

**Pakistan State Oil Company Limited**  
PSO House, Khayaban-e-Iqbal, Clifton  
Karachi-75600, Pakistan.  
**UAN:** (+92-21) 111-111-PSO (776)  
**Ta'aluq Care Line:** 0800-03000  
**Email:** taalug@psopk.com  
**Fax:** (+92-21) 9920-3721  
**Website:** www.psopk.com

# JOURNEYS BEYOND MEASURE

REPORT FOR THE NINE MONTHS PERIOD ENDED  
MARCH 31, 2018



Interflow



## COMPANY INFORMATION

### BOARD OF MANAGEMENT

Mr. M. A. Mannan  
(Independent Chairman)

Sheikh Imranul Haque  
(Managing Director & CEO)

Mr. Zahid Mir  
(Non-Executive Member)

Mr. Yousaf Naseem Khokhar  
(Non-Executive Member)

Mr. Abdul Jabbar Memon  
(Non-Executive Member)

Mr. Muhammad Anwer  
(Non-Executive Member)

Mr. Sajid Mehmood Qazi  
(Non-Executive Member)

Mr. Amjad Nazir  
(Independent Member)

### DEPUTY MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Yacoob Suttar

### COMPANY SECRETARY

Mr. Rashid Umer Siddiqui

### AUDITORS

M/s. A. F. Ferguson & Co.  
Chartered Accountants

M/s. EY Ford Rhodes  
Chartered Accountants

### LEGAL ADVISOR

M/s. Orr, Dignam & Co.  
Advocates

### REGISTERED OFFICE

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

### SHARE REGISTRAR

THK Associates (Pvt.) Limited  
1st Floor, 40-C  
Block-6, P.E.C.H.S.  
Karachi – 75400  
P. O. Box 8533  
Tel.: +92 21 111 000 322  
Tel.: +92 21 3416 8266-68-70  
Fax: +92 21 3416 8271  
Email: secretariat@thk.com.pk

### BANKERS

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

## REPORT TO SHAREHOLDERS



The Board of Management (BOM) of Pakistan State Oil Company Limited (PSOCL) has reviewed the performance of the Company for nine months period from July to March for financial year 2017-18 (9MFY18) and is pleased to present its report thereon.

The product wise volumetric analysis is as follow:

Product	Volumetric Growth 9MFY2018 over SPLY
HSD	5.4%
MOGAS	12.3%
JP-1	10.3%
LPG	21%
Lubricants	5%
LNG	34%
FO	(29)%

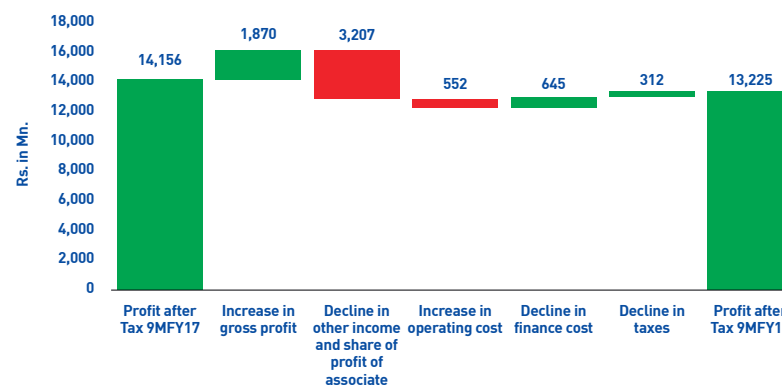
PSO imported 66% of total industry imports and refinery upliftment was 37% of total country refinery production (10% volumetric increase over SPLY).

Furthermore, the serious challenges for PSO in coming months are:

- Influx of smuggled product largely in rural and sub-urban areas of the country.
- Volatile fuel demand by the power sector.
- Hurdles in induction and smooth movement of NHA/ OGRA compliant tank lorries by the transport union.

PSO continues to approach relevant authorities on the matters pertaining to reduced product supply (in contradiction to commitments by other OMCs in Product Review Meetings), ban on development of new outlets, uniform exchange rate for pricing of imported POL products, issue of fuel adulteration and delay in settlement of IFEM receivables FY12 - 17. These matters are of prime concern and impacting Company's market share and profitability.

The Company reported Profit after Tax (PAT) of Rs 13.2 billion in 9MFY18 (9MFY17: Rs 14.2 billion).



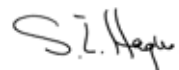
Gross profit showed a growth of 6.9% despite decline in furnace oil volumes as a result of GoP's decision to shift power production towards RLNG. However, PAT declined by 6.6% due to reduction in other income owing to maturity of interest yielding PIBs in July 2017 and higher tax incidence on LNG business. The Company paid higher tax by Rs. 1 billion approx. on LNG during the nine months period ended March 31, 2018, resulting in overall effective tax rate of 35% vs. prevailing corporate tax rate of 30%.

PSO has managed to get additional funds of Rs. 23 billion in the month of March, bringing down the outstanding receivables (inclusive of LPS) from the Power Sector, PIA and SNGPL as of March 31<sup>st</sup>, 2018 to Rs. 304 billion vs. Rs. 313 billion as of December 31, 2017. The management is continuously pursuing with MoE/MoF for their due intervention for injection of funds in order to settle the said outstanding receivables as well as payment for FO and LNG supplies of Rs. 130 billion planned to be made in the quarter April-June 2018.

PACRA maintained June 2017 long-term rating of Pakistan State Oil Company Limited as AA while short term rating as A1+ with a stable outlook.

Keeping into account the performance of the Company, the Board declared an interim cash dividend of 100% i.e., Rs. 10 per share.

We express our sincere gratitude to all our employees, stakeholders and partners for their contributions and incessant support. We also take this opportunity to thank the Government of Pakistan, especially Ministry of Energy, Petroleum Division for their continuous support and guidance.

