

Hascol Petroleum Limited
Quarterly report
For the Nine months ended September 30, 2021

**DIRECTORS' REPORT**

- The Directors of your Company are pleased to present the nine monthly accounts of the Company along with un-audited standalone and consolidated financial statements thereon for the period ended 30 September 2021.

Financial and operational performance:

During the period under review, the Company recorded net sales revenue of Rs. 49,622 million as compared to Rs. 84,597 million earned during same period last year. Net sales revenue decreased due to drop in average selling prices across the country compared to same period last year coupled with a decrease in sales volume.

The Company posted a gross profit of Rs. 2,019 million (2020: gross loss of Rs. 186 million) mainly due to better inventory management and better margins. The net loss of Rs. 4,303 million (2020: Rs. 23,381 million). The LPS for the period stood at Rs. 4.31 as compared to LPS of Rs. 23.64 in 2020.

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

COVID-19 situation still negatively affected the demand of petroleum products due to decrease in travel. This in turn affected the oil prices globally, however a more positive outlook was observed towards the end of the period and prices were on a rising trend.

Way forward:

Subsequent to the year end, the Company has already started addressing disclaimers in the audit report and aiming to close the reconciliation of ledgers, fixed asset tagging and valuation in the accounts for the year ended 31 December 2021.

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

The Company expresses its sincere gratitude to all its employees, customers, financial institutions, suppliers and other stakeholders for their contributions and continuous support. We also thank the Government of Pakistan and its Ministries for their support and guidance.

Thanking you all.

On behalf of the Board



Director / CEO



Director

ڈائریکٹرز رپورٹ

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

مالی اور آپریشنل کارکردگی:

زیر جائزہ مدت کے دوران، کمپنی کے پچھلے سال کی اسی مدت کے دوران کمائے گئے 49,622 ملین کے مقابلے میں 84,597 ملین کی خالص سیلز ریونیوریکارڈ کی ہے، گزشتہ سال اسی مدت کے مقابلے میں بھر میں فروخت کی اوسط قیمتوں میں کمی اور فروخت کے حجم میں کمی کی وجہ سے خالص سیلز ریونیو میں کمی واقع ہوئی ہے۔

کمپنی نے روپے کا مجموعی منافع 2,019 ملین پوسٹ کیا، (2020 میں 186 ملین روپے کا مجموعی نقصان) بنیادی طور پر جس کی وجہ بہتر انویسٹری مینجمنٹ اور بہتر مارجن رہی۔ خالص نقصان 4,303 ملین رہا جو کہ (2020 میں 23,381 ملین) تھا۔ اس مدت میں LPS بنیادی طور پر 4.31 روپے رہا جبکہ سال 2020 میں ایل پی ایس 23.64 روپے پہنچ گیا تھا۔

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

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

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

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

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

تمام بورڈ ممبران کی طرف سے

آپ سب کا بے حد شکریہ۔۔۔

Hascol Petroleum Limited
Unconsolidated Condensed Interim Financial Statements
For the Nine months ended September 30, 2021

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

		Un-audited September 30, 2021	Restated Audited December 31, 2020	Restated Audited December 31, 2019
	Note	-----Rupees in '000-----		
ASSETS				
Non-current assets				
Property, plant and equipment	7	22,420,131	24,823,457	26,318,670
Right-of-use assets	8	3,020,523	13,257,222	20,960,480
Intangible asset	9	2,333	3,007	5,232
Long-term investments	10	513,413	514,881	1,441,781
Deferred taxation - net	11	-	-	-
Long-term deposits		482,051	492,653	585,066
Total non-current assets		26,438,451	39,091,220	49,311,229
Current assets				
Stock-in-trade		8,061,237	11,917,055	19,516,458
Trade debts		995,823	1,826,859	11,156,299
Advances	12	403,143	1,068,705	709,855
Deposits and prepayments	13	248,239	176,540	137,596
Other receivables	14	3,412,238	3,342,328	2,508,753
Accrued mark-up and profit		2,390	13,118	114,159
Taxation - net		-	-	479,226
Short term investments		98,700	98,700	103,688
Cash and bank balances		1,286,336	3,301,861	13,909,964
Total current assets		14,508,106	21,745,166	48,635,998
TOTAL ASSETS		40,946,557	60,836,386	97,947,227
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital		9,991,207	9,991,207	1,991,207
Reserves		(65,293,454)	(61,201,640)	(36,096,586)
Revaluation surplus on property, plant and equipment - net of tax		3,767,813	3,962,410	4,221,873
Share deposit money		-	-	5,752,443
Total shareholders' deficit		(51,534,434)	(47,248,023)	(24,131,063)
LIABILITIES				
Non-current liabilities				
Long-term financing - secured	15	11,262,227	12,314,364	1,590,538
Lease liabilities	16	3,502,270	16,924,587	22,447,809
Deferred liabilities		170,432	162,594	286,844
Total non-current liabilities		14,934,929	29,401,545	24,325,191
Current liabilities				
Trade and other payables	17	28,718,420	40,578,991	57,115,897
Unclaimed dividend		356,930	357,249	357,790
Taxation - net		393,837	51,649	-
Accrued mark-up and profit		6,222,853	2,538,666	1,450,611
Short-term borrowings		38,740,090	33,054,245	37,017,653
Current portion of non-current liabilities	18	3,113,932	2,102,064	1,811,148
Total current liabilities		77,546,062	78,682,864	97,753,099
TOTAL LIABILITIES		92,480,991	108,084,409	122,078,290
TOTAL EQUITY AND LIABILITIES		40,946,557	60,836,386	97,947,227
CONTINGENCIES AND COMMITMENTS				

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


 Chief Executive Officer


 Chief Financial Officer


 Director

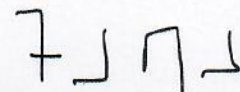
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Restated		Restated	
	Nine months period ended		Three months period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	-----Rupees in '000-----			
Sales - net	58,542,062	100,177,337	12,663,381	30,598,172
Less: sales tax	(7,911,381)	(14,944,771)	(1,154,345)	(4,478,967)
Net sales	50,630,681	85,232,566	11,509,036	26,119,205
Other revenue	770,840	348,431	199,734	127,993
Net revenue	51,401,521	85,580,997	11,708,770	26,247,198
Cost of products sold	(49,121,930)	(85,658,566)	(11,633,663)	(26,274,926)
Gross profit / (loss)	2,279,591	(77,569)	75,107	(27,728)
Operating expenses				
Distribution and marketing	(2,858,020)	(2,263,286)	(846,607)	(875,271)
Administrative	(952,943)	(938,772)	(271,914)	(360,024)
	(3,810,963)	(3,202,058)	(1,118,521)	(1,235,295)
Impairment losses on financial assets	20 (234,844)	(8,098,955)	(80,814)	(495,040)
Other expenses	(428,410)	(2,796,504)	(428,410)	-
Other income	4,371,980	485,092	439,307	119,213
Operating profit / (loss)	2,177,354	(13,689,994)	(1,113,331)	(1,638,850)
Finance cost	(4,949,153)	(6,853,717)	(1,584,582)	(1,947,293)
Exchange loss - net	(1,153,709)	(2,197,794)	(1,109,370)	335,745
Share of profit / (loss) from associate	(1,468)	44,136	-	14,712
	(6,104,330)	(9,007,374)	(2,693,952)	(1,596,836)
Loss before taxation	(3,926,976)	(22,697,368)	(3,807,283)	(3,235,686)
Taxation	21 (370,215)	(734,402)	(83,918)	(46,831)
Loss for the period	(4,297,191)	(23,431,770)	(3,891,201)	(3,282,517)
		Restated		Restated
Loss per share - basic and diluted (Rupees)	(4.30)	(23.70)	(3.89)	(3.32)

