

REPORT FOR THE NINE MONTHS
ENDED MARCH 31, 2023

DRIVING THE FUTURE OF

energy

energy



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. Arshad Majeed

Mr. Awais Manzur Sumra

Mr. Mohammad Hassan Iqbal

Mr. Shahbaz Tahir Nadeem

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, Pakistan
Tel.: 0800-CDCPL (23275)
Fax: +92 21 3432 6053
Email: info@cdcsrsl.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 of Pakistan State Oil Company Limited (PSO) is pleased to present the performance of the company and the group along with the condensed unconsolidated and consolidated interim financial statements for the nine months ended March 31, 2023 (9MFY23).

Making a remarkable turnaround despite the myriad of challenges, PSO posted a net profit of Rs. 10.3 billion (9MFY22: Rs. 64.8 billion) translating into Earnings Per Share (EPS) of Rs. 21.91 (9MFY22: Rs. 137.96). On a consolidated basis, the group collectively posted a net profit of Rs. 11.8 billion for the period translating into an EPS of Rs. 25.

FY23 continued to be fragile and turbulent on both the global and domestic fronts. World economies, including Pakistan, continue to battle high inflation and regressed growth with increasing financial vulnerabilities. The country's economic activities continued to contract, wherein large-scale manufacturing declined by 4.4% (Jul-Jan) compared to the same period last year. Vehicle sales declined by 35%; led by a 50% contraction in the passenger vehicle segment compared to the same period last year.

The petroleum industry saw a significant decline of 19.6% in white oil sales – a dip of 17.1% in motor gasoline and 24.9% in diesel, mainly due to a slowdown in economic activities and inflating fuel prices. Additionally, the demand for black oil also declined by 32.1% as a result of limited furnace oil-based power generation given the reduced demand for electricity across the country.

Despite all odds, PSO outperformed the industry once again and continued to dominate the country's white oil market. Exhibiting a 2.9% increase in its white oil market share compared to the same period last year, PSO sold around 51% of the industry volume. The major contributor was diesel in which the company increased its market share by 4.1%, closing the period at 54.4%.

Circular debt continues to be a major concern. Receivables from SNGPL increased by 65% from March 31, 2022, increasing PSO's average borrowings by 157% and finance cost by a staggering 995 basis points compared to the same period last year. A number of options are under discussion with the government to resolve the issue and reduce the unwarranted onus on PSO's financials.

PSO continued to invest in infrastructure development to increase the robustness of its supply chain and ensure a seamless, efficient and reliable flow of products to its valued customers. During the period, 42 thousand tons of existing storages were rehabilitated, with another 90 thousand tons of new storages currently under construction. Furthermore, 22 retail outlets were added at key locations across the country.

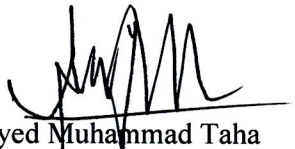
As part of the company's digital transformation journey for end-to-end digitization of the supply chain, 03 terminals were successfully integrated and automated. Furthermore, 700 retail outlets were also integrated with the central command and control system for improved monitoring and planning.

Considering the increasingly vulnerable economic situation and the destruction of livelihoods owing to the recent flooding, the company donated Rs. 316 million to give back to society

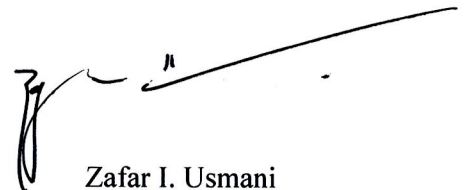
through various CSR initiatives during the period which included Rs. 196 million for community building and social development, Rs. 70 million for improved access to education and Rs. 48 million for healthcare, well-being and environmental initiatives.

As the nation's largest energy company, PSO is committed to keeping the wheels of the country's economy in motion. With our proactive business strategies, we expect to deliver even better business performance in the remaining part of the year.

We thank our shareholders, customers, business partners and employees for their trust in the company. We are also thankful to the Government of Pakistan, especially the Ministry of Energy (Petroleum Division) for their continued guidance and support.



Syed Muhammad Taha
Managing Director & CEO



Zafar I. Usmani
Chairman - Board of Management

April 27, 2023
Karachi

PAKISTAN STATE OIL COMPANY LIMITED


**CONDENSED UNCONSOLIDATED & CONSOLIDATED
INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2023**

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at March 31, 2023

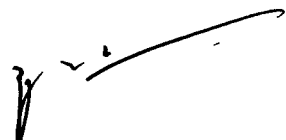
	Note	Un-audited March 31, 2023	Audited June 30, 2022
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	7	17,377,867	15,689,125
Right-of-use assets	8	6,177,498	6,473,649
Intangibles		209,210	251,337
Long-term investments	9	11,284,652	12,556,750
Long-term loans, advances and other receivables		773,623	333,520
Long-term deposits		767,466	337,537
Deferred tax asset - net		18,350,036	17,982,287
		<u>54,940,352</u>	<u>53,624,205</u>
Current assets			
Stores, spares and loose tools		853,560	764,664
Stock-in-trade	10	378,722,943	341,757,891
Trade debts	11	544,724,359	430,941,589
Loans and advances		651,168	636,421
Short-term deposits and prepayments		1,147,798	332,773
Other receivables	12	108,917,115	57,477,563
Cash and bank balances		11,922,390	13,919,215
		<u>1,046,939,333</u>	<u>845,830,116</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>1,101,879,685</u></u>	<u><u>899,454,321</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		216,522,588	210,954,367
		<u>221,217,322</u>	<u>215,649,101</u>
Non-current liabilities			
Retirement and other service benefits		10,689,576	9,930,755
Lease liabilities		5,415,003	5,842,539
Deferred income - Government grant		100,000	100,000
Other payable		741,431	674,319
		<u>16,946,010</u>	<u>16,547,613</u>
Current liabilities			
Trade and other payables	13	435,723,782	493,810,208
Short-term borrowings		410,509,118	155,845,542
Accrued interest / mark-up		8,970,560	1,029,501
Provisions		639,413	639,413
Current portion of lease liabilities		1,152,860	794,440
Taxation - net		5,149,202	13,659,984
Unclaimed dividend		1,571,418	1,478,519
		<u>863,716,353</u>	<u>667,257,607</u>
TOTAL LIABILITIES		<u><u>880,662,363</u></u>	<u><u>683,805,220</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,101,879,685</u></u>	<u><u>899,454,321</u></u>
CONTINGENCIES AND COMMITMENTS			

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The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.



Managing Director & CEO



Member - Board of Management



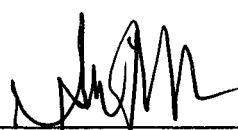
Chief Financial Officer

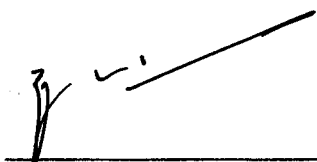
PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the nine months and quarter ended March 31, 2023

	Note	Nine months ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- (Rupees in '000) -----					
Gross sales		2,678,556,392	1,727,833,939	861,668,318	610,896,214
Less:					
- Sales tax		(154,754,025)	(154,885,082)	(48,472,304)	(35,337,335)
- Inland freight equalization margin		(6,849,072)	(23,025,741)	(1,506,704)	(7,608,621)
		(161,603,097)	(177,910,823)	(49,979,008)	(42,945,956)
Net sales		2,516,953,295	1,549,923,116	811,689,310	567,950,258
Cost of products sold		(2,458,727,134)	(1,457,297,970)	(765,024,557)	(524,041,296)
Gross profit		58,226,161	92,625,146	46,664,753	43,908,962
Other income	15	11,544,572	22,327,608	1,937,589	11,620,215
Operating costs					
Distribution and marketing expenses		(10,398,964)	(9,012,483)	(4,444,134)	(3,004,592)
Administrative expenses		(3,825,404)	(2,463,429)	(1,026,811)	(929,614)
(Provision) / reversal of impairment on financial assets - net		(478,330)	367,154	(211,223)	252,376
Other expenses		(2,045,441)	(8,292,564)	(2,009,634)	(4,633,999)
		(16,748,139)	(19,401,322)	(7,691,802)	(8,315,829)
Profit from operations		53,022,594	95,551,432	40,910,540	47,213,348
Finance costs	16	(25,142,623)	(2,681,364)	(12,682,437)	(1,271,170)
Share of (loss) / profit of associates - net of tax		(1,011,621)	559,895	(1,485,839)	299,464
Profit before taxation		26,868,350	93,429,963	26,742,264	46,241,642
Taxation					
- current		(17,638,831)	(30,273,811)	(9,172,947)	(15,362,969)
- prior		695,868	1,621,298	-	1,689,150
- deferred		359,677	(8,342)	(3,923,155)	12,369
		(16,583,286)	(28,660,855)	(13,096,102)	(13,661,450)
Profit for the period		10,285,064	64,769,108	13,646,162	32,580,192
----- (Rupees) -----					
Earnings per share - basic and diluted	17	21.91	137.96	29.07	69.40

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.