  
**Sheikh Imranul Haque**  
 Managing Director & CEO

  
**Zahid Mir**  
 Member - Board of Management

Karachi: April 21, 2018

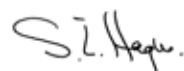


**CONDENSED INTERIM BALANCE SHEET**

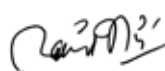
As at March 31, 2018

	Note	Un-Audited March 31, 2018	Audited June 30, 2017
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	7,220,149	6,944,509
Intangibles		17,860	29,409
Long - term investments		4,638,345	4,388,257
Long - term loans, advances and other receivables		421,432	411,777
Long - term deposits and prepayments		289,373	196,816
Deferred tax assets-net		12,449,686	11,912,602
		<b>25,036,845</b>	23,883,370
<b>Current assets</b>			
Stores, spares and loose tools		243,236	203,542
Stock-in-trade		76,596,615	66,333,048
Trade debts	6	236,892,844	212,619,281
Loans and advances	7	1,905,455	1,873,942
Short - term deposits and prepayments		1,217,015	5,583,577
Current maturity of long - term investments	8	-	43,954,641
Mark-up / interest receivable on investments		-	2,258,196
Other receivables	9	24,808,579	23,130,041
Taxation - net		7,009,116	8,472,290
Cash and bank balances		20,163,666	4,131,036
		<b>368,836,526</b>	368,559,594
Net assets in Bangladesh		-	-
<b>TOTAL ASSETS</b>		<b>393,873,371</b>	392,442,964
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		3,260,232	2,716,860
Reserves		108,661,696	100,132,742
		<b>111,921,928</b>	102,849,602
<b>Non-current liabilities</b>			
Retirement and other service benefits		3,547,532	8,089,633
<b>Current liabilities</b>			
Trade and other payables	10	120,146,845	149,247,461
Provisions		490,972	490,972
Accrued interest / mark-up		1,240,193	1,266,793
Short - term borrowings		156,525,901	130,498,503
		<b>278,403,911</b>	281,503,729
<b>Contingencies and commitments</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	11	<b>393,873,371</b>	392,442,964

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.


**Sheikh Imranul Haque**

Managing Director &amp; CEO


**Zahid Mir**

Member - Board of Management


**Yaqoob Sattar**

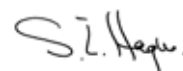
Chief Financial Officer - CFO

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

For the nine months period ended March 31, 2018

	Note	Nine months ended		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Rupees in '000)					
<b>Gross Sales</b>		<b>925,565,658</b>	786,077,317	<b>276,263,745</b>	268,308,044
Less:					
- Sales tax		(165,670,209)	(143,501,051)	(44,949,332)	(46,150,113)
- Inland Freight Equalization Margin		(15,256,375)	(13,078,345)	(5,028,515)	(3,997,459)
		<b>(180,926,584)</b>	(156,579,396)	<b>(49,977,847)</b>	(50,147,572)
Net sales		<b>744,639,074</b>	629,497,921	<b>226,285,898</b>	218,160,472
Cost of products sold		<b>(715,727,286)</b>	(602,456,873)	<b>(216,103,911)</b>	(208,928,598)
<b>Gross profit</b>		<b>28,911,788</b>	27,041,048	<b>10,181,987</b>	9,231,874
Other income		<b>5,081,033</b>	8,018,645	<b>2,111,696</b>	1,702,949
<b>Operating costs</b>					
Distribution and marketing expenses		(6,296,818)	(6,648,383)	(1,985,595)	(2,205,256)
Administrative expenses		(2,217,686)	(1,829,603)	(1,011,544)	(740,265)
Other expenses		(1,624,972)	(1,109,422)	(92,050)	41,858
		<b>(10,139,476)</b>	(9,587,408)	<b>(3,089,189)</b>	(2,903,663)
<b>Profit from operations</b>		<b>23,853,345</b>	25,472,285	<b>9,204,494</b>	8,031,160
Finance costs		(3,686,496)	(4,331,051)	(1,907,254)	(1,485,041)
Share of profit of associates - net of tax		266,443	535,795	55,889	169,517
<b>Profit before taxation</b>		<b>20,433,292</b>	21,677,029	<b>7,353,129</b>	6,715,636
<b>Taxation</b>					
- current		(7,550,460)	(7,585,307)	(2,739,504)	(2,362,099)
- prior		(167,301)	(219,995)	-	(219,995)
- deferred		509,152	284,591	88,997	7,604
		<b>(7,208,609)</b>	(7,520,711)	<b>(2,650,507)</b>	(2,574,490)
<b>Profit for the period</b>		<b>13,224,683</b>	14,156,318	<b>4,702,622</b>	4,141,146
(Rupees)					
(Restated)					
<b>Earnings per share - basic and diluted</b>	12	<b>40.56</b>	43.42	<b>14.42</b>	12.70

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.


**Sheikh Imranul Haque**

Managing Director &amp; CEO


**Zahid Mir**

Member - Board of Management


**Yaqoob Sattar**

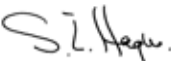
Chief Financial Officer - CFO

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

For the nine months period ended March 31, 2018

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
Profit for the period	13,224,683	14,156,318	4,702,622	4,141,146
<b>Other comprehensive Income:</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Share of actuarial losses on remeasurement of staff retirement benefits of associates - net of tax	(8,374)	(22,525)	-	-
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Share of unrealised (loss) / gain due to change in fair value of available-for-sale investments of associates - net of tax	(3,521)	2,805	2,514	(4,295)
Amortisation of unrealised gain due to reclassification of investments from available-for-sale to held-to-maturity	(93,104)	(1,388,834)	-	(450,236)
Less: Taxation thereon	27,931	430,539	-	139,573
	(65,173)	(958,295)	-	(310,663)
<b>Total comprehensive income for the period</b>	<b>13,147,615</b>	<b>13,178,303</b>	<b>4,705,136</b>	<b>3,826,188</b>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.


