



ENABLING THE FUTURE

REPORT FOR THE NINE MONTHS
ENDED MARCH 31, 2022

COMPANY INFORMATION

Board of Management

Chairman (Independent)

Mr. Zafar I. Usmani

Independent Members

Mr. Muhammad Hamayun Khan Barakzai
Ms. Tara Uzra Dawood

Non-Executive Members

Mr. Asim Iqbal
Mr. Hassan Mehmood Yousufzai
Mr. Muhammad Anwer
Ms. Saira Najeeb Ahmed

Managing Director & Chief Executive Officer

Syed Muhammad Taha

Chief Financial Officer

Ms. Gulzar Khoja

Company Secretary

Mr. Rashid Umer Siddiqui

Auditors

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

M/s. Orr, Dignam & Co. Advocates

Registered Office

Pakistan State Oil Company Limited
PSO House
Khayaban-e-Iqbal, Clifton
Karachi – 75600, Pakistan
UAN: +92 21 111 111 PSO (776)
Fax: +92 21 9920 3721
Website: www.psopk.com

Share Registrar

CDC Share Registrar Services Limited
CDC House
99-B, Block B
S.M.C.H.S.
Main Shahrah-e-Faisal
Karachi-74400
Tel.: 0800-CDCPL (23275)
Fax: +92 21 3432 6053
Email: info@cdcsrcsl.com

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Citibank N.A.
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Report to Shareholders

The Board of Management (BoM) of Pakistan State Oil Company Limited (PSO) is pleased to present the performance of the company and the group along with the financial statements for the nine-month of the financial year 2022 (9MFY22).

The company continued to show strength and resilience, setting another milestone of the highest ever nine-month's profit after tax of PKR 64.8billion (9MFY21: PKR 18.2billion). It outperformed the industry in all petroleum products, which led to an increase in its market share by 3.4% compared to June 30, 2021.

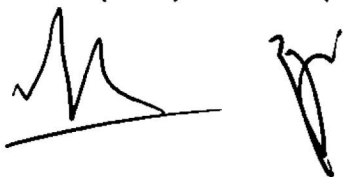
PSO continued to lead the downstream sector with volumetric sales growth of 22.0% in liquid fuels against the industry's growth of 13.6%, seizing around 48.3% and 56.5% share of the country's white and black oil markets. This growth is driven primarily by motor gasoline, high speed diesel and furnace oil, in which the company achieved volumetric sales growth of 15.5%, 26.0% and 22.0% against the industry's growth of 8.8%, 17.8% and 13.9% respectively as compared to same period last year. It led to an increase in PSO's market share in these products by 2.5%, 3.3% and 3.7% respectively.

The ongoing global turmoil owing to Russia-Ukrainian conflict has triggered a major energy supply and security crisis that has sent commodity prices to new highs, with wider implications for the global economy. It increased the supply risk of Pakistan as several oil marketing companies operating in the country defaulted on their commitments. Considering the responsibility PSO holds towards the nation as the national flag bearer, the supply gap was eventually bridged by PSO, wherein it arranged four additional cargoes of HSD from international spot market to avoid a potential dry out situation.

The company added 112.5 thousand tons of new storages and rehabilitated 32.5 thousand tons of existing storages in the period to meet the growing demand of petroleum products in the country. PSO further expanded its largest retail footprint by adding 39 new outlets, while enhancing customer experience on its forecourt through non-fuel-retail services including quick-service restaurants, convenience stores and banking services. PSO relaunched Carient Fully Synthetic Motor Oil, introducing a bold new look with an improved double handle pack to meet fast changing consumer needs.

PSO continued its stride in digitalizing the business processes by implementing a centralized command and control system to monitor its supply chain. Further, it has established the vendor invoice management system to improve the efficiency of the payment process. Whereas, several other initiatives are underway and planned for process re-engineering and automation that will result in significant improvements in terms of cost and process efficiencies.

PSO renewed its partnership with Total Energies Aviation, France by signing Fuel Supply and Technical Services Agreements. The company also joined hands with Frontier Works Organization (FWO) to develop two state-of-the-art retail stations on the Lahore-Sialkot



motorway (North and South) equipped with Electro (EV charger) and restrooms for the convenience of motorists. Moreover, PSO signed the throughput agreement for the white oil pipeline multi-grade project with Pak Arab Pipeline Company (PAPCO).

PSO received the Largest Taxpayer Award (Import Sector-Nationwide) from the Honorable President of Pakistan to acknowledge its role in national tax collection and promote voluntary compliance along with an increase in revenue collection. The company also won the Management Association of Pakistan (MAP)'s 36th Corporate Excellence Award in the Oil Marketing Companies (OMC) segment.

During the period, PSO gave back to society by contributing PKR 108 million through its Corporate Social Responsibility Trust for various healthcare, education, and social development projects. To support NCOC's drive for a corona-free Pakistan, PSO successfully vaccinated over 200,000 individuals by providing vaccination facilities at 17 different locations including far-flung areas through mobile vaccination vans.

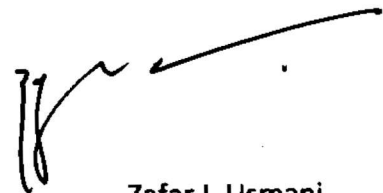
The Board expressed concern over the mounting trade receivables and noted an increase of around PKR 149.3 billion in receivables from Sui Northern Gas Pipelines Limited as compared to June 30, 2021. It is straining the liquidity position of the company, especially in circumstances where the procurement cost has reached its peak. Whereas, the price differential claims owing to the government's subsidy on petroleum products have further aggravated the concern. The management is actively pursuing the matter with the concerned authorities for recovery of dues.

Pakistan Refinery Limited, the subsidiary of PSO, reported a profit after tax of PKR 5.4 billion for the period (9MFY21: profit after tax of PKR 0.6 billion). On a consolidated basis, the Group achieved a net profit after tax of PKR 69.3 billion (9MFY21: PKR 18.3 billion).

We express our sincere gratitude to all our stakeholders for their contribution and support. We also take this opportunity to thank the Government of Pakistan, especially the Ministry of Energy (Petroleum Division) for their guidance and support.



Syed Muhammad Taha
Managing Director & CEO



Zafar I. Usmani
Chairman – Board of Management

April 28, 2022
Karachi

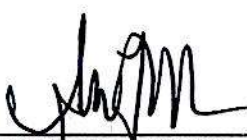
PAKISTAN STATE OIL COMPANY LIMITED

**CONDENSED UNCONSOLIDATED & CONSOLIDATED
INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2022**

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

		Un-audited March 31, 2022	Audited June 30, 2021
	Note	------(Rupees in '000)-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	15,066,189	14,156,554
Right-of-use assets	8	5,012,800	5,215,782
Intangibles		174,697	153,528
Long-term investments	9	15,005,713	16,266,508
Long-term loans, advances and other receivables		305,599	406,846
Long-term deposits		361,753	335,859
Deferred tax asset - net		13,531,929	13,304,563
Retirement benefits		1,163,117	1,457,761
		<u>50,621,797</u>	<u>51,297,401</u>
Current assets			
Stores, spares and loose tools		681,166	793,261
Stock-in-trade	10	202,511,413	79,028,704
Trade debts	11	376,206,499	220,195,918
Loans and advances		609,900	348,296
Short-term deposits and prepayments		508,876	221,959
Other receivables	12	52,110,280	19,106,304
Taxation - net		-	5,366,102
Cash and bank balances		7,257,339	2,901,619
		<u>639,885,473</u>	<u>327,962,163</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>690,507,270</u></u>	<u><u>379,259,564</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	4,694,734	4,694,734
Reserves		194,509,798	135,283,468
		<u>199,204,532</u>	<u>139,978,202</u>
Non-current liabilities			
Retirement and other service benefits		7,663,117	7,186,346
Lease liabilities		4,085,234	4,299,704
Other payable		819,546	752,712
		<u>12,567,897</u>	<u>12,238,762</u>
Current liabilities			
Trade and other payables	14	297,655,851	167,693,826
Short-term borrowings		166,429,275	56,042,897
Accrued interest / mark-up		824,858	297,053
Provisions		743,436	743,436
Current portion of lease liabilities		1,123,814	762,171
Unclaimed dividend		1,480,751	1,373,428
Unpaid dividend		-	129,789
Taxation - net		10,476,856	-
		<u>478,734,841</u>	<u>227,042,600</u>
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		<u><u>690,507,270</u></u>	<u><u>379,259,564</u></u>

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the nine months and quarter ended March 31, 2022