Managing Director & CEO


Member - Board of Management

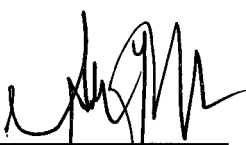

Chief Financial Officer

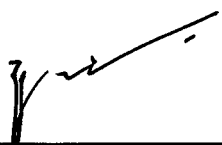
PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months and quarter ended March 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note	----- (Rupees in '000) -----			
Profit for the period	10,285,064	64,769,108	13,646,162	32,580,192
Other comprehensive income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	(5,721)	(38)	-	-
Unrealised (loss) / profit on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 (24,460)	(1,083,714)	52,374	(94,490)
Taxation thereon	8,072	235,708	(17,283)	20,552
Other comprehensive (loss) / profit	(16,388)	(848,006)	35,091	(73,938)
Total comprehensive income for the period	(22,109)	(848,044)	35,091	(73,938)
	10,262,955	63,921,064	13,681,253	32,506,254

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.


 Managing Director & CEO


 Member - Board of Management

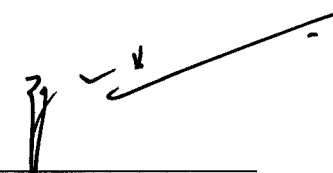

 Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the nine months period ended March 31, 2023

	Share capital	Reserves					Sub-total	Total
		Capital Reserves	Revenue Reserves			Un-appropriated profit		
			Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve			
(Rupees in '000)								
Balance as at July 01, 2021 (Audited)	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 loss								
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	<u>4,694,734</u>	<u>3,373</u>	<u>4,637,811</u>	<u>25,282,373</u>	<u>-</u>	<u>164,586,241</u>	<u>194,509,798</u>	<u>199,204,532</u>
Balance as at July 01, 2022 (Audited)	4,694,734	3,373	2,240,544	25,282,373	1,478,551	181,949,526	210,954,367	215,649,101
Total comprehensive income for nine months period ended								
Profit for the period	-	-	-	-	-	10,285,064	10,285,064	10,285,064
Other comprehensive loss								
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	(5,721)	(5,721)	(5,721)
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(16,388)	-	-	-	(16,388)	(16,388)
	-	-	(16,388)	-	-	(5,721)	(22,109)	(22,109)
Transactions with the owners:								
Final dividend for the year ended June 30, 2022 at Rs. 10 per share	-	-	-	-	-	(4,694,734)	(4,694,734)	(4,694,734)
Balance as at March 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>2,224,156</u>	<u>25,282,373</u>	<u>1,478,551</u>	<u>187,534,135</u>	<u>216,522,588</u>	<u>221,217,322</u>

The annexed notes 1 to 25 form an integral part of these condensed unconsolidated interim financial statements.


Managing Director & CEO


Member - Board of Management

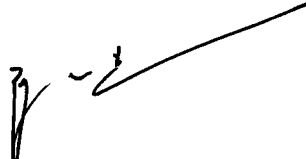

Chief Financial Officer


PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the nine months period ended March 31, 2023

	Note	Nine months ended	
		March 31, 2023	March 31, 2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	18	(205,454,495)	(85,441,309)
Long-term loans, advances and other receivables		(440,103)	101,247
Long-term deposits		(429,929)	(25,894)
Taxes paid		(25,453,739)	(12,809,555)
Finance costs paid		(16,215,971)	(1,515,457)
Retirement and other service benefits paid		(517,294)	(74,228)
Net cash used in operating activities		(248,511,531)	(99,765,196)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,227,802)	(2,160,961)
Proceeds from disposal of operating assets		75,819	47,807
Dividend received		555,839	1,121,079
Net cash used in investing activities		(2,596,144)	(992,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings - net		210,811,719	91,163,796
Lease rentals paid		(950,891)	(556,187)
Dividends paid		(4,601,835)	(4,717,200)
Net cash generated from financing activities		205,258,993	85,890,409
Net decrease in cash and cash equivalents		(45,848,682)	(14,866,862)
Cash and cash equivalents at beginning of the period		12,060,789	(5,916,574)
Cash and cash equivalents at end of the period	19	(33,787,893)	(20,783,436)

The annexed notes 1 to 25 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, 2023

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, 2023 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 Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under 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, 2022. 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 67(I)/2023 dated January 20, 2023 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt till June 30, 2024, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. 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 the exemption granted from SECP in this respect.

2.5 In connection to note 2.7 of the annual unconsolidated financial statements as at and for the year ended June 30, 2022, the Honorable Supreme Court of Pakistan in its short order dated October 22, 2020, in the cases filed by other companies declared that Benazir Employees Stock Option Scheme (BESOS) is unconstitutional and ultra-vires. The Ministry of Energy (Petroleum Division) through its letter reference F.No. 8(9)/2014/BESOS/D-III (Volume-IV) dated November 25, 2020 directed the Company while referring Finance's Division letter no. F.2 (39) - NTR/2-2-F dated November 19, 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund. As at March 31, 2023, the Company awaits the specific instructions from the Ministry of Energy (Petroleum Division) regarding the winding up of the Trust, after which it shall take the requisite corporate actions for the transfer of 3.04% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.

2.6 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, 2022.

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, 2022.

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 July 01, 2022 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

	Effective date
- Amendments to IAS 01 - Classification of liabilities as current or non-current	January 1, 2024
- Amendments to IAS 01 - Non-current Liabilities with Covenants	January 1, 2024
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024

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, 2023 (Un-audited)	March 31, 2022	March 31, 2023 (Un-audited)	March 31, 2022
	------(Rupees in '000)-----			
Freehold land	345,038	-	-	-
Buildings on freehold land	25,788	92,637	2,778	7
Buildings on leasehold land	96,339	162,461	557	385
Tanks and pipelines	922,840	2,078,270	46	-
Service and filling stations	658,971	404,750	706	595
Plant and machinery	406,370	209,004	212	595
Furniture and fittings	30,595	16,955	97	131
Vehicles and other rolling stock	203,439	151,008	4,723	4,404
Office equipments	90,429	117,648	136	-
Gas cylinders / regulators	16,950	29,714	-	-
	2,796,759	3,262,447	9,255	6,117

7.2 The above disposals represented assets costing Rs. 534,243 thousand (March 31, 2022: Rs. 322,673 thousand) and were disposed off for Rs. 75,671 thousand (March 31, 2022: Rs. 47,807 thousand).

7.3 As at March 31, 2023, operating assets includes net book value of Rs. 887,786 thousand (June 30, 2022: Rs. 802,259 thousand) in respect of Company's share in joint operations.

7.4 As at March 31, 2023, capital work-in-progress includes amount of Rs. 36,106 thousand (June 30, 2022: Rs. 175,668 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. 145,989 thousand (March 31, 2022: Rs. 120,470 thousand) and modification amounting to Rs. 214,990 thousand (March 31, 2022: Rs. 44,990 thousand). Further, right-of-use having net book value of Nil (March 31, 2022: Rs. 1,164 thousand) have been disposed off due to the extinguishment of lease during the period.

9.	Long-term investments	<i>Note</i>	Un-audited March 31, 2023	Audited June 30, 2022
			------(Rupees in '000)-----	
	Investment in related parties			
	Investment held at fair value through other comprehensive income (FVOCI)			
	Unquoted company			
	- Pak-Arab Pipeline Company Limited (PAPCO)			
	Equity held: 12% (June 30, 2022: 12%)			
	No. of shares: 8,640,000			
	(June 30, 2022: 8,640,000) of Rs. 100/- each	9.1	4,183,634	4,208,094
	Investment in subsidiary - at cost			
	Quoted company			
	- Pakistan Refinery Limited (PRL)			
	Equity held 63.56% (June 30, 2022: 63.56%)			
	No. of shares: 400,459,028			
	(June 30, 2022: 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, 2022: 49%)			
	No. of shares: 46,058,570 (June 30, 2022: 46,058,570) of Rs. 10/- each		2,170,819	3,413,175
	- Pak Grease Manufacturing Company (Private) Limited			
	Equity held: 22% (June 30, 2022: 22%)			
	No. of shares: 686,192 (June 30, 2022: 686,192) of Rs. 10/- each		39,519	44,801
			2,210,338	3,457,976
			11,284,652	12,556,750

9.1 The Company has carried out an exercise to ascertain the fair value of investment as at March 31, 2023 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, 2023	Audited June 30, 2022
- Discount rate	19.55%- 20.05%	19.85% - 21.08%
- 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. 16,388 thousand (March 31, 2022: unrealised loss - net of tax of Rs. 848,006 thousand) in other comprehensive income for the period.

9.1.1	Movement of investment classified as FVOCI	Un-audited March 31, 2023	Audited June 30, 2022
		------(Rupees in '000)-----	
	Balance at beginning of the period / year	4,208,094	7,874,629
	Remeasurement loss recognised in other comprehensive income	(24,460)	(3,666,535)
	Balance at the end of the period / year	4,183,634	4,208,094

	Un-audited March 31, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(18,720)	(19,214)
- Discount rate (1% decrease)	19,373	19,945
- Growth rate of terminal value (1% increase)	140,729	124,485
- Growth rate of terminal value (1% decrease)	(121,391)	(107,718)

9.2 Cerisma (Private) Limited

A wholly owned subsidiary named Cerisma (Private) Limited (Cerisma) was incorporated on September 29, 2022 as private limited company.

