

PAKISTAN STATE OIL COMPANY LIMITED

**CONDENSED UNCONSOLIDATED & CONSOLIDATED
INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2021**

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		Un-Audited 31 March 2021	Audited 30 June 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	12,299,092	9,993,564
Right-of-use assets	8	4,835,525	4,735,815
Intangibles		111,143	82,930
Long-term investments	9	16,507,778	16,190,758
Long-term loans, advances and other receivables		426,455	454,612
Long-term deposits and prepayments		239,674	207,272
Deferred tax asset - net		13,491,483	17,148,771
Retirement benefits		899,947	797,250
		<u>48,811,097</u>	<u>49,610,972</u>
Current assets			
Stores, spares and loose tools		712,805	538,631
Stock-in-trade	10	81,881,446	57,214,768
Trade debts	11	221,707,369	196,759,839
Loans and advances		409,100	414,315
Short-term deposits and prepayments		481,872	2,559,442
Other receivables	12	19,730,884	23,790,569
Taxation - net		6,903,842	7,718,188
Cash and bank balances		2,564,412	3,908,652
		<u>334,391,730</u>	<u>292,904,404</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>383,202,827</u></u>	<u><u>342,515,376</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		124,069,970	108,366,267
Total Shareholders' Equity		<u>128,764,704</u>	<u>113,061,001</u>
Non-current liabilities			
Retirement and other service benefits		7,045,862	6,786,597
Lease liabilities		4,595,840	4,314,789
Other payable		1,359,627	1,359,627
		<u>13,001,329</u>	<u>12,461,013</u>
Current liabilities			
Trade and other payables	13	141,624,716	147,460,348
Short-term borrowings		96,836,785	66,433,196
Provisions		490,972	490,972
Accrued interest / mark-up		499,174	1,216,690
Current portion of lease liabilities		109,791	37,092
Unpaid dividend		110,146	-
Unclaimed dividend		1,765,210	1,355,064
		<u>241,436,794</u>	<u>216,993,362</u>
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		<u><u>383,202,827</u></u>	<u><u>342,515,376</u></u>

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

		Nine months ended		Quarter ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Note		(Rupees in '000)			
Gross Sales		1,008,702,413	1,038,089,398	337,291,509	285,556,804
Less:					
- Sales tax		(140,228,893)	(137,522,274)	(46,471,987)	(37,013,259)
- Inland freight equalization margin		(15,511,845)	(13,236,505)	(5,290,268)	(3,551,604)
		(155,740,738)	(150,758,779)	(51,762,255)	(40,564,863)
Net sales		852,961,675	887,330,619	285,529,254	244,991,941
Cost of products sold		(815,221,899)	(867,188,834)	(268,278,504)	(242,526,887)
Gross profit		37,739,776	20,141,785	17,250,750	2,465,054
Other income	15	5,151,849	8,445,279	740,203	854,122
Operating costs					
Distribution and marketing expenses		(8,060,542)	(8,077,804)	(2,286,904)	(2,314,710)
Administrative expenses		(2,484,181)	(2,494,955)	(1,004,168)	(1,039,504)
(Provision) / reversal of provision of impairment on financial assets		(1,129,591)	347,196	91,689	173,834
Other expenses	16	(1,971,473)	(624,717)	(936,618)	263,189
		(13,645,787)	(10,850,280)	(4,136,001)	(2,917,191)
Profit from operations		29,245,838	17,736,784	13,854,952	401,985
Finance costs	17	(2,501,544)	(10,578,928)	(1,064,082)	(3,989,829)
Share of profit of associates - net of tax		429,582	456,843	134,101	144,602
Profit / (loss) before taxation		27,173,876	7,614,699	12,924,971	(3,443,242)
Taxation					
- current		(5,222,635)	(6,139,522)	(3,865,150)	(1,145,626)
- prior		2,157	1,738	-	-
- deferred		(3,711,349)	1,531,479	(339,422)	1,162,512
		(8,931,827)	(4,606,305)	(4,204,572)	16,886
Profit / (loss) for the period		18,242,049	3,008,394	8,720,399	(3,426,356)
(Rupees)					
Earnings / (loss) per share					
- basic and diluted	18	38.86	6.41	18.57	(7.30)

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Note	(Rupees in '000)			
Profit / (loss) for the period	18,242,049	3,008,394	8,720,399	(3,426,356)
Other comprehensive (loss) / income:				
Items that will not be reclassified to statement of profit or loss				
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	3,504	579	-	-
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	(248,540)	1,747,289	(92,792)	(38,496)
Taxation	54,057	(380,035)	20,182	8,373
	(194,483)	1,367,254	(72,610)	(30,123)
Other comprehensive (loss) / income	(190,979)	1,367,833	(72,610)	(30,123)
Total comprehensive income for the period	18,051,070	4,376,227	8,647,789	(3,456,479)

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

		Nine months ended	
		31 March 2021	31 March 2020
		----- (Rupees in '000) -----	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	19	(18,688,187)	(20,990,352)
Long-term loans, advances and other receivables		28,157	(316,753)
Long-term deposits and prepayments		(36,079)	60,370
Taxes paid		(4,406,137)	(5,456,734)
Finance costs paid		(2,553,390)	(7,823,241)
Retirement and other service benefits paid		(656,354)	(2,477,063)
Net cash used in operating activities		(26,311,990)	(37,003,773)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,304,338)	(1,739,689)
Proceeds from disposal of operating assets		42,276	29,853
Purchase of right shares of Pakistan Refinery Limited (PRL)		(224,590)	-
Acquisition of shares in PRL		-	(210,000)
Advance against purchase of right shares in PRL		-	(1,890,000)
Dividend received		443,089	283,227
Net cash used in investing activities		(3,043,563)	(3,526,609)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of short-term borrowings - net		25,395,223	23,792,559
Lease rentals paid		(565,201)	(955,794)
Dividends paid		(1,827,075)	(2,442,024)
Net cash flow from financing activities		23,002,947	20,394,741
Net decrease in cash and cash equivalents		(6,352,606)	(20,135,641)
Cash and cash equivalents at beginning of the period		(880,853)	(16,467,793)
Cash and cash equivalents at end of the period	20	(7,233,459)	(36,603,434)

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2021

	Share capital	Reserves					Total
Capital Reserves Surplus on vesting of net assets		Revenue Reserves			Sub-total		
		Unrealised gain / (loss) on remeasurement of FVOCI investment	General reserve	Un-appropriated profits			
	(Rupees in '000)						
Balance as at 30 June 2019 (Audited)	3,912,278	3,373	4,335,648	25,282,373	85,647,015	115,268,409	119,180,687
Total comprehensive income for nine months period ended							
Profit for the period	-	-	-	-	3,008,394	3,008,394	3,008,394
Other comprehensive income							
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	579	579	579
Unrealised gain on remeasurement of equity investment classified as FVOCI - net of tax	-	-	1,367,254	-	-	1,367,254	1,367,254
	-	-	1,367,254	-	579	1,367,833	1,367,833
Transaction with the owners:							
Final dividend for the year ended 30 June 2019 at Rs. 5 per share	-	-	-	-	(1,956,139)	(1,956,139)	(1,956,139)
Bonus shares issued for the year ended 30 June 2019 at 20%	782,456	-	-	-	(782,456)	(782,456)	-
Balance as at 31 March 2020 (Un-audited)	4,694,734	3,373	5,702,902	25,282,373	85,917,393	116,906,041	121,600,775
Balance as at 30 June 2020 (Audited)	4,694,734	3,373	5,987,826	25,282,373	77,092,695	108,366,267	113,061,001
Total comprehensive income for nine months period ended							
Profit for the period	-	-	-	-	18,242,049	18,242,049	18,242,049
Other comprehensive 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	-	-	(194,483)	-	-	(194,483)	(194,483)
	-	-	(194,483)	-	3,504	(190,979)	(190,979)
Transaction with the owners:							
Interim dividend for the year ended 30 June 2021 at Rs. 5 per share	-	-	-	-	(2,347,367)	(2,347,367)	(2,347,367)
Balance as at 31 March 2021 (Un-audited)	4,694,734	3,373	5,793,343	25,282,373	92,990,881	124,069,970	128,764,704

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 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.
	Keamari Oil Terminal, Keamari, 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. Statement of preparation

2.1 These condensed unconsolidated interim financial statements of the Company for the nine months period ended 31 March 2021 has 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; 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 audited financial statements of the Company for the year ended 30 June 2020. These condensed unconsolidated financial statements 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 financial statements are presented separately.

2.4 Further to the note 2.6 of the annual unconsolidated financial statements as at and for the year ended 30 June 2020, Supreme Court of Pakistan in its short order dated 22 October 2020, in the cases filed by other companies, declared that Benazir Employees Stock option Scheme (BESOS / the Scheme) is unconstitutional and ultra-virus. During the period, the Ministry of Energy (Petroleum Division) through its letter reference F.No.8(9)/2014/BESOS/D-III(Vol-IV) dated 25 November 2020 directed the Company while referring Finance Division's letter no.F.2(39)-NTR/2-2-F dated 19 November 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund.