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


 Chief Executive Officer


 Chief Financial Officer



HASCOL PETROLEUM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>September 30,</u> <u>2021</u>	<u>September 30,</u> <u>2020</u>	<u>September 30,</u> <u>2021</u>	<u>September 30,</u> <u>2020</u>
	-----Rupees in '000-----			
Loss for the period	(4,297,191)	(23,431,770)	(3,891,201)	(3,282,517)
Other comprehensive income / (loss) for the period				
<i>Items that will not be reclassified subsequently to unconsolidated profit or loss account</i>				
Remeasurement of actuarial gain on defined benefit obligation -	10,780	3,978	3,593	-
Unrealized (loss) / gain on remeasurement of investment held fair value through other comprehensive income - net of tax	-	(69,092)	-	222,934
Total comprehensive loss for the period	<u>(4,286,411)</u>	<u>(23,496,884)</u>	<u>(3,887,608)</u>	<u>(3,059,583)</u>

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 Chief Executive Officer


 Chief Financial Officer


 Director

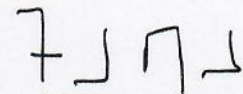
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

Share Capital	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment	Share deposit money	Total shareholders' equity	
	Share premium	Unrealized loss on remeasurement of FVTOCI investments	Unappropriated profit				
-----Rupees in '000-----							
Balance as at January 01, 2020 - audited	1,991,207	4,766,854	(267,992)	(40,074,216)	4,221,873	5,752,443	(23,609,831)
Effect of restatement as referred in note 4	-	-	-	(521,232)	-	-	(521,232)
	1,991,207	4,766,854	(267,992)	(40,595,448)	4,221,873	5,752,443	(24,131,063)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(23,431,770)	-	-	(23,431,770)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(65,114)	-	-	-	(65,114)
Total comprehensive loss for the period	-	-	(65,114)	(23,431,770)	-	-	(23,496,884)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	267,078	(267,078)	-	-
	-	-	(65,114)	(23,164,692)	(267,078)	-	(23,496,884)
Transactions with owners							
Right issue - 401% - January 2020	8,000,000	-	-	-	-	(8,000,000)	-
Share deposit money	-	-	-	-	-	2,247,557	2,247,557
Transaction cost	-	(127,119)	-	-	-	-	(127,119)
	8,000,000	(127,119)	-	-	-	(5,752,443)	2,120,438
Balance as at September 30, 2020 - unaudited	9,991,207	4,639,735	(333,106)	(63,760,140)	3,954,795	-	(45,507,509)
Balance as at January 01, 2021 - audited	9,991,207	4,639,735	5,817	(65,847,192)	3,962,410	-	(47,248,023)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(4,297,191)	-	-	(4,297,191)
Other comprehensive income							
Remeasurement of actuarial gain on defined benefit obligation - net of tax	-	-	-	10,780	-	-	10,780
Total comprehensive loss for the period	-	-	-	(4,286,411)	-	-	(4,286,411)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	194,597	(194,597)	-	-
	-	-	-	(4,091,814)	(194,597)	-	(4,286,411)
Balance as at September 30, 2021 - unaudited	9,991,207	4,639,735	5,817	(69,939,006)	3,767,813	-	(51,534,434)

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


 Chief Executive Officer


 Chief Financial Officer


 Director

HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS- Unaudited
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021	Restated September 30, 2020
	Note -----	Rupees in '000-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in from operations	22 (6,627,127)	(18,125,111)
Finance cost paid	(659,185)	(4,570,072)
Profit received on bank deposits and TFC	45,572	395,582
Profit received on sale of derivatives	-	70,142
Taxes paid	(50,973)	(245,526)
Gratuity paid	34,024	(77,091)
Net cash used in operating activities	<u>(7,257,689)</u>	<u>(22,552,076)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(122,828)	(113,060)
Proceeds from disposal of property, plant and equipment	1,010,428	204,394
Long term deposit repaid - net	10,602	-
Net cash generated from investing activities	<u>898,202</u>	<u>91,334</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liability repaid	(1,009,052)	(277,840)
Payment of unclaimed dividend	(319)	(191)
Issue of right shares	-	2,247,557
Rights share issuance cost	-	(127,119)
Long term investment	-	(205,000)
Long-term finance (paid) / obtained	(110,257)	11,173,722
Net cash (used in) / generated from financing activities	<u>(1,119,628)</u>	<u>12,811,129</u>
Net decrease in cash and cash equivalents	<u>(7,479,115)</u>	<u>(9,649,613)</u>
Cash and cash equivalents at beginning of the period	(29,974,639)	(23,368,817)
Cash and cash equivalents at end of the period	23 <u><u>(37,453,754)</u></u>	<u><u>(33,018,430)</u></u>

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


 Chief Executive Officer


 Chief Financial Officer


 Director

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF BUSINESS

- 1.1 Hascol Petroleum Limited (the Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi. The Company is engaged in the business of procurement, storage and marketing of petroleum, chemicals, LPG and related products. The Company obtained oil marketing license from Ministry of Petroleum and Natural Resources in the year 2005 and acquired assets of LPG licenced company in the year 2018.
- 1.2 These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary and associated company, have been accounted for at cost less accumulated impairment losses, if any.
- 1.3 During the current period, the Company incurred a net loss of Rs. 4.3 billion (2020-Restated: Rs. 23.4 billion), resulting in net shareholders deficit of Rs. 51.34 billion (2020-Restated: Rs. 47.05 billion) as of the unconsolidated statement of financial position date. Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 64.0 billion (2020-Restated: Rs. 57.9 billion) and has defaulted in majority of its outstanding loans with banks. These conditions may cast significant doubt on the Company's ability to continue as a going concern. However, in order to ensure the Company's ability to operate as a going concern, certain plans and measures have been taken to improve its liquidity and financial position which includes, but not limited to, the following:
- a) The Company is also planning a capital restructuring exercise, in consultation with major banks to reduce its debt burden and financial costs, which will help the Company improve its future operating and financial performance. Further, the Company has stopped payment of markup cost from last quarter of 2020.
 - b) The Company is also taking measures to reduce its storage costs through revision of existing agreements.
 - d) The Board of Directors (the board) have carried out a detailed review of the profitability and cashflow forecast of the Company for the twelve months from the date of approval of these unconsolidated financial statements, which took into account the projected future working capital of the Company. The board believes that subject to the approval of restructuring plan with major banks the Company will have sufficient cash resources to continue its operations.

2 BASIS OF PREPARATION

These condensed interim unconsolidated financial statements of the Company for the six month period ended June 30, 2021 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed. These condensed interim unconsolidated financial statements are being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2020.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended December 31, 2020.