The principal activity of Cerisma is to set-up, manage, own, administer and run electronic money institution (EMI) under EMI Regulations. As at March 31, 2023, the Company has subscribed to 499,999 shares of Cerisma.

The principal place of business for Cerisma is Sindh, Pakistan.

9.3 PSO Renewable Energy (Private) Limited

A wholly owned subsidiary named PSO Renewable Energy (Private) Limited (PRE) was incorporated on December 2, 2022 as private limited company.

The principal activity of PRE is to carry on businesses of renewable energy, its manufacturing, processing and installation thereof. As at March 31, 2023, the Company has subscribed to 999,999 shares of PRE.

The principal place of business for PRE is Sindh, Pakistan.

10. Stock-in-trade

As at March 31, 2023, stock has been written down by Rs. 49,796 thousand (June 30, 2022: Nil) to arrive at its net realisable values.

11. Trade debts

	Note	Un-audited March 31, 2023	Audited June 30, 2022
		------(Rupees in '000)-----	
Considered good			
<i>Due from Government agencies and autonomous bodies</i>			
- Secured	11.1	381,520	13,825
- Unsecured	11.2 & 11.3	502,623,663	378,441,890
		503,005,183	378,455,715
<i>Due from other customers</i>			
- Secured	11.1	3,775,389	3,439,676
- Unsecured	11.2 & 11.3	37,943,787	49,046,198
		41,719,176	52,485,874
		544,724,359	430,941,589
Considered doubtful		2,981,056	2,737,455
Trade debts - gross		547,705,415	433,679,044
Less: Provision for impairment	11.5	(2,981,056)	(2,737,455)
Trade debts - net		544,724,359	430,941,589

11.1 These debts are secured by way of bank guarantees and security deposits.

11.2 Includes Rs. 517,329,805 thousand (June 30, 2022: Rs. 388,500,783 thousand) due from related parties, against which provision for impairment of Rs. 808,653 thousand (June 30, 2022: Rs. 863,485 thousand) has been recognised.

11.3 Included in trade debts are the receivable from the following:

Name	Past due		Total	
	Un-audited	Audited	Un-audited	Audited
	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
Northern Power Generation Company Limited	69,285,743	69,076,058	69,285,743	69,076,058
Central Power Purchasing Company	2,636,254	5,229,441	2,636,254	5,229,441
Hub Power Company Limited	18,135,551	13,451,137	18,135,551	13,451,137
Sui Northern Gas Pipelines Company Limited	349,516,959	226,093,429	408,956,139	285,403,136
	439,574,507	313,850,065	499,013,687	373,159,772
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	439,227,532	313,503,090	498,666,712	372,812,797

The Company did not consider the remaining aggregate past due balance of Rs. 439,227,532 thousand (June 30, 2022: Rs. 313,503,090 thousand) 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.

11.4 As at March 31, 2023 trade debts aggregating Rs. 85,711,126 thousand (June 30, 2022: Rs. 121,323,239 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 459,013,232 thousand (June 30, 2022: Rs. 309,618,350 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, 2023	Audited June 30, 2022
11.5 The movement in provision during the period / year is as follows:	------(Rupees in '000)-----	
Balance at beginning of the period / year	2,737,455	3,437,488
Provision recognised during the period / year	321,190	183,668
Reversal of provision made during the period / year	(77,589)	(883,701)
	243,601	(700,033)
Balance at the end of the period / year	2,981,056	2,737,455

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 audited unconsolidated financial statements for the year ended June 30, 2022:

	Un-audited March 31, 2023	Audited June 30, 2022
Price differential claims (PDC):	------(Rupees in '000)-----	
- on imports of Motor Gasoline - (net of related liabilities)	1,350,961	1,350,961
- on High Speed Diesel	602,603	602,603
- 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
	9,297,419	9,297,419

12.2 Includes receivable of Rs. 95,578,024 thousand (June 30, 2022: Rs. 50,297,182 thousand) due from associates and related parties.

- 12.3 As at March 31, 2023, receivables aggregating to Rs. 9,263,051 thousand (June 30, 2022: Rs. 9,028,322 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, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
Balance at beginning of the period / year	9,028,322	3,224,101
Provision recognised during the period / year	300,000	5,884,044
Reversal of provision during the period / year	(65,271)	(79,823)
	234,729	5,804,221
Balance at the end of the period / year	9,263,051	9,028,322

- 12.4 As at March 31, 2023, net unfavorable amount of foreign exchange difference of Rs. 63,719,174 (June 30, 2022: net unfavorable exchange difference of Rs. 27,755,497) was receivable on foreign currency borrowings (FE-25), obtained under the directives of 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. Trade and other payables

Includes Rs. 151,544,536 thousand (June 30, 2022: Rs. 88,599,095 thousand) due to various related parties.

14. Contingencies and commitments

14.1 Contingencies

There is no significant change in the status of contingencies as disclosed in notes 29.1.1 to 29.1.4 to the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2022 other than as mentioned in the below notes.

14.1.1 Income tax

- 14.1.1.1 The taxation officer passed assessment orders dated May 28, 2010, May 31, 2010, August 31, 2010 and January 29, 2011 in respect of tax years 2005 to 2008 and made certain disallowances and additions resulting in total tax demand of Rs. 1,513,951 thousand. These orders were later rectified and amended to Rs. 831,811 thousand. The appeal against tax year 2008 is pending before the High Court of Sindh (SHC). During the year ended June 30, 2019, the Appellate Tribunal Inland Revenue (ATIR) passed an order in respect of Tax Year 2005 which was in favor of the Company except one point on which the Company has filed reference before SHC. During the year ended June 30, 2020, ATIR has passed orders in respect of Tax Year 2006 and 2007 which were mostly in favor of the Company. The Company obtained the effect of ATIR order from taxation authorities for the tax years 2005 and 2006 after which demand was reduced to Rs. 484,459. During the period, the Company has obtained the appeal effect of ATIR order from taxation authorities for the tax year 2007 after which demand is further reduced to Rs. 232,625 thousand. For remaining issues of the tax year 2007, an appeal against the order has been filed before CIR(A). Based on views of the tax advisor, the management believes that it is more likely than not that the matters will ultimately be decided in the favor of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.
- 14.1.1.2 The Additional Commissioner Inland Revenue through his order dated June 28, 2022 made certain additions and disallowances in respect of tax year 2021 and raised tax demand of Rs. 3,014,870 thousand. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) on July 26, 2022. During the period, taxation authorities has further amended the aforesaid order to Rs.3,520,201 thousand by including WWF demand. The Company is in process of filing appeal before CIR(A). Based on the views of tax advisor of the Company, the management believes that it is more likely than not that the matters will ultimately be decided in the favor of the Company. Accordingly, no provision has been made in this these condensed unconsolidated interim financial statements.
- 14.1.1.3 The DCIR through his order dated May 31, 2022 for Tax Year 2019 raised tax demand of Rs. 202,322 thousand in respect of alleged short deduction of withholding tax on payments made to various vendors. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on June 17, 2022. During the period, CIRA has remanded the case back to the assessing officer on October 21, 2022.

14.1.1.4 The DCIR through his order dated November 11, 2022 for Tax Year 2017 raised tax demand of Rs. 93,553 thousand in respect of alleged short deduction of withholding tax on payments made to various vendors. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) on December 02, 2022. Based on the views of tax advisor of the Company, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in this these condensed unconsolidated interim financial statements.

14.1.2 Sales tax & customs

14.1.2.1 During the period, the Company received Order from Balochistan Revenue Authority passed by the Commissioner (operation) raising sales tax demand of Rs. 57,473 thousand on the premise that the Company has made short payment on account of withholding sales tax made against invoices of various service providers. Against the Order of Commissioner (Operations), the Company has filed appeal before Appellate Tribunal, Balochistan Revenue Authority which has been admitted for regular hearing in due course. Based on the views of the tax advisor of the company, the management believes that it is more likely than not that the matter will ultimately be decided in the favor of the company. Hence, no provision has been made in these condensed unconsolidated interim financial statements.

14.1.2.2 During the period, the sales tax audit for tax periods from July 2020 to June 2021 under Section 25 of Sales Tax Act, 1990 was concluded by tax authorities which culminated into Assessment order raising sales tax demand aggregating to Rs. 9,760,000 thousand in relation to various issues. Against the order, the Company filed appeal before the Commissioner (Appeals) who, struck down the demand of Rs. 4,000,000 thousand, out of total sales tax demand as raised in the Assessment Order, whereas remaining demand was remanded back to the officer for reexamination and reverification of the case. After such verification, the officer of Inland revenue passed another Assessment Order to give the effect of remand back proceedings raising sales tax demand of Rs. 1,030,000 thousand along with levies of default surcharge and penalties. During the period, the Company filed another appeal before Commissioner (Appeal) against the said Assessment Order who struck down the demand to Rs 269 thousand and annulled the residual demand for denovo consideration.

14.1.2.3 The Collector (Adjudication) - Customs House Karachi, issued show-cause notices dated February 04, 2019, February 06, 2019, and August 06, 2019 to the Company for recovery of minimum value added sales tax of Rs. 17,250,015 thousand on import of furnace oil in Pakistan. Similar notices have also been served on other OMCs as well. The Company has challenged the impugned show-cause notice in the Hon'ble Sindh High Court, who granted stay against any coercive action by the adjudicating authority. During the period Hon'ble Sindh High Court disposed-off the matter vide order dated November 29, 2022 in favor of the Company as the show-cause notices were issued by Collector (Adjudication) without jurisdiction.