**Sheikh Imranul Haque**  
 Managing Director & CEO

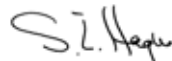

**Zahid Mir**  
 Member - Board of Management


**Yaqoob Sattar**  
 Chief Financial Officer - CFO
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the nine months period ended March 31, 2018

Share capital	Reserves					Total	
	Capital Reserves	Revenue Reserves			Sub-total		
		Surplus on vesting of net assets	Unrealised gain/(loss) on remeasure- ment of long-term available- for-sale investment	Company's share of unrealised gain/(loss) on available for sale investment of associates	General reserve	un- appropriated profit	
							(Rupees in '000)
<b>Balance as at July 01, 2016 (Audited)</b>	2,716,860	3,373	1,332,637	1,745	25,282,373	62,244,337	88,864,465
<b>Total comprehensive income for nine months period ended</b>							
Profit for the period	-	-	-	-	-	14,156,318	14,156,318
<b>Other comprehensive income</b>							
Amortisation of unrealised gain due to reclassification of investments from available-for-sale to held-to-maturity - net of tax	-	-	(958,295)	-	-	(958,295)	(958,295)
Share of unrealised gain due to change in fair value of available-for-sale investments of associates - net of tax	-	-	-	2,805	-	2,805	2,805
Share of actuarial loss on remeasurement of staff retirement benefits of an associate - net of tax	-	-	-	-	(22,525)	(22,525)	(22,525)
	-	-	(958,295)	2,805	-	(22,525)	(978,015)
<b>Transaction with the owners</b>							
Final dividend for the year ended June 30, 2016 @ Rs. 7.5 per share	-	-	-	-	-	(2,037,645)	(2,037,645)
<b>Balance as at March 31, 2017 (Unaudited)</b>	<b>2,716,860</b>	<b>3,373</b>	<b>374,342</b>	<b>4,550</b>	<b>25,282,373</b>	<b>74,340,485</b>	<b>100,005,123</b>
<b>Balance as at July 01, 2017 (Audited)</b>	2,716,860	3,373	65,173	(905)	25,282,373	74,782,728	100,132,742
<b>Total comprehensive income for nine months period ended</b>							
Profit for the period	-	-	-	-	-	13,224,683	13,224,683
<b>Other comprehensive income</b>							
Amortisation of unrealised gain due to reclassification of investments from available-for-sale to held-to-maturity - net of tax	-	-	(65,173)	-	-	(65,173)	(65,173)
Share of unrealised loss due to change in fair value of available-for-sale investments of associates - net of tax	-	-	-	(3,521)	-	(3,521)	(3,521)
Share of actuarial loss on remeasurement of staff retirement benefits of associate - net of tax	-	-	-	-	(8,374)	(8,374)	(8,374)
	-	-	(65,173)	(3,521)	-	(8,374)	(77,068)
<b>Transactions with the owners</b>							
Final dividend for the year ended June 30, 2017 @ Rs. 15 per share	-	-	-	-	-	(4,075,289)	(4,075,289)
Bonus shares issued for the year ended June 30, 2017 @ 20%	543,372	-	-	-	-	(543,372)	-
<b>Balance as at March 31, 2018 (Unaudited)</b>	<b>3,260,232</b>	<b>3,373</b>	<b>-</b>	<b>(4,426)</b>	<b>25,282,373</b>	<b>83,380,376</b>	<b>108,661,696</b>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.


**Sheikh Imranul Haque**  
 Managing Director & CEO


**Zahid Mir**  
 Member - Board of Management

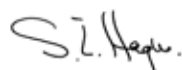

**Yaqoob Sattar**  
 Chief Financial Officer - CFO


**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**

For the nine months period ended March 31, 2018

		Nine months ended	
		March 31, 2018	March 31, 2017
Note		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	13	<b>(34,645,842)</b>	(25,420,704)
Long-term loans, advances and other receivables		<b>(9,655)</b>	(25,242)
Long-term deposits and prepayments		<b>(92,557)</b>	(17,892)
Taxes paid		<b>(6,254,587)</b>	(8,658,186)
Finance cost paid		<b>(3,330,204)</b>	(3,654,461)
Retirement and other service benefits paid		<b>(5,541,608)</b>	(677,412)
<b>Net cash used in operating activities</b>		<b>(49,874,453)</b>	(38,453,897)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of			
- property, plant and equipment		<b>(1,065,788)</b>	(870,365)
- intangibles		<b>(691)</b>	(7,138)
Proceeds from disposal of operating assets		<b>21,595</b>	25,671
Interest income received from Pakistan Investment Bonds		<b>2,520,616</b>	5,041,232
Proceeds from redemption of Pakistan Investment Bonds		<b>43,836,800</b>	-
Dividends received		<b>245,162</b>	239,291
<b>Net cash generated from investing activities</b>		<b>45,557,694</b>	4,428,691
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings - net		<b>55,716,722</b>	15,419,458
Dividends paid		<b>(5,678,009)</b>	(2,195,116)
<b>Net cash generated from financing activities</b>		<b>50,038,713</b>	13,224,342
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>45,721,954</b>	(20,800,864)
Cash and cash equivalents at beginning of the period		<b>(41,502,241)</b>	(30,273,825)
<b>Cash and cash equivalents at end of the period</b>	14	<b>4,219,713</b>	(51,074,689)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.


**Sheikh Imranul Haque**  
 Managing Director & CEO


**Zahid Mir**  
 Member - Board of Management


**Yaqoob Sattar**  
 Chief Financial Officer - CFO
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**

For the nine months period ended March 31, 2018

**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 Board of Management - Oil (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 Company. The provisions of the Act shall have effect notwithstanding anything contained in the Companies Act, 2017 (previously repealed Companies Ordinance, 1984) 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 compliance**

These condensed interim financial information 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.

**3. Basis of preparation**

- 3.1 This condensed interim financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2017. This condensed interim financial information is unaudited and is being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 3.2 In June 2011, the SECP on receiving representations from some of entities covered under Benazir Employees' Stock Option Scheme (the Scheme) and after having consulted the ICAP, granted exemption to such entities from the application of International Financial Reporting Standard (IFRS) 2 "Share-based Payment" to the Scheme. There has been no change in the status of the Scheme as stated in note 2.6 to the annual audited financial statements of the Company for the year ended June 30, 2017.

**3.3 Standards, interpretations and amendments to published approved accounting standards that became effective during the period**

A number of new or amended standards became applicable for the financial year beginning on July 1, 2017. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information, except for amendments to International Accounting Standards

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

IAS-7 'Statement of Cash flow on disclosure initiatives', which introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment will have an impact on Company's financial statements to the extent of disclosure requirements.

- 3.4 The preparation of this condensed interim financial information, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements 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 this condensed interim financial information, changes in the significant judgements 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 audited financial statements of the Company for the year ended June 30, 2017 do not have any material impact.

- 3.5 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand rupees unless otherwise stated.

### 4. Accounting policies

The accounting policies and method of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2017.