	Note	Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		(Rupees in '000)			
Gross Sales		1,727,833,939	1,008,702,413	610,896,214	337,291,509
Less:					
- Sales tax		(154,885,082)	(140,228,893)	(35,337,335)	(46,471,987)
- Inland freight equalization margin		(23,025,741)	(15,511,845)	(7,608,621)	(5,290,268)
		(177,910,823)	(155,740,738)	(42,945,956)	(51,762,255)
Net sales		1,549,923,116	852,961,675	567,950,258	285,529,254
Cost of products sold		(1,457,297,970)	(815,221,899)	(524,041,296)	(268,278,504)
Gross profit		92,625,146	37,739,776	43,908,962	17,250,750
Other income	16	22,327,608	5,151,849	11,620,215	740,203
Operating costs					
Distribution and marketing expenses		(9,012,483)	(8,060,542)	(3,004,592)	(2,286,904)
Administrative expenses		(2,463,429)	(2,484,181)	(929,614)	(1,004,168)
Reversal / (provision) of impairment on financial assets - net		367,154	(1,129,591)	252,376	91,689
Other expenses	17	(8,292,564)	(1,971,473)	(4,633,999)	(936,618)
		(19,401,322)	(13,645,787)	(8,315,829)	(4,136,001)
Profit from operations		95,551,432	29,245,838	47,213,348	13,854,952
Finance costs		(2,681,364)	(2,501,544)	(1,271,170)	(1,064,082)
Share of profit of associates - net of tax		559,895	429,582	299,464	134,101
Profit before taxation		93,429,963	27,173,876	46,241,642	12,924,971
Taxation					
- current		(30,273,811)	(5,222,635)	(15,362,969)	(3,865,150)
- prior		1,621,298	2,157	1,689,150	-
- deferred		(8,342)	(3,711,349)	12,369	(339,422)
		(28,660,855)	(8,931,827)	(13,661,450)	(4,204,572)
Profit for the period		64,769,108	18,242,049	32,580,192	8,720,399
<div>----- (Rupees) -----</div>					
Earnings per share - basic and diluted	18	137.96	38.86	69.40	18.57

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


Managing Director & CEO


Member - Board of Management



Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the nine months and quarter ended March 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note	(Rupees in '000)			
Profit for the period	64,769,108	18,242,049	32,580,192	8,720,399
Other comprehensive income / (loss):				
Items that will not be subsequently reclassified to profit or loss:				
Share of actuarial (loss) / gain on remeasurement of staff retirement benefits of associates - net of tax	(38)	3,504	-	-
Unrealised loss on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1			
	(1,083,714)	(248,540)	(94,490)	(92,792)
Taxation thereon	235,708	54,057	20,552	20,182
Other comprehensive loss	(848,006)	(194,483)	(73,938)	(72,610)
	(848,044)	(190,979)	(73,938)	(72,610)
Total comprehensive income for the period	63,921,064	18,051,070	32,506,254	8,647,789

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the nine months period ended March 31, 2022

	Share capital	Capital Reserves	Reserves				Total
		Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI Investments	General reserve	Un-appropriated profit	Sub-total	
(Rupees in '000)							
Balance as at July 01, 2020	4,694,734	3,373	5,987,826	25,282,373	77,092,695	108,366,267	113,061,001
Total comprehensive income for nine months period ended							
Profit for the period					18,242,049	18,242,049	18,242,049
Other comprehensive income							
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax					3,504	3,504	3,504
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax			(194,483)			(194,483)	(194,483)
			(194,483)		3,504	(190,979)	(190,979)
Transactions with the owners:							
Interim dividend for the year ended June 30, 2021 at Rs. 5 per share					(2,347,367)	(2,347,367)	(2,347,367)
Balance as at March 31, 2021	4,694,734	3,373	5,793,343	25,282,373	92,990,881	124,069,970	128,764,704
Balance as at July 01, 2021	4,694,734	3,373	5,485,817	25,282,373	104,511,905	135,283,468	139,978,202
Total comprehensive income for nine months period ended							
Profit for the period					64,769,108	64,769,108	64,769,108
Other comprehensive income							
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax					(38)	(38)	(38)
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax			(848,006)			(848,006)	(848,006)
			(848,006)		(38)	(848,044)	(848,044)
Transactions with the owners:							
Final dividend for the year ended June 30, 2021 at Rs. 10 per share					(4,694,734)	(4,694,734)	(4,694,734)
Balance as at March 31, 2022	4,694,734	3,373	4,637,811	25,282,373	164,586,241	194,509,798	199,204,532

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


Managing Director & CEO



Member - Board of Management



Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the nine months period ended March 31, 2022

Nine months ended		
	March 31, 2022	March 31, 2021
Note	----- (Rupees in '000) -----	
19	(85,441,309)	(18,688,187)
	101,247	28,157
	(25,894)	(36,079)
	(12,809,555)	(4,406,137)
	(1,515,457)	(2,553,390)
	(74,228)	(656,354)
	<u>(99,765,196)</u>	<u>(26,311,990)</u>
	(2,160,961)	(3,304,338)
	47,807	42,276
	-	(224,590)
	1,121,079	443,089
	<u>(992,075)</u>	<u>(3,043,563)</u>
	91,163,796	25,395,223
	(556,187)	(565,201)
	(4,717,200)	(1,827,075)
	<u>85,890,409</u>	<u>23,002,947</u>
	(14,866,862)	(6,352,606)
	(5,916,574)	(880,853)
	<u>(20,783,436)</u>	<u>(7,233,459)</u>

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Pakistan State Oil Company Limited ("the Company") is a public company incorporated in Pakistan in 1976 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PSO House, Khayaban-e-Iqbal, Clifton, Karachi. The principal activities of the Company are procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils.

1.2 The business units of the Company include the following:

Business Unit	Geographical Location
Head Office	PSO House, Khayaban-e-Iqbal, Clifton, Karachi.
Lubes Manufacturing Plant	National Refinery Limited, Korangi, Karachi. Kemari Oil Terminal, Kemari, Karachi.

1.3 The Board of Management (BoM) nominated by the Federal Government under Section 7 of the Marketing of Petroleum Products (Federal Control) Act, 1974 ("the Act") manages the affairs of the Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 or any other law for the time being in force or any agreement, contract, Memorandum or Articles of Association of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed unconsolidated interim financial statements of the Company for the nine months period ended March 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2021. These condensed unconsolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

2.3 These condensed unconsolidated interim financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.

2.4 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Company has not recorded impact of aforesaid ECL on trade debts of SNGPL, HUBCO, GENCO in these condensed unconsolidated interim financial statements based on clarification received from SECP in this respect.

2.5 These condensed unconsolidated interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

3. USE OF ESTIMATES AND JUDGEMENTS

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

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 described in the annual financial statements as at and for the year ended June 30, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and method of computation adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the Company's annual unconsolidated financial statements for the year ended June 30, 2021.

4.2 The Company follows the practice to conduct actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in these condensed unconsolidated interim financial statements.

5. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATIONS AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these condensed unconsolidated interim financial statements.

6. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto are effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures;
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The above amendments are not likely to have an impact on the Company's condensed unconsolidated interim financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
----- (Rupees in '000) -----				
Freehold land		39,481	-	-
Leasehold land	-	-	-	4,647
Buildings on freehold land	92,637	27,104	7	-
Buildings on leasehold land	162,461	49,903	385	67
Tanks and pipelines	2,078,270	326,226	-	-
Service and filling stations	404,750	493,858	595	577
Plant and machinery	209,004	108,521	595	52
Furniture and fittings	16,955	66,850	131	40
Vehicles and other rolling stock	151,008	23,156	4,404	6,893
Office equipments	117,648	56,820	-	27
Gas cylinders / regulators	29,714	61,569	-	-
	<u>3,262,447</u>	<u>1,253,488</u>	<u>6,117</u>	<u>12,303</u>

- 7.2 The above disposals represented assets costing Rs. 322,673 thousand (March 31, 2021: Rs. 161,521 thousand) and were disposed off for Rs. 47,807 thousand (March 31, 2021: Rs. 42,276 thousand).
- 7.3 As at March 31, 2022, operating assets includes net book value of Rs. 825,492 thousand (June 30, 2021: Rs. 690,216 thousand) in respect of Company's share in joint operations.
- 7.4 As at March 31, 2022, capital work-in-progress includes amount of Rs. 166,473 thousand (June 30, 2021: Rs. 269,601 thousand) in respect of Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Company recognised right of use asset comprising mainly land amounting to Rs. 120,470 thousand (March 31, 2021: Rs. 167,629 thousand) and modification amounting to Rs. 44,990 thousand (March 31, 2021: Rs. 255,309 thousand). Further, right-of-use having net book value of Rs. 1,164 thousand (March 31, 2021: 349 thousand) have been disposed off due to the extinguishment of lease during the period.

9.	LONG-TERM INVESTMENTS	Note	Un-audited March 31, 2022	Audited June 30, 2021
			----- (Rupees in '000) -----	
	Investment in related parties			
	Investment held at fair value through other comprehensive income			
	Unquoted company			
	- Pak-Arab Pipeline Company Limited (PAPCO)			
	Equity held: 12% (June 30, 2021: 12%)			
	No. of shares: 8,840,000			
	(June 30, 2021: 8,640,000) of Rs. 100/- each	9.1	6,790,915	7,874,629
	Investment in subsidiary - at cost			
	Quoted company			
	- Pakistan Refinery Limited (PRL)			
	Equity held 63.56% (June 30, 2021: 63.56%)			
	No. of shares: 400,459,028			
	(June 30, 2021: 400,459,028) of Rs. 10/- each		4,890,680	4,890,680
	Investment in associates			
	Unquoted companies			
	- Asia Petroleum Limited			
	Equity held: 49% (June 30, 2021: 49%)			
	No. of shares: 46,058,570 (June 30, 2021: 46,058,570) of Rs. 10/- each		3,277,054	3,453,641
	- Pak Grease Manufacturing Company (Private) Limited			
	Equity held: 22% (June 30, 2021: 22%)			
	No. of shares: 686,192 (June 30, 2021: 686,192) of Rs. 10/- each		47,064	47,558
			3,324,118	3,501,199
			<u>15,005,713</u>	<u>16,266,508</u>

9.1 The Company has carried out an exercise to ascertain the fair value of investment as at March 31, 2022 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited March 31, 2022	Audited June 30, 2021
- Discount rate	18.6% - 19.9%	16.4% - 17.2%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Company has recorded an unrealised loss (net of tax) of Rs. 848,006 thousand (March 31, 2021: unrealised loss - net of tax of Rs. 194,483 thousand) in other comprehensive income for the period.

