



REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2021



ENABLING THE FUTURE

As the world continues to change at a rapid pace, as does Pakistan, we need to stay ahead and constantly innovate. PSO does this by focusing on our future customer needs and the value we can add to their lives. Cleaner fuels, automation, digitization are all efforts in that direction. We also realize that this cannot happen without reinventing ourselves from within. PSO is evolving its structure, developing its people and empowering them to break barriers. What inspires all of this is PSO's commitment to a greater, cleaner and greener Pakistan of tomorrow.

COMPANY INFORMATION

Board of Management

Chairman (Independent)

Mr. Zafar I. Usmani

Independent Members

Mr. Muhammad Hamayun Khan Barakzai
Ms. Tara Uzra Dawood

Non-Executive Members

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

Managing Director & Chief Executive Officer

Syed Muhammad Taha

Chief Financial Officer

Ms. Gulzar Khoja

Company Secretary

Mr. Rashid Umer Siddiqui

Auditors

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

Legal Advisor

M/s. Orr, Dignam & Co. Advocates

Registered Office

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

Share Registrar

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

Bankers

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

REPORT TO SHAREHOLDERS

The Board of Management of Pakistan State Oil Company is pleased to present the exceptional performance of the company and the group along with the financial statements for the first half of the financial year 2022 (1HFY22).

In the period, the company set a record of highest ever half-year profit after tax of PKR 32.2 billion (1HFY21: PKR 9.5 billion). It's growth trajectory outperformed the industry's growth rate for all petroleum products, which led to an increase in its market share by 340 basis points compared to the same period last year.

PSO continued to lead the downstream sector with a volumetric growth of 20.8% in liquid fuels against the industry's growth of 12.3%, seizing around 48% share of white oil and 60% of black oil markets of the country. Major contributions came from Mogas, HSD and Furnace Oil, in which the company achieved volumetric growth of 15.5%, 18.3% and 30.4% against the industry's growth of 7.9%, 15.2% and 14.1%, translating into market share of 44.0%, 48.9% and 60.1% against 41.1%, 47.6% and 52.6% as of the same period last year respectively.

During the period, the company signed Memorandums of Understanding with Frontier Works Organisation and Pakistan Railways to strengthen its business sustainability and value chain. In order to meet the country's growing demand of petroleum products, PSO is increasing the reliability, availability, efficiency and capacity of its infrastructure through a comprehensive development, rehabilitation and debottlenecking plan. In this respect, the company increased its storage capacity by 67 thousand tons in the period. Moreover, the company expanded its retail network by adding 20 new retail outlets in the period, while enhancing the customers' forecourt experience through non-fuel retail products and services.

PSO continued its stride in digitalizing the business processes by implementing a centralized command and control system to monitor its supply chain. The company has also introduced vendor invoice management system to automate its invoicing process which will bring significant efficiencies. Whereas, several other process optimization initiatives are under different stages of completion.

The company supported the government's vaccination drive for COVID-19 and was able to administer more than 200,000 vaccines across the country through its dedicated vaccination centers. Moreover, the company donated PKR 87 million on account of Corporate Social Responsibility for the wellbeing of the nation in healthcare, education and social development projects.

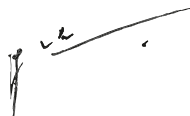
The Board expressed its concern over the mounting trade receivables, and noted an increase of PKR 77.7 billion in receivables from Sui Northern Gas Pipelines Limited as compared to June 30, 2021. The management is actively pursuing the matter with the concerned authorities for its settlement.

On a consolidated basis, the group collectively posted a net profit after tax of PKR 32 billion (1HFY21: PKR 9.4 billion).

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



Syed Muhammad Taha
Managing Director & CEO



Zafar I. Usmani
Chairman - Board of Management

February 11, 2022
Islamabad

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 December 31, 2021 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 Matters

We draw attention to:

- note 11.3 to the condensed unconsolidated interim financial statements, which describes reasons for not considering the outstanding balance of Rs. 230,290,425 thousand (net of provision of Rs. 346,975 thousand); inclusive of Rs. 36,279,654 thousand received subsequent to the reporting date, due from gas distribution and power generation companies as doubtful of recovery; and
- note 12.1 to the condensed unconsolidated interim financial statements which describes the reasons for considering the aggregate amount of Rs. 10,137,565 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 matters

The figures of the condensed unconsolidated interim financial statements for the quarter ended December 31, 2021 have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Nadeem.

Date: 22 February 2022

Karachi

UDIN: RR202110110H8iWGrbMz


KPMG Taseer Hadi & Co.
Chartered Accountants

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

ASSETS	Note	Unaudited December 31, 2021	Audited June 30, 2021
		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	7	14,768,224	14,156,554
Right-of-use assets	8	5,105,083	5,215,782
Intangibles		176,813	153,528
Long-term investments	9	15,537,676	16,266,508
Long-term loans, advances and other receivables		317,563	406,846
Long-term deposits		334,937	335,859
Deferred tax asset - net		13,499,009	13,304,563
Retirement benefits		1,261,330	1,457,761
		<u>51,000,635</u>	<u>51,297,401</u>
Current assets			
Stores, spares and loose tools		705,688	793,261
Stock-in-trade	10	163,004,794	79,028,704
Trade debts	11	297,149,376	220,195,918
Loans and advances		350,730	348,296
Short-term deposits and prepayments		332,841	221,959
Other receivables	12	28,354,546	19,106,304
Taxation - net		-	5,366,102
Cash and bank balances		3,530,874	2,901,619
		<u>493,428,849</u>	<u>327,962,163</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u>544,429,484</u>	<u>379,259,564</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	4,694,734	4,694,734
Reserves		162,003,544	135,283,468
		<u>166,698,278</u>	<u>139,978,202</u>
Non-current liabilities			
Retirement and other service benefits		7,516,488	7,186,346
Lease liabilities		4,245,203	4,299,704
Other payable		794,818	752,712
		<u>12,556,509</u>	<u>12,238,762</u>
Current liabilities			
Trade and other payables	14	196,054,291	167,693,826
Short-term borrowings		163,480,512	56,042,897
Accrued interest / mark-up		496,855	297,053
Provisions		743,436	743,436
Current portion of lease liabilities		946,490	762,171
Unclaimed dividend		1,525,898	1,373,428
Unpaid dividend		-	129,789
Taxation - net		1,927,215	-
		<u>365,174,697</u>	<u>227,042,600</u>
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		<u>544,429,484</u>	<u>379,259,564</u>

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

Syed Muhammad Taha
Managing Director & CEO

Tara Uzra Dawood
Member – Board of Management

Gulzar Khoja
Chief Financial Officer


CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months and quarter ended December 31, 2021

	Note	Six months ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees in '000)			
Gross Sales		1,116,937,725	671,410,904	580,252,438	338,608,350
Less:					
- Sales Tax		(119,547,747)	(93,756,906)	(49,154,879)	(47,091,748)
- Inland freight equalization margin		(15,417,120)	(10,221,577)	(8,348,468)	(4,849,259)
		(134,964,867)	(103,978,483)	(57,503,347)	(51,941,007)
Net sales		981,972,858	567,432,421	522,749,091	286,667,343
Cost of products sold		(933,256,674)	(546,943,395)	(496,086,495)	(277,674,677)
Gross profit		48,716,184	20,489,026	26,662,596	8,992,666
Other income		10,707,393	4,411,646	8,921,212	3,175,473
Operating costs					
Distribution and marketing expenses		(6,007,891)	(5,773,638)	(2,960,560)	(3,237,717)
Administrative expenses		(1,533,815)	(1,480,013)	(625,577)	(705,227)
Reversal / (Provision) of impairment on financial assets - net		114,778	(1,221,280)	331,042	(743,213)
Other expenses		(3,658,565)	(1,034,855)	(2,305,106)	(473,966)
		(11,085,493)	(9,509,786)	(5,560,201)	(5,160,123)
Profit from operations		48,338,084	15,390,886	30,023,607	7,008,016
Finance costs	16	(1,410,194)	(1,437,462)	(784,458)	(578,609)
Share of profit of associates - net of tax		260,431	295,481	147,047	143,926
Profit before taxation		47,188,321	14,248,905	29,386,196	6,573,333
Taxation					
- current		(14,910,842)	(1,357,485)	(8,938,521)	1,327,195
- prior year		(67,852)	2,157	(67,852)	2,157
- deferred		(20,711)	(3,371,927)	(184,573)	(3,524,949)
		(14,999,405)	(4,727,255)	(9,190,946)	(2,195,597)
Profit for the period		32,188,916	9,521,650	20,195,250	4,377,736
		(Rupees)			
Earnings per share - basic and diluted	17	68.56	20.28	43.02	9.32

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


Syed Muhammad Taha
 Managing Director & CEO


Tara Uzra Dawood
 Member – Board of Management


Gulzar Khoja
 Chief Financial Officer

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months and quarter ended December 31, 2021