14.1.2.4 During the period, the Company received an order from Sindh Revenue Board (SRB) dated March 8, 2023 for the period July 2016 to June 2017. The aforesaid order resulted in demand for alleged short payment of Sindh Sales Tax amounting to Rs. 186,600 thousand, penalty amounting to Rs. 9,400 thousand and default surcharge to be calculated at the time of payment ignoring all the submissions made by PSO during the proceedings. Being aggrieved by the said order, the Company has filed an appeal before Commissioner (Appeals-I), SRB. Based on the views of the tax advisor of the Company, the management believes that it is more likely than not that the matter will ultimately be decided in the favor of the Company. Hence, no provision has been made in these condensed unconsolidated interim financial statements.

14.1.3 Other legal claims

14.1.3.1 As at March 31, 2023 certain legal cases amounting to Rs. 8,202,668 thousand (June 30, 2022: Rs. 8,095,050 thousand) have been 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 favor. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

14.1.3.2 Claims against the Company not acknowledged as debts amounting to Rs. 10,021,160 thousand (June 30, 2022: Rs. 8,373,253 thousand).

14.1.3.3 The Company's share in associates' contingencies in respect of various tax and legal matters as at March 31, 2023 is Rs. 1,200,155 thousand (June 30, 2022: Rs. 1,200,167 thousand).

	Un-audited March 31, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
14.2 Commitments		
14.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
- Property, plant and equipment	7,590,072	5,278,901
- Intangibles	221,631	175,441
	<u>7,811,703</u>	<u>5,454,342</u>

14.2.2	Letters of credit	<u>1,354,498</u>	<u>240,933,416</u>
14.2.3	Bank guarantees	<u>2,819,036</u>	<u>1,922,186</u>
14.2.4	Standby Letters of credit	<u>85,188,570</u>	<u>80,255,458</u>
14.2.5	Post - dated cheques	<u>35,000,000</u>	<u>46,126,631</u>

14.2.6 The Company's share in associates' commitments as at March 31, 2023 is Rs. 4,174 thousand (June 30, 2022: Rs. 537 thousand).

15. Other income

Mainly includes late payment income received from customers.

16. Finance costs

Includes mark-up on short-term borrowings amounting to Rs. 23,545,943 thousand (March 31, 2022: Rs. 1,760,831 thousand).

17. Earnings per share

	<u>Un-audited</u>		<u>Un-audited</u>	
	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	----- <u>(Rupees in '000)</u> -----			
17 Basic				
Profit for the period attributable to ordinary shareholders	<u>10,285,064</u>	64,769,108	<u>13,646,162</u>	<u>32,580,192</u>
Weighted average number of ordinary shares outstanding during the period (number of shares)	----- <u>(Number of Shares)</u> -----			
	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>
	----- <u>(Rupees)</u> -----			
Earnings per share - basic and diluted	<u>21.91</u>	<u>137.96</u>	<u>29.07</u>	<u>69.40</u>

17.2 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, 2023 and March 31, 2022.

18. Cash generated from operations

		Un-audited Nine months ended	
		March 31, 2023	March 31, 2022
		------(Rupees in '000)-----	
	<i>Note</i>		
Profit before taxation		26,868,350	93,429,963
Depreciation and amortisation		2,229,061	1,591,736
Provision / (Reversal) of impairment on trade debts - net		243,601	(610,604)
Provision of impairment on other receivables - net		234,729	243,451
Provision for impairment against stores, spares and loose tools		23,175	21,810
Provision for retirement and other services benefits		1,276,115	845,413
Gain on disposal of operating assets & intangibles		(66,564)	(41,690)
Share of loss / (profit) of associates - net of tax		1,011,621	(559,895)
Dividend income from FVOCI investment		(325,546)	(384,142)
Interest on lease payments		520,795	538,878
Finance costs		24,621,828	2,142,486
		29,768,815	3,787,443
Working capital changes	18.1	(262,091,660)	(182,658,715)
		(205,454,495)	(85,441,309)

18.1 Working capital changes

(Increase) / decrease in current assets:			
- Stores, spares and loose tools		(112,071)	90,285
- Stock-in-trade		(36,965,052)	(123,482,709)
- Trade debts		(114,026,371)	(155,399,977)
- Loans and advances		(14,747)	(261,604)
- Deposits and short-term prepayments		(815,025)	(286,917)
- Other receivables		(51,674,281)	(33,247,427)
(Decrease) / Increase in current liabilities:			
- Trade and other payables		(58,484,113)	129,929,634
		(262,091,660)	(182,658,715)

19. 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, 2023	March 31, 2022
		------(Rupees in '000)-----	
Cash and bank balances		11,922,390	7,257,339
Short-term borrowings (finances under mark-up arrangements)		(45,710,283)	(28,040,775)
		(33,787,893)	(20,783,436)

20. 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, 2022.

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, 2022.

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, 2023, 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.

21. Transactions and Balances with related parties

- 21.1 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, 2023	March 31, 2022
		------(Rupees in '000)-----	
Subsidiary			
- Pakistan Refinery Limited	Purchases	101,815,558	73,597,546
	Income facility charges	7,451	844
	Group relief	-	1,238,393
Associates			
- Asia Petroleum Limited	Income facility charges	19,096	447,819
	Pipeline charges	119,291	347,527
	Dividend received	230,293	736,937
- Pak Grease Manufacturing Company (Private) Limited	Purchases	66,337	70,551
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	292,251	108,629
	Contributions made	213,700	-
- Gratuity Fund	Charge for the period	434,059	186,017
	Contributions made	219,750	-
- Provident Funds	Charge / contribution for the period	152,059	153,373
- Pension Funds (Defined Contribution)	Charge / contribution for the period	168,503	163,861
Key management personnel*			
	Managerial remuneration	449,339	323,587
	Charge / contribution for the period	12,579	7,422
Non-executive Directors			
	Remuneration and fees	15,625	15,250

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

21.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% 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,	March 31,
		2023	2022
		----- (Rupees in '000) -----	
- Government of Pakistan	Dividend paid	1,055,041	1,055,041
- PSOCL Employees Empowerment	Dividend paid to the trust	142,636	142,636
- Board of Management	Contribution towards expenses of BoM	16,772	15,916
- Pak Arab Pipeline Company Limited	Pipeline charges	1,053,684	3,488,664
	Dividend received	325,546	384,142
- Sui Northern Gas Pipelines Limited	Gross sales	839,474,074	444,943,098
- Water and Power Development Authority (WAPDA)	Utility Charges	147,484	127,897
- Northern Power Generation Company Limited	Gross sales	3,497,652	3,249,285
- Jamshoro Power Company Limited	Gross sales	2,706,624	6,103,247
- WAPDA Foundation	Gross sales	1,157,850	1,121,841
- CPPA	Gross sales	4,078,733	2,764,544
- Pakistan International Airlines Corporation Limited	Gross sales	41,499,962	15,835,003
	Purchases	3,629	5,628
- Pakistan Petroleum Limited	Gross sales	83,170	497,413
- Pak Arab Refinery Limited	Purchases	421,908,802	275,049,561
	Pipeline charges	5,038,583	544,155
- K-Electric Limited	Gross sales	78,749,698	41,715,232
	Income facility charges	34,615	22,760
- National Bank of Pakistan	Finance cost and bank charges	3,014,292	198,117

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 products.
- (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.
- 21.3 Inventory of the Company held by related parties as at March 31, 2023 amounting to Rs. 143,487,341 thousand (June 30, 2022: Rs. 98,477,951 thousand).
- 21.4 Short term borrowings includes Rs. 63,527,351 thousand (June 30, 2022: Rs. 4,510,895 thousand) under finances obtained from National Bank of Pakistan.
- 21.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2023 are included in respective notes to this condensed unconsolidated interim financial statements.
- 21.6 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, 2023	March 31, 2022
		----- (Rupees in '000) -----	
22.	Operating segments		
22.1	Segment wise revenues and profit is as under:		
	Revenue - net sales		
	Petroleum Products	1,795,817,000	1,165,882,000
	Liquefied Natural Gas (LNG)	716,067,000	380,293,246
	Others	5,069,295	3,747,870
		<u>2,516,953,295</u>	<u>1,549,923,116</u>
	Profit / (loss) for the period		
	Petroleum Products	17,479,000	49,766,000
	Liquefied Natural Gas (LNG)	(8,585,000)	1,596,000
	Others	1,391,064	13,407,108
		<u>10,285,064</u>	<u>64,769,108</u>

- 22.2 Timing of revenue recognition is at a point in time.
- 22.3 Out of total sales of the Company, 99.8% (March 31, 2022: 99.7%) relates to customers in Pakistan.
- 22.4 All non-current assets of the Company as at March 31, 2023 and 2022 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 37% during the nine month period ended March 31, 2023 (March 31, 2022: 34%).
- 22.5 Out of total gross sales of the Company, sales for the nine months period ended March 31, 2023, amounting to Rs. 888,716,250 thousand (March 31, 2022: Rs 522,613,428 thousand), relates to circular debt customers.
- 23. Events after the reporting date**


The Board of Management in its meeting held on April 27, 2023 has proposed an interim cash dividend of Rs. Nil (March 31, 2022: Nil) amounting to Rs. Nil (March 31, 2022: Nil) for the year ending June 30, 2023.

