

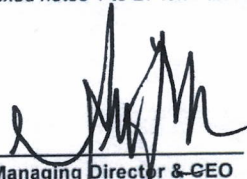
PAKISTAN STATE OIL COMPANY LIMITED
Condensed Unconsolidated Interim Statement of Financial Position
As at December 31, 2024

	Note	Un-audited December 31, 2024	Audited June 30, 2024
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	7	22,818,823	22,113,904
Right-of-use assets	8	8,355,209	7,698,640
Intangibles		343,396	330,116
Long-term investments	9	24,101,528	15,155,487
Long-term loans, advances and other receivables		1,085,475	969,328
Long-term deposits		376,196	340,597
Deferred tax asset - net		17,949,810	21,518,375
		<u>75,030,437</u>	<u>68,126,447</u>
Current assets			
Stores, spares and loose tools		843,178	848,534
Stock-in-trade	10	264,600,112	288,983,146
Trade debts	11	467,437,378	488,202,267
Loans and advances		1,018,300	616,746
Short-term deposits and prepayments		205,524	326,600
Other receivables	12	125,698,962	116,619,112
Short-term Investments	13	59,999,000	-
Cash and bank balances		20,659,037	10,725,374
		<u>940,461,491</u>	<u>906,321,779</u>
Net assets in Bangladesh		-	-
TOTAL ASSETS		<u><u>1,015,491,928</u></u>	<u><u>974,448,226</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		4,694,734	4,694,734
Reserves		237,836,294	226,614,182
		<u>242,531,028</u>	<u>231,308,916</u>
Non-current liabilities			
Retirement and other service benefits		10,250,247	9,711,308
Lease liabilities		8,677,403	7,686,751
Deferred income - Government grant		100,000	100,000
Other payable		502,699	502,699
		<u>19,530,349</u>	<u>18,000,758</u>
Current liabilities			
Trade and other payables	14	378,225,387	309,830,355
Short-term borrowings		362,750,265	403,553,498
Accrued interest / mark-up		3,794,930	4,958,369
Provisions		639,413	639,413
Current portion of lease liabilities		540,697	532,440
Taxation - net		5,766,431	4,003,663
Unclaimed dividend		1,713,428	1,620,814
		<u>753,430,551</u>	<u>725,138,552</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,015,491,928</u></u>	<u><u>974,448,226</u></u>

CONTINGENCIES AND COMMITMENTS

15

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 six months and quarter ended December 31, 2024

	Note	Six months ended		Quarter ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees in '000)					
Gross sales		1,743,258,824	1,931,149,539	889,751,963	954,994,979
Less:					
- Sales tax		(95,809,698)	(93,471,646)	(41,102,942)	(41,270,084)
- Inland freight equalization margin		(22,147,996)	(10,407,052)	(10,936,581)	(6,535,446)
		(117,957,694)	(103,878,698)	(52,039,523)	(47,805,530)
Net sales		1,625,301,130	1,827,270,841	837,712,440	907,189,449
Cost of products sold		(1,574,529,628)	(1,772,050,152)	(812,679,613)	(910,418,505)
Gross profit		50,771,502	55,220,689	25,032,827	(3,229,056)
Other income	16	10,323,778	11,109,026	7,077,577	7,761,184
Operating costs					
Distribution and marketing expenses		(9,404,992)	(8,725,281)	(4,965,006)	(4,704,400)
Administrative expenses		(3,100,749)	(3,026,454)	(1,440,815)	(1,738,303)
Provision for impairment on financial assets - net		(311,520)	(859,654)	(196,934)	(311,461)
Other expenses		(2,804,109)	(2,571,425)	(1,912,674)	664,678
		(15,621,370)	(15,182,814)	(8,515,429)	(6,089,486)
Profit / (loss) from operations		45,473,910	51,146,901	23,594,975	(1,557,358)
Finance costs	17	(19,199,425)	(25,368,864)	(8,775,764)	(15,086,150)
Share of profit of associates - net of tax		654,212	769,518	399,451	328,220
Profit / (loss) before taxation, minimum tax differential and final taxes		26,928,697	26,547,555	15,218,662	(16,315,288)
Minimum tax differential		(5,923,507)	(5,326,439)	(2,643,999)	(2,628,112)
Final taxes		(240,000)	(113,937)	-	(73,897)
		(6,163,507)	(5,440,376)	(2,643,999)	(2,702,009)
Profit before taxation		20,765,190	21,107,179	12,574,663	(19,017,297)
Taxation					
- current		(9,012,515)	(14,030,929)	(6,207,314)	4,363,668
- prior		(30,514)	240,433	(30,514)	240,433
- deferred		(543,347)	433,275	870,981	274,963
		(9,586,376)	(13,357,221)	(5,366,847)	4,879,064
Profit / (loss) for the period		11,178,814	7,749,958	7,207,816	(14,138,233)
(Rupees)					
Earnings / (loss) per share - basic and diluted	18	23.81	16.51	15.35	(30.12)