		Six months ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31 2021	December 31, 2020
	Note	----- (Rupees in '000) -----			
Profit for the period		32,188,916	9,521,650	20,195,250	4,377,736
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss:					
Share of actuarial (loss) / gain on remeasurement of staff retirement benefits of associates - net of tax		(38)	3,504	(38)	(820)
Unrealised loss on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1	(989,224)	(155,748)	(1,200,566)	(623,559)
Taxation thereon		215,156	33,875	261,123	135,624
		(774,068)	(121,873)	(939,443)	(487,935)
Other comprehensive loss		(774,106)	(118,369)	(939,481)	(488,755)
Total comprehensive income for the period		31,414,810	9,403,281	19,255,769	3,888,981

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



Syed Muhammad Taha
Managing Director & CEO



Tara Uzra Dawood
Member – Board of Management



Gulzar Khoja
Chief Financial Officer


CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended December 31, 2021

	Share Capital	Capital Reserves	Revenue Reserves					
			Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve	Un-appropriated profit	Sub-total	Total
	----- (Rupees in '000) -----							
Balance as at July 01, 2020	4,694,734	3,373	5,987,826	25,282,373	77,092,695	108,366,267	113,061,001	
Total comprehensive income for six months period ended								
Profit for the period	-	-	-	-	9,521,650	9,521,650	9,521,650	
Other comprehensive income								
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	3,504	3,504	3,504	
Unrealised loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(121,873)	-	-	(121,873)	(121,873)	
	-	-	(121,873)	-	3,504	(118,369)	(118,369)	
Balance as at December 31, 2020	4,694,734	3,373	5,865,953	25,282,373	86,617,849	117,769,548	122,464,282	
Balance as at July 01, 2021	4,694,734	3,373	5,485,817	25,282,373	104,511,905	135,283,468	139,978,202	
Total comprehensive income for six months period ended								
Profit for the period	-	-	-	-	32,188,916	32,188,916	32,188,916	
Other comprehensive income								
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	(38)	(38)	(38)	
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(774,068)	-	-	(774,068)	(774,068)	
	-	-	(774,068)	-	(38)	(774,106)	(774,106)	
Transactions with the owners:								
Final dividend for the year ended June 30, 2021 at Rs. 10 per share	-	-	-	-	(4,694,734)	(4,694,734)	(4,694,734)	
Balance as at December 31, 2021	4,694,734	3,373	4,711,749	25,282,373	132,006,049	162,003,544	166,698,278	

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


Syed Muhammad Taha
 Managing Director & CEO


Tara Uzra Dawood
 Member – Board of Management


Gulzar Khoja
 Chief Financial Officer

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended December 31, 2021

		Six Months Ended	
		December 31, 2021	December 31, 2020
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	18	(92,353,339)	13,992,406
Long-term loans, advances and other receivables		89,283	24,026
Long-term deposits		922	(83,279)
Taxes paid		(7,685,377)	(3,105,566)
Finance costs paid		(785,323)	(2,024,151)
Retirement and other service benefits paid		(37,036)	(566,546)
Net cash (used in) / generated from operating activities		(100,770,870)	8,236,890
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,405,677)	(2,039,428)
Proceeds from disposal of operating assets		18,040	24,872
Purchase of right shares of Pakistan Refinery Limited		-	(224,590)
Dividends received		384,142	443,089
Net cash used in investing activities		(1,003,495)	(1,796,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Payments) of Short-term borrowings - net		94,453,171	(13,596,744)
Lease rentals paid		(361,942)	(347,573)
Dividends paid		(4,672,053)	(10,354)
Net cash generated from / (used in) financing activities		89,419,176	(13,954,671)
Net decrease in cash and cash equivalents		(12,355,189)	(7,513,838)
Cash and cash equivalents at beginning of the period		(5,916,574)	(880,853)
Cash and cash equivalents at end of the period	19	(18,271,763)	(8,394,691)

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



Syed Muhammad Taha
Managing Director & CEO



Tara Uzra Dawood
Member – Board of Management



Gulzar Khoja
Chief Financial Officer

For the six months period ended December 31, 2021

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, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

- 2.2** These condensed unconsolidated interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2021. These condensed unconsolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3** These condensed unconsolidated interim financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.
- 2.4** The figures of the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months period ended December 31, 2021.

For the six months period ended December 31, 2021

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

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

3. USE OF ESTIMATES AND JUDGEMENTS

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

For the six months period ended December 31, 2021

- IFRS 16 –. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures;
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The above amendments are not likely to have an impact on the Company's condensed 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Unaudited)		(Unaudited)	
------(Rupees in '000)-----				
Buildings on freehold land	68,976	15,196	-	-
Buildings on leasehold land	145,416	30,486	-	67
Tanks and pipelines	1,848,634	11,985	-	-
Service and filling stations	213,239	252,792	359	577
Plant and machinery	183,795	73,407	-	-
Furniture and fittings	9,580	10,156	-	40
Vehicles and other rolling stock	132,376	9,349	2,497	2,202
Office equipments	39,717	22,859	-	27
Gas cylinders / regulators	5,665	49,637	-	-
	<u>2,647,398</u>	<u>475,867</u>	<u>2,856</u>	<u>2,913</u>

7.2 The above disposals represented assets costing Rs. 117,508 thousand (December 31, 2020: Rs. 99,355 thousand) and were disposed off for Rs. 18,040 thousand (December 31, 2020: Rs. 24,872 thousand).

7.3 As at December 31, 2021, operating assets includes net book value of Rs. 849,424 thousand (June 30, 2021: Rs. 690,216 thousand) in respect of Company's share in joint operations.

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

- 7.4 As at December 31, 2021, capital work-in-progress includes amount of Rs. 96,790 thousand (June 30, 2021: Rs. 269,601 thousand) in respect of Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Company recognised right of use asset comprising mainly land amounting to Rs. 105,826 thousand (December 31, 2020: Rs. 160,953 thousand) and modification amounting to Rs. 27,513 thousand (December 31, 2020: Rs. 235,553 thousand). Further, right-of-use assets having net book value of Rs. 141 thousand (December 31, 2020: Rs. 333 thousand) have been disposed off due to the extinguishment of lease during the period.

9. LONG-TERM INVESTMENTS

		Unaudited December 31, 2021	Audited June 30, 2021
Investment in related parties			
Investment held at fair value through other comprehensive income	Note	------(Rupees in '000)-----	
Unquoted company			
- Pak-Arab Pipeline Company Limited (PAPCO)			
Equity held: 12% (June 30, 2021: 12%)			
No. of shares: 8,640,000 (June 30, 2021: 8,640,000) of Rs. 100/- each	9.1	6,885,405	7,874,629
Investment in subsidiary - at cost			
Quoted companies			
- Pakistan Refinery Limited (PRL)			
Equity held 63.56% (June 30, 2021: 63.56%)			
No. of shares: 400,459,028 (June 30, 2021: 400,459,028) of Rs. 10/- each		4,890,680	4,890,680
Investment in associates			
Unquoted companies			
- Asia Petroleum Limited			
Equity held: 49% (June 30, 2021: 49%)			
No. of shares: 46,058,570 (June 30, 2021: 46,058,570) of Rs. 10/- each		3,715,313	3,453,641
- Pak Grease Manufacturing Company (Private) Limited			
Equity held: 22% (June 30, 2021: 22%)			
No. of shares: 686,192 (June 30, 2021: 686,192) of Rs. 10/- each		46,278	47,558
		3,761,591	3,501,199
		15,537,676	16,266,508

- 9.1 The Company has carried out an exercise to ascertain the fair value of investment as at December 31, 2021 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:

	Unaudited December 31, 2021	Audited June 30, 2021
- Discount rate	18.1%- 18.6%	16.4% - 17.2%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Company has recorded an unrealised loss (net of tax) of Rs. 774,068 thousand (December 31, 2020: unrealised loss - net of tax of Rs. 121,873 thousand) in other comprehensive income for the period.

For the six months period ended December 31, 2021

9.1.1 Movement of investment classified as FVOCI

	Unaudited December 31, 2021	Audited June 30, 2021
	------(Rupees in '000)-----	
Balance at beginning of the period / year	7,874,629	8,516,173
Remeasurement loss recognised in other comprehensive loss	(989,224)	(641,544)
Balance at end of the period / year	6,885,405	7,874,629

9.1.2 Sensitivity to unobservable inputs:

- Discount rate (1% increase)	(442,500)	(580,008)
- Discount rate (1% decrease)	523,822	705,147
- Growth rate of terminal value (1% increase)	376,491	517,028
- Growth rate of terminal value (1% decrease)	(318,985)	(426,608)

10. STOCK-IN-TRADE

As at December 31, 2021, stock has been written down by Rs. 451,434 thousand (June 30, 2021:Rs. Nil) to arrive at its net realisable values.