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 this condensed interim financial information.

### 5. Property, plant and equipment

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

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2018 (Un-audited)	March 31, 2017	March 31, 2018 (Un-audited)	March 31, 2017 (Un-audited)
	(Rupees in '000)			
Freehold land	-	9,019	6,289	-
Buildings on freehold land	54,384	122,057	-	-
Buildings on leasehold land	24,648	36,137	-	-
Tanks and pipelines	138,226	115,299	-	1,089
Service and filling stations	387,520	300,359	2,607	1,558
Plant and machinery	72,310	277,149	-	1,381
Furniture and fittings	20,725	12,143	3	167
Vehicles and other rolling stock	137,474	92,951	488	7,526
Office equipment	66,107	74,793	14	38
Railway sidings	44,346	-	-	-
Gas cylinders / regulators	42,113	56,794	-	-
	<u>987,853</u>	<u>1,096,701</u>	<u>9,401</u>	<u>11,759</u>

- 5.2 The above disposals represented assets costing Rs. 81,428 thousand (March 31, 2017: Rs.153,596 thousand) and were disposed off for Rs. 21,595 thousand (March 31, 2017: Rs. 25,671 thousand).
- 5.3 Includes operating assets amounting to Rs. 246,396 thousand (June 30, 2017: Rs. 251,366 thousand) in respect of Company's share in joint operations.
- 5.4 Includes capital work-in-progress amounting to Rs. 626,963 thousand (June 30, 2017: Rs. 444,625 thousand) in respect of Company's share in joint operations.

Note	Un-audited March 31, 2018	Audited June 30, 2017
	(Rupees in '000)	

### 6. Trade debts

#### Considered good

*Due from Government agencies and autonomous bodies*

- Secured	6.1	101,159	41,792
- Unsecured	6.2 & 6.3	145,968,264	144,216,774
		<u>146,069,423</u>	<u>144,258,566</u>

*Due from other customers*

- Secured	6.1	3,277,790	2,277,525
- Unsecured	6.2 & 6.3	87,545,631	66,083,190
		<u>90,823,421</u>	<u>68,360,715</u>
		<u>236,892,844</u>	<u>212,619,281</u>

#### Considered doubtful

Trade debts - gross		<u>3,611,101</u>	<u>4,201,355</u>
Less: Provision for impairment	6.2, 6.3 & 6.4	240,503,945	216,620,636
		<u>(3,611,101)</u>	<u>(4,201,355)</u>
Trade debts - net		<u>236,892,844</u>	<u>212,619,281</u>

- 6.1 These debts are secured by way of bank guarantees and security deposits.
- 6.2 Includes Rs. 148,376,171 thousand (June 30, 2017: Rs. 164,015,978 thousand) due from related parties, against which provision for impairment of Rs.1,950,173 thousand (June 30, 2017: Rs. 2,531,218 thousand) has been recognised.
- 6.3 Included in trade debts is an aggregate amount of Rs. 185,603,078 thousand (June 30, 2017: Rs.176,119,670 thousand) due from GENCO Holding Company Limited (GHC) (formerly Water and Power Development Authority (WAPDA)) , Hub Power Company Limited (HUBCO) and Kot Addu Power Company Limited (KAPCO), as at March 31, 2018. These include overdue debts of Rs. 109,572,577 thousand (June 30, 2017: Rs.105,001,399 thousand), Rs. 51,489,785 thousand (June 30, 2017: Rs. 38,755,969 thousand) and Rs. 24,540,717 thousand (June 30, 2017: Rs. 16,899,845 thousand) from GHC (formerly WAPDA), HUBCO and KAPCO, respectively, based on the agreed credit terms.

However, based on the Company's provisioning policy, receivables of Rs. 83,403,431 thousand (June 30, 2017: Rs. 84,966,897 thousand), Rs. 49,820,285 thousand (June

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

30, 2017: Rs. 27,056,772 thousand) and Rs. 24,569,995 thousand (June 30, 2017: 13,671,975 thousand) from GHC (formerly WAPDA), HUBCO and KAPCO respectively, are past due out of the aforementioned overdue balances. The Company carries a specific provision of Rs. 397,892 thousand (June 30, 2017: Rs. 515,080 thousand) against these debts and did not consider the remaining aggregate past due balance as at March 31, 2018 of Rs. 157,395,819 thousand (against which subsequent receipts of Rs. 50,000 thousand from GHC (formerly WAPDA), Rs. 1,080,000 thousand from HUBCO and Rs. 450,000 thousand from KAPCO have been received), as doubtful, as the Company based on measures undertaken by the Government of Pakistan (GoP) is confident that the aforementioned debts will be received in due course of time.

Further, as at March 31, 2018 against the remaining trade debts aggregating Rs. 7,346,404 thousand (June 30, 2017: Rs. 8,772,639 thousand), which were past due, the Company carries a provision of Rs. 1,660,928 thousand (June 30, 2017: Rs. 3,686,275 thousand). The impaired debts relate to various customers which are facing difficult economic conditions.

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

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

	Un-audited	Audited
	March 31, 2018	June 30, 2017
	(Rupees in '000)	
Balance at beginning of the period / year	4,201,355	4,598,671
Add: Provision recognised during the period / year	73,374	45,972
Less: Reversal due to recoveries during the period / year	(663,628)	(443,288)
	(590,254)	(397,316)
Balance at the end of the period / year	3,611,101	4,201,355

### 7. Loans and advances

Includes advance of Rs.1,680,000 thousand paid against purchase of 84 million right shares of Pakistan Refinery Limited (PRL) at the rate of Rs. 20 per share from Shell Petroleum Company Limited (Shell). These shares comprise of 26.66% shareholding of PRL and have been agreed to be purchased in accordance with the Share Purchase Agreement (SPA) dated June 16, 2015 entered into between the Company and Shell. In accordance with the SPA, the Company paid Rs. 840,000 thousand to PRL on June 16, 2015 as advance consideration to Shell at the face value of Rs.10 per share and deposited the remaining amount of Rs. 840,000 thousand in the 'Escrow Account' maintained with Standard Chartered Bank (Pakistan) Limited (SCB). Currently, these 84 million shares have also been issued in the name of Shell and placed in Escrow Account with SCB in accordance with the terms of SPA.

