ANNUAL REPORT 2020-21
Byco Petroleum Pakistan Limited

TOWARDS A SUSTAINABLE FUTURE

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Byco Petroleum Pakistan Limited

TOWARDS
A SUSTAINABLE
FUTURE

CONTENT

Unconsolidated Financial Statements

Consolidated Financial Statements

This picture has been taken below Byco's Single Point Mooring near Charna Island, off the coast of Balochistan.

VISION

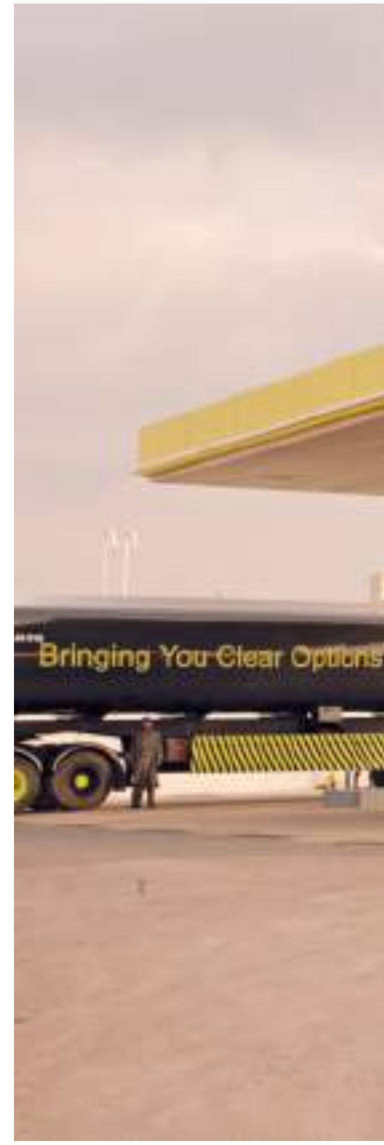
Our vision is to be the leading energy company by delivering the core business, achieving sustainable productivity and profitability to deliver a superior shareholder return.

MISSION

Our mission is to proactively invest in the development of infrastructure, in order to become a single source supply chain for meeting the economy's chemicals, energy, petroleum and petrochemical requirements, thereby providing the best possible returns to all our stakeholders.

CODE OF ETHICS

Byco is engaged in the manufacturing of a wide range of petroleum products. We aim to achieve sustainable productivity and profitability, while maintaining the highest standards of care for the environment, health and safety. This practically means enacting policies that assure ongoing human resource development, enhancement of value addition, implementation of conservation measures, growth upgradation and the addition of newer generation technologies.
Our Company believes in the application of business ethics as have been embodied in this document.



1 The credibility, goodwill and repute earned are maintained through continued conviction in our corporate values of honesty, integrity, justice and respect for people. Our Company promotes openness, professionalism, teamwork and trust in all its business activities.

2 Safeguarding Shareholders' interest and a worthwhile return on equity is an integral part of our business ethics.

3 We believe in servicing customers by providing products which are manufactured and priced competitively, and which are also meeting or exceeding the environmental standards of the country.

4 We are an equal opportunity employer and proactively invest in our human capital, offering competitive employment terms and providing a safe and congenial working environment to all our employees.

5 We believe that profit is the real yardstick to measure our value addition to the economy and is essential for business survival as it measures efficiency and the value that the customer places on products and services produced by the Company.

6 In view of the critical importance of our business and its impact on the national economy, our Company provides all relevant information concerning its activities transparently to all stakeholders, subject to any overriding confidentiality.

Amir Abbassciy
Chief Executive Officer

COMPANY INFORMATION

Board of Directors

Mohammad Wasi Khan	Chairman
Amir Abbassciy	Director & Chief Executive Officer
Amir Waheed Ahmed	Independent Director
Muhammad Usama Qureshi	Independent Director
Syed Arshad Raza	Director
Uzma Abbasi	Director

Audit Committee

Amir Waheed Ahmed	Chairman
Muhammad Usama Qureshi	Member
Uzma Abbasi	Member

Human Resource and Remuneration Committee

Muhammad Usama Qureshi	Chairman
Syed Arshad Raza	Member
Uzma Abbasi	Member

Risk Management Committee

Amir Abbassciy	Chairman
Muhammad Usama Qureshi	Member
Amir Waheed Ahmed	Member

Chief Financial Officer

Zafar Shahab

Company Secretary

Majid Muqtadir

Auditors

EY Ford Rhodes	Chartered Accountants

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak-Gulf Leasing Company Limited
Pak Oman Investment Company Limited
Saudi Pak Industrial and Agricultural Investment Company Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Silkbank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Share Registrar

FAMCO Associates (Pvt) Limited
8-F, Next to Hotel Faran Nursery, Block-6,
P.E.C.H.S, Shahrah-e-Faisal, Karachi
Tel: (92 21) 3438 0101, 3438 0102
Fax: (92 21) 3438 0106

Registered Office

The Harbour Front, 9th Floor, Dolmen City,
HC-3, Block-4, Marine Drive, Clifton,
Karachi-75600, Pakistan
Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.byco.com.pk

ENVIRONMENT HEALTH SAFETY AND SECURITY (EHSS) POLICY

Byco is committed to delivering sustainable world class performance through prevention of injury and ill-health, preservation of environment and safeguarding health, safety and welfare of its employees and visitors to our sites in a manner that is compliant with local laws, customs and culture.

We derive strength from our core values of fairness and honesty, integrity, respect, teamwork, trust and transparency, passion for excellence and tenacity in achieving results. As a corporate entity, we care about people and the world in which we live in.

We have deployed the optimal leadership and management structure to deliver this policy and provide an unbroken chain of responsibility and accountability for EHSS.

EHSS GUIDING PRINCIPLE

- Identify and eliminate or otherwise control, EHSS risks to our people, our communities and the environment in which we operate
- Use EHSS risk framework to develop and deliver measurable EHSS objectives and targets
- Ensure employees are equipped and trained to adopt a healthy, safe and environmentally conscious lifestyle both at work and home
- Continuously seek to reduce the environmental impact of our business operations by:
  - Improving energy efficiency and natural resource consumption
  - Reusing and recycling materials to minimize waste and pollution
  - Endeavour to protect and restore biodiversity
  - Undertaking specific programs to reduce greenhouse gas emissions from our business
- Generate sustainable EHSS performance through long-term, mutually beneficial relationships with our communities, governments, our business partners and other stakeholders

COMMITMENT TO EHSS POLICY

- The management team is accountable for the delivery of EHSS improvements and providing the necessary resources to do so
- All stakeholders of our business must understand their responsibilities towards EHSS and demonstrate their commitment through actions towards achieving our goal of zero incidents
- Complying with all applicable laws, EHSS standards and other voluntary requirements
- Developing, implementing and maintaining recognized management systems and programs that ensure appropriate and consistent implementation of this EHSS policy
- Obtaining assurance of our EHSS policy and management systems through regular audits and reviews of our performance
- Promoting effective employee, contractor and stakeholder participation in and awareness of EHSS issues and programs related to our operations through training, communication and regular public reporting of performance
- In recent years, Byco's EHSS has embarked upon its journey to fully implement DuPont's Process Safety Management system, the world's standard when it comes to Safety Management

Amir Abbassciy
Chief Executive Officer

Financial Highlights

(Rupees in million)

	2021	2020	2019	2018	2017	2016
Balance Sheet						
Share Capital	**53,299**	53,299	53,299	53,299	53,299	9,779
Share holders' equity	**29,846**	26,201	28,218	30,222	21,918	6,555
Property, plant and equipment	**71,512**	70,790	69,138	68,716	69,030	12,581
Long term investment	**16,932**	16,932	16,932	16,932	16,932	22,661
Long term loans and advances	**568**	723	861	939	948	–
Stock in trade	**33,585**	22,879	29,260	29,391	12,583	7,332
Trade debts	**4,556**	4,357	5,337	5,464	4,858	8,287
Total current assets	**47,747**	36,313	41,895	40,378	21,630	20,642
Total current liabilities	**78,631**	71,521	75,454	72,706	56,264	39,179
Short term borrowings	**15,070**	23,908	15,849	2,323	3,372	6,594
Current portion of non-current liabilities	**5,934**	2,685	7,897	8,766	7,932	5,447
Non-current liabilities	**29,521**	28,294	26,470	26,824	31,657	10,160
Profit or Loss Account						
Net sales	**142,150**	173,899	197,831	166,290	88,420	77,702
Cost of sales	**134,042**	171,002	195,871	157,134	84,196	73,419
Gross profit	**8,108**	2,896	1,960	9,156	4,224	4,283
Operating profit	**6,286**	1,530	832	8,248	3,611	3,253
Finance costs	**2,416**	3,960	3,070	2,878	2,283	2,309
Profit / (Loss) before taxation	**3,870**	(2,431)	(2,238)	5,370	1,327	718
Profit / (Loss) after taxation	**3,596**	(2,431)	(1,684)	5,020	2,182	1,367

Financial Highlights

		2021	2020	2019	2018	2017	2016
Profitability Ratios							
Gross Profit	%	**5.70%**	1.67%	0.99%	5.51%	4.78%	5.51%
Profit before Tax	%	**2.72%**	-1.40%	-1.13%	3.23%	1.50%	0.92%
Net Profit	%	**2.53%**	-1.40%	-0.85%	3.02%	2.47%	1.76%
EBITDA Margin to sales	%	**7.22%**	3.06%	2.14%	6.78%	7.12%	5.73%
Return on equity	%	**12.05%**	-9.28%	-5.97%	16.61%	9.95%	20.86%
Liquidity Ratios							
Current Ratio	Times	**0.61**	0.51	0.56	0.56	0.38	0.53
Quick / Acid Test Ratio	Times	**0.18**	0.19	0.17	0.15	0.16	0.34
Activity / Turnover Ratios							
Inventory turnover	Days	**76.88**	55.64	54.65	48.75	43.17	30.31
Debtors turnover	Days	**11.44**	10.17	9.96	11.33	27.13	41.42
Creditors turnover	Days	**102.05**	79.99	98.98	116.36	147.07	141.72
Inventory turnover	Times	**4.75**	6.56	6.68	7.49	8.46	12.04
Debtors turnover	Times	**31.90**	35.88	36.63	32.22	13.45	8.81
Creditors turnover	Times	**3.58**	4.56	3.69	3.14	2.48	2.58
Total assets turnover ratio	Times	**1.03**	1.38	1.52	1.28	0.80	1.39
Fixed assets turnover ratio	Times	**1.99**	2.46	2.86	2.42	1.28	6.18
Financial Leverage Ratios							
Interest coverage ratio	Times	**2.60**	0.39	0.27	2.87	1.58	1.41
Debt to equity ratio	Times	**1.69**	2.09	1.78	1.25	1.96	3.39
Investment / Market Ratios							
Earnings per share - Basic	Rs.	**0.67**	(0.46)	(0.32)	0.94	0.41	1.40
Earnings per share - Diluted	Rs.	**0.65**	(0.46)	(0.32)	0.94	0.41	1.40

CHAIRMAN'S REVIEW

For the year ended June 30, 2021

On behalf of the Board of Directors,
I am pleased to present the Annual Report of the Company for the year ended 30th June, 2021.

The financial year 2021 was a sigh of relief for all the industries and especially for the oil industry as the economy became more adaptable to COVID – 19 pandemic, increased business activities resulted into increased oil demand and oil prices nationally and internationally throughout the year which provided breathing space to the oil sector. Furthermore, PKR appreciation and reduced KIBOR rates supported all the import oriented industries.

During the year, the Company has decided to change and rebrand its name keeping in view the dynamics of energy business and to diversify and explore investments in other aspects relating to energy.

Two directors of the Board resigned during the financial year and casual vacancies were filled accordingly. The overall performance of the Board of Directors remained satisfactory. The Board, comprised of experienced and seasoned individuals with diversified experience, have played an important role in making effective decisions at all levels. The Committees of the Board operated efficiently and assisted the Board in all key matters.

On behalf of the Board, I would like to thank all the stakeholders for their trust and support. I am confident that the Company has all the ingredients necessary to achieve the expectations of all its stakeholders.

Mohammad Wasi Khan
Chairman

Karachi
September 23rd, 2021

DIRECTORS' REPORT

For the year ended June 30, 2021

In the name of Allah the Most Merciful and the Most Benevolent.

The Directors of your Company are pleased to present the Annual Report of the Company together with the audited, stand alone and consolidated, financial statements and auditors' report thereon for the year ended 30th June, 2021.

We report that despite adverse business conditions, the consolidated and stand alone revenue of the Company was Rs. 142.1 billion (June 2020: Rs. 173.8 billion). The Company earned a Gross Profit of Rs. 8.1 billion (June 2020: Rs. 2.9 billion) and Net Profit of Rs. 3.6 billion (June 2020: loss of Rs. 2.4 billion). The increase in profits is primarily attributed to timely inventory management including crude oil ordering with a close lookout for disruptive events and thereby movements in international oil pricing and changes in demand supply situation in local market. A comprehensive detail of factors affecting the industry and the company's performance is covered in following paragraphs.

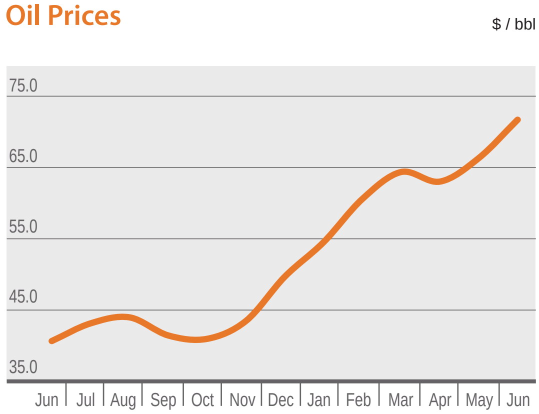
The Company reports a basic earnings per share of Rs. 0.67 (diluted: 0.65) compared to a loss per share of Rs. 0.46 last year (diluted: 0.46). Keeping in view the still persistent Covid - 19 pandemic and the resulting volatility in oil prices, the Directors do not recommend dividend for the year ended June 30, 2021.

As mentioned above, international oil prices kept an increasing trend throughout the year as the world economies continued to operate in the new normal arising from Covid – 19. The opening up of economies has pushed the global oil consumption nearer to its previous level and it is expected that the oil demand will remain relatively strong thereby supporting higher oil prices unless there are disruptive events or significant reductions from the supply side.

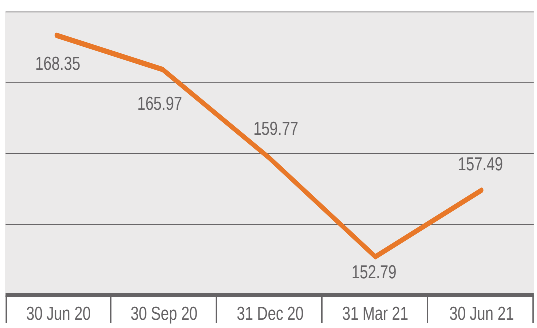
Pakistan's oil consumption also improved from last year primarily in Motor Spirit (MS) and High Speed Diesel (HSD). Furnace Oil (FO) remained a low demand product for the refineries and its monthly demand oscillated between a low of 163K MT to a high of 374K MT. This uneven trend had a direct impact over the country's refining sector throughput and all of them are struggling to find a permanent solution. To cater the issue of low consumption of FO in the country, the Company is evaluating new crude grades some of which were tested during the year and the results were positive.

With effect from September 1st, 2020, the Government of Pakistan revised the pricing formula of MS and HSD and product prices are now determined on bi-monthly basis as opposed to once in a month. Further, with effect from 1st April, 2021, the Government of Pakistan has also revised the Oil Marketing Company's (OMC) Margin

Oil Prices



Pak Rupee / US $ Parity



on HSD and MS from Rs. 2.81 per litre to Rs. 2.97 per litre. Both these changes in pricing are an important factor in the Company's profitability for the current year.

PKR appreciated by 6.4% in the current financial year which resulted into total exchange gain of PKR 465 million as against the PKR depreciation of 3.5% in the previous financial year which translated into total exchange loss of PKR 514 million.

The refineries are anxiously awaiting the new oil refinery policy which is expected to offer incentives for the upgrade of existing refineries and establishment of new deep conversion refineries. The Company appreciates the Government's support and expects a positive outcome in this regard. Taking a lead, the Company has initiated processes to upgrade its refineries so as to be able to provide more environmental friendly petroleum products to its customers and to find a solution for the low consumption of FO in the country.

Isomerisation Unit, which is owned by the wholly owned subsidiary of the Company, operated smoothly and currently all of the Light Naphtha is being converted into MS which greatly contributed towards the refineries margins. Further, in order to utilize excess capacity at the Isomerisation Plant, the Company entered into an agreement with a local refinery for procurement of Naphtha and successfully converted the same into MS thereby yielding additional profits.

The marketing arm of the Company also continued expanding its foot print and 24 new retail stations were added during the year, bringing the total to 415.

The Single Point Mooring (SPM) facility continued to provide support for timely supply of crude oil to the refineries. The SPM facility of the Company is handling about quarter of the country's crude oil imports thereby continually proving its importance in country's oil infrastructure. The Company is the only oil company in Pakistan having Tier – I oil spill response capabaility available in-house.

The Company's long term and short term rating is A- (A minus) and A2 (A Two) respectively. The credit rating was carried out by The Pakistan Credit Rating Agency (PACRA). These ratings represents low credit risk and ability of the Company to timely meet the financial commitments. Further, during the year the Company also settled its old liabilities of local crude suppliers.

On a consolidated basis, the Group's basic earning per share amounted to Rs. 0.55 (diluted: 0.54) (2020: basic and diluted loss per share of Rs. 0.55). Byco Isomerisation Pakistan (Private) Limited (BIPL), the wholly owned subsidiary of the Company, incurred a net loss of Rs. 851 million primarily due to the depreciation on fixed assets. It is expected that BIPL will generate profits with the increased throughput of refineries. There has been a delay in payment of Government dues (as mentioned in note 23 to the financial statements) due to delay in recoveries of funds and clearing of old outstanding government dues.

For a more comprehensive look at the financials of your Company over the last six years, refer to page 12.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Byco is a responsible corporate citizen and has focused its CSR efforts towards neighboring communities adjoining its refinery and on environmental initiatives. The Company concentrated on providing job opportunities, social services, engaging the youth positively through sports, and financially and materially supporting these underserved communities.

Byco has overhauled its CSR strategies in the wake of the pandemic, cementing its commitment to serve society. The Company joined hands with Saylani Welfare Trust to distribute ration bags to over 1,000 families and daily wage workers in Hub, Balouchistan. The Company distributed masks, food rations, and basic hygiene products to support low-income groups whose livelihood got badly affected during the crisis period. The Company, by collaborating with DHO Lasbella, also played a key role in carrying vaccination drives for the village residents near its refineries. Byco immediately implemented critical SOP's, an awareness campaign, and took precautionary measures at all retail stations and offices for the safety of employees and customers. Byco was one of the first corporates to get its employees vaccinated while strictly adhering to SOPs. The Company also launched a pro-vaccination digital campaign to counter the anti-vaccination hysteria.

Byco is conscious of climate change and seeks to offset its carbon emissions by reducing the carbon footprint from its operations by extensive capital investments, as well as planting trees on a large scale in collaboration with private sector partners. The Miyawaki tree plantation visionary project initiated by Byco a few years ago has caught the public eye and recently there have been other corporations and organisations which have opted to use this tested process. Byco has and continues to plant thousands of trees annually near its refineries as well as in the city of Karachi.

ENVIRONMENT, HEALTH, SAFETY AND SECURITY (EHSS)

The organization has endeavored to ensure that the world class EHS standards are maintained for operational sites. The Company employs Dupont safety procedures and protocols in its operations and strives to continuously improve EHS standards in its operations, to raise its bar towards international best practices and systems. As a result the refineries achieved 18 million safe man-hrs without a lost time work injury.

Some of key advancement in EHS are, progressive motivation program for the Company & contractors employees, introduction of tangible KPIs in terms of both leading and lagging indicators, robust management of change system and high level risk assessments (PHAs) of already installed and new projects. The company is zealous to accomplish interdependent EHS culture where everyone feel pride to practice safety and take care of others safety as well.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The composition of the Board is in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, applicable on listed entities, which is given below:

Number of Directors	
Male	06
Female	01
Total	**07**

Composition of the Board of Directors	
Independent directors	02
Non-executive directors	03
Executive director	01
Female non-executive director	01

During the financial year, following were the directors of the Company:

Name of Director	
Mr. Amir Abbassciy	Executive Director
Mr. Akhtar Hussain Malik (Resigned on 1st January 2021)	Independent Director
Mr. Tabish Gauhar (Resigned on 11th October 2020)	Independent Director
Mr. Syed Arshad Raza	Non - Executive Director
Mr. Mohammad Wasi Khan	Non - Executive Director
Mr. Muhammad Yasin Khan	Non - Executive Director
Mrs. Uzma Abbasi	Non – Executive Director
Mr. Amir Waheed Ahmed (Appointed on 7th January 2021)	Independent Director
Mr. Muhammad Usama Qureshi (Appointed on 3rd February 2021)	Independent Director

The Board of Directors are pleased to confirm that system of internal control is sound in design and has been effectively implemented and monitored.

The details of remuneration package of each of the directors and chief executive are available on page 67 of the Annual Report.

The Board has formed Sub-Committees that have significantly contributed to achieving desired objectives. These Committees include:

AUDIT COMMITTEE

Amir Waheed Ahmed	Chairman
Muhammad Usama Qureshi	Member
Muhammad Yasin Khan	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Usama Qureshi	Chairman
Syed Arshad Raza	Member
Uzma Abbasi	Member

RISK MANAGEMENT COMMITTEE

Amir Abbassciy	Chairman
Muhammad Usama Qureshi	Member
Amir Waheed Ahmed	Member

PATTERN OF SHAREHOLDING

- The pattern of shareholding and additional information as at 30th June 2021 appears on page 126 of the Annual Report.
- Cnergyico Mu Incorporated (formerly known as Byco Industries Incorporated), based in Mauritius, holds 78.70% shares, financial institutions and banks and others hold 9.45% shares, and 11.85% shares are held by individuals.

External Auditors

Auditors for the year ending June 30, 2022 shall be appointed at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the co-operation extended to your Company by Government of Pakistan including reducing the discount rate, relaxing the loan conditions, salary refinance scheme etc. and strategic partners including financial institutions, vendors, suppliers, customers and shareholders of your Company.

We thank our dedicated employees for their commitment towards sustainable operations.

For and on behalf of the Board of Directors

Chief Executive Officer
Karachi
September 23rd, 2021

Director

بورڈ آف ڈائریکٹرز کی تعداد

مرد	06
عورت	01
ٹوٹل	07

بورڈ آف ڈائریکٹرز کی ترتیب

آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز	01
عورت ڈائریکٹر	01

سال رواں کے دوران مندرجہ ذیل کمپنی کے بورڈ آف ڈائریکٹرز میں شامل رہے:

ڈائریکٹر کا نام	
جناب عامر عباسی	ایگزیکٹو ڈائریکٹر
جناب اختر حسین ملک (1 جنوری 2021 کو مستعفی ہوئے)	آزاد ڈائریکٹر
جناب تابش گوہر (11 اکتوبر 2020 کو مستعفی ہوئے)	آزاد ڈائریکٹر
جناب سید ارشد رضا	نان ایگزیکٹو ڈائریکٹر
جناب محمد وصی خان	نان ایگزیکٹو ڈائریکٹر
جناب محمد یاسین خان	نان ایگزیکٹو ڈائریکٹر
محترمہ عظمٰی عباسی	نان ایگزیکٹو ڈائریکٹر
جناب عامر وحید احمد (7 جنوری 2021 کو مقرر ہوئے)	آزاد ڈائریکٹر
جناب محمد اسامہ قریشی (3 فروری 2021 کو مقرر ہوئے)	آزاد ڈائریکٹر

بورڈ آف ڈائریکٹرز انتہائی مسرت سے اس بات کی تصدیق کراتے ہیں کہ داخلی کنٹرول کا نظام مستحکم بناوٹ کا حامل ہے اور اس کا موثر نفاذ اور نگرانی کی گئی ہے۔

ہر ایک ڈائریکٹر اور چیف ایگزیکٹو کے معاوضہ پیکج کی تفصیلات سالانہ رپورٹ کے صفحہ 67 پر دستیاب ہیں۔

بورڈ نے چند ذیلی کمیٹیاں تشکیل دی ہیں جنھوں نے مطلوبہ اہداف کے حصول میں نمایاں کردار ادا کیا ہے۔ ان کمیٹیوں میں شامل ہیں:

آڈٹ کمیٹی

جناب عامر وحید احمد	چیئرمین
جناب محمد اسامہ قریشی	ممبر
جناب محمد یاسین خان	ممبر

ہیومن ریسورس اور مشاہرہ کمیٹی

جناب محمد اسامہ قریشی	چیئرمین
جناب سید ارشد رضا	ممبر
محترمہ عظمٰی عباسی	ممبر

رسک مینجمنٹ کمیٹی

جناب عامر عباسی	چیئرمین
جناب محمد اسامہ قریشی	ممبر
جناب عامر وحید احمد	ممبر

شئیر ہولڈنگ کی ساخت

30 جون 2021 کو شیئر ہولڈنگ اور اضافی معلومات کی ساخت سالانہ رپورٹ کے صفحہ 126 پر موجود ہے۔

ماریشس میں مقیم Cnergyico Mu Incorporated (جو کہ پہلے بائیکو انڈسٹریز انکارپوریٹڈ کے نام سے جانا جاتا تھا) 78.70 فیصد شیئرز کا مالک ہے، مالیاتی ادارے اور بینک اور دیگر 9.45 فیصد شیئرز رکھتے ہیں جبکہ افراد واحد 11.85 فیصد شیئرز رکھتے ہیں۔

ایکسٹرنل آڈیٹرز

آڈیٹر کا 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے تقرری کا فیصلہ کمپنی کے آئندہ سالانہ اجلاس میں کیا جائیگا۔

اظہار تشکر

بورڈ حکومت پاکستان کے ڈسکاؤنٹ ریٹ میں کمی، قرض کی شرائط میں نرمی، تنخواہ کی ری فنانس اسکیم وغیرہ، مالیاتی ادارے بشمول اسٹریٹیجک پارٹنرز، آپ کی کمپنی کے سپلائرز، کسٹمرز اور شیئر ہولڈرز کی جانب سے کمپنی کو فراہم کردہ تعاون پر تہہ دل سے ممنونیت کا اظہار کرتے ہوئے انہیں خراج تحسین پیش کرتا ہے۔

ہم مستحکم کاروباری سرگرمیوں کے لئے اپنے پر خلوص اور احساس ذمہ داری سے بھرپور ملازمین کے بھی شکرگزار ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر

کراچی

23 ستمبر، 2021

ڈائریکٹر

کمپنی کی طویل مدت اور قلیل مدت کریڈٹ ریٹنگ بلترتیب A- (اے مائنس) اور A2 (اے ٹو) ہے۔ یہ کریڈٹ ریٹنگ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کی ہے۔ یہ ریٹنگ کمپنی کے کم کریڈٹ رسک اور مالی وعدوں کو بروقت پورا کرنے کی صلاحیت کی نمائندگی کرتی ہے۔ مزید یہ کہ سال کے دوران کمپنی نے مقامی خام تیل فراہم کرنے والوں کے پرانے واجبات کو بھی ادا کر دیا۔

اجتماعی بنیاد پر، گروپ کا فی حصص منافع 0.55 روپے (تحلیل شدہ: 0.54) (2020: بنیادی اور تحلیل شدہ فی حصص خسارہ 0.55 روپے) رہا۔ بائیکو آئسومرائزیشن پاکستان (پرائیویٹ) لمیٹڈ (BIPL)، جو کہ کمپنی کی مکمل ملکیت کا حامل ذیلی ادارہ ہے، نے بنیادی طور پر پائیدار اثاثوں کی تخفیف قدر کے باعث 851 ملین روپے کا حتمی نقصان برداشت کیا۔ توقع کی جاتی ہے کہ BIPL ریفائنریز کے بڑھتے ہوئی پیداواری عمل کے ساتھ منافع حاصل کرے گا۔ سرکاری واجبات کی ادائیگی میں تاخیر ہوئی ہے (جیسا کہ مالی بیانات میں نوٹ 23 میں بتایا گیا ہے) جس کی وجہ فنڈز کی وصولی اور پرانے سرکاری واجبات کی ادائیگی میں تاخیر ہے۔

پچھلے چھ سالوں میں اپنی کمپنی کے مالیاتی گوشواروں کو زیادہ جامعیت کے ساتھ دیکھنے کے لئے صفحہ 12 ملاحظہ کریں۔

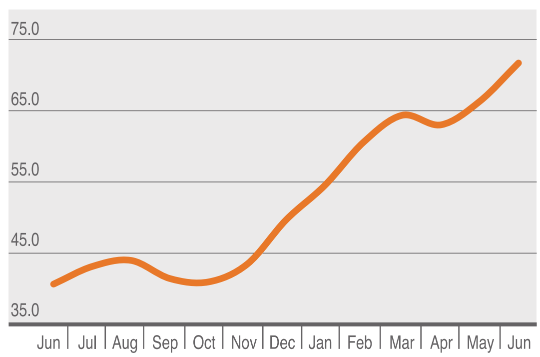
کاروباری سماجی ذمہ داری (CSR)

بائیکو ایک ذمہ دار کارپوریٹ شہری ہے اور اس نے اپنی CSR کی کوششوں کو اپنی ریفائنری سے متصل بستیوں اور مختلف ماحولیاتی اقدامات پر مرکوز کیا ہے۔ کمپنی نے ملازمت کے مواقع، سماجی خدمات، نوجوانوں کی کھیلوں کے ذریعے مثبت انداز میں تربیت کرنے اور غریب طبقات کی مالی اور مادی مدد کرنے پر توجہ دی ہے۔