11. TRADE DEBTS

		Unaudited December 31, 2021	Audited June 30, 2021
Considered good	Note	------(Rupees in '000)-----	
Due from Government agencies and autonomous bodies			
- Secured	11.1	274,572	198,221
- Unsecured	11.2 & 11.3	264,857,301	185,808,652
		265,131,873	186,006,873
Due from other customers			
- Secured	11.1	4,972,398	4,157,539
- Unsecured	11.2 & 11.3	27,045,105	30,031,506
		32,017,503	34,189,045
		297,149,376	220,195,918
Considered doubtful		3,051,050	3,437,488
Trade debts - gross		300,200,426	223,633,406
Less: Provision for impairment		(3,051,050)	(3,437,488)
Trade debts - net		297,149,376	220,195,918

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

11.2 Includes Rs. 275,782,828 thousand (June 30, 2021: Rs. 187,979,797 thousand) due from related parties, against which provision for impairment of Rs. 1,120,875 thousand (June 30, 2021: Rs. 1,531,295 thousand) has been recognised.

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

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

Name	Past due		Total	
	Unaudited December 31, 2021	Audited June 30, 2021	Unaudited December 31, 2021	Audited June 30, 2021
------(Rupees in '000)-----				
Northern Power Generation Company Limited	69,168,999	69,477,680	69,168,999	69,477,680
Jamshoro Power Company Limited	447,941	919,254	447,941	919,254
Cental Power Purchasing Company	2,534,132	1,595,442	2,534,132	1,595,442
WAPDA foundation	4,000	3,336	76,525	70,338
Hub Power Company Limited	11,824,965	13,316,559	11,824,965	13,316,559
Sui Northern Gas Pipelines Company Limited	146,657,363	93,510,930	176,237,185	98,586,824
	230,637,400	178,823,201	260,289,747	183,966,097
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	230,290,425	178,476,226	259,942,772	183,619,122

The Company did not consider the remaining aggregate past due balance of Rs. 230,290,425 thousand (June 30, 2021: Rs.178,476,226 thousand) (against which subsequent receipts of Rs. 36,279,654 thousand have been received) as doubtful, as the Company based on measures undertaken by the Government of Pakistan (GoP) to resolve circular debt issue, is confident that the aforementioned debts will be received in due course of time and therefore, no further provision has been made in these condensed unconsolidated interim financial statements.

11.4 As at December 31, 2021 trade debts aggregating Rs. 51,344,848 thousand (June 30, 2021: Rs. 30,366,647 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 245,804,527 thousand (June 30, 2021: Rs.189,829,272 thousand) are past due but not impaired.

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

11.5 The movement in provision during the period / year is as follows:

	Unaudited December 31, 2021	Audited June 30, 2021
------(Rupees in '000)-----		
Balance at beginning of the period / year	3,437,488	3,099,727
Provision recognised during the period / year	122,214	466,541
Reversal of provision made during the period / year	(508,652)	(128,780)
	(386,438)	337,761
Balance at the end of the period / year	3,051,050	3,437,488

For the six months period ended December 31, 2021

12. OTHER RECEIVABLES

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

	Unaudited December 31, 2021	Audited June 30, 2021
	----- (Rupees in '000) -----	
Price differential claims (PDC):		
- on imports of Motor Gasoline - (net of related liabilities)	1,820,177	1,350,961
- on High Speed Diesel	970,027	602,603
- on Light Diesel Oil	400	-
- on Superior Kerosine Oil	3,106	-
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	<u>10,137,565</u>	<u>9,297,419</u>

During the period, the Company received a directive from MoP&NR through letter no No.PL-3(457)/2021-73 dated October 31, 2021 through which the Company was directed to supply Motor Gasoline, High Speed Diesel, Light Diesel Oil and Superior Kerosine Oil at prices directed by the Ministry. Similar to other PDC arrangements, the differential cost was to be borne by GoP and reimbursed directly to the Company by MoF. Moreover, there has been no significant change in the status of the above mentioned claims except as stated above. The Company is fully confident of recoveries against these receivables and is actively pursuing these receivables / matters with the GoP through concerned / relevant ministries.

- 12.2** Includes receivable of Rs. 17,204,546 thousand (June 30, 2021: Rs. 8,723,441 thousand) due from associates and related parties.
- 12.3** As at December 31, 2021, receivables aggregating to Rs. 3,495,761 thousand (June 30, 2021: Rs. 3,224,101 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Unaudited December 31, 2021	Audited June 30, 2021
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	3,224,101	2,663,597
Provision recognised during the period / year	300,000	884,583
Reversal of provision during the period / year	(28,340)	(324,079)
	271,660	560,504
Balance at the end of the period / year	<u>3,495,761</u>	<u>3,224,101</u>

For the six months period ended December 31, 2021

12.4 Includes an aggregate net amount of foreign exchange difference of Rs. 6,678,590 thousand (June 30, 2021: favourable exchange differences of Rs. 615,313 thousand) on account of unfavourable exchange differences arising on foreign currency borrowings (FE-25), obtained under the directives of Ministry of Finance - Government of Pakistan (MoF - GoP). These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Company in respect of these long / extended term borrowing arrangements i.e. the Company would not bear any exchange differences on such borrowings. The Company is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

13. SHARE CAPITAL

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

14. TRADE AND OTHER PAYABLES

Includes Rs. 43,749,595 thousand (June 30, 2021: Rs. 44,755,995 thousand) due to various related parties.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

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

15.1.1 Other tax matters

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

15.1.2 Other Legal Claims

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

15.1.2.2 Claims against the Company not acknowledged as debts amounting to Rs. 7,649,246 thousand (June 30, 2021: Rs. 6,675,456 thousand).

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

For the six months period ended December 31, 2021

15.2 Commitments

15.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

	Unaudited December 31, 2021	Audited June 30, 2021
	----- (Rupees in '000) -----	
- Property, plant and equipment	3,682,887	3,417,366
- Intangibles	29,229	175,288
	<u>3,712,116</u>	<u>3,592,654</u>
15.2.2 Letters of credit	<u>34,411,496</u>	<u>49,706,950</u>
15.2.3 Bank guarantees	<u>1,768,382</u>	<u>1,956,441</u>
15.2.4 Standby Letters of credit	<u>52,429,187</u>	<u>18,341,799</u>
15.2.5 Post - dated cheques	<u>-</u>	<u>1,000,000</u>

15.2.6 The Company's share in associates' commitments as at December 31, 2021 is Rs. 537 thousand (June 30, 2021 : Rs. 26 thousand).

16. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 798,870 thousand (December 31, 2020: Rs. 774,139 thousand).

17. EARNINGS PER SHARE

17.1 Basic

	Unaudited Six months ended		Unaudited Quarter ended	
	December 31, 2021	December 31, 2020	December 31 2021	December 31, 2020
	----- (Rupees in '000) -----			
Profit for the period attributable to ordinary shareholders	<u>32,188,916</u>	9,521,650	<u>20,195,250</u>	4,377,736
Weighted average number of ordinary shares in issue during the period (number of shares)	<u>469,473,302</u>	469,473,302	<u>469,473,302</u>	469,473,302
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>68.56</u>	20.28	<u>43.02</u>	9.32

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, 2021 and December 31, 2020.

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

		Unaudited Six Months Ended	
		December 31, 2021	December 31, 2020
		------(Rupees in '000)-----	
18. CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		47,188,321	14,248,905
Depreciation and amortisation		1,011,762	847,759
(Reversal) / Provision of impairment on trade debts - net		(386,438)	762,089
Provision of other receivables - net		271,660	459,191
Provision for impairment against stores, spares and loose tools		21,810	7,601
Advance rent written off		-	3,677
Provision for retirement and other services benefits		563,609	541,949
Gain on disposal of operating assets		(15,184)	(21,959)
Loss on disposal of right-of-use assets due to extinguishment		-	17
Share of profit from associates - net of tax		(260,431)	(295,481)
Dividend income from FVOCI investment		(384,142)	(350,972)
Interest on lease payments		358,554	330,786
Finance costs		1,051,640	1,106,676
		<u>2,232,840</u>	3,391,333
Working capital changes	18.1	<u>(141,774,500)</u>	<u>(3,647,832)</u>
		<u>(92,353,339)</u>	<u>13,992,406</u>

18.1 Working capital changes

(Increase) / decrease in current assets:

- Stores, spares and loose tools	65,763	(95,727)
- Stock-in-trade	(83,976,090)	(19,038,279)
- Trade debts	(76,567,020)	(9,770,293)
- Loans and advances	(2,434)	27,325
- Deposits and short-term prepayments	(110,882)	1,498,893
- Other receivables	(9,519,902)	4,585,895

Increase in current liabilities:

- Trade and other payables	28,336,065	19,144,354
	<u>(141,774,500)</u>	<u>(3,647,832)</u>

19. CASH AND CASH EQUIVALENTS

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

		Unaudited	
		December 31, 2021	December 31, 2020
		------(Rupees in '000)-----	
Cash and bank balances		3,530,874	2,356,738
Short-term borrowings		(21,802,637)	(10,751,429)
(finances under mark-up arrangements)		<u>(18,271,763)</u>	<u>(8,394,691)</u>

For the six months period ended December 31, 2021

20. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

As at December 31, 2021, except for the Company's investment in PAPCO, none of the financial instruments is carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed unconsolidated interim financial statements.