9.1.1	Movement of investment classified as FVOCI	Un-audited March 31, 2022	Audited June 30, 2021
		----- (Rupees in '000) -----	
	Balance at beginning of the period / year	7,874,629	8,516,173
	Remeasurement loss recognised in other comprehensive loss	(1,083,714)	(641,544)
	Balance at end of the period / year	<u>6,790,915</u>	<u>7,874,629</u>

	Note	Un-audited March 31, 2022	Audited June 30, 2021
9.1.2 Sensitivity to unobservable inputs:		------(Rupees in '000)-----	
- Discount rate (1% increase)		(408,902)	(580,008)
- Discount rate (1% decrease)		480,992	705,147
- Growth rate of terminal value (1% increase)		347,368	517,028
- Growth rate of terminal value (1% decrease)		(296,331)	(426,608)

10. STOCK-IN-TRADE

- 10.1 As at March 31, 2022, stock has been written down by Rs. Nil (March 31, 2021:Rs. 1,148,324 thousand) to arrive at its net realisable values.
- 10.2 During the period, the Company has written off stock held with third party amounting to Rs. Nil (March 31, 2021: Rs. 89,543 thousand).

11. TRADE DEBTS

Considered good

Due from Government agencies and autonomous bodies

- Secured	11.1	349,698	198,221
- Unsecured	11.2 & 11.3	335,502,643	185,808,652
		<u>335,852,341</u>	<u>186,006,873</u>

Due from other customers

- Secured	11.1	5,175,014	4,157,539
- Unsecured	11.2 & 11.3	35,179,144	30,031,506
		<u>40,354,158</u>	<u>34,189,045</u>
		<u>376,206,499</u>	<u>220,195,918</u>

Considered doubtful

Trade debts - gross		379,033,383	223,633,406
Less: Provision for impairment	11.5	(2,826,884)	(3,437,488)
Trade debts - net		<u>376,206,499</u>	<u>220,195,918</u>

- 11.1 These debts are secured by way of bank guarantees and security deposits.
- 11.2 Includes Rs. 351,053,421 thousand (June 30, 2021: Rs. 187,979,797 thousand) due from related parties, against which provision for impairment of Rs. 899,116 thousand (June 30, 2021: Rs. 1,531,295 thousand) has been recognised.
- 11.3 Included in trade debts are the receivable from the following:

Name	Past due		Total	
	Un-audited March 31, 2022	Audited June 30, 2021	Un-audited March 31, 2022	Audited June 30, 2021
Northern Power Generation Company Limited	69,168,999	69,477,680	69,168,999	69,477,680
Jamshoro Power Company Limited	-	919,254	-	919,254
Cental Power Purchasing Company	1,309,742	1,595,442	1,309,742	1,595,442
WAPDA foundation	3,748	3,336	88,630	70,338
Hub Power Company Limited	13,006,078	13,316,559	13,006,078	13,316,559
Sui Northern Gas Pipelines Company Limited	207,976,967	93,510,930	247,902,839	98,586,824
	<u>291,465,534</u>	<u>178,823,201</u>	<u>331,476,289</u>	<u>183,966,097</u>
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	<u>291,118,559</u>	<u>178,476,226</u>	<u>331,129,314</u>	<u>183,619,122</u>

The Company did not consider the remaining aggregate past due balance of Rs. 291,118,559 thousand (June 30, 2021: Rs.178,476,226 thousand) (against which subsequent receipts of Rs. 43,183,500 thousand have been received) as doubtful, as the Company based on measures undertaken by the Government of Pakistan (GoP) to resolve circular debt issue, is confident that the aforementioned debts will be received in due course of time and therefore, no further provision has been made in these condensed unconsolidated interim financial statements.

- 11.4 As at March 31, 2022 trade debts aggregating Rs. 70,617,569 thousand (June 30, 2021: Rs. 30,366,647 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 305,588,930 thousand (June 30, 2021: Rs.189,829,272 thousand) are past due but not impaired.

Based on the past experience, past track record, recoveries and future economic forecasts, the Company believes that the above past due trade debts do not require any additional provision for impairment except as provided in these condensed unconsolidated interim financial statements.

	Un-audited March 31, 2022	Audited June 30, 2021
------(Rupees in '000)-----		
11.5 The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	3,437,488	3,099,727
Provision recognised during the period / year	146,192	466,541
Reversal of provision made during the period / year	(756,796)	(128,780)
	(610,604)	337,761
Balance at the end of the period / year	2,826,884	3,437,488

12. OTHER RECEIVABLES

- 12.1 Included in other receivables is long outstanding aggregate amount due from GoP on account of the following receivables, as more fully explained in note 16 to the annual unconsolidated financial statements for the year ended June 30, 2021:

	Un-audited March 31, 2022	Audited June 30, 2021
------(Rupees in '000)-----		
Price differential claims (PDC):		
- on imports of Motor Gasoline - (net of related liabilities)	7,640,140	1,350,961
- on High Speed Diesel	10,480,308	602,603
- on Light Diesel Oil	400	-
- on Superior Kerosine Oil	3,106	-
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	25,467,809	9,297,419

During the period, the Company received directives from MoP&NR through letter no No.PL-3(457)/2021-73 dated October 31, 2021, PL-3(457)/2021-74 dated February 28, 2022 and PL-3(457)/2021-74 dated March 15, 2022 through which the Company was directed to supply Motor Gasoline, High Speed Diesel, Light Diesel Oil and Superior Kerosine Oil at prices directed by the Ministry. The MoP&NR through letter no No. PL-3(242)/2021/PDC dated March 9, 2022 introduced the mechanism for reimbursement of these PDC claims to oil marketing companies and refineries (against which subsequent receipts of Rs. 16,170,329 thousand have been received). Moreover, there has been no significant change in the status of the above mentioned claims except as stated above. The Company is fully confident of recoveries against these receivables and is actively pursuing these receivables / matters with the GoP through concerned / relevant ministries.

- 12.2 Includes receivable of Rs. 42,181,938 thousand (June 30, 2021: Rs. 8,723,441 thousand) due from associates and related parties.

- 12.3** As at March 31, 2022, receivables aggregating to Rs. 3,467,552 thousand (June 30, 2021: Rs. 3,224,101 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Un-audited March 31, 2022	Audited June 30, 2021
	------(Rupees in '000)-----	
Balance at beginning of the period / year	3,224,101	2,663,597
Provision recognised during the period / year	300,000	884,583
Reversal of provision during the period / year	(56,549)	(324,079)
	243,451	560,504
Balance at the end of the period / year	3,467,552	3,224,101

- 12.4** Includes an aggregate net amount of foreign exchange difference of Rs. 11,925,215 thousand (June 30, 2021: favourable exchange differences of Rs. 615,313 thousand) on account of unfavourable exchange differences arising on foreign currency borrowings (FE-25), obtained under the directives of Ministry of Finance - Government of Pakistan (MoF - GoP). These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Company in respect of these long / extended term borrowing arrangements i.e. the Company would not bear any exchange differences on such borrowings. The Company is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

13. SHARE CAPITAL

The members in the 45th Annual General Meeting held on October 26, 2021 have resolved via special resolution that the authorised share capital of the Company is increased from Rs 5,000,000 thousand divided into 500,000 thousand shares of Rs. 10 each to Rs. 10,000,000 thousand divided into 1,000,000 thousand shares of Rs. 10 each.

14. TRADE AND OTHER PAYABLES

Includes Rs. 65,385,090 thousand (June 30, 2021: Rs. 44,755,995 thousand) due to various related parties.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There is no significant change in the status of contingencies as disclosed in notes 28.1.2 to 28.1.4 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2021 other than as mentioned in the below notes.

15.1.1 Other tax matters

- 15.1.1.1** The Honorable Supreme Court of Pakistan vide Judgment dated September 1, 2021 has suspended Sindh High Court's Judgment dated June 4, 2021 (Impugned Judgment) in CPLA No.5080 of 2021 filed by PSO before the Supreme Court of Pakistan against Sindh High Court order No.1311 of 2020 (imported POL Products). The Honorable Supreme Court of Pakistan has granted interim relief and directed that till further orders, operation of the Impugned Judgment will be suspended and also restrained the respondents i.e. Excise & Taxation department, Government of Sindh for recovery of impugned infrastructure cess levy of 6,438,869 thousand on import of POL products. As per opinion of PSO's counsel, the Honorable Supreme Court of Pakistan has reverted to the position that existed before the Impugned Judgment. Therefore, PSO's stay shall continue as granted by the Sindh High Court in CP No.1311 of 2020. Based on the views of its legal advisor, the management believes that the matter will ultimately be decided in the Company's favour. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.2 Other Legal Claims

15.1.2.1 As at March 31, 2022 certain legal cases amounting to Rs. 8,095,050 thousand (June 30, 2021: Rs. 8,052,207 thousand) filed against the Company. However, based on advice of legal advisors of the Company, the management believes that the outcome of these cases would be decided in Company's favour. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.2.2 Claims against the Company not acknowledged as debts amounting to Rs. 7,965,645 thousand (June 30, 2021: Rs. 6,675,456 thousand).