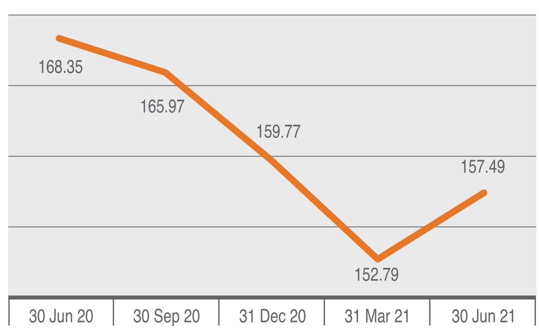
بائیکو نے کورونا وائرس سے ہونے والے وبائی مرض کے تناظر میں اپنی CSR حکمت عملیوں کی اصلاح کرتے ہوئے اپنے معاشرے کی خدمت کے عزم کو مزید مضبوط کیا ہے۔ کمپنی نے سیلانی ویلفیئر ٹرسٹ کے ساتھ مل کر ایک ہزار سے زائد خاندانوں اور یومیہ اجرت پر کام کرنے والے افراد میں راشن بیگ تقسیم کیے۔ کمپنی نے کم آمدنی والے افراد، جو کہ کورونا وائرس سے منسلک معاشی بحران سے بری طرح متاثر ہوئے ہیں، کے درمیان ماسک، کھانے کا راشن، اور بنیادی حفظان صحت کی مصنوعات تقسیم کیں۔ کمپنی نے DHO لسبیلہ کے ساتھ مل کر اپنی ریفائنریز کے قریب گاؤں اور آبادیوں میں ویکسینیشن مہم چلانے میں بھی کلیدی کردار ادا کیا۔ بائیکو نے ملازمین اور صارفین کی حفاظت کے لیے اپنے تمام ریٹیل اسٹیشنوں اور دفاتر میں سختی سے SOPs پر عمل کیا، احتیاطی تدابیر اختیار کیں، اور آگاہی مہم بھی چلائی۔ بائیکو کورونا وائرس SOPs پر سختی سے عمل کرتے ہوئے اپنے ملازمین کو سب سے پہلے ویکسین لگوانے والی کمپنیوں میں سے ایک ہے۔ کمپنی نے ویکسینیشن سے منسلک افواہوں اور جھوٹی خبروں کے خلاف بھی ایک ڈیجیٹل مہم چلائی۔

بائیکو موسمیاتی تبدیلیوں سے آگاہ ہے اور اپنے کاربن کے اخراج کی تلافی اپنی کاروباری سرگرمیوں سے کاربن کے اثرات کو بڑے پیمانے پر سرمایہ کاری کر کے کم کرنے اور اس کے ساتھ ساتھ نجی شعبے کے شراکت داروں کے ساتھ مل کر بڑے پیمانے پر درخت لگانے کی کوشش کر رہی ہے۔ بائیکو نے چند سال پہلے میاواکی طریقہ کار پر مبنی شجرکاری کے منفرد پراجیکٹ کا آغاز کیا جس نے عوام کی توجہ حاصل کی ہے اور اب دیگر کارپوریشنز اور تنظیموں نے بھی اس آزمودہ عمل کو اپنایا ہے۔ بائیکو اپنی ریفائنریز کے گردونواح اور کراچی شہر میں سالانہ ہزاروں درخت لگاتا رہا ہے۔

خام تیل کی بین الاقوامی قیمتیں



پاکستانی روپیہ / بہ مساوی امریکی ڈالر



ماحول، صحت، سیفٹی، اور سیکیورٹی (EHSS)

آپریشنل سائنس کے لئے بائیکو نے عالمی سطح کے EHS کے معیار کو برقرار رکھنے کی کوشش کی ہے۔ کمپنی اپنی سرگرمیوں میں DuPont کے حفاظتی طریقہ کار اور پروٹوکولز کو استعمال کرتی ہے اور EHS کے میدان میں ہر وقت بہتری لانے کے لیے کوشاں رہتی ہے تاکہ اعلیٰ ترین بین الاقوامی طریقوں پر مبنی اپنی پالیسیوں کو مزید بہتر بنانے کیلئے اپنا معیار بڑھا سکے۔ اس کے نتیجے میں ریفائنری نے وقت ضائع کئے بنا اور کام میں زخمی ہوئے بغیر 18 ملین محفوظ انسانی گھنٹے حاصل کئے۔

EHS میں کچھ اہم پیشرفت ہوئیں جس میں BPPL اور کنٹریکٹ ملازمین کے لئے حوصلہ افزائی کے پروگرام، نمایاں اور پسماندہ اشاروں پر مبنی ٹھوس KPIs کا تعارف، تبدیلی کے نظام کا مضبوط انتظام اور پہلے سے نصب شدہ اور نئے منصوبوں کے اعلیٰ سطحی کے خطرے کی تشخیص (PHAs) کا نظام شامل ہیں۔ کمپنی باہمی انحصار پر مبنی EHS کلچر کو اپنانے کے لیے پرجوش ہے جہاں ہر کوئی حفاظتی اقدامات پر عمل کرنے اور دوسروں کی حفاظت کا خیال کرنے میں فخر محسوس کرے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

بورڈ کی ترتیب کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے درج کردہ شرائط کے مطابق تشکیل دی گئی ہے جو ذیل میں دیے گئے ہیں:

ڈائریکٹرز رپورٹ

برائے اختتام سال 30 جون 2021

شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم والا ہے۔

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ کے ساتھ محاسب شدہ، انفرادی، اوریکجا مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

اس سال مشکل کاروباری حالات کے باوجود کمپنی نے اجتماعی اور انفرادی بنیادوں پر 142.1 ارب روپے (جون 2020: 173.8 ارب روپے) کی فروخت ریکارڈ کی۔ کمپنی نے 8.1 ارب روپے کا مجموعی منافع (جون 2020: 2.9 ارب روپے) اور 3.6 ارب روپے کا خالص منافع (جون 2020: 2.4 ارب روپے خسارہ) کمایا۔ منافع میں اضافہ بنیادی طور پر بروقت انوینٹری مینجمنٹ سے منسوب کیا جاتا ہے جس میں اختلال انگیز واقعات پر کڑی نظر، تیل کی بین الاقوامی قیمتوں کی نقل و حرکت، اور مقامی مارکیٹ میں طلب اور رسد کی تبدیلی کو دیکھتے ہوئے خام تیل کا حصول شامل ہے۔ صنعتی اور کمپنی کی کارکردگی کو متاثر کرنے والے عوامل کی تفصیلات مندرجہ ذیل ہیں۔

کمپنی کی بنیادی آمدنی فی حصص 0.67 روپے رہی (تحلیل شدہ: 0.65) جو کہ پچھلے سال فی حصص 0.46 روپے خسارہ (تحلیل شدہ: 0.46) تھی۔ اب بھی مسلسل وبائی مرض COVID-19 اور تیل کی قیمتوں میں اتار چڑھاؤ کو مد نظر رکھتے ہوئے ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ کی تجویز نہیں دی۔

جیسا کہ اوپر ذکر کیا جا چکا ہے، سال بھر COVID-19 سے پیدا ہونے والے نئے معمولات زندگی کی وجہ سے تیل کی بین الاقوامی قیمتوں میں اضافے کا رجحان برقرار رہا۔ مختلف معیشتوں کے کھلنے سے عالمی سطح پر تیل کی کھپت اپنی سابقہ سطح کے قریب پہنچ گئی ہے اور یہ توقع کی جاتی ہے کہ تیل کی مانگ مضبوط رہے گی جس سے تیل کی قیمت بلند رہے گی جب تک کہ کوئی خلل سپلائی کی طرف سے نمایاں اضافہ نہ ہو۔

پاکستان میں تیل کی کھپت، خاص طور پر پیٹرول (MS) اور ڈیزل (HSD)، میں پچھلے سال کے مقابلے میں بہتری آئی۔ فرنس آئل (FO) ریفائنریز کے لیے کم مانگ والی پروڈکٹ رہی اور اس کی ماہانہ طلب کم از کم 163K MT اور زیادہ سے زیادہ 374K MT کے درمیان رہی۔ اس ناہموار رجحان کا ریفائنریز کی پیداوار پر براہ راست اثر پڑا اور سب ریفائنریز ایک مستقل حل تلاش کرنے کے لیے جدوجہد کر رہی ہیں۔ ملک میں FO کی کم کھپت کے مسئلے کو حل کرنے کے لئے کمپنی خام تیل کے نئے گریڈوں کا جائزہ لے رہی ہے جن پر سال بھر میں مختلف ٹیسٹ کئے گئے اور نتائج مثبت نکلے۔

یکم ستمبر 2020 سے حکومت پاکستان نے پیٹرول اور ڈیزل کے پرائسنگ فارمولے پر نظر ثانی کی اور مصنوعات کی قیمتیں اب ماہانہ ایک بار کے برعکس دو بار طے کی جاتی ہیں۔ مزید یہ کہ یکم اپریل 2021 سے حکومت پاکستان نے آئل مارکیٹنگ کمپنی (OMC) کے مارجن کو بھی 2.81 روپے فی لیٹر سے تبدیل کر کے 2.97 فی لیٹر کر دیا۔ قیمتوں میں یہ دونوں تبدیلیاں موجودہ سال کے لیے کمپنی کے منافع کا ایک اہم عنصر ہیں۔

رواں مالی سال میں پاکستانی کرنسی کی قدر میں 6.4 فیصد اضافہ ہوا جس کے نتیجے میں مجموعی طور پر 465 ملین روپے کا مبادلاتی منافع ہوا جبکہ گزشتہ مالی سال میں پاکستانی کرنسی کی قدر میں 3.5 فیصد کمی کے باعث مجموعی طور پر 514 ملین روپے کا مبادلاتی خسارہ ہوا تھا۔

ریفائنریز نئی آئل ریفائنری پالیسی کا بے تابی سے انتظار کر رہی ہیں جس میں توقع کی جاتی ہے کہ موجودہ ریفائنریز کو اپ گریڈ کرنے اور نئی ڈیپ کنورژن ریفائنریز کے قیام کے لیے مراعات دی جائیں گی۔ اس معاملے میں کمپنی حکومت کے تعاون کو سراہتی ہے اور مثبت نتائج کی توقع رکھتی ہے۔ کمپنی نے صنعتی قیادت کرتے ہوئے پہلے ہی اپنی ریفائنریز کو اپ گریڈ کرنے کا عمل شروع کر دیا ہے تاکہ کمپنی اپنے صارفین کو زیادہ ماحول دوست مصنوعات مہیا کر سکے اور ملک میں FO کی گرتی ہوئی کھپت کا حل نکال سکے۔

آئیسومرائزیشن یونٹ، جو کہ کمپنی کی مکمل ملکیت کے حامل ذیلی ادارے کا شعبہ ہے، ہموار طریقے سے چل رہا ہے اور فی الحال تمام لائٹ نیفتھا (Light Naphtha) کو با آسانی پیٹرول میں تبدیل کیا جا رہا ہے جس نے ریفائنری کے مارجن کو سہارا دیا ہے۔ مزید یہ کہ کمپنی نے آئسومرائزیشن پلانٹ کی اضافی صلاحیت کو استعمال کرنے کے لیے ایک مقامی ریفائنری کے ساتھ نیفتھا کی خریداری کا معاہدہ بھی کیا اور کامیابی کے ساتھ اسے پیٹرول میں تبدیل کیا جس سے اضافی منافع حاصل ہوا۔

کمپنی کے مارکیٹنگ بزنس نے بھی مارکیٹ میں اپنے قدم مزید مضبوطی سے جمائے اور سال کے دوران 24 نئے ریٹیل سٹیشنوں کا افتتاح کیا گیا جس سے مجموعی تعداد 415 ہو گئی۔

سنگل پوائنٹ مورنگ (SPM) کی سہولت نے خام تیل کی بروقت فراہمی کے لیے تعاون جاری رکھا۔ کمپنی کی SPM کی سہولت ملک میں خام تیل کی درآمد کا تقریباً ایک چوتھائی حصہ سنبھال رہی ہے اور اس طرح ملک کے بنیادی آئل ڈھانچہ میں مسلسل اپنی اہمیت ثابت کر رہی ہے۔ کمپنی پاکستان کی واحد آئل کمپنی ہے جس کے پاس بذاتِ خود Tier-1 آئل اسپل ریسپانس کی صلاحیت موجود ہے۔

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “Regulations”)

Byco Petroleum Pakistan Limited (the “Company”)
Year ending 30th June 2021

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are 07 as per the following,
   a. Male: 06
   b. Female: 01

2. The composition of the Board is as follows:

Category			Names
i.	Independent directors	02	Mr. Amir Waheed Ahmed Mr. Muhammad Usama Qureshi
ii.	Non-executive directors	03	Mr. Syed Arshad Raza Mr. Mohammad Wasi Khan Mr. Muhammad Yasin Khan
iii.	Executive directors	01	Mr. Amir Abbassciy
iv.	Female directors	01	Mrs. Uzma Abbasi

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the “Act”) and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board remained compliant with the provision of the Regulations pertaining to the directors’ training program. Out of seven directors, one (01) director has requisite experience to be exempted from training program as mentioned in regulation No 20, sub-regulation 2 of the Regulations. Three (03) directors on the Board have already attended the Directors’ Training program in prior years, whereas for remaining three (03) directors, the training was planned during the second half of the financial year 2020-21, however, due to pandemic it could not be materialized;

10. During the year, no change was occurred in the positions of Chief Financial Officer, Company Secretary and Head of Internal Audit. Their remuneration and terms and conditions of employment complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

a) Audit Committee
Amir Waheed Ahmed, Chairman
Muhammad Usama Qureshi, Member
Muhammad Yasin Khan, Member

b) Human Resource and Remuneration Committee
Muhammad Usama Qureshi, Chairman
Syed Arshad Raza, Member
Uzma Abbasi, Member

c) Risk Management Committee
Amir Abbassciy, Chairman
Muhammad Usama Qureshi, Member
Amir Waheed Ahmed, Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following,

a) Audit Committee – **Every Quarter (05)**
b) Human Resource and Remuneration Committee – **Half Yearly (02)**
c) Risk Management Committee – **NIL**

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation for not rounding up the fractional number under Regulation 6 is a follows:

Regulation 6(1) of the Regulations stipulates that it is mandatory for each listed company to have at least two or one third members of the Board, whichever is higher, as independent directors. In a Board comprising of 7 directors, one third would equate 2.333 persons. Since the fractions is below half (0.5), accordingly the fraction contained in such one-third is not rounded up as one.

Mohammad Wasi Khan
Chairman

Dated: September 23rd, 2021

Independent Auditors' Review Report

To the members of Byco Petroleum Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Byco Petroleum Pakistan Limited** (the Company) for the year ended **30 June 2021** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Chartered Accountants
Place: Karachi

Dated: September 30th, 2021

EY
Building a better working world

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Independent Auditors' Report

To the members of Byco Petroleum Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Byco Petroleum Pakistan Limited** (the Company), which comprise the unconsolidated statement of financial position as at **30 June 2021,** and the unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Impairment assessment of investment in a Byco Isomerisation Pakistan (Private) Limited (BIPL)	
As disclosed in note 5, the Company carries an investment in BIPL (fully owned subsidiary) amounting to Rs 16,931.504 million. In respect of the above investment in BIPL, the impairment triggers were identified by the management and accordingly, impairment tests were carried out in accordance with the requirements of the applicable accounting standards. Such impairment tests involve estimation of future cash flows from the operations of the above entities to determine the recoverable amount in respect of the above referred investments. Due to the management judgments and estimates and other uncertain factors involved in these impairment tests carried out by the management, we have considered the determination of the recoverable amount of the related assets as a Key Audit Matter.	Our key procedures in relation to the impairment tests carried out by the management for investment in BIPL were as follows: - we considered the triggers and indicators requiring impairment assessment in respect of the above asset; - we assessed the appropriateness of the methodology used by the management for carrying out the impairment test in accordance with the requirements of the applicable accounting standards; - we checked the key inputs and assumptions used to prepare the future cash flow projection of the respective entities including the commercial assumptions used for this purpose. We involved our internal specialists to perform such review. In this regard, we also considered the business plan of the subject entity and the actual results achieved in relation to the previous plan; and

Key audit matters	How the matter was addressed in our audit

1. Impairment assessment of investment in a Byco Isomerisation Pakistan (Private) Limited (BIPL)

	- we assessed the sensitivity analysis on key assumptions and evaluated the results. We also assessed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with the financial reporting standards.

2. Recoverability and recognition of deferred tax asset

As disclosed in note 8, the Company has recognized deferred tax asset on unused business losses and unabsorbed depreciation amounting to Rs. 4,977.341 million. In order to ascertain that sufficient future taxable profits will be available, the management has prepared future projections of taxable profits by taking into account various assumptions mainly comprising of future throughput of the refinery, average inflation and exchange rates, growth rate and timing of reversals. The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the significant value of deferred tax asset and the assessment of future taxable income involves significant management judgement about future business and economic factors.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. We evaluated the appropriateness of the components on which the Company has recognized deferred tax asset in light of the requirements of the Income Tax Ordinance, 2001, considering factors including age and the expiry of the deferred tax asset and tax rates enacted. For this purpose, we involved our internal tax specialist to assist us. We evaluated the Company's assumptions and estimates in relation to the likelihood of generating future taxable income, principally by performing sensitivity analysis and testing the key assumptions used by the management. We have also assessed the adequacy of the Company's disclosures in accordance with relevant laws as applicable in Pakistan.

3. Overdue trade receivables

As disclosed in note 10.1, the Company has an overdue trade receivable balance of Rs. 9,676.727 million on which Company carries an aggregate provision amounting to Rs. 7,618.435 million. Management considers certain specific factors including the age of the balance, existence of disputes, recent payment patterns and arrangements and any other available information with respect to the credit worthiness and reliability of the counterparties. Management uses this information to determine whether a provision for impairment is a required at a specific or overall balance level. We focused on this area due to the materiality of the amounts involved and because determination with respect to realizability of the receivables involves significant management's judgement which is based on the number of factors which are inherently subjective and due to the materiality of the amounts involved.	Our audit procedures amongst other included: - Reviewed agreements with the customers for agreed terms and conditions and latest financial information of the customers, wherever available; - Ensured that the receivable arising out of sales are on the prices that are in agreement with respective customers' terms and conditions; - Reviewed related correspondences between the Company and relevant parties, and held discussions at appropriate level of management to assess their views on the recoverability and timing of settlement of relevant receivables and steps taken for recoverability of these receivables; - Circularize confirmation to the Company's external legal advisor for their view on the recoverability of the receivables; - Considered management's process for determining the provision for impairment, discussed judgement exercised by them. We also reviewed minutes of the Board and Audit committee and checked relevant approvals in this regard; and - Reviewed related disclosures in the unconsolidated financial statements.

Key audit matters	How the matter was addressed in our audit
4. Stock-in-trade	
As disclosed in note 9 to the unconsolidated financial statements the stock-in-trade balance amounts to Rs. 33,584.673 million which constitutes 24% of total assets of the Company. Stock-in-trade comprises of crude oil, high speed diesel, motor gasoline and other related petroleum products with differing characteristics. The stock-in-trade volume determination process starts by obtaining dips and measuring the temperature and density at the same time. That measured data is then used to determine the volume by using the parameters and applying the dynamics of respective tanks, which were determined at the time of commissioning of tanks. We focused on stock-in-trade as it is a significant portion of company's total asset and involves complexities in determination of volume.	We performed a range of audit procedures in respect of inventory items including, amongst others physical observation of inventory counts, testing valuation methods and their appropriateness in accordance with the applicable accounting standards. We involved an external expert, to assist us in taking the dips, determining volume based on the calibration charts and determining nature / characteristics of the stock-in-trade. We re-performed the working for determination of volume, based on the calibration charts on a sample basis. We obtained samples of inventories from the storage tanks to determine the nature / characteristics of the stock-in-trade. Such samples were then sent to the external expert's laboratory to determine the nature of the stock. We also assessed the adequacy of the disclosure made in respect of the accounting policies and details of inventory balances held by the Company at the year end.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.

Chartered Accountants
Place: Karachi

Dated: September 30th, 2021

Unconsolidated

Statement of Financial Position

As at 30 June 2021

(Rupees in '000)

	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**71,511,881**	70,790,402
Long-term investment	5	**16,931,504**	16,931,504
Long-term loans and advances	6	**568,231**	723,207
Long-term deposits	7	**337,712**	112,423
Deferred taxation	8	**901,548**	1,145,880
		90,250,876	89,703,416
CURRENT ASSETS			
Stores and spares		**2,081,378**	2,040,667
Stock-in-trade	9	**33,584,673**	22,878,892
Trade debts	10	**4,556,175**	4,356,855
Loans and advances	11	**1,560,131**	1,362,133
Trade deposits and short-term prepayments	12	**52,427**	22,477
Accrued interest		**362,032**	312,784
Other receivables	13	**2,162,185**	1,979,163
Taxation - net		**1,138,264**	1,040,546
Cash and bank balances	14	**2,249,958**	2,319,220
		47,747,223	36,312,737
Total assets		**137,998,099**	126,016,153
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	**53,298,847**	53,298,847
Reserves		**(27,547,611)**	(31,596,513)
Surplus on revaluation of property, plant and equipment		**3,115,366**	3,641,342
		28,866,602	25,343,676
Contribution against future issue of shares	16	**979,418**	857,140
		29,846,020	26,200,816
NON-CURRENT LIABILITIES			
Long-term financing	17	**21,897,037**	19,827,184
Accrued and deferred mark-up	18	**5,774,166**	6,525,172
Long-term lease liabilities	19	**1,029,047**	1,200,043
Long-term deposits	20	**269,500**	120,175
Deferred liabilities	21	**548,129**	609,314
Deferred income - government grant	22	**3,501**	12,037
		29,521,380	28,293,925
CURRENT LIABILITIES			
Trade and other payables	23	**54,179,277**	41,085,844
Advance from customers	24	**2,851,374**	2,948,271
Accrued mark-up	25	**568,226**	893,415
Short-term borrowings - secured	26	**15,069,500**	23,907,984
Current portion of non-current liabilities		**5,934,329**	2,662,236
Current portion of deferred income - government grant	22	**26,966**	22,635
Unclaimed dividend		**1,027**	1,027
		78,630,699	71,521,412
CONTINGENCIES AND COMMITMENTS	27		
Total equity and liabilities		**137,998,099**	126,016,153

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated

Statement of Profit or Loss

For the year ended 30 June 2021

(Rupees in '000)

	Note	2021	2020
Turnover - net	28	**142,150,298**	173,898,930
Cost of sales	29	**(134,042,023)**	(171,002,486)
Gross profit		**8,108,275**	2,896,444
Administrative expenses	30	**(1,004,835)**	(934,122)
Selling and distribution expenses	31	**(576,360)**	(578,186)
Other expenses	32	**(1,497,696)**	(1,226,414)
Other income	33	**1,256,930**	1,371,874
		(1,821,961)	(1,366,848)
Operating profit		**6,286,314**	1,529,596
Finance costs	34	**(2,416,361)**	(3,960,395)
Profit / (loss) before taxation		**3,869,953**	(2,430,799)
Taxation	35	**(274,113)**	–
Profit / (loss) after taxation		**3,595,840**	(2,430,799)
Earning / (loss) per share - (Rupees)			
- Basic	36	**0.67**	(0.46)
- Diluted	36	**0.65**	(0.46)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated

Statement of Comprehensive Income

For the year ended 30 June 2021

(Rupees in '000)

	2021	2020
Profit / (loss) after taxation	**3,595,840**	(2,430,799)
Other comprehensive income / (loss) for the year		
Items that will not be reclassified subsequently to statement of profit or loss		
Re-measurement loss on defined benefit obligation - net of tax	**(72,914)**	(26,448)
Revaluation surplus on property, plant and equipment - net of tax	**–**	439,835
Total comprehensive profit / (loss) for the year	**3,522,926**	(2,017,412)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated

Statement of Changes in Equity

For the year ended 30 June 2021

(Rupees in '000)

		Capital Reserves			Revenue Reserve			
	Issued, subscribed and paid up capital	Merger reserve	Other capital reserve (note 17.12)	Revaluation surplus on property, plant and equipment	Accumulated Loss	Sub-total	Contribution against future issue of shares	Total
Balance as at June 30, 2019	53,298,847	(21,303,418)	3,214,209	3,693,051	(11,541,601)	27,361,088	857,140	28,218,228
Net loss for the year	–	–	–	–	(2,430,799)	(2,430,799)	–	(2,430,799)
Other comprehensive income / (loss) for the year - net of tax	–	–	–	439,835	(26,448)	413,387	–	413,387
Total comprehensive income / (loss) for the year	–	–	–	439,835	(2,457,247)	(2,017,412)	–	(2,017,412)
Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	–	–	–	(491,544)	491,544	–	–	–
Balance as at June 30, 2020	**53,298,847**	**(21,303,418)**	**3,214,209**	**3,641,342**	**(13,507,304)**	**25,343,676**	**857,140**	**26,200,816**
Net profit for the year	–	–	–	–	3,595,840	3,595,840	–	3,595,840
Other comprehensive (loss) for the year - net of tax	–	–	–	–	(72,914)	(72,914)	–	(72,914)
Total comprehensive income for the year	–	–	–	–	3,522,926	3,522,926	–	3,522,926
Revaluation on contribution against future issue of shares	–	–	–	–	–	–	122,278	122,278
Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	–	–	–	(525,976)	525,976	–	–	–
Balance as at June 30, 2021	**53,298,847**	**(21,303,418)**	**3,214,209**	**3,115,366**	**(9,458,402)**	**28,866,602**	**979,418**	**29,846,020**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated

Statement of Cash Flows

For the year ended 30 June 2021

(Rupees in '000)

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**3,869,953**	(2,430,799)
Adjustments for:			
Depreciation	4.1.4 & 4.3.3	**3,971,131**	3,794,549
Finance costs	34	**2,416,361**	3,960,395
Provision for doubtful debts	10.1	**1,421,925**	1,130,111
Loss / (gain) on disposal of assets	33	**149**	(2,713)
Interest income	33	**(987,728)**	(1,286,119)
Provision for gratuity	21.1.5	**81,252**	61,671
Net cash flows before working capital changes		**10,773,043**	5,227,095
(Increase) / decrease in current assets			
Stores and spares		**(40,711)**	(348,374)
Stock-in-trade		**(10,705,781)**	6,381,402
Trade debts		**(713,893)**	979,802
Loans and advances		**(43,022)**	(42,245)
Trade deposits and short-term prepayments		**(29,950)**	1,154
Other receivables		**(183,022)**	205,477
		(11,716,379)	7,177,216
Increase / (decrease) in current liabilities			
Trade and other payables		**13,461,280**	(6,839,850)
Advance from customers		**(96,897)**	(439,522)
		13,364,383	(7,279,372)
Cash generated from operations		**12,421,047**	5,124,939
Finance costs paid		**(3,014,674)**	(6,537,238)
Income taxes paid		**(97,717)**	(213,566)
Gratuity paid	21.1.5	**(90,000)**	(58,834)
Interest income received		**31,128**	73,354
Net cash generated from / (used in) operations		**9,249,784**	(1,611,345)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(4,570,547)**	(3,273,858)
Sale proceeds against disposal		**67**	5,472
Long-term deposits - net		**(75,964)**	(62,432)
Net cash used in investing activities		**(4,646,444)**	(3,330,818)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		**4,326,474**	(1,816,943)
Short-term borrowings - net		**(10,438,484)**	9,326,648
Payments against lease liabilities		**(160,592)**	(115,886)
Net cash (used in) / generated from financing activities		**(6,272,602)**	7,393,819
Net (decrease) / increase in cash and cash equivalents		**(1,669,262)**	2,451,656
Cash and cash equivalents - at the beginning of the year		**2,319,220**	(132,436)
Cash and cash equivalents - at the end of the year	37	**649,958**	2,319,220

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the repealed Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Company are listed on Pakistan Stock Exchange. The Company is a subsidiary of Cnergyico Mu Incorporated, (formerly Byco Industries Incorporated (BII)), Mauritius (the Parent Company). The Holding Company in turn is a subsidiary of Busientco Incorporated (formerly Byco Busient Incorporated (BBI)), Cayman Islands (the Ultimate Parent Company).

On 08th July 2021, shareholders of the Company passed special resolution in Extra Ordinary General Meeting and resolved that name of the Company changed from ‘Byco Petroleum Pakistan Limited’ to “Cnergyico PK Limited”. As at the date of authorization of these unconsolidated financial statements, the Company is in the process of meeting regulatory requirements due to which these unconsolidated financial statements have been prepared under the existing name of the Company.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company has two refineries with an aggregate rated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 415 (30 June 2020: 391) retail outlets across the country.

1.2 **Geographical location and address of business units**

Location / Address	Purpose
The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.	Head office
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	Refining unit

1.3 These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment, if any.

2 BASIS OF PREPARATION

2.1 **Statement of compliance**
These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017 (the Act); and

- Provisions of and directives issued under the Act

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

2.2 **Accounting convention**
These unconsolidated financial statements have been prepared under the historical cost convention except for:

- Property, plant and equipment which are carried at revalued amount in accordance with IAS 16 “Property, Plant and Equipment” as disclosed in note 3.1 and 4.1; and

- Employees’ retirement benefits which is carried at present value of defined benefit obligation net of fair value of plan assets in accordance with the requirements of IAS 19 “Employee Benefits”, as disclosed in note 3.11 and 21.1.

2.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except that the Company has adopted the following standards, amendments, interpretation and improvements to IFRS which became effective for the current year:

IFRS 3	Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7	Interest Rate Benchmark Reform (Amendments)
IAS 1 / IAS 8	Definition of Material (Amendments)

Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)

		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023

Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)

		IASB Effective date (annual periods beginning on or after)
IFRS 9	Fees in the '10 percent' test for the derecognition of financial liabilities	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurement	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

The above standards, amendments of IFRSs and improvements to accounting standards are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

		IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

2.4 Critical accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements, estimates and assumptions made by the management that may have a significant risk of material adjustments to the unconsolidated financial statements in the subsequent years are as follows:

i) Useful lives of items of property, plant and equipment (note 3.1 and 4.1);
ii) Impairment against investment in subsidiary (note 3.2);
iii) Provision for slow moving and obsolete stores and spares (note 3.4);
iv) Provision for doubtful debts and other receivables (note 3.7);
v) Impairment against non-financial assets (note 3.9);
vi) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 3.11 and 21.1);
vii) Surplus on revaluation of Property, plant and equipment (note 3.1);
viii) Provision for taxation (note 3.13, 8 and 35);
ix) Contingencies (note 3.20 and 27.1);
x) Determining the lease term of contracts with renewal and termination options (notes 3.10 and 19); and
xi) Leases - Estimating the incremental borrowing rate (notes 3.10 and 19).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Owned

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any, except for freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments which are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation. The surplus arising on revaluation is disclosed as surplus on revaluation of property, plant and equipment.