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 six months and quarter ended December 31, 2024

Note	Six months ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in '000)			
Profit / (loss) for the period	11,178,814	7,749,958	7,207,816	(14,138,233)
Other comprehensive income:				
Items that will not be subsequently reclassified to statement of profit or loss:				
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	6,286	1,737	-	1,626
Unrealised gain / (loss) on remeasurement of equity investment classified as fair value through other comprehensive income (FVOCI)	9.1.1 7,756,960	(814,874)	5,139,580	44,260
Taxation thereon	(3,025,214)	317,800	(2,004,436)	(17,262)
Other comprehensive income	4,731,746	(497,074)	3,135,144	26,998
	4,738,032	(495,337)	3,135,144	28,624
Total comprehensive income for the period	15,916,846	7,254,621	10,342,960	(14,109,609)

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 (Un-Audited)
For the six months period ended December 31, 2024

	Share capital	Reserves					Sub-total	Total
		Capital Reserves	Revenue Reserves					
			Surplus on vesting of net assets	Unrealised gain / (loss) on remeasurement of FVOCI investments	General reserve	PSO venture capital fund		
----- (Rupees in '000) -----								
Balance as at July 01, 2023 (Audited)	4,694,734	3,373	1,909,133	25,282,373	1,722,212	182,948,082	211,865,173	216,559,907
Total comprehensive income for six months period ended								
Profit for the period	-	-	-	-	-	7,749,958	7,749,958	7,749,958
Other comprehensive Income								
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	1,737	1,737	1,737
Unrealized loss on remeasurement of equity investment classified as FVOCI - net of tax	-	-	(497,074)	-	-	-	(497,074)	(497,074)
	-	-	(497,074)	-	-	1,737	(495,337)	(495,337)
Transactions with the owners:								
Final dividend for the year ended June 30, 2023 at Rs. 7.5 per share	-	-	-	-	-	(3,521,050)	(3,521,050)	(3,521,050)
Balance as at December 31, 2023	<u>4,694,734</u>	<u>3,373</u>	<u>1,412,059</u>	<u>25,282,373</u>	<u>1,722,212</u>	<u>187,178,727</u>	<u>215,598,744</u>	<u>220,293,478</u>
Balance as at July 01, 2024 (Audited)	4,694,734	3,373	2,253,541	25,282,373	414,718	198,660,177	226,614,182	231,308,916
Total comprehensive income for six months period ended								
Profit for the period	-	-	-	-	-	11,178,814	11,178,814	11,178,814
Reclassification of reserves	-	-	-	-	(414,718)	414,718	-	-
Other comprehensive (loss) / income								
Share of actuarial gain on remeasurement of staff retirement benefits of associates - net of tax	-	-	-	-	-	6,286	6,286	6,286
Unrealized gain on remeasurement of equity investment classified as FVOCI - net of tax	-	-	4,731,746	-	-	-	4,731,746	4,731,746
	-	-	4,731,746	-	-	6,286	4,738,032	4,738,032
Transactions with the owners:								
Final dividend for the year ended June 30, 2024 at Rs. 10 per share	-	-	-	-	-	(4,694,734)	(4,694,734)	(4,694,734)
Balance as at December 31, 2024	<u>4,694,734</u>	<u>3,373</u>	<u>6,985,287</u>	<u>25,282,373</u>	<u>-</u>	<u>205,565,261</u>	<u>237,836,294</u>	<u>242,531,028</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 Cash Flows (Un-Audited)
For the six months period ended December 31, 2024