15.1.2.3 The Company's share in associates' contingencies in respect of various tax and legal matters as at March 31, 2022 is Rs. 1,118,129 thousand (June 30, 2021: Rs. 598,169 thousand).

	Un-audited March 31, 2022	Audited June 30, 2021
	----- (Rupees in '000) -----	
15.2 Commitments		
15.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
- Property, plant and equipment	2,767,119	3,417,366
- Intangibles	1,805,733	175,288
	<u>4,572,852</u>	<u>3,592,654</u>
15.2.2 Letters of credit	<u>153,636,399</u>	<u>49,706,950</u>
15.2.3 Bank guarantees	<u>1,793,260</u>	<u>1,956,441</u>
15.2.4 Standby Letters of credit	<u>59,217,147</u>	<u>18,341,799</u>
15.2.5 Post - dated cheques	<u>19,050,526</u>	<u>1,000,000</u>
15.2.6 The Company's share in associates' commitments as at March 31, 2022 is Rs. 537 thousand (June 30, 2021: Rs. 26 thousand)		

16. OTHER INCOME

Mainly includes delayed payment surcharge received from various customers.

17. OTHER EXPENSES

Mainly includes charge on account of Workers' Welfare Fund and Workers' Profit Participation Fund.

18. EARNINGS PER SHARE

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----			
18.1 Basic				
Profit for the period attributable to ordinary shareholders	<u>64,769,108</u>	<u>18,242,049</u>	<u>32,680,192</u>	<u>8,720,399</u>
Weighted average number of ordinary shares outstanding during the period (number of shares)	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>137.96</u>	<u>38.86</u>	<u>69.40</u>	<u>18.57</u>
18.2 Diluted				

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible ordinary shares in issue as at March 31, 2022 and March 31, 2021.

19. CASH GENERATED USED IN OPERATIONS

Note	Un-audited	
	Nine months ended	
	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
Profit before taxation	93,429,963	27,173,876
Depreciation and amortisation	1,591,736	1,281,172
(Reversal) / Provision of impairment on trade debts - net	(610,604)	614,828
Provision of other receivables - net	243,451	514,763
Provision for inventory to net realisable value		1,148,324
Provision for impairment against stores, spares and loose tools	21,810	7,601
Advance rent written off	-	3,677
Provision for retirement and other services benefits	845,413	812,922
Gain on disposal of operating assets	(41,690)	(29,973)
Loss on disposal of right-of-use assets due to extinguishment	-	3
Share of profit from associates - net of tax	(559,895)	(429,582)
Dividend income from FVOCI investment	(384,142)	(350,972)
Interest on lease payments	538,878	496,360
Finance costs	2,142,486	2,005,184
	3,787,443	6,074,307
Working capital changes	(182,658,715)	(51,936,370)
	<u>(85,441,309)</u>	<u>(18,688,187)</u>

19.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spares and loose tools	90,285	(181,775)
- Stock-in-trade	(123,482,709)	(25,815,002)
- Trade debts	(155,399,977)	(25,562,358)
- Loans and advances	(261,604)	5,215
- Deposits and short-term prepayments	(286,917)	2,077,570
- Other receivables	(33,247,427)	3,544,922
Increase in current liabilities:		
- Trade and other payables	129,929,634	(6,004,942)
	<u>(182,658,715)</u>	<u>(51,936,370)</u>

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of the following items in these condensed unconsolidated interim statement of financial position:

	Un-audited	
	March 31,	
	2022	2021
	----- (Rupees in '000) -----	
Cash and bank balances	7,257,339	2,564,412
Short-term borrowings (finances under mark-up arrangements)	(28,040,775)	(9,797,871)
	<u>(20,783,436)</u>	<u>(7,233,459)</u>

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company's financial risk management policies and objectives are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2021.

These condensed unconsolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2021.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed unconsolidated interim financial statements approximate their fair values. The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at March 31, 2022, except for the Company's investment in PAPCO, none of the financial instruments is carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed unconsolidated interim financial statements.

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

- 22.1 Related parties comprise of subsidiary company, associate companies, retirement benefit funds, state owned / controlled entities, GoP and its related entities and key management personnel. Details of transactions with the related parties during the period, other than those disclosed elsewhere in these condensed unconsolidated interim financial statements, are as follows:

Name of the related party and relationship with the company	Nature of Transactions	Un-audited	
		Nine months ended	
		March 31, 2022	March 31, 2021
		----- (Rupees in '000) -----	
Subsidiary			
- Pakistan Refinery Limited	Purchases	73,597,546	56,632,534
	Income facility charges	844	539
	Group relief	1,238,393	-
Associates			
- Asia Petroleum Limited	Income facility charges	447,819	1,367
	Pipeline charges	347,527	15,451
	Dividend received	736,937	92,117
- Pak Grease Manufacturing Company (Private) Limited	Purchases	70,551	35,211

Name of the related party and relationship with the company	Nature of Transactions	Un-audited Nine months ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	108,629	132,316
	Contributions made	-	169,045
- Gratuity Fund	Charge for the period	186,017	197,918
	Contributions made	-	280,590
- Provident Funds	Charge / contribution for the period	153,373	123,642
- Pension Funds (Defined Contribution)	Charge / contribution for the period	163,861	143,865
Key management personnel*	Managerial remuneration	323,587	258,672
	Charge / contribution for the period	7,422	6,957
Non-executive Directors	Remuneration and fees	15,250	12,500

* There are no transactions with the key management personnel other than their terms of employments / entitlements.

22.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 25.51% (including shares under Pakistan State Oil Company Limited Employee Empowerment Trust) of the Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Company. The Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

The Company has availed the exemption available to it under IAS 24, and therefore has not provided detailed disclosures of its transactions with GoP related entities except for transactions stated below, which the Company considers to be significant:

		Un-audited Nine months ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
- Government of Pakistan	Dividend paid	1,055,041	527,521
- PSOCL Employees Empowerment	Dividend paid to the trust	142,636	71,317
- Board of Management	Contribution towards expenses of BoM	15,916	16,203
- Pak Arab Pipeline Company Limited	Pipeline charges	3,488,664	2,798,507
	Dividend received	384,142	350,972
- Sui Northern Gas Pipelines Limited	Gross sales	444,943,098	205,766,591
- Water and Power Development Authority (WAPDA)	Utility Charges	127,897	85,919
- Northern Power Generation Company Limited	Gross sales	3,249,285	5,094
- Jamshoro Power Company Limited	Gross sales	6,103,247	766,994
- WAPDA Foundation	Gross sales	1,121,841	905,371
- Pakistan International Airlines Corporation Limited	Gross sales	15,835,003	6,083,323
	Purchases	5,628	5,239
- Pakistan Petroleum Limited	Gross sales	497,413	56,405
	Purchases	141,242	38,756
- Pak Arab Refinery Limited	Purchases	275,049,561	123,226,528
	Pipeline charges	544,155	401,710
	Other expenses	-	141,576
- K-Electric Limited	Gross sales	41,715,232	45,769,447
	Income facility charges	22,760	-
- National Bank of Pakistan	Finance cost and bank charges	198,117	331,866

The transactions described below are collectively but not individually significant to these condensed unconsolidated interim financial statements and therefore have been described below:

- (i) The Company sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Company, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Company.
- (ii) The Company collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding Agent on behalf of GoP. The Company also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
- (iii) The Company incurs rental charges in respect of storage facilities at Keamari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Company also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Company has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Company utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Company also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its product.
- (vi) The Company obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited and K-Electric Limited.
- (vii) The Company sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Company has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Company also pays dividend to various GoP related entities who are shareholders of the Company.

- 22.3 Inventory of the Company held by related parties as at March 31, 2022 amounting to Rs. 49,576,969 thousand (June 30, 2021: Rs. 21,303,048 thousand).
- 22.4 Short term borrowings includes Rs. 21,246,918 thousand (June 30, 2021: Rs. 16,941,787 thousand) under finances obtained from National Bank of Pakistan.
- 22.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2022 are included in respective notes to this condensed unconsolidated interim financial statements.
- 22.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

23. OPERATING SEGMENTS

23.1 Segment wise revenues and profit is as under:

Revenue - net sales

Petroleum Products
Liquefied Natural Gas (LNG)
Others

Un-audited Nine months ended	
March 31, 2022	March 31, 2021
------(Rupees in '000)-----	
1,165,882,000	667,106,592
380,293,246	183,719,792
3,747,870	2,135,291
<u>1,549,923,116</u>	<u>852,961,675</u>

Profit for the period

Petroleum Products
Liquefied Natural Gas (LNG)
Others

49,766,000	16,470,000
1,596,000	602,000
13,407,108	1,170,049
<u>64,769,108</u>	<u>18,242,049</u>

- 23.2 Timing of revenue recognition is at a point in time.
- 23.3 Out of total sales of the Company, 99.7% (March 31, 2021: 99.6%) relates to customers in Pakistan.
- 23.4 All non-current assets of the Company as at March 31, 2022 and 2021 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 34% during the nine month period ended March 31, 2022 (March 31, 2021: 29%).
- 23.5 Out of total gross sales of the Company, sales for the nine month period ended March 31, 2022, amounting to Rs. 522,613,428 thousand (March 31, 2021: Rs 226,940,382 thousand), relates to circular debt customers.