Depreciation is charged to unconsolidated statement of profit or loss, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates as disclosed in note 4.1 to the unconsolidated financial statements. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

The carrying values of the Company's property plant and equipment are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the unconsolidated statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property plant and equipment is recognised in the year of disposal.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in unconsolidated statement of profit or loss, the increase is first recognized in unconsolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in unconsolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to unconsolidated statement of profit or loss.

Capital work-in-progress
Capital work-in-progress, is stated at cost less accumulated impairment losses, if any. Cost consists of:

- expenditures incurred for the acquisition of the specific asset, dismantling, refurbishment, construction and installation of the asset so acquired.
- borrowing cost and exchange differences arising on foreign currency financings to the extent these are regarded as adjustment to interest costs for qualifying assets if its recognition criteria is met as mentioned in note 3.16 to the unconsolidated financial statements.
- interest expenses, exchange loss and other expenses as mentioned in note 4.2.3 and 4.2.4 to the unconsolidated financial statements.
- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

Right-of-use assets
The Company recognises a right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

3.2 Investment in subsidiary
Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the unconsolidated statement of profit or loss. These are classified as 'long-term investment' in the unconsolidated financial statements.

3.3 Stock-in-trade
All stock-in-trade is valued at the lower of cost and net realizable value (NRV). Stock-in-transit, if any, are valued at cost comprising invoice values plus other charges incurred as on the unconsolidated statement of financial position date.

Raw materials
Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis.

Finished products
Cost of finished products comprises of the cost of crude oil and appropriate production overheads. Production overheads are arrived at on the basis of average cost for the month per barrel of throughput.

Net realizable value in relation to finished products is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

3.4 Stores and Spares
These are stated at moving average cost less impairment loss, if any. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated realizable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the unconsolidated statement of profit or loss.

3.5 Advances and short-term prepayments
These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each unconsolidated statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.6 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Company performs under the contract.

3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets into following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) (FVOCI); and
- Financial assets at fair value through profit or loss (FVPL).

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in unconsolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not designated any financial asset at FVOCI.

Financial assets at FVPL
Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in unconsolidated statement of profit or loss.

This category also includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

The Company has not designated any financial asset at FVPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be at a risk of default when contractual payments are 90 days past due, unless there are factors that might indicate otherwise. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability at FVPL.

Financial liabilities at amortized cost
After initial recognition, borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in unconsolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in unconsolidated statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in unconsolidated statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements only when the Company has a legally enforceable right to set off and the Company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the unconsolidated financial statements.

3.8 Cash and cash equivalents
Cash and cash equivalents are stated at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks and running finance facility.

3.9 Impairment

Non-financial assets
The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in unconsolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in unconsolidated statement of profit or loss.

3.10 Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ii) Determination of the lease term for lease contracts with extension and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

iii) Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

iv) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the unconsolidated statement of profit or loss due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Staff retirement benefits

Defined benefit plan

The Company operates a funded gratuity scheme covering all its permanent employees who have completed minimum qualifying period of service. The Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out at 30 June 2021 and based on the actuarial valuation, the Company had recognised the liability for retirement benefits and the corresponding expenses. Actuarial gains and losses that arise are recognised in unconsolidated statement of comprehensive income in the year in which they arise. Past service costs are recognised immediately in unconsolidated statement of profit or loss irrespective of the fact that the benefits are vested or non-vested. Current service costs and any past service costs together with the effect of the unwinding of the discount on plan liabilities are charged to unconsolidated statement of profit or loss.

The amount recognised in the unconsolidated statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of plan assets.

Defined contribution plan

The Company operates a funded provident fund scheme for all its eligible employees. Equal contributions are made by the Company and the employees at 8.33% of the basic salary of the eligible employees.

3.12 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.13 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the unconsolidated statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the unconsolidated statement of financial position date.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each unconsolidated statement of financial position date and adjusted to reflect the current best estimate.

3.15 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Parent Company is stated at the rates at which these were received. Foreign currency payments by the Parent Company directly to foreign suppliers of plant and machinery foreign dismantling and refurbishment services providers are initially stated at Pak Rupees equivalent amount translated at the rates approximating to those ruling on the date of transaction. Thereafter, these are revalued and stated at the average of Pak Rupees exchange rates quoted by selected authorised dealers approximating to those ruling on the dates the related plant and machinery items are received in Pakistan (i.e. the date of the bill of entry as per the requirements of Foreign Exchange Manual 2018).

3.16 Borrowings and related costs

Borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets, that necessarily take substantial period of time to get ready for their intended use, are capitalized as a part of cost of those assets, until such time as the assets are substantially ready for intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds and exchange difference arising on foreign currency fundings to the extent those are regarded as adjustment to the interest cost, net of related interest income, if any.

3.17 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. The credit limits in contract with customers ranges from nil to 30 days. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods is recognised when control of goods have passed to the customer which coincide with the dispatch of goods to the customers.
- Export sales are recognised on the basis of product shipped to the customers.
- Handling and storage income, rental income on equipment and other services income is recognized on accrual basis.

3.18 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Mark-up on delayed payment charges are recognised on the time proportionate basis.

- Interest income on short-term deposits and interest bearing advances are recognised on the time proportionate basis.

- Scrap sales, dealership income and rental income are recognised on an accrual basis.

- Gain on disposal is recognised at the time of disposal of operating fixed assets.

3.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Contingencies

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

3.21 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.22 Foreign currencies translation

Transactions in foreign currencies are accounted for in Pakistan Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange which approximate those prevailing at the unconsolidated statement of financial position date. Exchange differences are recognised in the unconsolidated statement of profit or loss.

3.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive of the Company.

3.24 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend and other appropriations is subject to the covenant as mentioned in note 17.2.

3.25 Unclaimed dividend

Dividend declared and remained unpaid for the period of more than three years from the date it is due and payable.

3.26 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

4 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)

	Note	2021	2020
Operating fixed assets	4.1	**43,466,979**	46,473,967
Capital work-in-progress	4.2	**27,216,293**	23,119,047
Right-of-use assets	4.3	**828,609**	1,197,388
		71,511,881	70,790,402

4.1 Operating fixed assets

(Rupees in '000)

	COST / REVALUATION					ACCUMULATED DEPRECIATION					
	As at 01 July 2020	Additions* / transfers	Revaluation Surplus	Disposals	As at 30 June 2021	As at 01 July 2020	Charge for the year	Disposals	As at 30 June 2021	Written down as at 30 June 2021	Depreciation rate %
Owned											
Free hold land	966,668	–	–	–	966,668	–	–	–	–	966,668	–
Lease hold land	1,314,956	–	–	–	1,314,956	110,081	–	–	110,081	1,204,875	–
Building on free hold land, roads and civil works	1,768,810	29,507	–	–	1,798,317	426,832	72,996	–	499,828	1,298,489	4
Building on lease hold land	81,906	–	–	–	81,906	26,257	3,731	–	29,988	51,918	4
Plant and machinery	62,971,463	321,331	–	–	63,292,794	21,396,336	3,171,959	–	24,568,295	38,724,499	4-5
Generators	1,748,115	–	–	–	1,748,115	740,164	105,922	–	846,086	902,029	6.70
Furniture and fixtures	202,600	36,449	–	–	239,049	171,611	5,863	–	177,474	61,575	10
Filling stations (4.1.1)	784,381	33,126	–	–	817,507	572,239	80,409	–	652,648	164,859	5-12.5
Vehicles	89,753	3,467	–	–	93,220	85,534	2,096	–	87,630	5,590	20
Computer and allied equipments	391,840	68,836	–	(10,550)	450,126	323,104	58,679	(10,335)	371,448	78,678	33.33
Safety and lab equipments	1,360,250	4,388	–	–	1,364,638	1,354,617	2,222	–	1,356,839	7,799	20-25
	71,680,742	**497,104**	**–**	**(10,550)**	**72,167,296**	**25,206,775**	**3,503,877**	**(10,335)**	**28,700,317**	**43,466,979**	

* Additions of Rs. 497.104 million (30 June 2020: Rs. 1,063.539 million), as shown above, include an amount of Rs. 33.404 million (30 June 2020: Rs. 829.445 million) transferred from capital work-in-progress during the year, as shown in note 4.2.

(Rupees in '000)

	COST / REVALUATION					ACCUMULATED DEPRECIATION					
	As at 01 July 2019	Additions* / transfers	Revaluation Surplus	Disposals	As at 30 June 2020	As at 01 July 2019	Charge for the year	Disposals	As at 30 June 2020	Written down as at 30 June 2020	Depreciation rate %
Owned											
Free hold land	893,700	–	72,968	–	966,668	–	–	–	–	966,668	–
Lease hold land (4.1.2)	1,310,081	–	4,875	–	1,314,956	110,081	–	–	110,081	1,204,875	–
Building on free hold land, roads and civil works	1,572,886	16,106	179,818	–	1,768,810	365,681	61,151	–	426,832	1,341,978	4
Building on lease hold land	76,938	–	4,968	–	81,906	22,859	3,398	–	26,257	55,649	4
Plant and machinery	61,930,701	928,641	112,121	–	62,971,463	18,297,338	3,098,998	–	21,396,336	41,575,127	4-5
Generators	1,535,177	–	212,938	–	1,748,115	657,205	82,959	–	740,164	1,007,951	6.70
Furniture and fixtures	185,358	17,242	–	–	202,600	167,245	4,366	–	171,611	30,989	10
Filling stations (4.1.1)	718,536	65,845	–	–	784,381	473,974	98,265	–	572,239	212,142	5-12.5
Vehicles	98,830	–	–	(9,077)	89,753	88,951	2,949	(6,366)	85,534	4,219	20
Computer and allied equipments	359,241	32,721	–	(122)	391,840	273,393	49,785	(74)	323,104	68,736	33.33
Safety and lab equipments	1,357,266	2,984	–	–	1,360,250	1,353,154	1,463	–	1,354,617	5,633	20-25
	70,038,714	**1,063,539**	**587,688**	**(9,199)**	**71,680,742**	**21,809,881**	**3,403,334**	**(6,440)**	**25,206,775**	**46,473,967**	

4.1.1 The Company's assets located at filling stations are not in possession of the Company. In view of large number of dealers, the management considers it impracticable to disclose particulars of assets not in possession of the Company as required under para 12 of part II of the Fourth Schedule to the Companies Act, 2017.

4.1.2 During the year ended 30 June 2020, Company performed revaluation of the Company's freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments that resulted in revaluation surplus of Rs. 587.688 million. The valuation was carried out by an independent valuer, on the basis of present market values for similar sized plots in the vicinity of land and replacement values of similar type of land based on present cost. For other assets, numerous independent market inquiries from Civil Structures contractors, local and foreign machinery dealers / importers were made to establish the net present value and Forced Sale Value. (level 2)

The different levels have been defined in IFRS 13 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 liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cashflows). (level 3).

4.1.3 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

(Rupees in '000)

	Note	2021	2020
Free hold land		**56,154**	56,154
Lease hold land		**213,200**	213,200
Buildings on free hold land, roads and civil works		**1,219,538**	1,252,715
Building on lease hold land		**43,802**	47,202
Plant and machinery		**36,669,073**	38,810,343
Generators		**734,923**	820,037
Safety and lab equipments		**7,799**	5,633
		38,944,489	41,205,284

4.1.4 Depreciation charge for the year on operating assets has been allocated as follows:

	Note	2021	2020
Cost of sales	29.1	**3,374,012**	3,265,758
Administrative expenses	30	**48,269**	37,107
Selling and distribution expenses	31	**81,596**	100,469
		3,503,877	3,403,334

4.1.5 **Forced sale values of asset class:**

	2021	2020
Free hold land	**773,334**	773,334
Lease hold land	**963,900**	963,900
Buildings on free hold land, roads and civil works	**1,030,092**	1,073,581
Building on lease hold land	**40,788**	44,519
Plant and machinery	**26,248,452**	29,099,079
Generators	**599,643**	705,565
Safety and lab equipments	**5,678**	3,512
	29,661,887	32,663,490

4.1.6 Particulars of immovable assets of the Company are as follows:

Location	Unit of Measurement	Total area
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	Acre	620.45
Deh Redho, Tapo Noor Mohammad Shujrah, Taluka Khanpur, District Shikarpur	Acre	12.68
Mauza Gujrat, Mehmoodkot, Tehsil kot, Addu District, Muzaffargarh	Acre	12
Plot of Barani Land, Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	Acre	11
Mahal Jhamke (Machike), Tehsil & District Sheikhupura	Acre	9
Zero point (SPM), Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	Acre	5
Plot no. 22/5, CL 9, Hoshang Road, Civil Lines Quarter, Karachi	Sq. yard	2,975

4.2 Capital work-in-progress

The movement of capital work-in-progress during the year is as follows:

(Rupees in '000)

	Note	Opening Balance	Additions	Transfers	Closing balance 30 June 2021	Closing balance 30 June 2020
Building on free hold land, roads and civil works		691	2,199	(2,199)	**691**	691
Plant and machinery	4.2.1, 4.2.2, 4.2.3, 4.2.4 & 4.2.5	23,062,692	4,098,583	(1,337)	**27,159,938**	23,062,692
Furniture and fixtures		–	29,868	(29,868)	**–**	–
Filling stations		55,664	–	–	**55,664**	55,664
		23,119,047	4,130,650	(33,404)	**27,216,293**	23,119,047

4.2.1 Includes plant and machinery amounting to USD 4 million (30 June 2020: USD 4 million) against which shares to be issued as disclosed in note 16.1 to these unconsolidated financial statements.

4.2.2 Includes dismantling and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Company as disclosed in note 16.2 to these unconsolidated financial statements.

4.2.3 Capitalization of borrowing costs amounting to Rs. 1,151.672 million (30 June 2020: Rs. 1,777.734 million) have been determined at the rate of 7% (30 June 2020: 11%) per annum.

4.2.4 Plant and machinery includes exchange difference of Rs. 122.279 million (30 June 2020: Rs. NIL million).

4.2.5 Includes units for refinery upgradation that are currently under construction/progress and will become operational as per the projected plans of the Comapny.

4.3 Right-of-use assets

(Rupees in '000)

	Note	2021	2020
Year ended June 30			
Opening net book value		**1,197,388**	1,537,396
Additions		**98,475**	51,207
Less: Depreciation charge for the year	4.3.3	**(467,254)**	(391,215)
Closing net book value		**828,609**	1,197,388
As at June 30			
Cost		**1,683,489**	1,588,603
Accumulated depreciation		**(854,880)**	(391,215)
Net book value		**828,609**	1,197,388

4.3.1 Breakup of net book value of right-of-use assets by class of underlying asset is as follows:

(Rupees in '000)

	2021	2020
Lease hold land	**495,188**	474,071
Building on lease hold land	**333,421**	723,317
	828,609	1,197,388

4.3.2 The right-of-use assets are depreciated on straight line basis over the lease term.

4.3.3 Depreciation charge for the year on right-of-use assets has been allocated as follows:

(Rupees in '000)

	Note	2021	2020
Cost of sales	29.1	**141,667**	102,931
Administrative expenses	30	**108,003**	108,487
Selling and distribution expenses	31	**217,584**	179,797
		467,254	391,215

4.3.3.1 Breakup of depreciation of right-of-use assets by class of underlying asset is as follows:

(Rupees in '000)

	2021	2020
Lease hold land	**77,360**	99,081
Building on lease hold land	**389,894**	292,134
	467,254	391,215

4.3.4 Lease obligations of the Company comprise of lease arrangements giving it the right-of-use over lands, warehouses, terminals and office premises. The Company has also entered into lease arrangements of plant and machinery and tank lorries, however, these do not constitute right-of-use assets on account of variable payments.

5 LONG-TERM INVESTMENT

(Rupees in '000)

	Note	2021	2020
In a subsidiary - at cost	5.1	**16,931,504**	16,931,504

5.1 This represents investment in Byco Isomerisation Pakistan (Private) Limited (BIPL), a wholly owned subsidiary, of 1,693,150,430 shares (30 June 2020: 1,693,150,430) of Rs. 10 each. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

5.2 The Company carried out a review of the recoverable amount of the investment in BIPL. The Company estimated the recoverable amount by using value-in-use method and based on that amount concluded that the recoverable amount is higher than the carrying amount. The key assumptions in the value-in-use calculations are the terminal growth rate and the risk-adjusted pre-tax discount rate.

6 LONG TERM LOANS AND ADVANCES - unsecured, considered good

(Rupees in '000)

	Note	2021	2020
Loan to Coastal Refinery Limited (CRL)		**1,518,780**	1,518,780
Advance against investment in shares		**482,134**	482,134
		2,000,914	2,000,914
Current portion of loan to CRL	11	**(1,432,683)**	(1,277,707)
		568,231	723,207

7 LONG TERM DEPOSITS

		2021	2020
Rent		**14,178**	14,178
Retail sites and others		**323,534**	98,245
		337,712	112,423

8 DEFERRED TAXATION

		2021	2020
Deductible temporary differences arising in respect of:			
- employees retirement benefit		**55,932**	28,687
- provision for doubtful debts		**2,209,346**	1,796,988
- recoupable unabsorbed tax losses and depreciation	8.1	**4,977,341**	5,718,066
- recoupable tax credit		**–**	64,216
- lease liability		**162,127**	73,195
		7,404,746	7,681,152
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		**(5,344,605)**	(5,224,146)
- revaluation surplus on property, plant and equipment		**(1,158,593)**	(1,311,126)
		(6,503,198)	(6,535,272)
		901,548	1,145,880

8.1 Deferred tax asset is recognized for tax losses and depreciation available for carry-forward to the extent of the realization of the related tax benefit through future taxable profits, based on the projections, is probable. As of the date of unconsolidated statement of financial position, deferred tax asset amounting to Rs. 1,159.935 million (30 June 2020: Rs. 779.365 million) in respect of unabsorbed tax losses and tax credits has not been recognised in these unconsolidated financial statements.

9 STOCK-IN-TRADE

(Rupees in '000)

	Note	2021	2020
Raw material	9.1	**26,063,302**	18,740,294
Finished products	9.2	**7,521,371**	4,138,598
		33,584,673	22,878,892

9.1 This includes raw material in transit amounting to Rs. 21,961.788 million (30 June 2020: Rs. 14,406.040 million) as at the date of unconsolidated statement of financial position.

9.2 This includes finished product held by third parties amounting to Rs. 3,163.736 million (30 June 2020: Rs. 1,731.006 million) as at the date of unconsolidated statement of financial position.

10 TRADE DEBTS

	Note	2021	2020
		(Rupees in '000)	
Considered good		**4,556,175**	4,356,855
Considered doubtful		**7,618,435**	6,196,510
		12,174,610	10,553,365
Provision for doubtful debts	10.1	**(7,618,435)**	(6,196,510)
		4,556,175	4,356,855

10.1 Provision for doubtful debts

	Note	2021	2020
Opening balance		**6,196,510**	5,066,399
Provision made during the year	32	**1,421,925**	1,130,111
Closing balance		**7,618,435**	6,196,510

11 LOANS AND ADVANCES

	Note	2021	2020
Secured - considered good			
Advance to suppliers and contractors		**9,666**	1,254
Unsecured - considered good			
Advance to employees, suppliers and contractors		**117,782**	83,172
Current portion of loan to CRL	6	**1,432,683**	1,277,707
		1,560,131	1,362,133

12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	2021	2020
Deposits		**15,372**	15,372
Prepayments			
- Insurance		**34,195**	6,024
- Others		**2,860**	1,081
		52,427	22,477

13 OTHER RECEIVABLES - considered good

	Note	2021	2020
Receivable from CRL	13.1	**1,234,507**	1,093,761
Due from a related party	13.2 & 13.3	**706,853**	725,816
Others		**220,825**	159,586
		2,162,185	1,979,163

13.1 Represents expenses incurred by the Company on behalf of CRL. The outstanding balance is being adjusted against the cost payable to CRL on account of usage of buoy. The outstanding balance and loan to CRL (as disclosed in note 6) are secured against the plant and machinery of CRL. The Company has a contractual right to dispose of that plant and machinery in case of default. Based on the aforesaid factors, the Company has not recorded any provision against those balances.

13.2 This represents receivable from BIPL against expenses incurred on behalf of BIPL.

13.3 The maximum aggregate amount due from the related parties at the end of any month during the year outstanding was Rs. 725.816 million (30 June 2020: Rs. 835.244 million).

14 CASH AND BANK BALANCES

	Note	2021	2020
		(Rupees in '000)	
Cash in hand		**188**	375
Cash at banks			
- Current accounts		**1,762,285**	1,955,391
- Saving / deposit accounts	14.1, 14.2 & 14.3	**487,485**	363,454
		2,249,770	2,318,845
		2,249,958	2,319,220

14.1 These carry interest at the rates ranging from 3.25% to 7.3% (30 June 2020: 3.25% to 12.3%) per annum.

14.2 This includes Rs. Nil (30 June 2020: Rs. 150.0 million) kept under lien against guarantee.

14.3 This includes Rs. 469.304 million (30 June 2020: Rs. 85.171 million) kept in shariah compliant savings account.

15 SHARE CAPITAL

Number of Shares 2021	Number of Shares 2020		Note	(Rupees in '000) 2021	(Rupees in '000) 2020
		Authorized share capital			
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10/- each	15.1	**60,000,000**	60,000,000
		Issued, subscribed and paid-up capital			
187,348,638	187,348,638	Issued for cash		**1,873,486**	1,873,486
5,142,536,068	5,142,536,068	Issued for consideration other than cash - assets		**51,425,361**	51,425,361
5,329,884,706	5,329,884,706			**53,298,847**	53,298,847

15.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

16 CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

	Note	2021	2020
		(Rupees in '000)	
From Cnergyico Mu Incorporated, the Parent Company	16.1, 16.2 & 16.3	**979,418**	857,140

16.1 **In respect of plant and machinery**
Represents Rs. 529.20 million (30 June 2020: Rs. 528.40 million) being rupee equivalent of USD 4.0 million (30 June 2020: USD 4.0 million) representing part of the cost of plant, machinery purchased by the Company.

Pursuant to a Share Subscription Agreement dated 31 August 2006 and amended vide an addendum dated 31 July 2007 entered into between the Company and its sponsor, the sponsor has paid the above amount to the supplier against the said assets in lieu of its equity contribution in the Company for which Ordinary Shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 16.3 to these unconsolidated financial statements.

16.2 In respect of dismantling and refurbishment of Aromatic Plant:
This includes a sum of (i) Rs. 394.802 million (30 June 2020: Rs. 282.591 million), being rupee equivalent of € 2.259 million and £ 0.290 million (30 June 2020: € 2.259 million and £ 0.290 million) and (ii) Rs. 55.416 million (30 June 2020: Rs. 46.149 million), being rupee equivalent of US$ 0.419 million (30 June 2020: US$ 0.507 million), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 16.3 to these unconsolidated financial statements.

16.3 During the year, the Company has fulfilled all the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Regulation 5 of Chapter IV of the Companies (further issue of shares) Regulations, 2020 for issuance of shares to the Parent Company. Subsequent to the year end, the Board of Directors of the Company in its meeting held on 31 August 2021, resolved and approved for issuance of 163.563 million shares of the Company, having face value of Rs. 10 each, to Cnergyico Mu Incorporated, the Parent Comapny. The Company is in the process of meeting other regulatory requirements after which shares will be issued in the due course.

17 LONG-TERM FINANCING

(Rupees in '000)

Facilities	Note	Mark-up rate	Installments: Payment term	Installments: Number	Installments: Commencement	2021	2020
Secured							
Syndicate loan I	17.2 & 17.3	8% per annum for the first two years from the date of disbursement and six months kibor or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	**145,250**	298,736
Arrangement fee	17.3		–	–	–	**94,748**	89,257
Bilateral Loan I	17.4	Six months kibor + 4.5%	Quarterly	12	June 2019	**350,000**	400,000
Bilateral Loan II	17.4	Three months kibor + 1.5%	Quarterly	12	Sep 2020	**666,667**	1,000,000
Bilateral Loan III	17.4	Three months kibor + 4.5%	Quarterly	12	June 2019	**233,334**	266,667
Bilateral Loan IV	17.4	Three months kibor + 1.5%	Quarterly	12	May 2021	**2,200,000**	2,200,000
Bilateral Loan V	17.4	Three months kibor + 2.5%	Quarterly	08	October 2020	**318,712**	382,454
Bilateral Loan VI	22.1	SBP rate* + (2.5% - 3%)	Quarterly	08	January 2021	**777,196**	458,878
	17.1					**4,785,907**	5,095,992
Sukuk certificates	17.1 & 17.5	Three months kibor + 1.05%	Quarterly	12	April 2019	**1,820,000**	1,820,000
Related parties - unsecured							
Integrate Pk (Private) Limited - Supplier's credit	17.6 & 17.12	One year Libor + 1%	Semi-annually	20	March 2025	**958,890**	958,890
Integrate Pk (Private) Limited - Others	17.6, 17.7 & 17.8	Nil to 4.5% to six months kibor + 4%	Semi-annually	05	March 2025	**13,554,225**	8,758,326
Cnergyico Mu Incorporated, the Parent Company	17.6, 17.9, 17.10, 17.11 & 17.12	Six month to one year libor + 1%	Semi-annually	04	March 2025	**3,935,650**	3,935,650
						18,448,765	13,652,866
						25,054,672	20,568,858
Current maturity						**(3,157,635)**	(741,674)
						21,897,037	19,827,184

* SBP rate was 0% for the salary refinance scheme.

17.1 Represent facilities availed from various banks and are secured against the Company's fixed and current assets.

17.2 The loan agreement contains the covenant that the Company cannot pay dividend to its shareholders if an event of default is occurred.

17.3 Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility is secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of 80% shares of CRL.

17.4 Represents bilateral loans availed from various banks and financial institutions and are secured against the Company's fixed and current assets.

17.5 Represents privately placed long-term Islamic certificates (Sukuk) amounting to Rs. 3,120 million, issued by the Company to meet the expansion plans of the Company. This facility is secured against fixed assets of the Company.

17.6 The loans are inferior to the rights of present and future secured financial institutions which are or may be lender to the Company.

17.7 During the year, the Company entered into a novation agreement according to which loan and accrued markup amounting to Rs. 14,581.630 million and 4,879.284 million respectively, novated to Integrate Pk (Private) Limited, a related party, from a lender, under the Novation Agreement dated 28 June 2021.

17.8 Includes loan amounting to Rs. 250 million obtained during the year from Integrate Pk (Private) Limited, a related party, for the purpose of assembly and construction of certain oil refinery assets. The loan carries interest rate of 4.5% per annum and is repayable on the basis of cash availability and no principal shall be payable during the Assembly period.

17.9 A foreign currency loan of USD 0.144 million which carries mark-up at the rate of 6 Months LIBOR+1% per annum, which was due on 22 June 2012 by a bullet payment.

17.10 A supplier's credit amounting to USD 41.927 million novated from Cnergyico Acisal Incorporated during the year ended 30 June 2015 under the agreement. This carries mark-up at the rate of LIBOR+1% per annum, payable semi-annually.

17.11 Balance amount of loan novated from the Busientco Incorporated, the Ultimate Parent Company, amounting to USD 16.124 million (principal USD 15.713 million and mark-up USD 0.411 million) is repayable in four unequal semi-annual installments. This carries markup at the rate of LIBOR + 1% per annum, payable semi-annually.

17.12 During the year 30 June 2018, the Company has revised its agreement with the Parent Company due to which the exchange rate on principal and mark-up has been frozen on the last date of disbursement. Accordingly, the Company has recognized the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

18 ACCRUED AND DEFERRED MARK-UP

(Rupees in '000)

	Note	2021	2020
Mark-up on long-term financing / loans from related parties			
- secured		**176,053**	1,877,550
- unsecured		**5,598,113**	4,647,622
		5,774,166	6,525,172

19 LONG-TERM LEASE LIABILITIES

	Note	2021	2020
Opening balance		**1,449,783**	1,514,461
Additions during the year		**98,475**	51,208
Accretion of interest	34	**254,298**	238,765
Less: Lease rentals paid		**(414,890)**	(354,651)
Balance at end of the year		**1,387,666**	1,449,783
Current portion of long-term lease liabilities		**(358,619)**	(249,740)
Long-term lease liabilities		**1,029,047**	1,200,043

19.1 The rent expense related to short-term leases, included in administrative and, selling and distribution expenses, amounted to Rs. 22.089 million (30 June 2020: Rs. 11.227 million).

20 LONG-TERM DEPOSITS

(Rupees in '000)

	Note	2021	2020
Deposits	20.1	**269,500**	120,175

20.1 This includes interest-free deposits received from logistics vendors as security against goods to be transported which is utlized for the purpose of the business in accordance with the related agreements.