4 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

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

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

		As previously reported	Restatements	Reclassification	As restated
Note		----- Rupees in '000 -----			
	Reserves	(35,576,159)	(521,232)	-	(36,097,391)
	Operating fixed assets	4.1 20,513,416	-	(1,332,670)	19,180,746
	Capital work-in-progress	4.1 4,167,174	(521,232)	1,332,670	4,978,612
	Long-term investments	4.2 4,272,165	-	110,000	4,382,165
	Trade and Other Payable	4.2 56,947,357	-	110,000	57,057,357

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

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

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

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5.2 During the preparation of these condensed interim unconsolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2020.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended December 31, 2020.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
7 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets		16,421,328	17,957,946
Capital work-in-progress	7.3	3,969,677	4,793,029
		<u>20,391,005</u>	<u>22,750,975</u>
7.1	Movement in capital work-in-progress during the period / year is as follows:		
	Balance at beginning of the year	4,793,029	4,978,612
	Additions during the period / year	167,732	371,044
	Transfers during the period / year	(991,084)	(556,627)
		<u>3,969,677</u>	<u>4,793,029</u>
7.2	The following assets were disposed off during the period/ year:		
	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
	-	-	-
September 30, 2021 (un-audited)	<u>(208,306)</u>	<u>34,675</u>	<u>(173,631)</u>
December 31, 2020 (audited)			
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
7.3 Capital work-in-progress			
Office building		943,903	1,748,267
Tanks and pipelines		952,204	960,625
Electrical, mechanical and fire fighting equipment		1,272,345	1,255,526
Dispensing pumps		89,093	80,571
Furniture, office equipment and other assets		194,168	190,076
Plant and machinery		350,262	390,262
Borrowing cost capitalized		167,702	167,702
		<u>3,969,677</u>	<u>4,793,029</u>
8 Right of use asset			
Storage facility		23,707	10,605,000
Pumpsites		2,610,958	2,628,451
Offices		373,956	11,869
		<u>3,008,621</u>	<u>13,245,320</u>
8.1	Movement in right of use assets during the period/year is as follows:		
	Balance at beginning of the period/year	13,245,320	20,960,480
	Additions during the period/year	598,235	223,007
	Effect of modification	-	(6,982,016)
	Disposals/terminations during the period/year	(10,463,846)	(92,935)
	Depreciation charged during the period/year	(371,088)	(863,216)
	Balance at the end of the period/year	<u>3,008,621</u>	<u>13,245,320</u>

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
9 INTANGIBLE ASSET			
<i>Computer software</i>		<u>803</u>	<u>1,477</u>
Net book value at beginning of the period/year		1,477	3,134
Addition		-	85
Amortization charge for the period/year		<u>(674)</u>	<u>(1,742)</u>
Net book value at the end of the period/year		<u>803</u>	<u>1,477</u>
Net book value			
Cost		12,095	12,095
Accumulated amortization		<u>(11,292)</u>	<u>(10,618)</u>
Net book value		<u>803</u>	<u>1,477</u>
Rate of amortization - %		<u>33.33</u>	<u>33.33</u>
10 LONG-TERM INVESTMENTS			
Investment in subsidiary company - at cost			
Hascombe Lubricant (Private) Limited - unquoted	10.1	-	-
Hascol Lubricant (Private) Limited - unquoted	10.2	3,150,000	3,150,000
Investment in associate - at cost			
VAS LNG (Private) Limited - unquoted	10.3	-	-
Magic River Services Limited	10.4	110,000	110,000
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	10.5	<u>412,500</u>	<u>412,500</u>
		<u>3,672,500</u>	<u>3,672,500</u>
Advance against purchase of shares - with related parties			
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)		<u>2,500</u>	<u>2,500</u>
		<u>3,675,000</u>	<u>3,675,000</u>
10.1 Investment at cost		30,604	30,604
Movement in provision for impairment			
Balance at the beginning of the period / year		<u>(30,604)</u>	<u>(30,604)</u>
Provision made during the period / year		-	-
Balance at the end of the period / year		<u>(30,604)</u>	<u>(30,604)</u>
Net book value	10.1.1	<u>-</u>	<u>-</u>
This represents investment in wholly owned subsidiary of the Company, incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are not quoted in active market. The Company holds 9.78 million ordinary shares (2020: 9.78 million) of Rs. 10 per share.			
10.1.1			
This represents investment in wholly owned subsidiary of the Company. Its shares are not quoted in active market. The Company holds 315 (December 31, 2020: 315) million ordinary shares of Rs. 10 per share.			
10.2			
Investment in VAS LNG (Private) Limited (VL) amounts to Rs. 3 million (2020: Rs. 3 million) representing 30% (2020: 30%) equity stake and Advance against issue of shares to VAS LNG (Private) Limited which amounts to Rs. 1.02 (2020: Rs. 1.02) million . The Company holds 0.3 million ordinary shares (2020: 0.3 million) of Rs. 10 per share which have been provided in the year 2020 as VL has already filed liquidation in the month of October 2020 and the Company is not expecting recoverability of its investment.			
10.3			
Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.			
10.4			
Investment in Karachi Hydrocarbon Terminals Limited (formerly Hascol Terminal Limited) represent 41.3 million shares (2020: 41.3 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products.			
10.5			
Investments in associated companies and undertakings have been made in accordance with the requirements of the Companies Act, 2017. The Management cannot assess the recoverable amount as of 31 December 2021 in accordance with the requirement of International Financial Reporting Standards (IFRS) as the audit of the underlying entity is still in process.			
10.6			

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
11 DEFERRED TAXATION - NET			
<i>This comprises the following:</i>		-----Rupees in '000-----	
<i>Taxable temporary difference arising in respect of:</i>			
Accelerated depreciation		(1,147,061)	(5,095,411)
<i>Deductible temporary difference arising in respect of:</i>			
Liabilities against assets subject to finance lease		587,350	4,522,450
Exchange loss		234,430	58,822
Provision for :			
- other liabilities		585	934
- retirement benefit		39,248	37,223
- doubtful debts		2,847,155	2,760,845
- short term investments - TFCs		1,820	1,801
Normal tax loss		12,442,521	15,283,743
Unrecognized deferred tax asset		<u>(15,006,048)</u>	<u>(17,570,407)</u>
		<u>-</u>	<u>-</u>
11.1	Deferred tax asset of Rs. 15,006 million (2020: Rs. 17,570 million) has not been recognized in these condensed interim unconsolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future five years.		
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
12 ADVANCES - considered good, unsecured	Note	-----Rupees in '000-----	
To employees			
- against expenses		10,518	9,321
- against salaries		21,526	24,950
Supplier & Service provider		5,910,266	7,229,387
Provision for Supplier & Services Advance		<u>(5,621,671)</u>	<u>(6,249,872)</u>
		<u>320,639</u>	<u>1,013,786</u>
13 DEPOSITS AND PREPAYMENTS			
<i>Deposits</i>			
- current portion of lease deposits		80,816	71,579
- other deposits		55,895	10,145
		136,711	81,724
<i>Prepayments</i>			
- Insurance and others		45,916	12,596
- Rent		51,530	73,379
		97,446	85,975
		<u>234,157</u>	<u>167,699</u>
14 OTHER RECEIVABLES			
Inland freight equalization margin receivable		4,362,659	4,360,699
Receivable against share of profit		26,401	-
Receivable against regulatory duty ("RD")		25,533	25,533
Receivable from Hascol Lubricants (Private) Limited		60,044	121,977
Sales tax refundable		-	-
Price differential claims ("PDC")	14.1	5,083	5,083
Provisioning of IFEM, RD and PDC	14.2	<u>(1,050,731)</u>	<u>(1,049,783)</u>
		<u>3,428,989</u>	<u>3,463,509</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
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14.1 This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The 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.