The Competition Commission of Pakistan (CCP), vide its order dated March 1, 2016, provided unconditional approval for the acquisition of 63 million shares. However, the acquisition of 21 million shares (out of the 84 million shares) has been made subject to the final decision of Honourable High Court of Sindh.

### 8. Current maturity of long - term investments

During the period, Pakistan Investment Bonds (PIBs) carried at amortised cost of Rs. 43,954,641 thousand matured on July 19, 2017.

### 9. Other receivables

9.1 Included in other receivables is long outstanding aggregate amount due from GoP on account of the following receivables, as more fully explained in note 15 to the annual audited financial statements for the year ended June 30, 2017:

	Un-audited	Audited
	March 31, 2018	June 30, 2017
	(Rupees in '000)	
<b>Price differential claims (PDC):</b>		
- on imports (net of related liabilities) of motor gasoline	1,350,961	1,350,961
- on High Speed Diesel	602,603	602,603
- on account of supply of Furnace Oil to K-Electric Limited at Natural Gas prices	3,908,581	3,908,581
- Water and Power Development Authority (WAPDA) / (GHC) Receivables	3,407,357	3,407,357
	<u>9,269,502</u>	<u>9,269,502</u>

During the period, there has been no significant change in the status of the abovementioned claims. The Company is fully confident of recoveries against these receivables and is actively pursuing these receivables / matters with the GoP through concerned / relevant ministries.

9.2 Includes receivable of Rs. 36,959 thousand (June 30, 2017: Rs. 23,429 thousand) on account of facility charges due from Asia Petroleum Limited (a related party).

9.3 As at March 31, 2018, receivables aggregating to Rs. 1,962,060 thousand (June 30, 2017: Rs. 2,007,989 thousand) were deemed to be impaired and hence have been provided for.

9.4 Includes unfavourable exchange differences of Rs. 5,537,446 thousand (June 30, 2017: Nil) arising on foreign currency borrowings (FE-25), obtained under the directives of Ministry of Finance - GoP (MoF-GoP). These exchange differences are to be settled in accordance with clarifications / instructions from MoF-GoP.

### 10. Trade and other payables

10.1. Includes Rs. 31,944,851 thousand (June 30, 2017 : Rs. 26,649,133 thousand) due to various related parties.



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

10.2. Includes favourable exchange differences of Nil (June 30, 2017: Rs. 2,353,884 thousand) arising on foreign currency borrowings (FE-25), obtained under the directives of Ministry of Finance - GoP (MoF-GoP). These exchange differences are to be settled in accordance with clarifications / instructions from MoF-GoP.

### 11. Contingencies and commitments

#### 11.1 Contingencies

The company has contingent liabilities in respect of legal claims in the ordinary course of business.

11.1.1 Claims against the Company not acknowledged as debts amounts to Rs. 12,683,830 thousand (June 30, 2017: Rs. 16,848,062 thousand) other than as mentioned in note 11.1.10 to this condensed interim financial information. This includes claim amounting to Rs. 8,046,919 thousand (June 30, 2017: Rs. 8,400,460 thousand) in respect of delayed payment charges 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.

11.1.2 In the assessment years 1996-97 and 1997-98, the taxation authorities applied presumptive tax on the Company to the value of petroleum products imported by the Company on behalf of the GoP by treating the Company as the importer of such products. The Income Tax Appellate Tribunal (ITAT) cancelled the order of the assessing officer, and as a consequence of the order of the ITAT, an amount of Rs. 958,152 thousand became refundable to the Company, which was adjusted against the tax liability of the subsequent years. The department had filed an appeal with the High Court of Sindh against the aforesaid decision of the ITAT, which was adjudicated against the Company. The Company filed petition for leave to appeal with the Supreme Court of Pakistan against the aforementioned decision, which was granted by the Supreme Court of Pakistan through its order dated March 7, 2007 and the Supreme Court also suspended the operation of the impugned judgment of the High Court of Sindh. On January 03, 2018, the Honourable Supreme Court of Pakistan has orally announced in an open court that the subject appeal was allowed for detailed reason to be later recorded in writing. The fact has also been confirmed by the Company's legal counsel. Accordingly, no provision has been made for the said matters in this condensed interim financial information.

11.1.3 The taxation officer passed assessment orders in respect of tax years 2004 to 2008 and made certain disallowances and additions resulting in an additional

tax demand of Rs. 1,733,038 thousand. These orders were later rectified and amended to Rs. 964,037 thousand. Currently, the appeals against tax years 2005, 2006 and 2007 are pending before Appellate Tribunal Inland Revenue (ATIR) and for the tax year 2008 appeal is pending before Honourable Sindh High Court. During the period, ATIR has passed an order in respect of Tax Year 2004 which is mostly in favour of Company and the Company has obtained its effect from Tax authorities after which the amended demand has been further reduced to Rs. 783,014 thousand. Based on views of the tax advisors, the management believes that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made for the said matters in this condensed interim financial information.

11.1.4 ACIR through his orders made certain additions and disallowances in respect of tax year 2014 and 2015 thereby creating tax demand of Rs. 35,992,978 thousand. The orders were later rectified and amended to Rs. 3,619,899 thousand. Further, through computerized balloting, the Company was selected for Audit of tax year 2014 by Federal Board of Revenue (FBR) and another demand of Rs. 53,023 thousand was created by FBR for tax year 2014. The Company has filed appeals against these orders before the CIR (A). During the current period, except for the audit case for Tax Year 2014 which has been remanded back to assessing officer for verification and effect, the aforesaid appeals filed before the CIR(A) have been decided against the company. The Company has filed appeals before ATIR against these CIR(A) orders which are pending for hearing. Based on the views of tax advisors of the Company, the management believes that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in this condensed interim financial information.

11.1.5 ACIR through his order dated February 27, 2017 made certain additions and disallowances in respect of tax year 2016 and raised tax demand of Rs. 1,721,529 thousand against which the Company has filed an appeal before the CIR (A). During the current period, the appeal filed before CIR(A) has been decided against the company. Thereafter, company has filed appeal before ATIR against the order of CIR(A) which is pending for hearing. Based on the views of tax advisor of the Company, the management believes that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in this condensed interim financial information.

