

REPORT FOR THE HALF YEAR
ENDED DECEMBER 31, 2023



Redefining Energy

Redefining
Inclusivity



Redefining
Caring & Giving



Redefining
Excellence





Redefining
Innovation

Redefining
Energy Transition



Redefining **Energy**

Pakistan State Oil (PSO) has been a pioneering force in redefining the energy landscape of Pakistan. Through its strategic integration of technology and renewable sources, the company has paved the way for a greener and more sustainable energy sector in Pakistan.

PSO's approach combines creativity and ingenuity, enabling the company to lead the way in developing innovative solutions and offering a consistent and diverse range of energy mix to meet the nation's energy demands. As a responsible energy company, PSO recognizes the importance of embracing renewable energy technologies, such as solar power, and places technology integration at the core of its operations.

By steadfastly committing to promoting a more sustainable future, PSO remains dedicated to driving the energy revolution in Pakistan, ensuring a harmonious balance between economic growth, environmental preservation, and social well-being.

Company Information

Board of Management

Chairman (Independent)
Mr. Asif Baigmohamed

Independent Members
Mr. Ahmed Jamal Mir
Mr. Mushtaq Malik
Mr. Waheed Ahmed Shaikh

Non-Executive Members
Mr. Asad Rehman Gilani
Mr. Awais Manzur Sumra
Mr. Hassan Mehmood Yousufzai
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

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

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.pso.pk.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
Standard Chartered Bank (Pakistan)
Limited
The Bank of Punjab
United Bank Limited

Report to Shareholders

For the six months ended December 31, 2023

The Board of Management of Pakistan State Oil Company Limited (PSO) is pleased to present the condensed unconsolidated and consolidated interim financial statements for the six months ended December 31, 2023 (1HFY24) of the company and the group.

PSO exemplified its determination and resilience, reporting a net profit amounting to PKR 7.7 billion for 1HFY24, (1HFY23: net loss of PKR 3.4 billion), translating into earnings per share of PKR 16.51 (1HFY23: LPS of PKR 7.16). Furthermore, the company attained gross sales of PKR 1.9 trillion (1HFY23: PKR 1.8 trillion).

Similarly, the group recorded a net profit of PKR 12.2 billion for 1HFY24, a substantial increase from PKR 1.2 billion loss in 1HFY23. This commendable performance resulted in earnings per share of PKR 26.01 (1HFY23: LPS of PKR 2.52).

Throughout the latter part of CY23, the global economic landscape demonstrated extraordinary tenacity in the face of heightened inflation levels and stringent monetary measures across numerous economies. Projections from the IMF suggest that global economic growth is estimated at 3.1% in CY24, with a modest upturn to 3.2% anticipated in CY25. Owing to the implementation of tighter monetary policies coupled with downward commodity prices, forecasts also indicate a gradual decline in global inflation rates, projected to decrease to 6.8% in CY23 and 5.8% in CY24 from the 8.7% observed in CY22.

Amidst geopolitical tensions, the oil market experienced ongoing volatility, with uncertainty looming large. Weakness in global economic performance exerted a downward pressure on oil prices, which averaged at US\$84 per barrel during Q2FY24, down from an average of US\$87 per barrel in the preceding quarter. The decision by OPEC+ to extend and expand their voluntary production cuts is expected to mitigate oil price fluctuations, providing a stabilizing influence in the market.

During 1HFY24, Pakistan's economic landscape remained under tight fiscal control as inflation persisted at 29% prompting the central bank to uphold the policy rate at 22%. Within the same timeframe, the automobile sector witnessed a substantial downturn, with passenger car sales plummeting by 55.5% YoY, while motorbike and three-wheeler sales experienced a 13.7% decline on a similar basis.

Pakistan's economy experienced a 0.8% contraction in output from Large Scale Manufacturing Industries (LSMI) from July to November 2023, compared to the corresponding period the previous year, with significant contributions from sectors such as cotton, iron & steel, and automobile manufacturing. The IMF anticipates a modest real GDP growth rate of approximately 2% for Pakistan in CY24.

Despite substantial challenges within the petroleum sector, PSO bolstered its market presence, with a notable 1.9% increase in white oil market share, reaching 52.6% at the end of the period. This growth was primarily attributed to increase in gasoline sales, where the company augmented its market share by 3%, reaching 46.1% in 1HFY24. Meanwhile, PSO maintained a strong foothold in the diesel market, with a market share of 55.3%.

The company maintained its dominant position in the black oil market, selling 153 KMT during the period despite a 57.4% decline in sales of the segment on YoY basis owing to low furnace oil based power generation.

The circular debt crisis continued to pose significant challenges for the company. As of December 31, 2023, PSO's outstanding receivables amounted to PKR 552 billion (exclusive of late payment surcharge), with PKR 401 billion owed by SNGPL. Meanwhile, heightened interest rates led to a 104% increase in finance costs compared to the same period last year. Various options are being explored with the government to address the circular debt issue and alleviate the undue burden on PSO's financials.

PSO further strengthened its infrastructure for enhanced capacity and reliability. During 1HFY24, 91 KMT of new storages were completed at Faqirabad, Faisalabad, and Mehmoodkot taking the total capacity to 1,232 KMT. In parallel, 24 KMT of storage facilities at Sihala and Zulfqarabad were successfully rehabilitated along with four tanks with a combined capacity of 23 KMT at ZOT, Habibabad, Sihala, and Mehmoodkot terminals.

PSO increased its retail presence by adding 21 new retail outlets, taking the total nationwide footprint to 3,547. In alignment with the company's digitalization strategy, the precise meter filling and invoicing system was effectively deployed for retail customers at Keamari Terminal A (Karachi), marking a significant leap forward in operational precision. Plans are underway to implement this system at Machike, Mehmood Kot, and Sihala terminals, ensuring accuracy and operational efficiency.

PSO takes pride in its prominent presence in the aviation sector with the recent addition of Quetta airport to its portfolio. PSO also took charge of Operations & Management responsibilities for Sukkur and Nawabshah Airports, further amplifying its jet fuel operations to encompass an impressive total of 14 airports nationwide.

Embedded in PSO's core values of caring and giving, the company continued to make impactful contributions through its CSR Trust with ongoing support exceeding PKR 127 million to numerous charitable organizations focusing on initiatives in healthcare, education, youth development, social enterprise advancement, and poverty alleviation.

The company remains steadfast in its mission to provide nationwide fuel supply and facilitate the continuous operation of the nation's economy. To enhance its financial and operational performance, the company is actively pursuing various avenues, including digitization and automation, process optimization, bolstering operational reliability and capacity, enriching customer experience through value-added services, and generating shareholder value through strategic long-term projects.

With the support of the government, we anticipate a swift resolution to the challenge of circular debt receivables. As economic indicators strengthen, our business strategies coupled with the resolution of circular debt receivables are expected to substantially increase shareholder value and ensure top-tier business performance in the foreseeable future.

We express our gratitude to our shareholders, customers, business partners and employees for their continued trust. We would also like to thank the Government of Pakistan, especially the Ministry of Energy (Petroleum Division) for their guidance and support.



Syed Muhammad Taha
Managing Director & CEO



Asif Baigmohamed
Chairman - Board of Management

February 15, 2024
Karachi

Independent Auditor's Review Report

To the Members of Pakistan State Oil Company Limited

Report on Review of Condensed Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of **Pakistan State Oil Company Limited** ("the Company") as at 31 December 2023 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the condensed unconsolidated interim financial statements for the six-months period then ended (here-in-after referred to as the "Condensed Unconsolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of these condensed unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed unconsolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed unconsolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to:

- note 11.3 to the accompanying condensed unconsolidated interim financial statements which describe in detail matter relating to overdue receivables on account of Inter-Corporate circular debt; and

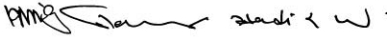
- note 12.1 to the condensed unconsolidated interim financial statements which describes the reasons for considering the aggregate amount of Rs. 9,297,420 thousand due from the Government of Pakistan on account of various price differential claims as recoverable.

Our conclusion is not modified in respect of the above stated matters.

Other Matter

The figures of the three-month period ended 31 December 2023 and 2022 in the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditors' review report is Inam Ullah Kakra.



KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

February 26, 2024

UDIN: RR202310202X2ro8USIf

Condensed Unconsolidated Interim Statement of Financial Position

As at December 31, 2023

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	20,219,695	18,640,560
Right-of-use assets	8	7,357,794	6,898,277
Intangibles		247,718	239,282
Long-term investments	9	12,622,524	11,261,720
Long-term loans, advances and other receivables		864,734	761,044
Long-term deposits		360,522	370,750
Deferred tax asset - net		22,626,122	21,875,045
		<u>64,299,109</u>	<u>60,046,678</u>
Current assets			
Stores, spares and loose tools		960,972	871,872
Stock-in-trade	10	331,264,557	292,626,142
Trade debts	11	548,116,952	495,898,435
Loans and advances		592,356	569,484
Short-term deposits and prepayments		443,922	1,204,894
Other receivables	12	112,222,277	103,224,248
Cash and bank balances		17,769,198	28,954,358
		<u>1,011,370,234</u>	<u>923,349,433</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u>1,075,669,343</u>	<u>983,396,111</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		215,598,744	211,865,173
		<u>220,293,478</u>	<u>216,559,907</u>
Non-current liabilities			
Retirement and other service benefits		11,866,815	11,185,640
Lease liabilities		7,194,180	6,611,373
Deferred income - Government grant		100,000	100,000
Other payable		633,250	593,849
		<u>19,794,245</u>	<u>18,490,862</u>
Current liabilities			
Trade and other payables	13	368,297,948	308,090,800
Short-term borrowings		445,314,969	422,705,573
Accrued interest / mark-up		8,718,931	11,523,844
Provisions		639,413	639,413
Current portion of lease liabilities		493,987	483,269
Taxation - net		10,376,303	3,341,201
Unclaimed dividend		1,740,069	1,561,242
		<u>835,581,620</u>	<u>748,345,342</u>
TOTAL LIABILITIES		<u>855,375,865</u>	<u>766,836,204</u>
TOTAL EQUITY AND LIABILITIES		<u>1,075,669,343</u>	<u>983,396,111</u>
Contingencies and commitments	14		

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


Syed Muhammad Taha
 Managing Director & CEO


Mushtaq Malik
 Member Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Unconsolidated Interim Statement of Profit or Loss (Un-Audited)

For the six months and quarter ended December 31, 2023

Note	Six months ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----				
Gross sales	1,931,149,539	1,816,888,074	954,994,979	887,328,690
Less:				
- Sales tax	(93,471,646)	(106,281,721)	(41,270,084)	(42,952,946)
- Inland freight equalization margin	(10,407,052)	(5,342,368)	(6,535,446)	(1,375,757)
	(103,878,698)	(111,624,089)	(47,805,530)	(44,328,703)
Net sales	1,827,270,841	1,705,263,985	907,189,449	842,999,987
Cost of products sold	(1,772,050,152)	(1,693,702,577)	(910,418,505)	(838,158,714)
Gross profit / (loss)	55,220,689	11,561,408	(3,229,056)	4,841,273
Other income	15 11,109,026	9,606,983	7,761,184	3,157,974
Operating costs				
Distribution and marketing expenses	(8,725,281)	(5,954,830)	(4,704,400)	(2,956,425)
Administrative expenses	(3,026,454)	(2,798,593)	(1,738,303)	(1,716,313)
Provision for impairment on financial assets - net	(859,654)	(267,107)	(311,461)	(57,101)
Other expenses	(2,571,425)	(35,807)	664,678	271,924
	(15,182,814)	(9,056,337)	(6,089,486)	(4,457,915)
Profit / (loss) from operations	51,146,901	12,112,054	(1,557,358)	3,541,332
Finance costs	16 (25,368,864)	(12,460,186)	(15,086,150)	(7,664,681)
Share of profit of associates - net of tax	769,518	474,218	328,220	241,916
Profit / (loss) before taxation	26,547,555	126,086	(16,315,288)	(3,881,433)
Taxation				
- current	(19,471,305)	(8,465,884)	1,661,659	(4,040,432)
- prior	240,433	695,868	240,433	695,868
- deferred	433,275	4,282,832	274,963	2,667,058
	(18,797,597)	(3,487,184)	2,177,055	(677,506)
Profit / (loss) for the period	7,749,958	(3,361,098)	(14,138,233)	(4,558,939)
----- (Rupees) -----				
Earnings / (loss) per share - basic and diluted	17 16.51	(7.16)	(30.12)	(9.71)

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



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Unconsolidated Interim Statement of Comprehensive Income (Un-Audited)

For the six months and quarter ended December 31, 2023

Note	Six months ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----				
Profit / (loss) for the period	7,749,958	(3,361,098)	(14,138,233)	(4,558,939)
Other comprehensive (loss) / income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial gain / (loss) on remeasurement of staff retirement benefits of associates - net of tax	1,737	(5,721)	1,626	(6,125)
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI) 9.1.1	(814,874)	(76,834)	44,260	(186,415)
Taxation thereon	317,800	25,355	(17,262)	61,517
	(497,074)	(51,479)	26,998	(124,898)
Other comprehensive (loss) / income	(495,337)	(57,200)	28,624	(131,023)
Total comprehensive income / (loss) for the period	7,254,621	(3,418,298)	(14,109,609)	(4,689,962)

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



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Unconsolidated Interim Statement of Changes in Equity (Un-Audited)

For the six months period ended December 31, 2023

	Share capital	Capital Reserves	Reserves				Sub-total	Total	
			Revenue Reserves			Unrealised gain / (loss) on remeasurement of FVOCI investments			Un-appropriated profit
			Surplus on vesting of net assets	General reserve	PSO venture capital fund				
(Rupees in '000)									
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 loss for six months period ended									
Loss for the period	-	-	-	-	-	(3,361,098)	(3,361,098)	(3,361,098)	
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	-	-	(51,479)	-	-	-	(51,479)	(51,479)	
	-	-	(51,479)	-	-	(5,721)	(57,200)	(57,200)	
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 December 31, 2022	<u>4,694,734</u>	<u>3,373</u>	<u>2,189,065</u>	<u>25,282,373</u>	<u>1,478,551</u>	<u>173,887,973</u>	<u>202,841,335</u>	<u>207,536,069</u>	
Balance as at July 01, 2023 (Audited)	4,694,734	3,373	1,909,133	25,282,373	1,722,212	182,948,082	211,865,173	216,559,907	
Total comprehensive income for six months period ended									
Profit for the period	-	-	-	-	-	7,749,958	7,749,958	7,749,958	
Other comprehensive (loss) / income									
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	1,737	1,737	1,737	
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(497,074)	-	-	-	(497,074)	(497,074)	
	-	-	(497,074)	-	-	1,737	(495,337)	(495,337)	
Transactions with the owners:									
Final dividend for the year ended June 30, 2023 at Rs. 7.5 per share	-	-	-	-	-	(3,521,050)	(3,521,050)	(3,521,050)	
Balance as at December 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>1,412,059</u>	<u>25,282,373</u>	<u>1,722,212</u>	<u>187,178,727</u>	<u>215,598,744</u>	<u>220,293,478</u>	

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



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Unconsolidated Interim Statement of Cash Flows (Un-Audited)

For the six months period ended December 31, 2023

		Six months ended	
Note	December 31, 2023	December 31, 2022	
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
	18	14,857,330	(96,472,126)
Cash generated from / (used in) operations		(103,690)	(334,595)
Long-term loans, advances and other receivables		10,228	(427,324)
Long-term deposits		(12,195,770)	(13,743,200)
Taxes paid		(27,658,152)	(7,131,915)
Finance costs paid		(563,140)	(476,430)
Retirement and other service benefits paid		<u>(25,653,194)</u>	<u>(118,585,590)</u>
Net cash used in operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
		(2,783,654)	(1,951,389)
Capital expenditure		23,501	58,424
Proceeds from disposal of operating assets		(1,523,000)	-
Investment in subsidiaries		313,052	555,839
Dividend received		<u>(3,970,101)</u>	<u>(1,337,126)</u>
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
		(2,687,242)	97,911,338
Proceeds from short-term borrowings - net		(829,038)	(623,560)
Lease rentals paid		(3,342,223)	(4,593,539)
Dividend paid		<u>(6,858,503)</u>	<u>92,694,239</u>
Net cash (used in) / generated from financing activities			
Net decrease in cash and cash equivalents		<u>(36,481,798)</u>	<u>(27,228,477)</u>
Cash and cash equivalents at beginning of the period		25,808,493	12,060,789
Cash and cash equivalents at end of the period	19	<u>(10,673,305)</u>	<u>(15,167,688)</u>

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



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 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 six months period ended December 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 Standards (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.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

- 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, 2023. 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 subsidiaries 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 SRO 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 December 31, 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 and GENCO in these condensed unconsolidated interim financial statements based on the exemption granted by SECP in this respect.
- 2.5 As mentioned in note 2.7 of the annual unconsolidated financial statements as at and for the year ended June 30, 2023, the Honourable 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 December 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

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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, 2023.

4. SIGNIFICANT ACCOUNTING POLICIES

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, 2023.

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, 2023 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

There are standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan, that would be effective from future, but, are considered not to be relevant or do not have any significant effect on the Company and accordingly have not been stated in these condensed unconsolidated interim financial statements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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)	
	December 31, 2023 (Un-audited)	December 31, 2022	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- (Rupees in '000) -----			
Freehold land	-	345,038	-	-
Buildings on freehold land	60,486	12,942	-	2,778
Buildings on leasehold land	15,690	18,023	-	557
Tanks and pipelines	408,877	837,393	-	46
Service and filling stations	1,095,153	203,565	324	705
Plant and machinery	173,009	327,218	-	212
Furniture and fittings	62,774	12,770	34	97
Vehicles and other rolling stock	82,261	107,930	4,113	32
Office equipments	173,368	84,287	-	8
Gas cylinders / regulators	14,052	16,780	-	-
	2,085,670	1,965,946	4,471	4,435

7.2 The above disposals represented assets costing Rs. 70,969 thousand (December 31, 2022: Rs. 435,345 thousand) and were disposed off for Rs. 23,501 thousand (December 31, 2022: Rs. 58,424 thousand).

7.3 As at December 31, 2023, operating assets includes net book value of Rs. 789,547 thousand (June 30, 2023: Rs. 899,666 thousand) in respect of Company's share in joint operations.