24. EVENTS AFTER THE REPORTING DATE

- 24.1 The Board of Management in its meeting held on April 28, 2022 has proposed an interim cash dividend of Rs. NIL per share (March 31, 2021: Rs. Nil per share) amounting to Rs. NIL (March 31, 2021: Rs. Nil thousand) for the year ending June 30, 2022.

25. GENERAL

The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

26. DATE OF AUTHORISATION FOR ISSUE

These condensed unconsolidated interim financial statements were approved and authorised for issue on APRIL 28 2022 by the Board of Management.



Managing Director & CEO
Member - Board of Management
Chief Financial Officer


PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at March 31, 2022

		Un-audited March 31, 2022	Audited June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	38,475,664	38,464,387
Right-of-use assets	8	5,148,033	5,362,947
Intangibles		182,653	161,483
Long-term investments	9	10,168,981	11,429,516
Long-term loans, advances and other receivables		314,911	412,904
Long-term deposits		382,935	357,041
Deferred tax asset - net		13,500,492	13,181,951
Retirement benefits		1,188,071	1,483,341
		<u>69,361,740</u>	<u>70,853,570</u>
Current assets			
Stores, spares, chemicals and loose tools		1,304,368	1,342,481
Stock-in-trade		219,127,878	88,934,410
Trade debts	11	379,899,092	222,384,954
Loans and advances		616,883	384,136
Short-term deposits and prepayments		642,784	258,402
Other receivables	12	56,630,734	21,334,735
Taxation - net		-	5,461,799
Cash and bank balances		18,203,243	2,974,299
		<u>676,424,982</u>	<u>343,075,216</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u>745,786,722</u>	<u>413,928,786</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	4,694,734	4,694,734
Reserves		199,293,026	135,527,322
Equity attributable to the owners of the Holding Company		203,987,760	140,222,056
Non-controlling interest		4,043,386	2,150,881
		<u>208,031,146</u>	<u>142,372,937</u>
Non-current liabilities			
Retirement and other service benefits		8,061,048	7,563,897
Long term borrowing		-	293,924
Lease liabilities		4,236,444	4,447,941
Other payable		819,546	752,712
		<u>13,117,038</u>	<u>13,058,474</u>
Current liabilities			
Trade and other payables	14	322,434,683	181,342,763
Short-term borrowings		187,054,646	73,616,445
Accrued interest / mark-up		1,078,320	483,949
Provisions		743,436	743,436
Current portion of lease liabilities		1,130,974	787,713
Unclaimed dividend		1,500,604	1,393,280
Unpaid dividend		-	129,789
Taxation - net		10,695,875	-
		<u>524,638,538</u>	<u>258,497,375</u>
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		<u>745,786,722</u>	<u>413,928,786</u>

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


Managing Director & CEO



Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the nine months and quarter ended March 31, 2022

		Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Note	(Rupees in '000)			
Net sales					
Cost of products sold	16	1,587,278,749 (1,486,308,666)	861,030,413 (821,401,800)	588,504,316 (537,697,142)	280,045,808 (261,800,558)
Gross profit		100,972,083	39,628,613	50,807,174	18,245,250
Other income	17	22,479,412	5,330,129	11,722,227	805,275
Operating costs					
Distribution and marketing expenses		(9,283,149)	(8,323,835)	(2,916,111)	(2,413,255)
Administrative expenses		(2,887,904)	(2,853,181)	(1,076,848)	(1,131,170)
Reversal / (provision) of impairment on financial assets- net		367,154	(1,129,591)	252,376	95,366
Other expenses		(7,610,953)	(2,043,962)	(3,874,349)	(976,752)
Profit from operations		(19,414,852)	(14,350,569)	(7,613,932)	(4,425,811)
Finance costs		104,036,643	30,608,173	54,915,469	14,624,714
Share of profit of associates - net of tax		(3,796,110)	(3,476,149)	(1,587,793)	(1,389,614)
Profit before taxation		560,156	423,809	301,311	133,398
Taxation		100,800,689	27,555,833	53,628,987	13,368,498
- current					
- prior		(31,303,833)	(5,709,864)	(16,080,279)	(4,064,335)
- deferred		1,621,298	2,157	1,689,150	-
Profit for the period		82,833	(3,565,133)	42,519	(279,087)
Profit attributable to:		(29,599,702)	(9,272,840)	(14,348,610)	(4,343,422)
Owners of the Holding Company		71,200,987	18,282,993	39,280,377	9,025,076
Non-controlling interest					
		69,308,482	18,269,900	37,290,101	8,914,057
		1,892,505	13,093	1,990,276	111,019
		71,200,987	18,282,993	39,280,377	9,025,076
----- (Rupees) -----					
Earning per share - basic and diluted	18	147.63	38.92	79.43	18.99

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


Managing Director & CEO


Member - Board of Management



Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the nine months and quarter ended March 31, 2022

Note	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)			
Profit for the period	71,200,987	18,282,993	39,280,377	9,025,076
Other comprehensive (loss) / Income:				
Items that will not be subsequently reclassified to profit or loss:				
Share of actuarial (loss) / gain on remeasurement of staff retirement benefits of associates - net of tax	(38)	3,504		
Unrealised loss on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1			
	(1,083,714)	(248,540)	(94,490)	(92,792)
Taxation thereon	235,708	54,057	20,552	20,182
Other comprehensive loss	(848,006)	(194,483)	(73,938)	(72,610)
Total comprehensive income for the period	(848,044)	(190,979)	(73,938)	(72,610)
Profit attributable to:	70,352,943	18,092,014	39,206,439	8,952,466
Owners of the Holding Company	68,460,438	18,078,921	37,216,163	8,841,447
Non-controlling interest	1,892,505	13,093	1,990,276	111,019
	70,352,943	18,092,014	39,206,439	8,952,466

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the nine months period ended March 31, 2022

	Share capital	Reserves						Sub-total	Non-controlling interest (NCI)	Total
		Capital Reserves		Revenue Reserves						
		Surplus on vesting of net assets	Special Reserve	Unrealised gain on remeasurement of FVOCI Investments	General reserve	Un-appropriated profit				
(Rupees in '000)										
Balance as at July 01, 2020	4,694,734	3,373	-	5,987,826	25,282,373	76,595,474	107,069,046	1,413,801	113,977,581	
Total comprehensive income for nine months period ended										
Profit for the period										
Other comprehensive income / (loss)						18,269,900	18,269,900	13,093	18,282,993	
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax										
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax				(194,483)		3,504	3,504		3,504	
				(194,483)		3,504	(194,483)		(194,483)	
Transaction with Non-controlling interest										
Right shares subscription money						123,900	123,900	(123,900)		
Right issue issuance cost								982,687	982,687	
Transactions with the owners:						835	835	479	1,314	
Interim dividend for the year ended 30 June 2021 at Rs. 5 per share										
Balance as at March 31, 2021	4,694,734	3,373	-	5,793,343	25,282,373	(2,347,367)	(2,347,367)		(2,347,367)	
Balance as at July 01, 2021	4,694,734	3,373	837,156	5,485,817	25,282,373	92,648,246	123,725,335	2,286,100	130,706,229	
Total comprehensive income for nine months period ended										
Profit for the period										
Other comprehensive income / (loss)						69,308,482	69,308,482	1,892,505	71,200,987	
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax										
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax				(848,006)		(38)	(38)		(38)	
Transactions with the owners:							(848,006)		(848,006)	
Final dividend for the year ended June 30, 2021 at Rs. 10 per share										
Balance as at March 31, 2022	4,694,734	3,373	837,156	4,637,811	25,282,373	(4,694,734)	(4,694,734)		(4,694,734)	
	4,694,734	3,373	837,156	4,637,811	25,282,373	168,632,313	199,293,026	4,043,386	208,031,146	

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

Managing Director & CEO

Member - Board of Management

Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the nine months period ended March 31, 2022

		Nine months ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations			
Long-term loans, advances and other receivables	19	(75,285,998)	(18,341,682)
Long-term deposits and prepayments		97,993	26,773
Taxes paid		(25,894)	(36,079)
Finance costs paid		(13,524,861)	(4,930,098)
Retirement and other service benefits paid		(2,553,473)	(3,623,323)
Net cash used in operating activities		(143,933)	(746,686)
		(91,436,166)	(27,651,095)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(2,412,020)	(3,494,720)
Proceeds from disposal of operating assets		51,161	46,757
Interest received		47,025	-
Dividends received		1,121,079	443,089
Net cash used in investing activities		(1,192,755)	(3,004,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received net of rights issuance cost		-	984,001
Proceeds from / (Repayment of) long term loans - net		600,000	(200,000)
(Repayment of) / Proceeds from salary refinancing - net		(108,078)	145,301
Proceeds of short-term borrowings - net		98,967,631	23,837,893
Lease payments		(570,967)	(589,559)
Dividends paid		(4,717,199)	(1,827,087)
Net cash generated from financing activities		94,171,387	22,350,549
Net increase / (decrease) in cash and cash equivalents		1,542,466	(8,305,420)
Cash and cash equivalents at beginning of the period		(11,379,998)	(4,574,164)
Cash and cash equivalents at end of the period	20	(9,837,532)	(12,879,584)

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
For the nine months period ended March 31, 2022

1. GROUP LEGAL STATUS AND NATURE OF BUSINESS

The Group consist of Pakistan State Oil Company Limited ("the Holding Company") and Pakistan Refinery Limited ("the Subsidiary Company"). Brief Profile of the Holding and Subsidiary Company is given below:

1.1 Pakistan State Oil Company Limited

1.1.1 The Holding Company is a public company incorporated in Pakistan in 1976 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Holding Company is located at PSO House, Khayaban-e-Iqbal, Clifton, Karachi. The principal activities of the Holding Company are procurement, storage and marketing of petroleum and related products. It also blends and markets various kinds of lubricating oils.