11.1.6 ACIR through his orders made certain additions and disallowances in respect of tax year 2017 and raised tax demand of Rs. 964,435 thousand. The Company has filed appeals against these orders before CIR(A) which are pending for hearing. Based on the views of tax advisors of the Company, the management believes that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in this condensed interim financial information.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

11.1.7 A sales tax order dated October 27, 2014 regarding alleged non-charging of sales tax on supply of fuel to International Airlines for the year 2014 was raised by the DCIR, FBR. Under the said order, the DCIR imposed a sales tax demand of Rs. 6,243,369 thousand alongwith default surcharge of Rs. 1,375,082 thousand and a penalty of Rs. 312,168 thousand. The Company based on the advice of its tax consultants believe that it has correctly treated the aforesaid supplies as being 'zero' rated. Accordingly, the Company filed suit against the said order for the year 2014 before the Honourable High Court of Sindh which has provided stay order in respect of this demand and restrained the tax authorities from taking any adverse action against the Company. The Company has also filed an appeal against the said order before the CIR (A) which was decided against the Company in decision dated June 29, 2017, received on December 5, 2017. The Company has filed appeal in ATIR against the order of CIR(A). Further, during the period, a show-cause notice dated November 17, 2017 amounting to Rs.4,858,000 thousand was raised by DCIR on similar issue of non-charging of sales tax on supply of fuel to foreign going airlines for the year 2014-15. Subsequently, the Company obtained stay order in this respect from Honourable High Court of Sindh. Based on the views of tax advisors of the Company, the management believes that the matter will ultimately be decided in the Company's favour. Accordingly, no provision has been made in this condensed interim financial information.

11.1.8 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. Through the interim order passed on May 31, 2011 the High Court 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, 2018, the management has deposited Rs. 90,769 thousand in cash and provided bank guarantee amounting to Rs. 90,769 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 this condensed interim financial information.

11.1.9 There is no significant change in the status of the tax contingencies as disclosed in notes 24.1.4, 24.1.5, 24.1.8 to 24.1.10, 24.1.12 to 24.1.14, 24.1.16 and 24.1.17 to the annual audited financial statement for the year ended June 30, 2017. These contingencies pertain to income tax and sales tax audit, exempt / zero rated supplies to international Airlines and customers in Afghanistan, disallowance of input sales tax, additional tax on delayed payments and alleged demand in respect of property tax and stamp duty which are pending adjudication at various forums.

11.1.10 As at March 31, 2018 certain legal cases amounting to Rs. 4,381,020 thousand (June 30, 2017: Rs. 3,472,044 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 interim financial information.

Un-audited	Audited
March 31, 2018	June 30, 2017
(Rupees in '000)	

### 11.2 Commitments

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

- Property, plant and equipment	1,387,478	1,207,567
- Intangibles	18,447	16,660
	<u>1,405,925</u>	<u>1,224,227</u>

11.2.2 Letters of credit	<u>6,689,334</u>	<u>27,007,387</u>
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11.2.3 Bank Guarantees	<u>1,274,124</u>	<u>1,637,559</u>
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11.2.4 Standby Letters of credit	<u>22,604,246</u>	<u>18,169,706</u>
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11.2.5 Post-dated cheques	<u>7,714,731</u>	<u>5,700,000</u>
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## 12. Earnings per share

### 12.1 Basic

	Un-audited Nine months ended		Un-audited Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Profit for the period attributable to ordinary shareholders (Rs. In '000)	<u>13,224,683</u>	<u>14,156,318</u>	<u>4,702,622</u>	<u>4,141,146</u>
Weighted average number of ordinary shares in issue during the period (number of shares)	<u>326,023,127</u>	<u>326,023,127</u>	<u>326,023,127</u>	<u>326,023,127</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>40.56</u>	<u>43.42</u>	<u>14.42</u>	<u>12.70</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

12.2 During the period, the Company has issued 20% bonus shares (i.e. one for every five ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for quarter and nine months ended March 31, 2017.

### 12.3 Diluted

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible potential ordinary shares in issue as at March 31, 2018.

### 13. Cash used in operations

Note	Un-audited Nine months ended	
	March 31, 2018	March 31, 2017
	(Rupees in '000)	
<b>Profit before taxation</b>	<b>20,433,292</b>	21,677,029
Depreciation	780,746	769,122
Amortisation	12,240	19,775
Mark-up / interest on investments - net of amortisation	(237,682)	(3,411,612)
Reversal of provisions against doubtful trade debts	(590,254)	(228,212)
Reversal of provision for other receivables	(45,929)	(266,061)
Reversal of provision for custom duty	-	(177,540)
Retirement and other services benefits	999,507	948,848
Gain on disposal of operating assets	(12,193)	(13,912)
Share of profit from associates - net of tax	(266,443)	(535,795)
Dividend income	(240,702)	(208,979)
Finance costs	3,686,496	4,331,051
	<b>4,085,786</b>	1,226,685
Working capital changes	13.1 (59,164,920)	(48,324,418)
	<b>(34,645,842)</b>	(25,420,704)

### 13.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(39,694)	14,729
- Stock-in-trade	(10,263,567)	(30,393,986)
- Trade debts	(23,683,309)	(36,051,324)
- Loans and advances	(31,513)	110,702
- Deposits and short-term prepayments	4,366,562	1,003,558
- Other receivables	(1,632,609)	9,159,849
(Decrease) / increase in current liabilities:		
- Trade and other payables	(27,880,790)	7,832,054
	<b>(59,164,920)</b>	(48,324,418)

### Un-audited

March  
31, 2018

March  
31, 2017

(Rupees in '000)

### 14. Cash and cash equivalents

Cash and cash equivalents comprise following items in the condensed interim balance sheet:

Cash and bank balances	20,163,666	3,572,866
Short - term borrowings (finances under mark-up arrangements)	(15,943,953)	(54,647,555)
	<b>4,219,713</b>	(51,074,689)

### 15. Fair value of financial assets and liabilities

15.1 Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying values of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values except for investment in Pak-Arab Pipeline Company Limited held at cost as its fair value cannot be reasonably determined. However, the management believes that its fair value is more than its carrying value.