7.4 As at December 31, 2023, capital work-in-progress includes amount of Rs. 311,840 thousand (June 30, 2023: Rs. 192,987 thousand) in respect of Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Company recognised right-of-use assets comprising mainly land amounting to Rs. 647,757 thousand (December 31, 2022: Rs. 103,975 thousand) and modification amounting to Rs. 378,159 thousand (December 31, 2022: Rs. 125,060 thousand). Further, right-of-use assets having net book value of Rs. 16,606 thousand (December 31, 2022: Rs. Nil) have been disposed off due to the extinguishment of lease during the period.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

9. LONG-TERM INVESTMENTS	Note	Un-audited December 31, 2023	Audited June 30, 2023
----- (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, 2023: 12%) No. of shares: 8,640,000 (June 30, 2023: 8,640,000) of Rs. 100/- each	9.1	3,178,325	3,993,199
Investment in subsidiaries - at cost			
Quoted company			
- Pakistan Refinery Limited (PRL) Equity held 63.56% (June 30, 2023: 63.56%) No. of shares: 400,459,028 (June 30, 2023: 400,459,028) of Rs. 10/- each		4,890,680	4,890,680
Unquoted companies			
- Cerisma (Private) Limited (CPL) Equity held 100% (June 30, 2023: 100%) No. of shares: 499,999 (June 30, 2023: 499,999) of Rs. 10 each	9.2	50,000	5,000
- PSO Renewable (Private) Limited (PRE) Equity held 100% (June 30, 2023: 100%) No. of shares: 999,999 (June 30, 2023: 999,999) of Rs. 10 each		10,000	10,000
- PSO Venture Capital (Private) Limited (PSOVC) Equity held 100% (June 30, 2023: Nil) No. of shares: 147,799,999 (June 30, 2023: Nil) of Rs. 10/- each	9.3	1,478,000	-
		1,538,000	15,000
Investment in associates			
Unquoted companies			
- Asia Petroleum Limited Equity held: 49% (June 30, 2023: 49%) No. of shares: 46,058,570 (June 30, 2023: 46,058,570) of Rs. 10/- each		2,970,958	2,325,836
- Pak Grease Manufacturing Company (Private) Limited Equity held: 22% (June 30, 2023: 22%) No. of shares: 686,192 (June 30, 2023: 686,192) of Rs. 10/- each		44,561	37,005
		3,015,519	2,362,841
		12,622,524	11,261,720

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

- 9.1 The Company has carried out an exercise to ascertain the fair value of investment as at December 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 December 31, 2023	Audited June 30, 2023
- Discount rate	21.68% - 22.47%	19.56% - 19.94%
- 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. 497,074 thousand (December 31, 2022: Rs. 51,479 thousand) in other comprehensive income for the period.

	Un-audited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----		
9.1.1 Movement of investment classified as FVOCI		
Balance at beginning of the period / year	3,993,199	4,208,094
Remeasurement loss recognised in other comprehensive income	(814,874)	(214,895)
Balance at the end of the period / year	<u>3,178,325</u>	<u>3,993,199</u>
9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(219,767)	(294,970)
- Discount rate (1% decrease)	251,189	343,832
- Growth rate of terminal value (1% increase)	142,496	208,593
- Growth rate of terminal value (1% decrease)	(125,415)	(179,941)

- 9.2 Includes Rs 45,000 thousand (June 30, 2023: Nil) paid to CPL as advance against issue of shares.

- 9.3 PSOVC has been incorporated as private limited company. The principal activity of PSOVC is to carry on business of private equity and venture capital fund management services. The principal place of business for PSOVC is Sindh, Pakistan.

10. STOCK-IN-TRADE

As at December 31, 2023, stock has been written down by Rs. 4,060,418 thousand (June 30, 2023: Rs. Nil) to arrive at its net realisable values.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

	Note	Un-audited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
11. TRADE DEBTS			
Considered good			
Due from Government agencies and autonomous bodies			
- Secured	11.1	835,471	77,603
- Unsecured	11.2 & 11.3	500,004,601	436,761,005
		500,840,072	436,838,608
Due from other customers			
- Secured	11.1	4,635,341	6,628,389
- Unsecured	11.2 & 11.3	42,641,539	52,431,438
		47,276,880	59,059,827
		548,116,952	495,898,435
Considered doubtful		3,844,563	2,939,979
Trade debts - gross		551,961,515	498,838,414
Less: Provision for impairment	11.5	(3,844,563)	(2,939,979)
Trade debts - net		548,116,952	495,898,435

- 11.1** These debts are secured by way of bank guarantees and security deposits.
- 11.2** Includes Rs. 411,870,545 thousand (June 30, 2023: Rs. 437,863,784 thousand) due from related parties, against which provision for impairment of Rs. 1,162,460 thousand (June 30, 2023: Rs. 851,302 thousand) has been recognised.
- 11.3** These debts include an aggregate amount of Rs. 490,428,756 thousand (June 30, 2023: Rs. 433,921,957 thousand) due from GENCO Holding Company Limited (GENCO), Hub Power Company Limited (HUBCO), and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of inter-corporate circular debt. These include past due trade debts of Rs. 71,668,553 thousand (June 30, 2023: Rs. 71,921,997 thousand), Rs. 18,135,551 thousand (June 30, 2023: Rs. 18,135,551 thousand) and Rs. 326,697,620 thousand (June 30, 2023: Rs. 298,429,214 thousand) from GENCO, HUBCO and SNGPL respectively, based on the agreed credit terms. The Company carries a specific provision of Rs. 346,975 thousand (June 30, 2023: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 416,154,749 thousand (June 30, 2023: Rs. 388,139,788 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Company is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.
- 11.4** As at December 31, 2023 trade debts aggregating Rs. 108,299,584 thousand (June 30, 2023: Rs. 110,081,370 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 439,817,368 thousand (June 30, 2023: Rs.385,817,065 thousand) are past due but not impaired.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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 December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----		
11.5	The movement in provision during the period / year is as follows:	
	Balance at beginning of the period / year	2,737,455
	Provision recognised during the period / year	282,038
	Reversal of provision made during the period / year	(79,514)
	904,584	202,524
	<u>3,844,563</u>	<u>2,939,979</u>

12. OTHER RECEIVABLES

12.1 Included in other receivables is long outstanding aggregate amount due from GoP on account of the following receivables, as more fully explained in note 16 to the annual audited unconsolidated financial statements for the year ended June 30, 2023:

	Un-audited December 31, 2023	Audited June 30, 2023
----- (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	602,604	602,604
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	<u>9,297,420</u>	<u>9,297,420</u>

12.2 Includes receivable of Rs. 107,500,916 thousand (June 30, 2023: Rs. 98,089,007 thousand) due from associates and related parties.

12.3 As at December 31, 2023, receivables aggregating to Rs. 9,218,029 thousand (June 30, 2023: Rs. 9,262,958 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

	Un-audited December 31, 2023	Audited June 30, 2023
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	9,262,958	9,028,322
Provision recognised during the period / year	3,040	300,000
Reversal of provision during the period / year	(47,969)	(65,364)
	(44,929)	234,636
Balance at the end of the period / year	<u>9,218,029</u>	<u>9,262,958</u>

- 12.4** As at December 31, 2023, net unfavorable amount of foreign exchange difference of Rs. 59,571,556 thousand (June 30, 2023: Rs. 61,455,158 thousand) 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. 105,486,646 thousand (June 30, 2023: Rs. 132,863,995 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, 2023 other than as mentioned in the below notes.

14.1.1 Income tax

- 14.1.1.1** In respect of matter disclosed in note 29.1.1.1 to the unconsolidated financial statements for the year ended June 30, 2023, the Company has obtained an appeal effect order dated October 26, 2023 in respect of ATIR order from taxation authorities for the tax year 2007 after which demand has been further reduced to Rs. 169,744 thousand. 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 favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

14.1.2 Other legal claims

14.1.2.1 As at December 31, 2023 certain legal cases amounting to Rs. 8,521,440 thousand (June 30, 2023: Rs. 8,300,811 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.

14.1.2.2 Claims against the Company not acknowledged as debts amounting to Rs. 12,574,016 thousand (June 30, 2023: Rs. 10,806,297 thousand).

14.1.2.3 The Company's share in associates' contingencies in respect of various tax and legal matters as at December 31, 2023 is Rs. 101,737 thousand (June 30, 2023: Rs. 1,200,155 thousand).

	Un-audited December 31, 2023	Audited June 30, 2023
	----- (Rupees in '000) -----	
14.2 Commitments		
14.2.1 Capital expenditure contracted for but not yet incurred	<u>5,148,463</u>	<u>6,976,268</u>
14.2.2 Letters of credit	<u>9,111,335</u>	<u>68,252,485</u>
14.2.3 Bank guarantees	<u>4,857,364</u>	<u>4,113,832</u>
14.2.4 Standby Letters of credit	<u>86,395,860</u>	<u>84,534,155</u>
14.2.5 Post - dated cheques	<u>259,957</u>	<u>20,770,881</u>

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

15. OTHER INCOME

Mainly includes delayed payment surcharge received from customers and reimbursement of financial charges on line fill cost in respect of petroleum products in white oil pipeline.

16. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 24,529,052 thousand (December 31, 2022: Rs. 11,694,510 thousand).

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

17. EARNINGS / (LOSS) PER SHARE

	Un-audited Six months ended		Un-audited Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----			
17.1 Basic				
Profit / (loss) for the period attributable to ordinary shareholders	7,749,958	(3,361,098)	(14,138,233)	(4,558,939)
Weighted average number of ordinary shares outstanding during the period	----- (Number of Shares) -----			
	469,473,302	469,473,302	469,473,302	469,473,302
	----- (Rupees) -----			
Earnings / (loss) per share - basic and diluted	16.51	(7.16)	(30.12)	(9.71)

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 December 31, 2023 and December 31, 2022.