21 DEFERRED LIABILITIES

(Rupees in '000)

	Note	2021	2020
Employees retirement benefits	21.1	**192,870**	98,922
Arrangement fee		**36,746**	56,979
Others	21.2	**318,513**	453,413
		548,129	609,314

21.1 Employees retirements benefits - staff gratuity

21.1.1 General description

The Company operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2021, using the "Projected Unit Credit Method". Provision has been made in the unconsolidated financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

21.1.2 Reconciliation of amount payable to defined benefit plan

(Rupees in '000)

	Note	2021	2020
Present value of defined benefit obligation	21.1.3	**652,473**	451,077
Fair value of plan assets	21.1.4	**(459,603)**	(352,155)
		192,870	98,922

21.1.3 Movement in the present value of defined benefit obligation:

Opening balance		**451,077**	325,987
Current service cost		**71,070**	57,524
Interest cost		**40,122**	45,990
Benefits paid during the year		**(33,027)**	(15,999)
Actuarial loss	21.1.7	**123,231**	37,575
Closing balance		**652,473**	451,077

21.1.4 Movement in the fair value of plan assets:

Opening balance		**352,155**	267,153
Expected return on plan assets		**29,940**	41,843
Contributions		**90,000**	58,834
Benefits paid during the year		**(33,027)**	(15,999)
Actuarial gain	21.1.7	**20,535**	324
Closing balance		**459,603**	352,155

21.1.5 Movement in net liability

(Rupees in '000)

	Note	2021	2020
Opening balance		**98,922**	58,834
Charge for the year	21.1.6	**81,252**	61,671
Contributions		**(90,000)**	(58,834)
Actuarial loss	21.1.7	**102,696**	37,251
Closing balance		**192,870**	98,922

21.1.6 Charge for the year

Current service cost	**71,070**	57,524
Interest cost - net	**10,182**	4,147
	81,252	61,671

21.1.7 Actuarial remeasurements

Actuarial (gain) / loss on defined benefit obligations	**(123,231)**	(37,575)
Actuarial gain on fair value of plan assets	**20,535**	324
	(102,696)	(37,251)

21.1.8 Actuarial assumptions:

Valuation discount rate per annum	**10.25%**	9.25%
Salary increase rate per annum	**10.25%**	8.25%
Expected return on plan assets per annum	**8.50%**	9.25%
Normal retirement age of employees	**60 years**	60 years

21.1.9 As of 30 June 2021, a total of 750 employees have been covered under the above scheme.

21.1.10 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 108.222 million.

21.1.11 Contribution for the next financial year as per the actuarial valuation report amounts to Rs. 90.766 million.

21.1.12 The weighted average duration of the obligation is 11.76 years.

21.1.13 Comparisons for past years:

(Rupees in '000)

As at June 30	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**652,473**	451,077	325,987	264,961	208,096
Fair value of plan assets	**(459,603)**	(352,155)	(267,153)	(137,480)	(27,912)
Deficit	**192,870**	98,922	58,834	127,481	180,184
Experience adjustment on plan liabilities	**(123,231)**	(37,575)	(19,498)	(2,876)	22,987
Experience adjustment on plan assets	**20,535**	324	(28,733)	(7,438)	(1,482)
	(102,696)	(37,251)	(48,231)	(10,314)	21,505

21.1.14 Composition of plan assets

(Rupees in '000)

	2021	2020
Mutual Fund	**434,931**	343,178
Cash at bank	**24,673**	8,977

21.1.15 Unconsolidated statement of financial position date sensitivity analysis (± 100 bps) on present value of defined benefit obligation:

(Rupees in '000)

	2021			
	Discount rate		Salary increase	
	+ 100 bps	– 100 bps	+ 100 bps	– 100 bps
Present value of defined benefit obligation	577,887	730,218	732,716	574,673

(Rupees in '000)

	2020			
	Discount rate		Salary increase	
	+ 100 bps	– 100 bps	+ 100 bps	– 100 bps
Present value of defined benefit obligation	402,886	506,002	508,334	400,211

21.1.16 Significant risks

Final salary risk
The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility
A significant portion of the assets are invested in mutual funds which is subject to the risk that as the market fluctuates, the mutual funds may decline in value, and the Employees' Gratuity Fund (the Fund) may lose some or all of its principal.

The remaining investments are in saving accounts. The cash at bank exposure is almost 5% (Rs. 24.673 million).

Discount rate fluctuation
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Life expectancy / Withdrawal rate
The Gratuity is paid off at the maximum of age 60. The life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Company for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post retirement benefit been given by the Company like monthly pension, post retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models.

The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Inflation risk
The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Company.

Model risk
The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the gratuity fund are also marked to market. This two-tier valuation gives rise to the model risk.

Investment risk
The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets
This is managed by making regular contribution to the Fund as advised by the actuary.

21.2 Represents differential mark-up recognised on the interest free loan obtained from Integrate Pk (Private) Limited, a related party, which has been recognised at present value discounted at effective interest rate (as disclosed in note 17).

22 DEFERRED INCOME - government grant

(Rupees in '000)

	2021	2020
Opening balance	**34,672**	–
Received during the year	**38,041**	34,672
Recognised in long term loan	**(42,246)**	–
Closing balance	**30,467**	34,672
Current portion	**(26,966)**	(22,635)
Non-current portion	**3,501**	12,037

22.1 Government grant has been recorded pursuant to a salary refinance scheme introduced by the State Bank of Pakistan to provide loan to businesses at concessional rates to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Company would not terminate any employee, due/owing to cash flow limitations, for a period of three months from the date of first disbursement.

23 TRADE AND OTHER PAYABLES

(Rupees in '000)

	Note	2021	2020
Creditors for supplies and services		**43,962,536**	33,312,085
Accrued liabilities		**6,331,536**	4,442,915
Due to related parties		**166,621**	106,956
Sales tax, duties, levies, penalties and default surcharge		**3,584,859**	2,860,101
Workers' welfare fund		**–**	152,234
Withholding tax deductions payable		**114,688**	165,690
Payable to staff provident fund		**19,037**	45,863
		54,179,277	41,085,844

24 ADVANCE FROM CUSTOMERS

Advance from customers	24.1	**2,851,374**	2,948,271

24.1 Represents advances received from customers against supply of goods.

25 ACCRUED MARK-UP

	Note	2021	2020
		(Rupees in '000)	
Long-term financing - secured		**107,943**	227,968
Short-term borrowings - secured		**460,283**	665,447
		568,226	893,415

26 SHORT-TERM BORROWINGS

	Note	2021	2020
Secured			
Finance against trust receipts	26.1	**13,469,500**	23,907,984
Running finance	26.2	**1,600,000**	–
		15,069,500	23,907,984

26.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 27,584 million (30 June 2020: Rs. 36,700 million) out of which Rs. 14,114 million (30 June 2020: Rs. 12,792 million) remains unutilized as at the unconsolidated statement of financial position date. The facility carries mark-up ranging from 1 month's KIBOR plus 1.25% to 3% (30 June 2020: 1 month's KIBOR plus 1% to 3%). The facility is secured against documents of title of goods, charge over the stocks of crude oil and petroleum products and receivables, lien on the bank's collection account.

26.2 The Company has running finance facility amounting to Rs. 1,600 million (30 June 2020: Rs. 1,600 million) obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 1.5% (30 June 2020: three months KIBOR + 1.5%) per annum. The facility is secured by way of first pari passu hypothecation charge of overall present and future current and fixed assets of the Company.

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Claim against the Company not acknowledged as debt amounting to Rs. 3,353.182 million (30 June 2020: Rs. 3,353.182 million) comprise of late payment charges on account of delayed payments against crude oil supplies.

Furthermore, Mari Gas Limited and Pakistan Petroleum Limited have filed legal cases in Sindh High Court on 22 May 2012 and 14 February 2013 claiming Rs. 233.550 million (30 June 2020: Rs. 233.550 million) and Rs. 404.357 million (30 June 2020: Rs. 404.357 million) respectively for late payment charges on account of delayed payments against crude oil supplies, and based on the opinion of legal advisor, the Company is of the view that there are no specific contractual arrangements with the above suppliers and hence no provision in respect of the same has been made in these unconsolidated financial statements.

27.2 Commitments

		2021	2020
		(Rupees in '000)	
27.2.1	Commitments for capital expenditure	**3,175,124**	731,625
27.2.2	Commitments in respect of purchase of CRL's shares	**877,383**	877,383

28 TURNOVER - net

(Rupees in '000)

	Note	2021	2020
Gross Sales			
- Local		**201,140,811**	237,176,079
- Export		**–**	1,734,635
		201,140,811	238,910,714
Less:			
Sales tax and other duties		**(57,954,242)**	(63,471,377)
Trade discounts		**(1,036,271)**	(1,540,407)
		(58,990,513)	(65,011,784)
		142,150,298	173,898,930

29 COST OF SALES

	Note	2021	2020
Opening stock		**4,138,598**	11,022,246
Cost of goods manufactured, storage and handling	29.1	**129,036,443**	148,254,370
Finished products purchased during the year		**8,388,353**	15,864,468
		141,563,394	175,141,084
Closing stock	9	**(7,521,371)**	(4,138,598)
		134,042,023	171,002,486

29.1 Cost of goods manufactured, storage and handling

	Note	2021	2020
Raw material consumed	29.1.1	**119,408,724**	136,329,321
Salaries, wages and other benefits	29.1.2	**1,618,760**	1,683,293
Operation cost		**782,601**	937,708
Depreciation	4.1.4 & 4.3.3	**3,515,679**	3,368,689
Fuel, power and water		**1,086,981**	1,166,701
Repairs and maintenance		**232,293**	362,288
Transportation & product handling charges		**347,980**	350,779
Insurance		**220,844**	184,740
Stores and spares consumed		**1,871,455**	3,035,957
Staff transportation and catering		**259,966**	279,071
Rent, rates and taxes		**10,926**	7,459
Security expenses		**116,588**	119,279
Exchange (gain) / loss		**(449,948)**	418,633
Vehicle running		**13,594**	10,452
		129,036,443	148,254,370

29.1.1 Raw material consumed

	Note	2021	2020
Opening stock		**18,740,294**	18,238,048
Purchases during the year		**126,731,732**	136,831,567
		145,472,026	155,069,615
Closing stock	9	**(26,063,302)**	(18,740,294)
		119,408,724	136,329,321

29.1.2 This includes a sum of Rs. 201.368 million (30 June 2020: Rs. 181.103 million) in respect of staff retirement benefits.

30 ADMINISTRATIVE EXPENSES

(Rupees in '000)

	Note	2021	2020
Salaries, allowances and other benefits	30.1	**559,866**	492,893
Rent, rates and taxes		**9,511**	9,637
Depreciation	4.1.4 & 4.3.3	**156,272**	145,594
Repairs and maintenance		**75,113**	73,211
Legal and professional		**30,684**	29,487
Vehicle running		**9,709**	4,498
Travelling and conveyance		**36,041**	51,270
Fee and subscriptions		**23,200**	30,565
Utilities		**29,570**	26,437
Insurance		**2,796**	3,530
Printing and stationary		**5,672**	10,198
Auditors' remuneration	30.2	**6,550**	6,550
SAP maintenance costs		**55,193**	45,160
Security expense		**4,658**	5,092
		1,004,835	934,122

30.1 This includes a sum of Rs. 72.560 million (30 June 2020: Rs. 53.030 million) in respect of staff retirement benefits.

30.2 Auditors' remuneration

(Rupees in '000)

	Note	2021	2020
Audit fee		**4,200**	4,200
Half year review		**650**	650
Consolidation of financial statements		**700**	700
Code of corporate governance and other certifications		**500**	500
Out of pocket expenses		**500**	500
		6,550	6,550

31 SELLING AND DISTRIBUTION EXPENSES

	Note	2021	2020
Salaries, allowances and other benefits	31.1	**244,764**	215,957
Rent, rates and taxes		**1,652**	46,784
Advertisement		**30,764**	35,179
Depreciation	4.1.4 & 4.3.3	**299,180**	280,266
		576,360	578,186

31.1 This includes a sum of Rs. 29.802 million (30 June 2020: Rs. 23.234 million) in respect of staff retirement benefits.

32 OTHER EXPENSES

(Rupees in '000)

	Note	2021	2020
Provision for doubtful debts	10.1	**1,421,925**	1,130,111
Late payment surcharge and penalties		**75,771**	96,303
		1,497,696	1,226,414

33 OTHER INCOME

(Rupees in '000)

	2021	2020
Income from financial assets		
Interest on balances due from customer	**907,352**	1,130,111
Interest on loan to CRL	**49,248**	82,654
Interest income on saving accounts	**31,128**	73,354
	987,728	1,286,119
Income from non-financial assets		
Land lease rent	**341**	333
Scrap sales	**87,526**	63,116
(Loss) / gain on disposal of operating fixed assets	**(149)**	2,713
Reversal of worker's welfare fund	**152,234**	–
Dealership income	**24,600**	19,593
Others	**4,650**	–
	1,256,930	1,371,874

34 FINANCE COSTS

	2021	2020
Mark-up on:		
- Long-term financing	**449,797**	856,873
- Short-term borrowings	**1,667,344**	2,717,152
	2,117,141	3,574,025
Interest on lease liabilities	**254,298**	238,765
Exchange (gain) / loss - net	**(15,074)**	95,424
Bank and other charges	**59,996**	52,181
	2,416,361	3,960,395

35 TAXATION

	2021	2020
Current year	**–**	–
Prior year	**–**	–
Deferred tax charge	**274,113**	–
	274,113	–

35.1 The returns of income tax have been filed up to and including tax year 2020. These, except for those mentioned in 35.2, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

35.2 The Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax year 2013. Audit proceedings for tax year was completed and a demand of Rs. 87.105 million has been raised in an amended order passed under Section 122(1)(5) of the Income Tax Ordinance, 2001. Being aggrieved by the amended order, the Company filed an appeal before Commissioner Inland Revenue, Appeals, Karachi which is pending for adjudication. However, as a matter of prudence, the said amount has already been provided for in these unconsolidated financial statements.

35.3 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Company is obligated to pay tax at the rate of 5 percent on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 20 percent of its after tax profits within six months of the end of the tax year, through cash or bonus shares. The Company filed a Constitutional Petition (CP) before the Court on 24 November 2017 challenging the tax, the Court accepted the CP and granted a stay against the above section.

In case the Court's decision is not in favor of the Company, the Company will either be required to declare the dividend to the extent of 20% of after tax profits or it will be liable to pay additional tax at the rate of 5% of the accounting profit before tax of the Company for the financial year ended 30 June 2018. As at the unconsolidated statement of financial position date, no liability has been recorded by the Company in this respect.

35.4 Relationship between accounting profit and income tax expense for the period

The Company is subject to Minimum Tax and Final Tax Regime of the Income Tax Ordinance, 2001, therefore, relationship between income tax expense and accounting profit has not been presented for the current year.

36 EARNING / (LOSS) PER SHARE - basic and diluted

		Note	2021	2020
			(Rupees in '000)	
Profit / (loss) after taxation			**3,595,840**	(2,430,799)
Weighted average number of ordinary shares	(Number of shares)		**5,329,884,706**	5,329,884,706
Earning / (loss) per share - basic	(Rupees)		**0.67**	(0.46)
DILUTED EARNING PER SHARE				
Profit / (loss) after taxation			**3,595,840**	(2,430,799)
			(Number of shares)	
Weighted average number of ordinary shares			**5,329,884,706**	5,329,884,706
Potential no. of shares to be issued		16.3	**163,562,865**	–
			5,493,447,571	5,329,884,706
Earning / (loss) per share - diluted	(Rupees)		**0.65**	(0.46)

37 CASH AND CASH EQUIVALENTS

	Note	2021	2020
Cash and bank balances	14	**2,249,958**	2,319,220
Running finance facility	26	**(1,600,000)**	–
		649,958	2,319,220

38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of ultimate parent company, parent company, subsidiary, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. Transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

38.1 Following are the related parties with whom the Company had entered into transactions or have agreement in place:

Sr	Party Name	Basis of association	Aggregate % of shareholding 2021	Aggregate % of shareholding 2020
1	Cnergyico Mu Incorporated	Parent	**78.70%**	91.83%
2	Byco Isomerisation Pakistan (Private) Limited (BIPL)	Subsidiary	**100%**	100%
3	Premier Systems (Private) Limited	Associated Companies (based on common directorship)	**–**	–
4	Byco Asia DMCC	Associated Companies (based on common directorship)	**–**	–
5	Cnergyico Acisal Incorporated	Associated Companies (subsidiary of Ultimate Parent Company)	**–**	–
6	Integrate Pk (Private) Limited	Associated Companies (based on common directorship)	**4.96%**	–
7	Employees' Gratuity fund	Retirement benefit fund	**–**	–
8	Employees' Provident fund	Retirement benefit fund	**–**	–

38.2 Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan:

Name	Country of Incorporation
Cnergyico Mu Incorporated	Mauritius
Byco Asia DMCC	United Arab Emirates
Cnergyico Acisal Incorporated	British Virgin Islands

38.3 Transactions with related parties

(Rupees in '000)

	2021	2020
Parent Company		
Mark-up charged	**74,132**	157,335
Subsidiary Company		
Product processing charges	**86,356**	187,457
Other expenses incurred	**341**	333
Associated Companies		
Mark-up charged	**889,540**	1,338,723
Receipt of loan	**4,661,000**	–
Purchase of operating fixed assets and services	**44,324**	66,137
Others		
Retirement benefit funds	**339,292**	235,129
Key Management Personnel	**143,296**	125,358

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

38.3.1 Operating lease commitments — Company as a lessor

The Company entered into an operating lease agreement with its subsidiary, for the land on which BIPL operates its isomerisation plant.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are, as follows:

(Rupees in '000)

	2021	2020
Within one year	**366**	333
After one year but not more than five years	**1,940**	1,903
More than five years	**3,862**	4,265
	6,168	6,501

38.4 Balances with related parties

(Rupees in '000)

	2021	2020
Parent Company		
Contribution against future issue of shares	**979,418**	857,140
Accrued mark-up	**718,829**	652,028
Loan payable	**3,935,650**	3,935,650
Subsidiary Company		
Receivable against expenses incurred	**706,853**	725,816
Associated Companies		
Advance against shared services	**70,069**	7,257
Accrued mark-up	**4,885,134**	3,995,594
Loan payable	**14,831,628**	10,170,629
Payable against purchases	**28,044**	31,191
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**211,907**	144,785

Outstanding balances at the year-end are unsecured and settlement occurs in cash or on a net basis.

38.5 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 39 to the unconsolidated financial statements.

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount included in these unconsolidated financial statements for remuneration, including the benefits and perquisites, to the Chief Executive, Directors and Executives of the Company are as follows:

(Rupees in '000)

	2021			2020		
	Chief Executive	Director	Executives	Chief Executive	Directors	Executives
Fee	**–**	**1,890**	**–**	–	1,080	–
Managerial remuneration	**–**	**–**	**621,062**	–	–	480,868
Staff retirement benefits	**–**	**–**	**102,021**	–	–	77,851
Housing and utilities	**–**	**–**	**189,385**	–	–	146,033
Leave fare assistance	**–**	**–**	**51,734**	–	–	40,056
	–	**1,890**	**964,202**	–	1,080	744,808
Number of persons	**1**	**2**	**222**	1	1	189

39.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.

39.2 Few Executives have been provided with company maintained cars.

39.3 The Company's Board of Directors consists of 7 Directors (of which 6 are Non-Executive Directors). Except for two independent Directors, no remuneration and other benefits have been paid to any other Director.

40 FINANCIAL INSTRUMENTS BY CATEGORY

40.1 Financial assets as per unconsolidated statement of financial position

(Rupees in '000)

	Note	2021	2020
Financial assets at amortised cost			
- Long-term loans	6	**1,518,780**	1,518,780
- Long-term deposits	7	**337,712**	112,423
- Trade debts	10	**4,556,175**	4,356,855
- Trade deposits	12	**15,372**	15,372
- Accrued interest		**362,032**	312,784
- Other receivables	13	**2,162,185**	1,979,163
- Cash and bank balances	14	**2,249,958**	2,319,220
		11,202,214	10,614,597

40.2 Financial liabilities as per unconsolidated statement of financial position

	Note	2021	2020
Financial liabilities measured at amortised cost			
- Long-term financing	17	**21,578,524**	19,827,184
- Accrued and deferred mark-up	18	**5,774,166**	6,525,172
- Long-term lease liabilities	19	**1,029,047**	1,200,043
- Long-term deposits	20	**269,500**	120,175
- Trade and other payables	23	**54,179,277**	41,085,844
- Accrued mark-up	25	**568,226**	893,415
- Short-term borrowings	26	**15,069,500**	23,907,984
- Current portion of non-current liabilities		**5,934,329**	2,662,236
- Unclaimed dividend		**1,027**	1,027
		104,403,596	96,223,080

41 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finances to minimize the risk. The Company's principal financial instruments comprise short-term borrowings and financing from financial institutions and trade and other payables. Main purpose of these financial instruments is to raise funds for the import of crude oil for refining business and for its operations. The Company has various financial assets such as cash (including balances with banks), deposits, loans, which are directly related to its operations. The Company's overall risk management policy focuses on minimizing potential adverse effects on the Company's financial performance. The overall risk management of the Company is carried out by the Company's senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2021.

COVID-19 has adversely impacted the Company. The Company's risk management function continues to monitor the developing situation and proactively manage any risk arising thereof.

The policies for managing each of these risk are summarized below:

41.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

41.1.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term financing and short-term borrowing facilities for financing its refining and storage business operations, setting up of aromatic plant and meeting working capital requirements at variable rates, on loan to CRL and on delayed payments from PSO on which the Company earns interest. The Company manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments was:

	2021	2020
	(Rupees in '000)	
Variable Rate Instruments		
Financial assets		
Long-term loan to CRL	**688,780**	688,780
Trade debts	**9,676,727**	8,769,376
	10,365,507	9,458,156
Financial liabilities		
Long-term financing	**21,578,524**	19,510,618
Accrued and deferred mark-up	**8,192,241**	8,195,994
Short-term borrowings	**15,069,500**	23,907,984
	44,840,265	51,614,596

A change of 1% in interest rates at the year-end would have increased or decreased the loss before tax by Rs. 344.748 million (30 June 2020: Rs. 421.564 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2020.

41.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are done in foreign currency.

The Company is exposed to foreign currency risk on transactions that are entered in a currency other than Pak Rupees. As the Company imports plant and equipment and crude oil, it is exposed to currency risk by virtue of borrowings (in foreign currency). Further foreign currency risk also arises on payment to the supplier of tug boats for operations of SPM. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	2021		2020	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Trade and other payables	**39,725,350**	**252,160**	23,328,254	138,817
	39,725,350	**252,160**	23,328,254	138,817

The average rates applied during the year is Rs. 160.30/USD (30 June 2020: Rs. 158.26/ USD) and the spot rate as at 30 June 2021 is Rs. 157.54/USD (30 June 2020: Rs. 168.05/USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 397.253 million (30 June 2020: Rs. 233.283 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2020.

41.1.3 Equity price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the unconsolidated statement of financial position date, the Company is not exposed to other price risk.

41.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers, advances and deposits to suppliers and balances held with banks.

The risk management function is regularly conducting detailed analysis on sectors / industries to identify the degree by which the Company's customers and their businesses have been impacted amid COVID-19. Keeping in view short-term and long-term outlook of each sector, management has taken into consideration the factors while calculating expected credit losses against trade debts and other receivables.

Management of credit risk
The Company’s policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Company in the following manner:

- Credit rating and / or credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.
- The risk of counterparty exposure due to failed agreements causing a loss to the Company is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.
- Cash is held with reputable banks only.

As of the unconsolidated statement of financial position date, the Company is exposed to credit risk on the following assets:

(Rupees in ‘000)

	Note	2021	2020
Long-term loans and advances	6	**568,231**	723,207
Long-term deposits	7	**337,712**	112,423
Trade debts	10	**4,556,175**	4,356,855
Loans and advances	11	**1,560,131**	1,362,133
Trade deposits	12	**15,372**	15,372
Accrued interest		**362,032**	312,784
Other receivables	13	**2,162,185**	1,979,163
Bank balances	14	**2,249,770**	2,318,845
		11,811,608	11,180,782

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

Trade debts
The aging of unimpaired debtors at the unconsolidated statement of financial position date is as follows:

(Rupees in ‘000)

	2021	2020
Neither past due nor impaired	**2,451,257**	1,546,017
Past due 1-30 days	**39,635**	141,019
Past due 31-365 days	**6,992**	96,953
Above 365 days	**2,058,291**	2,572,866
	4,556,175	4,356,855
Bank balances		
A1+	**2,080,807**	2,194,494
A1	**17,367**	12,448
A2	**151,596**	50,598
A3	**–**	61,305
	2,249,770	2,318,845

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

41.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising fund to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of unconsolidated statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on any individual customer.

Due to COVID-19 outbreak the Company's customers and their businesses have been adversely impacted. The management is continuously monitoring the liquidity position and is taking necessary precautionary measures where needed.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	(Rupees in '000)				
	On demand	Less than 3 months	3 to 12 months	1 to 7 years	Total
2021					
Long-term financing	**–**	**791,705**	**2,365,930**	**17,711,387**	**20,869,022**
Accrued and deferred mark-up	**–**	**–**	**2,418,075**	**5,774,166**	**8,192,241**
Lease liabilities	**–**	**–**	**358,619**	**1,029,047**	**1,387,666**
Long-term deposits	**–**	**–**	**–**	**269,500**	**269,500**
Trade and other payables	**3,584,859**	**50,594,418**	**–**	**–**	**54,179,277**
Advance from customers	**–**	**2,851,374**	**–**	**–**	**2,851,374**
Unclaimed dividend	**1,027**	**–**	**–**	**–**	**1,027**
Short-term borrowings	**–**	**15,069,500**	**–**	**–**	**15,069,500**
Accrued mark-up	**–**	**568,226**	**–**	**–**	**568,226**
	3,585,886	**69,875,223**	**5,142,624**	**24,784,100**	**103,387,833**

	(Rupees in '000)				
	On demand	Less than 3 months	3 to 12 months	1 to 7 years	Total
2020					
Long-term financing	–	135,273	606,401	19,827,184	20,568,858
Accrued and deferred mark-up	–	–	1,670,822	6,525,172	8,195,994
Lease liabilities	–	41,992	207,748	1,200,043	1,449,783
Long-term deposits	–	–	–	120,175	120,175
Trade and other payables	2,860,101	38,225,743	–	–	41,085,844
Advance from customers	–	2,948,271	–	–	2,948,271
Unclaimed dividend	1,027	–	–	–	1,027
Short-term borrowings	–	23,907,984	–	–	23,907,984
Accrued mark-up	–	893,415	–	–	893,415
	2,861,128	66,152,678	2,484,971	27,672,574	99,171,351

41.4 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain the development of the business and maximize the shareholders' value. The Company closely monitors the return on capital. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and finances its activities through equity, borrowings and management of working capital with a view to maintain and approximate mix between various sources of finance to minimize the risk. No changes were made in the objectives, policies or processes during the year ended 30 June 2021.

The Company is not exposed to externally imposed capital requirement.

The gearing ratios as at June 30, 2021 and 2020 are as follows:

	Note	2021	2020
		(Rupees in '000)	
Long-term financing	17	**21,897,037**	19,827,184
Accrued and deferred mark-up	18	**5,774,166**	6,525,172
Long-term lease liabilities	19	**1,029,047**	1,200,043
Deferred liabilities	21	**548,129**	609,314
Trade and other payables	23	**54,179,277**	41,085,844
Accrued mark-up	25	**568,226**	893,415
Short-term borrowings	26	**15,069,500**	23,907,984
Current portion of non-current liabilities		**5,934,329**	2,662,236
Total debt		**104,999,711**	96,711,192
Share capital	15	**53,298,847**	53,298,847
Reserves		**(27,547,611)**	(31,596,513)
Contribution against future issue of shares	16	**979,418**	857,140
Total capital		**26,730,654**	22,559,474
Capital and net debt		**131,730,365**	119,270,666
Gearing ratio		**79.71%**	81.09%

42 OPERATING SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from oil refining business as well as from other sources.* Sales to external customers includes levy of the intersegment sales.

Transfer prices between operating segments are at agreed terms duly approved by the Board of Directors of the Company.

The quantitative data for segments is given below:

(Rupees in '000)

	Oil Refining Business		Petroleum Marketing Business		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Net Sales to external customers	**64,077,045**	106,035,132	**78,073,253**	67,863,798*	**142,150,298**	173,898,930
Inter-segment sales	**75,511,062**	55,469,787	**–**	–	**75,511,062**	55,469,787
Eliminations	**(75,511,062)**	(55,469,787)	**–**	–	**(75,511,062)**	(55,469,787)
Total revenue	**64,077,045**	106,035,132	**78,073,253**	67,863,798	**142,150,298**	173,898,930
Result						
Segment profit	**5,391,071**	389,946	**1,405,211**	1,079,945	**6,796,282**	1,469,891
Unallocated expenses:						
Finance cost					**(2,416,361)**	(3,960,395)
Interest income					**987,728**	1,286,119
Other expenses					**(1,497,696)**	(1,226,414)
Taxation					**(274,113)**	–
Profit / (loss) for the year					**3,595,840**	(2,430,799)
Segmental Assets	**136,301,173**	125,264,359	**1,696,926**	751,794	**137,998,099**	126,016,153
Unallocated Assets	**–**	–	**–**	–	**–**	–
	136,301,173	125,264,359	**1,696,926**	751,794	**137,998,099**	126,016,153
Segmental Liabilities	**106,852,673**	98,812,215	**1,299,406**	1,003,122	**108,152,079**	99,815,337
Unallocated Liabilities	**–**	–	**–**	–	**–**	–
	106,852,673	98,812,215	**1,299,406**	1,003,122	**108,152,079**	99,815,337
Capital expenditure	**4,547,435**	3,208,013	**33,126**	65,845	**4,580,561**	3,273,858
Other Information						
Depreciation	**3,671,951**	3,514,283	**299,180**	280,266	**3,971,131**	3,794,549

42.1 None of the Company's customers contributed more than 10% of the revenue during the year. (2020: One of the Company's customers amounting to Rs. 29.969 billion (17%) from sales in the oil refining segment.)

42.2 All non-current assets of the Company are located in Pakistan. For this purpose non-current assets consist of property, plant and equipment and right-of-use assets.

43 PROVIDENT FUND DISCLOSURE

The Company operates approved funded contributory provident fund for both its management and non-management employees. Details of net assets and investments based on the financial statements of the fund is as follows:

(Rupees in '000)

	Note	2021	2020
		(Unaudited)	(Audited)
Size of the fund - Total assets		**650,196**	472,785
Cost of the investment made	43.1	**487,278**	424,668
Fair value of the investment		**508,103**	414,620
Percentage of the investment		**74.94%**	89.82%

43.1 Break-up of cost of investments out of Fund:

	2021		2020	
	(Rupees in '000)	%	(Rupees in '000)	%
Debt securities	**128,041**	**26%**	131,818	31%
Listed equity	**129,843**	**27%**	99,068	23%
Bank Deposits	**162,216**	**33%**	173,782	41%
Government securities	**67,178**	**14%**	20,000	5%
	487,278	**100%**	424,668	100%

The management, based on the financial statements of the fund, is of the view that the investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

44 CAPACITY AND ANNUAL PRODUCTION

Against the designed annual capacity (based on 365 days) of 56.575 million barrels (30 June 2020: 56.575 million barrels), the actual throughput during the year was 14.950 million barrels (30 June 2020: 17.431 million barrels). The Company operated the plants considering the level which gives optimal yield of products.