	Six months ended	
	December 31, 2024	December 31, 2023
Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	19 151,178,136	14,857,330
Long-term loans, advances and other receivables	(116,147)	(103,690)
Long-term deposits	(35,599)	10,228
Taxes paid	(13,443,768)	(12,195,770)
Finance costs paid	(19,694,883)	(27,658,152)
Retirement and other service benefits paid	(582,081)	(563,140)
Net cash generated from / (used in) operating activities	117,305,658	(25,653,194)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(2,226,370)	(2,783,654)
Proceeds from disposal of operating assets	26,690	23,501
Investment in subsidiaries	(1,084,718)	(1,523,000)
Dividend received	2,317,053	313,052
Net cash used in investing activities	(967,345)	(3,970,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings - net	(31,376,292)	(2,687,242)
Lease rentals paid	(1,000,302)	(829,038)
Dividends paid	(4,602,115)	(3,342,223)
Net cash used in financing activities	(36,978,709)	(6,858,503)
Net increase / (decrease) in cash and cash equivalents	79,359,604	(36,481,798)
Cash and cash equivalents at beginning of the period	(1,670,822)	25,808,493
Cash and cash equivalents at end of the period	20 77,688,782	(10,673,305)


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 six months period ended December 31, 2024

1. Legal status and nature of business

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

1.2 The business units of the Company include the following:

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

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

2. Basis of preparation

2.1 Statement of compliance

These condensed unconsolidated interim financial statements of the Company for the six months period ended December 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023).

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

2.2 These condensed unconsolidated interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2024. These condensed unconsolidated interim financial statements are unaudited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

2.3 These condensed unconsolidated interim financial statements are the separate financial statements of the Company in which investment in subsidiaries has been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.

2.4 The Securities and Exchange Commission of Pakistan (SECP) through SRO 1784(I)/2024 dated November 04, 2024 has granted exemption from application of expected credit losses (ECL) method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt for the financial years ending on or before December 31, 2025, provided that the company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Company has not recorded impact of aforesaid ECL on trade debts of SNGPL and GENCO in these condensed unconsolidated interim financial statements based on the exemption granted by SECP in this respect.

2.5 As mentioned in note 2.7 of the annual unconsolidated financial statements as at and for the year ended June 30, 2024, the Honourable Supreme Court of Pakistan in its short order dated October 22, 2020, in the cases filed by other companies declared that Benazir Employees Stock Option Scheme (BESOS) is unconstitutional and ultra-vires. The Ministry of Energy (Petroleum Division) through its letter reference F.No. 8(9)/2014/BESOS/D-III (Volume-IV) dated November 25, 2020 directed the Company while referring Finance's Division letter no. F.2 (39) - NTR/2-2-F dated November 19, 2020 to deposit the accrued BESOS amounts in Federal Consolidated Fund. As at December 31, 2024, the Company awaits the specific instructions from the Ministry of Energy (Petroleum Division) regarding the winding up of the Trust, after which it shall take the requisite corporate actions for the transfer of 3.04% shareholding back to the Federal Government and related actions for liquidation of the Trust and crediting the Trust funds in the Federal Consolidated Fund.

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

3. Use of estimates and judgements

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

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2024.

4. Material accounting policy information

The accounting policies and method of computation adopted for the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the Company's annual unconsolidated financial statements for the year ended June 30, 2024.

5. New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these condensed unconsolidated interim financial statements.

6. Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

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

7. Property, plant and equipment

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2024 (Un-audited)	December 31, 2023	December 31, 2024 (Un-audited)	December 31, 2023
	(Rupees in '000)			
Freehold land	162,284	-	-	-
Buildings on freehold land	87,745	60,486	-	-
Buildings on leasehold land	29,458	15,690	-	-
Tanks and pipelines	850,760	408,877	-	-
Service and filling stations	366,067	1,095,153	1	324
Plant and machinery	551,570	173,009	17	-
Furniture and fittings	21,601	62,774	93	34
Vehicles and other rolling stock	12,916	82,261	11,303	4,113
Office equipments	141,989	173,368	-	-
Gas cylinders / regulators	82,212	14,052	-	-
	<u>2,306,602</u>	<u>2,085,670</u>	<u>11,414</u>	<u>4,471</u>

7.2 The above disposals represented assets costing Rs. 89,318 thousand (December 31, 2023: Rs. 70,969 thousand) and were disposed off for Rs. 26,690 thousand (December 31, 2023: Rs. 23,501 thousand).

7.3 As at December 31, 2024, operating assets includes net book value of Rs. 1,231,778 thousand (June 30, 2024: Rs. 1,252,041 thousand) in respect of Company's share in joint operations.

7.4 As at December 31, 2024, capital work-in-progress includes amount of Rs. Nil (June 30, 2024: Rs. 45,908 thousand) in respect of Company's share in joint operations.