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the consolidated annual audited financial statements of the Company for the year ended June 30, 2020. 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 consolidated interim financial statements of the Holding Company and its Subsidiary have been presented separately.
- 2.4 Further to the note 2.6 of the annual consolidated financial statements as at and for the year ended 30 June 2020, Supreme Court of Pakistan in its short order dated 22 October 2020, in the cases filed by other companies, declared that Benazir Employees Stock option Scheme (BESOS / the Scheme) is unconstitutional and ultra-virus. During the period, the Ministry of Energy (Petroleum Division) through its letter reference F.No.8(9)/2014/BESOS/D-III(Vol-IV) dated 25 November 2020 directed the Holding Company while referring Finance Division's letter no.F.2(39)-NTR/2-2-F dated 19 November 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund.
- 2.5 These condensed consolidated interim financial statements are presented in Pakistan Rupee which is also the Group's functional currency.
- 2.6 The Group continued its operations despite slowdown of economic activities due to spread of COVID-19 with no material impact during the period. The Subsidiary Company has availed long term loan under SBP's refinance scheme for payment of salaries and wages.

3. Significant accounting policies

- 3.1 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 consolidated annual audited financial statements for the year ended June 30, 2020.
- 3.2 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

4. New or Amendments / Interpretations To Existing Standards, Interpretation And Forthcoming Requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2020, but are considered not to be relevant or do not have any significant effect on the Group's financial position and are therefore not stated in these condensed consolidated interim financial statements.

5. Standards, Interpretations And Amendments To Published Approved Accounting Standards That Are Not Yet Effective

The following International Financial Reporting Standards (IFRS Standards) relevant to the Group as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021 and these amendments are not likely to have a significant affect over these condensed consolidated interim financial statements:

Standards, amendments or interpretation

- COVID-19 Related Rent Concessions (Amendment to IFRS 16);
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16; and
- 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 01 January 2022 and these amendments are not likely to have a significant affect over these condensed consolidated interim financial statements:

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

- 2.6 The Company continued its operations despite slowdown of economic activities due to spread of COVID-19 with no material impact during the period.

3. Significant Accounting Policies

- 3.1 The accounting policies and method of computation adopted in 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 30 June 2020.
- 3.2 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.

4 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2020, 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.

5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards (IFRS Standards) relevant to the Company as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021 and these amendments are not likely to have a significant affect over these condensed unconsolidated interim financial statements:

- COVID-19 Related Rent Concessions (Amendment to IFRS 16);
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16; and
- 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 01 January 2022 and these amendments are not likely to have a significant affect over these condensed unconsolidated interim financial statements

- 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 amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor;
- 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 biological assets using present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3;
- Extension of the temporary exemption from applying IFRS 9 (Amendments to IFRS 4);
- Classification of liabilities as current or non-current (Amendments to IAS 1); and
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) .

6 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. During the preparation of these condensed unconsolidated interim financial statements, changes in the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty from those that were applied to the annual financial statements of the Company as at and for the year ended 30 June 2020 do not have any material impact. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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)	
	31 March 2021 (Un-audited)	31 March 2020 (Un-audited)	31 March 2021 (Un-audited)	31 March 2020 (Un-audited)
	(Rupees in '000)			
Freehold land	39,481	-	-	-
Leasehold land	-	-	4,647	-
Buildings on freehold land	27,104	66,913	-	-
Buildings on leasehold land	49,903	899	67	-
Tanks and pipelines	326,226	12,456	-	80
Service and filling stations	493,858	461,687	577	201
Plant and machinery	108,521	109,663	52	301
Furniture and fittings	66,850	5,098	40	202
Vehicles and other rolling stock	23,156	79,030	6,893	7,470
Office equipments	56,820	32,658	27	-
Gas cylinders / regulators	61,569	52,325	-	-
	<u>1,253,488</u>	<u>820,729</u>	<u>12,303</u>	<u>8,254</u>

7.2 The above disposals represented assets costing Rs. 161,521 thousand (31 March 2020: Rs. 114,003 thousand) and were disposed off for Rs. 42,276 thousand (31 March 2020: Rs. 29,853 thousand).

7.3 As at 31 March 2021, operating assets includes capital work-in-progress of Rs. 4,806,100 thousand (30 June 2020: Rs. 2,806,482 thousand).

7.4 As at 31 March 2021, operating assets includes book value of Rs. 656,814 thousand (30 June 2020: Rs. 704,674 thousand) in respect of Company's share in joint operations.

7.5 As at 31 March 2021, capital work-in-progress includes amounting to Rs. 212,345 thousand (30 June 2020: Rs. 182,269 thousand) in respect of Company's share in joint operations.

8. RIGHT-OF-USE ASSETS

During the period, the Company recognised right-of-use assets comprising mainly land amounting to Rs. 167,629 thousand (31 March 2020: 4,388,198 thousand) and modification amounting to Rs. 255,309 thousand (31 March 2020: Nil). Further, right-of-use having net book value of Rs. 349 thousand (31 March 2020: Nil) have been disposed off due to the extinguishment of leases during the period.

9. LONG-TERM INVESTMENTS

Investment in related parties

Investment held at fair value through other comprehensive income

Unquoted company

- Pak-Arab Pipeline Company Limited (PAPCO)
Equity held: 12% (30 June 2020: 12%)
No. of shares: 8,640,000
(30 June 2020: 8,640,000) of Rs. 100/- each

Note

Un-audited 31 March 2021	Audited 30 June 2020
----- (Rupees in '000) -----	

9.1	8,267,633	8,516,173
-----	-----------	-----------

Investment in subsidiary - at cost

In a quoted company

- Pakistan Refinery Limited (PRL)
Equity held 63.56% (30 June 2020: 60%)
No. of shares: 400,459,028 (30 June 2020: 189,000,000)
of Rs. 10/- each
- Advance against issue of share capital

9.2

4,890,680	2,776,090
-	1,890,000
4,890,680	4,666,090

Investment in associates

In Unquoted companies

- Asia Petroleum Limited
Equity held: 49% (30 June 2020: 49%)
No. of shares: 46,058,570 (30 June 2020: 46,058,570) of Rs. 10/- each
- Pak Grease Manufacturing Company (Private) Limited
Equity held: 22% (30 June 2020: 22%)
No. of shares: 686,192 (30 June 2020: 686,192) of Rs. 10/- each

3,301,430	2,955,801
48,035	52,694
3,349,465	3,008,495
16,507,778	16,190,758

9.1

The Company has carried out an exercise to ascertain the fair value of investment as at 31 March 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:

	Un-audited 31 March 2021	Audited 30 June 2020
- Discount rate	18.1% - 18.7%	16.8% - 17.8%
- Growth rate of terminal value	5%	5%

Based on the above fair valuation exercise, the Company has recorded an unrealised loss - net of tax of Rs. 194,483 thousand (31 March 2020: Gain of Rs. 1,367,254 thousand) in other comprehensive (loss) / income for the period.

9.1.1 Movement of investment classified as FVOCI

	Un-audited 31 March 2021	Audited 30 June 2020
----- (Rupees in '000) -----		
Balance at beginning of the period / year	8,516,173	6,404,764
Remeasurement (loss) / gain recognised in other comprehensive (loss) / income	(248,540)	2,111,409
Balance at the end of the period / year	8,267,633	8,516,173

9.1.2 Sensitivity to unobservable inputs:

	Un-audited 31 March 2021	Audited 30 June 2020
	----- (Rupees in '000) -----	
- Discount rate (1% increase)	(464,685)	(619,123)
- Discount rate (1% decrease)	543,486	737,965
- Growth rate of terminal value (1% increase)	403,900	500,839
- Growth rate of terminal value (1% decrease)	(346,485)	(422,476)

- 9.2** During the year ended 30 June, 2020, Board of Directors of PRL approved increase in share capital of PRL by 100% through issue of 1 right share for every 1 existing ordinary share held at Rs. 10/- per share. The Company fully subscribed its portion (60%) of right shares and paid Rs.1,890,000 thousand. Further, the Company has given undertaking to PRL for subscribing such remaining portion of 40% of the Right Issue which remains unsubscribed. During the period, 92.87% of the Right Issue has been subscribed and remaining 7.13% unsubscribed portion (22,459,028 shares) has been subscribed by the Company.

10. STOCK-IN-TRADE

- 10.1** The company has recognised write-down of inventory to net realisable value amounting to Rs.1,148,324 thousand (31 March 2020: 3,551,113 thousand)

- 10.2** During the period, the Company has written off stock held with third party amounting to Rs. 89,543 thousand (31 March 2020: Nil).

