	119,617
-	-	729,650	119,617	-	849,267
-	-	33,414	-	(33,414)	-
-	-	763,064	119,617	(33,414)	849,267
1,448,150	4,766,854	3,463,244	442,206	992,375	11,112,829
-----					
1,810,188	4,766,854	1,732,464	(216,958)	4,389,156	12,481,704
-	-	674,872	-	-	674,872
-	-	-	(9,515)	-	(9,515)
-	-	674,872	(9,515)	-	665,357
-	-	70,942	-	(70,942)	-
-	-	745,814	(9,515)	(70,942)	665,357
1,810,188	4,766,854	2,478,278	(226,473)	4,318,214	13,147,061

Chief Executive Officer

Chief Financial Officer

Director  
Hascol Annual Report

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# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT - UNAUDITED

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	(698,277)	6,935,985
Finance cost paid		(854,422)	(235,339)
Profit received on bank deposits		156,493	-
Taxes paid		709,122	(396,670)
Gratuity paid		-	(3,548)
<b>Net cash generated from operating activities</b>		<b>(687,084)</b>	<b>6,300,428</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(1,054,926)	(1,775,181)
Proceeds from disposal of property, plant and equipment		401,637	804
Long-term deposits - net		14,842	782
<b>Net cash used in investing activities</b>		<b>(638,447)</b>	<b>(1,773,595)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability obtained / (repaid) - net		162,354	(27,478)
Payment of commercial paper		(2,500,000)	-
Dividend paid		(1,220)	-
Proceeds from issue of commercial paper		3,770,753	-
Long-term finance obtained - net		(245,434)	(242,590)
<b>Net cash generated from / (used in) financing activities</b>		<b>1,186,453</b>	<b>(270,068)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(139,078)</b>	<b>4,256,765</b>
Cash and cash equivalents at beginning of the period		(7,639,654)	4,070,449
<b>Cash and cash equivalents at end of the period</b>	19	<b>(7,778,732)</b>	<b>8,327,214</b>

The annexed notes 1 to 24 form an integral part of these condensed interim Consolidated financial statements.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

## 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%

### 1.1 Hascol Petroleum Limited

Hascol Petroleum Limited (the Parent) 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. The registered office of the Company is situated at Suite No. 105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi.

The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licenced company in the year 2018.

### 1.2 Hascombe Lubricants (Private) Limited

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

The Subsidiary Company has ceased to be as a going concern and therefore the condensed interim financial statements of the Subsidiary Company has not been prepared on a going concern basis.

- 1.3 This condensed interim consolidated financial information are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Condensed interim consolidated financial information are prepared separately.

## 2 BASIS OF PREPARATION

The condensed interim Consolidated financial information of the Group for the three month period ended March 31, 2019 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

This condensed interim Consolidated financial information is being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2018.

## 3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim Consolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Group for the year ended December 31, 2018.

## 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this condensed interim Consolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group 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.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

- 4.2 During the preparation of this condensed interim Consolidated financial information, the significant judgements made by management in applying the Group 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, 2018.

## 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, 2018.

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	----- (Rupees) -----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets		17,627,184	18,115,431
Capital work-in-progress	6.3	5,261,255	4,447,801
		<u>22,888,439</u>	<u>22,563,232</u>

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

	March 31, 2019 Un-audited	December 31, 2018 Audited
	----- (Rupees) -----	
<b>Owned assets</b>		
Office & Depot building	-	661,880
Leasehold land	-	344,054
Tanks and pipelines	-	725,686
Pump building	-	1,032,170
Electrical, mechanical and fire fighting equipment	-	452,676
Tank lorries	-	795,201
Motor cars	-	69,044
Dispensing pumps	-	189,197
Furniture, office equipment and other assets	-	103,592
Plant and machinery	-	102,689
Computer auxiliaries	-	65,476
	-	<u>4,541,665</u>
<b>Leased assets</b>		
Electrical, mechanical and fire fighting equipments	-	2,512
Tank lorries	240,842	885,397
	<u>240,842</u>	<u>5,429,574</u>