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

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
15	LONG TERM FINANCING - secured		
	Borrowing from conventional banks	13,044,558	13,147,683
	Borrowing from non banking financial institutions	92,857	104,762
	Sukuk certificates	500,000	495,227
		<u>13,637,415</u>	<u>13,747,672</u>
	Borrowing from conventional banks	(1,782,331)	(833,319)
	Borrowing from non banking financial institutions	(92,857)	(104,762)
	Sukuk certificates	(500,000)	(495,227)
		<u>(2,375,188)</u>	<u>(1,433,308)</u>
	Non-current portion of long term financing	<u><u>11,262,227</u></u>	<u><u>12,314,364</u></u>
16	LEASE LIABILITIES		
	Finance lease liability	16.1 521,100	731,547
	Lease liability against right of use asset	16.2 2,971,622	16,183,492
		<u>3,492,722</u>	<u>16,915,039</u>
16.1	Finance lease liability		
	Present value of future minimum lease payments	823,715	1,086,334
	Less: current portion	(302,615)	(354,787)
	Non current portion	<u>521,100</u>	<u>731,547</u>
16.2	Lease liability against right of use asset		
	Present value of future minimum lease payments	3,404,445	16,494,155
	Less: current portion	(432,823)	(310,663)
	Non current portion	<u>2,971,622</u>	<u>16,183,492</u>
17	TRADE AND OTHER PAYABLES		
	Trade creditors	18,998,736	20,576,578
	Payable to cartage contractors	2,166,816	4,169,103
	Advance from customers - unsecured	1,138,502	1,429,004
	Dealers' and customers' security deposits	513,793	475,503
	Sales tax Payable	12,842	338,360
	Accrued liabilities	7,920	8,213
	Other liabilities	5,712,167	13,579,444
		<u>28,550,776</u>	<u>40,576,205</u>
18	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Current portion of long term financing	15 2,375,188	1,433,308
	Current portion of liabilities subject to finance lease	16.1 302,615	354,787
	Current portion of lease liability of right of use assets	16.2 432,823	310,663
		<u>3,110,626</u>	<u>2,098,758</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

i The Collector (Adjudication) - Customs House Karachi, has issued a show cause notice dated February 06, 2019 regarding clearance of 52 and 84 consignments of HSFO under PCT heading 2710.1941 without alleged payment of minimum value additional tax @ 3% of value of the goods of Rs. 481 million. A petition was filed by the Company on March 20, 2019 challenging the impugned show-cause notice on the ground that the impugned notifications and Chapter X of the Rules 2007 particularly 58B and 58C are ultra vires to the Constitution of Islamic Republic of Pakistan against which an interim order was passed on March 22, 2019. The legal counsel is hopeful about success of this petition.

ii A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills were unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards HPL.

iii The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Constitutional petition is filed by the Company on November 25, 2019 against the Province of Sindh challenging the constitutionality of levy of infrastructure cess which amounts to Rs. 260 million. The matter is pending with Court and stay has been granted to the Company on November 26, 2019 and to be fixed with other cases. The legal counsel is of the view that the Company has a strong defense against tax authorities.

iv FBR issued show cause notice U/S 11(2) of the Sales Tax Act, 1990 and U/S 14(1)(2) of the FED Act, 2005 read with Petroleum Development Surcharge Ordinance, 1961 for the period from January 2015 to December 2018 in which FBR stated that scrutiny of sales quantity in terms of liters for products i.e. MS (Motor Spirit) and HSD obtained from regulatory authority Oil & Gas Regulatory Authority (OGRA) for the period January 2015 to December 2018 as compared with the Sales Tax Returns filed by the Company reveals that the Company has under declared sales quantity of MS and HSD, resulting in short payment of Sales tax amounting to Rs. 16,368 million and Petroleum Development Levy amounting to Rs. 7,303 million. On this pretext, FBR called upon the Company to show cause as to why Rs. 23,671 million and default surcharge may not be recovered and penal action may not be taken for violation of aforementioned provisions. The Company submitted its reply to FBR and then challenged the show cause in the High Court on November 5, 2019. After hearing Company's case, Honorable Court was pleased to pass ad-interim order dated November 5, 2019, whereby Deputy Commissioner Inland Revenue has been restrained from passing any final adverse order against the Company on the basis of impugned Show Cause Notice. The matter is still pending adjudication and in the view of the advisor, the Company has a good arguable case on merits with a chance of favorable outcome. There is no immediate financial liability against the Company.

v **United Bank Limited (UBL)**

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

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

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

vi **The Bank of Punjab (BOP)**

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

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

vii MCB

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

viii Samba Bank Limited

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

ix National Bank Of Pakistan (NBP)

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

x Sindh Bank Limited

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

xi Summit Bank Limited

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

xii Bank Alfalah Limited (BAFL)

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

xiii Meezan Bank Limited

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

xiv Lawyers' opinion

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

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
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19.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at December 31, 2021 amounted to Rs 41,105 (2020: Rs 42,486) million of which the amount remaining unutilized as at that date was Rs 5,052 (2020: Rs 3,581) million.
- (ii) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Company, amounting to Rs. 120 million. (2020: Rs. 289 million).

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

20 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

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

21 TAXATION

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	-----Rupees in '000-----	
Current	370,215	471,710
Prior period	-	234,472
Deferred	-	28,220
	<u>370,215</u>	<u>734,402</u>

22 CASH USED IN FROM OPERATIONS

Loss before taxation	(3,932,462)	(22,647,026)
Adjustment for:		
Depreciation and amortization	1,168,712	1,537,890
Depreciation on right-of-use asset	371,088	648,636
Provision for IFEM	948	-
Reversal against slow moving stock	(26)	-
M2M of short term investment	-	2,888
Provision for doubtful debts	202,675	8,098,898
Exchange loss - unrealized	811,664	839,481
Provision for gratuity	21,545	53,258
Gain on disposal of operating fixed assets	(80,722)	(43,899)
Gain on termination of lease	(3,070,135)	(17,636)
(Reversal) / provision of advance to supplier	(628,201)	788,754
Markup / profit on bank deposits	(34,844)	(288,741)
Profit on sale of derivate assets	-	(71,453)
Markup charged on lease liability	605,323	1,724,597
Finance cost	4,343,372	5,167,425
ROUA liability reversal	-	1,943,572
Provision of property, plant and equipment	428,410	-
Changes in working capital	(7,025,752)	(16,113,035)
	<u>(6,818,405)</u>	<u>(18,376,391)</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	-----Rupees in '000-----	
22.1 Changes in working capital		
(Increase) / decrease in current assets		
Stock-in-trade	3,874,927	5,236,251
Trade debts	647,952	(412,734)
Deposits, prepayments and other receivables	(32,886)	(570,661)
Advances	1,321,348	852,714
	<u>5,811,341</u>	<u>5,105,570</u>
Decrease in current liabilities		
Trade and other payables	(12,837,093)	(21,218,605)
	<u>(7,025,752)</u>	<u>(16,113,035)</u>
23 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,022,846	2,162,628
Short-term borrowings	(38,740,090)	(35,432,337)
	<u>(37,717,244)</u>	<u>(33,269,709)</u>

24 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

24.1 Transactions with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
			-----Rupees in '000-----	
Shareholding by the Company				
Karachi Hydrocarbon Terminal Limited	Rendering of services	15%	299,118	917,578
Karachi Hydrocarbon Terminal Limited	Business support service	15%	-	13,303
Hascol Lubricants (Private) Limited	Advance against issue of shares	100%	-	205,000
Hascol Lubricants (Private) Limited	Sale, purchase and others	N/A	61,933	24,221
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	23,416,012	33,378,228

24.2 Balances with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) September 30, 2021	(Audited) December 31, 2020
			-----Rupees in '000-----	
Shareholding by the Company				
Karachi Hydrocarbon Terminal Limited	Advance against issue of shares	15%	2,500	2,500
Karachi Hydrocarbon Terminal Limited	Investments	15%	412,500	412,500
Karachi Hydrocarbon Terminal Limited	Rendering of services	N/A	1,477,696	1,543,003
Hascol Lubricants (Private) Limited	Business support service	100%	60,044	77,621
VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Investments	30%	3,000	3,000
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	11,655,644	12,707,630
VOS Petroleum Limited	Rendering of services	N/A	45,862	45,862
Gas & Oil Pakistan Limited	Duty	N/A	(84,366)	(84,366)

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

25 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited financial statements of the Group for the year ended December 31, 2020 and the corresponding figures in the condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows comprise of balances that are in conformity with the restatements made in the financial statements for the year ended December 31, 2020 that related to the nine months of 2020.