11. TRADE DEBTS

TRADE DEBTS		Un-audited 31 March 2021	Audited 30 June 2020
		----- (Rupees in '000) -----	
Considered good			
Due from Government agencies and autonomous bodies			
- Secured	11.1	236,969	124,663
- Unsecured	11.2 & 11.3	180,855,429	161,751,360
		181,092,398	161,876,023
Due from other customers			
- Secured	11.1	2,612,544	1,826,424
- Unsecured	11.2 & 11.3	38,002,427	33,057,392
		40,614,971	34,883,816
		221,707,369	196,759,839
Considered doubtful			
Trade debts - gross		3,714,555	3,099,727
Less: Provision for impairment	11.5	225,421,924	199,859,566
Trade debts - net		(3,714,555)	(3,099,727)
		221,707,369	196,759,839

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

- 11.2** Includes Rs. 183,185,174 thousand (30 June 2020: Rs. 163,845,827 thousand) due from related parties, against which provision for impairment of Rs. 1,817,895 thousand (30 June 2020: Rs. 1,332,981 thousand) has been recognised.

11.3 Included in trade debts are the receivable from following:

Name	Past due		Total	
	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020
(Rupees in '000)				
Northern Power Generation Company Limited	68,646,279	72,957,116	68,646,279	72,957,116
Jamshoro Power Company Limited	10,287	929,916	10,287	929,916
Cental Power Purchasing Company	1,554,076	1,092,614	1,554,076	1,092,614
WAPDA Foundation	61,494	34,174	61,494	34,174
Hub Power Company Limited	23,331,904	23,331,012	23,331,904	23,331,012
Kot Addu Power Company Limited	-	473,458	-	473,458
Sui Northern Gas Pipelines Company Limited	90,623,623	68,296,465	94,920,188	71,171,324
	184,227,663	167,114,755	188,524,228	169,989,614
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	183,880,688	166,767,780	188,177,253	169,642,639

The Company did not consider the remaining aggregate past due balance of Rs.183,880,688 thousand (30 June 2020: Rs.166,767,780 thousand) (against which subsequent receipts of Rs.19,730,100 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.

- 11.4** As at 31 March 2021, trade debts aggregating Rs. 26,775,578 thousand (30 June 2020: Rs. 17,312,197 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 194,931,791 thousand (30 June 2020: Rs.179,447,642 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:

	Un-audited 31 March 2021	Audited 30 June 2020
(Rupees in '000)		
Balance at beginning of the period / year	3,099,727	3,025,523
Provision recognised during the period / year	652,582	262,952
Reversal of provision during the period / year	(37,754)	(188,748)
	614,828	74,204
Balance at the end of the period / year	3,714,555	3,099,727

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 30 June 2020:

	Un-audited 31 March 2021	Audited 30 June 2020
(Rupees in '000)		
Price differential claims (PDC):		
- on imports of Motor Gasoline - Net of related liability	1,350,961	1,350,961
- on High Speed Diesel	602,603	602,603
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GENCO receivables	3,407,357	3,407,357
	9,297,419	9,297,419

During the period, there has been no significant change in the status of the abovementioned receivables. 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. 9,383,312 thousand (30 June 2020: Rs. 10,666,183 thousand) due from associates and related parties.
- 12.3** As at 31 March 2021, receivables aggregating to Rs. 3,178,360 thousand (30 June 2020: Rs. 2,663,597 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:

	Un-audited 31 March 2021	Audited 30 June 2020
	----- (Rupees in '000) -----	
Balance at beginning of the period / year	2,663,597	2,907,016
Provision recognised during the period / year	885,156	37,394
Reversal of provision during the period / year	(370,393)	(280,813)
	514,763	(243,419)
Balance at the end of the period / year	3,178,360	2,663,597

13. TRADE AND OTHER PAYABLES

- 13.1** Includes Rs. 39,981,893 thousand (30 June 2020: Rs. 40,800,474 thousand) due to various related parties.
- 13.2** Includes Rs. 1,735,600 thousand (30 June 2020: Nil) - net on account of favourable 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.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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

14.1.1 Late Payment Surcharge

Claims amounting to Rs. 6,687,465 thousand (30 June 2020: Rs. 6,836,838 thousand) in respect of delayed payment charges are not recognised on the understanding that these will be payable only when the Company will fully realize delayed payment charges due from its customers, which is more than the aforementioned amount. Charges claimed by the 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.

14.1.2 Income Tax

- 14.1.2.1** The Additional Commissioner Inland Revenue through his order dated 30 September 2020 made certain additions and disallowances in respect of Tax Year 2019 and raised tax demand of Rs. 411,567 thousand. The Company has filed an appeal before Commissioner Inland Revenue (Appeals). Based on the views of tax advisor of the Company, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

- 14.1.2.2** The Deputy Commissioner Inland Revenue issued notices for audit of income tax affairs of the Company for the tax years 2016, 2017, 2018, 2019 & 2020; with the express intention of issuance of assessment orders in aforesaid years in a very short period. Similar audit notices were issued to other OMCs, refineries and other Companies. Aggrieved by hurried behavior of tax authorities to prematurely conclude audit and issuance of orders, the Company filed petitions in Sindh High Court to challenge conduct of audit of income tax affairs. The Sindh High Court accepted the Company's viewpoint and issued orders to DCIR for maintaining status quo and not to issue any adverse orders.

14.1.3 Sales Tax

The Deputy Commissioner Inland Revenue issued notices for audit of sales tax affairs of the Company for the tax years 2017, 2018, 2019 & 2020; with the express intention of issuance of assessment orders in aforesaid years in a very short period. Similar audit notices were issued to other OMCs, refineries and other Companies. Aggrieved by hurried behavior of tax authorities to prematurely conclude audit and issuance of orders, the Company filed petitions in Sindh High Court to challenge conduct of audit of sales tax affairs. The Sindh High Court accepted the Company's viewpoint and issued orders to DCIR for maintaining status quo and not to issue any adverse orders.

14.1.4 Other tax matters

14.1.4.1 The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Company is contesting the levy along with other companies in the High Court of Sindh which was instituted on 26 May 2011. Through the interim order passed on 31 May 2011, the High Court has ordered that for every consignment cleared after 28 December 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. On the directive of the Directorate of Excise and Taxation (Taxes-II), up to 31 Mar 2021, the management has deposited Rs. 125,811 thousand (30 June 2020: Rs.115,047 thousand) in cash and provided bank guarantee amounting to Rs. 125,811 thousand (30 June 2020: Rs.115,047 thousand) with the Excise and Taxation Department. Based on the views of its legal advisor, the management believes that the matter will ultimately be decided in the Company's favour. Total amount of possible obligation, if any, cannot be determined with sufficient reliability. Accordingly, no provision has been made against infrastructure fee in these condensed unconsolidated interim financial statements.

14.1.4.2 There is no significant change in the status of other contingencies as disclosed in notes 29.1.2 to 29.1.4 to the annual unconsolidated financial statements of the Company for the year ended 30 June 2020.

14.1.5 Other Legal Claims

14.1.5.1 As at 31 March 2021 certain legal cases amounting to Rs. 7,654,595 thousand (30 June 2020: Rs. 7,682,477 thousand) had been filed against the Company. However, based on advice of legal advisors of the Company, the management believes that the outcome of these cases would be decided in Company's favour. Accordingly, no provision has been made in this condensed unconsolidated interim financial statements.

14.1.5.2 Claims against the Company not acknowledged as debts amount to Rs. 6,999,675 thousand (30 June 2020: Rs. 6,801,986 thousand) other than as stated in note 14.1.1 above.

14.2	Commitments	Un-audited 31 March 2021	Audited 30 June 2020
14.2.1	Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:	----- (Rupees in '000) -----	
	- Property, plant and equipment	4,502,254	6,461,609
	- Intangibles	307,382	872,588
		<u>4,809,636</u>	<u>7,334,197</u>
14.2.2	Letters of credit	<u>46,265,918</u>	<u>26,070,442</u>
14.2.3	Bank guarantees	<u>1,696,753</u>	<u>1,474,867</u>
14.2.4	Standby Letters of credit	<u>17,881,265</u>	<u>32,609,446</u>
14.2.5	Post - dated cheques	<u>495,000</u>	<u>1,300,000</u>

15. OTHER INCOME

This mainly includes delayed payment surcharge received from various customers and exchange gain.

16. OTHER EXPENSES

During the period, Company has written off rent advance amounting to Rs. 3,677 thousand (31 March 2020: Nil).

17. FINANCE COSTS

Includes mark-up on short-term borrowings amounting to Rs. 1,594,665 thousand (31 March 2020: 9,422,282 thousand).

18. EARNINGS / (LOSS) PER SHARE
18.1 Basic

Profit / (Loss) for the period attributable to ordinary shareholders

Un-audited Nine Months ended		Un-audited Quarter ended	
31 March 2021	31 March 2020	31 March 2021	31 March 2020
----- (Rupees in '000) -----			
18,242,049	3,008,394	8,720,399	(3,426,356)

Weighted average number of ordinary shares outstanding during the period

----- (Number of Shares) -----			
469,473,302	469,473,302	469,473,302	469,473,302

	----- (Rupees) -----			
Earnings / (loss) per share - basic and diluted	<u>38.86</u>	<u>6.41</u>	<u>18.57</u>	<u>(7.30)</u>

18.2 Diluted

There is no dilutive effect on the basic earning / (loss) per share of the Company as there are no convertible ordinary shares in issue as at March 31, 2021 and March 31, 2020.