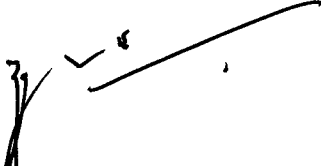
24. General

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

25. Date of authorisation for issue

These condensed unconsolidated interim financial statements were approved and authorised for issue on April 27, 2023 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, 2023

	Note	Un-audited March 31, 2022	Audited June 30, 2022
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	7	41,738,210	38,965,563
Right-of-use assets	8	6,296,821	6,604,904
Intangibles		217,166	259,292
Long-term investments	9	6,433,897	7,716,340
Long-term loans, advances and other receivables		780,939	343,234
Long-term deposits		788,648	358,719
Deferred tax asset - net		18,104,089	17,719,521
Retirement benefits		32,534	32,584
		<u>74,392,304</u>	<u>72,000,157</u>
Current assets			
Stores, spares, chemicals and loose tools		2,172,245	1,358,052
Stock-in-trade	10	407,018,804	362,469,390
Trade debts	11	547,023,198	433,138,291
Loans and advances		750,901	662,454
Short-term deposits and prepayments		1,360,283	532,309
Other receivables	12	117,783,951	59,068,727
Investments	13	10,001,602	-
Cash and bank balances		20,303,995	37,457,819
		<u>1,106,414,979</u>	<u>894,687,042</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>1,180,807,283</u></u>	<u><u>966,687,199</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		222,828,977	215,787,009
Equity attributable to the owners of the Holding Company		<u>227,523,711</u>	<u>220,481,743</u>
Non-controlling interest		7,706,470	6,861,546
		<u>235,230,181</u>	<u>227,343,289</u>
Non-current liabilities			
Retirement and other service benefits		11,260,145	10,517,504
Lease liabilities		5,560,924	5,984,284
Deferred income - Government grant		100,000	100,000
Other payable		741,431	674,319
		<u>17,662,500</u>	<u>17,276,107</u>
Current liabilities			
Trade and other payables	14	473,569,099	528,453,924
Short-term borrowings		435,109,396	174,746,786
Accrued interest / mark-up		9,746,656	1,142,121
Provisions		639,413	639,413
Current portion of lease liabilities		1,162,480	821,228
Taxation - net		6,096,287	14,765,959
Unclaimed dividend		1,591,271	1,498,372
		<u>927,914,602</u>	<u>722,067,803</u>
TOTAL LIABILITIES		<u>945,577,102</u>	<u>739,343,910</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,180,807,283</u></u>	<u><u>966,687,199</u></u>

CONTINGENCIES AND COMMITMENTS

15

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


 Managing Director & CEO


 Member - Board of Management


 Chief Financial Officer

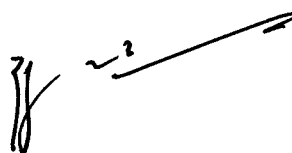
PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the nine months and quarter ended March 31, 2023

	Note	Nine months ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		(Rupees in '000)		(Rupees in '000)	
Net sales	16	2,602,311,458	1,587,278,749	827,093,126	588,504,316
Cost of products sold		(2,538,162,208)	(1,486,306,666)	(778,854,236)	(537,697,142)
Gross profit		64,149,250	100,972,083	48,238,890	50,807,174
Other income	17	13,837,413	22,479,412	2,511,910	11,722,227
Operating costs					
Distribution and marketing expenses		(10,717,838)	(9,283,149)	(4,578,073)	(2,915,111)
Administrative expenses		(4,433,262)	(2,887,904)	(1,217,358)	(1,076,848)
(Provision for) / reversal of impairment on financial assets - net		(478,330)	367,154	(211,223)	252,376
Other expenses		(2,345,668)	(7,610,953)	(2,197,799)	(3,874,349)
		(17,975,098)	(19,414,852)	(8,204,453)	(7,613,932)
Profit from operations		60,011,565	104,036,643	42,546,347	54,915,469
Finance costs	18	(28,319,808)	(3,796,110)	(14,562,947)	(1,587,793)
Share of (loss) / profit of associates - net of tax		(1,021,968)	560,156	(1,492,385)	301,311
Profit before taxation		30,669,789	100,800,689	26,491,015	53,628,987
Taxation					
- current		(19,083,570)	(31,303,833)	(9,865,740)	(16,080,279)
- prior		641,020	1,621,298	(54,848)	1,689,150
- deferred		376,496	82,833	(4,030,890)	42,519
		(18,066,054)	(29,599,702)	(13,951,478)	(14,348,610)
Profit for the period		12,603,735	71,200,987	12,539,537	39,280,377
Profit / (loss) attributable to:					
Owners of the Holding Company		11,758,811	69,308,482	12,942,792	37,290,101
Non-controlling interest		844,924	1,892,505	(403,255)	1,990,276
		12,603,735	71,200,987	12,539,537	39,280,377
------(Rupees)-----					
Earnings per share - basic and diluted	19	25.05	147.63	27.57	79.43

The annexed notes 1 to 27 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, 2023

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note	(Rupees in '000)		(Rupees in '000)	
Profit for the period	12,603,735	71,200,987	12,539,537	39,280,377
Other comprehensive income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	(5,721)	(38)	-	-
Unrealised (loss) / profit on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 (24,460)	(1,083,714)	52,374	(94,490)
Taxation thereon	8,072	235,708	(17,283)	20,552
	(16,388)	(848,006)	35,091	(73,938)
Other comprehensive (loss) / profit	(22,109)	(848,044)	35,091	(73,938)
Total comprehensive income for the period	12,581,626	70,352,943	12,574,628	39,206,439
Profit / (loss) attributable to:				
Owners of the Holding Company	11,736,702	68,460,438	12,977,883	37,216,163
Non-controlling interest	844,924	1,892,505	(403,255)	1,990,276
	12,581,626	70,352,943	12,574,628	39,206,439

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


Managing Director & CEO


Member - Board of Management


Chief Financial Officer

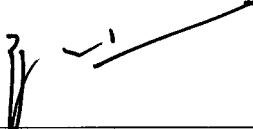
PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the nine months period ended March 31, 2023

	Share capital	Reserves						Sub-total	Non-controlling interest (NCI)	Total
		Capital Reserves		Revenue Reserves						
		Surplus on vesting of net assets	Special Reserve	Unrealized gain / (loss) on remeasurement of FVOCI investments	General reserve	PSO venture capital fund	Un-appropriated profit			
(Rupees in '000)										
Balance as at July 01, 2021 (Audited)	4,694,734	3,373	837,156	5,485,817	25,282,373	-	103,918,603	135,527,322	2,150,881	142,372,937
Total comprehensive income for nine months period ended										
Profit for the period	-	-	-	-	-	-	69,308,482	69,308,482	1,892,505	71,200,987
Other comprehensive loss										
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	<u>4,694,734</u>	<u>3,373</u>	<u>837,156</u>	<u>4,637,811</u>	<u>25,282,373</u>	<u>-</u>	<u>168,532,313</u>	<u>199,293,026</u>	<u>4,043,386</u>	<u>208,031,146</u>
Balance as at July 01, 2022 (Audited)	4,694,734	3,373	8,460,221	2,240,544	25,282,373	1,478,551	178,321,947	215,787,009	6,861,548	227,343,289
Total comprehensive income for nine months period ended										
Profit for the period	-	-	-	-	-	-	11,758,811	11,758,811	844,924	12,603,735
Other comprehensive loss										
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	-	(5,721)	(5,721)	-	(5,721)
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	-	(16,388)	-	-	-	(16,388)	-	(16,388)
	-	-	-	(16,388)	-	-	(5,721)	(22,109)	-	(22,109)
Transactions with the owners:										
Final dividend for the year ended June 30, 2022 at Rs. 10 per share	-	-	-	-	-	-	(4,694,734)	(4,694,734)	-	(4,694,734)
Balance as at March 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>8,460,221</u>	<u>2,224,156</u>	<u>25,282,373</u>	<u>1,478,551</u>	<u>185,380,303</u>	<u>222,828,977</u>	<u>7,706,470</u>	<u>235,230,181</u>

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



 Managing Director & CEO



 Member - Board of Management


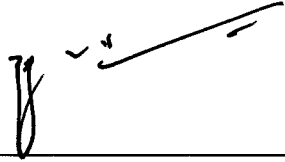



 Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the nine months period ended March 31, 2023

	Note	Nine months ended	
		March 31, 2023	March 31, 2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	20	(211,210,587)	(75,285,998)
Long-term loans, advances and other receivables		(437,705)	97,993
Long-term deposits and prepayments		(429,929)	(25,894)
Taxes paid		(27,112,222)	(13,524,861)
Finance costs paid		(18,715,102)	(2,553,473)
Retirement and other service benefits paid		(664,080)	(143,933)
Net cash used in operating activities		(258,569,625)	(91,436,166)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(5,428,334)	(2,412,020)
Proceeds from disposal of operating assets		79,998	51,161
Interest received		1,427,586	47,025
Dividends received		555,839	1,121,079
Net cash used in investing activities		(3,364,911)	(1,192,755)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of) / proceeds from long term loans - net		(1,200,000)	600,000
Repayment of salary refinancing - net		(105,394)	(108,078)
Proceeds from short-term borrowings - net		217,637,555	98,967,631
Lease payments		(978,461)	(570,967)
Dividends paid		(4,601,835)	(4,717,199)
Net cash generated from financing activities		210,751,865	94,171,387
Net (decrease) / increase in cash and cash equivalents		(51,182,671)	1,542,466
Cash and cash equivalents at beginning of the period		35,583,684	(11,379,998)
Cash and cash equivalents at end of the period	21	(15,598,987)	(9,837,532)

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

 <hr/> Managing Director & CEO	 <hr/> Member - Board of Management	 <hr/> Chief Financial Officer
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PAKISTAN STATE OIL COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended March 31, 2023

1. Group legal status and nature of business

The Group consist of Pakistan State Oil Company Limited ("the Holding Company") and and its subsidiaries namely Pakistan Refinery Limited ("the Subsidiary Company"), Cerisma (Private) Limited & PSO Renewable Energy (Private) Limited. Brief Profile of the Holding and subsidiaries 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, 2023, the Holding Company controls 63.56% (June 30, 2022: 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	Kemari, Karachi.