### 16. Transactions with related parties

16.1 Related parties comprise associated 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 this condensed interim financial information, are as follows:

Name of the related party and relationship with the Company	Nature of transactions	Un-audited Nine months ended	
		March 31, 2018	March 31, 2017
		(Rupees in '000)	
<b>Associates</b>			
- Pakistan Refinery Limited	Purchases	34,539,041	24,910,377
	Dividend received	-	21,971
	Income facility charges	470	-
- Pak Grease Manufacturing Company (Private) Limited	Purchases	64,033	67,573
	Dividend Received	4,460	8,578
- Asia Petroleum Limited	Income facility charges	88,279	114,209
	Pipeline charges	953,416	1,233,460
<b>Retirement benefit funds</b>			
- Pension Funds	Charge for the period	564,609	476,620
	Contributions	4,586,053	390,815
- Gratuity Fund	Charge for the period	203,840	179,410
	Contributions	832,124	212,899
- Provident Funds	Charge / Contribution	99,778	95,793
<b>Key management personnel</b>			
	Managerial remuneration	324,253	336,702
	Charge / Contribution	12,202	5,871

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

### 16.2 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 - Oil (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 its reporting framework, and therefore has not provided detailed disclosures of its transactions with government related entities except for transactions stated below, which the Company considers to be significant:

		Un-audited Nine month ended	
		March 31, 2018	March 31, 2017
		(Rupees in '000)	
- Government of Pakistan	Income from PIBs (net of amortisation) Dividend paid	<b>237,682</b> <b>915,835</b>	3,411,612 457,917
- Board of Management - Oil	Contribution towards expenses of BoM	<b>5,375</b>	6,118
- Benazir Employees' Stock Option Scheme	Dividend paid	<b>123,816</b>	54,169
- Pak Arab Pipeline Company Limited	Pipeline charges Dividend received	<b>2,593,949</b> <b>240,702</b>	2,431,244 208,979
- Sui Northern Gas Pipelines Limited	Sales	<b>173,734,803</b>	112,367,632
- GENCO Holding Company Limited (formerly Water and Power Development Authority)	Sales Utility charges	<b>48,993,923</b> <b>22,519</b>	78,458,467 89,944
- Pakistan International Airlines Corporation Limited	Sales Purchases Other income	<b>9,586,922</b> <b>4,772</b> -	9,175,939 4,923 506,000
- Pak Arab Refinery Company Limited	Purchases Pipeline charges Other expenses	<b>90,618,577</b> <b>380,791</b> <b>353,541</b>	79,092,076 372,094 219,570
- National Bank of Pakistan	Finance cost and bank charges	<b>760,306</b>	1,810,568

The transactions described below are collectively but not individually significant to this condensed interim financial information 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, Provincial Revenue Authorities and Customs authorities.
- (iii) The Company incurs rental charges in respect of storage facilities at Keamari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Company also utilises port facilities of Port Qasim Authority and Karachi Port Trust.
- (iv) The Company has obtained insurance cover for its inventory and fixed assets from National Insurance Company Limited.
- (v) The Company utilises carriage services of Pakistan National Shipping Corporation and Pakistan Railway for movement of its petroleum products. The Company also uses pipeline of Pak Arab Refinery Company 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 government related entities who are shareholders of the Company.
- 16.3 Inventory of the Company held by related parties as at March 31, 2018 amounts to Rs. 20,186,800 thousand (June 30, 2017: Rs. 16,673,445 thousand).
- 16.4 Short term borrowings includes Rs. 20,434,778 thousand (June 30, 2017: Rs. 60,120,972 thousand) under finances obtained from National Bank of Pakistan.
- 16.5 The status of outstanding receivables and payables from / to related parties as at March 31, 2018 are included in respective notes to this condensed interim financial information.
- 16.6 Contributions to staff retirement benefit funds are in accordance with the terms of the service rules. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the nine months period ended March 31, 2018

### 17. Operating segments

Un-audited Nine month ended	
March 31, 2018	March 31, 2017
(Rupees in '000)	

17.1 Segment wise revenues and profit is as under:

#### Revenue - net sales

Petroleum Products	594,450,000	532,128,146
Liquefied Natural Gas (LNG)	148,491,000	96,149,489
Others	1,698,074	1,220,286
	<u>744,639,074</u>	<u>629,497,921</u>

#### Profit for the period

Petroleum Products	11,410,000	9,900,785
Liquefied Natural Gas (LNG)	762,000	669,901
Others	1,052,683	3,585,632
	<u>13,224,683</u>	<u>14,156,318</u>

17.2 Out of total sales of the Company, 98.65% (March 31, 2017: 99.50%) relates to customers in Pakistan.

17.3 All non-current assets of the Company as at March 31, 2018 and 2017 are located in Pakistan.

17.4 Sales to four major customers of the Company are approximately 33% during the nine months period ended March 31, 2018 (March 31, 2017: 36%).

### 18. Non-adjusting event after the balance sheet date

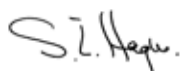
The Board of Management - Oil in its meeting held on 21st April 2018 proposed for the year ending June 30, 2018 an interim cash dividend of Rs. 10 per share amounting to Rs. 3,260,232 thousand.

### 19. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison the effect of which is not material.

### 20. Date of authorisation for issue

This condensed interim financial information was approved and authorised for issue on 21st April 2018 by the Board of Management - Oil.



Sheikh Imranul Haque

Managing Director & CEO



Zahid Mir

Member - Board of Management



Yaqoob Sattar

Chief Financial Officer - CFO

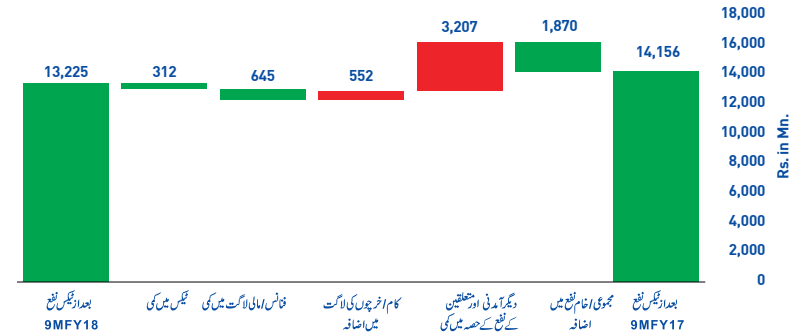
## رپورٹ برائے حصص یافتگان

۔ توانائی کے شعبے کی جانب سے ایندھن کی غیر مستحکم طلب۔

۔ ٹرانسپورٹ یونین کی جانب سے NHA/OGRA کے ضابطوں سے مطابقت رکھنے والی ٹینک لارین کی شمولیت اور آسانی کے ساتھ نقل و حمل میں رکاوٹیں۔