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the related party and relationship with the company	Nature of Transactions	Unaudited Six Months Ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Subsidiary			
- Pakistan Refinery Limited	Purchases	42,652,615	35,878,866
	Income facility charges	602	462
Associates			
- Asia Petroleum Limited	Income facility charges	28,122	1,367
	Pipeline charges	338,813	15,451
	Dividend received	-	92,117
- Pak Grease Manufacturing Company (Private) Limited	Purchases	49,015	22,078

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

Name of the related party and relationship with the company	Nature of Transactions	Unaudited Six Months Ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	72,419	88,211
	Contributions made	-	169,045
- Gratuity Fund	Charge for the period	124,011	131,946
	Contributions made	-	280,590
- Provident Funds	Charge / contribution for the period	103,495	82,783
- Pension Funds (Defined Contribution)	Charge / contribution for the period	108,355	96,594
Key management personnel *	Managerial remuneration	229,666	191,334
	Charge / contribution for the period	4,757	5,200
Non-executive Directors	Remuneration and fees	9,000	8,700

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

21.2 Related parties by virtue of GoP holdings

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

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

		Unaudited Six Months ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
- Government of Pakistan	Dividend paid	1,055,041	-
- PSOCL Employees Empowerment	Dividend paid to the trust	142,636	-
- Board of Management	Contribution towards expenses of BoM	9,276	10,575
- Pak Arab Pipeline Company Limited	Pipeline charges	2,389,241	2,123,468
	Dividend received	384,142	350,972
- Sui Northern Gas Pipelines Limited	Gross sales	280,711,558	132,814,930
- Water and Power Development Authority (WAPDA)	Utility Charges	60,807	58,544
- Northern Power Generation Company Limited	Gross sales	3,249,285	14,938
- Jamshoro Power Company Limited	Gross sales	5,357,917	-
- WAPDA Foundation	Gross sales	728,284	550,807
- Pakistan International Airlines Corporation Limited	Gross sales	8,679,861	3,592,778
	Purchases	2,762	4,262
- Pakistan Petroleum Limited	Gross sales	268,894	40,800
	Purchases	137,698	414,942
- Pak Arab Refinery Limited	Purchases	162,905,446	75,332,575
	Pipeline charges	302,317	300,730
	Other expenses	-	141,576
- K-Electric Limited	Gross sales	28,814,274	29,862,123
	Income facility charges	15,692	-
- National Bank of Pakistan	Finance cost and bank charges	186,996	215,552

For the six months period ended December 31, 2021

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

- (i) The Company sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Company, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Company.
 - (ii) The Company collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding Agent on behalf of GoP. The Company also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
 - (iii) The Company incurs rental charges in respect of storage facilities at Keamari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Company also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
 - (iv) The Company has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
 - (v) The Company utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Company also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its product.
 - (vi) The Company obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited and K-Electric Limited.
 - (vii) The Company sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
 - (viii) The Company has obtained various financing facilities from National Bank of Pakistan.
 - (ix) The Company also pays dividend to various GoP related entities who are shareholders of the Company.
- 21.3** Inventory of the Company held by related parties as at December 31, 2021 amounting to Rs. 45,867,055 thousand (June 30, 2021: Rs. 21,303,048 thousand).
- 21.4** Short term borrowings includes Rs. 20,850,107 thousand (June 30, 2021: Rs. 16,941,787 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, 2021 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.

For the six months period ended December 31, 2021

22. OPERATING SEGMENTS

22.1 Segment wise revenues and profit is as under:

Revenue - net sales

	December 31, 2021	December 31, 2020
Petroleum Products	739,722,004	447,407,242
Liquefied Natural Gas (LNG)	239,924,880	118,584,759
Others	2,325,974	1,440,420
	<u>981,972,858</u>	<u>567,432,421</u>

Profit for the period

	December 31, 2021	December 31, 2020
Petroleum Products	28,778,916	7,685,000
Liquefied Natural Gas (LNG)	1,670,000	517,000
Others	1,740,000	1,319,650
	<u>32,188,916</u>	<u>9,521,650</u>

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

22.3 Out of total sales of the Company, 100% (December 31, 2020: 99.6%) relates to customers in Pakistan.

22.4 All non-current assets of the Company as at December 31, 2021 and 2020 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 34% during the six month period ended December 31, 2021 (December 31, 2020: 27%).

22.5 Out of total gross sales of the Company, sales for the six month period ended December 31, 2021, amounting to Rs. 350,489,400 thousand (December 31, 2020: Rs 148,668,618 thousand), relates to circular debt customers.

23. EVENTS AFTER THE REPORTING DATE

The Board of Management in its meeting held on February 11, 2022 has proposed an interim cash dividend of Rs. Nil per share (December 31, 2020:Rs. 5 per share) amounting to Rs. Nil (December 31, 2020: Rs. 2,347,367 thousand) for the year ending June 30, 2022.


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 11, 2022 by the Board of Management.


Syed Muhammad Taha
Managing Director & CEO


Tara Uzra Dawood
Member – Board of Management


Gulzar Khoja
Chief Financial Officer



CONSOLIDATED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

		Unaudited December 31, 2021	Audited June 30, 2021
ASSETS			
Non-current assets	Note	----- (Rupees in '000) -----	
Property, plant and equipment	7	38,416,040	38,464,387
Right-of-use assets	8	5,244,293	5,362,947
Intangibles		184,769	161,483
Long-term investments	9	10,699,097	11,429,516
Long-term loans, advances and other receivables		325,309	412,904
Long-term deposits		356,119	357,041
Deferred tax asset - net		13,437,422	13,181,951
Retirement benefits		1,286,524	1,483,341
		69,949,573	70,853,570
Current assets			
Stores, spares, chemicals and loose tools		1,301,067	1,342,481
Stock-in-trade	10	175,558,275	88,934,410
Trade debts	11	297,408,451	222,384,954
Loans and advances		372,856	384,136
Short-term deposits and prepayments		487,555	258,402
Other receivables	12	30,528,590	21,334,735
Taxation - net		-	5,461,799
Cash and bank balances		3,279,805	2,974,299
		508,936,599	343,075,216
Net assets in Bangladesh		-	-
TOTAL ASSETS		578,886,172	413,928,786
EQUITY AND LIABILITIES			
Equity			
Share capital	13	4,694,734	4,694,734
Reserves		162,076,863	135,527,322
Equity attributable to the owners of the Holding Company		166,771,597	140,222,056
Non-controlling interest		2,053,110	2,150,881
		168,824,707	142,372,937
Non-current liabilities			
Retirement and other service benefits		7,894,039	7,563,897
Long term borrowings	14	1,031,673	293,924
Lease liabilities		4,396,636	4,447,941
Other payable		794,818	752,712
		14,117,166	13,058,474
Current liabilities			
Trade and other payables	15	205,431,868	181,342,763
Short-term borrowings		184,844,119	73,616,445
Accrued interest / mark-up		663,859	483,949
Provisions		743,436	743,436
Current portion of lease liabilities		953,427	787,713
Unclaimed dividend		1,545,751	1,393,280
Unpaid dividend		-	129,789
Taxation - net		1,761,839	-
		395,944,299	258,497,375
Contingencies and commitments	16		
TOTAL EQUITY AND LIABILITIES		578,886,172	413,928,786

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

Syed Muhammad Taha
Managing Director & CEO

Tara Uzra Dawood
Member – Board of Management

Gulzar Khoja
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months and quarter ended December 31, 2021

		Six months ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note		----- (Rupees in '000) -----			
Net sales	17	998,774,433	580,984,605	529,193,805	295,874,945
Cost of products sold		(948,609,524)	(559,601,242)	(501,464,604)	(286,660,095)
Gross profit		50,164,909	21,383,363	27,729,201	9,214,850
Other income	18	10,757,185	4,524,854	8,954,161	3,303,925
Operating costs					
Distribution and marketing expenses		(6,368,038)	(5,910,580)	(3,241,625)	(3,313,184)
Administrative expenses		(1,811,056)	(1,722,011)	(773,797)	(841,835)
Reversal of / (Provision) of impairment on financial assets - net		114,778	(1,224,957)	331,042	(746,890)
Other expenses		(3,736,604)	(1,067,210)	(2,345,519)	(517,030)
		(11,800,920)	(9,924,758)	(6,029,899)	(5,418,939)
Profit from operations		49,121,174	15,983,459	30,653,463	7,099,836
Finance costs	19	(2,208,317)	(2,086,535)	(1,129,700)	(917,894)
Share of profit of associates - net of tax		258,845	290,411	145,461	138,856
Profit before taxation		47,171,702	14,187,335	29,669,224	6,320,798
Taxation					
- current		(15,223,554)	(1,645,529)	(9,068,133)	1,172,635
- prior year		(67,852)	2,157	(67,852)	2,157
- deferred		40,314	(3,286,046)	(150,414)	(3,464,732)
		(15,251,092)	(4,929,418)	(9,286,399)	(2,289,940)
Profit for the period		31,920,610	9,257,917	20,382,825	4,030,858
Profit / (loss) attributable to:					
Owners of the Holding Company		32,018,381	9,355,843	20,314,472	4,157,283
Non-controlling interest		(97,771)	(97,926)	68,353	(126,425)
		31,920,610	9,257,917	20,382,825	4,030,858
		----- (Rupees) -----			
Earning per share - basic and diluted	20	68.20	19.93	43.27	8.86