1.1.2 The business units of the Holding Company include the following:

Business Unit	Geographical Location
Head Office	PSO House, Khayaban-e-Iqbal, Clifton, Karachi.
Lubes Manufacturing Plant	National Refinery Limited, Korangi, Karachi. Kemari Oil Terminal, Kemari, Karachi.

1.1.3 The Board of Management (the Board) nominated by the Federal Government under Section 7 of the Marketing of Petroleum Products (Federal Control) Act, 1974 ("the Act") manages the affairs of the Holding Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 or any other law for the time being in force or any agreement, contract, Memorandum or Articles of Association of the Holding Company.

1.2 Pakistan Refinery Limited

1.2.1 The Subsidiary Company was incorporated in Pakistan as a public limited company in May 1960 and is listed on the Pakistan Stock Exchange. The Subsidiary Company is engaged in the production and sale of petroleum products. As on March 31, 2022, the Holding Company controls 63.56% (June 30, 2021: 63.56%) shares of the Subsidiary Company.

1.2.2 The business units of the Subsidiary Company include the following:

Business Unit	Geographical Location
Head Office & Refinery Complex	Korangi Creek Road, Karachi.
Storage tanks	Keamari, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Company for the nine months period ended March 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

-International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017;

-Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and

-Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the consolidated annual audited financial statements of the Group for the year ended June 30, 2021. These condensed consolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

2.3 These condensed financial statements denote the condensed consolidated interim financial statements of the Group. Condensed unconsolidated interim financial statements of the Holding Company and its Subsidiary have been presented separately.

2.4 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Holding Company has not applied ECL on trade debts of SNGPL, HUBCO, GENCO and certain price differential claims in these condensed consolidated interim financial statements.

2.5 These condensed consolidated interim financial statements are presented in Pakistan Rupee which is also the Group's functional currency

3. Use of Estimates and Judgements

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

The significant judgements made by management in applying the Groups's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2021.

4. Significant Accounting Policies

4.1 The accounting policies and method of computation adopted for the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements for the year ended June 30, 2021.

4.2 The Group follows the practice to conduct actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in these condensed consolidated interim financial statements.

5. New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Group's financial positions and are therefore not stated in these condensed consolidated interim financial statements.

6. Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto are effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;

- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);

- Reference to the Conceptual Framework (Amendments to IFRS 3);

- Classification of liabilities as current or non-current (Amendments to IAS 1);

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures;

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty;

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;

The above amendments are not likely to have an impact on the Groups's condensed consolidated interim financial statements.

7. Property, plant and equipment

7.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
	------(Rupees in '000)-----			
Freehold land	-	39,481	-	-
Leasehold land	-	-	-	4,647
Buildings on freehold land	92,637	27,104	7	-
Buildings on leasehold land	162,461	49,903	385	67
Tanks and pipelines	2,149,164	625,431	-	-
Service and filling stations	404,750	493,858	595	577
Plant and machinery	339,543	183,437	595	62,382
Furniture and fittings	16,955	66,850	131	40
Vehicles and other rolling stock	157,916	44,618	7,758	13,548
Office equipments	121,998	84,871	-	27
Gas cylinders / regulators	29,714	61,569	-	-
	<u>3,475,138</u>	<u>1,677,122</u>	<u>9,471</u>	<u>81,288</u>

7.2 The above disposals represented assets costing Rs. 329,569 thousand (March 31, 2021: Rs. 230,795 thousand) and were disposed off for Rs. 51,161 thousand (March 31, 2021: Rs. 46,657 thousand).

7.3 As at March 31, 2022, operating assets includes net book value of Rs. 825,492 thousand (June 30, 2021: Rs. 690,216 thousand) in respect of the Holding Company's share in joint operations.

7.4 As at March 31, 2022, capital work-in-progress includes amount of Rs.166,473 thousand (June 30, 2021: Rs. 269,601 thousand) in respect of the Holding Company's share in joint operations.

8. Right-of-use assets

During the period, the Group recognised right of use asset comprising mainly land amounting to Rs. 120,470 thousand (March 31, 2021: Rs. 167,629 thousand) and modification amounting to Rs. 44,990 thousand (March 31, 2021: Rs. 255,309 thousand). Further, right-of-use having net book value of Rs. 1,164 thousand (March 31, 2021: 349 thousand) have been disposed off due to the extinguishment of lease during the period.

9. Long-term investments

		Un-audited March 31, 2022	Audited June 30, 2021
	Note	------(Rupees in '000)-----	
Investment in related parties			
Investment held at fair value through other comprehensive income			
Unquoted company			
- Pak-Arab Pipeline Company Limited (PAPCO)			
Equity held: 12% (June 30, 2021: 12%)			
No. of shares: 8,640,000			
(June 30, 2021: 8,640,000) of Rs. 100/- each	9.1	6,790,915	7,874,629

Investment in associates

Unquoted companies

- Asia Petroleum Limited
- Equity held: 49% (June 30, 2021: 49%)
- No. of shares: 46,058,570 (June 30, 2021: 46,058,570) of Rs. 10/- each
- Pak Grease Manufacturing Company (Private) Limited
- Equity held: 49.26% (June 30, 2021: 49.26%)
- No. of shares: 1,536,593 (June 30, 2021: 1,536,593) of Rs. 10/- each

3,277,054	3,453,641
101,012	101,246
3,378,066	3,554,887
<u>10,168,981</u>	<u>11,429,516</u>

- 9.1 The Holding Company has carried out an exercise to ascertain the fair value of investment as at March 31, 2022 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited March 31, 2022	Audited June 30, 2021
- Discount rate	18.6% - 19.9%	16.4% - 17.2%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Holding Company has recorded an unrealised loss (net of tax) of Rs. 848,006 thousand (March 31, 2021: unrealised loss - net of tax of Rs. 194,483 thousand) in other comprehensive income for the period.

9.1.1 Movement of investment classified as FVOCI

	Un-audited March 31, 2022	Audited June 30, 2021
	------(Rupees in '000)-----	
Balance at beginning of the period / year	7,874,629	8,516,173
Remeasurement loss recognised in other comprehensive loss	(1,083,714)	(641,544)
Balance at the end of the period / year	<u>6,790,915</u>	<u>7,874,629</u>

9.1.2 Sensitivity to unobservable inputs:

- Discount rate (1% increase)	(408,902)	(580,008)
- Discount rate (1% decrease)	480,992	705,147
- Growth rate of terminal value (1% increase)	347,368	517,028
- Growth rate of terminal value (1% decrease)	(296,331)	(426,608)

10. Stock-in-Trade

- 10.1 As at March 31, 2022, stock has been written down by Rs. Nil (March 31, 2021: Rs. 2,339,142 thousand) to arrive at its net realisable values.

- 10.2 During the period, the Company has written off stock held with third party amounting to Rs. Nil (March 31, 2021: Rs. 89,543 thousand).

	Note	Un-audited March 31, 2022	Audited June 30, 2021
		------(Rupees in '000)-----	
11. Trade debts			
Considered good			
Due from Government agencies and autonomous bodies			
- Secured	11.1	349,698	198,221
- Unsecured	11.2 & 11.3	335,502,643	185,808,652
		<u>335,852,341</u>	<u>186,006,873</u>
Due from other customers			
- Secured	11.1	5,175,014	4,157,539
- Unsecured	11.2 & 11.3	38,871,737	32,220,542
		<u>44,046,751</u>	<u>36,378,081</u>
		<u>379,899,092</u>	<u>222,384,954</u>
Considered doubtful			
Trade debts - gross		2,961,776	3,572,380
Less: Provision for impairment	11.5	(2,961,776)	(3,572,380)
Trade debts - net		<u>379,899,092</u>	<u>222,384,954</u>

- 11.1 These debts are secured by way of bank guarantees and security deposits.
- 11.2 Includes Rs. 351,053,421 thousand (June 30, 2021: Rs. 187,979,797 thousand) due from related parties, against which provision for impairment of Rs. 899,116 thousand (June 30, 2021: Rs. 1,531,295 thousand) has been recognised.
- 11.3 Included in trade debts are the receivable from the following:

Name	Past due		Total	
	Un-audited March 31, 2022	Audited June 30, 2021	Un-audited March 31, 2022	Audited June 30, 2021
Northern Power Generation Company Limited	69,168,999	69,477,680	69,168,999	69,477,680
Jamshoro Power Company Limited	-	919,254	-	919,254
Central Power Purchasing Company	1,309,742	1,595,442	1,309,742	1,595,442
WAPDA foundation	3,748	3,336	88,630	70,338
Hub Power Company Limited	13,006,078	13,316,559	13,006,078	13,316,559
Sui Northern Gas Pipelines Company Limited	207,976,967	93,510,930	247,902,839	98,586,824
	291,465,534	178,823,201	331,476,288	183,966,097
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	<u>291,118,559</u>	<u>178,476,226</u>	<u>331,129,313</u>	<u>183,619,122</u>

The Group did not consider the remaining aggregate past due balance of Rs. 291,118,559 thousand (June 30, 2021: Rs. 178,476,226 thousand) (against which subsequent receipts of Rs. 43,183,500 thousand have been received) as doubtful, as the Holding Company based on measures undertaken by the Government of Pakistan (GoP) to resolve circular debt issue, is confident that the aforementioned debts will be received in due course of time and therefore, no further provision has been made in these condensed consolidated interim financial statements.