8. **Right-of-use assets**

During the period, the Company recognised right of use asset comprising mainly land amounting to Rs. 851,030 thousand (December 31, 2023: Rs. 647,757 thousand) and modification amounting to Rs. 537,338 thousand (December 31, 2023: Rs. 378,159 thousand).

9. Long-term investments	Note	Un-audited	Audited
		December 31, 2024	June 30, 2024

------(Rupees in '000)-----

Investment held at fair value through other comprehensive income (FVOCI)

Unquoted company

- Pak-Arab Pipeline Company Limited (PAPCO)
Equity held: 12% (June 30, 2024: 12%)
No. of shares: 8,640,000
(June 30, 2024: 8,640,000) of Rs. 100/- each

9.1 12,315,281 4,558,321

Investment in subsidiaries - at cost

Quoted company

- Pakistan Refinery Limited (PRL)
Equity held 63.56% (June 30, 2024: 63.56%)
No. of shares: 400,459,028
(June 30, 2024: 400,459,028) of Rs. 10/- each

4,890,680 4,890,680

Unquoted companies

- Cerisma (Private) Limited (CPL)
Equity held 100% (June 30, 2024: 100%)
No. of shares: 499,999
(June 30, 2024: 499,999) of Rs. 10/- each

9.2 615,000 315,000

- PSO Renewable (Private) Limited (PRE)
Equity held 100% (June 30, 2024: 100%)
No. of shares: 999,999
(June 30, 2024: 999,999) of Rs. 10/- each

9.3 905,000 535,000

- PSO Venture Capital (Private) Limited (PSOVC)
Equity held 100% (June 30, 2024: Nil)
No. of shares: 147,799,999
(June 30, 2024: Nil) of Rs. 10/- each

9.4 2,136,379 1,721,661
3,656,379 2,571,661

Investment in associates

Unquoted companies

- Asia Petroleum Limited
Equity held: 49% (June 30, 2024: 49%)
No. of shares: 46,058,570
(June 30, 2024: 46,058,570) of Rs. 10/- each

3,191,719 3,085,483

- Pak Grease Manufacturing Company (Private) Limited
Equity held: 22% (June 30, 2024: 22%)
No. of shares: 686,192
(June 30, 2024: 686,192) of Rs. 10/- each

47,469 49,342
3,239,188 3,134,825

24,101,528 15,155,487

- 9.1 The Company has carried out an exercise to ascertain the fair value of investment as at December 31, 2024 using the discounted cash flow technique (Level 3). The following major assumptions and inputs were used by the management to determine the aforesaid fair value:

	Un-audited December 31, 2024	Audited June 30, 2024
- Discount rate	12.55% - 12.56%	19.79% - 20.21%
- Growth rate of terminal value	6%	6%

Based on the above fair valuation exercise, the Company has recorded an unrealised gain - net of tax of Rs. 4,731,746 thousand (December 31, 2023: unrealised loss of Rs. 497,074 thousand) in other comprehensive income for the period.

9.1.1 Movement of investment classified as FVOCI	Un-audited December 31, 2024	Audited June 30, 2024
	------(Rupees in '000)-----	
Balance at beginning of the period / year	4,558,321	3,993,199
Remeasurement gain recognised in other comprehensive income	7,756,960	565,122
Balance at the end of the period / year	<u>12,315,281</u>	<u>4,558,321</u>

9.1.2 Sensitivity to unobservable inputs:		
- Discount rate (1% increase)	(1,476,050)	(345,851)
- Discount rate (1% decrease)	2,019,187	402,405
- Growth rate of terminal value (1% increase)	1,569,621	243,718
- Growth rate of terminal value (1% decrease)	(1,153,567)	(210,771)

- 9.2 Includes Rs 610,000 thousand (June 30, 2024: Rs. 310,000) paid to CPL as advance against issue of shares.
- 9.3 Includes Rs. 895,000 thousand (June 30, 2024: Rs. 525,000 thousand) paid to PSORE as advance against issue of shares.
- 9.4 Includes Rs. 658,379 thousand (June 30, 2024: Rs. 243,661 thousand) paid to PSOVC as advance against issue of shares.

10. Stock-in-trade

As at December 31, 2024, stock has been written down by Rs. 5,629 thousand (June 30, 2024: Rs. Nil) to arrive at its net realisable values.