19. CASH GENERATED FROM OPERATIONS

Profit before taxation

27,173,876 7,614,699

Depreciation and amortisation

1,281,172 1,144,395

Provision / (reversal of provision) for impairment on trade debts - net

11.5 614,828 (411,319)

Provision for other receivables - net

12.3 514,763 64,123

Provision against stock-in-trade

- 89,543

Provision for write down of inventory to net realisable value

1,148,324 3,551,113

Provision for impairment against stores, spares and loose tools

7,601 12,552

Advance rent written off

3,677 -

Provision for retirement and other services benefits

812,922 1,159,663

Gain on disposal of operating assets

(29,973) (21,599)

Loss on disposal of right-of-use assets due to extinguishment

3 -

Share of profit from associates - net of tax

(429,582) (456,843)

Dividend income from FVOCI investment

(350,972) (283,227)

Interest on lease payments

496,360 418,014

Finance costs

2,005,184 10,089,844

6,074,307 15,356,259

Working capital changes

19.1 (51,936,370) (43,961,310)

(18,688,187) (20,990,352)

19.1 Working capital changes

	Un-audited	
	Nine months ended	
	31 March 2021	31 March 2020
	----- (Rupees in '000) -----	
<i>(Increase) / decrease in current assets:</i>		
- Stores, spares and loose tools	(181,775)	(59,675)
- Stock-in-trade	(25,815,002)	11,490,378
- Trade debts	(25,562,358)	(2,731,520)
- Loans and advances	5,215	(6,249)
- Deposits and short-term prepayments	2,077,570	2,427,231
- Other receivables	3,544,922	4,984,860
<i>Decrease in current liabilities:</i>		
- Trade and other payables	(6,004,942)	(60,066,335)
	<u>(51,936,370)</u>	<u>(43,961,310)</u>

20. CASH AND CASH EQUIVALENTS

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

Cash and bank balances	2,564,412	2,408,947
Short-term borrowings (finances under mark-up arrangements)	<u>(9,797,871)</u>	<u>(39,012,381)</u>
	<u>(7,233,459)</u>	<u>(36,603,434)</u>

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company's financial risk management policies and objectives are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended 30 June 2020.

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 unconsolidated financial statements for the year ended 30 June 2020.

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

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the related party and relationship with the Company	Nature of transactions	Un-audited	
		Nine months ended	
		31 March 2021	31 March 2020
		----- (Rupees in '000) -----	
Subsidiary			
- Pakistan Refinery Limited	Purchases	56,632,534	61,680,642
	Income facility charges	539	1,170
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	35,211	67,684
- Asia Petroleum Limited	Income facility charges	1,367	4,718
	Dividend received	92,117	-
	Pipeline charges	15,451	47,180
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	132,316	314,818
	Contributions made	169,045	1,831,706
- Gratuity Fund	Charge for the period	197,918	182,588
	Contributions made	280,590	481,108
- Provident Funds	Charge / Contribution for the period	123,642	121,015
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	143,865	142,862
Key management personnel *			
	Managerial remuneration	258,672	312,949
	Charge / Contribution for the period	6,957	9,786
Non-executive Directors			
	Remuneration and fees	12,500	21,600

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

22.2 Related parties by virtue of GoP holdings

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

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

		Un-audited Nine months ended	
		31 March 2021	31 March 2020
		----- (Rupees in '000) -----	
- Board of Management	Contribution towards expenses of BoM	16,203	25,692
- Federal Government of Pakistan	Dividend paid	527,521	439,601
- Benazir Employees' Stock Option Scheme	Dividend paid	71,317	59,432
- Pak Arab Pipeline Company Limited	Pipeline charges	2,798,507	2,611,159
	Dividend received	350,972	283,227
- Sui Northern Gas Pipelines Limited	Sales	205,766,591	284,898,469
- Water and Power Development Authority	Utility charges	27,374	24,862
- Northern Power Generation Company Limited	Sales	5,094	468,983
- Jamshoro Power Company Limited	Sales	766,994	4,956,867
- WAPDA Foundation	Sales	905,371	1,005,467
- Pakistan International Airlines Corporation Limited	Sales	6,083,323	22,453,972
	Purchases	5,239	5,379
- Pak Arab Refinery Limited	Purchases	123,226,528	103,084,112
	Pipeline charges	401,710	296,062
	Other expense	141,576	881,048
- K-Electric	Sales	45,769,447	42,075,412
- National Bank of Pakistan	Finance cost and bank charges	331,866	1,682,638

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 Kamari 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 utilizes carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Company also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its product.
- (vi) The Company obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited and K-Electric Limited.
- (vii) The Company sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Company has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Company also pays dividend to various GoP related entities who are shareholders of the Company.

- 22.3** Inventory of the Company held by related parties as at 31 March 2021 amounts to Rs. 26,083,591 thousand (30 June 2020: Rs. 15,518,767 thousand).
- 22.4** Short term borrowings includes Rs. 18,025,480 thousand (30 June 2020: Rs. 18,110,162 thousand) under finances obtained from National Bank of Pakistan.
- 22.5** The status of outstanding receivables and payables from / to related parties as at 31 March 2021 are included in respective notes to this condensed unconsolidated interim financial statements.
- 22.6** Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

		Un-audited	
		Nine months ended	
		31 March	31 March
		2021	2020
		----- (Rupees in '000) -----	
23. OPERATING SEGMENTS			
23.1	Segment wise revenues and profit is as under:		
	Revenue - net sales		
	Petroleum Products	667,106,592	630,494,619
	Liquefied Natural Gas (LNG)	183,719,792	254,473,000
	Others	2,135,291	2,363,000
		852,961,675	887,330,619
	Profit / (loss) for the period		
	Petroleum Products	16,470,000	3,684,000
	Liquefied Natural Gas (LNG)	602,000	(1,680,000)
	Others	1,170,049	1,004,394
		18,242,049	3,008,394
23.2	Timing of revenue recognition is at a point in time.		
23.3	Out of total sales of the Company, 99.6% (31 March 2020: 99.4%) relates to customers in Pakistan.		
23.4	All non-current assets of the Company as at 31 March 2021 and 2020 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 29% during the nine months ended 31 March 2021 (31 March 2020: 31%).		
23.5	Out of total gross sales of the Company, sales for the nine months ended 31 March 2021, amounting to Rs. 226,940,382 thousand (31 March 2020: Rs 301,722,112 thousand), relates to circular debt customers.		

24. RECLASSIFICATION OF CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with requirements of accounting and reporting standards, as presented below.

Description	Reclassified		Amount
	From	To	
Reclassification of net defined benefits assets of pension fund	Retirement and other service benefits	Retirement benefits	<u>797,250</u>
Reversal of Provision for impairment against trade debts	Other expenses	(Provisions) / reversal of impairment on financial assets - net	<u>411,319</u>
Provision for impairment against other receivables	Other expenses	(Provisions) / reversal of impairment on financial assets - net	<u>64,123</u>
Exchange gain	Other expenses	Other income	<u>91,912</u>
Card sweeping bank charges	Other income	Finance costs	<u>71,070</u>

25. GENERAL

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

26. Events after the reporting date

The Board of Management - Pakistan State Oil Company Limited in its meeting held on 29 April 2021 has proposed an interim cash dividend of Rs. Nil per share (31 March 2020: 'Nil') amounting to Rs. Nil thousand (31 March 2020: 'Nil') for the year ending 30 June 2021.

27. DATE OF AUTHORISATION FOR ISSUE

These condensed unconsolidated interim financial statements were approved and authorised for issue on 29 April 2021 by the Board of Management.


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		Un-Audited 31 March, 2021	Audited 30 June, 2020
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	7	36,830,084	35,691,707
Right-of-use assets	8	4,986,668	4,898,890
Intangibles		119,099	90,885
Long-term investments	9	11,671,376	11,584,720
Long-term loans, advances and other receivables		432,603	459,376
Long-term deposits and prepayments		260,856	228,454
Deferred tax asset - net		13,337,060	16,848,132
Retirement benefits		930,235	827,507
		68,567,981	70,629,671
Current assets			
Stores, spares, chemicals and loose tools		1,229,320	991,583
Stock-in-trade	10	95,611,394	64,758,242
Trade debts	11	224,378,530	197,777,742
Loans and advances		427,884	433,797
Short-term deposits and prepayments		590,116	2,586,292
Other receivables	12	19,379,451	23,797,120
Taxation - net		7,023,115	7,800,728
Cash and bank balances		2,607,204	6,098,361
		351,247,014	304,243,865
Net assets in Bangladesh		-	-
TOTAL ASSETS		419,814,995	374,873,536
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		123,725,335	107,869,046
Equity attributable to the owners' of the Holding Company		128,420,069	112,563,780
Non-controlling interest		2,286,160	1,413,801
		130,706,229	113,977,581
Non-current liabilities			
Retirement and other service benefits		7,496,217	7,236,921
Long term borrowings		4,054,249	4,215,146
Lease liabilities		4,758,106	4,488,600
Other Payable		1,359,627	1,359,627
		17,668,199	17,300,294
Current liabilities			
Trade and other payables	13	160,468,056	161,148,826
Short-term borrowings		107,791,019	79,032,665
Provisions		490,972	490,972
Accrued interest / mark-up		679,245	1,507,806
Current portion of lease liabilities		116,065	40,462
Unpaid dividend		110,146	-
Unclaimed dividend		1,785,064	1,374,930
		271,440,567	243,595,661
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		419,814,995	374,873,536