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

Syed Muhammad Taha
Managing Director & CEO

Tara Uzra Dawood
Member – Board of Management

Gulzar Khoja
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months and quarter ended December 31, 2021

	Six months ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31 2021	December 31, 2020
Note	----- (Rupees in '000) -----			
Profit for the period	31,920,610	9,257,917	20,382,825	4,030,858
Other comprehensive loss:				
Items that will not be subsequently reclassified to profit or loss:				
Share of actuarial (loss) / gain on remeasurement of staff retirement benefits of associates - net of tax	(38)	3,504	(38)	(820)
Unrealised loss on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI) 9.1.1	(989,224)	(155,748)	(1,200,566)	(623,559)
Taxation thereon	215,156	33,875	261,123	135,624
Other comprehensive loss	(774,068)	(121,873)	(939,443)	(487,935)
	(774,106)	(118,369)	(939,481)	(488,755)
Total comprehensive income for the period	31,146,504	9,139,548	19,443,344	3,542,103
Profit / (loss) attributable to:				
Owners of the Holding Company	31,244,275	9,237,474	19,374,991	3,668,528
Non-controlling interest	(97,771)	(97,926)	68,353	(126,425)
	31,146,504	9,139,548	19,443,344	3,542,103

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

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Managing Director & CEO

Tara Uzra Dawood
Member – Board of Management

Gulzar Khoja
Chief Financial Officer


CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months and quarter ended December 31, 2021

	Share Capital	Reserves							Non-controlling interest (NCI)	Total
		Capital Reserves		Revenue Reserves						
		Surplus on vesting of net assets	Special reserve	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve	Un-appropriated profit	Sub-total			
		(Rupees in '000)								
Balance as at July 01, 2020	4,694,734	3,373	-	5,987,826	25,282,373	76,595,474	107,869,046	1,413,801	113,977,581	
Total comprehensive income for six months period ended										
Profit / (loss) for the period	-	-	-	-	-	9,355,843	9,355,843	(97,926)	9,257,917	
Other comprehensive loss										
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	3,504	3,504	-	3,504	
Unrealised loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	-	(121,873)	-	-	(121,873)	-	(121,873)	
Transaction with Non-controlling interest Right shares subscription money	-	-	-	(121,873)	-	3,504	(118,369)	-	(118,369)	
Right issue issuance cost	-	-	-	-	-	835	835	479	1,314	
Balance as at December 31, 2020	4,694,734	3,373	-	5,865,953	25,282,373	86,079,556	117,231,255	2,175,141	124,101,130	
Balance as at July 01, 2021	4,694,734	3,373	837,156	5,485,817	25,282,373	103,918,603	135,527,322	2,150,881	142,372,937	
Total comprehensive income for six months period ended										
Profit / (Loss) for the period	-	-	-	-	-	32,018,381	32,018,381	(97,771)	31,920,610	
Other comprehensive loss										
Share of actuarial loss on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	(38)	(38)	-	(38)	
Unrealised loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	-	(774,068)	-	-	(774,068)	-	(774,068)	
Transactions with the owners:										
Final dividend for the year ended June 30, 2021 at Rs. 10 per share	-	-	-	-	-	(4,694,734)	(4,694,734)	-	(4,694,734)	
Balance as at December 31, 2021	4,694,734	3,373	837,156	4,711,749	25,282,373	131,242,212	162,076,863	2,053,110	168,824,707	

The annexed notes 1 to 28 form an integral part of these condensed unconsolidated interim financial statements.


Syed Muhammad Taha
 Managing Director & CEO


Tara Uzra Dawood
 Member – Board of Management


Gulzar Khoja
 Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended December 31, 2021

		Six Months Ended	
		December 31, 2021	December 31, 2020
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	21	(95,827,516)	12,249,374
		87,595	24,676
		922	(83,279)
		(8,067,768)	(3,450,363)
		(1,593,174)	(2,712,084)
		(97,682)	(627,610)
		(105,497,623)	5,400,714
CASH FLOWS FROM INVESTING ACTIVITIES			
		(1,519,156)	(2,122,054)
		20,043	28,856
		12,244	-
		384,142	443,089
		(1,102,727)	(1,650,109)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	984,001
		800,000	(200,000)
		(36,248)	145,301
		101,228,248	(11,769,462)
		(387,515)	(371,931)
		(4,672,052)	(10,366)
		96,932,433	(11,222,457)
Net decrease in cash and cash equivalents			
		(9,667,917)	(7,471,852)
		(11,379,998)	(4,574,164)
	22	(21,047,915)	(12,046,016)

The annexed notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

Syed Muhammad Taha
Managing Director & CEO

Tara Uzra Dawood
Member – Board of Management

Gulzar Khoja
Chief Financial Officer

For the six months period ended December 31, 2021

1. GROUP LEGAL STATUS AND NATURE OF BUSINESS

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

1.1 Pakistan State Oil Company Limited

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

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

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

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

1.2 Pakistan Refinery Limited

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

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

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

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, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

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

For the six months period ended December 31, 2021

- 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, 2021. These condensed consolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3 These financial statements denote the condensed consolidated interim financial statements of the Group. Condensed unconsolidated interim financial statements of the Holding Company and its Subsidiary have been presented separately.
- 2.4 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 'Financial Instruments' in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Holding Company has not recorded impact of aforesaid ECL on trade debts of SNGPL, HUBCO, GENCO-II and certain price differential claims in these condensed consolidated interim financial statements.
- 2.5 These condensed consolidated interim financial statements are presented in Pakistan Rupee which is also the Group's functional currency.

3. USE OF ESTIMATES AND JUDGEMENTS

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

The significant 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, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

- 4.1 The accounting policies and method of computation adopted for the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements for the year ended June 30, 2021.
- 4.2 The Group follows the practice to conduct actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in these condensed consolidated interim financial statements.

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

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

For the six months period ended December 31, 2021

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

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

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

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

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures;
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)."

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

7. PROPERTY, PLANT AND EQUIPMENT

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Unaudited)		(Unaudited)	
----- (Rupees in '000) -----				
Buildings on freehold land	68,976	15,196	-	-
Buildings on leasehold land	216,310	30,486	-	67
Tanks and pipelines	1,848,634	319,122	-	-
Service and filling stations	213,239	252,792	359	577
Plant and machinery	274,263	74,166	-	62,330
Furniture and fittings	9,580	10,156	-	40
Vehicles and other rolling stock	139,091	9,349	4,500	6,923
Office equipments	40,812	46,392	-	27
Gas cylinders / regulators	5,665	49,637	-	-
	2,816,570	807,296	4,859	69,964

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

- 7.2** The above disposals represented assets costing Rs. 121,621 thousand (December 31, 2020: Rs. 167,593 thousand) and were disposed off for Rs. 20,043 thousand (December 31, 2020: Rs. 28,856 thousand).
- 7.3** As at December 31, 2021, operating assets includes net book value of Rs. 849,424 thousand (June 30, 2021: Rs. 690,216 thousand) in respect of Holding Company's share in joint operations.
- 7.4** As at December 31, 2021, capital work-in-progress includes amount of Rs.96,790 thousand (June 30, 2021: Rs. 269,601 thousand) in respect of Holding Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Group recognised right of use asset comprising mainly land amounting to Rs. 105,826 thousand (December 31, 2020: Rs. 160,953 thousand) and modification amounting to Rs. 27,513 thousand (December 31, 2020: Rs. 235,553 thousand). Further, right-of-use having net book value of Rs. 141 thousand (December 31, 2020: Rs. 333 thousand) have been disposed off due to the extinguishment of lease during the period.