1.3 Cerisma (Private) Limited

A wholly owned subsidiary named Cerisma (Private) Limited (Cerisma) was incorporated on September 29, 2022 as private limited company.

The principal activity of Cerisma is to set-up, manage, own, administer and run electronic money institution (EMI) under EMI Regulations. As at March 31, 2023, the Holding Company has subscribed to 499,999 shares of Cerisma.

The principal place of business for Cerisma is Sindh, Pakistan.

1.4 PSO Renewable Energy (Private) Limited

A wholly owned subsidiary named PSO Renewable Energy (Private) Limited (PRE) was incorporated on December 2, 2022 as private limited company.

The principal activity of PRE is to carry on businesses of renewable energy, its manufacturing, processing and installation thereof. As at March 31, 2023, the Holding Company has subscribed to 999,999 shares of PRE.

The principal place of business for PRE is Sindh, Pakistan.

2. Basis of preparation

2.1. Statement of compliance

These condensed consolidated interim financial statements of the Group for the nine months period ended March 31, 2023 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 Standard (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 annual audited consolidated financial statements of the Group for the year ended June 30, 2022. 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 financial statements denote the condensed consolidated interim financial statements of the Group. Condensed unconsolidated interim financial statements of Pakistan State Oil Company Limited & Pakistan Refinery Limited have been presented separately. The separate financial statements of Cerisma & PRE are yet to be published.
- 2.4 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 67(I)/2023 dated January 20, 2023 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt till June 30, 2024, provided that the Holding Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Holding Company has not recorded impact of aforesaid ECL on trade debts of SNGPL, HUBCO, GENCO in these condensed consolidated interim financial statements based on the exemption granted from SECP in this respect.
- 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 judgments made by management in applying the Groups' 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, 2022.

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, 2022.
- 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, 2022 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

	Effective date
- Amendments to IAS 01 - Classification of liabilities as current or non-current	January 1, 2024
- Amendments to IAS 01 - Non-current Liabilities with Covenants	January 1, 2024
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024

The above amendments are not likely to have an impact on the Groups' 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, 2023 (Un-audited)	March 31, 2022	March 31, 2023 (Un-audited)	March 31, 2022
	------(Rupees in '000)-----			
Freehold land	345,038	-	-	-
Buildings on freehold land	25,788	92,637	2,778	7
Buildings on leasehold land	96,339	162,461	557	385
Tanks and pipelines	922,840	2,149,164	46	-
Service and filling stations	658,971	404,750	706	595
Plant and machinery	467,652	339,543	212	595
Furniture and fittings	30,595	16,955	97	131
Vehicles and other rolling stock	279,757	157,916	6,381	7,758
Office equipments	106,141	121,998	445	-
Gas cylinders / regulators	16,950	29,714	-	-
	<u>2,950,071</u>	<u>3,475,138</u>	<u>11,222</u>	<u>9,471</u>

7.2 The above disposals represented assets costing Rs. 553,700 thousand (March 31, 2022: Rs. 329,569 thousand) and were disposed off for Rs. 80,190 thousand (March 31, 2022: Rs. 51,161 thousand).

7.3 As at March 31, 2023, operating assets includes net book value of Rs. 887,786 thousand (June 30, 2022: Rs. 802,259 thousand) in respect of the Holding Company's share in joint operations.

7.4 As at March 31, 2023, capital work-in-progress includes amount of Rs. 36,106 thousand (June 30, 2022: Rs. 175,668 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. 145,989 thousand (March 31, 2022: Rs. 120,470 thousand) and modification amounting to Rs. 214,990 thousand (March 31, 2022: Rs. 44,990 thousand). Further, right-of-use having net book value of Nil (March 31, 2022: Rs. 1,164 thousand) have been disposed off due to the extinguishment of lease during the period.

9. **Long-term investments**

	Note	Un-audited March 31, 2023	Audited June 30, 2022
		------(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, 2022: 12%)			
No. of shares: 8,640,000			
(June 30, 2022: 8,640,000) of Rs. 100/- each	9.1	4,183,634	4,208,094
Investment in associates			
Unquoted companies			
- Asia Petroleum Limited			
Equity held: 49% (June 30, 2022: 49%)			
No. of shares: 46,058,570 (June 30, 2022: 46,058,570) of Rs. 10/- each		2,170,819	3,413,175
- Pak Grease Manufacturing Company (Private) Limited			
Equity held: 49.26% (June 30, 2022: 49.26%)			
No. of shares: 1,536,593 (June 30, 2022: 1,536,593) of Rs. 10/- each		79,444	95,071
		<u>2,250,263</u>	<u>3,508,246</u>
		<u>6,433,897</u>	<u>7,716,340</u>

9.1 The Holding Company has carried out an exercise to ascertain the fair value of investment as at March 31, 2023 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, 2023	Audited June 30, 2022
- Discount rate	19.55%- 20.05%	19.85% - 21.08%
- 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. 16,388 thousand (March 31, 2022: unrealised loss - net of tax of Rs. 848,006 thousand) in other comprehensive income for the period.

9.1.1 Movement of investment classified as FVOCI	Un-audited March 31, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
Balance at beginning of the period / year	4,208,094	7,874,629
Remeasurement loss recognised in other comprehensive loss	(24,460)	(3,666,535)
Balance at the end of the period / year	<u>4,183,634</u>	<u>4,208,094</u>
9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(18,720)	(19,214)
- Discount rate (1% decrease)	19,373	19,945
- Growth rate of terminal value (1% increase)	140,729	124,485
- Growth rate of terminal value (1% decrease)	(121,391)	(107,718)

10. Stock-in-trade

As at March 31, 2023, stock has been written down by Rs. 49,796 thousand (June 30, 2022:Rs. Nil) to arrive at its net realisable values.

	Note	Un-audited March 31, 2023	Audited June 30, 2022
		------(Rupees in '000)-----	
11. Trade debts			
Considered good			
<i>Due from Government agencies and autonomous bodies</i>			
- Secured	11.1	381,520	13,825
- Unsecured	11.2 & 11.3	502,623,663	378,441,890
		<u>503,005,183</u>	378,455,715
<i>Due from other customers</i>			
- Secured	11.1	3,775,389	3,439,676
- Unsecured	11.2 & 11.3	40,242,627	51,242,900
		<u>44,018,015</u>	54,682,576
		<u>547,023,198</u>	433,138,291
Considered doubtful			
Trade debts - gross		3,124,820	2,872,347
Less: Provision for impairment	11.5	550,148,018	436,010,638
Trade debts - net		<u>(3,124,820)</u>	<u>(2,872,347)</u>
		<u>547,023,198</u>	<u>433,138,291</u>

11.1 These debts are secured by way of bank guarantees and security deposits.

11.2 Includes Rs. 517,203,540 thousand (June 30, 2022: Rs. 388,500,784 thousand) due from related parties, against which provision for impairment of Rs. 808,653 thousand (June 30, 2022: Rs. 863,485 thousand) has been recognised.

11.3 Included in trade debts are the receivable from the following:

Name	Past due		Total	
	Un-audited March 31, 2023	Audited June 30, 2022	Un-audited March 31, 2023	Audited June 30, 2022
Northern Power Generation Company Limited	69,285,743	69,076,058	69,285,743	69,076,058
Central Power Purchasing Company	2,636,254	5,229,441	2,636,254	5,229,441
Hub Power Company Limited	18,135,551	13,451,137	18,135,551	13,451,137
Sui Northern Gas Pipelines Company Limited	349,516,959	226,093,429	408,956,139	285,403,136
	<u>439,574,507</u>	313,850,065	<u>499,013,687</u>	373,159,772
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	<u>439,227,532</u>	<u>313,503,090</u>	<u>498,666,712</u>	<u>372,812,797</u>

The Group did not consider the remaining aggregate past due balance of Rs. 439,227,532 thousand (June 30, 2022: Rs. 313,503,090 thousand) as doubtful, as the Group 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.