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

		Nine months ended		Quarter ended	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
Note		----- '(Rupees in '000)' -----			
Net sales	15	861,030,413	901,955,027	280,045,808	242,997,886
Cost of products sold		(821,401,800)	(886,797,485)	(261,800,558)	(244,877,196)
Gross profit / (loss)		39,628,613	15,157,542	18,245,250	(1,879,310)
Other income	16	5,330,129	8,610,713	805,275	868,874
Operating costs					
Distribution and marketing expenses		(8,323,835)	(8,295,676)	(2,413,255)	(2,343,467)
Administrative expenses		(2,853,181)	(2,868,273)	(1,131,170)	(1,166,540)
(Provision) / reversal of provision of impairment on financial assets		(1,129,591)	347,196	95,366	173,834
Other expenses	17	(2,043,962)	(653,696)	(976,752)	262,129
		(14,350,569)	(11,470,449)	(4,425,811)	(3,074,044)
Profit / (loss) from operations		30,608,173	12,297,806	14,624,714	(4,084,480)
Finance costs	18	(3,476,149)	(12,210,582)	(1,389,614)	(4,753,800)
Share of profit of associates - net of tax		423,809	459,326	133,398	145,366
Profit / (loss) before taxation		27,555,833	546,550	13,368,498	(8,692,914)
Taxation					
- current		(5,709,864)	(6,714,307)	(4,064,335)	(1,276,388)
- prior		2,157	1,738	-	-
- deferred		(3,565,133)	1,758,722	(279,087)	1,218,389
		(9,272,840)	(4,953,847)	(4,343,422)	(57,999)
Profit / (loss) for the period		18,282,993	(4,407,297)	9,025,076	(8,750,913)
Profit / (loss) attributable to:					
Owners' of the Holding Company		18,269,900	(1,028,451)	8,914,057	(6,361,349)
Non-controlling interest		13,093	(3,378,846)	111,019	(2,389,564)
		18,282,993	(4,407,297)	9,025,076	(8,750,913)
----- (Rupees) -----					
Earnings / (loss) per share basic and diluted	19	38.92	(2.19)	18.99	(13.55)

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in '000)			
Profit / (loss) for the period	18,282,993	(4,407,297)	9,025,076	(8,750,913)
Other comprehensive income/ (loss):				
Items that will not be reclassified to statement of profit or loss:				
Share of actuarial gain / (loss) on remeasurement of staff retirement benefits of associates - net of tax	3,504	579	-	-
Unrealised (loss) / gain on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	(248,540)	1,747,289	(92,792)	(38,496)
Taxation thereon	54,057	(380,035)	20,182	8,373
	(194,483)	1,367,254	(72,610)	(30,123)
Other comprehensive (loss) / income	(190,979)	1,367,833	(72,610)	(30,123)
Total comprehensive income / (loss) for the period	18,092,014	(3,039,464)	8,952,466	(8,781,036)
Profit / (loss) attributable to:				
Owners of the Holding Company	18,078,921	339,382	8,841,447	(5,595,169)
Non-controlling interest	13,093	(3,378,846)	111,019	(3,185,867)
	18,092,014	(3,039,464)	8,952,466	(8,781,036)

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2021

FOR THE NINE MONTHS ENDED 31 MARCH 2021

	Share capital	Capital Reserves	Reserves					Total
		Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve	Un-appropriated profit	Sub-total	Non-controlling interest	
(Rupees in '000)								
Balance as at 30 June 2019 (Audited)	3,912,278	3,373	4,335,648	25,282,373	89,313,371	118,934,765	5,598,368	128,445,411
Total comprehensive income for the nine months period ended								
Loss for the period	-	-	-	-	(1,028,451)	(1,028,451)	(3,378,846)	(4,407,297)
Other comprehensive income								
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	579	579	-	579
Unrealised gain on remeasurement of equity investment classified as FVOCI - net of tax	-	-	1,367,254	-	-	1,367,254	-	1,367,254
	-	-	1,367,254	-	579	1,367,833	-	1,367,833
Transaction with the owners								
Transaction with Non-controlling interest	-	-	-	-	276,370	276,370	(276,370)	-
Share deposit money	-	-	-	-	-	-	280	280
Final dividend for the year ended 30 June 2019 at Rs. 5 per share	-	-	-	-	(1,956,139)	(1,956,139)	-	(1,956,139)
Bonus shares issued for the year ended 30 June 2019 at 20%	782,456	-	-	-	(782,456)	(782,456)	-	-
Balance as at 31 March 2020 (Un-audited)	4,694,734	3,373	5,702,902	25,282,373	85,823,274	116,811,922	1,943,432	123,450,088
Balance as at 30 June 2020 (Audited)	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 the nine months period ended								
Profit for the period	-	-	-	-	18,269,900	18,269,900	13,093	18,282,993
Other comprehensive income / (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	-	-	(194,483)	-	-	(194,483)	-	(194,483)
	-	-	(194,483)	-	3,504	(190,979)	-	(190,979)
Transaction with Non-controlling interest	-	-	-	-	123,900	123,900	(123,900)	-
Right shares subscription money	-	-	-	-	-	-	982,687	982,687
Right issue issuance cost	-	-	-	-	835	835	479	1,314
Transaction with the owners								
Interim dividend for the year ended 30 June 2021 at Rs. 5 per share	-	-	-	-	(2,347,367)	(2,347,367)	-	(2,347,367)
Balance as at 31 March 2021 (Un-audited)	4,694,734	3,373	5,793,343	25,282,373	92,646,246	123,725,335	2,286,160	130,706,229

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer

PAKISTAN STATE OIL COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2021

		Nine months ended	
		31 March	31 March
		2021	2020
		(Rupees in '000)	
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	20	(18,341,682)	(18,009,748)
Long-term loans, advances and other receivables		26,773	(322,473)
Long-term deposits and prepayments		(36,079)	60,946
Taxes paid		(4,930,098)	(5,998,564)
Finance costs paid		(3,623,323)	(9,389,375)
Retirement and other service benefits paid		(746,686)	(2,595,653)
Net cash used in operating activities		(27,651,095)	(36,254,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,494,720)	(3,042,625)
Proceeds from disposal of operating assets		46,757	29,853
Dividends received		443,089	283,227
Net cash used in investing activities		(3,004,874)	(2,729,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received from Non-controlling interest		984,001	280
Long-term borrowings repaid		(200,000)	(400,000)
Proceeds from salary refinancing		145,301	-
(Repayments) / proceeds of short-term borrowings - net		23,837,893	23,692,559
Lease payments		(589,559)	(977,345)
Dividends paid		(1,827,087)	(2,443,926)
Net cash generated from financing activities		22,350,549	19,871,568
Net decrease in cash and cash equivalents		(8,305,420)	(19,112,844)
Cash and cash equivalents at beginning of the period		(4,574,164)	(21,015,683)
Cash and cash equivalents at end of the period	21	(12,879,584)	(40,128,527)

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


Managing Director & CEO


Member-Board of Management


Chief Financial Officer



PAKISTAN STATE OIL COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 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 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. Keamari Oil Terminal, Keamari, 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. During the year ended June 30, 2020, the Holding Company fully subscribed 189,000,000 right shares (its portion of the right issue) which have been issued to Holding Company during the period. Further, the Holding Company had given undertaking to the Subsidiary Company for subscribing such remaining portion of remaining 40% of the Right Issue which remains unsubscribed. Therefore, during the period, the Holding Company further subscribed 7.13% unsubscribed portion (22,459,028 shares) of such right issue. This has resulted in increase in the shareholding of the Holding Company to 63.56% (30 June 2020: 60.00%).

1.2.2 During August 2020, on account of unusual heavy rain in Karachi, the rainwater washed away a portion of the Piles Bridge inside Malir River, carrying the intra-city oil pipelines which connect Keamari Terminal to the Refinery, at Korangi Creek for transportation of crude oil and products. Consequently, the intra-city pipelines were immediately isolated from both ends (i.e. Korangi and Keamari Terminal). This hampered the operations of the Subsidiary Company and the refinery was shut down for 12 days and resumed its operations from September 9, 2020.

The management considered various options to limit the resultant loss and to resume the operations within minimum time span. The crude supply line was restored on priority basis, through a temporary arrangement, whereas gantry operations were used for product deliveries in addition to the HSD supplies through PARCO System. White oil line was restored in December 2020 while crude and furnace oil lines were restored in January 2021. The Subsidiary Company used Horizontal Directional Drilling (HDD) technique to lay the pipeline below the river bed.