9. LONG-TERM INVESTMENTS

Investment in related parties		Unaudited December 31, 2021	Audited June 30, 2021
Investment held at fair value through other comprehensive income	Note	------(Rupees in '000)-----	
Unquoted company			
- Pak-Arab Pipeline Company Limited (PAPCO) Equity held: 12% (June 30, 2021: 12%) No. of shares: 8,640,000 (June 30, 2021: 8,640,000) of Rs. 100/- each	9.1	6,885,405	7,874,629
Investment in associates			
Unquoted companies			
- Asia Petroleum Limited Equity held: 49% (June 30, 2021: 49%) No. of shares: 46,058,570 (June 30, 2021: 46,058,570) of Rs. 10/- each		3,715,313	3,453,641
- Pak Grease Manufacturing Company (Private) Limited Equity held: 49.26% (June 30, 2021: 49.26%) No. of shares: 1,536,593 (June 30, 2021: 1,536,593) of Rs. 10/- each		98,379 3,813,692	101,246 3,554,887
		10,699,097	11,429,516

- 9.1** The Holding Company has carried out an exercise to ascertain the fair value of investment as at December 31, 2021 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:

	Unaudited December 31, 2021	Audited June 30, 2021
- Discount rate	18.1% - 18.6%	16.4% - 17.2%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Holding Company has recorded an unrealised loss (net of tax) of Rs. 774,068 thousand (December 31, 2020: unrealised loss - net of tax of Rs. 121,873 thousand) in other comprehensive income for the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

9.1.1 Movement of investment classified as FVOCI

	Unaudited December 31, 2021	Audited June 30, 2021
	------(Rupees in '000)-----	
Balance at beginning of the period / year	7,874,629	8,516,173
Remeasurement loss recognised in other comprehensive loss	(989,224)	(641,544)
Balance at end of the period / year	6,885,405	7,874,629

9.1.2 Sensitivity to unobservable inputs:

- Discount rate (1% increase)	(442,500)	(580,008)
- Discount rate (1% decrease)	523,822	705,147
- Growth rate of terminal value (1% increase)	376,491	517,028
- Growth rate of terminal value (1% decrease)	(318,985)	(426,608)

10. STOCK-IN-TRADE

As at December 31, 2021, stock has been written down by Rs. 900,084 thousand (June 30, 2021:Rs. Nil) to arrive at its net realisable values.

11. TRADE DEBTS

	Note	Unaudited December 31, 2021	Audited June 30, 2021
Considered good		------(Rupees in '000)-----	
Due from Government agencies and autonomous bodies			
- Secured	11.1	274,572	198,221
- Unsecured	11.2 & 11.3	264,857,301	185,808,652
		265,131,873	186,006,873
Due from other customers			
- Secured	11.1	4,972,398	4,157,539
- Unsecured	11.2 & 11.3	27,304,180	32,220,542
		32,276,578	36,378,081
		297,408,451	222,384,954
Considered doubtful		3,185,942	3,572,380
Trade debts - gross		300,594,393	225,957,334
Less: Provision for impairment	11.5	(3,185,942)	(3,572,380)
Trade debts - net		297,408,451	222,384,954

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

11.2 Includes Rs. 275,782,828 thousand (June 30, 2021: Rs. 187,979,797 thousand) due from related parties, against which provision for impairment of Rs. 1,120,875 thousand (June 30, 2021: Rs. 1,531,295 thousand) has been recognised.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

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

Name	Past due		Total	
	(Unaudited) December 31, 2021	(Audited) June 30, 2021	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----			
Northern Power Generation Company Limited	69,168,999	69,477,680	69,168,999	69,477,680
Jamshoro Power Company Limited	447,941	919,254	447,941	919,254
Central Power Purchasing Company	2,534,132	1,595,442	2,534,132	1,595,442
WAPDA foundation	4,000	3,336	76,525	70,338
Hub Power Company Limited	11,824,965	13,316,559	11,824,965	13,316,559
Sui Northern Gas Pipelines Company Limited	146,657,363	93,510,930	176,237,185	98,586,824
	230,637,400	178,823,201	260,289,747	183,966,097
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	230,290,425	178,476,226	259,942,772	183,619,122

The Group did not consider the remaining aggregate past due balance of Rs. 230,290,425 thousand (June 30, 2021: Rs.178,476,226 thousand) (against which subsequent receipts of Rs. 36,279,654 thousand have been received) as doubtful, as the Group based on measures undertaken by the Government of Pakistan (GoP) to resolve circular debt issue, is confident that the aforementioned debts will be received in due course of time and therefore, no further provision has been made in these condensed consolidated interim financial statements.

11.4 As at December 31, 2021 trade debts aggregating Rs. 51,577,501 thousand (June 30, 2021: Rs. 36,876,275 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 245,830,950 thousand (June 30, 2021: Rs.185,508,679 thousand) are past due but not impaired.

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

11.5 The movement in provision during the period / year is as follows:

	Unaudited December 31, 2021	Audited June 30, 2021
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	3,572,380	3,234,619
Provision recognised during the period / year	122,214	466,541
Reversal of provision made during the period / year	(508,652)	(128,780)
	(386,438)	337,761
Balance at the end of the period / year	3,185,942	3,572,380

For the six months period ended December 31, 2021

12. OTHER RECEIVABLES

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

	Unaudited December 31, 2021	Audited June 30, 2021
Price differential claims (PDC):	----- (Rupees in '000) -----	
- on imports of Motor Gasoline - (net of related liabilities)	1,820,177	1,350,961
- on High Speed Diesel	970,027	602,603
- on Light Diesel Oil	400	-
- on Superior Kerosene Oil	3,106	-
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	<u>10,137,565</u>	<u>9,297,419</u>

During the period, the Holding Company received a directive from MoP&NR through letter no No.PL-3(457)/2021-73 dated October 31, 2021 through which the Holding Company was directed to supply Motor Gasoline, High Speed Diesel, Light Diesel Oil and Superior Kerosene Oil at prices directed by the Ministry. Similar to other PDC arrangements, the differential cost was to be borne by GoP and reimbursed directly to the Holding Company by MoF. Moreover, there has been no significant change in the status of the abovementioned claims except as stated above. The Holding Company is fully confident of recoveries against these receivables and is actively pursuing these receivables / matters with the GoP through concerned / relevant ministries.

- 12.2** Includes receivable of Rs. 19,369,542 thousand (June 30, 2021: Rs. 11,642,805 thousand) due from associates and related parties.
- 12.3** As at December 31, 2021, receivables aggregating to Rs. 3,495,761 thousand (June 30, 2021: Rs. 3,224,101 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Unaudited December 31, 2021	Audited June 30, 2021
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	3,224,101	2,663,597
Provision recognised during the period / year	300,000	884,583
Reversal of provision during the period / year	(28,340)	(324,079)
	271,660	560,504
Balance at the end of the period / year	<u>3,495,761</u>	<u>3,224,101</u>

- 12.4** Includes an aggregate net amount of foreign exchange difference of Rs. 6,678,590 thousand (June 30, 2021: favorable exchange differences of Rs. 615,313 thousand) on account of unfavorable exchange differences arising on foreign currency borrowings (FE-25), obtained under the directives of Ministry of Finance - Government of Pakistan (MoF - GoP). These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Holding Company in respect of these long / extended term borrowing arrangements i.e. the Holding Company would not bear any exchange differences on such borrowings. The Holding Company is actively pursuing with MoF - GoP for settlement of this receivable and is confident for recovery of the same.

For the six months period ended December 31, 2021

13. SHARE CAPITAL

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

14. LONG TERM BORROWINGS

This includes term financing facility obtained by the Subsidiary Company under mark-up arrangements through Faysal Bank Limited amounting to Rs. 1 billion at a mark-up of 6 months KIBOR + 0.75% per annum for a tenor of 1.5 years (including 1 year grace period). The loan is repayable in two equal quarterly installments after the grace period whereas markup is to be paid on a quarterly basis starting from November 2021. These loans are secured by way of hypothecation of property, plant and equipment (excluding land and building).

15. TRADE AND OTHER PAYABLES

Includes Rs. 37,885,038 thousand (June 30, 2021: Rs. 49,009,020 thousand) due to various related parties.

16. CONTINGENCIES AND COMMITMENTS

16.1 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.

16.1.1 Late Payment Surcharge

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

16.1.2 Other tax matters

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

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

16.1.3 Other Legal Claims

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

16.1.3.2 Claims against the Group not acknowledged as debts amount to Rs. 7,649,246 thousand (June 30, 2021: Rs. 6,675,456 thousand) other than as mentioned in note 16.1.1 above.

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

16.2 Commitments

Unaudited December 31, 2021	Audited June 30, 2021
------(Rupees in '000)-----	

16.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:

- Property, plant and equipment	3,922,137	3,453,346
- Intangibles	29,229	175,288
	3,951,366	3,628,634

16.2.2 Letters of credit

43,813,496	49,706,950
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16.2.3 Bank guarantees

1,893,012	2,081,071
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16.2.4 Standby Letters of credit

52,429,187	18,341,799
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16.2.5 Post - dated cheques

-	1,000,000
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16.2.6 The Company's share in associates' commitments as at December 31, 2021 is Rs. 1,204 thousand (June 30, 2021: Rs. 58 thousand).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

17. NET SALES

	Unaudited Six months ended		Unaudited Quarter ended	
	December 31, 2021	December 31, 2020	December 31 2021	December 31, 2020
	----- (Rupees in '000) -----			
Gross Sales	1,147,948,878	711,146,872	592,113,855	361,426,072
- Sales tax	(127,643,026)	(102,779,065)	(51,534,141)	(51,741,526)
- Excise duty and petroleum levy	(2,287,157)	(15,418,893)	(1,430,267)	(7,982,169)
- Surplus price differential	(1,750,251)	(346,567)	(756,671)	(281,192)
- Custom duty	(2,076,891)	(1,396,165)	(850,503)	(696,981)
- Inland freight Equalization Margin (IFEM)	(15,417,120)	(10,221,577)	(8,348,468)	(4,849,259)
	(149,174,445)	(130,162,267)	(62,920,050)	(65,551,127)
Net Sales	998,774,433	580,984,605	529,193,805	295,874,945

18. OTHER INCOME

Includes delayed payment surcharge received from various customers.

19. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 1,337,094 thousand (December 31, 2020: Rs. 1,409,383 thousand).

20. EARNINGS PER SHARE

	Unaudited Six months ended		Unaudited Quarter ended	
	December 31, 2021	December 31, 2020	December 31 2021	December 31, 2020
	----- (Rupees in '000) -----			
20.1 Basic				
Profit for the period attributable to the owners of the Holding Company	32,018,381	9,355,843	32,018,381	4,157,283
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
Earnings per share - basic and diluted	68.20	19.93	43.27	8.86
20.2 Diluted				

There is no dilutive effect on the basic earnings per share of the Holding Company as there are no convertible potential ordinary shares in issue as at December 31, 2021 and December 31, 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended December 31, 2021

	Note	Unaudited Six Months Ended	
		December 31, 2021	December 31, 2020
		------(Rupees in '000)-----	
21. CASH GENERATED FROM OPERATIONS			
Profit before taxation		47,171,702	14,187,335
Depreciation and Amortisation		1,791,212	1,637,615
(Reversal of provision) / Provision for impairment on trade debts - net		(386,438)	762,089
Provision for other receivables - net		271,660	459,191
Provision for stores, spares and loose tools		24,301	14,922
Provision for retirement and other services benefits		624,641	603,013
Advance rent written off		-	3,677
(Gain) / loss on disposal of operating assets		(15,184)	41,108
Loss on disposal of ROUA due to extinguishment		-	17
Operating asset written off		-	5,571
Profit on deposits		(12,244)	-
Share of profit from associates - net of tax		(258,845)	(290,411)
Dividend income from FVOCI investment		(384,142)	(350,972)
Interest on lease payments		368,718	341,264
Finance costs		1,839,599	1,745,271
		3,863,278	4,972,355
Working capital changes	21.1	(146,862,496)	(6,910,316)
		(95,827,516)	12,249,374

21.1 Working capital changes

(Increase) / decrease in current assets:

- Stores, spares and loose tools	17,113	(233,420)
- Stock-in-trade	(86,623,865)	(20,610,579)
- Trade debts	(74,637,059)	(10,591,935)
- Loans and advances	11,280	28,736
- Deposits and short-term prepayments	(229,153)	1,369,649
- Other receivables	(9,465,515)	4,391,063

Increase in current liabilities:

- Trade and other payables	24,064,703	18,736,170
	(146,862,496)	(6,910,316)

22. CASH AND CASH EQUIVALENTS

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

	Unaudited Six Months Ended	
	December 31, 2021	December 31, 2020
	------(Rupees in '000)-----	
Cash and bank balances	3,279,805	2,377,542
Short-term borrowings		
(finances under mark-up arrangements)	(24,327,720)	(14,423,558)
	(21,047,915)	(12,046,016)

For the six months period ended December 31, 2021

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

As at December 31, 2021, 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.

24. TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party and relationship with the Group	Nature of Transactions	Unaudited	
		Six Months Ended	
		December 31, 2021	December 31, 2020
Associates		----- (Rupees in '000) -----	
- Pak Grease Manufacturing Company (Private) Limited	Purchases	49,015	22,078
Asia Petroleum Limited	Income facility charges	28,122	1,367
	Pipeline charges	338,813	15,451
	Dividend received	-	92,117
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	124,219	142,147
	Contribution made	52,406	222,981
- Gratuity Fund	Charge for the period	133,244	139,074
	Contribution made	8,815	287,718
- Provident Funds	Charge / Contribution for the period	165,119	125,729
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	108,355	96,594
Key management personnel*			
	Managerial remuneration	310,578	256,156
	Provident Fund Charge / Contribution for the period	10,525	10,580
Non-executive Directors			
	Remuneration and fees	26,320	20,238

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

For the six months period ended December 31, 2021

24.2 Related parties by virtue of GoP holdings

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

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

		Unaudited Six Months Ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
- Federal Government of Pakistan	Dividend paid	1,055,041	-
- Holding Company's Employees Empowerment Scheme	Dividend paid to the trust	142,636	-
- Board of Management	Contribution towards expenses of BoM	9,276	10,575
- Pak Arab Pipeline Company Limited	Pipeline charges	2,389,241	2,123,468
	Dividend received	384,142	350,972
- Sui Northern Gas Pipelines Limited	Gross sales	280,711,558	132,814,930
- Northern Power Generation Company Limited	Gross sales	3,249,285	14,938
- Jamshoro Power Company Limited	Gross sales	5,357,917	-
- Water and Power Development Authority	Utility charges	60,807	58,544
- WAPDA Foundation	Gross sales	728,284	550,807
- Pakistan International Airlines Corporation Limited	Gross sales	8,679,861	3,592,778
	Purchases	2,762	4,262
- Government Holdings (Pvt) Limited	Purchases	1,145,618	607,218
- Pak Arab Refinery Limited	Purchases	162,905,446	75,332,575
	Pipeline charges	302,317	300,730
	Other expenses	16,729	141,576
- Oil and Gas Development Company Limited	Purchases	4,173,162	2,578,618
-Pakistan Petroleum Limited	Gross sales	268,894	40,800
	Purchases	138,830	414,942
- K-Electric Limited	Gross sales	28,814,274	29,862,123
	Income facility charges	15,692	-
- National Bank of Pakistan	Finance cost and bank charges	186,996	232,771

For the six months period ended December 31, 2021

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

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

24.3 Inventory of the Holding Company held by related parties as at December 31, 2021 amounts to Rs. 45,867,055 thousand (June 30, 2021: Rs. 21,303,048 thousand).

24.4 Short term borrowings includes Rs. 20,850,107 thousand (June 30, 2021: Rs. 17,432,140 thousand) under finances obtained from National Bank of Pakistan.

24.5 The status of outstanding receivables and payables from / to related parties as at December 31, 2021 are included in respective notes to these condensed consolidated interim financial statements.

24.6 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.

For the six months period ended December 31, 2021

25. OPERATING SEGMENTS

25.1 Segment wise revenues and profit is as under:

	Unaudited	
	Six Months Ended	
	December 31, 2021	December 31, 2020
	----- (Rupees in '000) -----	
Revenue - net sales		
Petroleum Products	739,722,004	447,407,242
Liquefied Natural Gas (LNG)	239,924,880	118,584,759
Refining operations	16,801,575	13,552,186
Others	2,325,974	1,440,418
	998,774,433	580,984,605
Profit / (loss) for the period		
Petroleum Products	28,778,916	7,685,000
Liquefied Natural Gas (LNG)	1,670,000	517,000
Refining operations	(268,306)	(263,733)
Others	1,740,000	1,319,650
	31,920,610	9,257,917

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

25.3 Out of total sales of the Group, 99.8% (December 31, 2020: 99.4%) relates to customers in Pakistan.

25.4 All non-current assets of the Group as at December 31, 2021 and 2020 are located in Pakistan and Bangladesh. Sales to five major customers of the Group are approximately 33% during the six months period ended December 31, 2021 (December 31, 2020: 25%).

25.5 Out of total gross sales of the Group, sales for the six month period ended December 31, 2021, amounting to Rs. 350,489,400 thousand (December 31, 2020: Rs 148,668,618 thousand), relates to circular debt customers.

26. EVENTS AFTER THE REPORTING DATE

The Board of Management of the Holding Company in its meeting held on February 11, 2022 has proposed an interim cash dividend of Rs. Nil (December 31, 2020: Rs. 5) amounting to Rs. Nil (December 31, 2020: Rs. 2,347,367 thousand) for the year ending June 30, 2022.

27. GENERAL

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

28. DATE OF AUTHORISATION FOR ISSUE

These condensed consolidated interim financial statements were approved and authorised for issue on February 11, 2022 by the Board of Management of the Holding Company.