- 11.4 As at March 31, 2022 trade debts aggregating Rs. 70,620,410 thousand (June 30, 2021: Rs. 36,876,275 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 309,048,870 thousand (June 30, 2021: Rs. 185,508,679 thousand) are past due but not impaired.

Based on the past experience, past track record and recoveries, the Group believes that the above past due trade debts do not require any additional provision for impairment except as provided in these consolidated condensed interim financial statements.

	Un-audited March 31, 2022	Audited June 30, 2021
11.5 The movement in provision during the period / year is as follows:	------(Rupees in '000)-----	
Balance at beginning of the period / year	3,572,380	3,234,619
Provision recognised during the period / year	146,192	486,541
Reversal of provision made during the period / year	(756,796)	(128,780)
	(610,604)	337,761
Balance at the end of the period / year	<u>2,961,776</u>	<u>3,572,380</u>

12. Other receivables

- 12.1 Included in other receivables is long outstanding aggregate amount due from GoP on account of the following receivables, as more fully explained in note 17 to the consolidated annual audited financial statements for the year ended June 30, 2021:

	Un-audited March 31, 2022	Audited June 30, 2021
Price differential claims (PDC):	------(Rupees in '000)-----	
- on imports of Motor Gasoline - (net of related liabilities)	7,640,140	1,350,961
- on High Speed Diesel	10,480,308	602,603
- on Light Diesel Oil	400	-
- on Superior Kerosine Oil	3,106	-
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	<u>25,467,809</u>	<u>9,297,419</u>

During the period, the Holding Company received directives from MoP&NR through letter no No.PL-3(457)/2021-73 dated October 31, 2021, PL-3(457)/2021-74 dated February 28, 2022 and PL-3(457)/2021-74 dated March 15, 2022 through which the Company was directed to supply Motor Gasoline, High Speed Diesel, Light Diesel Oil and Superior Kerosine Oil at prices directed by the Ministry. The MoP&NR through letter no No. PL-3(242)/2021/PDC dated March 9, 2022 introduced the mechanism for reimbursement of these PDC claims to oil marketing companies and refineries (against which subsequent receipts of Rs. Rs. 16,170,329 thousand have been received). Moreover, there has been no significant change in the status of the above mentioned claims except as stated above. The Company is fully confident of recoveries against these receivables and is actively pursuing these receivables / matters with the GoP through concerned / relevant ministries.

- 12.2 Includes receivable of Rs. 46,666,790 thousand (June 30, 2021: Rs. 11,642,805 thousand) due from associates and related parties.
- 12.3 As at March 31, 2022, receivables aggregating to Rs. 3,495,171 thousand (June 30, 2021: Rs. 3,224,101 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Un-audited March 31, 2022	Audited June 30, 2021
	------(Rupees in '000)-----	
Balance at beginning of the period / year	3,224,101	2,663,597
Provision recognised during the period / year	300,000	884,583
Reversal of provision during the period / year	(28,340)	(324,079)
Balance at the end of the period / year	3,495,761	3,224,101

- 12.4 Includes an aggregate net amount of foreign exchange difference of Rs. 11,925,215 thousand (June 30, 2021: favourable exchange differences of Rs. 615,313 thousand) on account of unfavourable exchange differences arising on foreign currency borrowings (FE-25), obtained under the directives of Ministry of Finance - Government of Pakistan (MoF - GoP). These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Holding Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Holding Company in respect of these long / extended term borrowing arrangements i.e. the Holding Company would not bear any exchange differences on such borrowings. The Holding Company is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

13. Share Capital

The members of the Holding Company in the 45th Annual General Meeting held on October 26, 2021 have resolved via special resolution that the authorised share capital of the Holding Company is increased from Rs 5,000,000 thousand divided into 500,000 thousand shares of Rs. 10 each to Rs. 10,000,000 thousand divided into 1,000,000 thousand shares of Rs. 10 each.

14. Trade and other payables

Includes Rs. 63,178,487 thousand (June 30, 2021: Rs. 49,009,020 thousand) due to various related parties

15. Contingencies and commitments

15.1 Contingencies

The Group has contingent liabilities in respect of unrecognized late payment surcharge, pending tax matters and other legal claims in the ordinary course of business.

15.1.1 Late Payment Surcharge

Claims against Subsidiary Company not acknowledged as debt amount to Rs.1,821,421 thousand (June 30, 2021: Rs. 717,000 thousand) in respect of delayed payment charges have not been recognized on the understanding that these will be payable only when the Subsidiary Company will fully realize delayed payment charges due from its customers, which is more than the aforementioned amount. Charges claimed by the Subsidiary Company against delayed payments by the customers, due to circular debt situation, are recognised on receipt basis as the ultimate outcome of the matter and amount of settlement cannot be presently determined.

15.1.2 Other tax matters

- 15.1.2.1 The Honorable Supreme Court of Pakistan vide Judgment dated September 1, 2021 has suspended Sindh High Court's Judgment dated June 4, 2021 (Impugned Judgment) in CPLA No 5080 of 2021 filed by the Holding Company before the Supreme Court of Pakistan against Sindh High Court order No.1311 of 2020 (Imported POL Products). The Honorable Supreme Court of Pakistan has granted interim relief and directed that till further orders, operation of the Impugned Judgment will be suspended and also restrained the respondents i.e. Excise & Taxation department, Government of Sindh for recovery of impugned infrastructure cess levy of 6,438,869 thousand on import of POL products. As per opinion of Holding Company's counsel, the Honorable Supreme Court of Pakistan has reverted to the position that existed before the Impugned Judgment. Therefore, Holding Company's stay shall continue as granted by the Sindh High Court in CP No.1311 of 2020. Based on the views of its legal advisor, the management believes that the matter will ultimately be decided in the Holding Company's favour. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.2.2 There is no significant change in the status of contingencies as disclosed in notes 31.1.2 to 31.1.4 to the annual audited consolidated financial statements of the Group for the year ended June 30, 2021 other than as mentioned in the above notes

15.1.3 Other Legal Claims

15.1.3.1 As at March 31, 2022 certain legal cases amounting to Rs. 8,095,050 thousand (June 30, 2021: Rs. 8,052,207 thousand) had been filed against the Group. However, based on advice of legal advisors of the Group, the management believes that the outcome of these cases would be decided in Group's favor. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.3.2 Claims against the Group not acknowledged as debts amount to Rs. 7,965,645 thousand (June 30, 2021: Rs. 6,675,456 thousand).

15.1.3.3 The Groups's share in associates' contingencies in respect of various tax and legal matters as at March 31, 2022 is Rs. 1,191,991 thousand (June 30, 2021: Rs. 602,031 thousand).

15.2 Commitments

	Un-audited March 31, 2022	Audited June 30, 2021
	------(Rupees in '000)-----	
15.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
- Property, plant and equipment	3,081,139	3,453,346
- Intangibles	1,806,733	175,288
	<u>4,886,872</u>	<u>3,628,634</u>
15.2.2 Letters of credit	<u>153,636,399</u>	<u>49,706,950</u>
15.2.3 Bank guarantees	<u>1,917,890</u>	<u>2,081,071</u>
15.2.4 Standby Letters of credit	<u>59,217,147</u>	<u>18,341,799</u>
15.2.5 Post - dated cheques	<u>19,050,526</u>	<u>1,000,000</u>
15.2.6 The Company's share in associates' commitments as at March 31, 2022 is Rs. 1,204 thousand (June 30, 2021: Rs. 58 thousand).		

16. Net Sales

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	------(Rupees in '000)-----			
Gross Sales	<u>1,787,218,710</u>	<u>1,055,337,891</u>	<u>639,269,832</u>	<u>344,191,019</u>
- Sales tax	(165,292,778)	(154,732,819)	(37,649,752)	(51,953,754)
- Excise duty and petroleum levy	(4,837,018)	(20,804,010)	(2,549,861)	(5,385,117)
- Surplus price differential	(3,121,847)	(862,139)	(1,371,596)	(515,572)
- Custom duty	(3,662,577)	(2,396,665)	(1,585,686)	(1,000,500)
- Inland freight Equalization Margin (IFEM)	(23,025,741)	(15,511,845)	(7,608,621)	(5,290,268)
	<u>(199,939,961)</u>	<u>(194,307,478)</u>	<u>(50,765,516)</u>	<u>(64,145,211)</u>
Net Sales	<u>1,587,278,749</u>	<u>861,030,413</u>	<u>588,504,316</u>	<u>280,045,808</u>

17. Other Income

Includes delayed payment surcharge received from various customers.