18. CASH GENERATED FROM / (USED IN) OPERATIONS

Note	Un-audited Six months ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Profit before taxation	26,547,555	126,086
Depreciation and amortisation	1,741,404	1,483,802
Provision for impairment on trade debts - net	904,584	304,313
Reversal of impairment on other receivables - net	(44,929)	(1,356)
(Reversal of) / provision for impairment against stores, spares and loose tools	(29,413)	25,685
Provision for retirement and other services benefits	1,244,315	850,743
Provision for write down of inventory to net realisable value	4,060,418	-
Gain on disposal of operating assets & intangibles	(19,030)	(53,989)
Gain on disposal of right-of-use assets due to extinguishment	(2,789)	-
Share of profit from associates - net of tax	(769,518)	(474,218)
Dividend income from FVOCI investment	(194,475)	(325,546)
Interest on lease payments	416,042	355,039
Finance costs	24,952,822	12,105,147
	32,259,431	14,269,620
Changes in:		
- Stores, spares and loose tools	(59,687)	(83,846)
- Stock-in-trade	(42,698,833)	69,620,275
- Trade debts	(53,123,101)	(38,070,450)
- Loans and advances	(22,872)	206,951
- Deposits and short-term prepayments	760,972	(104,666)
- Other receivables	(8,953,100)	12,462,404
- Trade and other payables	60,146,965	(154,898,500)
	(43,949,656)	(110,867,832)
	14,857,330	(96,472,126)

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

19. CASH AND CASH EQUIVALENTS

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

	Un-audited Six months ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Cash and bank balances	17,769,198	5,215,927
Short-term borrowings (finances under mark-up arrangements)	(28,442,503)	(20,383,615)
	<u>(10,673,305)</u>	<u>(15,167,688)</u>

20. FINANCIAL RISK MANAGEMENT AND 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, 2023.

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, 2023.

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 December 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.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

21.1 Related parties comprise of subsidiary companies, 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 Six months ended	
		December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
Subsidiary			
- Pakistan Refinery Limited	Purchases	87,486,875	71,815,040
	Income facility charges	-	323
Associates			
- Asia Petroleum Limited	Income facility charges	427,927	18,185
	Pipeline charges	-	108,994
	Dividend received	115,146	230,293
- Pak Grease Manufacturing Company (Private) Limited	Purchases	-	47,604
	Dividend received	3,431	-
- Cnergycio PK Limited	Purchases	4,855,224	8,320,225
- Petroleum Institute of Pakistan	Services received	7,564	6,023
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	300,483	194,834
	Contributions made	255,412	213,700
- Gratuity Fund	Charge for the period	363,606	289,372
	Contributions made	253,832	219,750
- Provident Funds	Charge / contribution for the period	110,453	98,464
- Pension Funds (Defined Contribution)	Charge / contribution for the period	115,734	110,836
Key management personnel*	Managerial remuneration including benefits and perquisites	364,206	292,452
Non-executive Directors	Remuneration and fees	12,775	10,875

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

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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:

Name of the related party	Nature of Transactions	Un-audited Six months ended	
		December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
- Government of Pakistan	Dividend paid	791,281	1,055,041
- PSOCL Employees Empowerment Trust	Dividend paid to the trust	106,977	142,636
- Board of Management	Contribution towards expenses of BoM	15,157	11,254
- Pak Arab Pipeline Company Limited	Pipeline charges	3,689,737	3,715,613
	Dividend received	194,475	325,546
- Sui Northern Gas Pipelines Limited	Gross sales	550,062,784	540,738,375
- GENCO	Gross sales	1,200,072	9,838,546
- Oil and Gas Development Company	Gross sales	1,751,086	-
	Purchases	1,853,307	1,278,021
- Pakistan Railways	Gross sales	18,136,978	12,700,237
- Pakistan International Airlines Corporation Limited	Gross sales	28,318,648	26,854,254
	Purchases	7,394	2,626
- Pakistan Petroleum Limited	Gross sales	266,563	45,979
- Pak Arab Refinery Limited	Purchases	280,336,048	284,584,365
	Pipeline charges	722,889	802,033
- K-Electric Limited	Gross sales	12,298,694	73,016,970
	Income facility charges	2,204	30,463
- National Bank of Pakistan	Finance cost and bank charges	7,014,249	1,382,918

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

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

- (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 Kemari 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, Water and Power Development Authority 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 December 31, 2023 amounting to Rs. 147,465,618 thousand (June 30, 2023: Rs. 112,847,307 thousand).
- 21.4** Short term borrowings includes Rs. 136,838,805 thousand (June 30, 2023: Rs. 115,819,571 thousand) under finances obtained from National Bank of Pakistan.
- 21.5** The status of outstanding receivables and payables from / to related parties as at December 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.

Notes to the Condensed Unconsolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

	Un-audited Six months ended	
	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----		
22. OPERATING SEGMENTS		
22.1 Segment wise revenue and profit is as under:		
Revenue - net sales		
Petroleum Products	1,332,358,000	1,237,868,000
Liquefied Natural Gas (LNG)	490,300,000	464,526,000
Others	4,612,841	2,869,985
	<u>1,827,270,841</u>	<u>1,705,263,985</u>
Profit / (loss) for the period		
Petroleum Products	18,914,000	(3,556,000)
Liquefied Natural Gas (LNG)	(14,215,000)	(3,170,000)
Others	3,050,958	3,364,902
	<u>7,749,958</u>	<u>(3,361,098)</u>

22.2 Timing of revenue recognition is at a point in time.

22.3 Out of total sales of the Company, 99.7% (December 31, 2022: 99.8%) relates to customers in Pakistan.

22.4 All non-current assets of the Company as at December 31, 2023 and 2022 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 33% during the six month period ended December 31, 2023 (December 31, 2022: 37%).

22.5 Out of total gross sales of the Company, sales for the six month period ended December 31, 2023, amounting to Rs. 551,262,856 thousand (December 31, 2022: Rs 588,923,367 thousand), relates to circular debt customers.

23. EVENTS AFTER THE REPORTING DATE

The Board of Management in its meeting held on February 15, 2024 has proposed an interim cash dividend of Rs. Nil (December 31, 2022: Nil) amounting to Rs. Nil (December 31, 2022: Nil) for the year ending June 30, 2024.

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 February 15, 2024 by the Board of Management.



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Consolidated Interim Statement of Financial Position

As at December 31, 2023

	Note	Un-audited December 31, 2023	Audited June 30, 2023
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	7	42,918,785	41,030,347
Right-of-use assets	8	7,465,185	7,013,623
Intangibles		261,724	253,973
Long-term investments	9	6,243,816	6,396,650
Long-term loans, advances and other receivables		868,950	768,084
Long-term deposits		381,704	391,932
Deferred tax asset - net		21,692,140	22,196,404
Retirement benefits		18,723	19,105
		79,851,027	78,070,118
Current assets			
Stores, spares, chemicals and loose tools		2,051,321	2,648,423
Stock-in-trade	10	360,198,328	326,106,697
Trade debts	11	552,643,374	505,968,432
Loans and advances		1,396,010	603,602
Short-term deposits and prepayments		1,800,715	1,342,066
Other receivables	12	124,962,372	112,089,504
Investments	13	12,129,002	-
Cash and bank balances		32,405,828	40,624,965
		1,087,586,950	989,383,689
Net assets in Bangladesh		-	-
TOTAL ASSETS		1,167,437,977	1,067,453,807
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		228,507,443	220,313,579
Equity attributable to the owners of the Holding Company		233,202,177	225,008,313
Non-controlling interest		9,892,847	7,335,685
		243,095,024	232,343,998
Non-current liabilities			
Retirement and other service benefits		12,503,333	11,822,158
Long term borrowings		3,000,000	2,000,000
Lease liabilities		7,324,249	6,744,426
Deferred income - Government grant		100,000	100,000
Other payable		633,250	593,849
		23,560,832	21,260,433
Current liabilities			
Trade and other payables	14	406,775,382	342,187,101
Short-term borrowings		471,064,727	452,539,602
Accrued interest / mark-up		8,903,695	11,999,938
Provisions		639,413	639,413
Current portion of lease liabilities		496,969	511,430
Taxation - net		11,142,014	4,390,797
Unclaimed dividend		1,759,921	1,581,095
		900,782,121	813,849,376
TOTAL EQUITY AND LIABILITIES		1,167,437,977	1,067,453,807

Contingencies and commitments

15

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

Syed Muhammad Taha
Managing Director & CEO

Mushtaq Malik
Member Board of Management

Gulzar Khoja
Chief Financial Officer

Condensed Consolidated Interim Statement of Profit or Loss (Un-Audited)