- 11.4 As at March 31, 2023 trade debts aggregating Rs. 87,203,526 thousand (June 30, 2022: Rs. 123,288,952 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 459,819,672 thousand (June 30, 2022: Rs. 309,849,339 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, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
11.5 The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	2,872,347	3,572,380
Provision recognised during the period / year	330,062	183,668
Reversal of provision made during the period / year	(77,589)	(883,701)
Balance at the end of the period / year	3,124,820	2,872,347

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, 2022:

	Un-audited March 31, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
Price differential claims (PDC):		
- on imports of Motor Gasoline - (net of related liabilities)	1,350,961	1,350,961
- on High Speed Diesel	602,603	602,603
- 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
	9,297,419	9,297,419

- 12.2 Includes receivable of Rs. 106,464,525 thousand (June 30, 2022: Rs. 52,726,599 thousand) due from associates and related parties.

- 12.3 As at March 31, 2023, receivables aggregating to Rs. 9,263,051 thousand (June 30, 2022: Rs. 9,028,322 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, 2023	Audited June 30, 2022
	------(Rupees in '000)-----	
Balance at beginning of the period / year	9,028,322	3,224,101
Provision recognised during the period / year	300,000	5,884,044
Reversal of provision during the period / year	(65,271)	(79,823)
Balance at the end of the period / year	9,263,051	9,028,322

12.4 As at March 31, 2023 net unfavourable amount of foreign exchange difference of Rs. 72,560,253 (June 30, 2022: net unfavourable exchange difference of Rs. 29,774,693) was receivable on foreign currency borrowings (FE-25), obtained under the directives of MoF - GoP. These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Group 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 Group in respect of these long / extended term borrowing arrangements i.e. the Group would not bear any exchange differences on such borrowings. The Group is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

13. Investments

This represents short term investment in Treasury Bills by the Subsidiary Company. Fair values of these investments are determined using repurchase price and carry interest yield of 17.94% to 20.97% per annum (June 30, 2022: Nil) per annum. These Treasury Bills will be matured latest by June 1, 2023.

14. Trade and other payables

Includes Rs. 127,526,233 thousand (June 30, 2022: Rs. 73,005,093 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 amounting to Rs. 2,130,133 thousand (June 30, 2022: Rs. 1,450,000 thousand) in respect of delayed payment charges have not been recognized on the understanding that these will be payable only when the Group will fully realize delayed payment charges due from its customers, which is more than the aforementioned amount. Charges claimed by the Group 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 Income tax

15.1.2.1 The taxation officer passed assessment orders dated May 28, 2010, May 31, 2010, August 31, 2010 and January 29, 2011 in respect of tax years 2005 to 2008 and made certain disallowances and additions resulting in total tax demand of Rs. 1,513,951 thousand. These orders were later rectified and amended to Rs. 831,811 thousand. The appeal against tax year 2008 is pending before the High Court of Sindh (SHC). During the year ended June 30, 2019, the Appellate Tribunal Inland Revenue (ATIR) passed an order in respect of Tax Year 2005 which was in favor of the Holding Company except one point on which the Company has filed reference before SHC. During the year ended June 30, 2020, ATIR has passed orders in respect of Tax Year 2006 and 2007 which were mostly in favor of the Holding Company. The Holding Company obtained the effect of ATIR order from taxation authorities for the tax years 2005 and 2006 after which demand was reduced to Rs. 484,459. During the period, the Holding Company has obtained the appeal effect of ATIR order from taxation authorities for the tax year 2007 after which demand is further reduced to Rs. 232,625 thousand. For remaining issues of the tax year 2007, an appeal against the order has been filed before CIR(A). Based on views of the tax advisor, the management believes that it is more likely than not that the matters will ultimately be decided in the favor of the Holding Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.2.2 The Additional Commissioner Inland Revenue through his order dated June 28, 2022 made certain additions and disallowances in respect of tax year 2021 and raised tax demand of Rs. 3,014,870 thousand. The Holding Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) on July 26, 2022. During the period, taxation authorities has further amended the aforesaid order to Rs.3,520,201 thousand by including VVVF demand. The Holding Company is in process of filing appeal before CIR(A). Based on the views of tax advisor of the Holding Company, the management believes that it is more likely than not that the matters will ultimately be decided in the favor of the Holding Company. Accordingly, no provision has been made in this these condensed consolidated interim financial statements.

15.1.2.3 The DCIR through his order dated May 31, 2022 for Tax Year 2019 raised tax demand of Rs. 202,322 thousand in respect of alleged short deduction of withholding tax on payments made to various vendors. The Holding Company filed an appeal before Commissioner Inland Revenue (Appeals) on June 17, 2022. During the period, CIRA has remanded the case back to the assessing officer on October 21, 2022.

15.1.2.4 The DCIR through his order dated November 11, 2022 for Tax Year 2017 raised tax demand of Rs. 93,553 thousand in respect of alleged short deduction of withholding tax on payments made to various vendors. The Holding Company has filed an appeal before Commissioner Inland Revenue (Appeals) on December 02, 2022. Based on the views of tax advisor of the Holding Company, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Holding Company. Accordingly, no provision has been made in this these condensed consolidated interim financial statements.

15.1.3 Sales tax & customs

15.1.3.1 During the period, the Company received Order from Balochistan Revenue Authority passed by the Commissioner (operation) raising sales tax demand of Rs. 57,473 thousand on the premise that the Holding Company has made short payment on account of withholding sales tax made against invoices of various service providers. Against the Order of Commissioner (Operations), the Holding Company has filed appeal before Appellate Tribunal, Balochistan Revenue Authority which has been admitted for regular hearing in due course. Based on the views of the tax advisor of the Holding company, the management believes that it is more likely than not that the matter will ultimately be decided in the favor of the Holding company. Hence, no provision has been made in these condensed consolidated interim financial statements.

- 15.1.3.2 During the period, the sales tax audit for tax periods from July 2020 to June 2021 under Section 25 of Sales Tax Act, 1990 was concluded by tax authorities which culminated into Assessment order raising sales tax demand aggregating to Rs. 9,760,000 thousand in relation to various issues. Against the order, the Holding Company filed appeal before the Commissioner (Appeals) who, struck down the demand of Rs. 4,000,000 thousand, out of total sales tax demand as raised in the Assessment Order, whereas remaining demand was remanded back to the officer for reexamination and reverification of the case. After such verification, the officer of Inland revenue passed another Assessment Order to give the effect of remand back proceedings raising sales tax demand of Rs. 1,030,000 thousand along with levies of default surcharge and penalties. During the period, the Holding Company filed another appeal before Commissioner (Appeal) against the said Assessment Order who struck down the demand to Rs 269 thousand and annulled the residual demand for denovo consideration.
- 15.1.3.3 The Collector (Adjudication) - Customs House Karachi, issued show-cause notices dated February 04, 2019, February 06, 2019, and August 06, 2019 to the Company for recovery of minimum value added sales tax of Rs. 17,250,015 thousand on import of furnace oil in Pakistan. Similar notices have also been served on other OMCs as well. The Holding Company has challenged the impugned show-cause notice in the Hon'ble Sindh High Court, who granted stay against any coercive action by the adjudicating authority. During the period Hon'ble Sindh High Court disposed-off the matter vide order dated November 29, 2022 in favor of the Holding Company as the show-cause notices were issued by Collector (Adjudication) without jurisdiction.
- 15.1.3.4 During the period, the Holding Company received an order from Sindh Revenue Board (SRB) dated March 8, 2023 for the period July 2016 to June 2017. The aforesaid order resulted in demand for alleged short payment of Sindh Sales Tax amounting to Rs. 186,600 thousand, penalty amounting to Rs. 9,400 thousand and default surcharge to be calculated at the time of payment ignoring all the submissions made by PSO during the proceedings. Being aggrieved by the said order, the Holding Company has filed an appeal before Commissioner (Appeals-I), SRB. Based on the views of the tax advisor of the Holding Company, the management believes that it is more likely than not that the matter will ultimately be decided in the favor of the Holding Company. Hence, no provision has been made in these condensed consolidated interim financial statements.
- 15.1.3.5 There is no significant change in the status of contingencies as disclosed in notes 32.1.1 to 32.1.4 to the annual audited consolidated financial statements of the Group for the year ended June 30, 2022 other than as mentioned in the above notes.

15.1.4 Other Legal Claims

- 15.1.4.1 As at March 31, 2023 certain legal cases amounting to Rs. 8,432,668 thousand (June 30, 2022: Rs. 8,325,050 thousand) have 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 favour. Accordingly, no provision has been made in these condensed consolidated interim financial statements.
- 15.1.4.2 Claims against the Group not acknowledged as debts amount to Rs.10,021,160 thousand (June 30, 2022: Rs. 8,373,253 thousand) other than as mentioned in note 15.1.1 above.
- 15.1.4.3 The Group's share in associates' contingencies in respect of various tax and legal matters as at March 31, 2023 is Rs. 1,204,002 thousand (June 30, 2022: Rs. 1,204,029 thousand).