18. Earnings per share

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	------(Rupees in '000)-----			
18.1 Basic				
Profit for the period attributable to the owners of the Holding Company	69,308,482	18,269,900	37,290,101	8,914,057
Weighted average number of ordinary shares in issue during the period (number of shares)	469,473,302	469,473,302	469,473,302	469,473,302
	------(Rupees in '000)-----			
Earnings per share - basic and diluted	147.63	38.92	79.43	18.99

18.2 Diluted

There is no dilutive effect on the basic earnings per share of the Holding Company as there are no convertible potential ordinary shares in issue as at March 31, 2022 and March 31, 2021.

	Note	Un-audited Nine months ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
19. Cash generated from operations			
Profit before taxation		100,800,689	27,555,833
Depreciation and Amortisation		2,749,542	2,576,802
(Reversal of provision) / Provision for impairment on trade debts - net		(610,604)	614,828
Provision for other receivables - net		271,660	514,763
Provision against stock-in-trade			-
Provision for stores, spares, chemicals and loose tools		29,891	
Provision for retirement and other services benefits		936,354	23,901
Provision for write down of inventory to net realisable value			2,339,142
Advance rent written off		-	3,677
Operating asset written off			4,849
(Gain) / loss on disposal of operating assets		(41,690)	34,531
Loss on disposal of ROUA due to extinguishment		-	3
Profit on deposits		(59,621)	-
Share of profit from associates - net of tax		(560,156)	(423,809)
Dividend income from FVOCI investment		(384,142)	(350,972)
Interest on lease payments		549,042	512,077
Finance costs		3,247,068	2,964,072
		6,127,344	9,717,118
Working capital changes	19.1	(182,214,031)	(55,614,633)
		(75,285,998)	(18,341,662)
19.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spares and loose tools		8,222	(261,638)
- Stock-in-trade		(130,193,468)	(33,192,294)
- Trade debts		(156,903,534)	(27,215,616)
- Loans and advances		(232,747)	5,913
- Deposits and short-term prepayments		(384,382)	1,996,176
- Other receivables		(35,567,659)	3,902,906
Increase in current liabilities:			
- Trade and other payables		141,059,537	(850,080)
		(182,214,031)	(55,614,633)

20. Cash and cash equivalents

Cash and cash equivalents comprises of the following items in these condensed consolidated interim statement of financial position:

	Un-audited Nine months ended	
	March 31, 2022	March 31, 2021
	------(Rupees in '000)-----	
Cash and bank balances	18,203,243	2,607,204
Short-term borrowings (finances under mark-up arrangements)	(28,040,775)	(15,486,788)
	<u>(9,837,532)</u>	<u>(12,879,584)</u>

21. Fair value of financial assets and liabilities

The Group's financial risk management policies and objectives are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2021.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2021. There have been no change in any risk management policies since the year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed consolidated interim financial statements approximate their fair values. The Group analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at March 31, 2022, except for the Holding Company's investment in PAPCO, none of the financial instruments are carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed consolidated interim financial statements.

22. Transactions with related parties

- 22.1 Related parties comprise of associates, retirement benefit funds, state owned / controlled entities, GoP and its related entities and key management personnel. Details of transactions with the related parties during the period, other than those disclosed elsewhere in these condensed consolidated interim financial statements, are as follows:

Name of the related party and relationship with the Group	Nature of Transactions	Un-audited Nine months ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	70,551	35,211
- Asia Petroleum Limited	Income facility charges	447,819	1,367
	Pipeline charges	347,527	15,451
	Dividend received	736,937	92,117
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	186,722	211,956
	Contribution made	57,320	246,685
- Gratuity Fund	Charge for the period	199,866	208,609
	Contribution made	13,192	291,281
- Provident Funds	Charge / Contribution for the period	248,100	188,413
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	163,861	143,865

Key management personnel	Managerial remuneration	439,162	353,931
	Provident Fund Charge / Contribution for the period	16,268	15,028
Non-executive Directors	Remuneration and fees	37,480	28,018

* There are no transactions with the key management personnel other than their terms of employments / entitlements.

22.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 25.51% (including shares under Pakistan State Oil Company Limited Employee Empowerment Trust) of the Holding Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Holding Company. The Holding Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

The Group has availed the exemption available to it under its reporting framework, and therefore has not provided detailed disclosures of its transactions with government related entities except for transactions stated below, which the Group considers to be significant:

		Un-audited Nine months ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
- Federal Government of Pakistan	Dividend paid	1,055,041	527,521
- Holding Company's Employees Empowerment Scheme	Dividend paid to the trust	142,636	71,317
- Board of Management	Contribution towards expenses of BoM	15,916	16,203
- Pak Arab Pipeline Company Limited	Pipeline charges	3,488,664	2,798,507
	Dividend received	384,142	350,972
- Sui Northern Gas Pipelines Limited	Gross sales	444,943,098	205,766,591
- Sui Southern Gas Pipelines Limited	Utility	315,280	-
- Northern Power Generation Company Limited	Gross sales	3,249,285	5,094
- Jamshoro Power Company Limited	Gross sales	6,103,247	766,994
- Water and Power Development Authority	Utility charges	127,897	27,374
- WAPDA Foundation	Gross sales	1,121,841	905,371
- Pakistan International Airlines Corporation Limited	Gross sales	15,835,003	6,083,323
	Purchases	5,628	5,239
- Government Holdings (Pvt) Limited	Purchases	2,010,320	1,077,306
- Pak Arab Refinery Limited	Purchases	275,049,561	123,226,528
	Sales	2,456,246	4,406,810
	Pipeline charges	544,155	401,710
	Other expenses	-	160,046
- Oil and Gas Development Company Limited	Purchases	7,350,658	4,342,656
- Pakistan Petroleum Limited	Gross sales	497,413	56,405
	Purchases	141,242	38,756
- K-Electric Limited	Gross sales	41,715,232	45,769,447
	Income facility charges	22,760	-
- National Bank of Pakistan	Finance cost and bank charges	220,787	357,847

The transactions described below are collectively but not individually significant to these condensed consolidated interim financial statements and therefore have been described below:

- The Group sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Group, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Group.
- The Group collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding Agent on behalf of GoP. The Group also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.

- (iii) The Group incurs rental charges in respect of storage facilities at Keamari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Group also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Group has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Group utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Group also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its product.
- (vi) The Group obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited and K-Electric Limited.
- (vii) The Group sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Group has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Group also pays dividend to various government related entities who are shareholders of the Group.

- 22.3 Inventory of the Holding Company held by related parties as at March 31, 2022 amounts to Rs. 49,576,969 thousand (June 30, 2021: Rs. 21,303,048 thousand).
- 22.4 Short term borrowings includes Rs. 21,246,918 thousand (June 30, 2021: Rs. 17,432,140 thousand) under finances obtained from National Bank of Pakistan.
- 22.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2022 are included in respective notes to these condensed consolidated interim financial statements.
- 22.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

		Un-audited Nine months ended	
		March 31, 2022	March 31, 2021
	(Rupees in '000).....	
23.	Operating segments		
23.1	Segment wise revenues and profit is as under:		
	Revenue - net sales		
	Petroleum Products	1,165,882,000	667,106,592
	Liquefied Natural Gas (LNG)	380,293,246	183,719,792
	Refining operations	37,355,633	8,068,738
	Others	3,747,870	2,135,291
		<u>1,587,278,749</u>	<u>861,030,413</u>
	Profit / (loss) for the period		
	Petroleum Products	49,766,000	16,470,000
	Liquefied Natural Gas (LNG)	1,596,000	602,000
	Refining operations	6,431,879	40,944
	Others	13,407,108	1,170,049
		<u>71,200,987</u>	<u>18,282,993</u>

- 23.2 Timing of revenue recognition is at a point in time.
- 23.3 Out of total sales of the Group, 99.4% (March 31, 2021: 99.3%) relates to customers in Pakistan.
- 23.4 All non-current assets of the Group as at March 31, 2022 and 2021 are located in Pakistan and Bangladesh. Sales to five major customers of the Group are approximately 33% during the nine months period ended March 31, 2022 March 31, 2021: 29%.
- 23.5 Out of total gross sales of the Group, sales for the six month period ended March 31, 2022, amounting to Rs. 522,613,428 thousand (March 31, 2021: Rs. 226,940,382 thousand), relates to circular debt customers.
24. **Events after the reporting date**

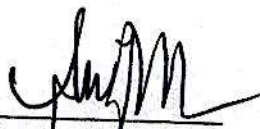
The Board of Management of the Holding Company in its meeting held on April 28, 2022 has proposed an interim cash dividend of Rs. Nil (March 31, 2021: Rs. Nil) amounting to Rs. Nil (March 31, 2021: Rs. Nil) for the year ending June 30, 2022.

25. General

The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

26. Date of authorisation for issue

These condensed consolidated interim financial statements were approved and authorised for issue on APRIL 28 2022 by the Board of Management of the Holding Company.



Managing Director & CEO



Member - Board of Management



Chief Financial Officer