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

	Cost	Accumulated Depreciation	Net Book Value
	----- (Rupees) -----		
March 31, 2019 (unaudited)	<u>(441,636)</u>	<u>41,717</u>	<u>(399,919)</u>
December 31, 2018 (audited)	<u>(715,970)</u>	<u>33,929</u>	<u>(682,041)</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

**6.2.1** For details of the assets disposed/ written off during the year ended December 31, 2018, please refer note 9.12 of the annual audited financial statements for the same year.

	March 31, 2019 Un-audited	December 31, 2018 Audited
Note	----- (Rupees) -----	
<b>6.3 Capital work-in-progress</b>		
Office & Depot building	1,508,343	1,413,796
Tanks and pipelines	890,328	807,801
Pump building	535,629	316,206
Electrical, mechanical and fire fighting equipment	621,118	456,270
Tank lorries	-	80,018
Advances to contractors	67,301	61,834
Dispensing pumps	263,433	156,146
Furniture, office equipment and other assets	331,211	239,304
Plant and machinery	707,133	650,910
Borrowing cost capitalized	336,759	249,984
Computer auxiliaries	-	15,532
	<b>5,261,255</b>	<b>4,447,801</b>

## 7 INTANGIBLE ASSET

### Computer software

Net book value at beginning of the year	2,565	-
Addition	-	2,608
Amortization charge for the year	(130)	(43)
Net book value at the end of the year	<b>2,435</b>	<b>2,565</b>

### Net book value

Cost	10,907	10,907
Accumulated amortization	(8,472)	(8,342)
Net book value	<b>2,435</b>	<b>2,565</b>
Rate of amortization - %	<b>33.33</b>	<b>33.33</b>

## 8 LONG-TERM INVESTMENTS

### Investment in associated company - at cost

VAS LNG (Private) Limited - unquoted	8.1	1,551	1,551
--------------------------------------	-----	-------	-------

### Available for sale investment

Pakistan Refinery Limited (quoted) - at fair value	8.2	946,299	955,814
Hascol Terminal Limited (unquoted) - at cost	8.3	375,000	375,000
		<b>1,321,299</b>	<b>1,330,814</b>
		<b>1,322,850</b>	<b>1,332,365</b>

### 8.1 Investment in associated company

2019	2018		
Number of shares		Unquoted	
300,002	<b>300,002</b>	VAS LNG (Private) Limited	1,551
			<b>1,551</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

- 8.1.2** Shareholders of the Holding Company in the Annual General Meeting held on April 28, 2017 authorized investment upto Rs. 300 million i.e. 30% of equity interest in the VAS LNG (Private) Limited. In the year 2017, investment made by the Holding Company in VAS LNG (Private) Limited amounted to Rs. 3 million (2018: 3 million) representing 30% (2018: 30%) equity stake. The Company holds 0.3 million ordinary shares (2018: 0.3 million) of Rs. 10 per share. Details of investment is as follows:

	March 31, 2019 Un-audited	December 31, 2018 Audited
	----- (Rupees) -----	
Balance at the beginning of the period	1,551	1,745
Investment made during the period	-	-
Share of loss for the period	-	(194)
Balance at the end of the period	1,551	1,551

Cost	Unrealized loss	Carrying Value
----- (Rupees) -----		

## 8.3 Pakistan Refinery Limited

March 31, 2019	8.2.1	1,172,772	(226,473)	946,299
December 31, 2018		1,172,772	(216,958)	955,814

- 8.2.1** Investment in Pakistan Refinery Limited represents 13.72% (December 31, 2018: 13.72%) equity stake which amounts to 43.25 million shares (December 31, 2018: 43.25 million shares).

- 8.3** Investment in Hascol Terminals Limited amounts to Rs. 375 million (December 31, 2018: Rs. 375 million) representing 15% (December 31, 2018: 15%) equity stake which amounts to 37.5 million shares (December 31, 2018 : 37.5 million shares) as at March 31, 2019.