11. Trade debts		Un-audited December 31, 2024	Audited June 30, 2024
	Note	------(Rupees in '000)-----	
Considered good			
<i>Due from Government agencies and autonomous bodies</i>			
- Secured	11.1	829,759	708,723
- Unsecured	11.2 & 11.3	435,981,678	429,345,087
		<u>436,811,437</u>	<u>430,053,810</u>
<i>Due from other customers</i>			
- Secured	11.1	4,178,238	5,274,148
- Unsecured	11.2 & 11.3	26,447,703	52,874,309
		<u>30,625,941</u>	<u>58,148,457</u>
		<u>467,437,378</u>	<u>488,202,267</u>
		<u>3,584,772</u>	<u>3,259,798</u>
Considered doubtful			
Trade debts - gross		471,022,150	491,462,065
Less: Provision for impairment	11.5	(3,584,772)	(3,259,798)
Trade debts - net		<u>467,437,378</u>	<u>488,202,267</u>

- 11.1 These debts are secured by way of bank guarantees and security deposits.
- 11.2 Includes Rs. 429,774,899 thousand (June 30, 2024: Rs. 430,086,345 thousand) due from related parties, against which provision for impairment of Rs. 1,029,714 thousand (June 30, 2024: Rs. 1,223,074 thousand) has been recognised.

11.3 These debts include an aggregate amount of Rs. 408,340,410 thousand (June 30, 2024: Rs. 420,498,555 thousand) due from GENCO Holding Company Limited (GENCO), Hub Power Company Limited (HUBCO), and Sui Northern Gas Pipelines Company Limited (SNGPL) on account of Inter-corporate circular debt. These include past due trade debts of Rs. 68,164,165 thousand (June 30, 2024: Rs. 70,617,958 thousand), Rs. Nil (June 30, 2024: Rs. 14,802,218 thousand) and Rs. 262,191,942 thousand (June 30, 2024: Rs. 286,063,645 thousand) from GENCO, HUBCO and SNGPL respectively, based on the agreed credit terms. The Company carries a specific provision of Rs. 346,975 thousand (June 30, 2024: Rs. 346,975 thousand) against these debts and does not consider the remaining aggregate past due balance of Rs. 330,009,132 thousand (June 30, 2024: Rs. 371,136,846 thousand) as doubtful based on measures being undertaken by the Government of Pakistan (GoP) to resolve circular debt issue. The Company is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector.

11.4 As at December 31, 2024 trade debts aggregating Rs. 124,559,766 thousand (June 30, 2024: Rs. 111,783,394 thousand) are neither past due nor impaired. The remaining trade debt aggregating to Rs. 342,877,612 thousand (June 30, 2024: Rs. 376,418,873 thousand) are past due but not impaired.

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

	Un-audited December 31, 2024	Audited June 30, 2024
	------(Rupees in '000)-----	
11.5 The movement in provision during the period / year is as follows:		
Balance at beginning of the period / year	3,259,798	2,939,979
Provision recognised during the period / year	324,974	566,741
Reversal of provision made during the period / year	-	(246,922)
	324,974	319,819
Balance at the end of the period / year	3,584,772	3,259,798

12. **Other receivables**

12.1 Includes receivable of Rs. 122,674,963 thousand (June 30, 2024: Rs. 136,580,182 thousand) due from associates and related parties.

12.2 As at December 31, 2024, receivables aggregating to Rs. 3,593,303 thousand (June 30, 2024: Rs. 9,204,477 thousand) were deemed to be impaired and hence have been provided for. The movement of provision for impairment is as follows:


	Un-audited December 31, 2024	Audited June 30, 2024
	------(Rupees in '000)-----	
Balance at beginning of the period / year	9,204,477	9,262,958
Reversal of provision during the period / year	(30,681)	(58,481)
Balance at the end of the period / year	9,173,796	9,204,477

12.3 As at December 31, 2024, net unfavorable amount of foreign exchange difference of Rs. 58,282,048 thousand (June 30, 2024: Rs. 57,651,324 thousand) was receivable on foreign currency borrowings (FE-25), obtained under the directives of MoF - GoP. These exchange differences are to be settled in accordance with the instructions provided by the MoF - GoP. The Company recognises exchange differences arising on such borrowings as payable (in case of exchange gains) and receivable (in case of exchange losses) to / from GoP. As per letter dated November 27, 2013 from Finance Division, MoF - GoP shall defray extra cost and risks to be borne by the Company in respect of these long / extended term borrowing arrangements i.e. the Company would not bear any exchange differences on such borrowings.