26 DATE OF AUTHORISATION

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

27 GENERAL


All amounts have been rounded to the nearest thousand.



Chief Executive Officer



Chief Financial Officer



Director

Hascol Petroleum Limited
Consolidated Condensed Interim Financial Statements
For the Nine months ended September 30, 2021

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

		Un-audited September 30, 2021	Restated Audited December 31, 2020	Restated Audited December 31, 2019
		-----Rupees in '000-----		
ASSETS				
Non-current assets				
Property, plant and equipment	7	20,391,005	22,750,975	24,159,358
Right-of-use assets	8	3,008,621	13,245,320	20,960,480
Intangible asset	9	803	1,477	3,134
Long-term investments	10	3,675,000	3,675,000	4,382,165
Deferred taxation - net	11	-	-	-
Long-term deposits		482,051	492,653	571,065
Total non-current assets		27,557,480	40,165,425	50,076,202
Current assets				
Stock-in-trade		7,560,365	11,435,266	19,012,237
Trade debts		720,424	1,571,051	11,040,583
Advances	12	320,639	1,013,786	676,728
Deposits and prepayments	13	234,157	167,699	137,585
Other receivables	14	3,428,989	3,463,509	2,569,381
Accrued mark-up and profit		2,390	13,118	114,159
Taxation - net		-	-	478,921
Short term investments		98,700	98,700	103,688
Cash and bank balances		1,022,846	3,079,606	13,648,836
Total current assets		13,388,510	20,842,735	47,782,118
TOTAL ASSETS		40,945,990	61,008,160	97,858,320
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital		9,991,207	9,991,207	1,991,207
Reserves		(65,097,521)	(61,000,221)	(36,097,391)
Revaluation surplus on property, plant and equipment - net of tax		3,767,813	3,962,410	4,221,873
Share deposit money		-	-	5,752,443
Total shareholders' deficit		(51,338,501)	(47,046,604)	(24,131,868)
LIABILITIES				
Non-current liabilities				
Long-term financing - secured	15	11,262,227	12,314,364	1,590,538
Lease liabilities	16	3,492,722	16,915,039	22,447,809
Deferred liabilities		135,887	130,046	257,282
Total non-current liabilities		14,890,836	29,359,449	24,295,629
Current liabilities				
Trade and other payables	17	28,550,776	40,576,205	57,057,357
Unclaimed dividend		356,930	357,249	357,790
Taxation - net		412,380	70,192	-
Accrued mark-up and profit		6,222,853	2,538,666	1,450,611
Short-term borrowings		38,740,090	33,054,245	37,017,653
Current portion of non-current liabilities	18	3,110,626	2,098,758	1,811,148
Total current liabilities		77,393,655	78,695,315	97,694,559
TOTAL LIABILITIES		92,284,491	108,054,764	121,990,188
TOTAL EQUITY AND LIABILITIES		40,945,990	61,008,160	97,858,320
CONTINGENCIES AND COMMITMENTS				

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

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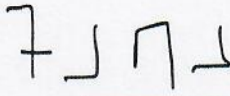
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS ACCOUNT - Unaudited
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Restated		Restated	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	-----Rupees in '000-----			
Sales - net	57,355,847	99,418,458	12,289,783	30,277,606
Less: sales tax	(7,733,601)	(14,821,596)	(1,098,597)	(4,431,586)
Net sales	49,622,246	84,596,862	11,191,186	25,846,020
Other revenue	770,840	342,106	199,734	124,787
Net revenue	50,393,086	84,938,968	11,390,920	25,970,807
Cost of products sold	(48,374,095)	(85,124,920)	(11,395,738)	(26,056,808)
Gross profit / (loss)	2,018,991	(185,952)	(4,818)	(86,001)
Operating expenses				
Distribution and marketing	(2,839,261)	(2,178,686)	(845,851)	(855,109)
Administrative	(713,264)	(802,548)	(217,997)	(307,281)
	(3,552,525)	(2,981,234)	(1,063,848)	(1,162,390)
Impairment losses on financial assets	20 (234,844)	(8,098,955)	(80,814)	(495,040)
Other expenses	(428,410)	(2,796,504)	(428,410)	-
Other income	4,366,224	464,051	438,659	114,713
Operating profit / (loss)	2,169,436	(13,598,594)	(1,139,231)	(1,628,718)
Finance cost	(4,948,695)	(6,850,638)	(1,584,505)	(1,947,145)
Exchange loss - net	(1,153,203)	(2,197,794)	(1,109,425)	335,745
	(6,101,898)	(9,048,432)	(2,693,930)	(1,611,400)
Loss before taxation	(3,932,462)	(22,647,026)	(3,833,161)	(3,240,118)
Taxation	21 (370,215)	(734,402)	(83,918)	(46,831)
Loss for the period	(4,302,677)	(23,381,428)	(3,917,079)	(3,286,949)
	Restated		Restated	
Loss per share - basic and diluted (Rupees)	(4.31)	(23.64)	(3.92)	(3.32)

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


 Chief Executive Officer


 Chief Financial Officer


 Director

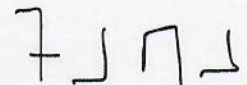
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Unaudited
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Nine months period ended		Three months period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
-----Rupees in '000-----				
Loss for the period	(4,302,677)	(23,381,428)	(3,917,079)	(3,286,949)
Other comprehensive income / (loss) for the period				
<i>Items that will not be reclassified subsequently to unconsolidated profit or loss account</i>				
Remeasurement of actuarial gain on defined benefit obligation -	10,780	-	3,593	-
Unrealized (loss) / gain on remeasurement of investment held fair value through other comprehensive income - net of tax	-	(69,092)	-	222,934
Total comprehensive loss for the period	<u>(4,291,897)</u>	<u>(23,450,520)</u>	<u>(3,913,486)</u>	<u>(3,064,015)</u>