45 NUMBER OF EMPLOYEES

	2021	2020
Total number of employees		
As at June 30	**911**	867
Average number of employees during the year	**889**	865

46 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated. Certain corresponding figures have been reclassified for better presentation.

47 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on **23rd September 2021** by the Board of Directors of the Company.

Chief Executive Officer **Director** **Chief Financial Officer**

EY Ford Rhodes
Chartered Accountants
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Independent Auditors' Report

To the members of Byco Petroleum Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Byco Petroleum Pakistan Limited and its subsidiary** (the Group), which comprise the consolidated statement of financial position as at **30 June 2021,** and the consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Recoverability and recognition of deferred tax asset	
As disclosed in note 21, the Group has recognized deferred tax asset on unused business losses and unabsorbed depreciation amounting to Rs. 4,977.341 million. In order to ascertain that sufficient future taxable profit will be available, the management has prepared future projections of taxable profit by taking into account various assumptions mainly comprising of future throughput of the refinery, average inflation and exchange rates, growth rate and timing of reversals. The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the significant value of deferred tax asset and the assessment of future taxable income involves significant management judgement about future business and economic factors.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. We evaluated the appropriateness of the components on which the Group has recognized deferred tax asset in light of the requirements of the Income Tax Ordinance, 2001, considering factors including age and the expiry of the deferred tax asset and tax rates enacted. For this purpose, we involved our internal tax specialist to assist us. We evaluated the Group's assumptions and estimates in relation to the likelihood of generating future taxable income, principally by performing sensitivity analysis and testing the key assumptions used by the management. We have also assessed the adequacy of the Group's disclosures in accordance with relevant laws as applicable in Pakistan.

Key audit matters	How the matter was addressed in our audit
2. Overdue trade receivables	
As disclosed in note 8.1, the Group has an overdue trade receivable balance of Rs. 9,676.727 million on which Group carries an aggregate provision amounting to Rs. 7,618.435 million. Management considers certain specific factors including the age of the balance, existence of disputes, recent payment patterns and arrangements and any other available information with respect to the credit worthiness and reliability of the counterparties. Management uses this information to determine whether a provision for impairment is a required at a specific or overall balance level. We focused on this area due to the materiality of the amounts involved and because determination with respect to realizability of the receivables involves significant management's judgement which is based on the number of factors which are inherently subjective and due to the materiality of the amounts involved.	Our audit procedures amongst other included: Reviewed agreements with the customers for agreed terms and conditions and latest financial information of the customers, wherever available; - Ensured that the receivable arising out of sales are on the prices that are in agreement with respective customers' terms and conditions; - Reviewed related correspondences between the Group and relevant parties, and held discussions at appropriate level of management to assess their views on the recoverability and timing of settlement of relevant receivables and steps taken for recoverability of these receivables; - Circularize confirmation to the Group's external legal advisor for their view on the recoverability of the receivables; - Considered management process for determining the provision for impairment, discussed judgement exercised by them. We also reviewed minutes of the Board and Audit committee and checked relevant approvals in this regard; and - Reviewed related disclosures in the consolidated financial statements.

3. Stock-in-trade	
As disclosed in note 7 to the consolidated financial statements the stock-in-trade balance amounts to Rs. 33,584.673 million which constitutes 26% of total assets of the Group. Stock-in-trade comprises of crude oil, high speed diesel, motor gasoline and other related petroleum products with differing characteristics. The stock-in-trade volume determination process starts by obtaining dips and measuring the temperature and density at the same time. That measured data is then used to determine the volume by using the parameters and applying the dynamics of respective tanks, which were determined at the time of commissioning of tanks. We focused on stock-in-trade as it is a significant portion of Group's total asset and involves complexities in determination of volume.	We performed a range of audit procedures in respect of inventory items including, amongst others physical observation of inventory counts, testing valuation methods and their appropriateness in accordance with the applicable accounting standards. We involved an external expert, to assist us in taking the dips, determining volume based on the calibration charts and determining nature / characteristics of the stock-in-trade. We re-performed the working for determination of volume, based on the calibration charts on a sample basis. We obtained samples of inventories from the storage tanks to determine the nature / characteristics of the stock-in-trade. Such samples were then sent to the external expert's laboratory to determine the nature of the stock. We also assessed the adequacy of the disclosure made in respect of the accounting policies and details of inventory balances held by the Group at the year end.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.

Chartered Accountants
Place: Karachi

Dated: September 30th, 2021

Consolidated

Statement of Financial Position

As at 30 June 2021

(Rupees in '000)

	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**83,692,408**	83,857,480
Long-term loans and advances	5	**568,231**	723,207
Long-term deposits	6	**337,712**	112,423
		84,598,351	84,693,110
CURRENT ASSETS			
Stores and spares		**2,081,377**	2,040,667
Stock-in-trade	7	**33,584,673**	22,878,892
Trade debts	8	**4,556,175**	4,356,855
Loans and advances	9	**1,560,131**	1,362,133
Trade deposits and short-term prepayments	10	**52,427**	22,477
Accrued interest		**362,032**	312,784
Other receivables	11	**1,464,241**	1,253,347
Taxation - net		**1,128,766**	1,029,489
Cash and bank balances	12	**2,249,958**	2,319,220
		47,039,780	35,575,864
Total assets		**131,638,131**	120,268,974
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	**53,298,847**	53,298,847
Reserves		**(42,341,173)**	(46,222,343)
Surplus on revaluation of property, plant and equipment		**9,743,271**	10,754,216
		20,700,945	17,830,720
Contribution against future issue of shares	14	**979,418**	857,140
		21,680,363	18,687,860
NON-CURRENT LIABILITIES			
Long-term financing	15	**21,897,037**	19,827,184
Accrued and deferred mark-up	16	**5,774,166**	6,525,172
Long-term lease liabilities	17	**1,029,047**	1,200,043
Long-term deposits	18	**269,500**	120,175
Deferred liabilities	19	**548,129**	609,314
Deferred income - government grant	20	**3,501**	12,037
Deferred taxation	21	**1,805,479**	1,759,378
		31,326,859	30,053,303
CURRENT LIABILITIES			
Trade and other payables	22	**54,179,487**	41,092,243
Advance from customers	23	**2,851,374**	2,948,271
Accrued mark-up	24	**568,226**	893,415
Short-term borrowings - secured	25	**15,069,500**	23,907,984
Current portion of non-current liabilities		**5,934,329**	2,662,236
Current portion of deferred income - government grant	20	**26,966**	22,635
Unclaimed dividend		**1,027**	1,027
		78,630,909	71,527,811
CONTINGENCIES AND COMMITMENTS	26		
Total equity and liabilities		**131,638,131**	120,268,974

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated

Statement of Profit or Loss

For the year ended 30 June 2021

(Rupees in '000)

	Note	2021	2020
Turnover - net	27	**142,150,298**	173,898,930
Cost of sales	28	**(134,892,850)**	(171,739,740)
Gross profit		**7,257,448**	2,159,190
Administrative expenses	29	**(1,005,045)**	(934,232)
Selling and distribution expenses	30	**(576,360)**	(578,186)
Other expenses	31	**(1,498,664)**	(1,226,414)
Other income	32	**1,256,589**	1,371,541
		(1,823,480)	(1,367,291)
Operating profit		**5,433,968**	791,899
Finance costs	33	**(2,416,361)**	(3,960,395)
Profit / (loss) before taxation		**3,017,607**	(3,168,496)
Taxation	34	**(74,468)**	233,230
Profit / (loss) after taxation		**2,943,139**	(2,935,266)
Earning / (loss) per share - (Rupees)			
- Basic	35	**0.55**	(0.55)
- Diluted	35	**0.54**	(0.55)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated

Statement of Comprehensive Income

For the year ended 30 June 2021

(Rupees in '000)

	2021	2020
Profit / (loss) after taxation	**2,943,139**	(2,935,266)
Other comprehensive income / (loss) for the year		
Items that will not be reclassified subsequently to statement of profit or loss		
Re-measurement loss on defined benefit obligation - net of tax	**(72,914)**	(26,448)
Revaluation surplus on property, plant and equipment - net of tax	**–**	439,835
Total comprehensive profit / (loss) for the year	**2,870,225**	(2,521,879)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated

Statement of Changes in Equity

For the year ended 30 June 2021

(Rupees in '000)

	Issued, subscribed and paid up capital	Capital Reserves			Revenue Reserve	Sub-total	Contribution against future issue of shares	Total
		Merger reserve	Other capital reserve (note 15.12)	Revaluation surplus on property, plant and equipment	Accumulated Loss			
Balance as at June 30, 2019	53,298,847	(21,303,418)	3,214,209	11,290,892	(26,147,931)	20,352,599	857,140	21,209,739
Net loss for the year	–	–	–	–	(2,935,266)	(2,935,266)	–	(2,935,266)
Other comprehensive income / (loss) for the year - net of tax	–	–	–	439,835	(26,448)	413,387	–	413,387
Total comprehensive income / (loss) for the year	–	–	–	439,835	(2,961,714)	(2,521,879)	–	(2,521,879)
Revaluation on contribution against future issue of shares	–	–	–	–	–	–	–	–
Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	–	–	–	(976,511)	976,511	–	–	–
Balance as at June 30, 2020	**53,298,847**	**(21,303,418)**	**3,214,209**	**10,754,216**	**(28,133,134)**	**17,830,720**	**857,140**	**18,687,860**
Net profit for the year	–	–	–	–	2,943,139	2,943,139	–	2,943,139
Other comprehensive loss for the year - net of tax	–	–	–	–	(72,914)	(72,914)	–	(72,914)
Total comprehensive income for the year	–	–	–	–	2,870,225	2,870,225	–	2,870,225
Revaluation on contribution against future issue of shares	–	–	–	–	–	–	122,278	122,278
Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	–	–	–	(1,010,945)	1,010,945	–	–	–
Balance as at June 30, 2021	**53,298,847**	**(21,303,418)**	**3,214,209**	**9,743,271**	**(24,251,964)**	**20,700,945**	**979,418**	**21,680,363**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated

Statement of Cash Flows

For the year ended 30 June 2021

(Rupees in '000)

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**3,017,607**	(3,168,496)
Adjustments for:			
Depreciation	4.1.4 & 4.3.3	**4,857,682**	4,678,908
Finance costs	33	**2,416,361**	3,960,395
Provision for doubtful debts	8.1	**1,421,925**	1,130,111
Loss / (gain) on disposal of assets	32	**149**	(2,713)
Interest income	32	**(987,728)**	(1,286,119)
Provision for gratuity	19.1.5	**81,252**	61,671
Net cash flows before working capital changes		**10,807,248**	5,373,757
(Increase) / decrease in current assets			
Stores and spares		**(40,710)**	(348,374)
Stock-in-trade		**(10,705,781)**	6,381,402
Trade debts		**(713,893)**	979,802
Loans and advances		**(43,022)**	(42,245)
Trade deposits and short-term prepayments		**(29,950)**	1,154
Other receivables		**(191,931)**	84,358
		(11,725,287)	7,056,097
Increase / (decrease) in current liabilities			
Trade and other payables		**13,436,323**	(6,849,471)
Advances from customers		**(96,897)**	(439,522)
		13,339,426	(7,288,993)
Cash generated from operations		**12,421,387**	5,140,861
Finance costs paid		**(3,014,674)**	(6,537,238)
Income taxes paid		**(97,717)**	(213,566)
Gratuity paid	19.1.5	**(90,000)**	(58,834)
Interest income received		**31,128**	73,354
Net cash generated from / (used) in operations		**9,250,124**	(1,595,423)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(4,570,546)**	(3,289,780)
Sale proceeds against disposal		**67**	5,472
Long-term deposits - net		**(75,964)**	(62,432)
Net cash used in investing activities		**(4,646,443)**	(3,346,740)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		**4,326,474**	(1,816,943)
Short-term borrowings - net		**(10,438,484)**	9,326,648
Payments against lease liabilities		**(160,933)**	(115,886)
Net cash (used in) / generated from financing activities		**(6,272,943)**	7,393,819
Net (decrease) / increase in cash and cash equivalents		**(1,669,262)**	2,451,656
Cash and cash equivalents - at the beginning of the year		**2,319,220**	(132,436)
Cash and cash equivalents - at the end of the year	36	**649,958**	2,319,220

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The “Group” consist of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Holding Company)

The Holding Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the repealed Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Holding Company are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Cnergyico Mu Incorporated, (formerly Byco Industries Incorporated (BII)), Mauritius (the Parent Company). The Holding Company in turn is a subsidiary of Busientco Incorporated (formerly Byco Busient Incorporated (BBI)), Cayman Islands (the Ultimate Parent Company).

The Holding Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Holding Company has two refineries with an aggregate rated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 415 (30 June 2020: 391) retail outlets across the country.

On 08th July 2021, shareholders of the Holding Company passed special resolution in Extra Ordinary General Meeting and resolved that name of the Holding Company changed from 'Byco Petroleum Pakistan Limited' to “Cnergyico PK Limited”. As at the date of authorization of these consolidated financial statements, the Company is in the process of meeting regulatory requirements due to which these consolidated financial statements have been prepared under the existing name of the Holding Company.

Geographical location and addresses of major business units including mills/plants of the Holding Company are as under:

Location / Address	Purpose
The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.	Head office
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	Refining unit

Subsidiary Company

ii) Byco Isomerisation Pakistan (Private) Limited (BIPL)

BIPL was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 on 14 May 2014. BIPL is a wholly owned subsidiary of the Holding Company. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

Geographical location and addresses of major business units including mills/plants of BIPL are as under:

Location / Address	Purpose
Rooms 406 and 407, 4th Floor, Islamabad Stock Exchange Towers, 55-B. Jinnah Avenue, Islamabad	Registered office
Survery/Khasra No. 310, Mouza Kund, Sub Tehsil, Gadani, District, Lasbella, Balochistan	Production plant

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017 (the Act); and

- Provisions of and directives issued under the Act

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Property, plant and equipment which are carried at revalued amount in accordance with IAS 16 “Property, Plant and Equipment” as disclosed in note 3.2 and 4.1; and

- Employees’ retirement benefits which is carried at present value of defined benefit obligation net of fair value of plan assets in accordance with the requirements of IAS 19 "Employee Benefits", as disclosed in note 3.11 and 19.1.

2.3 New standards and amendments

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except that the Group has adopted the following standards, amendments, interpretation and improvements to IFRS which became effective for the current year:

IFRS 3	Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7	Interest Rate Benchmark Reform (Amendments)
IAS 1 / IAS 8	Definition of Material (Amendments)

Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)

IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023

2.4 **Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Improvement to accounting standards issued by the IASB (2018 – 2020 cycle)

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning or after)
IFRS 1	First time adoption of IFRSs	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

2.5 **Critical accounting judgments, estimates and assumptions**

The preparation of these consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements, estimates and assumptions made by the management that may have a significant risk of material adjustments to the consolidated financial statements in the subsequent years are as follows:

i) Useful lives of items of property, plant and equipment (note 3.2 and 4.1);
ii) Provision for slow moving and obsolete stores and spares (note 3.4);
iii) Provision for doubtful debts and other receivables (note 3.7);
iv) Impairment against non-financial assets (note 3.9);
v) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 3.11 and 19.1);
vi) Surplus on revaluation of Property, plant and equipment (note 3.2);
vii) Provision for taxation (note 3.13, 21 and 34);
viii) Contingencies (note 3.20 and 26.1);
ix) Determining the lease term of contracts with renewal and termination options (notes 3.10 and 17); and
x) Leases - Estimating the incremental borrowing rate (notes 3.10 and 17).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary company, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to appoint or remove majority of its directors. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiary have been changed to conform with accounting policies of the Group, where required.

The assets, liabilities, income and expenses of subsidiary company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary company's shareholders' equity in the consolidated financial statements. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

3.2 Property, plant and equipment

Owned

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any, except for freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments which are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation. The surplus arising on revaluation is disclosed as surplus on revaluation of property, plant and equipment.

Depreciation is charged to consolidated statement of profit or loss, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates as disclosed in note 4.1 to the consolidated financial statements. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

The carrying values of the Group's property plant and equipment are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the consolidated statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property plant and equipment is recognised in the year of disposal.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in consolidated statement of profit or loss, the increase is first recognized in consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in consolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to consolidated statement of profit or loss.

Capital work-in-progress

Capital work-in-progress, is stated at cost less accumulated impairment losses, if any. Cost consists of:

- expenditures incurred for the acquisition of the specific asset, dismantling, refurbishment, construction and installation of the asset so acquired.

- borrowing cost and exchange differences arising on foreign currency financings to the extent these are regarded as adjustment to interest costs for qualifying assets if its recognition criteria is met as mentioned in note 3.16 to the consolidated financial statements.

- interest expenses, exchange loss and other expenses as mentioned in note 4.2.3 and 4.2.4 to the consolidated financial statements.

- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

Right-of-use assets
The Group recognises a right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

3.3 Stock-in-trade
All stock-in-trade is valued at the lower of cost and net realizable value (NRV). Stock-in-transit, if any, are valued at cost comprising invoice values plus other charges incurred as on the consolidated statement of financial position date.

Raw materials
Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis.

Finished products
Cost of finished products comprises of the cost of crude oil and appropriate production overheads. Production overheads are arrived at on the basis of average cost for the month per barrel of throughput.

Net realizable value in relation to finished products is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

3.4 Stores and Spares
These are stated at moving average cost less impairment loss, if any. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the consolidated statement of profit or loss.

3.5 Advances and short-term prepayments
These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each consolidated statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.6 Contract liabilities
A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Group performs under the contract.

3.7 Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, the Group classifies its financial assets into following categories:

- Financial assets at amortized cost (debt instruments);- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) (FVOCI); and- Financial assets at fair value through profit or loss (FVPL)."

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has not designated any financial asset at FVOCI.

Financial assets at FVPL
Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in consolidated statement of profit or loss.

This category also includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

The Group has not designated any financial asset at FVPL.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Group applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Group applies a simplified approach where applicable in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be at a risk of default when contractual payments are 90 days past due, unless there are factors that might indicate otherwise. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability at FVPL.

Financial liabilities at amortized cost
After initial recognition, borrowings and payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in consolidated statement of profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in consolidated statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements only when the Group has a legally enforceable right to set off and the Group intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements.

3.8 Cash and cash equivalents
Cash and cash equivalents are stated at cost. For the purposes of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks and running finance facility.

3.9 Impairment

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in consolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flow have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in consolidated statement of profit or loss.

3.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments at the lease commencement date, the Group uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

ii) Determination of the lease term for lease contracts with extension and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

iii) Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

iv) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.11 Staff retirement benefits

Defined benefit plan

The Group operates a funded gratuity scheme covering all its permanent employees who have completed minimum qualifying period of service. The Group's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out at 30 June 2021 and based on the actuarial valuation, the Group had recognised the liability for retirement benefits and the corresponding expenses. Actuarial gains and losses that arise are recognised in consolidated statement of comprehensive income in the year in which they arise. Past service costs are recognised immediately in consolidated statement of profit or loss irrespective of the fact that the benefits are vested or non-vested. Current service costs and any past service costs together with the effect of the unwinding of the discount on plan liabilities are charged to consolidated statement of profit or loss.

The amount recognised in the consolidated statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of plan assets.

Defined contribution plan

The Group operates a funded provident fund scheme for all its eligible employees. Equal contributions are made by the Group and the employees at 8.33% of the basic salary of the eligible employees.

3.12 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.13 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the consolidated statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect the current best estimate.

3.15 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Parent Company is stated at the rates at which these were received. Foreign currency payments by the Parent Company directly to foreign suppliers of plant and machinery foreign dismantling and refurbishment services providers are initially stated at Pak Rupees equivalent amount translated at the rates approximating to those ruling on the date of transaction. Thereafter, these are revalued and stated at the average of Pak Rupees exchange rates quoted by selected authorised dealers approximating to those ruling on the dates the related plant and machinery items are received in Pakistan (i.e. the date of the bill of entry as per the requirements of Foreign Exchange Manual 2018).

3.16 Borrowings and related costs

Borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets, that necessarily take substantial period of time to get ready for their intended use, are capitalized as a part of cost of those assets, until such time as the assets are substantially ready for intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds and exchange difference arising on foreign currency fundings to the extent those are regarded as adjustment to the interest cost, net of related interest income, if any.

3.17 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Group expects to be entitled to in exchange for transferring goods or services to a customer. The credit limits in contract with customers ranges from nil to 30 days. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods is recognised when control of goods have passed to the customer which coincide with the dispatch of goods to the customers.
- Export sales are recognised on the basis of product shipped to the customers.
- Handling and storage income, rental income on equipment and other services income is recognized on accrual basis.

3.18 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Group and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Mark-up on delayed payment charges are recognised on the time proportionate basis.
- Interest income on short-term deposits and interest bearing advances are recognised on the time proportionate basis.
- Scrap sales, dealership income and rental income are recognised on an accrual basis.
- Gain on disposal is recognised at the time of disposal of operating fixed assets.

3.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.20 Contingencies

Contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

- There is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

3.21 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.22 Foreign currencies translation

Transactions in foreign currencies are accounted for in Pakistan Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rates of exchange which approximate those prevailing at the consolidated statement of financial position date. Exchange differences are recognised in the consolidated statement of profit or loss.

3.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive of the Group.

3.24 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend and other appropriations is subject to the covenant as mentioned in note 15.2.

3.25 Unclaimed dividend

Dividend declared and remain unpaid for the period of more than three years from the date it is due and payable.

3.26 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency.

4 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)

	Note	2021	2020
Operating fixed assets	4.1	**55,647,506**	59,541,045
Capital work-in-progress	4.2	**27,216,293**	23,119,047
Right-of-use assets	4.3	**828,609**	1,197,388
		83,692,408	83,857,480

4.1 Operating fixed assets

(Rupees in '000)

	COST / REVALUATION					ACCUMULATED DEPRECIATION				Written down as at 30 June 2021	Depreciation rate %
	As at 01 July 2020	Additions* / transfers	Revaluation Surplus	Disposals / Transfers	As at 30 June 2021	As at 01 July 2020	Charge for the year	Disposals	As at 30 June 2021		
Owned											
Free hold land	966,668	–	–	–	966,668	–	–	–	–	966,668	–
Lease hold land (4.1.2)	1,314,956	–	–	–	1,314,956	110,081	–	–	110,081	1,204,875	–
Building on free hold land, roads and civil works	1,768,810	29,507	–	–	1,798,317	426,833	72,996	–	499,829	1,298,488	4
Building on lease hold land	81,906	–	–	–	81,906	26,257	3,731	–	29,988	51,918	4
Plant and machinery	79,549,367	321,331	–	–	79,870,698	24,907,161	4,058,510	–	28,965,671	50,905,027	4-5
Generators	1,748,115	–	–	–	1,748,115	740,164	105,922	–	846,086	902,029	6.70
Furniture and fixtures	202,600	36,449	–	–	239,049	171,611	5,863	–	177,474	61,575	10
Filling stations (4.1.1)	784,381	33,126	–	–	817,507	572,239	80,409	–	652,648	164,859	5-12.5
Vehicles	89,753	3,467	–	–	93,220	85,534	2,096	–	87,630	5,590	20
Computer and allied equipments	391,840	68,836	–	(10,550)	450,126	323,104	58,679	(10,335)	371,448	78,678	33.33
Safety and lab equipments	1,360,250	4,388	–	–	1,364,638	1,354,617	2,222	–	1,356,839	7,799	20-25
	88,258,646	**497,104**	**–**	**(10,550)**	**88,745,200**	**28,717,601**	**4,390,428**	**(10,335)**	**33,097,694**	**55,647,506**	

* Additions of Rs. 497.104 million (30 June 2020: Rs. 1,130.157 million), as shown above, include an amount of Rs. 33.404 million (30 June 2020: Rs. 896.063 million) transferred from capital work-in-progress during the year, as shown in note 4.2.

(Rupees in '000)

	COST / REVALUATION					ACCUMULATED DEPRECIATION				Written down as at 30 June 2020	Depreciation rate %
	As at 01 July 2019	Additions* / transfers	Revaluation Surplus	Disposals	As at 30 June 2020	As at 01 July 2019	Charge for the year	Disposals	As at 30 June 2020		
Owned											
Free hold land	893,700	–	72,968	–	966,668	–	–	–	–	966,668	–
Lease hold land (4.1.2)	1,310,081	–	4,875	–	1,314,956	110,081	–	–	110,081	1,204,875	–
Building on free hold land, roads and civil works	1,572,886	16,106	179,818	–	1,768,810	365,682	61,151	–	426,833	1,341,977	4
Building on lease hold land	76,938	–	4,968	–	81,906	22,859	3,398	–	26,257	55,649	4
Plant and machinery	78,441,987	995,259	112,121	–	79,549,367	20,923,804	3,983,357	–	24,907,161	54,642,206	4-5
Generators	1,535,177	–	212,938	–	1,748,115	657,205	82,959	–	740,164	1,007,951	6.70
Furniture and fixtures	185,358	17,242	–	–	202,600	167,245	4,366	–	171,611	30,989	10
Filling stations (4.1.1)	718,536	65,845	–	–	784,381	473,974	98,265	–	572,239	212,142	5-12.5
Vehicles	98,830	–	–	(9,077)	89,753	88,951	2,949	(6,366)	85,534	4,219	20
Computer and allied equipments	359,241	32,721	–	(122)	391,840	273,393	49,785	(74)	323,104	68,736	33.33
Safety and lab equipments	1,357,266	2,984	–	–	1,360,250	1,353,154	1,463	–	1,354,617	5,633	20-25
	86,550,000	**1,130,157**	**587,688**	**(9,199)**	**88,258,646**	**24,436,348**	**4,287,693**	**(6,440)**	**28,717,601**	**59,541,045**	

4.1.1 The Group's assets located at filling stations are not in possession of the Group. In view of large number of dealers, the management considers it impracticable to disclose particulars of assets not in possession of the Group as required under para 12 of part II of the Fourth Schedule to the Companies Act, 2017.

4.1.2 During the year ended 30 June 2020, Group performed revaluation of the Group's freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments resulted in revaluation surplus of Rs. 587.688 million. The valuation was carried out by an independent valuer, on the basis of present market values for similar sized plots in the vicinity of land and replacement values of similar type of land based on present cost. For other assets, numerous independent market inquiries from Civil Structures contractors, local and foreign machinery dealers / importers were made to establish the net present value and Forced Sale Value. (level 2)

The different levels have been defined in IFRS 13 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 liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cashflows). (level 3).

4.1.3 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

(Rupees in '000)

	2021	2020
Free hold land	**56,154**	56,154
Lease hold land	**213,200**	213,200
Buildings on free hold land, roads and civil works	**1,219,538**	1,252,715
Building on lease hold land	**43,802**	47,202
Plant and machinery	**39,868,782**	41,208,650
Generators	**734,923**	820,037
Safety and lab equipments	**7,799**	5,633
	42,144,198	43,603,591

4.1.4 Depreciation charge for the year on operating assets has been allocated as follows:

Cost of sales	28.1	**4,260,563**	4,150,117
Administrative expenses	29	**48,269**	37,107
Selling and distribution expenses	30	**81,596**	100,469
		4,390,428	4,287,693

4.1.5 **Forced sale values of asset class:**

Free hold land	**773,334**	773,334
Lease hold land	**963,900**	963,900
Buildings on free hold land, roads and civil works	**1,030,092**	1,073,581
Building on lease hold land	**40,788**	44,519
Plant and machinery	**35,395,406**	38,246,034
Generators	**599,643**	705,565
Safety and lab equipments	**5,679**	3,512
	38,808,842	41,810,445

4.1.6 Particulars of immovable assets of the Group are as follows:

Location	Unit of Measurement	Total area
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	Acres	620.45
Deh Redho, Tapo Noor Mohammad Shujrah, Taluka Khanpur, District Shikarpur	Acres	12.68
Mauza Gujrat, Mehmoodkot, Tehsil kot, Addu District, Muzaffargarh	Acres	12
Plot of Barani Land, Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	Acres	11
Mahal Jhamke (Machike), Tehsil & District Sheikhupura	Acres	9
Zero point (SPM), Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	Acres	5
Plot no. 22/5, CL 9, Hoshang Road, Civil Lines Quarter, Karachi	Sq. yards	2,975

4.2 Capital work-in-progress

The movement of capital work-in-progress during the year is as follows:

(Rupees in '000)

	Note	Opening Balance	Additions	Transfers	Closing balance 30 June 2021	Closing balance 30 June 2020
Building on free hold land, roads and civil works		691	2,199	(2,199)	**691**	691
Plant and machinery	4.2.1, 4.2.2, 4.2.3, 4.2.4 & 4.2.5	23,062,692	4,098,583	(1,337)	**27,159,938**	23,062,692
Furniture and fixtures		–	29,868	(29,868)	**–**	–
Filling stations		55,664	–	–	**55,664**	55,664
		23,119,047	4,130,650	(33,404)	**27,216,293**	**23,119,047**

4.2.1 Includes plant and machinery amounting to USD 4 million (30 June 2020: USD 4 million) against which shares to be issued as disclosed in note 14.1 to these consolidated financial statements.

4.2.2 Includes dismantling and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Holding Company as disclosed in note 14.2 to these consolidated financial statements.

4.2.3 Capitalization of borrowing costs amounting to Rs. 1,151.672 million (30 June 2020: Rs. 1,777.734 million) have been determined at the rate of 7% (30 June 2020: 11%) per annum.

4.2.4 Plant and machinery includes exchange difference of Rs. 122.279 million (30 June 2020: Rs. NIL).

4.2.5 Includes units for refinery upgradation that are currently under construction/progress and will become operational as per the projected plans of the Group.