13. **Short-term Investments**

Includes investment in bonds on buy sell arrangement carrying return between 12.90% to 13.60% per annum and holding period ranging from 32 to 60 days.

14. **Trade and other payables**

Includes Rs. 100,247,731 thousand (June 30, 2024: Rs. 77,924,534 thousand) due to various related parties. 

15. Contingencies and commitments

15.1 Contingencies

There is no significant change in the status of contingencies as disclosed in notes 29.1.1 to 29.1.4 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2024 other than as mentioned in the below notes.

15.1.1 Income tax

15.1.1.1 The Additional Commissioner Inland Revenue (AdCIR) through his order dated June 28, 2022 made certain additions and disallowances in respect of Tax Year 2021 and raised tax demand of Rs. 3,014,870 thousand. The Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(Appeals)] on July 26, 2022. Taxation authorities further amended the aforesaid order to Rs. 3,520,201 thousand by including WWF demand. The Company filed appeal before CIR(Appeals) which was partially decided against the Company. The Company received an appeal effect for the Tax Year 2021 on aforesaid CIR (Appeals) order from tax authorities after which the aforesaid demand has been reduced to Rs. 3,477,249 thousand. For the remaining issues, the Company appealed to the Appellate Tribunal Inland Revenue (ATIR), which decided against the Company. Later on, the Company filed application before Alternate Dispute Resolution Committee (ADRC) which was subsequently dissolved as no decision was made by ADRC within the statutory time limit of sixty days as per sub-section 11 of section 134A of the Income Tax Ordinance, 2001. The Company is now in the process of filing the reference before Sindh High Court for the Tax Year 2021. The Company has also filed petition before Islamabad High Court and challenged the constitution of ADRC under section 134A of the Income Tax Ordinance, 2001 which is pending. 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.

15.1.1.2 The AdCIR issued an order dated March 28, 2024, for Tax Year 2023, making amendments and additions that resulted in a total tax demand of Rs. 1,486,065 thousand. The Company appealed to the CIR (Appeals), who subsequently ruled against the Company. Following this, the Company submitted an application to the ADRC which is still pending. The Company has also filed petition before Islamabad High Court and challenged the constitution of ADRC under section 134A of the Income Tax Ordinance, 2001 which is pending. Based on the views of tax advisor, the management believes that it is more likely than not that the matters will ultimately be decided in favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.1.3 The AdCIR issued an order dated April 01, 2024, for Tax Year 2020, making certain amendments and additions that resulted in a total tax demand of Rs. 59,435 thousand. The Company appealed to the CIR (Appeals), who subsequently ruled against the Company. Following this, the Company submitted an application to the ADRC which is still pending. The Company has also filed petition before Islamabad High Court and challenged the constitution of ADRC under section 134A of the Income Tax Ordinance, 2001 which is pending. Based on the views of tax advisor, the management believes that it is more likely than not that the matters will ultimately be decided in the favour of the Company. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.2 Other legal claims

15.1.2.1 As at December 31, 2024 certain legal cases amounting to Rs. 6,986,172 thousand (June 30, 2024: Rs. 7,066,545 thousand) have been filed against the Company. However, based on advice of legal advisors of the Company, the management believes that the outcome of these cases would be decided in Company's favor. Accordingly, no provision has been made in these condensed unconsolidated interim financial statements.

15.1.2.2 Claims against the Company not acknowledged as debts amounting to Rs. 16,042,454 thousand (June 30, 2024: Rs. 14,511,625 thousand).

15.1.2.3 The Company's share in associates' contingencies in respect of various tax and legal matters as at December 31, 2024 is Rs. 120,227 thousand (June 30, 2024: Rs. 120,227 thousand).

15.2 Commitments

15.2.1 Capital expenditure contracted for but not yet incurred

15.2.2 Letters of credit

15.2.3 Bank guarantees

15.2.4 Standby Letters of credit

15.2.5 Post - dated cheques

	Un-audited December 31, 2024	Audited June 30, 2024
	-----	-----
	(Rupees in '000)-----	
	12,862,294	5,182,282
	132,143,958	47,275,342
	4,238,117	3,462,338
	76,665,353	65,414,068
	-	32,164,674

16. Other income

Includes delayed payment surcharge from customers and profit on bank deposits.

17. Finance costs

Includes mark-up on short-term borrowings amounting to Rs. 18,271,483 thousand (December 31, 2023: Rs. 24,529,052 thousand).

18. Earnings per share - Basic and diluted

There is no dilutive effect on the basic earnings per share of the Company as there are no convertible ordinary shares in issue as at December 31, 2024 and December 31, 2023.