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

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>9 ADVANCES - considered good, unsecured</b>			
To employees			
- against expenses		11,363	28,169
- against salaries		17,902	20,071
Advance against purchase of shares	9.1	44,385	44,385
Suppliers		14,222	16,864
		87,872	109,489

## 9.1 Advance against purchase of shares - related parties

Hascol Terminals Limited	40,000	40,000
Hascol Lubricants (Private) Limited	3,362	3,362
VAS LNG (Private) Limited	1,023	1,023
	44,385	44,385



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>10 DEPOSITS AND PREPAYMENTS</b>			
<i>Deposits</i>			
Current portion of lease deposits		762	762
Other deposits		53,520	6,636
		54,282	7,398
<i>Prepayments</i>			
- Insurance and others		121,684	128,485
- Rent		125,467	63,946
		247,151	192,431
		301,433	199,829
<b>11 OTHER RECEIVABLES</b>			
Inland freight equalization margin receivable		3,036,872	2,792,259
Receivable against services rendered	11.1	37,038	22,069
Receivable against regulatory duty		25,533	25,533
Price differential claims	11.2	5,083	5,083
Others		13,984	-
		3,118,510	2,844,944
<b>11.1</b>	This represents amount receivable from Hascol Terminals Limited (an associated Group) against services rendered by the Group on account of business support services.		
<b>11.2</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.		
		March 31, 2019 Un-audited	December 31, 2018 Audited
	Note	-----Rupees in '000-----	
<b>12 LONG TERM FINANCING - secured</b>			
Borrowing from conventional banks		1,854,250	1,910,500
Borrowing from non banking financial institutions		537,334	631,290
Sukuk certificates	12.1	1,183,294	1,280,908
		3,574,878	3,822,698
Current portion of long term finances			
Borrowing from conventional banks		(619,125)	(444,938)
Borrowing from non banking financial institutions		(342,477)	(351,910)
Sukuk certificates		(400,000)	(400,000)
		(1,361,602)	(1,196,848)
Non-current portion of long term financing		2,213,276	2,625,850

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		March 31, 2019 Un-audited -----Rupees in '000-----	December 31, 2018 Audited
	Note		
<b>12.1 Sukuk certificate</b>		<b>1,200,000</b>	<b>1,300,000</b>
<b>Issuance cost</b>			
Opening		(19,092)	(28,627)
Charged to profit and loss		2,386	9,535
		(16,706)	(19,092)
		<b>1,183,294</b>	<b>1,280,908</b>
<b>13 DEFERRED AND OTHER LIABILITIES</b>			
Deferred taxation - net	13.1	627,328	680,707
Deferred liability - gratuity		272,100	250,593
		<b>899,428</b>	<b>931,300</b>
<b>13.1 Deferred Taxation - Net</b>			
<b>This comprises the following:</b>			
Taxable temporary difference arising in respect of :			
Accelerated depreciation		(681,704)	(673,552)
Assets under finance lease		(158,633)	(106,526)
Revaluation of operating fixed assets		(1,527,930)	(1,555,453)
Deductible temporary difference arising in respect of :			
Liabilities against assets subject to finance lease		401,004	356,942
Exchange loss		57,230	102,939
Provision for :			
- investments in subsidiary		8,569	8,569
- other liabilities		364,401	290,383
- retirement benefit		83,243	69,417
- doubtful debts		24,701	24,728
- franchise income		26,045	26,100
Turnover tax		775,746	775,746
		<b>(627,328)</b>	<b>(680,707)</b>
<b>14 TRADE AND OTHER PAYABLES</b>			
Trade creditors		27,085,495	25,004,964
Payable to cartage contractors		4,243,065	3,348,014
Advance from customers		507,316	4,278,366
Dealers' and customers' security deposits		329,211	309,905
Accrued liabilities		14,837	13,838
Other liabilities		1,402,615	1,577,315
		<b>33,582,539</b>	<b>34,532,402</b>
<b>15 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long term financing		1,361,602	1,196,848
Current portion of deferred and other liabilities		1,337,416	1,320,120
Current portion of liabilities subject to finance lease		316,017	274,374
		<b>3,015,035</b>	<b>2,791,342</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