15.2 Commitments

	Un-audited March 31, 2023	Audited June 30, 2022
	------(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	13,040,072	10,508,901
- Intangibles	221,631	175,441
	<u>13,261,703</u>	<u>10,684,342</u>
15.2.2 Letters of credit	<u>37,899,298</u>	<u>240,933,416</u>
15.2.3 Bank guarantees	<u>2,943,036</u>	<u>2,046,816</u>
15.2.4 Standby Letters of credit	<u>85,188,570</u>	<u>80,255,458</u>
15.2.5 Post - dated cheques	<u>35,000,000</u>	<u>46,126,631</u>
15.2.6 The Group's share in associates' commitments as at March 31, 2023 is Rs. 9,346 thousand (June 30, 2022: Rs. 1,204 thousand).		

16. Net sales	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	------(Rupees in '000)-----			
Gross Sales	2,808,026,635	1,787,218,710	894,001,122	639,269,832
- Sales tax	(160,231,099)	(165,292,778)	(49,697,524)	(37,649,752)
- Excise duty and petroleum levy	(20,635,447)	(4,837,018)	(10,785,944)	(2,549,861)
- Surplus price differential	(11,325,377)	(3,121,847)	(3,034,516)	(1,371,596)
- Custom duty	(6,674,182)	(3,662,577)	(1,883,308)	(1,585,686)
- Inland freight Equalization Margin (IFEM)	(6,849,072)	(23,025,741)	(1,506,704)	(7,608,621)
	(205,715,177)	(199,939,961)	(66,907,996)	(50,765,516)
Net Sales	2,602,311,458	1,587,278,749	827,093,126	588,504,316
17. Other income	Includes delayed payment income received from various customers.			
18. Finance costs	Includes mark-up on short-term borrowings amounting to Rs. 25,572,336 thousand (March 31, 2022: 2,299,645 thousand).			
19. Earnings per share	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	------(Rupees in '000)-----			
19.1 Basic				
Profit for the period attributable to the owners of the Holding Company	11,758,811	69,308,482	12,942,792	37,290,101
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)-----			
Earnings per share - basic and diluted	25.05	147.63	27.57	79.43

19.2 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, 2023 and March 31, 2022.

	Note	Un-audited	
		Nine months ended	
		March 31, 2023	March 31, 2022
		------(Rupees in '000)-----	
20. Cash generated from operations			
Profit before taxation		30,669,789	100,800,689
Depreciation and Amortisation		3,355,310	2,749,542
Provision for impairment / (reversal of provision) on trade debts - net		252,473	(610,604)
Provision for other receivables - net		234,729	271,660
Provision for stores, spares and loose tools		31,241	29,891
Provision for retirement and other services benefits		1,406,771	936,354
Gain disposal of operating assets		(68,776)	(41,690)
Profit on deposits		(1,292,877)	(59,621)
Share of loss / (profit) of associates - net of tax		1,021,968	(560,156)
Dividend income from FVOCI investment		(325,546)	(384,142)
Interest on lease payments		535,373	549,042
Finance costs		27,784,435	3,247,068
		32,935,101	6,127,344
Working capital changes	20.1	(274,815,477)	(182,214,031)
		(211,210,587)	(75,285,998)
20.1 Working capital changes			
<i>(Increase) / decrease in current assets:</i>			
- Stores, spares and loose tools		(845,434)	8,222
- Stock-in-trade		(44,549,414)	(130,193,468)
- Trade debts		(114,137,380)	(156,903,534)
- Loans and advances		(88,447)	(232,747)
- Deposits and short-term prepayments		(827,974)	(384,382)
- Other receivables		(59,084,663)	(35,567,659)
<i>(Decrease) / Increase in current liabilities:</i>			
- Trade and other payables		(55,282,165)	141,059,537
		(274,815,477)	(182,214,031)

21. 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, 2023	March 31, 2022
	------(Rupees In '000)-----	
Investments	10,001,602	-
Cash and bank balances	20,303,995	18,203,243
Short-term borrowings (finances under mark-up arrangements)	<u>(45,904,584)</u>	<u>(28,040,775)</u>
	<u>(15,598,987)</u>	<u>(9,837,532)</u>

22. 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, 2022.

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, 2022. 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, 2023, 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.

23. Transactions with related parties

- 23.1 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, 2023	March 31, 2022
		------(Rupees in '000)-----	
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	66,337	70,551
- Asia Petroleum Limited	Income facility charges	19,096	447,819
	Pipeline charges	119,291	347,527
	Dividend received	230,293	736,937
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	404,347	185,722
	Contribution made	341,976	57,320
- Gratuity Fund	Charge for the period	434,059	199,866
	Contribution made	238,309	13,192
- Provident Funds	Charge / Contribution for the period	230,911	248,100
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	168,503	163,861
Key management personnel			
	Managerial remuneration	603,525	439,162
	Provident Fund Charge / Contribution for the period	22,702	16,268
Non-executive Directors			
	Remuneration and fees	15,625	37,480

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

23.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% 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, 2023	March 31, 2022
		------(Rupees in '000)-----	
- Federal Government of Pakistan	Dividend paid	1,055,041	1,055,041
- Holding Company's Employees Empowerment Scheme	Dividend paid to the trust	142,636	142,636
- Board of Management	Contribution towards expenses of BoM	16,772	15,916
- Pak Arab Pipeline Company Limited	Pipeline charges	1,053,684	3,488,664
	Dividend received	325,546	384,142
- Sui Northern Gas Pipelines Limited	Gross sales	839,474,074	444,943,098
- Northern Power Generation Company Limited	Gross sales	3,497,652	3,249,285
- CPPA	Gross sales	4,078,733	2,764,544
- Jamshoro Power Company Limited	Gross sales	2,706,624	6,103,247
- Water and Power Development Authority	Utility charges	147,484	127,897
- WAPDA Foundation	Gross sales	1,157,850	1,121,841
- Pakistan International Airlines Corporation Limited	Gross sales	41,499,962	15,835,003
	Purchases	3,629	5,628
- Government Holdings (Pvt) Limited	Purchases	1,612,540	2,010,320
- Pak Arab Refinery Limited	Purchases	425,162,147	275,049,561
	Sales	3,677,766	2,456,246
	Pipeline charges	5,038,583	544,155
- Oil and Gas Development Company Limited	Purchases	9,108,984	7,350,658
-Pakistan Petroleum Limited	Gross sales	83,170	497,413
	Purchases	1,929,481	141,242
- K-Electric Limited	Gross sales	78,749,698	41,715,232
	Income facility charges	34,615	22,760
- National Bank of Pakistan	Finance cost and bank charges	3,999,359	220,787

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

- (i) 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.
- (ii) 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 Kemari 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.
- 23.3 Inventory of the Holding Company held by related parties as at March 31, 2023 amounting to Rs. 143,487,341 thousand (June 30, 2022: Rs. 98,477,951 thousand).
- 23.4 Short term borrowings includes Rs. 63,527,351 thousand (June 30, 2022: Rs. 25,757,814 thousand) under finances obtained from National Bank of Pakistan.
- 23.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2023 are included in respective notes to these condensed consolidated interim financial statements.
- 23.6 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, 2023	March 31, 2022
24. Operating segments			
24.1	Segment wise revenues and profit is as under:	------(Rupees in '000)-----	
	Revenue - net sales		
	Petroleum Products	1,795,817,000	1,165,882,000
	Liquefied Natural Gas (LNG)	716,067,000	380,293,246
	Refining operations	85,358,163	37,355,633
	Others	5,069,295	3,747,870
		<u>2,602,311,458</u>	<u>1,587,278,749</u>
	Profit / (loss) for the period		
	Petroleum Products	17,479,000	49,766,000
	Liquefied Natural Gas (LNG)	(8,585,000)	1,596,000
	Refining operations	2,318,671	6,431,879
	Others	1,391,064	13,407,108
		<u>12,603,735</u>	<u>71,200,987</u>

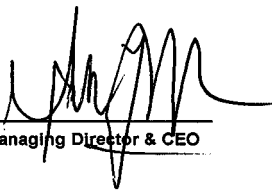
- 24.2 Timing of revenue recognition is at a point in time.
- 24.3 Out of total sales of the Group, 99.5% (March 31, 2022: 99.4%) relates to customers in Pakistan.
- 24.4 All non-current assets of the Group as at March 31, 2023 and 2022 are located in Pakistan and Bangladesh. Sales to five major customers of the Group are approximately 36% during the nine months period ended March 31, 2023 (March 31, 2022: 33%).
- 24.5 Out of total gross sales of the Group, sales for the nine month period ended March 31, 2023, amounting to Rs. 888,716,250 thousand (March 31, 2022: Rs 522,613,428 thousand), relates to circular debt customers.
- 25. Events after the reporting date**
- The Board of Management of the Holding Company in its meeting held on April 27, 2023 has proposed an interim cash dividend of Rs. Nil (March 31, 2022: Nil) amounting to Rs. Nil (March 31, 2022: Nil) for the year ending June 30, 2023.

26. **General**

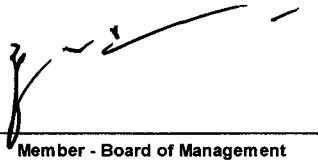
The figures are rounded off to the nearest thousand rupees, unless otherwise specified.

27. **Date of authorisation for issue**

These condensed consolidated interim financial statements were approved and authorised for issue on April 27, 2023 by the Board of Management of the Holding Company.



Managing Director & CEO



Member - Board of Management



Chief Financial Officer