	Un-audited Six months ended		Un-audited Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----			
Profit / (loss) for the period attributable to ordinary shareholders	11,178,814	7,749,958	7,207,816	(14,138,233)
	----- (Number of Shares) -----			
Weighted average number of ordinary shares outstanding during the period	469,473,302	469,473,302	469,473,302	469,473,302
	----- (Rupees) -----			
Earnings / (loss) per share - basic and diluted	23.81	16.51	15.35	(30.12)

19. Cash generated from operations

	Note	Un-audited Six months ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
Profit before taxation, minimum tax differential and final taxes		26,928,697	26,547,555
Depreciation and amortisation		2,228,555	1,741,404
Provision for impairment on trade debts - net	11.5	324,974	904,584
Reversal of impairment on other receivables - net	12.3	(30,681)	(44,929)
Provision for / (reversal of) impairment against stores, spares and loose tools		41,812	(29,413)
Provision for retirement and other services benefits		1,121,020	1,244,315
Provision for write down of inventory to net realisable value	10	5,629	4,060,418
Gain on disposal of operating assets & intangibles		(15,276)	(19,030)
Gain on disposal of right-of-use assets due to extinguishment		-	(2,789)
Share of profit from associates - net of tax		(654,212)	(769,518)
Dividend income		(1,760,918)	(194,475)
Interest on lease payments		610,843	416,042
Finance costs		18,588,582	24,952,822
		20,460,328	32,259,431
Changes in:			
- Stores, spares and loose tools		(36,456)	(59,687)
- Stock-in-trade		24,377,405	(42,698,833)
- Trade debts		20,439,915	(53,123,101)
- Loans and advances		(401,554)	(22,872)
- Deposits and short-term prepayments		121,076	760,972
- Other receivables		(9,049,169)	(8,953,100)
- Trade and other payables		68,337,894	60,146,965
		103,789,111	(43,949,656)
		151,178,136	14,857,330

20. Cash and cash equivalents

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

	Un-audited	
	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----	
Cash and bank balances	20,659,037	17,769,198
Short-term investments	59,999,000	-
Short-term borrowings (finances under mark-up arrangements)	(2,969,255)	(28,442,503)
	77,688,782	(10,673,305)

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 June 30, 2024.

These condensed unconsolidated interim financial statements do not include all financial risk management information and disclosures which are required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2024.

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

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

As at December 31, 2024, except for the Company's investment in PAPCO, none of the financial instruments is carried at fair value. The valuation technique and assumptions used in fair valuation are disclosed in note 9.1 of these condensed unconsolidated interim financial statements.

22. Transactions with related parties

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

Name of the related party and relationship with the company	Nature of Transactions	Un-audited Six months ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
Subsidiary			
- Pakistan Refinery Limited	Purchases	103,829,336	87,486,875
	Dividend received	800,918	-
- PSO Renewable Energy Private Limited	Expenses incurred	11,135	-
- PSO Venture Capital Private Limited	Expenses incurred	21,690	-
- Cerisma Private Limited	Expenses incurred	34,985	-
Associates			
- Asia Petroleum Limited	Income facility charges	938	427,927
	Pipeline charges	10,787	-
	Dividend received	552,703	115,146
- Pak Grease Manufacturing Company (Private) Limited	Purchases	88,597	-
	Dividend received	3,431	3,431
Retirement benefit funds			
- Pension Funds (Defined Benefit)	Charge for the period	198,402	300,483
	Contributions made	248,350	255,412
- Gratuity Fund	Charge for the period	273,970	363,606
	Contributions made	268,602	253,832
- Provident Funds	Charge / contribution for the period	115,616	110,453
- Pension Funds (Defined Contribution)	Charge / contribution for the period	115,485	115,734
Key management personnel*	Managerial remuneration including benefits and perquisites	437,304	364,206
Non-executive Directors	Remuneration and fees	21,250	12,775

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

22.2 Related parties by virtue of GoP holdings

The Federal Government of Pakistan directly holds 22.47% of the Company's issued share capital and is entitled to appoint members of the Board of Management (BoM) under the provisions of the Marketing of Petroleum Products (Federal Control) Act, 1974 for management of the affairs of the Company. The Company, therefore, considers that the GoP is in a position to exercise control over it and therefore regards the GoP and its various bodies as related parties for the purpose of disclosures in respect of related parties.