## 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, 2018: 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.

### 16.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at March 31, 2019 amounted to Rs 68,750 million (December 31, 2018: Rs 68,250 million) of which the amount remaining unutilized as at that date was Rs 3,749 million (December 31, 2018: Rs 6,433 million)

	March 31, 2019 Un-audited -----Rupees in '000-----	December 31, 2018 Audited
(ii) Bank guarantees	557,051	350,268
(iii) Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
Property, plant and equipment	922,934	1,029,427
(iv) Commitments for rental of assets under ijarah:		
Not later than one year	493,048	479,942
Later than one year and not later than five years	1,734,669	1,719,780
Later than five years	2,795,313	2,795,313
	5,023,030	4,995,035

	March 31, 2019 Un-audited -----Rupees in '000-----	March 31, 2018
Note		

## 17 TAXATION

Current	344,901	383,425
Deferred	(53,379)	44,061
	291,522	427,486

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

		March 31, 2019	March 31, 2018
		Un-audited	
		-----Rupees in '000-----	
<b>18 CASH GENERATED FROM OPERATIONS</b>	<b>Note</b>		
<b>Profit before taxation</b>		<b>966,394</b>	<b>1,157,136</b>
<b>Adjustment for:</b>			
Depreciation and amortization		329,801	189,095
Provision for gratuity		21,508	12,355
Gain on sale of fixed assets		(1,719)	(616)
Profit on bank deposits		(104,909)	-
Exchange loss		207,329	308,429
Finance cost		732,014	194,374
Working capital changes	18.1	(2,848,695)	5,075,212
		<b>(698,277)</b>	<b>6,935,985</b>
<b>18.1 Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Stock-in-trade		(2,596,070)	2,831,222
Trade debts		1,050,791	(2,678,420)
Deposits, prepayments and other receivables		(375,170)	(413,676)
Loans and advances - considered good		21,617	(140)
		<b>(1,898,832)</b>	<b>(261,014)</b>
<b>Increase in current liabilities</b>			
Trade and other payables		(949,863)	5,336,226
		<b>(2,848,695)</b>	<b>5,075,212</b>
<b>19 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		7,130,144	10,852,714
Less: term deposit receipt		(60,000)	(60,000)
		<b>7,070,144</b>	<b>10,792,714</b>
Short-term borrowings		(18,717,542)	(3,912,135)
Add: commercial paper		3,868,666	1,447,091
		<b>(14,848,876)</b>	<b>(2,465,044)</b>
		<b>(7,778,732)</b>	<b>8,327,670</b>

## 20 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.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

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

March 31,      March 31,  
2019      2018  
Un-audited  
-----Rupees in '000-----

## 20.1 Transactions with related parties

Nature of relationship	Nature of transaction	Percentage of shareholding		
Vitol Dubai Limited	Procurement	27.46%	31,776,970	23,731,813
Hascol Terminals Limited	Business support service	N/A	15,077	24,832
Clover Pakistan Limited	Rendering of services	N/A	12,138	12,355

## 20.2 Balances with related parties

### Associated companies

			March 31, 2019	December 31, 2018
Vitol Dubai Limited	Procurement	27.46%	15,587,623	14,141,911
Hascol Terminals Limited	Advance against issue of shares	N/A	40,000	40,000
Hascol Terminals Limited	Investments	N/A	375,000	375,000
Clover Pakistan Limited		N/A	28,224	-
Hascol Lubricants (Private) Limited	Advance against issue of shares	N/A	3,362	3,362
VAS LNG (Private) Limited	Advance against issue of shares	N/A	1,023	1,023
VAS LNG (Private) Limited	Investments	N/A	3,000	3,000

## 20.3 Related parties with no transaction or balances

Expenses recovered from / charged by related parties are based on actual.