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


 Chief Executive Officer


 Chief Financial Officer


 Director

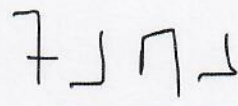
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Capital reserves		Revenue reserve	Surplus on revaluation of property, plant and equipment	Share deposit money	Total shareholders' equity	
	Share premium	Unrealized loss on remeasurement of FVTOCI investments	Unappropriated profit				
-----Rupees in '000-----							
Balance as at January 01, 2020 - audited	1,991,207	4,766,854	(267,992)	(40,075,021)	4,221,873	5,752,443	(23,610,636)
Effect of restatement as referred in note 4	-	-	-	(521,232)	-	-	(521,232)
	1,991,207	4,766,854	(267,992)	(40,596,253)	4,221,873	5,752,443	(24,131,868)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(23,381,428)	-	-	(23,381,428)
Other comprehensive loss for the period							
Unrealized loss on remeasurement of investment held at fair value through other comprehensive income - net of tax	-	-	(69,092)	-	-	-	(69,092)
Total comprehensive loss for the period	-	-	(69,092)	(23,381,428)	-	-	(23,450,520)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	267,078	(267,078)	-	-
	-	-	(69,092)	(23,114,350)	(267,078)	-	(23,450,520)
Transactions with owners							
Right issue - 401% - January 2020	8,000,000	-	-	-	-	(8,000,000)	-
Share deposit money	-	-	-	-	-	2,247,557	2,247,557
Transaction cost	-	(127,119)	-	-	-	-	(127,119)
	8,000,000	(127,119)	-	-	-	(5,752,443)	2,120,438
Balance as at September 30, 2020 - unaudited	9,991,207	4,639,735	(337,084)	(63,710,603)	3,954,795	-	(45,461,950)
Balance as at January 01, 2021 - audited	9,991,207	4,639,735	-	(65,639,956)	3,962,410	-	(47,046,604)
Total comprehensive loss for the period							
Loss for the period	-	-	-	(4,302,677)	-	-	(4,302,677)
Other comprehensive income							
Remeasurement of actuarial gain on defined benefit obligation - net of tax	-	-	-	10,780	-	-	10,780
Total comprehensive loss for the period	-	-	-	(4,291,897)	-	-	(4,291,897)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	194,597	(194,597)	-	-
	-	-	-	(4,097,300)	(194,597)	-	(4,291,897)
Balance as at September 30, 2021 - unaudited	9,991,207	4,639,735	-	(69,737,256)	3,767,813	-	(51,338,501)

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


 Chief Executive Officer


 Chief Financial Officer


 Director

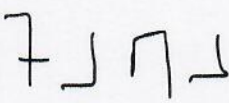
HASCOL PETROLEUM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS- Unaudited
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021	Restated September 30, 2020
Note	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in from operations	22 (6,818,405)	(18,376,391)
Finance cost paid	(659,185)	(4,570,072)
Profit received on bank deposits and TFC	45,572	395,582
Profit received on sale of derivatives	-	70,142
Taxes paid	(32,430)	(245,526)
Gratuity paid	(521)	(77,091)
Net cash used in operating activities	(7,464,969)	(22,803,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(166,184)	(113,060)
Proceeds from disposal of property, plant and equipment	1,010,428	204,394
Long term deposit repaid - net	10,602	-
Net cash generated from investing activities	854,846	91,334
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liability repaid	(1,021,906)	(277,840)
Payment of unclaimed dividend	(319)	(191)
Issue of right shares	-	2,247,557
Rights share issuance cost	-	(127,119)
Long term investment	-	(205,000)
Long-term finance (paid) / obtained	(110,257)	11,173,723
Net cash (used in) / generated from financing activities	(1,132,482)	12,811,130
Net decrease in cash and cash equivalents	(7,742,605)	(9,900,892)
Cash and cash equivalents at beginning of the period	(29,974,639)	(23,368,817)
Cash and cash equivalents at end of the period	(37,717,244)	(33,269,709)

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


 Chief Executive Officer


 Chief Financial Officer


 Director

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

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

Hascol Petroleum Limited

Hascol Petroleum Limited (the Company) was incorporated in Pakistan as a private limited company on March 28, 2001. On September 12, 2007 the Company was converted into a public unlisted company and on May 12, 2014 the Company was listed on the Pakistan Stock Exchange Limited.

The registered office of the Company is situated at 29th floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi.

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

Hascol Lubricants (Private) Limited

Hascol Lubricants (Private) Limited (the Subsidiary Company) was incorporated on January 31, 2017 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at "The Forum, 1st floor, Suite No. 101-104-105-106 & 120-213, G-20, Khayaban-e-Jami, Clifton, Karachi".

The Company is formed to carry on the business of blending and producing of lubricating oils, greases and other petroleum products. The company is a wholly owned subsidiary of Hascol Petroleum Limited.

Hascombe Lubricants (Private) Limited

Hascombe Lubricants (Private) Limited (the Subsidiary Company) was incorporated on December 27, 2001 as a private limited company under the repealed Companies Ordinance, 1984.

The registered office of the Subsidiary Company is situated at Suite No. 105-106, The Forum, Khayaban-e-Jami, Clifton, Karachi. Principal activity of the Subsidiary Company was marketing and selling imported and locally produced automobile and industrial lubricants. The company is a wholly owned subsidiary of Hascol Petroleum Limited.

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

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

- 1.2 During the current period, the Group incurred a net loss of Rs. 4.3 billion (2020-Restated: Rs. 23.4 billion), resulting in net shareholders deficit of Rs. 51.5 billion (2020-Restated: Rs. 47.2 billion) as of the condensed interim consolidated statement of financial position date.

Further, as of that date the current liabilities of the Group exceeded its current assets by Rs. 63.0 billion (2020-Restated: Rs. 56.9 billion) and has defaulted in majority of its outstanding loans with banks.

These conditions may cast significant doubt on the Group's ability to continue as a going concern. However, in order to ensure the Group's ability to operate as a going concern, certain plans and measures have been taken to improve its liquidity and financial position which includes, but not limited to, the following:

- a) The Group is also planning a capital restructuring exercise, in consultation with major banks to reduce its debt burden and financial costs, which will help the Group improve its future operating and financial performance. Further, the Group has stopped payment of markup cost from last quarter of 2020.
- b) The Group is also taking measures to reduce its storage costs through revision of existing agreements.
- d) The Board of Directors (the board) have carried out a detailed review of the profitability and cashflow forecast of the Group for the twelve months from the date of approval of these condensed interim consolidated financial statements, which took into account the projected future working capital of the Group.

The board believes that subject to the approval of restructuring plan with major banks the Group will have sufficient cash resources to continue its operations.

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Group for the nine month period ended September 30, 2021 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act).

In case where requirements differ, the provisions of or directives issued under the Act have been followed. These condensed interim consolidated financial statements are being submitted to the shareholders in accordance with section 237 of the Act and should be read in conjunction with the audited financial statements of the Group for the year ended December 31, 2020.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of audited annual financial statements of the Group for the year ended December 31, 2020.

4 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

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

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

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

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

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

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

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

- 5.1 The preparation of these condensed interim consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.
- 5.2 During the preparation of these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2020.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended December 31, 2020.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
7 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets		18,309,696	19,891,271
Capital work-in-progress	7.3	4,110,435	4,932,186
		<u>22,420,131</u>	<u>24,823,457</u>
7.1	Movement in capital work-in-progress during the period / year is as follows:		
	Balance at beginning of the year	4,932,186	6,946,551
	Additions during the period / year	169,333	381,229
	Transfers during the period / year	(991,084)	(2,395,594)
		<u>4,110,435</u>	<u>4,932,186</u>
7.2	The following assets were disposed off during the period/ year:		
	Cost	Accumulated Depreciation	Net Book Value
	-----Rupees in '000-----		
	-	-	-
	<u>(208,306)</u>	<u>34,675</u>	<u>(173,631)</u>
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
7.3 Capital work-in-progress		-----Rupees in '000-----	
	Office building	943,903	1,748,267
	Tanks and pipelines	952,204	960,625
	Electrical, mechanical and fire fighting equipment	1,411,502	1,394,683
	Dispensing pumps	89,093	80,571
	Furniture, office equipment and other assets	195,769	190,076
	Plant and machinery	350,262	390,262
	Borrowing cost capitalized	167,702	167,702
		<u>4,110,435</u>	<u>4,932,186</u>
8 Right of use asset			
	Storage facility	38,400	10,619,693
	Pumpsites	2,610,958	2,628,451
	Offices	371,165	9,078
		<u>3,020,523</u>	<u>13,257,222</u>
8.1	Movement in right of use assets during the period/year is as follows:		
	Balance at beginning of the period/year	13,257,222	20,960,480
	Additions during the period/year	598,235	237,700
	Effect of modification	-	(6,982,016)
	Disposals/terminations during the period/year	(10,463,846)	(92,935)
	Depreciation charged during the period/year	(371,088)	(866,007)
	Balance at the end of the period/year	<u>3,020,523</u>	<u>13,257,222</u>