پی ایس او پراڈکٹ کی سپلائی میں کمی (پراڈکٹ کے جائزے کے لیے منعقدہ مینٹننگز میں دیگر OMCs کی جانب سے کئے گئے وعدوں کے انحراف)، نئے آؤٹ لیٹس کی تعمیر پر عائد پابندی، درآمد کردہ پی او ایل مصنوعات کی قیمتوں کے متضاد ایکسچینج ریٹ، فیول میں ملاوٹ اور مالی سال 2012 تا 2017 آئی ایف ای ایم وصولیوں کے تصفیہ میں تاخیر سے متعلق مسائل پر متعلقہ حکام سے مستقل رابطے میں ہے۔ مذکورہ معاملات شدید تیشویش کا باعث ہیں اور مارکیٹ میں کمپنی کے شیئرز اور منافع کو متاثر کر رہے ہیں۔

کمپنی نے 9MFY18 میں 13.2 بلین روپے کا بعد از ٹیکس منافع (PAT) رپورٹ کیا ہے (9MFY17: 14.2 بلین روپے)۔



بجلی کی پیداوار کو آرائل این جی پر منتقل کرنے کے حکومت پاکستان کے فیصلے کے نتیجے میں فرس آنل کے حجم میں کمی کے باوجود خام / مجموعی منافع میں 6.9% اضافہ ہوا ہے۔ لیکن جولائی 2017 میں انٹرسٹ آمدنی دینے والے پی آئی بی کی میچورٹی کی وجہ سے دیگر آمدن میں کمی اور ایل این جی کے کاروبار پر ٹیکس کی بلند شرح کے باعث PAT میں 6.6 فیصد کمی ہوئی۔ کمپنی نے 31 مارچ، 2018 کو ختم ہونے والی نو مہینوں کی مدت کے دوران ایل این جی پر تقریباً 1 بلین روپے کے اضافی ٹیکس کی ادائیگی کی۔ جس کے نتیجے میں ٹیکس کی اوسط شرح 30 فیصد (کارپوریٹ ٹیکس کی شرح) سے بڑھ کر 35 فیصد رہی۔

پی ایس او نے مارچ کے مہینے میں 23 بلین روپے کی اضافی وصولی کی جس کے باعث بجلی کے شعبے، پی آئی اے اور ایل این جی جی پی ایل سے واجب الادا رقم (بشمول تاخیر سے ادائیگی پر سرجارج) 31 دسمبر، 2017 کے 313 بلین روپے سے کم ہو کر 31 مارچ، 2018 کو 304 بلین روپے رہ گئی۔ انتظامیہ مذکورہ بالا وصولیوں کی جلد از جلد وصولی کے ساتھ ہی اپریل۔ جون، 2018 کی سہ ماہی میں FO اور LNG کی متوقع سپلائی کے حوالے سے ہونے والی 130 بلین روپے کی ادائیگی کے لیے MoE/MoF کے ساتھ مسلسل رابطے میں ہے۔

PACRA نے پاکستان اسٹیٹ آئل کمپنی لمیٹڈ کی جون 2017 کی طویل المدت (Long-term) AA ریٹنگ، جبکہ قلیل المدت (Short-term) A1+ ریٹنگ کو مستحکم آؤٹ لک کے ساتھ برقرار رکھا ہے۔ کمپنی کی کارکردگی کے پیش نظر، بورڈ نے 100% یعنی 10 روپے فی حصص (شیئرز) کے عبوری نقد منافع منقسمہ کا اعلان کیا ہے۔

ہم اپنے تمام ملازمین، اسٹیک ہولڈرز اور شراکت داروں کی جانب سے کئے جانے والے تعاون اور مسلسل معاونت پر، ان کے تہہ دل سے مشکور ہیں۔ ہم اس موقع پر حکومت پاکستان، بالخصوص وزارت توانائی، پٹرولیم ڈویژن کا بھی، ان کی مسلسل معاونت و رہنمائی پر شکریہ ادا کرتے ہیں۔

زاد میر

ممبر۔ بورڈ آف مینجمنٹ

شیخ عمران الحق

مینجنگ ڈائریکٹر اور سی ای او

کراچی: 21 اپریل، 2018

## رپورٹ برائے حصص یافتگان



پاکستان اسٹیٹ آئل کمپنی لمیٹڈ (پی ایس او سی ایل) کے بورڈ آف مینجمنٹ (بی او ایم) نے مالی سال 2017-18 کے نو مہینوں یعنی جولائی سے مارچ (9MFY18) کی مدت کے حوالے سے کمپنی کی کارکردگی کا جائزہ لیا اور وہ اس کی رپورٹ بمسرت پیش کرتا ہے۔

پراڈکٹ کے لحاظ سے حجم کی بنیاد پر تجزیہ درج ذیل ہے:

پراڈکٹ	گزشتہ سال کی اسی مدت کے مقابلے میں نو مہینوں (9MFY18) میں فروخت کے حجم میں اضافہ
ایچ ایس ڈی (HSD)	5.4 فیصد
موگاس (MOGAS)	12.3 فیصد
جے پی-1 (JP-1)	10.3 فیصد
ایل پی جی (LPG)	21 فیصد
لبریکنٹس (Lubricants)	5 فیصد
ایل این جی (LNG)	34 فیصد
ایف او (FO)	(29) فیصد

پی ایس او نے صنعت کی مجموعی درآمدات کا 66 فیصد درآمد کیا اور مقامی ریفاٹری کی پیداوار سے خریداری 37 فیصد (گزشتہ سال کی اسی مدت کے مقابلے میں 10 فیصد اضافہ) تک پہنچ گئی۔

علاوہ ازیں، آئندہ مہینوں میں PSO کو مندرجہ ذیل سنجیدہ چیلنجز درپیش ہیں:

- ملک کے بیشتر دیہی اور ذیلی شہری علاقوں میں بڑے پیمانے پر اسمگل شدہ پراڈکٹ کی ترسیل / درآمد۔