For the six months and quarter ended December 31, 2023

Note	Six months ended		Quarter ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
----- (Rupees in '000) -----					
Net sales	16	1,927,634,581	1,775,218,332	962,430,526	874,551,044
Cost of products sold		(1,858,437,950)	(1,759,307,972)	(959,460,833)	(866,775,354)
Gross profit		69,196,631	15,910,360	2,969,693	7,775,690
Other income	17	13,437,473	11,325,503	9,474,788	4,166,064
Operating costs					
Distribution and marketing expenses		(9,072,218)	(6,139,765)	(4,846,303)	(3,128,051)
Administrative expenses		(3,630,489)	(3,215,904)	(2,056,661)	(1,919,863)
Provision for impairment on financial assets - net		(859,654)	(267,107)	(311,461)	(57,101)
Other expenses		(5,103,347)	(147,869)	(976,267)	257,560
		(18,665,708)	(9,770,645)	(8,190,692)	(4,847,455)
Profit from operations		63,968,396	17,465,218	4,253,789	7,094,299
Finance costs	18	(27,344,016)	(13,756,861)	(16,303,493)	(8,328,927)
Share of profit of associates - net of tax		783,130	470,417	342,178	238,403
Profit / (loss) before taxation		37,407,510	4,178,774	(11,707,526)	(996,225)
Taxation					
- current		(22,079,175)	(9,217,830)	715,378	(4,357,210)
- prior		261,144	695,868	261,144	695,868
- deferred		(822,066)	4,407,386	301,736	2,574,371
		(22,640,097)	(4,114,576)	1,278,258	(1,086,971)
Profit / (loss) for the period		14,767,413	64,198	(10,429,268)	(2,083,196)
Profit / (loss) attributable to:					
Owners of the Holding Company		12,210,251	(1,183,981)	(11,780,813)	(2,928,812)
Non-controlling interest		2,557,162	1,248,179	1,351,545	845,616
		14,767,413	64,198	(10,429,268)	(2,083,196)
----- (Rupees) -----					
Earnings / (loss) per share - basic and diluted	19	26.01	(2.52)	(25.09)	(6.24)

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


Syed Muhammad Taha
 Managing Director & CEO


Mushtaq Malik
 Member Board of Management


Gulzar Khoja
 Chief Financial Officer

Condensed Consolidated Interim Statement of Comprehensive Income (Un-Audited)

For the six months and quarter ended December 31, 2023

Note	Six months ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----				
Profit / (loss) for the period	14,767,413	64,198	(10,429,268)	(2,083,196)
Other comprehensive (loss) / income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial gain / (loss) on remeasurement of staff retirement benefits of associates - net of tax	1,737	(5,721)	1,626	(6,125)
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 (814,874)	(76,834)	44,260	(186,415)
Taxation thereon	317,800	25,355	(17,262)	61,517
	(497,074)	(51,479)	26,998	(124,898)
Other comprehensive (loss) / income	(495,337)	(57,200)	28,624	(131,023)
Total comprehensive income / (loss) for the period	14,272,076	6,998	(10,400,644)	(2,214,218)
Profit / (loss) attributable to:				
Owners of the Holding Company	11,714,914	(1,241,181)	(11,752,190)	(3,059,835)
Non-controlling interest	2,557,162	1,248,179	1,351,546	845,616
	14,272,076	6,998	(10,400,644)	(2,214,218)

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



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

Condensed Consolidated Interim Statement of Changes in Equity (Un-Audited)

For the six months period ended December 31, 2023

	Share capital	Capital Reserves		Reserves					Total	
				Revenue Reserves			Non-controlling interest (NCI)			
				Surplus on vesting of net assets	Special Reserve	Unrealised gain on remeasurement of FVOCI investments		General reserve		PSD venture capital fund
(Rupees in '000)										
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	6,861,546	227,343,289
Total comprehensive income for six months period ended										
(Loss) / profit for the period	-	-	-	-	-	-	(1,183,981)	(1,183,981)	1,248,179	64,198
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	-	-	-	(51,479)	-	-	-	(51,479)	-	(51,479)
	-	-	-	(51,479)	-	-	(5,721)	(57,200)	-	(57,200)
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 December 31, 2022	<u>4,694,734</u>	<u>3,373</u>	<u>8,460,221</u>	<u>2,189,065</u>	<u>25,282,373</u>	<u>1,478,551</u>	<u>172,437,511</u>	<u>209,851,094</u>	<u>8,109,725</u>	<u>222,655,553</u>
Balance as at July 01, 2023 (Audited)	4,694,734	3,373	9,556,610	1,909,133	25,282,373	1,722,212	181,839,878	220,313,579	7,335,685	232,343,998
Total comprehensive income for six months period ended										
Profit for the period	-	-	-	-	-	-	12,210,251	12,210,251	2,557,162	14,767,413
Other comprehensive (loss) / income										
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	-	1,737	1,737	-	1,737
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	-	(497,074)	-	-	-	(497,074)	-	(497,074)
	-	-	-	(497,074)	-	-	1,737	(495,337)	-	(495,337)
Transactions with the owners:										
Final dividend for the year ended June 30, 2023 at Rs. 7.5 per share	-	-	-	-	-	-	(3,521,050)	(3,521,050)	-	(3,521,050)
Balance as at December 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>9,556,610</u>	<u>1,412,059</u>	<u>25,282,373</u>	<u>1,722,212</u>	<u>190,530,816</u>	<u>228,507,443</u>	<u>9,892,847</u>	<u>243,095,024</u>

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


Syed Muhammad Taha
 Managing Director & CEO


Mushtaq Malik
 Member Board of Management


Gulzar Khoja
 Chief Financial Officer

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

1. GROUP LEGAL STATUS AND NATURE OF BUSINESS

The Group consist of Pakistan State Oil Company Limited ("the Holding Company") and its subsidiaries namely Pakistan Refinery Limited, Cerisma (Private) Limited, PSO Renewable Energy (Private) Limited and PSO Venture Capital (Private) Limited. Brief Profile of the Holding and subsidiary companies 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 December 31, 2023, the Holding Company controls 63.56% (June 30, 2023: 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.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

1.3 Cerisma (Private) Limited

Cerisma (Private) Limited (Cerisma), a wholly owned subsidiary, was incorporated on September 29, 2022 as a 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 on December 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

PSO Renewable Energy (Private) Limited (PRE), a wholly owned subsidiary, 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 December 31, 2023, the Company has subscribed to 999,999 shares of PRE.

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

1.5 PSO Venture Capital (Private) Limited

Pakistan Venture Capital (Private) Limited (PSOVC), a wholly owned subsidiary, was incorporated on April 5, 2023 as private limited company. The principal activity of PSOVC is to carry on business of private equity and venture capital fund management services. As at December 31, 2023, the Company has subscribed to 147,799,999 shares of PSOVC.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Group for the six months period ended December 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.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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, 2023. 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** The Securities and Exchange Commission of Pakistan (SECP) through SRO 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 December 31, 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 and GENCO in these condensed consolidated interim financial statements based on the exemption granted by SECP in this respect.
- 2.4** As mentioned in note 2.8 of the annual consolidated financial statements as at and for the year ended June 30, 2023, the Honourable 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 Holding 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 December 31, 2023, the Holding 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.
- 2.5** 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.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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, 2023.

4. SIGNIFICANT ACCOUNTING POLICIES

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, 2023.

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, 2023 but are considered not to be relevant or do not have any significant effect on the Group's financial position 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

There are standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan, that would be effective from future, but, are considered not to be relevant or do not have any significant effect on the Group and accordingly have not been stated in these 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)	
	December 31, 2023 (Un-audited)	December 31, 2022	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
	----- (Rupees in '000) -----			
Freehold land	-	345,038	-	-
Buildings on freehold land	68,706	12,942	-	2,778
Buildings on leasehold land	15,690	18,023	-	557
Tanks and pipelines	408,877	837,393	-	46
Service and filling stations	1,095,153	203,565	324	705
Plant and machinery	308,564	363,583	-	212
Furniture and fittings	75,701	12,770	34	97
Vehicles and other rolling stock	139,879	170,203	4,696	1,690
Office equipments	191,829	92,456	-	8
Gas cylinders / regulators	14,052	16,780	-	-
	2,318,451	2,072,753	5,054	6,093

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

7.2 The above disposals represented assets costing Rs. 79,711 thousand (December 31, 2022: Rs. 451,159 thousand) and were disposed off for Rs. 27,391 thousand (December 31, 2022: Rs. 60,246 thousand).

7.3 As at December 31, 2023, operating assets includes net book value of Rs. 789,547 thousand (June 30, 2023: Rs. 899,666 thousand) in respect of the Holding Company's share in joint operations.

7.4 As at December 31, 2023, capital work-in-progress includes amount of Rs. 311,840 thousand (June 30, 2023: Rs. 192,987 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 assets comprising mainly land amounting to Rs. 647,757 thousand (December 31, 2022: Rs. 103,975 thousand) and modification amounting to Rs. 378,159 thousand (December 31, 2022: Rs. 125,060 thousand). Further, right-of-use assets having net book value of Rs. 16,606 thousand (December 31, 2022: Nil) have been disposed off due to the extinguishment of lease during the period.

9. LONG-TERM INVESTMENTS

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, 2023: 12%)
No. of shares: 8,640,000
(June 30, 2023: 8,640,000) of Rs. 100/- each 9.1

Investment in associates

Unquoted companies

- Asia Petroleum Limited
Equity held: 49% (June 30, 2023: 49%)
No. of shares: 46,058,570
(June 30, 2023: 46,058,570) of Rs. 10/- each

- Pak Grease Manufacturing Company (Private) Limited
Equity held: 49.26% (June 30, 2023: 49.26%)
No. of shares: 1,536,593
(June 30, 2023: 1,536,593) of Rs. 10/- each

Note	Un-audited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----		
	3,178,325	3,993,199
	2,970,958	2,325,836
	94,533	77,615
	3,065,491	2,403,451
	6,243,816	6,396,650

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

- 9.1 The Holding Company has carried out an exercise to ascertain the fair value of investment as at December 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 December 31, 2023	Audited June 30, 2023
- Discount rate	21.68% - 22.47%	19.56%-19.94%
- 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. 497,074 thousand (December 31, 2022: Rs. 51,479 thousand) in other comprehensive income for the period.