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

2. Statement of preparation

2.1 These condensed consolidated interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the consolidated annual audited financial statements of the Company for the year ended June 30, 2020. 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 consolidated interim financial statements of the Holding Company and its Subsidiary have been presented separately.
- 2.4 Further to the note 2.6 of the annual consolidated financial statements as at and for the year ended 30 June 2020, Supreme Court of Pakistan in its short order dated 22 October 2020, in the cases filed by other companies, declared that Benazir Employees Stock option Scheme (BESOS / the Scheme) is unconstitutional and ultra-virus. During the period, the Ministry of Energy (Petroleum Division) through its letter reference F.No.8(9)/2014/BESOS/D-III(Vol-IV) dated 25 November 2020 directed the Holding Company while referring Finance Division's letter no.F.2(39)-NTR/2-2-F dated 19 November 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund.
- 2.5 These condensed consolidated interim financial statements are presented in Pakistan Rupee which is also the Group's functional currency.
- 2.6 The Group continued its operations despite slowdown of economic activities due to spread of COVID-19 with no material impact during the period. The Subsidiary Company has availed long term loan under SBP's refinance scheme for payment of salaries and wages.

3. Significant accounting policies

- 3.1 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 consolidated annual audited financial statements for the year ended June 30, 2020.
- 3.2 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

4. New or Amendments / Interpretations To Existing Standards, Interpretation And Forthcoming Requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2020, but are considered not to be relevant or do not have any significant effect on the Group's financial position and are therefore not stated in these condensed consolidated interim financial statements.

5. Standards, Interpretations And Amendments To Published Approved Accounting Standards That Are Not Yet Effective

The following International Financial Reporting Standards (IFRS Standards) relevant to the Group as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021 and these amendments are not likely to have a significant affect over these condensed consolidated interim financial statements:

Standards, amendments or interpretation

- COVID-19 Related Rent Concessions (Amendment to IFRS 16);
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16; and
- 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 01 January 2022 and these amendments are not likely to have a significant affect over these condensed consolidated interim financial statements:

- 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 amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to excludes taxation cash flows when measuring the fair value of biological assets using present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3;
- Extension of the temporary exemption from applying IFRS 9 (Amendments to IFRS 4);
- Classification of liabilities as current or non-current (Amendments to IAS 1); and
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS

6. Use of estimates and judgements

The preparation of these condensed consolidated 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 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. During the preparation of these condensed consolidated interim financial statements, changes in the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty from those that were applied to the annual consolidated financial statements of the Group as at and for the year ended 30 June 2020 do not have any material impact. Taxes on income in the interim periods are accrued using the

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)	
	31 March 2021 (Un-audited)	31 March 2020 (Un-audited)	31 March 2021 (Un-audited)	31 March 2020 (Un-audited)
	(Rupees in '000)			
Freehold land	39,481	-	-	-
Leasehold land	-	-	4,647	-
Buildings on freehold land	27,104	69,688	-	-
Buildings on leasehold land	49,903	899	67	-
Tanks and pipelines	625,431	596,743	-	80
Service and filling stations	493,858	461,687	577	201
Plant and machinery	183,437	1,494,537	62,382	301
Furniture and fittings	66,850	5,098	40	202
Vehicles and other rolling stock	44,618	130,278	13,548	7,470
Office equipment	84,871	40,093	27	-
Gas cylinders / regulators	61,569	52,325	-	-
	<u>1,677,122</u>	<u>2,851,348</u>	<u>81,288</u>	<u>8,254</u>

- 7.2 The above disposals represented assets costing Rs. 230,795 thousand (31 March 2020: Rs. 114,003 thousand) and were disposed off for Rs. 46,757 thousand (31 March 2020: Rs. 29,853 thousand).
- 7.3 As at 31 March 2021, operating assets includes capital work-in-progress of Rs. 5,157,589 thousand (30 June 2020: Rs. 3,391,227 thousand).
- 7.4 Includes operating assets amounting to Rs. 656,814 thousand (30 June 2020: Rs. 704,674 thousand) in respect of Holding Company's share in joint operations.
- 7.5 Includes capital work-in-progress amounting to Rs. 212,345 thousand (30 June 2020: Rs. 182,269 thousand) in respect of Holding Company's share in joint operations.
- 7.6 During the period, assets having net book value of Rs. 4,808 thousand were written off due to unforeseen incident explained in detail in note 1.2.2 to these condensed consolidated interim financial statements.

8. Right-of-use assets

During the period, the Group recognised right-of-use assets comprising mainly land amounting to Rs. 167,629 thousand (31 March 2020: 4,554,696 thousand) and modification amounting to Rs. 255,309 thousand (31 March 2020: Nil). Further, right of use having net book value of Rs. 349 thousand (31 March 2020: Nil) have been disposed off due to the extinguishment of leases during the period.

9. Long-term investments

	Note	Un-audited 31 March 2021	Audited 30 June 2020
------(Rupees in '000)-----			
Investment in related parties			
Investment held at fair value through other comprehensive income			
In a unquoted company			
- Pak-Arab Pipeline Company Limited (PAPCO)			
Equity held: 12% (June 30, 2020: 12%)			
No. of shares: 8,640,000			
(June 30, 2020: 8,640,000) of Rs. 100/- each	9.1	8,267,633	8,516,173
Investment in associates			
In unquoted companies			
- Asia Petroleum Limited			
Equity held: 49% (June 30, 2020: 49%)			
No. of shares: 46,058,570 (June 30, 2020: 46,058,570) of Rs. 10/- each		3,301,430	2,955,801
- Pak Grease Manufacturing Company (Private) Limited			
Equity held: 49.26% (June 30, 2020: 49.26%)			
No. of shares: 1,536,593 (June 30, 2020: 1,536,593) of Rs. 10/- each		102,313	112,746
		3,403,743	3,068,547
		<u>11,671,376</u>	<u>11,584,720</u>

9.1 The Group has carried out an exercise to ascertain the fair value of investment as at 31 March 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:

	Un-audited 31 March 2021	Audited 30 June 2020
- Discount rate	18.1% - 18.7%	16.8% - 17.8%
- Growth rate of terminal value	5%	5%

Based on the above fair valuation exercise, the Group has recorded an unrealised loss - net of tax of Rs. 194,483 thousand (31 March 2020: gain of Rs. 1,367,254 thousand) in other comprehensive (loss) / income for the year.

9.1.1 Movement of investment classified as FVOCI

	Un-audited 31 March 2021	Audited 30 June 2020
------(Rupees in '000)-----		
Balance at beginning of the period / year	8,516,173	6,404,764
Remeasurement (loss) / profit recognised in other comprehensive (loss) / income	(248,540)	2,111,409
Balance at the end of the period / year	<u>8,267,633</u>	<u>8,516,173</u>

9.1.2 Sensitivity to unobservable inputs:

- Discount rate (1% increase)	(464,685)	(619,123)
- Discount rate (1% decrease)	543,486	737,965
- Growth rate of terminal value (1% increase)	403,900	500,839
- Growth rate of terminal value (1% decrease)	(346,485)	(422,476)

10. STOCK-IN-TRADE

10.1 The Group has recognised write-down of inventory to net realisable value amounting to Rs. 2,339,142 thousand (31 March 2020: 5,240,303 thousand)

10.2 During the period, the Company has written off stock held with third party amounting to Rs. 89,543 thousand (31 March 2020: Nil).

	Note	Un-audited 31 March 2021	Audited 30 June 2020
------(Rupees in '000)-----			
11. Trade debts			
Considered good			
<i>Due from Government agencies and autonomous bodies</i>			
- Secured	11.1	236,969	124,663
- Unsecured	11.2 & 11.3	180,863,499	159,102,110
		181,100,468	159,226,773
<i>Due from other customers</i>			
- Secured	11.1	2,612,544	1,826,424
- Unsecured	11.2 & 11.3	40,665,518	36,724,545
		43,278,062	38,550,969
		224,378,530	197,777,742
Considered doubtful			
Trade debts - gross		3,849,447	3,234,619
Less: Provision for impairment	11.5	228,227,977	201,012,361
Trade debts - net		(3,849,447)	(3,234,619)
		224,378,530	197,777,742

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

11.2 Includes Rs. 183,185,174 thousand (30 June 2020: Rs. 163,845,827 thousand) due from related parties, against which provision for impairment of Rs. 1,817,895 thousand (30 June 2020: Rs. 1,332,981 thousand) has been recognised.

11.3 Included in trade debts are the receivable from following:

Name	Past due		Total	
	Un-audited 31 March 2021	Audited 30 June 2020	Un-audited 31 March 2021	Audited 30 June 2020
------(Rupees in '000)-----				
Northern Power Generation Company Limited	68,646,279	72,957,116	68,646,279	72,957,116
Jamshoro Power Company Limited	10,287	929,916	10,287	929,916
Cental Power Purchasing Company	1,554,076	1,092,614	1,554,076	1,092,614
WAPDA Foundation	61,494	34,174	61,494	34,174
Hub Power Company Limited	23,331,904	23,331,012	23,331,904	23,331,012
Kot Addu Power Company Limited	-	473,458	-	473,458
Sui Northern Gas Pipelines Company Limited	90,623,623	68,296,465	94,920,188	71,171,324
	184,227,663	167,114,755	188,524,228	169,989,614
Provision for impairment	(346,975)	(346,975)	(346,975)	(346,975)
	183,880,688	166,767,780	188,177,253	169,642,639

The Group did not consider the remaining aggregate past due balance of Rs. 183,880,688 thousand (30 June 2020: Rs.166,767,780 thousand) (against which subsequent receipts of Rs. 19,730,100 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.