Name	Relationship	Patter of sharehlding	
		2019	2018
Fossil Energy (Private) Limited	Associated Company	10.66%	10.66%

## 20.4 Following are the associated companies with whom the Group had ended into transactions or have agreement / agreements:

S.No.	Company Name	Basis of Association
1	Vitol Dubai Limited	Associated Company
2	Hascol Terminal Limited	Common Directorship
3	Clover Pakistan Limited	Common Directorship

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2019

## 21 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim Consolidated balance sheet comprise of balances as per the audited financial statements of the Group for the year ended December 31, 2018 and the corresponding figures in the condensed interim Consolidated statement of comprehensive income, condensed interim Consolidated statement of changes in equity and condensed interim Consolidated statement of cash flows comprise of balances of comparable period as per the condensed interim Consolidated financial information of the Group for the three months ended March 31, 2018.

## 22 EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on April 03, 2019 has proposed bonus issue @ 10% i.e. one share of every ten shares held for the year ended December 31, 2018. Shareholders in their annual general meeting held on April 29, 2019 have approved the aforementioned appropriation. This condensed interim Consolidated financial information does not include the effect of the aforementioned appropriation.

## 23 DATE OF AUTHORISATION

These condensed interim Consolidated financial information have been authorised for issue on April 29, 2019 by the board of directors of the Group.

## 24 GENERAL

All amounts have been rounded to the nearest thousand.

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Chief Executive Officer

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Chief Financial Officer

---

Director

## ڈائریکٹرز رپورٹ

مجھے یہ اطلاع دیتے ہوئے خوشی ہے کہ کمپنی اپنی منافع بخش حالت میں واپس آئی ہے اور 3.73 فی حصص کی آمدنی نے 2018 کے چوتھے سہ ماہی میں ہماری کارکردگی پر زبردست بہتری کی نمائندگی کی ہے۔ ہم اپنے اخراجات کو کم کرنے کے قابل ہوئے اور سیلنری طرف منافع بخش حکمت عملی کو زیادہ فروغ ملا۔ ہمیں یقین ہے کہ 2019 حصص داروں کے لئے بہترین سال ثابت ہوگا اور پورے سال کی فی حصص آمدنی 2018 سے کئی گنا زیادہ ہوگی۔

ہمارا لیوب آئل بلینڈنگ پلانٹ کا آغاز اس سال جون میں ہوگا اور یہ ہمارے لبریکنٹ کی فروخت کو فروغ دے گا۔ اسی طرح ایل پی جی اور کیمیکل برنس منافع کی شرح میں اہم کردار ادا کر رہا ہے۔ ہم حکومت کے ساتھ مل کر یہ کوششیں کر رہے ہیں کہ تقسیم کنندہ کے مجموعی نفع کو بڑھایا جائے تاکہ روپوں میں کٹوتی اور پٹرولیم کی قیمتوں میں اضافہ کی عکاسی ہو سکے۔








میں بورڈ میں شامل اپنے ساتھیوں کو کمپنی کی طرف سے کاروباری حکمت عملی میں ان کی اہم شراکت کے لئے شکریہ ادا کرنا چاہتا ہوں اور بورڈ کی طرف سے مقرر کردہ اہداف کو پورا کرنے میں ہمارے تمام ملازمین کی انتھک محنت کا بھی شکریہ ادا کرتا ہوں۔










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## **Hascol Petroleum Limited**

The Forum, Suite No. 105-106, 1st Floor,  
Khayaban-e-Jami, Clifton, Block-9, Karachi.  
Phone: +92-21-35301343-50 Fax: +92-21-35301351  
UAN: 111-757-757 Email: [info@hascol.com](mailto:info@hascol.com)  
[www.hascol.com](http://www.hascol.com)