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

		Un-audited Six months ended	
		December 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
- Government of Pakistan	Dividend paid	1,055,041	791,281
- PSOCL Employees Empowerment Trust	Dividend paid to the trust	142,636	106,977
- Board of Management	Contribution towards expenses of BoM	21,811	15,157
- Pak Arab Pipeline Company Limited	Pipeline charges	4,330,813	3,689,737
	Dividend received	960,000	194,475
- Sui Northern Gas Pipelines Limited	Gross sales	578,180,148	550,062,784
- Distribution Companies (DISCOs)	Utility Charges	253,899	67,217
- GENCO	Gross sales	187,552	1,200,072
- Oil and Gas Development Company	Gross sales	3,321,775	1,751,086
	Purchases	1,181,361	1,853,307
- Pakistan Railways	Gross sales	6,893,718	18,136,978
- Pakistan International Airlines Corporation Limited	Gross sales	18,983,659	28,318,648
	Purchases	2,713	7,394
- Pakistan Petroleum Limited	Gross sales	274,676	266,563
	Purchases	25,328	-
- Pak Arab Refinery Limited	Purchases	197,033,005	280,336,048
	Pipeline charges	759,509	722,889
- Cnergyico PK Limited	Purchases	-	4,855,224
- Petroleum Institute of Pakistan	Services received	17,783	7,564
- K-Electric Limited	Gross sales	11,088,928	12,298,694
	Income facility charges	6,394	2,204
- National Bank of Pakistan	Finance cost and bank charges	5,896,033	7,014,249

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 Kemari terminal and at various airports which are paid to Karachi Port Trust and Civil Aviation Authority, respectively. The Company also utilises port facilities of Port Qasim Authority and Karachi Port Trust.

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

- 22.3 Inventory of the Company held by related parties as at December 31, 2024 amounting to Rs. 94,361,167 thousand (June 30, 2024: Rs. 124,586,891 thousand).
- 22.4 Short term borrowings includes Rs. 127,454,984 thousand (June 30, 2024: Rs. 127,365,193 thousand) under finances obtained from National Bank of Pakistan.
- 22.5 The status of outstanding receivables and payables from / to related parties as at December 31, 2024 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 Six months ended	
	December 31, 2024	December 31, 2023
------(Rupees in '000)-----		
23. Operating segments		
23.1 Segment wise revenues and profit is as under:		
Revenue - net sales		
Petroleum Products	1,104,604,000	1,332,358,000
Liquefied Natural Gas (LNG)	515,384,493	490,300,000
Others	5,312,637	4,612,841
	<u>1,625,301,130</u>	<u>1,827,270,841</u>
Profit / (loss) for the period		
Petroleum Products	8,999,222	18,914,000
Liquefied Natural Gas (LNG)	(906,368)	(14,215,000)
Others	3,085,960	3,050,958
	<u>11,178,814</u>	<u>7,749,958</u>

- 23.2 Timing of revenue recognition is at a point in time.
- 23.3 Out of total sales of the Company, 99.8% (December 31, 2023: 99.7%) relates to customers in Pakistan.
- 23.4 All non-current assets of the Company as at December 31, 2024 and 2023 are located in Pakistan and Bangladesh. Sales to five major customers of the Company are approximately 37% during the six month period ended December 31, 2024 (December 31, 2023: 33%).
- 23.5 Out of total gross sales of the Company, sales for the six month period ended December 31, 2024, amounting to Rs. 579,090,138 thousand (December 31, 2023: Rs 551,262,856 thousand), relates to circular debt customers.
24. **Events after the reporting date**

The Board of Management in its meeting held on February 13, 2025 has proposed an interim cash dividend of Rs. NIL (December 31, 2023: Nil) amounting to Rs. Nil (December 31, 2023: Nil) for the year ending June 30, 2025.

25. Corresponding Figures

As disclosed in notes 2.8 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2024, corresponding figures have been reclassified, for the purposes of better presentation and / or to comply with requirements of accounting and reporting standards the effects of which are not considered material. There is no impact of reclassifications on Company's Condensed Unconsolidated Interim Statement of Financial Position, unconsolidated Statement of Cashflows, unconsolidated Statement of changes In equity and company's earning per share for the period ended 31 December 2023.

26. General

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

27. Date of authorisation for issue

These condensed unconsolidated interim financial statements were approved and authorised for issue on February 13, 2025 by the Board of Management. *AMM/A*



Managing Director & CEO



Member - Board of Management



Chief Financial Officer