4.3 Right-of-use assets

(Rupees in '000)

	Note	2021	2020
Year ended June 30			
Opening net book value		**1,197,388**	1,537,396
Additions		**98,475**	51,207
Less: Depreciation charge for the year	4.3.3	**(467,254)**	(391,215)
Closing net book value		**828,609**	1,197,388
As at June 30			
Cost		**1,683,489**	1,588,603
Accumulated depreciation		**(854,880)**	(391,215)
Net book value		**828,609**	1,197,388

4.3.1 Breakup of net book value of right-of-use assets by class of underlying asset is as follows:

(Rupees in '000)

	2021	2020
Lease hold land	**495,188**	474,071
Building on lease hold land	**333,421**	723,317
	828,609	1,197,388

4.3.2 The right-of-use assets are depreciated on straight line basis over the lease term.

4.3.3 Depreciation charge for the year on right-of-use assets has been allocated as follows:

(Rupees in '000)

	Note	2021	2020
Cost of sales	28.1	**141,667**	102,931
Administrative expenses	29	**108,003**	108,487
Selling and distribution expenses	30	**217,584**	179,797
		467,254	391,215

4.3.3.1 Breakup of depreciation of right-of-use assets by class of underlying asset is as follows:

(Rupees in '000)

	2021	2020
Lease hold land	**77,360**	99,081
Building on lease hold land	**389,894**	292,134
	467,254	391,215

4.3.4 Lease obligations of the Group comprise of lease arrangements of the Group giving it the right-of-use over lands, warehouses, terminals and office premises. The Group has also entered into lease arrangements of plant and machinery and tank lorries, however, these do not constitute right-of-use assets on account of variable payments.

5 LONG-TERM LOANS AND ADVANCES - unsecured, considered good

(Rupees in '000)

	Note	2021	2020
Loan to Coastal Refinery Limited (CRL)		**1,518,780**	1,518,780
Advance against investment in shares		**482,134**	482,134
		2,000,914	2,000,914
Current portion of loan to CRL	9	**(1,432,683)**	(1,277,707)
		568,231	723,207

6 LONG-TERM DEPOSITS

	2021	2020
Rent	**14,178**	14,178
Retail sites and others	**323,534**	98,245
	337,712	112,423

7 STOCK-IN-TRADE

(Rupees in '000)

	Note	2021	2020
Raw material	7.1	**26,063,302**	18,740,294
Finished products	7.2	**7,521,371**	4,138,598
		33,584,673	22,878,892

7.1 This includes raw material in transit amounting to Rs. 21,961.788 million (30 June 2020: Rs. 14,406.040 million) as at the date of consolidated statement of financial position.

7.2 This includes finished product held by third parties amounting to Rs. 3,163.736 million (30 June 2020: Rs. 1,731.006 million) as at the date of consolidated statement of financial position.

8 TRADE DEBTS

(Rupees in '000)

	Note	2021	2020
Considered good		**4,556,175**	4,356,855
Considered doubtful		**7,618,435**	6,196,510
		12,174,610	10,553,365
Provision for doubtful debts	8.1	**(7,618,435)**	(6,196,510)
		4,556,175	4,356,855

8.1 Provision for doubtful debts

	Note	2021	2020
Opening balance		**6,196,510**	5,066,399
Provision made during the year	31	**1,421,925**	1,130,111
Closing balance		**7,618,435**	6,196,510

9 LOANS AND ADVANCES

	Note	2021	2020
Secured - considered good			
Advance to suppliers and contractors		**9,666**	1,254
Unsecured - considered good			
Advance to employees, suppliers and contractors		**117,782**	83,172
Current portion of loan to CRL	5	**1,432,683**	1,277,707
		1,560,131	1,362,133

10 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	2021	2020
Deposits	**15,372**	15,372
Prepayments		
- Insurance	**34,195**	6,024
- Rent	**2,860**	1,081
	52,427	22,477

11 OTHER RECEIVABLES - considered good

(Rupees in '000)

	Note	2021	2020
Receivable from CRL	11.1	**1,234,507**	1,093,761
Others		**229,734**	159,586
		1,464,241	1,253,347

11.1 Represents expenses incurred by the Group on behalf of CRL. The outstanding balance is being adjusted against the cost payable to CRL on account of usage of buoy. The outstanding balance and loan to CRL (as disclosed in note 5) secured against the plant and machinery of CRL. The Holding Company has a contractual right to dispose of that plant and machinery in case of default. Based on the aforesaid factors, the Group has not recorded any provision against those balances.

12 CASH AND BANK BALANCES

(Rupees in '000)

	Note	2021	2020
Cash in hand		**188**	375
Cash at banks			
- Current accounts		**1,762,285**	1,955,391
- Saving / deposit accounts	12.1, 12.2 & 12.3	**487,485**	363,454
		2,249,770	2,318,845
		2,249,958	2,319,220

12.1 These carry interest at the rates ranging from 3.25% to 7.3% (30 June 2020: 3.25% to 12.3%) per annum.

12.2 This includes Rs. Nil (30 June 2020: Rs. 150.0 million) kept under lien against guarantee.

12.3 This includes Rs. 469.304 million (30 June 2020: Rs. 85.171 million) kept in shariah compliant savings account.

13 SHARE CAPITAL

Number of Shares				(Rupees in '000)	
2021	2020		Note	2021	2020
		Authorized share capital			
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10/- each	13.1	**60,000,000**	60,000,000
		Issued, subscribed and paid-up capital			
187,348,638	187,348,638	Issued for cash		**1,873,486**	1,873,486
5,142,536,068	5,142,536,068	Issued for consideration other than cash - assets		**51,425,361**	51,425,361
5,329,884,706	5,329,884,706			**53,298,847**	53,298,847

13.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

14 CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

	Note	2021	2020
		(Rupees in '000)	
From Cnergyico Mu Incorporated, the Parent Company	14.1, 14.2 & 14.3	**979,418**	857,140

14.1 In respect of plant and machinery

Represents Rs. 529.20 million (30 June 2020: Rs. 528.40 million) being rupee equivalent of USD 4.0 million (30 June 2020: USD 4.0 million) representing part of the cost of plant, machinery purchased by the Holding Company.

Pursuant to a Share Subscription Agreement dated 31 August 2006 and amended vide an addendum dated 31 July 2007 entered into between the Holding Company and its sponsor, the sponsor has paid the above amount to the supplier against the said assets in lieu of its equity contribution in the Holding Company for which ordinary shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 14.3 to these consolidated financial statements.

14.2 In respect of dismantling and refurbishment of Aromatic Plant:

This includes a sum of (i) Rs. 394.802 million (30 June 2020: Rs. 282.591 million), being rupee equivalent of € 2.259 million and £ 0.290 million (30 June 2020: € 2.259 and £ 0.290 million) and (ii) Rs. 55.416 million (30 June 2020: Rs. 46.149 million), being rupee equivalent of US$ 0.419 million (30 June 2020: US$ 0.507 million), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Holding Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 14.3 to these consolidated financial statements.

14.3 During the year, the Holding Company has fulfilled all the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Regulation 5 of Chapter IV of the Companies (further issue of shares) Regulations, 2020 for issuance of shares to the Parent Company. Subsequent to the year end, the Board of Directors of the Holding Company in its meeting held on 31 August 2021, resolved and approved for issuance of 163.563 million shares of the Holding Company, having face value of Rs. 10 each, to Cnergyico Mu Incorporated, the Parent Company. The Holding Company is in the process of meeting other regulatory requirements which is expected to be completed soon and shares will be issued in the due course. The Holding Company is in the process of meeting other regulatory requirements after which and shares will be issued in the due course.

15 LONG-TERM FINANCING

(Rupees in '000)

Facilities	Note	Mark-up rate	Installments			2021	2020
			Payment term	Number	Commencement		
Secured							
Syndicate loan II	15.2 & 15.3	8% per annum for the first two years from the date of disbursement and six months kibor or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	**145,250**	298,736
Arrangement fee	15.3		–	–	–	**94,748**	89,257
Bilateral Loan I	15.4	Six months kibor + 4.5%	Quarterly	12	June 2019	**350,000**	400,000
Bilateral Loan II	15.4	Three months kibor + 1.5%	Quarterly	12	Sep 2020	**666,667**	1,000,000
Bilateral Loan III	15.4	Three months kibor + 4.5%	Quarterly	12	June 2019	**233,334**	266,667
Bilateral Loan IV	15.4	Three months kibor + 1.5%	Quarterly	12	May 2021	**2,200,000**	2,200,000
Bilateral Loan V	15.4	Three months kibor + 2.5%	Quarterly	08	October 2020	**318,712**	382,454
Bilateral Loan VI	20	SBP rate* + (2.5% - 3%)	Quarterly	08	January 2021	**777,196**	458,878
	15.1					**4,785,907**	5,095,992
Sukuk certificates	15.5 & 15.1	Three months kibor + 1.05%	Quarterly	12	April 2019	**1,820,000**	1,820,000
Related parties - unsecured							
Integrate Pk (Private) Limited - Supplier's credit	15.6 & 15.12	One year Libor + 1%	Semi-annually	20	March 2025	**958,890**	958,890
Integrate Pk (Private) Limited - Others	15.6, 15.7 &15.8	Nil to 4.5% to six months kibor + 4%	Semi-annually	05	March 2025	**13,554,225**	8,758,326
Cnergyico Mu Incorporated, the Parent Company	15.6, 15.9, 15.10, 15.11 & 15.12	Six month to one year libor + 1%	Semi-annually	04	March 2025	**3,935,650**	3,935,650
						18,448,765	13,652,866
						25,054,672	20,568,858
Current maturity						**(3,157,635)**	(741,674)
						21,897,037	19,827,184

* SBP rate was 0% for the salary refinance scheme.

15.1 Represent facilities availed from various banks and are secured against the Holding Company's fixed and current assets.

15.2 The loan agreement contains the covenant that the Holding Company cannot pay dividend to its shareholders if an event of default is occurred.

15.3 Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility is secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of 80% shares of CRL.

15.4 Represents bilateral loans availed from various banks and financial institutions and are secured against the Holding Company's fixed and current assets.

15.5 Represents privately placed long-term Islamic certificates (Sukuk) amounting to Rs. 3,120 million, issued by the Holding Company to meet the expansion plans of the Holding Company. This facility is secured against fixed assets of the Holding Company.

15.6 The loans are inferior to the rights of present and future secured financial institutions which are or may be lender to the Holding Company.

15.7 During the year, the Holding Company entered into a novation agreements according to which loan and accrued markup amounting to Rs. 14,581.630 million and 4,879.284 million respectively novated to Integrate Pk (Private) Limited, a related party, from a lender, under the Novation Agreement dated 28 June 2021.

15.8 Includes loan amounting to Rs. 250 million obtained during the year from Integrate Pk (Private) Limited, a related party, for the purpose of assembly and construction of certain oil refinery assets. The loan carries interest rate of 4.5% per annum and is repayable on the basis of cash availability and no principal shall be payable during the Assembly period.

15.9 A foreign currency loan of USD 0.144 million which carries mark-up at the rate of 6 Months LIBOR+1% per annum, which was due on 22 June 2012 by a bullet payment.

15.10 A supplier's credit amounting to USD 41.927 million novated from Cnergyico Acisal Incorporated during the year ended 30 June 2015 under the agreement. This carries mark-up at the rate of LIBOR+1% per annum, payable semi-annually.

15.11 Balance amount of loan novated from Busientco Incorporated (formerly Byco Busient Incorporated (BBI)), the Ultimate Parent Company, amounting to USD 16.124 million (principal USD 15.713 million and mark-up USD 0.411 million) is repayable in four unequal semi-annual installments. This carries mark-up at the rate of LIBOR + 1% per annum, payable semi-annually.

15.12 During the year 30 June 2018, the Holding Company has revised its agreement with the Parent Company due to which the exchange rate on principal and mark-up has been frozen on the last date of disbursement. Accordingly, the Holding Company has recognized the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

16 ACCRUED AND DEFERRED MARK-UP

(Rupees in '000)

	2021	2020
Mark-up on long-term financing / loans from related party		
- secured	**170,203**	1,877,550
- unsecured	**5,603,963**	4,647,622
	5,774,166	6,525,172

17 LONG-TERM LEASE LIABILITIES

Opening balance		**1,449,783**	1,514,461
Additions during the year		**98,475**	51,208
Accretion of interest	33	**254,298**	238,765
Less: Lease rentals paid		**(414,890)**	(354,651)
Balance at end of the year		**1,387,666**	1,449,783
Current portion of long-term lease liabilities		**(358,619)**	(249,740)
Long-term lease liabilities		**1,029,047**	1,200,043

17.1 The rent expense related to short-term leases, included in administrative and, selling and distribution expenses, amounted to Rs. 22.089 million (30 June 2020: Rs. 11.227 million).

18 LONG-TERM DEPOSITS

(Rupees in '000)

		2021	2020
Deposits	18.1	**269,500**	120,175

18.1 This includes interest-free deposits received from logistics vendors as security against goods to be transported which is utlized for the purpose of the business in accordance with the related agreements.

19 DEFERRED LIABILITIES

(Rupees in '000)

	Note	2021	2020
Employees retirement benefits	19.1	**192,870**	98,922
Arrangement fee		**36,746**	56,979
Others	19.2	**318,513**	453,413
		548,129	609,314

19.1 Employees retirements benefits - staff gratuity

19.1.1 General description

The Holding Company operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2021, using the "Projected Unit Credit Method". Provision has been made in the consolidated financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

19.1.2 Reconciliation of amount payable to defined benefit plan

(Rupees in '000)

	Note	2021	2020
Present value of defined benefit obligation	19.1.3	**652,473**	451,077
Fair value of plan assets	19.1.4	**(459,603)**	(352,155)
		192,870	98,922

19.1.3 Movement in the present value of defined benefit obligation:

	Note	2021	2020
Opening balance		**451,077**	325,987
Current service cost		**71,070**	57,524
Interest cost		**40,122**	45,990
Benefits paid during the year		**(33,027)**	(15,999)
Actuarial loss	19.1.7	**123,231**	37,575
Closing balance		**652,473**	451,077

19.1.4 Movement in the fair value of plan assets:

	Note	2021	2020
Opening balance		**352,155**	267,153
Expected return on plan assets		**29,940**	41,843
Contributions		**90,000**	58,834
Benefits paid during the year		**(33,027)**	(15,999)
Actuarial gain / (loss)	19.1.7	**20,535**	324
Closing balance		**459,603**	352,155

19.1.5 Movement in net liability

	Note	2021	2020
Opening balance		**98,922**	58,834
Charge for the year	19.1.6	**81,252**	61,671
Contributions		**(90,000)**	(58,834)
Actuarial loss	19.1.7	**102,696**	37,251
Closing balance		**192,870**	98,922

19.1.6 Charge for the year

(Rupees in '000)

	Note	2021	2020
Current service cost		**71,070**	57,524
Interest cost - net		**10,182**	4,147
		81,252	61,671

19.1.7 Actuarial remeasurements

Actuarial loss on defined benefit obligations	**(123,231)**	(37,575)
Actuarial gain / (loss) on fair value of plan assets	**20,535**	324
	(102,696)	(37,251)

19.1.8 Actuarial assumptions:

Valuation discount rate per annum	**10.25%**	9.25%
Salary increase rate per annum	**10.25%**	8.25%
Expected return on plan assets per annum	**8.50%**	9.25%
Normal retirement age of employees	**60 years**	60 years

19.1.9 As of 30 June 2021, a total of 750 employees have been covered under the above scheme.

19.1.10 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 108.222 million.

19.1.11 Contribution for the next financial year as per the actuarial valuation report amounts to Rs. 90.766 million.

19.1.12 The weighted average duration of the obligation is 11.76 years.

19.1.13 Comparisons for past years:

(Rupees in '000)

As at June 30	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**652,473**	451,077	325,987	264,961	208,096
Fair value of plan assets	**(459,603)**	(352,155)	(267,153)	(137,480)	(27,912)
Deficit	**192,870**	98,922	58,834	127,481	180,184
Experience adjustment on plan liabilities	**(123,231)**	(37,575)	(19,498)	(2,876)	22,987
Experience adjustment on plan assets	**20,535**	324	(28,733)	(7,438)	(1,482)
	(102,696)	(37,251)	(48,231)	(10,314)	21,505

19.1.14 Composition of plan assets

(Rupees in '000)

	2021	2020
Mutual Fund	**434,931**	343,178
Cash at bank	**24,673**	8,977

19.1.15 Consolidated statement of financial position date sensitivity analysis (± 100 bps) on present value of defined benefit obligation:

(Rupees in '000)

	2021			
	Discount rate		Salary increase	
	+ 100 bps	– 100 bps	+ 100 bps	– 100 bps
Present value of defined benefit obligation	577,887	730,218	732,716	574,673

(Rupees in '000)

	2020			
	Discount rate		Salary increase	
	+ 100 bps	– 100 bps	+ 100 bps	– 100 bps
Present value of defined benefit obligation	402,886	506,002	508,334	400,211

19.1.16 Significant risks

Final Salary Risk
The risk that the final salary at the time of cessation of service is greater than what the Holding Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility
A significant portion of the assets are invested in mutual funds which is subject to the risk that as the market fluctuates, the mutual funds may decline in value, and the Employees' Gratuity Fund (the Fund) may lose some or all of its principal.

The remaining investments are in saving accounts. The cash at bank exposure is almost 5% (Rs. 24.673 million).

Discount rate fluctuation
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Life expectancy / Withdrawal rate
The Gratuity is paid off at the maximum of age 60. The life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Holding Company for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post retirement benefit been given by the Holding Company like monthly pension, post retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models.

The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Inflation risk
The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Holding Company.

Model Risk
The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.

Investment risk
The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets
This is managed by making regular contribution to the Fund as advised by the actuary.

19.2 Represents differential mark-up recognised on the interest free loan obtained from Integrate Pk (Private) Limited, a related party, which has been recognised at present value discounted at effective interest rate (as disclosed in note 15).

20 DEFERRED INCOME - government grant

	2021	2020
	(Rupees in '000)	
Opening balance	**34,672**	–
Received during the year	**38,041**	34,672
Recognised in long term loan	**(42,246)**	–
Closing balance	**30,467**	34,672
Current portion	**(26,966)**	(22,635)
Non-current portion	**3,501**	12,037

20.1 Government grant has been recorded pursuant to a salary refinance scheme introduced by the State Bank of Pakistan to provide loan to businesses at concessional rates to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Holding Company would not terminate any employee, due/owing to cash flow limitations, for a period of three months from the date of first disbursement.

21 DEFERRED TAXATION

	Note	2021	2020
		(Rupees in '000)	
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		**5,344,605**	5,224,146
- revaluation surplus on property, plant and equipment		**3,865,620**	4,216,384
		9,210,225	9,440,530
Deductible temporary differences arising in respect of:			
- employees retirement benefit		**(55,932)**	(28,687)
- provision for doubtful debts		**(2,209,346)**	(1,796,988)
- recoupable unabsorbed tax losses and depreciation		**(4,977,341)**	(5,718,066)
- recoupable tax credit		**–**	(64,216)
- lease liability		**(162,127)**	(73,195)
		(7,404,746)	(7,681,152)
		1,805,479	1,759,378

22 TRADE AND OTHER PAYABLES

	2021	2020
Creditors for supplies and services	**43,962,536**	33,312,085
Accrued liabilities	**6,331,746**	4,443,025
Due to related parties	**166,621**	106,956
Sales tax, duties, levies, penalties and default surcharge	**3,584,859**	2,866,390
Workers' welfare fund	**–**	152,234
Withholding tax deductions payable	**114,688**	165,690
Payable to staff provident fund	**19,037**	45,863
	54,179,487	41,092,243

23 ADVANCE FROM CUSTOMERS

	Note	2021	2020
		(Rupees in '000)	
	23.1	**2,851,374**	2,948,271

23.1 Represents advances received from customers against supply of goods.

24 ACCRUED MARK-UP

	2021	2020
Long-term financing - secured	**107,943**	227,968
Short-term borrowings - secured	**460,283**	665,447
	568,226	893,415

25 SHORT-TERM BORROWINGS

	Note	2021	2020
Secured			
Finance against trust receipts	25.1	**13,469,500**	23,907,984
Running finance	25.2	**1,600,000**	–
		15,069,500	23,907,984

25.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 27,584 million (30 June 2020: Rs. 36,700 million) out of which Rs. 14,114 million (30 June 2020: Rs. 12,792 million) remains unutilized as at the consolidated statement of financial position date. The facility carries mark-up ranging from 1 month's KIBOR plus 1.25% to 3% (30 June 2020: 1 month's KIBOR plus 1% to 3%). The facility is secured against documents of title of goods, charge over the stocks of crude oil and petroleum products and receivables, lien on the bank's collection account.

25.2 The Group has running finance facility amounting to Rs. 1,600 million (30 June 2020: Rs. 1,600 million) obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 1.5% (30 June 2020: three months KIBOR + 1.5%) per annum. The facility is secured by way of first pari passu hypothecation charge of overall present and future current and fixed assets of the Group. The facility remained unutilized as at the consolidated statement of financial position date.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Claim against the Holding Company not acknowledged as debt amounting to Rs. 3,353.182 million (30 June 2020: Rs. 3,353.182 million) comprise of late payment charges on account of delayed payments against crude oil supplies.

Furthermore, Mari Gas Limited and Pakistan Petroleum Limited have filed legal cases in Sindh High Court on 22 May 2012 and 14 Febuary 2013 claiming Rs. 233.550 million (30 June 2020: Rs. 233.550 million) and Rs. 404.357 million (30 June 2020: Rs. 404.357 million) respectively for late payment charges on account of delayed payments against crude oil supplies, and based on the opinion of legal advisor, the Holding Company is of the view that there are no specific contractual arrangements with the above suppliers and hence no provision in respect of the same has been made in these consolidated financial statements.

26.2 Commitments

(Rupees in '000)

		Note	2021	2020
26.2.1	Commitments for capital expenditure		**3,175,124**	731,625
26.2.2	Commitments in respect of purchase of CRL's shares		**877,383**	877,383

27 TURNOVER - net

Gross Sales			
- Local		**201,140,811**	237,176,079
- Export		**–**	1,734,635
		201,140,811	238,910,714
Less:			
Sales tax and other duties		**(57,954,242)**	(63,471,377)
Trade discounts		**(1,036,271)**	(1,540,407)
		(58,990,513)	(65,011,784)
		142,150,298	173,898,930

28 COST OF SALES

Opening stock		**4,138,598**	11,022,246
Cost of goods manufactured, storage and handling	28.1	**129,887,270**	148,991,624
Finished products purchased during the year		**8,388,353**	15,864,468
		142,414,221	175,878,338
Closing stock	7	**(7,521,371)**	(4,138,598)
		134,892,850	171,739,740

28.1 Cost of goods manufactured, storage and handling

Raw material consumed	28.1.1	**119,322,745**	136,141,864
Salaries, wages and other benefits	28.1.2	**1,618,760**	1,683,293
Operation cost		**782,601**	937,709
Depreciation	4.1.4 & 4.3.3	**4,402,230**	4,253,048
Fuel, power and water		**1,086,981**	1,166,701
Repairs and maintenance		**232,293**	362,288
Transportation & product handling charges		**347,980**	350,779
Insurance		**271,440**	225,091
Stores and spares consumed		**1,871,455**	3,035,957
Staff transportation and catering		**259,966**	279,071
Rent, rates and taxes		**10,585**	7,459
Security expenses		**116,588**	119,279
Exchange (gain) / loss		**(449,948)**	418,633
Vehicle running		**13,594**	10,452
		129,887,270	148,991,624

28.1.1 Raw material consumed

	Note	2021	2020
		(Rupees in '000)	
Opening stock		**18,740,294**	18,238,048
Purchases during the year		**126,645,753**	136,644,110
		145,386,047	154,882,158
Closing stock	7	**(26,063,302)**	(18,740,294)
		119,322,745	136,141,864

28.1.2 This includes a sum of Rs. 201.368 million (30 June 2020: Rs. 181.103 million) in respect of staff retirement benefits.

29 ADMINISTRATIVE EXPENSES

	Note	2021	2020
		(Rupees in '000)	
Salaries, allowances and other benefits	29.1	**559,866**	492,893
Rent, rates and taxes		**9,511**	9,637
Depreciation	4.1.4 & 4.3.3	**156,272**	145,594
Repairs and maintenance		**75,113**	73,211
Legal and professional		**30,684**	29,487
Vehicle running		**9,709**	4,498
Travelling and conveyance		**36,041**	51,270
Fee and subscriptions		**23,200**	30,565
Utilities		**29,570**	26,437
Insurance		**2,796**	3,530
Printing and stationary		**5,672**	10,198
Auditors' remuneration	29.2	**6,760**	6,660
SAP maintenance costs		**55,193**	45,160
Security expense		**4,658**	5,092
		1,005,045	934,232

29.1 This includes a sum of Rs. 72.560 million (30 June 2020: Rs. 53.030 million) in respect of staff retirement benefits.

29.2 Auditors' remuneration

	2021	2020
	(Rupees in '000)	
Audit fee	**4,400**	4,300
Half year review	**650**	650
Consolidation of financial statements	**700**	700
Code of corporate governance and other certifications	**500**	500
Out of pocket expenses	**510**	510
	6,760	6,660

30 SELLING AND DISTRIBUTION EXPENSES

(Rupees in '000)

	Note	2021	2020
Salaries, allowances and other benefits	30.1	**244,764**	215,957
Rent, rates and taxes		**1,652**	46,784
Advertisement		**30,764**	35,179
Depreciation	4.1.4 & 4.3.3	**299,180**	280,266
		576,360	578,186

30.1 This includes a sum of Rs. 29.802 million (30 June 2020: Rs. 23.234 million) in respect of staff retirement benefits.

31 OTHER EXPENSES

(Rupees in '000)

	Note	2021	2020
Provision for doubtful debts	8.1	**1,421,925**	1,130,111
Late payment surcharge and penalties		**76,739**	96,303
		1,498,664	1,226,414

32 OTHER INCOME

Income from financial assets		
Interest on balances due from customer	**907,352**	1,130,111
Interest on loan to CRL	**49,248**	82,654
Interest income on saving accounts	**31,128**	73,354
	987,728	1,286,119
Income from non-financial assets		
Scrap sales	**87,526**	63,116
(Loss) / gain on disposal of operating fixed assets	**(149)**	2,713
Worker's welfare fund reversal	**152,234**	–
Dealership income	**24,600**	19,593
Others	**4,650**	–
	1,256,589	1,371,541

33 FINANCE COSTS

Mark-up on:		
- Long-term financing	**449,797**	856,873
- Short-term borrowings	**1,667,344**	2,717,152
	2,117,141	3,574,025
Interest on lease liabilities	**254,298**	238,765
Exchange (gain) / loss - net	**(15,074)**	95,424
Bank and other charges	**59,996**	52,181
	2,416,361	3,960,395

34 TAXATION

	(Rupees in '000) 2021	2020
Current year	**(10,560)**	(12,119)
Prior year	**12,119**	47,263
Deferred tax charge	**(76,027)**	198,086
	(74,468)	233,230

34.1 The returns of income tax have been filed up to and including tax year 2020. These, except for those mentioned in 34.2, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

34.2 The Holding Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax year 2013. Audit proceedings for tax year was completed and a demand of Rs. 87.105 million has been raised in an amended order passed under Section 122(1)(5) of the Income Tax Ordinance, 2001. Being aggrieved by the amended order, the Holding Company filed an appeal before Commissioner Inland Revenue, Appeals, Karachi which is pending for adjudication. However, as a matter of prudence, the said amount has already been provided for in these consolidated financial statements.

34.3 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Holding Company is obligated to pay tax at the rate of 5 percent on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 20 percent of its after tax profits within six months of the end of the tax year, through cash or bonus shares. The Holding Company filed a Constitutional Petition (CP) before the Court on 24 November 2017 challenging the tax, the Court accepted the CP and granted a stay against the above section.

In case the Court's decision is not in favor of the Holding Company, the Holding Company will either be required to declare the dividend to the extent of 20% of after tax profits or it will be liable to pay additional tax at the rate of 5% of the accounting profit before tax of the Holding Company for the financial year ended 30 June 2018. As at the consolidated statement of financial position date, no liability has been recorded by the Holding Company in this respect.

34.4 **Relationship between accounting profit and income tax expense for the period**
The Group is subject to Minimum Tax and Final Tax Regime of the Income Tax Ordinance, 2001, therefore, relationship between income tax expense and accounting profit has not been presented for the current year.

35 EARNINGS / (LOSS) PER SHARE - basic and diluted

	Note	(Rupees in '000) 2021	2020
Profit / (loss) after taxation		**2,943,139**	(2,935,266)
		(Number of shares)	
Weighted average number of ordinary shares		**5,329,884,706**	5,329,884,706
		(Rupees)	
Earning / (loss) per share - basic		**0.55**	(0.55)
DILUTED EARNING PER SHARE			
Profit / (loss) after taxation		2,943,139	(2,935,266)
		(Number of shares)	
Weighted average number of ordinary shares		**5,329,884,706**	5,329,884,706
Potential no. of shares to be issued	14.3	**163,562,865**	–
		5,493,447,571	5,329,884,706
		(Rupees)	
Earning / (loss) per share - diluted		**0.54**	(0.55)

36 CASH AND CASH EQUIVALENTS

(Rupees in '000)

	Note	2021	2020
Cash and bank balances	12	**2,249,958**	2,319,220
Running finance facility	25	**(1,600,000)**	–
		649,958	2,319,220

37 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of ultimate parent company, parent company, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. Transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

37.1 Following are the related parties with whom the Group had entered into transactions or have agreement in place:

S. No.	Party Name	Basis of association	Aggregate % of shareholding 2021	2020
1	Cnergyico Mu Incorporated, (formerly Byco Industries Incorporated (BII))	Parent	**78.70%**	91.83%
2	Premier Systems (Private) Limited	Associated Companies (based on common directorship)	**–**	–
3	Byco Asia DMCC	Associated Companies (based on common directorship)	**–**	–
4	Integrate Pk (Private) Limited	Associated Companies (based on common directorship)	**4.96%**	–
5	Cnergyico Acisal Incorporated	Associated Companies (subsidiary of Ultimate Parent Company)	**–**	–
6	Employees' Gratuity fund	Retirement benefit fund	**–**	–
7	Employees' Provident fund	Retirement benefit fund	**–**	–

37.2 Associated companies, joint ventures or holding companies incorporated outside Pakistan:

Name	Country of Incorporation
Cnergyico Mu Incorporated	Mauritius
Byco Asia DMCC	United Arab Emirates
Cnergyico Acisal Incorporated	British Virgin Islands

37.3 Transactions with related parties

	2021	2020
	(Rupees in '000)	
Parent Company		
Mark-up charged	**74,132**	157,335
Associated Companies		
Purchase of operating fixed assets and services	**44,324**	66,137
Receipt of loan	**4,661,000**	–
Markup charged	**889,540**	1,338,723
Others		
Retirement benefit funds	**339,292**	235,129
Key Management Personnel	**143,296**	125,358

All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group.