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
9 INTANGIBLE ASSET			
<i>Computer software</i>		2,333	3,007
Net book value at beginning of the period/year		3,007	5,232
Addition		-	410
Amortization charge for the period/year		(674)	(2,635)
Net book value at the end of the period/year		2,333	3,007
Net book value			
Cost		14,518	14,518
Accumulated amortization		(12,185)	(11,511)
Net book value		2,333	3,007
Rate of amortization - %		33.33	33.33
10 LONG-TERM INVESTMENTS			
Investment in associated companies - unquoted			
VAS LNG (Private) Limited - unquoted	10.1	-	1,468
Magic River Services Limited	10.2	110,000	110,000
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)	10.3	399,890	399,890
		509,890	511,358
Advance against purchase of shares - with related parties			
Karachi Hydrocarbon Terminal Limited - unquoted (formerly : Hascol Terminal Limited)		2,500	2,500
VAS LNG (Private) Limited - unquoted		1,023	1,023
		513,413	514,881
10.1 VAS LNG (Private) Limited - unquoted			
Balance at the beginning of the year		1,468	1,502
Share of loss for the period / year		(1,468)	(34)
Balance at the end of the period / year		-	1,468
10.2 Investment in Magic River Services Limited represents 25% shareholding in the business amounting to Rs. 110 million.			
10.3 Investment in Karachi Hydrocarbon Terminals Limited (formerly Hascol Terminal Limited) represent 41.3 million shares (2020: 41.3 million) fully paid ordinary shares of Rs. 10 per share. The Company is engaged in providing storage facilities for imported and locally procured petroleum and related products.			
Balance at the beginning of the year		399,890	384,476
Share of loss for the period / year		-	(22,086)
Addition in Investment during the period / year		-	37,500
Balance at the end of the period / year		399,890	399,890
10.4 Investments in associated companies and undertakings have been made in accordance with the requirements of the Companies Act, 2017. The Management cannot assess the recoverable amount as of 31 December 2021 in accordance with the requirement of International Financial Reporting Standards (IFRS) as the audit of the underlying entity is still in process.			

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
11 DEFERRED TAXATION - NET			
<i>This comprises the following:</i>		-----Rupees in '000-----	
<i>Taxable temporary difference arising in respect of:</i>			
Accelerated depreciation		(1,147,061)	(5,095,411)
<i>Deductible temporary difference arising in respect of:</i>			
Liabilities against assets subject to finance lease		587,350	4,522,450
Exchange loss		234,430	58,822
Provision for :			
- other liabilities		585	934
- retirement benefit		39,248	37,223
- doubtful debts		2,847,155	2,760,845
- short term investments - TFCs		1,820	1,801
Normal tax loss		12,442,521	15,283,743
Unrecognized deferred tax asset		<u>(15,006,048)</u>	<u>(17,570,407)</u>
		<u>-</u>	<u>-</u>
11.1	Deferred tax asset of Rs. 15,006 million (2020: Rs. 17,570 million) has not been recognized in these condensed interim consolidated financial information due to uncertainty in availability of future taxable profits based on financial projections of future five years.		
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
12 ADVANCES - considered good, unsecured	Note	-----Rupees in '000-----	
To employees			
- against expenses		13,634	9,448
- against salaries		27,316	30,613
Supplier & Service provider		5,983,864	7,278,516
Provision for Supplier & Services Advance		<u>(5,621,671)</u>	<u>(6,249,872)</u>
		<u>403,143</u>	<u>1,068,705</u>
13 DEPOSITS AND PREPAYMENTS			
<i>Deposits</i>			
- current portion of lease deposits		80,816	71,579
- other deposits		62,516	14,271
		143,332	85,850
<i>Prepayments</i>			
- Insurance and others		50,076	16,756
- Rent		54,831	73,934
		104,907	90,690
		<u>248,239</u>	<u>176,540</u>
14 OTHER RECEIVABLES			
Inland freight equalization margin receivable		4,362,659	4,360,699
Miscellaneous receivables		52,627	796
Receivable against regulatory duty ("RD")		25,533	25,533
Sales tax refundable		17,068	-
Price differential claims ("PDC")	14.1	5,083	5,083
Provisioning of IFEM, RD and PDC	14.2	<u>(1,050,731)</u>	<u>(1,049,783)</u>
		<u>3,412,238</u>	<u>3,342,328</u>

HASCOL PETROLEUM LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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14.1 This represents amount receivable from the Government of Pakistan (GoP) net of recovery as per fortnightly rates declared by the Ministry of Petroleum and Natural Resources. The Group together with other oil marketing companies is actively pursuing the matter with the concerned authorities for the early settlement of above claim. The Group considers that the balance amount will be reimbursed by GoP in due course of time.

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

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
-----Rupees in '000-----			
15	LONG TERM FINANCING - secured		
	Borrowing from conventional banks	13,044,558	13,147,683
	Borrowing from non banking financial institutions	92,857	104,762
	Sukuk certificates	500,000	495,227
		<u>13,637,415</u>	<u>13,747,672</u>
	Borrowing from conventional banks	(1,782,331)	(833,319)
	Borrowing from non banking financial institutions	(92,857)	(104,762)
	Sukuk certificates	(500,000)	(495,227)
		<u>(2,375,188)</u>	<u>(1,433,308)</u>
	Non-current portion of long term financing	<u><u>11,262,227</u></u>	<u><u>12,314,364</u></u>
16	LEASE LIABILITIES		
	Finance lease liability	16.1 521,100	731,547
	Lease liability against right of use asset	16.2 2,981,170	16,193,040
		<u>3,502,270</u>	<u>16,924,587</u>
16.1	Finance lease liability		
	Present value of future minimum lease payments	823,715	1,086,334
	Less: current portion	(302,615)	(354,787)
	Non current portion	<u>521,100</u>	<u>731,547</u>
16.2	Lease liability against right of use asset		
	Present value of future minimum lease payments	3,417,299	16,507,009
	Less: current portion	(436,129)	(313,969)
	Non current portion	<u>2,981,170</u>	<u>16,193,040</u>
17	TRADE AND OTHER PAYABLES		
	Trade creditors	19,176,138	20,629,565
	Payable to cartage contractors	2,169,245	4,170,668
	Advance from customers - unsecured	1,138,502	1,429,004
	Dealers' and customers' security deposits	513,793	475,503
	Sales tax Payable	-	271,947
	Accrued liabilities	15,605	15,898
	Other liabilities	5,705,137	13,586,406
		<u>28,718,420</u>	<u>40,578,991</u>
18	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Current portion of long term financing	15 2,375,188	1,433,308
	Current portion of liabilities subject to finance lease	16.1 302,615	354,787
	Current portion of lease liability of right of use assets	16.2 436,129	313,969
		<u>3,113,932</u>	<u>2,102,064</u>