	Un-audited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----		
9.1.1 Movement of investment classified as FVOCI		
Balance at beginning of the period / year	3,993,199	4,208,094
Remeasurement loss recognised in other comprehensive loss	(814,874)	(214,895)
Balance at the end of the period / year	<u>3,178,325</u>	<u>3,993,199</u>
9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(219,767)	(294,970)
- Discount rate (1% decrease)	251,189	343,832
- Growth rate of terminal value (1% increase)	142,496	208,593
- Growth rate of terminal value (1% decrease)	(125,415)	(179,941)

10. STOCK-IN-TRADE

As at December 31, 2023, stock has been written down by Rs. 4,720,056 thousand (June 30, 2023: Rs. 56,720 thousand) to arrive at its net realisable values.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

	Note	Un-audited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
11. TRADE DEBTS			
 Considered good			
Due from Government agencies and autonomous bodies			
- Secured	11.1	835,471	77,603
- Unsecured	11.2 & 11.3	500,738,786	436,761,005
		<u>501,574,258</u>	436,838,608
Due from other customers			
- Secured	11.1	4,635,341	6,628,389
- Unsecured	11.2 & 11.3	46,433,775	62,501,435
		<u>51,069,116</u>	69,129,824
		<u>552,643,374</u>	505,968,432
 Considered doubtful		<u>3,979,455</u>	3,074,871
Trade debts - gross		<u>556,622,829</u>	509,043,303
Less: Provision for impairment	11.5	<u>(3,979,455)</u>	(3,074,871)
 Trade debts - net		<u>552,643,374</u>	505,968,432

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

11.2 Includes Rs. 412,345,146 thousand (June 30, 2023: Rs. 437,863,784 thousand) due from related parties, against which provision for impairment of Rs. 1,162,460 thousand (June 30, 2023: Rs. 851,302 thousand) has been recognised.

11.3 These debts include an aggregate amount of Rs. 490,428,756 thousand (June 30, 2023: Rs. 433,921,957 thousand) due from GENCO Holding Company Limited (GENCO), Hub Power Company Limited (HUBCO), and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of inter-corporate circular debt. These include past due trade debts of Rs. 71,668,553 thousand (June 30, 2023: Rs. 71,921,997 thousand), Rs. 18,135,551 thousand (June 30, 2023: Rs. 18,135,551 thousand) and Rs. 326,697,620 thousand (June 30, 2023: Rs. 298,429,214 thousand) from GENCO, HUBCO and SNGPL respectively, based on the agreed credit terms. The Holding Company carries a specific provision of Rs. 346,975 thousand (June 30, 2023: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 416,154,749 thousand (June 30, 2023: Rs. 388,139,788 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Holding Company is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.

11.4 As at December 31, 2023 trade debts aggregating Rs. 111,813,292 thousand (June 30, 2023: Rs. 114,998,402 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 440,830,082 thousand (June 30, 2023: Rs. 390,970,030 thousand) are past due but not impaired.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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 condensed consolidated interim financial statements.

	Un-audited December 31, 2023	Audited June 30, 2023
	----- (Rupees in '000) -----	
11.5		
The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	3,074,871	2,872,347
Provision recognised during the period / year	1,052,851	282,038
Reversal of provision made during the period / year	(148,267)	(79,514)
	904,584	202,524
Balance at the end of the period / year	3,979,455	3,074,871

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, 2023:

	Un-audited December 31, 2023	Audited June 30, 2023
	----- (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	602,604	602,604
- 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
	9,297,420	9,297,420

12.2 Includes receivable of Rs. 116,179,626 thousand (June 30, 2023: Rs. 107,227,518 thousand) due from associates and related parties.

12.3 As at December 31, 2023, receivables aggregating to Rs. 9,218,029 thousand (June 30, 2023: Rs. 9,262,958 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

	Un-audited December 31, 2023	Audited June 30, 2023
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	9,262,958	9,028,322
Provision recognised during the period / year	3,040	300,000
Reversal of provision during the period / year	(47,969)	(65,364)
	(44,929)	234,636
Balance at the end of the period / year	9,218,029	9,262,958

- 12.4** As at December 31, 2023 net unfavourable amount of foreign exchange difference of Rs. 68,256,411 thousand (June 30, 2023: Rs. 70,522,852 thousand) 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 by Subsidiary Company in Treasury Bills. Fair values of these investments are determined using repurchase price and carry interest yield of 21.30% to 21.73% per annum (June 30, 2023: Nil) per annum. These Treasury Bills will be matured latest by October 31, 2024.

14. TRADE AND OTHER PAYABLES

Includes Rs. 107,954,919 thousand (June 30, 2023: Rs. 134,442,067 thousand) due to various related parties.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

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

15.1.1 Late payment surcharge

Claims against Subsidiary Company amounting to Rs. 2,140,000 thousand (June 30, 2023: Rs. 1,900,000 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

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

forementioned 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 In respect of matter disclosed in note 31.1.2.1 to the consolidated financial statements for the year ended June 30, 2023, the Holding Company has obtained an appeal effect order dated October 26, 2023 in respect of ATIR order from taxation authorities for the tax year 2007 after which demand has been further reduced to Rs. 169,744 thousand. 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 favour of the Holding Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

15.1.3 Other legal claims

15.1.3.1 As at December 31, 2023 certain legal cases amounting to Rs. 8,794,720 thousand (June 30, 2023: Rs. 8,574,091 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.

15.1.3.2 Claims against the Group not acknowledged as debts amount to Rs. 12,574,016 thousand (June 30, 2023: Rs. 10,806,297 thousand) other than as mentioned in note 15.1.1 above.

15.1.3.3 The Group's share in associates' contingencies in respect of various tax and legal matters as at December 31, 2023 is Rs. 107,397 thousand (June 30, 2023: Rs. 1,204,002 thousand).

	Un-audited December 31, 2023	Audited June 30, 2023
----- (Rupees in '000) -----		
15.2 Commitments		
15.2.1 Capital expenditure contracted for but not yet incurred	<u>8,428,463</u>	<u>13,916,268</u>
15.2.2 Letters of credit	<u>76,239,335</u>	<u>68,301,655</u>
15.2.3 Bank guarantees	<u>5,981,364</u>	<u>4,238,462</u>
15.2.4 Standby Letters of credit	<u>86,395,860</u>	<u>84,534,155</u>
15.2.5 Post - dated cheques	<u>259,957</u>	<u>20,770,881</u>
15.2.6 The Group's share in associates' commitments as at December 31, 2023 is Rs. Nil (June 30, 2023: Rs. 9,346 thousand).		

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

16. NET SALES

	Un-audited Six months ended		Un-audited Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	------(Rupees in '000)-----			
Gross Sales	2,087,172,079	1,914,025,513	1,037,592,301	932,175,321
- Sales tax	(99,523,768)	(110,533,575)	(43,078,918)	(44,152,307)
- Incremental incentives	(5,044,058)	-	(3,188,935)	-
- Excise duty and petroleum levy	(36,975,263)	(9,849,503)	(19,390,664)	(6,283,076)
- Surplus price differential	(6,356,312)	(8,290,861)	(2,968,234)	(3,644,418)
- Custom duty	(1,231,045)	(4,790,874)	422	(2,168,719)
- Inland freight Equalization Margin (IFEM)	(10,407,052)	(5,342,368)	(6,535,446)	(1,375,757)
	(159,537,498)	(138,807,181)	(75,161,775)	(57,624,277)
Net Sales	1,927,634,581	1,775,218,332	962,430,526	874,551,044

17. OTHER INCOME

Mainly includes delayed payment surcharge received from customers and reimbursement of financial charges on line fill cost in respect of petroleum products in white oil pipeline.

18. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 26,065,332 thousand (December 31, 2022: 12,977,721 thousand).

19. EARNINGS / (LOSS) PER SHARE

	Un-audited Six months ended		Un-audited Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	------(Rupees in '000)-----			
19.1 Basic				
Profit / (loss) for the period attributable to the owners of the Holding Company	12,210,251	(1,183,981)	(11,780,813)	(2,928,812)
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
	------(Number of Shares)-----			
	------(Rupees)-----			
Earnings / (loss) per share - basic and diluted	26.01	(2.52)	(25.09)	(6.24)

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

19.2 Diluted

There is no dilutive effect on the basic earnings per share of the Holding Company as there are no convertible ordinary shares in issue as at December 31, 2023 and December 31, 2022.