37.4 Balances with related parties

	2021	2020
	(Rupees in '000)	
Parent Company		
Contribution against future issue of shares	**979,418**	857,140
Accrued mark-up	**718,829**	652,028
Loan payable	**3,935,650**	3,935,650
Associated Companies		
Advance against shared services	**70,069**	7,257
Payable against purchases	**28,044**	31,191
Accrued markup	**4,885,134**	3,995,594
Loan payable	**14,831,628**	10,170,629
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**211,907**	144,785

Outstanding balances at the year-end are unsecured and settlement occurs in cash or on a net basis.

37.5 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 38 to the consolidated financial statements.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount included in these consolidated financial statements for remuneration, including the benefits and perquisites, to the Chief Executive, Directors and Executives of the Group are as follows:

(Rupees in '000)

	2021			2020		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Fee	**–**	**1,890**	**–**	–	1,080	–
Managerial remuneration	**–**	**–**	**621,062**	–	–	480,868
Staff retirement benefits	**–**	**–**	**102,021**	–	–	77,851
Housing and utilities	**–**	**–**	**189,385**	–	–	146,033
Leave fare assistance	**–**	**–**	**51,734**	–	–	40,056
	–	**1,890**	**964,202**	–	1,080	744,808
Number of persons	**1**	**2**	**222**	1	1	189

38.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.

38.2 Few executives have been provided with Group maintained cars.

38.3 The Group's Board of Directors consists of 7 Directors (of which 6 are Non-Executive Directors). Except for two independent directors, no remuneration and other benefits have been paid to any Director.

39 FINANCIAL INSTRUMENTS BY CATEGORY

39.1 Financial assets as per consolidated statement of financial position

(Rupees in '000)

	Note	2021	2020
Financial assets at amortised cost			
- Long-term loans	5	**1,518,780**	1,518,780
- Long-term deposits	6	**337,712**	112,423
- Trade debts	8	**4,556,175**	4,356,855
- Trade deposits	10	**15,372**	15,372
- Accrued interest		**362,032**	312,784
- Other receivables	11	**1,464,241**	1,253,347
- Cash and bank balances	12	**2,249,958**	2,319,220
		10,504,270	9,888,781

39.2 Financial liabilities as per consolidated statement of financial position

	Note	2021	2020
		(Rupees in '000)	
Financial liabilities measured at amortised cost			
- Long-term financing	15	**21,578,524**	19,827,184
- Accrued and deferred mark-up	16	**5,774,166**	6,525,172
- Long-term lease liabilities	17	**1,029,047**	1,200,043
- Long-term deposits	18	**269,500**	120,175
- Trade and other payables	22	**54,179,487**	41,092,243
- Accrued mark-up	24	**568,226**	893,415
- Short-term borrowings	25	**15,069,500**	23,907,984
- Current portion of non-current liabilities		**5,934,329**	2,662,236
- Unclaimed dividend		**1,027**	1,027
		104,403,806	96,229,479

40 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finances to minimize the risk. The Group's principal financial instruments comprise short-term borrowings and financing from financial institutions and trade and other payables. Main purpose of these financial instruments is to raise funds for the import of crude oil for refining business and for its operations. The Group has various financial assets such as cash (including balances with banks), deposits, loans, which are directly related to its operations. The Group's overall risk management policy focuses on minimizing potential adverse effects on the Group's financial performance. The overall risk management of the Group is carried out by the Group's senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2021.

COVID-19 has adversely impacted the Group. The Group's risk management function continues to monitor the developing situation and proactively manage any risk arising thereof."

The policies for managing each of these risk are summarized below:

40.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

40.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from long-term financing and short-term borrowing facilities for financing its refining and storage business operations, setting up of aromatic plant and meeting working capital requirements at variable rates, on loan to CRL and on delayed payments from PSO on which the Holding Company earns interest. The Group manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of Group's interest-bearing financial instruments was:

Variable Rate Instruments

	(Rupees in '000)	
	2021	**2020**
Financial assets		
Long-term loan to CRL	**688,780**	688,780
Trade debts	**9,676,727**	8,769,376
	10,365,507	9,458,156
Financial liabilities		
Long-term financing	**21,578,524**	15,574,968
Accrued and deferred mark-up	**8,192,241**	8,195,994
Short-term borrowings	**15,069,500**	23,907,984
	44,840,265	47,678,946

A change of 1% in interest rates at the year-end would have increased or decreased the loss before tax by Rs. 344.748 million (30 June 2020: Rs. 421.564 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2020.

40.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are done in foreign currency.

The Group is exposed to foreign currency risk on transactions that are entered in a currency other than Pak Rupees. As the Group imports plant and equipment and crude oil, it is exposed to currency risk by virtue of borrowings (in foreign currency). Further foreign currency risk also arises on payment to the supplier of tug boats for operations of SPM. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	2021		2020	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Trade and other payables	**39,725,350**	**252,160**	23,328,254	138,817
	39,725,350	**252,160**	**23,328,254**	**138,817**

The average rates applied during the year is Rs. 160.30/USD (30 June 2020: Rs. 158.26/ USD) and the spot rate as at 30 June 2021 is Rs. 157.54/USD (30 June 2020: Rs. 168.05/USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 397.253 million (30 June 2020: Rs. 233.283 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2020.

40.1.3 Equity price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the consolidated statement of financial position date, the Group is not exposed to other price risk.

40.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers, advances and deposits to suppliers and balances held with banks.

The risk management function is regularly conducting detailed analysis on sectors / industries to identify the degree by which the Group's customers and their businesses have been impacted amid COVID-19. Keeping in view short-term and long-term outlook of each sector, management has taken into consideration the factors while calculating expected credit losses against trade debts and other receivables.

Management of credit risk
The Group's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Group in the following manner:

- Credit rating and / or credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.

- The risk of counterparty exposure due to failed agreements causing a loss to the Group is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.

- Cash is held with reputable banks only.

As of the consolidated statement of financial position date, the Group is exposed to credit risk on the following assets:

(Rupees in '000)

	Note	2021	2020
Long-term loans and advances	5	**568,231**	723,207
Long-term deposits	6	**337,712**	112,423
Trade debts	8	**4,556,175**	4,356,855
Loans and advances	9	**1,560,131**	1,362,133
Trade deposits	10	**15,372**	15,372
Accrued interest		**362,032**	312,784
Other receivables	11	**1,464,241**	1,253,347
Bank balances	12	**2,249,770**	2,318,845
		11,113,664	10,454,966

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

Trade debts
The aging of unimpaired debtors at the consolidated statement of financial position date is as follows:

(Rupees in '000)

	2021	2020
Neither past due nor impaired	**2,451,257**	1,546,017
Past due 1-30 days	**39,635**	141,019
Past due 31-365 days	**6,992**	96,953
Above 365 days	**2,058,292**	2,572,866
	4,556,175	4,356,855
Bank balances		
A1+	**2,080,807**	2,194,494
A1	**17,367**	12,448
A2	**151,596**	50,598
A3	**–**	61,305
	2,249,770	2,318,845

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

40.3 Liquidity risk

Liquidity risk reflects the Group's inability in raising fund to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of consolidated statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on any individual customer.

Due to COVID-19 outbreak the Group's customers and their businesses have been adversely impacted. The management is continuously monitoring the liquidity position and is taking necessary precautionary measures where needed.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	1 to 7 years	Total
2021					
Long-term financing	**–**	**791,705**	**2,365,930**	**17,711,387**	**20,869,022**
Accrued and deferred mark-up	**–**	**–**	**2,418,075**	**5,774,166**	**8,192,241**
Lease liabilities	**–**	**–**	**358,619**	**1,029,047**	**1,387,666**
Long-term deposits	**–**	**–**	**–**	**269,500**	**269,500**
Trade and other payables	**3,584,859**	**50,594,628**	**–**	**–**	**54,179,487**
Advance from customers	**–**	**2,851,374**	**–**	**–**	**2,851,374**
Unclaimed dividend	**1,027**	**–**	**–**	**–**	**1,027**
Short-term borrowings	**–**	**15,069,500**	**–**	**–**	**15,069,500**
Accrued mark-up	**–**	**568,226**	**–**	**–**	**568,226**
	3,585,886	**69,875,433**	**5,142,624**	**24,784,100**	**103,388,043**

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	1 to 7 years	Total
2020					
Long-term financing	–	135,273	606,401	19,827,184	20,568,858
Accrued and deferred mark-up	–	–	1,670,822	6,525,172	8,195,994
Lease liabilities	–	41,992	207,748	1,200,043	1,449,783
Long-term deposits	–	–	–	120,175	120,175
Trade and other payables	2,866,390	38,225,853	–	–	41,092,243
Advance from customers	–	2,948,271	–	–	2,948,271
Unclaimed dividend	1,027	–	–	–	1,027
Short-term borrowings	–	23,907,984	–	–	23,907,984
Accrued mark-up	–	893,415	–	–	893,415
	2,867,417	66,152,788	2,484,971	27,672,574	99,177,750

40.4 Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain the development of the business and maximize the shareholders' value. The Group closely monitors the return on capital. The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and finances its activities through equity, borrowings and management of working capital with a view to maintain and approximate mix between various sources of finance to minimize the risk. No changes were made in the objectives, policies or processes during the year ended 30 June 2021.

The Group is not exposed to externally imposed capital requirement.

The gearing ratios as at June 30, 2021 and 2020 are as follows:

(Rupees in '000)

	Note	2021	2020
Long-term financing	15	**21,897,037**	19,827,184
Accrued and deferred mark-up	16	**5,774,166**	6,525,172
Long-term lease liabilities	17	**1,029,047**	1,200,043
Deferred liabilities	19	**548,129**	609,314
Deferred income - government grant	20	**3,501**	12,037
Deferred taxation	21	**1,805,479**	1,759,378
Trade and other payables	22	**54,179,487**	41,092,243
Accrued mark-up	24	**568,226**	893,415
Short-term borrowings	25	**15,069,500**	23,907,984
Current portion of non-current liabilities		**5,934,329**	2,662,236
Total debt		**106,808,901**	98,489,006
Share capital	13	**53,298,847**	53,298,847
Reserves		**(42,341,173)**	(46,222,343)
Contribution against future issue of shares	14	**979,418**	857,140
Total capital		**11,937,092**	7,933,644
Capital and net debt		**118,745,993**	106,422,650
Gearing ratio		**89.95%**	92.55%

41 OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from oil refining business as well as from other sources.* Sales to external customers includes levy of the intersegment sales.

Transfer prices between operating segments are at agreed terms duly approved by the Board of Directors of the Group.

The quantitative data for segments is given below:

(Rupees in '000)

	Oil Refining Business		Petroleum Marketing Business		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Net Sales to external customers	**64,077,045**	106,035,132	**78,073,253**	67,863,798*	**142,150,298**	173,898,930
Inter-segment sales	**75,511,062**	55,469,787	**–**	–	**75,511,062**	55,469,787
Eliminations	**(75,511,062)**	(55,469,787)	**–**	–	**(75,511,062)**	(55,469,787)
Total revenue	**64,077,045**	106,035,132	**78,073,253**	67,863,798	**142,150,298**	173,898,930
Result						
Segment profit / (loss)	**4,540,070**	(347,751)	**1,405,211**	1,079,945	**5,945,281**	732,194
Unallocated expenses:						
Finance cost					**(2,416,361)**	(3,960,395)
Interest income					**987,728**	1,286,119
Other expenses					**(1,498,664)**	(1,226,414)
Taxation					**(74,468)**	233,230
Profit / (loss) for the year					**2,943,516**	(2,935,266)
Segmental Assets	**129,941,205**	119,517,180	**1,696,926**	751,794	**131,638,131**	120,268,974
Unallocated Assets	**–**	–	**–**	–	**–**	–
	129,941,205	**119,517,180**	**1,696,926**	**751,794**	**131,638,131**	**120,268,974**
Segmental Liabilities	**108,658,362**	100,577,992	**1,299,406**	1,003,122	**109,957,768**	101,581,114
Unallocated Liabilities	**–**	–	**–**	–	**–**	–
	108,658,362	**100,577,992**	**1,299,406**	**1,003,122**	**109,957,768**	**101,581,114**
Capital expenditure	**4,537,420**	3,223,935	**33,126**	65,845	**4,570,546**	3,289,780
Other Information						
Depreciation	**4,558,502**	4,398,642	**299,180**	280,266	**4,857,682**	4,678,908

41.1 None of the Group's customers contributed more than 10% of the revenue during the year. (2020: One of the Group's customers amounting to Rs 29.969 billion (17%) from sales in the oil refining segment.)

41.2 All non-current assets of the Group are located in Pakistan. For this purpose non-current assets consist of property, plant and equipment and right-of-use assets.

42 PROVIDENT FUND DISCLOSURE

The Group operates approved funded contributory provident fund for both its management and non-management employees. Details of net assets and investments based on the financial statements of the fund is as follows:

(Rupees in '000)

	Note	2021	2020
		(Unaudited)	(Audited)
Size of the fund - total assets		**650,196**	472,785
Cost of the investment made	42.1	**487,278**	424,668
Fair value of the investment		**508,103**	414,620
Percentage of the investment		**74.94%**	89.82%

42.1 Break-up of cost of investments out of Fund:

	2021		2020	
	(Rupees in '000)	%	(Rupees in '000)	%
Debt securities	**128,041**	**26%**	131,818	31%
Listed equity	**129,843**	**27%**	99,068	23%
Bank Deposits	**162,216**	**33%**	173,782	41%
Government securities	**67,178**	**14%**	20,000	5%
	487,278	**100%**	424,668	100%

The management, based on the consolidated financial statements of the fund, is of the view that the investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43 CAPACITY AND ANNUAL PRODUCTION

Against the designed annual capacity (based on 365 days) of refinery of 56.575 million barrels (30 June 2020: 56.575 million barrels), the actual throughput during the year was 14.950 million barrels (30 June 2020: 17.431 million barrels) and against the designed annual capacity (based on 365 days) of isomerisation plant of 12,500 barrels per day (30 June 2020: 12,500 barrels per day), the actual throughput during the year was 1,045 barrels per day (30 June 2020: 2,269 barrels per day). The Group operated the plants considering the level which gives optimal yield of products.

44 NUMBER OF EMPLOYEES

	2021	2020
Total number of employees		
As at June 30	**911**	867
Average number of employees during the year	**889**	865

45 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated. Certain corresponding figures have been reclassified for better presentation.

46 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on **23rd September 2021** by the Board of Directors of the Group.

Chief Executive Officer **Director** **Chief Financial Officer**

Pattern of Shareholding

As at 30 June 2021

Shareholders Category	No. of Shareholders	No. of Shares	%
Directors, Chief Executive Officer, and their spouse and minor children	8	55,300	0.00
Associated Companies, Undertakings and related Parties	3	4,458,790,696	83.66
NIT and ICP	–	–	–
Banks, Development Financial Institutions, Non Banking Financial Institutions	8	21,449,567	0.40
Insurance Companies	3	7,571,080	0.14
Modarabas and Mutual Funds	39	103,564,500	1.94
Share holders holding 10%	2	4,194,520,196	78.70
General Public:			
a. local	21,851	631,387,485	11.85
b .Foreign	–	–	–
Others	153	107,066,078	2.01
Total (excluding: share holders holding 10%)	**22,065**	**5,329,884,706**	**100.00**

Directors, Chief Executive Officer, and their spouse and minor children

S. No.	Folio	Name	Holding
1	18	Mrs. Uzma Abbasi	5,600
2	1859	Mrs. Fazila Ghulam Ali Raza	600
3	6020	Mr. Amir Abbassciy	2,500
4	6374	Mr. Mohammad Wasi Khan	500
5	6376	Mr. Muhammad Yasin Khan	500
6	6382	Mr. Muhammad Usama Qureshi	500
7	03277-20637	Mr. Syed Arshad Raza	10,600
8	10629-76524	Mr. Amir Waheed Ahmed	34,500
		Total	**55,300**

Associated Companies, Undertakings And Related Parties

1	6368	Cnergyico Mu Incorporated	925,411,762
2	03277-111904	Integrate Pk (Private) Limited	264,270,500
3	03277-60633	Cnergyico Mu Incorporated	3,269,108,434
		Total	**4,458,790,696**

Banks, Development Financial Institutions, Non Banking Financial Institutions

1	5937	Crescent Standard Investment Bank Ltd.	12,000
2	6034	Habib Bank Limited	8,167
3	6162	Allied Bank Limited	15,900
4	02246-42	Habib Bank Limited-Treasury Division	895,000
5	03525-100145	Escorts Investment Bank Limited	3,000
6	03798-52	The Bank of Khyber	5,003,000
7	03889-44	National Bank of Pakistan	9,312,500
8	05132-26	Askari Bank Limited	6,200,000
		Total	**21,449,567**

Insurance Companies

1	03277-15009	Century Insurance Company Ltd.	71,080
2	14357-29	Alfalah Insurance Company Limited	525,000
3	18085-28	EFU Life Assurance Limited	6,975,000
		Total	**7,571,080**

S. No.	Folio	Name	Holding
Modarabas And Mutual Funds			
1	02113-21	First Equity Modaraba	190,000
2	04077-25	First Fidelity Leasing Modaraba	10,000
3	05389-27	CDC - Trustee Pakistan Income Fund	11,563,500
4	05991-23	CDC - Trustee Meezan Balanced Fund	1,810,000
5	06197-29	CDC - Trustee Alfalah GHP Value Fund	485,000
6	06411-21	CDC - Trustee AKD Index Tracker Fund	126,300
7	06437-29	CDC - Trustee HBL Energy Fund	700,000
8	06619-26	CDC - Trustee AKD Opportunity Fund	5,108,000
9	06627-25	CDC - Trustee NBP Income Opportunity Fund	7,018,000
10	07062-23	CDC - Trustee Al Meezan Mutual Fund	3,160,000
11	07070-22	CDC - Trustee Meezan Islamic Fund	21,600,000
12	07245-25440	Trust Modaraba	90,000
13	09886-22	CDC - Trustee AKD Aggressive Income Fund	419,000
14	09977-21	CDC - Trustee Alfalah GHP Income Fund	1,875,000
15	10108-22	CDC - Trustee Askari Asset Allocation Fund	139,000
16	10710-28	CDC - Trustee Alfalah GHP Islamic Stock Fund	2,398,000
17	10918-24	MC FSL Trustee JS - Income Fund	881,000
18	11809-26	CDC - Trustee Alfalah GHP Stock Fund	2,055,000
19	11882-28	CDC - Trustee Pakistan Income Enhancement Fund	1,224,500
20	11924-22	CDC - Trustee Alfalah GHP Alpha Fund	1,380,500
21	12195-21	CDC - Trustee ABL Stock Fund	27,500
22	12336-23	CDC - Trustee Lakson Equity Fund	1,971,200
23	12344-22	CDC - Trustee Lakson Income Fund	1,746,000
24	13623-26	CDC - Trustee NBP Financial Sector Income Fund	21,854,500
25	13953-27	MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	164,000
26	13961-26	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	452,000
27	14373-27	MCBFSL - Trustee ABL Islamic Stock Fund	25,000
28	14514-28	CDC - Trustee First Capital Mutual Fund	70,000
29	14951-26	CDC - Trustee AWT Income Fund	290,000
30	16501-27	CDC - Trustee Meezan Asset Allocation Fund	2,590,000
31	16519-26	CDC - Trustee Nbp Islamic Energy Fund	700,000
32	16535-24	CDC - Trustee Lakson Tactical Fund	307,000
33	16626-23	CDC - Trustee Lakson Islamic Tactical Fund	77,000
34	16675-28	CDC - Trustee Meezan Energy Fund	1,330,000
35	17160-29	CDC - Trustee Alfalah GHP Islamic Dedicated Equity Fund	400,000
36	17210-22	CDC Trustee - Meezan Dedicated Equity Fund	1,060,000
37	17368-25	MCBFSL - Trustee AKD Islamic Stock Fund	4,100,000
38	17376-24	MCBFSL - Trustee AKD Islamic Income Fund	3,167,500
39	17921-26	CDC - Trustee Golden Arrow Stock Fund	1,000,000
		Total	**103,564,500**
Others			
1	5698	Pride Stock Services (Pvt) Limited	200
2	5996	Bawa Securities (Pvt) Ltd.	200
3	6005	Trustee to The Fractions	4
4	6281	Bank2 UN-Name Shares (R-2)	12,521
5	6282	Bank3 UN-Nameshares (R-2)	4,290
6	6292	Campany Secretary	500
7	00208-36885	Gaditek Associates Employees Provident Fund Trust	35,000
8	00208-38865	Dreamworld Limited	67,000
9	00620-25515	Trustee Lever Brothers Employees	5,000
10	01339-33357	Shields (Private) Limited.	300,000
11	01651-20884	Trustees of Hamid Adamjee Trust	200,000
12	01669-26	Shaffi Securities (Pvt) Limited	61,853

S. No.	Folio	Name	Holding
13	01917-33	Prudential Securities Limited	38
14	01917-41	Prudential Securities Limited	500
15	02113-3850	Capital Financial Services (Pvt.) Limited	107,500
16	03244-107630	Technico Industrial Concern	2,500
17	03277-1339	Premier Fashions (Pvt) Ltd	100,000
18	03277-15506	Trustees PERAC MNG & Supervisory S.PEN FND	9,466
19	03277-18119	M.C of The Karachi Parsi Co-Op H. Soc Ltd	5,000
20	03277-26972	Westbury (Private) Ltd	50,000
21	03277-38435	Premier Mercantile Services (Private) Limited	571
22	03277-4230	Crescent Steel and Allied Products Ltd.	35,000
23	03277-4841	Bulk Management Pakistan (Pvt.) Ltd.	475,000
24	03277-4931	Sofian Business Corporation (Private) Limited	1,750,000
25	03277-60958	Mian Nazir Sons Ind. (Pvt) Ltd.	225,000
26	03277-6359	Premier Shipping Services (Pvt) Ltd.	325
27	03277-78462	Noman Abid & Co. Ltd.	700,000
28	03277-78974	CS Capital (Pvt) Ltd	35,000
29	03277-80323	Ellahi Capital (Private) Limited	100
30	03277-82724	OPECS Navigation Pakistan (Pvt.) Limited	1,000,000
31	03277-82969	Trustee Momin Adamjee Welfare Trust	200,000
32	03277-91635	Add Oil (Pvt.) Limited	696,000
33	03277-94268	Al-Rahim Trading Company (Private) Limited	290,000
34	03277-9699	Burma Oil Mills Ltd	60,000
35	03350-22	Zahid Latif Khan Securities (Pvt) Ltd.	50,000
36	03459-34243	Pioneer Oilfield Services (Private) Limited	30,000
37	03525-105464	Innovative Investment Bank Limited (Under Liquidation)	30,000
38	03525-105716	Sadiq Towel (Private) Limited	2,450,000
39	03525-111774	Ghani Halal Feed Mill (Private) Limited	1,000,000
40	03525-54825	Naeem S Securities (Pvt) Ltd	9,600
41	03525-57191	Sarfraz Mahmood (Private) Ltd	500
42	03525-6581	Treet Corporation Limited.	1
43	03525-87235	Maple Leaf Capital Limited	1
44	03525-89723	Trustees Himont Pharmaceuticals (Pvt) Ltd EMP Provident Fund	10,000
45	03525-91079	Trustees Leiner Pak Gelatine Ltd Employees Provident Fund	14,200
46	03939-12703	Excel Securities (Private) Limited	50
47	03939-62	Pearl Securities Limited	13,700,000
48	04002-22	Memon Securities (Pvt.) Limited	328,500
49	04002-34898	Trustee-Karachi Sheraton Hotel Employees Provident Fund	500
50	04010-54	Fawad Yusuf Securities (Private) Limited.	145,000
51	04085-24	MRA Securities Limited	2,281,000
52	04184-22	Azee Securities (Private) Limited	200
53	04192-2126	Managing Committee Razia Sheikh Welfare Trust	20,000
54	04226-26	Zillion Capital Securities (Pvt) Ltd.	506,000
55	04317-25	Dalal Securities (Pvt) Ltd.	240,000
56	04366-20	Multiline Securities Limited	129,000
57	04366-40364	Kia Motors-Clifton	75,000
58	04432-21	Adam Securities Limited	6,749,000
59	04440-20	Zafar Moti Capital Securities (Pvt) Ltd.	12,700
60	04457-29	FDM Capital Securities (Pvt) Limited	1,000
61	04457-66160	The Memon Welfare Society	200,000
62	04481-26	Dosslani S Securities (Pvt) Limited	200
63	04580-23	Capital Vision Securities (Pvt) Ltd.	500
64	04655-16	NCC-Squaring-Up Account	300
65	04705-97687	Freemen Corporation (Private) Limited	2,000,000
66	04879-28	Akhai Securities (Private) Limited	51,400
67	04895-11130	Trading Enterprises (Private) Limited	402,000

S. No.	Folio	Name	Holding
68	04895-11148	Kodvawala Trust	935,000
69	04895-11965	Sumya Builders & Developers	4,737,000
70	04895-26	DJM Securities Limited	1,500,000
71	04952-28	Sherman Securities (Private) Limited	9,025,000
72	05116-28	Time Securities (Pvt.) Ltd.	74,000
73	05264-101035	Dilsons (Private) Limited	160,000
74	05264-1276	Jahangir Siddiqui & Co. Ltd.	1,121,500
75	05306-25	Fair Edge Securities (Private) Limited	8,500
76	05348-21	HH Misbah Securities (Private) Limited	150,000
77	05470-26	B & B Securities (Private) Limited	73,000
78	05884-17152	JAS Travels	25,000
79	05884-9779	Trustee Aloo & Minocher Dinshaw Charitable Trust	50,000
80	06114-27	A.S. Securities (Private) Limited	523
81	06270-29	Growth Securities (Pvt) Ltd.	725,500
82	06445-28	Darson Securities Limited	20,000
83	06452-13335	Trustee Cherat Cement Company Ltd Staff Gratuity Fund	40,000
84	06452-35	Arif Habib Limited	625,500
85	06502-5986	United Towel Exporters (Pvt.) Limited	10,000
86	06650-22	SAAO Capital (Pvt) Limited	155,000
87	06650-48	SAAO Capital (Pvt) Limited	90,000
88	06676-2380	Tristar Industries (Pvt) Ltd.	10,000
89	06684-185978	Sadiq Towel (Private) Limited	50,000
90	06684-187248	Shaikh Packages Industries (Pvt.) Limited	400,000
91	06734-22	Gazipura Securities & Services (Private) Limited	692,000
92	06916-20	Pasha Securities (Pvt) Ltd.	2,000
93	06999-22	Muhammad Ahmed Nadeem Securities (SMC-Pvt) Limited	19
94	07005-29	Mam Securities (Pvt) Limited	300
95	07021-27	Z.A. Ghaffar Securities (Private) Ltd.	25,000
96	07054-24	Bhayani Securities (Pvt) Ltd.	2,370,500
97	07229-23	Altaf Adam Securities (Pvt) Ltd.	443,500
98	07286-27	Dr. Arslan Razaque Securities (Pvt.) Limited	346,790
99	07294-26	Al-Haq Securities (Pvt) Ltd.	5,100
100	07310-22	Yasir Mahmood Securities (Pvt) Ltd.	152,500
101	07443-27	Y.H. Securities (Pvt.) Ltd.	500,000
102	07450-1040	Trustee-First Dawood Inv. Bank Ltd. & Other Empolyees P.Fund	229,000
103	07450-26	Dawood Equities Ltd.	55,000
104	07450-26989	Shadab Innovations (Private) Limited	100,000
105	09563-20614	Sikandar Commodities (Pvt.) Limited	20,000
106	09621-22	Highlink Capital (Pvt.) Limited	300
107	10231-27	MSMANIAR Financials (Pvt) Ltd.	80,070
108	10363-22	Salim Sozer Securities (Pvt.) Ltd.	8,200
109	10462-20	Saya Securities (Private) Limited.	15,000
110	10470-29	Gph Securities (Pvt.) Ltd.	70,000
111	10611-20	AKD Securities Limited - AKD Trade	500
112	10629-137458	AGVEN (Pvt.) Limited	16,834,500
113	10629-142441	Dadabhoy Foundation	1,800,000
114	10629-173271	Hamdard Laboratories (Waqf) Pakistan	7,000,000
115	10629-185408	ASAB Pakistan (Pvt.) Limited	200,000
116	10629-193337	Stanley House Industries (Private) Limited.	60,000
117	10629-233109	M. A. Oils (Pvt.) Limited	2,795,000
118	10629-29	AKD Securities Limited	6,204,351
119	10819-26	Pak Brunei Investment Company Limited	2,034,000
120	11387-42864	Hafiz Limited	130,000
121	11478-28	CMA Securities (Pvt) Limited	10,000
122	11643-1669	Coral Trading (Pvt) Limited	200,000