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19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

i The Collector (Adjudication) - Customs House Karachi, has issued a show cause notice dated February 06, 2019 regarding clearance of 52 and 84 consignments of HSFO under PCT heading 2710.1941 without alleged payment of minimum value additional tax @ 3% of value of the goods of Rs. 481 million. A petition was filed by the Holding Company on March 20, 2019 challenging the impugned show-cause notice on the ground that the impugned notifications and Chapter X of the Rules 2007 particularly 58B and 58C are ultra vires to the Constitution of Islamic Republic of Pakistan against which an interim order was passed on March 22, 2019. The legal counsel is hopeful about success of this petition.

ii A Suit has been filed on April 10, 2019 by Mr. Rehmat Khan Wardag (Contractor & Dealer of Hascol) for recovery of amount of Rs. 53 million and damages of Rs. 50 million against the Holding Company. Mr. Rehmat Khan claims that his receivable amount of carriage bills were unlawfully adjusted against the invoices of products received at petrol pump, M/s. Hamid Trucking Station. Suit is pending in Court for hearing of application. Legal counsel is of the considered view that there is no merit in the claims of the dealer and hence, there is no possibility that there is any liability being attributed towards the Holding Company.

iii The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Constitutional petition is filed by the Company on November 25, 2019 against the Province of Sindh challenging the constitutionality of levy of infrastructure cess which amounts to Rs. 260 million. The matter is pending with Court and stay has been granted to the Company on November 26, 2019 and to be fixed with other cases. The legal counsel is of the view that the Company has a strong defense against tax authorities.

iv FBR issued show cause notice U/S 11(2) of the Sales Tax Act, 1990 and U/S 14(1)(2) of the FED Act, 2005 read with Petroleum Development Surcharge Ordinance, 1961 for the period from January 2015 to December 2018 in which FBR stated that scrutiny of sales quantity in terms of liters for products i.e. MS (Motor Spirit) and HSD obtained from regulatory authority Oil & Gas Regulatory Authority (OGRA) for the period January 2015 to December 2018 as compared with the Sales Tax Returns filed by the Holding Company reveals that the Company has under declared sales quantity of MS and HSD, resulting in short payment of Sales tax amounting to Rs. 16,368 million and Petroleum Development Levy amounting to Rs. 7,303 million. On this pretext, FBR called upon the Holding Company to show cause as to why Rs. 23,671 million and default surcharge may not be recovered and penal action may not be taken for violation of aforementioned provisions. The Holding Company submitted its reply to FBR and then challenged the show cause in the High Court on November 5, 2019. After hearing Holding Company's case, Honorable Court was pleased to pass ad-interim order dated November 5, 2019, whereby Deputy Commissioner Inland Revenue has been restrained from passing any final adverse order against the Holding Company on the basis of impugned Show Cause Notice. The matter is still pending adjudication and in the view of the advisor, the Holding Company has a good arguable case on merits with a chance of favorable outcome. There is no immediate financial liability against the Holding Company.

v *United Bank Limited (UBL)*

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

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

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

vi *The Bank of Punjab (BOP)*

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

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vii MCB

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

viii Samba Bank Limited

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

ix National Bank Of Pakistan (NBP)

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

x Sindh Bank Limited

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

xi Summit Bank Limited

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

xii Bank Alfalah Limited (BAFL)

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

xiii Meezan Bank Limited

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

xiv Lawyers' opinion

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

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19.2 Commitments

- (i) The facility for opening letters of credit (LCs) acceptances as at December 31, 2021 amounted to Rs 41,105 (2020: Rs 42,486) million of which the amount remaining unutilized as at that date was Rs 5,052 (2020: Rs 3,581) million.
- (ii) There are commitments for the purchases from Vitol Bahrain E.C, a party related to the Group, amounting to Rs. 120 million. (2020: Rs. 289 million).

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

20 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

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

21 TAXATION

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	-----Rupees in '000-----	
Current	370,215	471,710
Prior period	-	234,472
Deferred	-	28,220
	<u>370,215</u>	<u>734,402</u>

22 CASH USED IN FROM OPERATIONS

Loss before taxation	(3,926,976)	(22,697,368)
Adjustment for:		
Depreciation and amortization	1,168,712	1,537,890
Depreciation on right-of-use asset	371,088	648,636
Provision for IFEM	948	-
Reversal against slow moving stock	(26)	-
M2M of short term investment	-	2,888
Provision for doubtful debts	202,675	8,098,898
Exchange loss - unrealized	811,664	839,481
Provision for gratuity	21,545	53,258
Gain on disposal of operating fixed assets	(80,722)	(43,899)
Gain on termination of lease	(3,070,135)	(17,636)
(Reversal) / provision of advance to supplier	(4,616,643)	788,754
Writeback of unclaimed liabilities	867,220	-
Markup / profit on bank deposits	(34,844)	(288,741)
Profit on sale of derivate assets	-	(71,453)
Markup charged on lease liability	605,323	1,724,597
Finance cost	4,343,372	5,167,425
Share of profit / (loss) from associate	1,468	(44,136)
ROUA liability reversal	-	1,943,572
Provision of property, plant and equipment	428,410	-
Changes in working capital	(3,720,206)	(15,767,277)
	<u>(6,627,127)</u>	<u>(18,125,111)</u>

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	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	-----Rupees in '000-----	
22.1 Changes in working capital		
(Increase) / decrease in current assets		
Stock-in-trade	3,855,844	5,236,251
Trade debts	628,361	(412,734)
Deposits, prepayments and other receivables	(142,557)	(570,661)
Advances	5,282,205	852,714
	<u>9,623,853</u>	<u>5,105,570</u>
Decrease in current liabilities		
Trade and other payables	(13,344,059)	(20,872,847)
	<u>(3,720,206)</u>	<u>(15,767,277)</u>
23 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,286,336	2,413,907
Short-term borrowings	(38,740,090)	(35,432,337)
	<u>(37,453,754)</u>	<u>(33,018,430)</u>

24 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

24.1 Transactions with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
			-----Rupees in '000-----	
Shareholding by the Group				
Karachi Hydrocarbon Terminal Limited	Rendering of services	15%	299,118	917,578
Karachi Hydrocarbon Terminal Limited	Business support service	15%	-	13,303
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	23,416,012	33,378,228

24.2 Balances with related parties

Name of related party	Nature of transaction	Percentage of shareholding	(Un-audited) September 30, 2021	(Audited) December 31, 2020
			-----Rupees in '000-----	
Shareholding by the Group				
Karachi Hydrocarbon Terminal Limited	Advance against issue of shares	15%	2,500	2,500
Karachi Hydrocarbon Terminal Limited	Investments	15%	412,500	412,500
Karachi Hydrocarbon Terminal Limited	Rendering of services	N/A	1,477,696	1,543,003
VAS LNG (Private) Limited	Advance against issue of shares	30%	1,023	1,023
VAS LNG (Private) Limited	Investments	30%	3,000	3,000
Other related parties				
Vitol Bahrain E.C	Procurement	N/A	11,655,644	12,707,630
VOS Petroleum Limited	Rendering of services	N/A	45,862	45,862
Gas & Oil Pakistan Limited	Duty	N/A	(84,366)	(84,366)

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25 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited financial statements of the Company for the year ended December 31, 2020 and the corresponding figures in the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows comprise of balances that are in conformity with the restatements made in the financial statements for the year ended December 31, 2020 that related to the nine months of 2020.

26 DATE OF AUTHORISATION

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

27 GENERAL

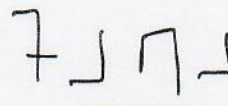
All amounts have been rounded to the nearest thousand.



Chief Executive Officer



Chief Financial Officer



Director