Syed Muhammad Taha
Managing Director & CEO



Tara Uzra Dawood
Member – Board of Management



Gulzar Khoja
Chief Financial Officer

پاکستان اسٹیٹ آئل کمپنی کا بورڈ آف مینجمنٹ کمپنی اور گروپ کی غیر معمولی کارکردگی اور اس کے ساتھ مالی سال 2022 کی پہلی شش ماہی (1HF22) کی مالیاتی رپورٹ بعد مسرت پیش کر رہا ہے۔

اس مدت کے دوران کمپنی نے بلند ترین شش ماہی منافع کا ریکارڈ قائم کرتے ہوئے 32.2 بلین روپے بعد از ٹیکس منافع (مالی سال 2021 کی پہلی شش ماہی 9.5 بلین پاکستانی روپے) حاصل کیا۔ اس کی ترقی کی رفتار پوری انڈسٹری کی تمام پٹرولیم مصنوعات میں سب سے بہترین رہی، جس کے سبب کمپنی کے مارکیٹ شیئر میں گزشتہ برس کی اسی مدت کے مقابلے میں 340 بیسز پوائنٹس تک اضافہ ہوا۔

پی ایس او نے ڈائنامک اسٹریٹجی میں اپنی قیادت کو برقرار رکھتے ہوئے انڈسٹری کی کل نمو 12.3% کے مقابلے میں لیکوئڈ فیولز میں 20.8% والیو میٹرک نمو، جس میں ملک کی وائٹ آئل صنعت کا 48% اور بلیک آئل کا 60% حصہ کمپنی نے حاصل کیا۔ اس منافع کا بنیادی حصہ موبائل، ہائی اسپیڈ ڈیزل اور فرسٹ آئل سے حاصل ہوا جس میں کمپنی نے مجموعی انڈسٹری کی مجموعی الترتیب 7.9%، 15.2% اور 14.1% کے مقابلے میں 15.5%، 18.3% اور 30.4% نمو حاصل کی اور نمو 44.0%، 48.9% اور 60.1% مارکیٹ شیئر کی صورت میں ظاہر ہوئی جو گزشتہ برس کی اسی مدت کے دوران علی الترتیب 41.1%، 47.6% اور 52.6% تھا۔

مذکورہ مدت کے دوران کمپنی نے اپنے کاروباری استحکام اور ویلیو چین کو مضبوط بنانے کے لئے فریئر ورکس آرگنائزیشن اور پاکستان ریلویز کے ساتھ مفابہتی یادداشتوں پر دستخط کئے۔ ملک میں روز افزوں برصغیر پٹرولیم مصنوعات کی طلب کو پورا کرنے کے لئے پی ایس او ایک جامع ترقیاتی، بحالی پروگرام اور موجودہ سہولیات میں رکاوٹوں کو دور کرنے کی منصوبہ بندی کے ذریعے اپنے انفراسٹرکچر کے قابل بھروسہ ہونے کی صلاحیت، دستیابی، استعداد اور گنجائش میں اضافہ کر رہا ہے۔ اس سلسلے میں، مذکورہ مدت کے دوران کمپنی میں 67 ہزار نوں کی گنجائش کے نئے اسٹورج کا اضافہ کیا گیا۔ مزید برآں، کمپنی نے اپنے ریشیل نیٹ ورک میں مزید توسیع کرتے ہوئے اس میں 20 نئے ریشیل آؤٹ لیکس کا اضافہ کیا۔ ان آؤٹ لیکس پر سفر کی آمد کا تجربہ مزید خوشوار بنانے کے لئے ان میں نان فیول ریشیل پروڈکٹس اور خدمات میں اضافہ کیا گیا۔

پی ایس او نے کاروباری مراحل کو ڈیجیٹائز کرنے کی ایک اور پیش رفت میں، سپلائی چین کی نگرانی کے لئے ایک مرکزی کمانڈ اینڈ کنٹرول سسٹم نافذ کیا ہے۔ کمپنی نے اپنے انوائسنگ کے نظام کو خود کار بنانے کے لئے وینڈر انوائس مینجمنٹ سسٹم بھی متعارف کرایا ہے جو نظام کی کارکردگی میں موثر اضافہ کرے گا۔ جبکہ پراسس میں بہتری لانے کے دیگر تکنیکی اقدامات تکمیل کے مختلف مراحل میں ہیں۔

کمپنی نے COVID-19 کے سلسلے میں حکومت کی ویکسی نیشن مہم کی مکمل حمایت کی اور ملک بھر میں اس مقصد کے لئے مخصوص کردہ اپنے ویکسی نیشن سینٹرز کے ذریعے 200,000 سے زائد افراد کو ویکسی نیشن کی سہولت فراہم کی گئی۔ مزید برآں، کمپنی نے کارپوریٹ سوشل ریسپانس ایبیلیٹی کے تحت صحت، تعلیم اور سماجی بہبود کے پروجیکٹس کے لئے 87 ملین پاکستانی روپے کے عطیات فراہم کئے۔

بورڈ نے تجارتی واجب الحصول رقم کے حجم میں اضافے پر تشویش کا اظہار کیا اور 30 جون 2021 کے مقابلے میں سوئی نادرنگس پائپ لائنز لمیٹڈ کی جانب سے واجب الحصول رقم میں 77.7 بلین روپے اضافے کا مشاہدہ کیا۔ اس مسئلے کے حل کے لئے انتظامیہ متعلقہ حکام سے سرگرمی کے ساتھ رابطے میں ہے۔

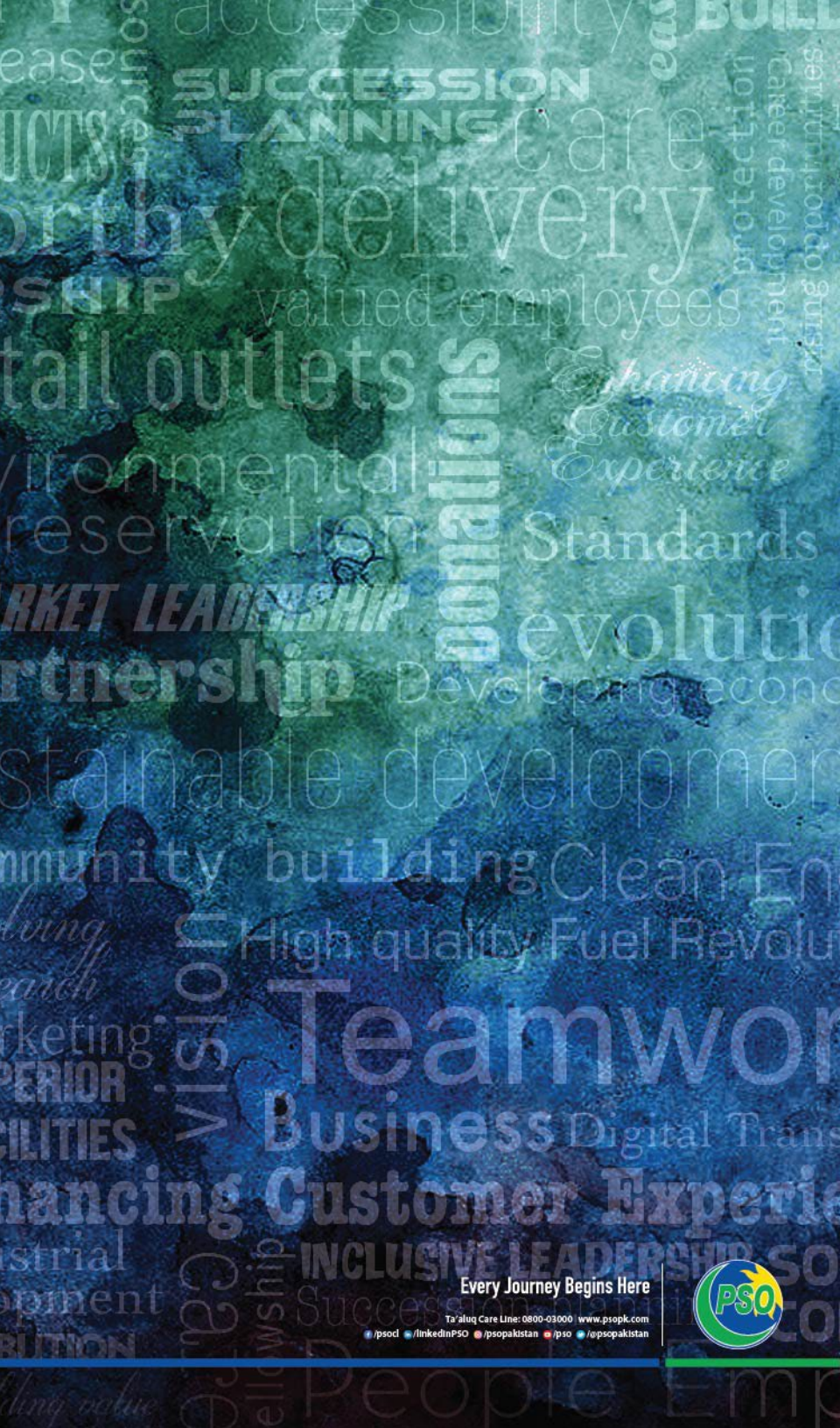
مجموعی طور پر گروپ نے 32 بلین روپے کا خالص منافع بعد از ٹیکس حاصل کیا ہے جو مالی سال 2021 کی پہلی شش ماہی میں 9.4 بلین روپے تھا۔

ہم اپنے تمام اسٹیک ہولڈرز کی مسلسل حمایت اور تعاون پر ان کے تہد سے شکر گزار ہیں۔ اس موقع پر ہم حکومت پاکستان بالخصوص وزارت توانائی (پٹرولیم ڈویژن) کی رہنمائی اور تعاون کے لئے بھی اظہار تشکر کرتے ہیں۔

ظفر آئی عثمانی
چیئر مین - بورڈ آف مینجمنٹ

سید محمد طہ
چیئنگ ڈائریکٹر اور سی ای او

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اسلام آباد



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