S. No.	Folio	Name	Holding
123	11692-21	ABA Ali Habib Securities (Pvt) Limited	37,000
124	12013-21	Sethi Securities (Pvt.) Limited	110,000
125	12153-25	RAH Securities (Pvt) Limited	38,500
126	12203-28	M. M. Securities (Pvt.) Limited	5,000,000
127	12286-20	JSK Securities Limited	30,000
128	12369-1143	Trustees Leiner Pak Gelatine Ltd Employees Provident Fund	2,000
129	12484-7807	Bravisto (Pvt) Limited	1
130	12690-1499	Treet Corporation Limited-Group Employees Provident Fund	10,000
131	12690-1531	Fatima Fert Limited Workers Gratuity Fund	25,000
132	12690-1549	Fatima Fert Limited Management Staff Gratuity Fund	1,000
133	12690-1663	Fatima Fert Limited Management Staff Provident Fund	100,000
134	14118-27	ASDA Securities (Pvt.) Ltd.	521,503
135	14258-1789	Naveed H. M. Idrees (Private) Limited	17,500
136	14258-21	H. M. Idrees H. Adam (Private) Limited	6,500
137	14324-22	MSD Capital Equities (Pvt) Ltd.	25,000
138	14332-21	High Land Securities (Pvt) Limited	3,200
139	14746-21	Khadim Ali Shah Bukhari Securities (Private) Limited	1
140	14746-3249	Bright Capital (Pvt.) Limited	25,000
141	14787-27	Strongman Securities (Pvt.) Limited	12,000
142	14837-20	Spinzer Equities (Private) Limited	70,000
143	14886-25	Venus Securities (Pvt.) Limited	5,500
144	15024-27	Interactive Securities (Pvt) Limited	178,000
145	15057-24	Nini Securities (Private) Limited	95,000
146	15180-1167	Tumbi (Private) Limited	200,000
147	15180-1621	United Towel Exporters (Pvt.) Limited	100,000
148	15313-3299	ZM Corp	87,500
149	15404-21	First Choice Securities Limited	100,000
150	15578-21	Bawany Securities (Private) Limited	508,000
151	15867-26	Margalla Financial (Private) Limited	10,000
152	15875-6204	Semaab Traders (Private) Limited	510,000
153	16238-6242	Puma Enterprises	3,500
		Total	**107,066,078**

Pattern of Shareholding

As at 30 June 2021

No of Shareholders	No. of Sharesholdings From	To	Total Shares
781	1	100	28,787
2,618	101	500	1,186,512
2,965	501	1,000	2,877,454
7,130	1,001	5,000	21,434,141
3,034	5,001	10,000	25,195,645
1,069	10,001	15,000	14,065,878
862	15,001	20,000	16,053,504
609	20,001	25,000	14,512,945
366	25,001	30,000	10,538,923
226	30,001	35,000	7,579,860
210	35,001	40,000	8,156,120
120	40,001	45,000	5,195,140
413	45,001	50,000	20,517,382
87	50,001	55,000	4,634,095
97	55,001	60,000	5,743,980
63	60,001	65,000	3,977,860
60	65,001	70,000	4,130,247
95	70,001	75,000	7,032,002
67	75,001	80,000	5,283,300
26	80,001	85,000	2,174,040
43	85,001	90,000	3,807,601
30	90,001	95,000	2,782,000
219	95,001	100,000	21,854,226
23	100,001	105,000	2,377,600
21	105,001	110,000	2,283,400
20	110,001	115,000	2,276,500
23	115,001	120,000	2,749,000
27	120,001	125,000	3,361,000
26	125,001	130,000	3,345,255
10	130,001	135,000	1,338,500
11	135,001	140,000	1,528,500
11	140,001	145,000	1,581,500
65	145,001	150,000	9,737,492
9	150,001	155,000	1,375,500
12	155,001	160,000	1,906,873
5	160,001	165,000	818,900
11	165,001	170,000	1,854,034
15	170,001	175,000	2,617,300
6	175,001	180,000	1,065,000
5	180,001	185,000	913,500
9	185,001	190,000	1,709,500
2	190,001	195,000	385,500
74	195,001	200,000	14,789,530
10	200,001	205,000	2,032,500
8	205,001	210,000	1,670,500
5	210,001	215,000	1,063,500
2	215,001	220,000	438,000
6	220,001	225,000	1,347,000
5	225,001	230,000	1,149,000
2	230,001	235,000	464,000
8	235,001	240,000	1,910,000
5	240,001	245,000	1,220,500
22	245,001	250,000	5,488,500
3	250,001	255,000	762,000
5	255,001	260,000	1,296,000
1	260,001	265,000	261,000
4	270,001	275,000	1,096,115
2	280,001	285,000	566,000

No of Shareholders	No. of Sharesholdings From	To	Total Shares
3	285,001	290,000	869,500
3	290,001	295,000	878,500
33	295,001	300,000	9,900,000
3	305,001	310,000	924,000
3	310,001	315,000	936,511
2	315,001	320,000	636,500
3	320,001	325,000	973,500
3	325,001	330,000	983,000
3	330,001	335,000	1,003,000
1	335,001	340,000	340,000
1	340,001	345,000	340,500
9	345,001	350,000	3,144,290
1	355,001	360,000	360,000
1	360,001	365,000	364,000
2	365,001	370,000	740,000
4	375,001	380,000	1,505,500
1	380,001	385,000	383,000
1	385,001	390,000	386,500
20	395,001	400,000	8,000,000
1	400,001	405,000	402,000
2	405,001	410,000	814,000
3	410,001	415,000	1,244,000
2	415,001	420,000	839,000
1	425,001	430,000	430,000
2	430,001	435,000	868,500
2	435,001	440,000	876,000
2	440,001	445,000	887,500
7	445,001	450,000	3,146,000
1	450,001	455,000	452,000
2	455,001	460,000	917,000
1	460,001	465,000	460,500
2	465,001	470,000	940,000
3	470,001	475,000	1,425,000
3	480,001	485,000	1,447,500
1	485,001	490,000	490,000
38	495,001	500,000	18,995,500
1	500,001	505,000	505,000
7	505,001	510,000	3,564,000
1	515,001	520,000	519,000
4	520,001	525,000	2,089,503
1	525,001	530,000	530,000
2	540,001	545,000	1,090,000
7	545,001	550,000	3,850,000
1	555,001	560,000	560,000
1	565,001	570,000	569,500
1	585,001	590,000	589,000
5	595,001	600,000	3,000,000
3	605,001	610,000	1,824,500
2	615,001	620,000	1,238,528
1	620,001	625,000	625,000
2	625,001	630,000	1,252,000
2	645,001	650,000	1,300,000
3	655,001	660,000	1,974,500
1	660,001	665,000	661,000
1	665,001	670,000	670,000
1	675,001	680,000	675,500
2	690,001	695,000	1,383,500
8	695,001	700,000	5,596,000
1	700,001	705,000	702,000
1	710,001	715,000	715,000
3	720,001	725,000	2,174,500
1	725,001	730,000	725,500

No of Shareholders	No. of Sharesholdings From	To	Total Shares
5	745,001	750,000	3,747,000
1	750,001	755,000	751,000
1	765,001	770,000	766,400
1	790,001	795,000	791,000
2	795,001	800,000	1,600,000
1	800,001	805,000	805,000
1	815,001	820,000	816,000
2	855,001	860,000	1,714,500
1	880,001	885,000	881,000
1	885,001	890,000	889,000
1	890,001	895,000	895,000
4	895,001	900,000	3,600,000
1	905,001	910,000	910,000
1	930,001	935,000	935,000
1	940,001	945,000	944,000
1	945,001	950,000	950,000
25	995,001	1,000,000	24,997,000
1	1,045,001	1,050,000	1,050,000
1	1,055,001	1,060,000	1,060,000
1	1,065,001	1,070,000	1,070,000
2	1,090,001	1,095,000	2,187,500
2	1,095,001	1,100,000	2,200,000
2	1,120,001	1,125,000	2,245,500
2	1,145,001	1,150,000	2,297,500
1	1,170,001	1,175,000	1,173,000
1	1,185,001	1,190,000	1,190,000
1	1,190,001	1,195,000	1,191,500
3	1,195,001	1,200,000	3,600,000
2	1,220,001	1,225,000	2,449,500
1	1,245,001	1,250,000	1,250,000
2	1,295,001	1,300,000	2,600,000
1	1,315,001	1,320,000	1,317,000
1	1,325,001	1,330,000	1,330,000
1	1,380,001	1,385,000	1,380,500
1	1,395,001	1,400,000	1,400,000
1	1,490,001	1,495,000	1,495,000
8	1,495,001	1,500,000	12,000,000
1	1,545,001	1,550,000	1,550,000
1	1,550,001	1,555,000	1,550,500
1	1,625,001	1,630,000	1,627,500
1	1,630,001	1,635,000	1,632,500
1	1,640,001	1,645,000	1,644,000
1	1,660,001	1,665,000	1,663,000
1	1,715,001	1,720,000	1,716,500
1	1,720,001	1,725,000	1,725,000
3	1,745,001	1,750,000	5,246,000
1	1,790,001	1,795,000	1,793,000
2	1,795,001	1,800,000	3,600,000
1	1,805,001	1,810,000	1,810,000
1	1,870,001	1,875,000	1,875,000
1	1,915,001	1,920,000	1,918,000
1	1,940,001	1,945,000	1,944,086
1	1,950,001	1,955,000	1,953,500
2	1,970,001	1,975,000	3,946,200
8	1,995,001	2,000,000	16,000,000
1	2,030,001	2,035,000	2,034,000
1	2,050,001	2,055,000	2,055,000
1	2,195,001	2,200,000	2,200,000
1	2,245,001	2,250,000	2,250,000
1	2,280,001	2,285,000	2,281,000
1	2,295,001	2,300,000	2,300,000
1	2,335,001	2,340,000	2,337,500

No of Shareholders	No. of Sharesholdings From	To	Total Shares
1	2,370,001	2,375,000	2,370,500
1	2,395,001	2,400,000	2,398,000
1	2,445,001	2,450,000	2,450,000
1	2,450,001	2,455,000	2,454,500
1	2,495,001	2,500,000	2,500,000
1	2,585,001	2,590,000	2,590,000
1	2,620,001	2,625,000	2,625,000
1	2,735,001	2,740,000	2,735,500
1	2,790,001	2,795,000	2,795,000
1	2,980,001	2,985,000	2,984,500
1	2,995,001	3,000,000	3,000,000
1	3,145,001	3,150,000	3,150,000
1	3,155,001	3,160,000	3,160,000
1	3,165,001	3,170,000	3,167,500
1	3,455,001	3,460,000	3,456,500
1	3,495,001	3,500,000	3,500,000
1	3,995,001	4,000,000	4,000,000
1	4,095,001	4,100,000	4,100,000
1	4,385,001	4,390,000	4,386,000
1	4,645,001	4,650,000	4,650,000
1	4,735,001	4,740,000	4,737,000
3	4,995,001	5,000,000	15,000,000
1	5,000,001	5,005,000	5,003,000
1	5,105,001	5,110,000	5,108,000
1	5,195,001	5,200,000	5,200,000
1	5,665,001	5,670,000	5,666,500
1	5,680,001	5,685,000	5,683,500
1	6,195,001	6,200,000	6,200,000
1	6,200,001	6,205,000	6,204,351
1	6,745,001	6,750,000	6,749,000
1	6,795,001	6,800,000	6,800,000
1	6,970,001	6,975,000	6,975,000
1	6,995,001	7,000,000	7,000,000
1	7,015,001	7,020,000	7,018,000
1	9,020,001	9,025,000	9,025,000
1	9,310,001	9,315,000	9,312,500
1	11,560,001	11,565,000	11,563,500
1	13,695,001	13,700,000	13,700,000
1	16,830,001	16,835,000	16,834,500
1	21,595,001	21,600,000	21,600,000
1	21,850,001	21,855,000	21,854,500
1	27,295,001	27,300,000	27,300,000
1	31,725,001	31,730,000	31,728,500
1	264,270,001	264,275,000	264,270,500
1	925,410,001	925,415,000	925,411,762
1	3,269,105,001	3,269,110,000	3,269,108,434
22,065			5,329,884,706

Notice of 27th Annual General Meeting

Byco Petroleum Pakistan Limited

Notice is hereby given that the 27th Annual General Meeting **("Meeting")** of Byco Petroleum Pakistan Limited will be held on **Wednesday, 27th October 2021** at **11:00 am** from the corporate office of the Company, Karachi, via Video Conferencing Facility to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on 8th July 2021.
2. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the financial year ended 30th June 2021, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the financial year 2021-22 and to fix their remuneration.

B. SPECIAL BUSINESS

1. To consider and, if deemed fit, pass with or without modification, the following special resolutions pursuant to Section 208 of the Companies Act, 2017, and in supersession of the approval / authorization granted by the members on April 2, 2020, for the purposes of approving, and authorizing the Company to enter into, related party transactions for, inter alia, acquiring necessary assets / plant / machinery / components (to assemble into refineries' units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts:

   "RESOLVED THAT, *in supersession of the earlier authorizations provided by the members of the Company, and subject to obtaining the other approvals (if required), the Company be and is hereby authorized to enter into transactions and ancillary arrangements with its related party i.e. Cnergyico Acisal Incorporated, for the acquisition of necessary assets / machinery / components (to assemble into refineries' units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts etc., on a deferred payment / supplier's credit basis, for the purposes of, inter alia, constructing, commissioning and making operational processing units, which shall enable the Company to, inter alia, convert furnace oil into gasoline and diesel for use in its business, increase the crude oil processing capacity of the Company's refineries', and improve product specifications, ensuring compliance with the Euro 5 standards.*

   FURTHER RESOLVED THAT *the Company be and is authorized to mutually terminate the existing arrangements / agreements (approved earlier by the members), including for (i) leasing assets from Cnergyico PK Limited ("CPL"); (ii) availing a subordinated loan from CPL; and (iii) potentially acquiring CPL or merging with CPL, on terms approved by the Authorized Representatives of the Company.*

   FURTHER RESOLVED THAT *for the purposes aforesaid, the CEO and / or any director of the Company, or any person(s) authorized by any of them (each an "Authorized Representative"), be and are hereby, jointly and severally, authorized and empowered to take all necessary steps from time to time, and do all such acts, deeds and things, including, but not limited, to (i) prepare, negotiate, finalize, execute and deliver all deeds, agreements, declarations and undertakings, along with any related documents; (ii) provide any documentation for and on behalf, and in the name, of the Company; (iii) take all steps and actions to obtain the requisite consents from the relevant regulatory authorities and any other persons (to the extent applicable) for the purposes of the transactions / arrangements and all ancillary matters; (iv) terminate the existing arrangements / agreements; and (v) generally do all acts, deeds and things and take all necessary actions, as may be necessary or required or as they, or any of them, may think fit for, or in connection with, or incidental for, the purposes of carrying out the proposed resolutions.*

   RESOLVED FURTHER THAT *all actions taken by any of the Authorized Representative on behalf of the Company in respect of the above matters are hereby confirmed, ratified and adopted by the Company in full."*

   (Statement under Section 134(3) of the Companies Act, 2017 is annexed)

C. OTHER BUSINESS

1. To transact any other business with the permission of the Chair.

Please note that due to the prevailing and worsening situation and ensuring the health safety of members of the Company due to pandemic **COVID-19** and in line with the direction issued to listed companies by the Securities and Exchange Commission of Pakistan, vide its Circular No. 04 of 2021, dated 15th February 2021 and subsequent Circular No. 06 of 2021, dated 3rd March 2021, members shall be entitled to attend the Meeting through electronic mode managed by the Company, as per the instructions given in the notes section.

By Order of the Board

Majid Muqtadir
Company Secretary

30th September 2021
Karachi

NOTES:

Closure of Share Transfer Books
The register of members and the share transfer books of the Company will remain closed from Tuesday, 19th October 2021 until Wednesday, 27th October 2021 *(both days inclusive).*

Participation in the Meeting – (via video conference facility)
Only persons whose names appear in the register of members of the Company as on Monday, 18th October 2021, are entitled to attend, participate in, and vote during the Meeting.

A member entitled to attend and vote may appoint another member as proxy to attend and vote on his / her behalf, however, for the purpose of E-Voting, a non-member may also be appointed and act as proxy. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

Unless provided earlier, corporate entities must produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

Due to the current COVID-19 situation, the Meeting proceedings shall be held via video conference facility only. Members interested in participating in the meeting are requested to share below information at **company.secretary@byco.com.pk** for their appointment and proxy's verification by or before Monday, 25th October 2021. In order to attend the Meeting through video conference facility, the members are requested to get themselves registered as per the below format:

Full Name	Folio / CDC No.	CNIC Number	Registered Email Address	Cell number

Video conference link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Monday, 25th October 2021. Members can also provide their comments and questions for the agenda items of the Meeting at **company.secretary@byco.com.pk** or at the registered address of the Company on or before Monday, 25th October 2021.

Guidelines for Central Depository Company of Pakistan Limited (“CDC”) Account Holders
CDC account holders should comply with the following guidelines of the SECP:

For Appointing Proxies

a) Individuals should be account holder(s) or sub-account holder(s) whose registration details should be uploaded according to CDC regulations and their proxy forms must be submitted at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

b) The proxy form must be attested by two persons whose names, addresses and CNIC numbers must be specified therein.

c) Attested copies of the CNIC or passport of the beneficial owner and the proxy must be provided along with the form of proxy, which is available at Company’s website **www.byco.com.pk.**

Dividend Bank Mandate
Members may authorize the Company to credit his / her future cash dividends directly into his / her bank account. Members who would like future cash dividends to be credited directly into their bank accounts should mark the ‘YES’ box below and provide the required information under signature to the Shares Registrar.

☐ Yes ☐ No

Folio Number:
Name of Shareholder:
Title of the Bank Account:
Bank Account Number (IBAN):
Name of Bank:
Name of Bank Branch and Address:
Cellular Number of shareholder:
Landline Number of shareholder:
CNIC / NTN Number (Attach copy):

____

Signature of Member
(Signature must match specimen signature registered with the Company)

Members holding shares in CDC accounts should update their bank mandates, if any, with the respective participants.

Intimation of Change of Address and Zakat Declaration
Members holding share certificates should notify any change in their registered address and, if applicable, submit their non-deduction of zakat declaration form to the Shares Registrar.

Members holding shares in CDC / participant accounts should update their addresses and, if applicable, submit their non-deduction of zakat declaration form to the CDC or the respective participants / stockbrokers.

Submission of CNIC Copies
A list of members who have not submitted copies of their CNICs be viewed on the Company’s website **www.byco.com.pk.**

Deposit of Physical Shares in to CDC Account
Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP.

The shareholders having physical shareholding are accordingly encourage to open their account with Investor Accounts Services of CDC or Sub Account with any of the brokers and convert their physical shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

*The Notice of Meeting has been placed on the Company’s website **www.byco.com.pk** in addition to its dispatch to the shareholders.*

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out below the material facts concerning the Special Business to be transacted at the 27th Annual General Meeting of Byco Petroleum Pakistan Limited (the **"Company"**) to be held on Wednesday, 27th October 2021 at 11:00 am from the corporate office of the Company, Karachi, via Video Conferencing Facility.

It is intimated to the members that the Company's earlier upgradation scheme and planning was to reduce sulphur from Diesel and to upgrade Furnace Oil to more valuable Euro-2 road fuel by adding a Fluid Catalytic Cracker Unit and a Diesel Hydrotreater Unit. However, the Company's vision is to upgrade its refineries in order to produce / refine gasoline and diesel which are compliant with Euro 5 standards, which are intended to be at par with the specifications of petroleum products presently being imported into Pakistan, and will be in line with the requirements stipulated under the upcoming Refinery Policy.

The Board of Directors of the Company are of the view that the conversion of Furnace Oil to PMG and HSD through a FCC Plant and HSD desulfurization through DHDS alone would not enable the Company to achieve the desired results, since the product would have very high sulphur content and have issues with aromatic content vis-à-vis Euro 5 specifications and requirements. Resultantly, the same would have to be further polished and cleaned through additional processes to conform to Euro 5.

The Board of Directors is also of the view to enhance the Company's crude oil processing capacity in order to have flexibility in processing crude oil of a wider range of API (lighter to heavier) and attaining desirable yields of the distillates for secondary processing. The above would entail major additions of process units in the current process scheme, based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc.

It may be noted that previously the Board of Directors of the Company (vide resolutions passed on March 9, 2020), and the members of the Company (vide resolutions passed on April 2, 2020), had authorized the Company to enter into arrangements with its related party i.e. Cnergyico PK Limited (**"CPL"**), based on the support and facilitation of Cnergyico Mu Incorporated (formerly known as Byco Industries Incorporated) (**"CMI"**) (being the majority shareholder of the Company), in terms of which, inter alia, the Company would (i) lease assets from CPL for the assembly and operation of the DHDS and FCC units; (ii) avail a subordinated loan from CPL for the construction of the units; and (iii) potentially acquire CPL and / or be merged with CPL (the **"Existing Arrangement"**). The principal amounts of the Existing Arrangement (including the principal value of the assets and the amount of the loan) were approximately USD 234,000,000/- (United States Dollars Two Hundred Thirty Four Million).

The Company's management has identified certain limitations in the Existing Arrangement and determined that it would not be sufficient or effective for the Company within the legal framework environment and its long-term vision.

The Board of Directors has resolved, that, in supersession of the previous approvals granted by the Board of Directors and members of the Company with respect to the Existing Arrangement, the Company shall enter into agreements with Cnergyico Acisal Incorporated (**"CAI"**), a related party of the Company and CMI, for the acquisition of necessary assets / plant / machinery / components (to assemble into refineries' units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts etc. (the **"Project"**) by the Company from CAI on a deferred payment / supplier's credit basis. Furthermore, the agreements pertaining to the Existing Arrangement with CPL and CMI shall be terminated on a mutual basis.

In light of the fact that CAI is a related party of the Company, and keeping in mind the nature and size of the contemplated related party transactions, along with the provisions of the applicable laws, including the proviso to Section 208(1) of the Companies Act, 2017, the Board of Directors seeks to obtain shareholders' approval in respect of the same.

The following details pertaining to the contemplated related party transactions are being provided in compliance with the provisions of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018:

Description	Details
Names of related party(ies)	Cnergyico Acisal Incorporated (**"CAI"**)
Names of the interested or concerned persons or directors	Mr. Amir Abbassciy Mrs. Uzma Abbassciy Mr. Syed Arshad Raza Mr. Mohammad Wasi Khan
Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party	Mr. Amir Abbassciy, being the CEO and director of the Company, is a nominee director of Cnergyico Mu Incorporated (formerly known as Byco Industries Incorporated) (**"CMI"**) (and a director of CMI), being the majority shareholder of the Company. CMI and CAI are under common shareholding / management. Mrs. Uzma Abbassciy (who is the spouse of Mr. Amir Abbassciy) is a nominee director of CMI. Mr. Syed Arshad Raza is a nominee director of CMI. Mr. Mohammad Wasi Khan is a nominee director of CMI.
Detail, description, terms and conditions of transactions; Timeframe or duration of the transactions or contracts or arrangements; and Pricing Policy	For the purposes of the Project, the Company will acquire, from CAI, and install assets / plant / machinery / components (to assemble into refineries' units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts etc.. The Project would enable the Company to, *inter alia,* convert furnace oil into gasoline and diesel for use in its business, increase crude oil processing capacity of the Company's refineries, and improve product specifications ensuring compliance with the Euro 5 standards. The same are intended to be purchased from CAI on a deferred payment / supplier's credit basis. For the purposes of the same, the Company will need to enter into a Master Asset Purchase Agreement with CAI (along with Unit Asset Purchase Agreements for the respective machinery / components / equipment), the principal / key terms of which have been detailed below, including the description of the agreement, terms and conditions, timeframes and pricing / consideration mechanics. **(i) Master Asset Purchase Agreement** (a) The relevant assets (stipulated in the agreement) are to be purchased by the Company from CAI, which shall be assembled into processing units; (b) The commissioning of the units (i.e. when the same are demonstrated to be operational) is expected to take approximately 4 years on a phase wise basis; (c) Terms of Delivery, Payment and Transfer of Title as per the Master Asset Purchase Agreement; and (d) The principal value of the assets has been ascertained to be approximately USD 576,692,605/- (United States Dollars Five Hundred Seventy Six Million Six Hundred Ninety Two Thousand Six Hundred and Five only).
Recommendations of the audit committee, where applicable	The proposed arrangement had been placed before the audit committee of the Company in accordance with the applicable laws which had recommended the same to the Board of Directors.

Description	Details
Any other relevant and material information that is necessary for the members to make a well informed decision regarding the approval of related party transactions.	It is necessary for the Company to upgrade, expand and modify its refining process to comply with the applicable laws, as well as achieve optimization in order to be competitive and profitable. The Existing Arrangement would not be sufficient or efficient for the Company, including to meet the upcoming legal framework environment, particularly taking into account the increased requirements under the upcoming Petroleum / Refinery Policy; resultantly, the Company requires a greater long-term plan, and further upgradation. The Project and proposed arrangement will potentially make the Company to be the only entity in Pakistan with upgraded refineries, with the ability to produce petroleum products as per prevailing international standards, and is expected to give the Company a competitive advantage over international imports in the near future. The Company shall terminate its arrangements / agreements pertaining to the Existing Arrangement and enter into the proposed arrangement with CAI, which will enable the Company to upgrade and expand its production facilities. Subsequently, the Company shall take steps for arranging funding for construction of the Project.

Except to the extent as mentioned in serial nos. 1 and 2 above, the Board of Directors of the Company have no direct or indirect interest in the Special Business (other than their respective shareholdings in the Company).

Form of Proxy

27th Annual General Meeting
Byco Petroleum Pakistan Limited

The Company Secretary
The Harbour Front, 9th Floor, Dolmen City
HC-3, Block-4, Marine Drive, Clifton
Karachi-75600

I / We ____

of ____

being member(s) of **Byco Petroleum Pakistan Limited** and holder(s) of ____________________

____________________ ordinary shares, hereby appoint ____________________

of ____________________ or failing him / her ____________________

of ____________________ , who is / are also member(s) of Byco Petroleum Pakistan Limited, as my / our proxy in my / our absence to attend and vote on my / our behalf at the 27th Annual General Meeting of the Company to be held on Wednesday, 27th October 2021 and in case of adjournment, at any reconvened Meeting.

Signed / Seal and Delivered by

in the presence of: ____

1. Name: ____________________
   CNIC No.: ____________________
   Address: ____________________
   ____

2. Name: ____________________
   CNIC No.: ____________________
   Address: ____________________
   ____

____
Folio No. / CDC Account No.

____
This signature should tally with the specimen signature in the Company's record

Important

1. The duly completed and signed proxy form must be received at the registered office of the Company at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi-75600, not less than 48 hours before the time of holding the Meeting.

2. Only members of the Company may be appointed proxies except corporate members who may appoint non-members as their proxy.

3. If more than one proxy is appointed by an instrument or more than one instrument of proxy is deposited by any member, all such instruments shall be rendered invalid.

For CDC account holder(s) / corporate entities
In addition to the above, the following requirements must be met:

i) the execution of the proxy form should be attested by two witnesses, whose names, addresses and CNIC numbers shall appear in the form;

ii) attested copies of the CNIC or passport of the beneficial owner and proxy should be submitted along with the proxy form;

iii) the proxy shall produce his / her original CNIC or passport at the time of the Meeting; and

iv) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

AFFIX
CORRECT
POSTAGE
STAMPS

Mr. Majid Muqtadir
Company Secretary

Byco Petroleum Pakistan Limited
The Harbour Front, 9th Floor, Dolmen City
HC-3, Block-4, Marine Drive, Clifton
Karachi-75600, Pakistan

ڈاک ٹکٹ
یہاں چسپاں کریں

ماجد مقتدر
کمپنی سیکریٹری

بائیکو پیٹرولیم پاکستان لمیٹڈ

دی ہاربر فرنٹ، نویں منزل، ڈالمن سٹی
HC-3 بلاک 4، میرین ڈرائیو، کلفٹن
کراچی 75600، پاکستان

پراکسی فارم/نمائندگی نامہ

27واں سالانہ اجلاس عام

کمپنی سیکریٹری
بائیکو پیٹرولیم پاکستان لمیٹڈ
دی ہاربرفرنٹ، نویں منزل، ڈالمن سٹی
HC-3 بلاک 4، میرین ڈرائیو، کلفٹن
کراچی

میں/ہم ________________ برائے ________________

بحیثیت رکن بائیکو پیٹرولیم پاکستان لمیٹڈ اور حامل ________________ حصص مقرر کرتا ہوں بطور نائب محترم/محترمہ ________________

برائے ________________ یا ان کی عدم موجودگی کی صورت میں محترم/محترمہ ________________

برائے ________________، جو بائیکو پیٹرولیم پاکستان لمیٹڈ کے ممبر بھی ہیں، میری غیر موجودگی کی صورت میں بطور میرے نائب کمپنی کے 27 ویں سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس میٹنگ کا انعقاد بروز بدھ، 27 اکتوبر 2021 کو یا اس کے التواء کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جاسکتی ہے۔ دستخط/مہر اور کی طرف سے بھیج دیا گیا ________________

درج ذیل کی موجودگی میں

۱۔ نام ________________	۲۔ نام ________________
شناختی کارڈ نمبر ________________	شناختی کارڈ نمبر ________________
پتہ ________________	پتہ ________________
________________	________________
فولیو نمبر/سی ڈی اکاؤنٹ نمبر	یہ دستخط کمپنی میں موجود نمونہ دستخط سے ملنے چاہئیں

اہم امور:

۱۔ متعلقہ اتھارٹی فارم کو مکمل کر کے اور اپنے دستخط کر کے کمپنی کے رجسٹرڈ آفس دی ہاربرفرنٹ، 9 ویں منزل، ڈالمن سٹی، HC-3، بلاک 4، میرین ڈرائیو کلفٹن کراچی میں میٹنگ کے وقت سے 48 گھنٹے قبل ارسال کریں۔

۲۔ صرف کمپنی کے ممبران ماسوائے کارپوریٹ ممبران کا تقرر کیا جاسکتا ہے۔

۳۔ اگر ایک سے زیادہ نمائندے کا انتخاب کرنا ہو تو کسی بھی ایک ممبر کے لیے دستاویز جمع کرائے جائیں۔ بصورت دیگر وہ اتھارٹی اہل نہیں ہوگی۔

برائے CDC اکاؤنٹ ہولڈر/ کارپوریٹ ادارہ

مذکورہ بالا کے علاوہ درج ذیل ضروریات درکار ہونگی:

۱۔ جاری کردہ اختیارات کا فارم جس کی تصدیق دو گواہ کریں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔

۲۔ فارم کے ساتھ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں جمع کرانی ہوں گی۔

۳۔ اختیارات کا حامل شخص اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت پیش کرے گا۔

۴۔ کارپوریٹ اتھارٹی میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد کی ایک تصدیق شدہ کاپی فراہم کرے گا یا پاور آف اٹارنی جس پر اٹارنی کے دستخط موجود ہوں، پیش کرنا ہوگا۔

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