- 11.4 As at 31 March 2021 trade debts aggregating Rs. 29,262,512 thousand (30 June 2020: Rs. 18,245,454 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 195,116,018 thousand (30 June 2020: Rs. 179,532,288 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.

	Un-audited 31 March 2021	Audited 30 June 2020
	------(Rupees in '000)-----	
11.5 The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	3,234,619	3,160,415
Provision recognised during the period / year	652,582	262,952
Reversal during the period / year	(37,754)	(188,748)
	614,828	74,204
Balance at the end of the period / year	3,849,447	3,234,619

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 30 June 2020:

	Un-audited 31 March 2021	Audited 30 June 2020
	------(Rupees in '000)-----	
Price differential claims (PDC):		
- on imports (net of related liabilities) of Motor Gasoline	1,350,961	1,350,961
- on High Speed Diesel	602,603	602,603
- on Ethanol E-10 fuel	27,917	27,917
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- GHC receivables	3,407,357	3,407,357
	9,297,419	9,297,419

During the period, there has been no significant change in the status of the abovementioned claims. The Group 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. 10,163,174 thousand (30 June 2020: Rs. 10,671,960 thousand) due from associates and related parties.
- 12.3 As at 31 March 2021, receivables aggregating to Rs. 3,178,360 thousand (30 June 2020: Rs. 2,663,597 thousand) were deemed to be impaired and hence have been provided for.

	Un-audited 31 March 2021	Audited 30 June 2020
	------(Rupees in '000)-----	
Balance at beginning of the period / year	2,663,597	2,907,016
Provision recognised during the period / year	885,156	37,394
Reversal of provision during the period / year	(370,393)	(280,813)
	514,763	(243,419)
Balance at the end of the period / year	3,178,360	2,663,597

13. Trade and other payables

13.1 Includes Rs. 31,096,772 thousand (30 June 2020: Rs. 32,229,801 thousand) due to various related parties.

13.2 Includes 1,735,600 thousand (June 30, 2020: Nil) on account of favourable 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 Group recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Group in respect of these long / extended term borrowing arrangements i.e. the Group would not bear any exchange differences on such borrowings.

14. Contingencies and commitments

14.1 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.

14.1.1 Late Payment Surcharge

Claims amounting to Rs. 7,677,910 thousand (30 June 2020: Rs. 7,626,014 thousand) in respect of delayed payment charges on the understanding that these will be payable only when the Group will fully realize delayed payment charges due from its customers, which is more than the aforementioned amount. Charges claimed by the Group against delayed payments by the customers, due to circular debt situation, are recognised on receipt basis as the ultimate outcome of the matter and amount of settlement cannot be presently determined.

14.1.2 Income Tax

14.1.2.1 The Additional Commissioner Inland Revenue through his order dated 30 September 2020 made certain additions and disallowances in respect of Tax Year 2019 and raised tax demand of Rs. 411,567 thousand. The Holding Company has filed an appeal before Commissioner Inland Revenue (Appeals). Based on the views of tax advisor of the Holding Company, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Holding Company. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

14.1.2.2 The Deputy Commissioner Inland Revenue issued notices for audit of income tax affairs of the Holding Company for the tax years 2016, 2017, 2018, 2019 & 2020; with the express intention of issuance of assessment orders in aforesaid years in a very short period. Similar audit notices were issued to other OMCs, refineries and other Companies. Aggrieved by hurried behavior of tax authorities to prematurely conclude audit and issuance of orders, the Holding Company filed petitions in Sindh High Court to challenge conduct of audit of income tax affairs. The Sindh High Court accepted the Holding Company's viewpoint and issued orders to DCIR for maintaining status quo and not to issue any adverse orders.

14.1.3 Sales Tax

The Deputy Commissioner Inland Revenue issued notices for audit of sales tax affairs of the Holding Company for the tax years 2017, 2018, 2019 & 2020; with the express intention of issuance of assessment orders in aforesaid years in a very short period. Similar audit notices were issued to other OMCs, refineries and other Companies. Aggrieved by hurried behavior of tax authorities to prematurely conclude audit and issuance of orders, the Holding Company filed petitions in Sindh High Court to challenge conduct of audit of sales tax affairs. The Sindh High Court accepted the Holding Company's viewpoint and issued orders to DCIR for maintaining status quo and not to issue any adverse orders.

14.1.4 Other tax matters

14.1.4.1 The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The Holding Company is contesting the levy along with other companies in the SHC. Through the interim order passed on May 31, 2011, the SHC has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. On the directive of the Directorate of Excise and Taxation (Taxes-II), up to March 31, 2021, the management has deposited Rs.125,811 thousand (30 June 2020: Rs.115,047 thousand) in cash and provided bank guarantee amounting to Rs.125,811 thousand (30 June 2020: Rs.115,047 thousand) with the Excise and Taxation Department. Based on the views of its legal advisor, the management believes that the matter will ultimately be decided in the Holding Company's favour. Total amount of possible obligation, if any, cannot be determined with sufficient reliability. Accordingly, no provision has been made against infrastructure fee in these condensed consolidated interim financial statements.

14.1.4.2 There is no significant change in the status of other 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 30 June 2020.

14.1.5 Other Legal Claims

14.1.5.1 As at 31 March 2021, certain legal cases amounting to Rs. 7,832,060 thousand (30 June 2020: Rs. 7,859,942 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 favour. Accordingly, no provision has been made in these condensed consolidated interim financial statements.

14.1.5.2 Claims against the Group not acknowledged as debts amount to Rs. 7,004,585 thousand (30 June 2020: Rs. 6,926,195 thousand) other than as mentioned in note 14.1.1.1 above.

14.2 Commitments

	Un-audited 31 March 2021	Audited 30 June 2020
	----- (Rupees in '000) -----	
14.2.1 Commitments in respect of capital expenditure contracted for but not yet incurred are as follows:		
- Property, plant and equipment	4,602,254	6,591,609
- Intangibles	307,382	872,588
	<u>4,909,636</u>	<u>7,464,197</u>
14.2.2 Letters of credit	<u>46,265,918</u>	<u>26,070,442</u>
14.2.3 Bank guarantees	<u>1,821,383</u>	<u>1,598,867</u>
14.2.4 Standby Letters of credit	<u>17,881,265</u>	<u>32,609,446</u>
14.2.5 Post - dated cheques	<u>495,000</u>	<u>1,300,000</u>

15. Net Sales

	Un-audited Nine months ended		Un-audited Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	----- (Rupees in '000) -----			
Gross Sales	<u>1,055,337,891</u>	<u>1,082,912,315</u>	<u>344,191,019</u>	<u>290,859,092</u>
Less:				
- Sales tax	(154,732,819)	(152,442,883)	(51,953,754)	(40,475,829)
- Excise duty and petroleum levy	(20,804,010)	(11,565,073)	(5,385,117)	(2,966,937)
- Surplus price differential	(862,139)	(1,210,959)	(515,572)	(300,700)
- Custom duty	(2,396,665)	(2,501,868)	(1,000,500)	(566,136)
- Inland freight Equalization Margin (IFEM)	(15,511,845)	(13,236,505)	(5,290,268)	(3,551,604)
	<u>(194,307,478)</u>	<u>(180,957,288)</u>	<u>(64,145,211)</u>	<u>(47,861,206)</u>
Net Sales	<u>861,030,413</u>	<u>901,955,027</u>	<u>280,045,808</u>	<u>242,997,886</u>

16. Other income

Mainly includes delayed payment surcharge received from various customers and exchange gain.

17. Other expenses

17.1 During the period, the Holding Company has written off rent advance amounting to Rs. 3,677 thousand (31 March 2020: Nil).

17.2 This includes an amount of Rs. 10,000 thousand (31 December 2020: Nil) imposed by OGRA on the Subsidiary Company as a penalty alleging that one of the product sample independently tested by OGRA did not meet the required specifications. The Subsidiary Company is of the opinion that the penalty is in non-compliance with OGRA Rules 2016 and has challenged the Order by filing a review petition with the Office of Chairman OGRA.

18. Finance costs

Includes mark-up on short-term borrowings amounting to Rs. 2,549,799 thousand (31 March 2020:10,915,254 thousand).