20. CASH GENERATED FROM / (USED IN) OPERATIONS

	Un-audited Six months ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Profit before taxation	37,407,510	4,178,774
Depreciation and amortisation	2,515,066	2,242,239
Provision for impairment of trade debts - net	904,584	304,313
Reversal of provision for other receivables - net (Reversal of provision) / provision for stores, spares and loose tools	(44,929) (29,664)	(1,356) 25,685
Provision for retirement and other services benefits	1,347,686	937,847
Provision for write down of inventory to net realisable value	4,720,056	-
Gain on disposal of operating assets	(22,337)	(54,298)
Gain on disposal of ROUA due to extinguishment	(2,789)	-
Profit on deposits	(1,536,684)	(1,164,672)
Share of profit from associates - net of tax	(783,130)	(470,417)
Dividend income from FVOCI investment	(194,475)	(325,546)
Interest on lease payments	425,163	364,758
Finance costs	26,918,853	13,392,103
	34,217,400	15,250,656
Changes in:		
- Stores, spares and loose tools	626,766	(700,791)
- Stock-in-trade	(38,811,687)	70,693,151
- Trade debts	(47,579,526)	(36,334,005)
- Loans and advances	(792,408)	124,534
- Deposits and short-term prepayments	(458,649)	(254,823)
- Other receivables	(13,136,638)	9,990,002
- Trade and other payables	64,627,679	(155,961,292)
	(35,524,463)	(112,443,224)
	36,100,447	(93,013,794)

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 Six months ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Investments	-	23,007,884
Cash and bank balances	32,405,828	10,389,694
Short-term borrowings (finances under mark-up arrangements)	(30,082,677)	(20,383,615)
	2,323,151	13,013,963

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

22. FINANCIAL RISK MANAGEMENT AND 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, 2023.

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, 2023. 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 December 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:

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

Name of the related party and relationship with the Group	Nature of Transactions	Un-audited Six months ended	
		December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	-	47,604
	Dividend received	7,683	-
- Asia Petroleum Limited	Income facility charges	427,927	18,185
	Pipeline charges	-	108,994
	Dividend received	115,146	230,293
- Energyco PK Limited	Purchases	4,855,224	8,320,225
- Petroleum Institute of Pakistan	Services received	17,935	12,077
- Mari Petroleum Company Limited	Purchases	87,724	88,187
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	387,647	269,564
	Contribution made	342,194	336,817
- Gratuity Fund	Charge for the period	379,813	301,745
	Contribution made	270,039	232,123
- Provident Funds	Charge / Contribution for the period	164,830	148,759
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	115,734	110,836
Key management personnel	Managerial remuneration including benefits and perquisites	499,635	396,938
Non-executive Directors	Remuneration and fees	29,196	20,065

* 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.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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:

Name of the related party	Nature of Transactions	Un-audited Six months ended	
		December 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
- Government of Pakistan	Dividend paid	791,281	1,055,041
- Holding Company's Employees Empowerment Scheme	Dividend paid to the trust	106,977	142,636
- Board of Management	Contribution towards expenses of BoM	15,157	11,254
- Pak Arab Pipeline Company Limited	Pipeline charges	3,689,737	3,715,613
	Dividend received	194,475	325,546
- Sui Northern Gas Pipelines Limited	Gross sales	550,062,784	540,738,375
- Pakistan Railways	Gross sales	18,136,978	12,700,237
- GENCO	Gross sales	1,200,072	9,838,546
- Pakistan International Airlines Corporation Limited	Gross sales	28,318,648	26,854,254
	Purchases	7,394	2,626
- Government Holdings (Pvt) Limited	Purchases	1,714,956	1,612,540
- Pak Arab Refinery Limited	Gross sales	18,524,288	-
	Purchases	298,957,784	287,837,710
	Pipeline charges	722,889	802,033
	Other expenses	16,399	17,013
- Oil and Gas Development Company Limited	Gross sales	1,751,086	6,260,149
	Purchases	8,840,204	1,278,021
- Pakistan Petroleum Limited	Gross sales	266,563	45,979
	Purchases	362,927	41,972
- K-Electric Limited	Gross sales	12,298,693	73,016,970
	Income facility charges	2,204	30,463
- National Bank of Pakistan	Finance cost and bank charges	7,161,633	2,175,687

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

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, Water and Power Development Authority 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 December 31, 2023 amounting to Rs. 147,465,618 thousand (June 30, 2023: Rs. 112,847,307 thousand).
- 23.4** Short term borrowings includes Rs. 149,729,106 thousand (June 30, 2023: Rs. 115,819,571 thousand) under finances obtained from National Bank of Pakistan.
- 23.5** The status of outstanding receivables and payables from / to related parties as at December 31, 2023 are included in respective notes to these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 2023

- 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.

24. OPERATING SEGMENTS

- 24.1 Segment wise revenue and profit is as under:

Revenue - net sales

Petroleum Products	1,332,358,000	1,237,868,000
Liquefied Natural Gas (LNG)	490,300,000	464,526,000
Refining operations	100,363,740	69,954,347
Others	4,612,841	2,869,985
	<u>1,927,634,581</u>	<u>1,775,218,332</u>

Profit / (loss) for the period

Petroleum Products	18,924,000	(3,556,000)
Liquefied Natural Gas (LNG)	(14,215,000)	(3,170,000)
Refining operations	7,011,662	3,425,296
Others	3,046,751	3,364,902
	<u>14,767,413</u>	<u>64,198</u>

- 24.2 Timing of revenue recognition is at a point in time.
- 24.3 Out of total sales of the Group, 99.15% (December 31, 2022: 99.8%) relates to customers in Pakistan.
- 24.4 All non-current assets of the Group as at December 31, 2023 and 2022 are located in Pakistan and Bangladesh. Sales to five major customers of the Group are approximately 31% during the six months period ended December 31, 2023 (December 31, 2022: 33%).
- 24.5 Out of total gross sales of the Group, sales for the six month period ended December 31, 2023, amounting to Rs. 551,262,856 thousand (December 31, 2022: Rs 588,923,367 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 February 15, 2024 has proposed an interim cash dividend of Rs. Nil (December 31, 2022: Nil) amounting to Rs. Nil (December 31, 2022: Nil) for the year ending June 30, 2024.

Notes to the Condensed Consolidated Interim Financial Statements (Un-Audited)

For the six months period ended December 31, 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 February 15, 2024 by the Board of Management of the Holding Company.



Syed Muhammad Taha
Managing Director & CEO



Mushtaq Malik
Member Board of Management



Gulzar Khoja
Chief Financial Officer

سرچارجن (552 ارب روپے تھے جس میں سے 401 ارب روپے ایس این جی پی ایل کے واجب الادا تھے۔ دریں اثناء بلند شرح سود کے نتیجے میں گزشتہ برس کی اسی مدت کے مقابلے میں مالی اخراجات میں 104 فیصد اضافہ ہوا۔ گردش قرضوں کے مسئلے کو حل کرنے اور پی ایس او کی مالیات پر غیر ضروری بوجھ کو کم کرنے کے لیے حکومت کے ساتھ بات چیت میں مختلف آپشنز پر غور کیا جا رہا ہے۔

استعداد اور بھروسے میں اضافے کے لیے پی ایس او اپنے بنیادی ڈھانچے کو مزید مضبوط بنانے کے لیے بدستور پر عزم رہی۔ مالی سال 24ء کی پہلی ششماہی کے دوران فقیر آباد، فیصل آباد اور محمود کوٹ میں 91 ہزار میٹرک ٹن ذخیرہ گاہ تعمیر کر لی گئی جس سے ذخیرہ کاری کی مجموعی صلاحیت 1232 ہزار میٹرک ٹن ہو گیا۔ اس کے ساتھ ساتھ سہالہ اور ذوالفقار آباد میں 24 ہزار میٹرک ٹن اسٹوریج کی سہولت کو کامیابی کے ساتھ بحال کیا گیا۔ مزید برآں، ذوالفقار آباد آئل ٹرینل (زیڈ او ٹی)، حبیب آباد، سہالہ اور محمود کوٹ ٹرینلز پر 23 ہزار میٹرک ٹن کی مجموعی صلاحیت کے ساتھ بحالی کی جاری کوششوں میں چارٹننگ بھی شامل ہیں۔

اپنی رسائی کو وسعت دیتے ہوئے، پی ایس او نے اپنے ریٹیل نیٹ ورک میں 21 نئے آؤٹ لیٹس شامل کیے، جس سے ملک بھر میں ان کی مجموعی تعداد 3، 547 سائٹس ہو گئی۔ کمپنی کی ڈیکھنلا نریشن کی حکمت عملی سے ہم آہنگ کیا ڈیٹا ریٹیل اے (کراچی) میں ریٹیل صارفین کے لیے میٹرفائٹنگ اور انوائسنگ کے جامع نظام کو موثر انداز میں نصب کیا گیا جو آپریٹنگ کی جانب ایک اہم پیش رفت ہے۔ ماچھیکے، محمود کوٹ اور سہالہ ٹرینلز پر اس نظام کے نفاذ کے منصوبے جاری ہیں، جس سے مجموعی طور پر مستقل درستی اور آپریٹنگ کارکردگی کو یقینی بنایا جاسکے گا۔

پی ایس او کو ایوی ایشن کے شعبے میں اپنی نمایاں حیثیت پر فخر ہے، اس کے پورٹ فولیو میں کوئڈا ایئر پورٹ کی شمولیت اس امر کی ایک مثال ہے۔ اس کے علاوہ، پی ایس او نے سکھ اور نواب شاہ کے ایئر پورٹس کے آپریٹنگ اور مینٹننس کی ذمہ داریوں کا چارج بھی سنبھال لیا، یوں اپنے جیٹ فیول آپریٹنگ کو مزید وسعت دیتے ہوئے ملک بھر میں مجموعی طور پر 14 ہوائی اڈوں پر فیول کی فراہمی کا انتظام سنبھال لیا۔

پی ایس او کی خیر خواہی اور فلاح و بہبود کی بنیادی اقدار سے ہم آہنگی برقرار رکھتے ہوئے، کمپنی نے مالی سال 24ء کی پہلی ششماہی کے دوران اپنے سی ایس آر غرضت کے ذریعے متعدد فلاحی اداروں کو 127 ملین روپے سے زائد کے عطیات جاری کیے۔ جو بنیادی طور پر صحت کی نگہداشت، تعلیم، نوجوانوں کی ترقی، سماجی اداروں کی ترقی اور غربت کے خاتمے کے اقدامات کے حوالے سے دیئے گئے۔

کمپنی، ملک بھر میں ایندھن کی مسلسل فراہمی، اسٹاک کی مناسب سطح کو برقرار رکھنے اور ملک کی معیشت کے پیسے کو رواں دواں رکھنے کے لیے اپنے مشن پر جات قدمی سے عمل پیرا ہے۔ پی ایس او کا عزم کمپنی کی مالی اور آپریٹنگ کارکردگی میں بہتری پر محیط ہے، جس میں ڈیکھنلا نریشن اور آٹومیشن، پروسیس سے استفادہ، آپریٹنگ سائیکل اور صلاحیت کو بڑھانا، قدر اضافی کی حامل خدمات کے ذریعے صارف کے تجربے کو بہتر بنانا اور اپنے اسٹریٹجک طویل مدتی پریڈیکٹس اور منصوبوں کے ذریعے حصص داروں (شیئرز ہولڈرز) کے لیے سرمائے کی قدر میں اضافہ کرنا ہے۔

حکومت کے تعاون سے، ہمیں امید ہے کہ گردش قرضوں کے واجبات کے چیلنج کا فوری حل نکل آئے گا۔ جیسے ہی معاشی اظہار یہ مستحکم ہوں گے، ہماری جدید کاروباری حکمت عملیوں کے ساتھ ساتھ گردش قرضوں کے واجبات کے کامیاب حل سے توقع ہے کہ مستقبل قریب میں حصص داروں کی قدر میں خاطر خواہ اضافہ ہوگا اور اعلیٰ درجے کی کاروباری کارکردگی کو یقینی بنایا جائے گا۔

ہم مستقل اعتماد کے لیے اپنے حصص داروں، صارفین، کاروباری شراکت داروں اور ملازمین کا شکریہ ادا کرتے ہیں۔ ہم رہنمائی اور معاونت کے لیے، حکومت پاکستان، بالخصوص وزارت توانائی (پروٹیم ڈویژن) کے بھی شکر گزار ہیں۔



آصف بیگ محمد
چیئر مین۔ پورڈ آف مینجمنٹ



سنید محمد طہ
ٹیچنگ ڈائریکٹر اور سی ای او

15 فروری 2024ء، کراچی

رپورٹ برائے شیئر ہولڈرز 31 دسمبر 2023ء کو اختتام پذیر ہونے والی پہلی ششماہی کے لیے

پاکستان اسٹیٹ آئل (پی ایس او) کا بورڈ آف مینجمنٹ (بی او ایم) 31 دسمبر 2023ء کو ختم ہونے والی پہلی ششماہی (مالی سال 24ء) کے لیے کمپنی اور گروپ کے جامع غیر مجموعی اور مجموعی عبوری مالی بیانات پیش کرتے ہوئے مسرت محسوس کرتا ہے۔

پی ایس او نے اپنے عزم اور مستقل مزاجی کا مظاہرہ کرتے ہوئے مالی سال 24ء کی پہلی ششماہی کے دوران 7.7 ارب روپے کا خالص منافع حاصل کیا (پہلی ششماہی مالی سال 23ء: 3.4 ارب روپے کا خالص خسارہ)، جس کے نتیجے میں فی حصص آمدنی 16.51 روپے رہی (پہلی ششماہی مالی سال 23ء: ایل پی ایس 7.16 روپے)۔ مزید برآں، کمپنی کی مجموعی فروخت 1.9 ٹریلین روپے تھی (پہلی ششماہی مالی سال 23ء: 1.8 ٹریلین روپے)۔

اسی طرح گروپ نے مالی سال 24ء کی پہلی ششماہی کے دوران 12.2 ارب روپے کا خالص منافع حاصل کیا، جو مالی سال 23ء کی پہلی ششماہی کے دوران ہونے والے 1.2 ارب روپے کے خسارے کے مقابلے میں نمایاں اضافے ہے۔ اس زبردست کارکردگی کے نتیجے میں فی حصص آمدنی 26.01 روپے ہوئی (پہلی ششماہی مالی سال 23ء: خسارہ فی حصص 2.52 روپے)۔

2023ء کے اختتامی حصے کے دوران، متعدد عالمی معیشتوں میں مہنگائی کی بڑھتی ہوئی سطح اور سخت زری اقدامات کے مقابلے میں عالمی اقتصادی منظر نامے نے غیر معمولی ثابت قدمی کا مظاہرہ کیا۔ آئی ایم ایف کے تخمینوں سے پتہ چلتا ہے کہ کیلنڈر سال 24ء کے دوران عالمی اقتصادی ترقی کا اندازہ 3.1 فیصد لگایا گیا ہے، جبکہ کیلنڈر سال 25ء کے دوران معمولی اضافے کے ساتھ 3.2 فیصد تک ہونے کی توقع ہے۔ سخت زری پالیسیوں کے نفاذ اور اجناس کی قیمتوں میں کمی کی وجہ سے عالمی مہنگائی کی شرح میں بتدریج کمی کی بھی پیش گوئیاں کی گئی ہیں، جو سال 2022ء کے 8.7 فیصد سے گھٹ کر سال 2023ء میں 6.8 فیصد اور سال 2024ء میں مزید کم ہو کر 5.8 فیصد رہنے کا امکان ہے۔

جغرافیائی سیاسی تناؤ کے سبب، تیل کی منڈی کو مسلسل اتار چڑھاؤ کا سامنا کرنا پڑا، جس میں غیر یقینی صورت حال بڑھ رہی تھی۔ عالمی اقتصادی کارکردگی میں کمی نے تیل کی قیمتوں میں کمی کے لیے باڈو ڈالا، جو مالی سال 24ء کی دوسری سہ ماہی کے دوران اوسطاً 84 ڈالر فی بیرل رہی، جبکہ گذشتہ سہ ماہی کے دوران یہ اوسطاً 87 ڈالر فی بیرل تھی۔ اوپیک پلس کی جانب سے پیداوار میں رضا کارانہ کٹوتی کو بڑھانے کے فیصلے سے تیل کی قیمتوں میں اتار چڑھاؤ کم ہونے کا امکان ہے، جس سے منڈی میں استحکام آئے گا۔

مالی سال 24ء کی پہلی ششماہی کے دوران پاکستان کا اقتصادی منظر نامہ سخت مالیاتی اقدامات کے زیر اثر رہا کیونکہ مہنگائی 29 فیصد ہوئی جس کے بعد مرکزی بینک نے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا۔ اسی اثنا میں گاڑیوں کے شعبے میں نمایاں مندی دکھائی دی، مسافر گاڑیوں کی فروخت میں 55.5 فیصد کمی سال بہ سال کی واقع ہوئی جبکہ موٹر سائیکل اور رکشوں کی فروخت میں اسی بنیاد پر 13.7 فیصد کمی دیکھنے میں آئی۔

جولائی تا نومبر 2023ء کے دوران پاکستانی معیشت کو بڑے پیمانے کی ایشیا سازی کی صنعت (ایل ایس ایم آئی) کی پیداوار میں گذشتہ برس کی اسی مدت کے مقابلے میں 0.8 فیصد کمی درپیش رہی، جس میں کپاس، لوہا اور فولاد اور گاڑی سازی جیسے شعبوں نے نمایاں کردار ادا کیا۔ آئی ایم ایف کے اندازے کے مطابق سال 2024ء کے دوران پاکستان کی جی ڈی پی کی شرح موثر ترقیاً 2 فیصد رہے گی۔

پٹرولیم کے شعبے میں درپیش نمایاں چیلنجز کے باوجود پی ایس او مارکیٹ میں اپنی موجودگی کو مستحکم رکھنے میں کامیاب رہی اور وائٹ آئل میں مارکیٹ شیئر 1.9 فیصد کے نمایاں اضافے کے ساتھ مدت کے اختتام پر 52.6 فیصد تک پہنچ گیا۔ اس نمونہ کی بنیادی وجہ گیولین (پٹرول) کی فروخت میں اضافہ تھا، جہاں کمپنی کا مارکیٹ شیئر 3 فیصد اضافے سے مالی سال 24ء کی پہلی ششماہی کے دوران 46.1 فیصد تک پہنچ گیا۔ اسی دوران، پی ایس او نے ڈیزل کی فروخت میں اپنے قدم جمائے رکھے اور اپنا 55.3 فیصد مارکیٹ شیئر برقرار رکھا۔

فرنس آئل پمپنی بجلی کی پیداوار میں کمی کی وجہ سے اس شعبے کی فروخت میں 57.4 فیصد سال بہ سال کمی کے باوجود کمپنی نے بلیک آئل مارکیٹ میں اپنی غالب پوزیشن برقرار رکھتے ہوئے دوران مدت 153 ہزار میٹرک ٹن فروخت کیا۔

گردشی قرضوں کا مسئلہ کمپنی کے لیے خاصی دشواریوں کا باعث بنا رہا۔ 31 دسمبر 2023ء تک پی ایس او کے بقایا واجبات (علاوہ لیٹ عینیت



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