19. Earning / (loss) per share

	Un-audited Six months ended		Un-audited Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	------(Rupees in '000)-----			
19.1 Basic				
Profit / (loss) for the period attributable to the owners' of the Holding Company	<u>18,269,900</u>	<u>(1,028,451)</u>	<u>8,914,057</u>	<u>(6,361,349)</u>
Weighted average number of ordinary shares in issue during the period (number of shares)	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>	<u>469,473,302</u>
	------(Rupees)-----			
Earnings / (loss) per share - basic and diluted	<u>38.92</u>	<u>(2.19)</u>	<u>18.99</u>	<u>(13.55)</u>

19.2 Diluted

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

20. Cash generated from operations

		Un-audited Nine months ended	
		31 March 2021	31 March 2020
		------(Rupees in '000)-----	
Profit before taxation		27,555,833	546,550
Depreciation and Amortisation		2,576,802	2,669,551
Provision / (reversal of provision) for impairment on trade debts - net		614,828	(411,319)
Provision for other receivables - net		514,763	64,123
Provision against stock-in-trade		-	89,543
Provision for impairment against stores, spares, chemicals and loose tools		23,901	-
Provision for retirement and other services benefits		903,254	1,268,854
Provision for write down of inventory to net realisable value		2,339,142	5,240,303
Advance rent written off		3,677	-
Operating asset written off		4,849	-
Loss / (gain) on disposal of operating assets		34,531	(21,599)
Loss on disposal of right-of-use assets due to extinguishment		3	-
Share of profit from associates - net of tax		(423,809)	(459,326)
Dividend income from FVOCI investment		(350,972)	(283,227)
Interest on lease payments		512,077	432,918
Finance costs		2,964,072	11,706,594
		9,717,118	20,307,017
Working capital changes	20.1	(55,614,633)	(38,863,315)
		(18,341,682)	(18,009,748)

20.1 Working capital changes

<i>(Increase) / decrease in current assets:</i>			
- Stores, spares and loose tools		(261,638)	(168,871)
- Stock-in-trade		(33,192,294)	9,630,865
- Trade debts		(27,215,616)	(150,791)
- Loans and advances		5,913	118,626
- Deposits and short-term prepayments		1,996,176	2,381,854
- Other receivables		3,902,906	5,188,547
<i>Increase in current liabilities:</i>			
- Trade and other payables		(850,080)	(55,863,545)
		(55,614,633)	(38,863,315)

21. Cash and cash equivalents

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

		Un-audited Nine months ended	
		31 March 2021	31 March 2020
		------(Rupees in '000)-----	
Cash and bank balances		2,607,204	4,415,574
Short-term borrowings (finances under mark-up arrangements)		(15,486,788)	(44,544,101)
		(12,879,584)	(40,128,527)

22. Fair value of financial assets and liabilities

The Groups's financial risk management policies and objectives are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2020.

These condensed consolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 30 June 2020. 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 31 March 2021, except for the Company's investment in PAPCO, none of the financial instruments are carried at fair value. The valuation technique and assumptions along with level of fair value are disclosed in note 9.1 of these condensed consolidated interim financial statements.

23. Transactions and balances with related parties

- 23.1 Related parties comprise 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 Company	Nature of transactions	Un-audited	
		Nine months ended	
		31 March 2021	31 March 2020
		----- (Rupees in '000) -----	
Associates			
- Pak Grease Manufacturing Company (Private) Limited	Purchases	35,211	67,684
- Asia Petroleum Limited	Income facility charges	1,367	4,718
	Dividend received	92,117	-
	Pipeline charges	15,451	47,180
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	211,956	389,989
	Contributions	248,685	1,921,876
- Gratuity Fund	Charge for the period	208,609	193,703
	Contributions	291,281	496,649
- Provident Funds	Charge / Contribution for the period	188,413	181,390
- Pension Funds (Defined Contribution)	Charge / Contribution for the period	143,865	142,862
Key management personnel *	Managerial remuneration	353,931	424,282
	Charge / Contribution for the period	15,028	16,968
Non-executive Directors	Remuneration and fees	28,018	34,381

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

23.2 Related parties by virtue of GoP holdings

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

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

		Un-audited Nine months ended	
		31 March 2021	31 March 2020
		------(Rupees in '000)-----	
- Board of Management	Contribution towards expenses of BoM	16,203	25,692
- Federal Government of Pakistan	Dividend paid	527,521	439,601
- Benazir Employees' Stock Option Scheme	Dividend paid	71,317	59,432
- Pak Arab Pipeline Company Limited	Pipeline charges	2,798,507	2,611,159
	Dividend received	350,972	283,227
- Sui Northern Gas Pipelines Limited	Sales	205,766,591	284,898,469
- Water and Power Development Authority	Utility charges	27,374	24,862
- Northern Power Generation Company Limited	Sales	5,094	468,983
- Jamshoro Power Company Limited	Sales	766,994	4,956,867
- WAPDA Foundation	Sales	905,371	1,005,467
- Pakistan International Airlines Corporation Limited	Sales	6,083,323	22,453,972
	Purchases	5,239	5,379
- Pak Arab Refinery Limited	Purchases	123,226,528	110,172,340
	Pipeline charges	401,710	296,062
	Other expense	160,046	881,048
- Oil and Gas Development Company	Purchases	4,342,656	7,017,808
- Pakistan Petroleum Limited	Purchases	436,918	2,188,271
- K-Electric Limited	Sales	45,769,447	42,075,412
- National Bank of Pakistan	Finance cost and bank charges	357,847	1,729,113

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

- The Group sells petroleum products to various government bodies in the normal course of its business and has banking relationship with institutions controlled by GoP. As an Oil Marketing Group, Oil and Gas Regulatory Authority (OGRA) is the regulatory authority of the Group.
- The Group collects income tax, sales tax, federal excise duty and petroleum levy in the capacity of withholding Agent on behalf of GoP. The Group also pays various taxes and duties to different regulatory authorities including Federal Board of Revenue.
- The Group incurs rental charges in respect of storage facilities at Keamari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Group also utilises port facilities of Port Qasim Authority and Karachi Port Trust.

- (iv) The Group has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Group utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Group also uses pipeline of Pak Arab Refinery Limited (PARCO) and Pak Arab Pipeline Company Limited (PAPCO) for delivery/movement of its product.
- (vi) The Group obtains utility services from Civil Aviation Authority, Sui Northern Gas Pipelines Limited, Sui Southern Gas Company Limited and K-Electric Limited.
- (vii) The Group sells fuel, oil and other allied products to K-Electric Limited and receives pipeline income as per agreed terms and conditions.
- (viii) The Group has obtained various financing facilities from National Bank of Pakistan.
- (ix) The Group also pays dividend to various government related entities who are shareholders of the Group.
- 23.3 Inventory of the Group held by related parties as at 31 March 2021 amounts to Rs. 26,083,591 thousand (30 June 2020: Rs. 15,518,767 thousand).
- 23.4 Short term borrowings includes Rs. 18,480,991 thousand (30 June 2020: Rs. 18,591,496 thousand) under finances obtained from National Bank of Pakistan.
- 23.5 The status of outstanding receivables and payables from / to related parties as at 31 March 2021 are included in respective notes to these condensed consolidated interim financial statements.
- 23.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

		Un-audited Nine months ended	
		31 March 2021	31 March 2020
		------(Rupees in '000)-----	
24. Operating segments			
24.1	Segment wise revenues and profit is as under:		
	Revenue - net sales		
	Petroleum Products	667,106,592	630,494,619
	Liquefied Natural Gas	183,719,792	254,473,000
	Refining operations	8,068,738	14,624,408
	Others	2,135,291	2,363,000
		<u>861,030,413</u>	<u>901,955,027</u>
	Profit / (loss) for the period		
	Petroleum Products	16,470,000	3,683,270
	Liquefied Natural Gas	602,000	(1,680,000)
	Refining operations	40,944	(7,414,961)
	Others	1,170,049	1,004,394
		<u>18,282,993</u>	<u>(4,407,297)</u>
24.2	Timing of revenue recognition is at a point in time.		
24.3	Out of total sales of the Group, 99.3% (31 March 2020: 99.2%) relates to customers in Pakistan.		
24.4	All non-current assets of the Company as at 31 March 2021 and 2020 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 29% during the nine months ended 31 March 2021 (31 March 2020: 30%).		
24.5	Out of total gross sales of the Group, sales for nine months ended 31 March 2021, amounting to Rs. 226,940,382 thousand (31 March 2020: Rs 301,651,750 thousand), relates to circular debt customers.		

25. General

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

26. Events after the reporting date

The Board of Management of the Holding Company in its meeting held on 29 April 2021 has proposed an interim cash dividend of Rs. NIL per share (31 March 2020: 'Nil') amounting to Rs. NIL thousand (31 March 2020: 'Nil') for the year ending 30 June 2021.

27. Reclassification of corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with requirements of accounting and reporting standards, as presented below.

Description	Reclassified		Amount
	From	To	
Reclassification of net defined benefits assets of pension fund	Retirement other service benefits	Retirement benefits	<u>827,507</u>
Reversal of Provision for impairment against trade debts	Other expenses	(Provisions) / reversal of impairment on financial assets - net	<u>411,319</u>
Provision for impairment against other receivables	Other expenses	(Provisions) / reversal of impairment on financial assets - net	<u>64,123</u>
Exchange gain	Other expenses	Other income	<u>92,597</u>
Card sweeping bank charges	Other income	Finance costs	<u>71,070</u>

28. Date of authorisation for issue

These condensed consolidated interim financial statements were approved and authorised for issue on 29 April 2021 by the Board of Management.


Managing Director & CEO


Member-Board of Manager


Chief Financial Officer

