Cnergyico Pk Limited
Annual Report | 2022-23

LEADING THE CHARGE

PAKISTAN'S ONLY SINGLE POINT MOORING FACILITY

FUELING BIODIVERSITY

Cnergyico's SPM creates a Coral Reef

The SPM and its sub-sea structures which includes a 12 km pipeline laid on the ocean floor connecting the SPM and Refinery's storage tanks has given rise to a naturally produced Coral Reef that has benefitted marine biodiversity by providing feeding grounds and an ecosystem for wildlife.

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The Nation's only
Single Point Mooring (SPM)
owned and operated by
Cnergyico Pk Limited

AT A GLANCE

Cnergyico is Pakistan's largest vertically integrated oil refining company that fulfills the nation's energy requirements and propels the country's progress.

We are using state-of-the-art equipment, advanced technology, and an innovative approach to produce energy products in a sustainable and environmentally friendly way.

We own and operate high-quality energy assets that hold strategic importance in the country's energy landscape, including Pakistan's largest oil refinery in terms of nameplate capacity (i.e. 156,000 barrels of oil per day), a vast and rapidly growing network of retail outlets, Pakistan's first and only Single Point Mooring facility, and the largest crude oil storage tanks in Pakistan.

Through our transformation plan, we are enhancing and expanding our core oil refining and marketing assets, solidifying our petrochemical capabilities, and looking for diversification opportunities. We seek to play a bigger role in meeting Pakistan's future energy needs in a sustainable manner.

Refining Capacity of 156,000 BPD

470+ Retail Locations

Largest Crude Oil Storage Tanks

Nation's Only SPM Facility

1,300+ Dedicated Employees

Dear Valued Stakeholders,

As we reflect on the past year, we are reminded of the blessings and guidance bestowed upon us by the Almighty, and we are grateful for the strength and resilience that have enabled our organization to navigate through a challenging economic landscape.

Our company's performance is reflective of the economic slowdown and the drop in demand for refined petroleum products. We have faced numerous operational challenges, including issues with opening Letters of Credit for importing crude oil and the impact of the weakness in the Pakistani currency. Despite these adversities, our team has worked tirelessly to maintain our standards and ensure business continuity.

To navigate through these challenges, we have undertaken several strategic initiatives aimed at bolstering our resilience and adaptability. These efforts are helping us weather the current storm and position our organization for long-term success. Our focus remains on operational efficiency, innovation and sustainability. We believe that these are the key drivers of growth and value creation in today's rapidly evolving business environment.

As we look to the future, our prayers are for our nation, its citizens and the country's economic well-being. We have significant challenges ahead and we must strive to work even harder then we have to overcome these challenging times and emerge stronger. We are dedicated to contributing to Pakistan's growth and development, as we believe that our success is intrinsically linked to the prosperity of our nation.

In conclusion, I would like to express my prayers of thanks to All Almighty for his benovelence and my gratitude to our employees, partners, and stakeholders for their unwavering support and confidence in our organization.

Sincerely

Amir Abbassciy

CEO & Director - Cnergyico Pk Limited

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 country's chemicals, energy, petroleum and petrochemical requirements, thereby providing the best possible returns to all our stakeholders.

CORPORATE STANDARDS

- **ASSIDUOUS**: Exhibit a can-do attitude regardless of the challenges. Make genuine efforts with a resolute mindset in offering the best possible support.
- **COMMITTED:** Commit to a standard-driven approach based on integrity. Show seriousness in adherence to and adopting a Safety culture. Offer utmost loyalty in delivering the best results.
- **COMPETITIVE:** Thrive for completion by proposing sustainable working solutions. Take intelligent steps leading to growing profit margins.

CODE OF ETHICS

Cnergyico 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.

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.

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

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.

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.

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.

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.

ENVIRONMENT, HEALTH, SAFETY & SECURITY (EHSS) POLICY

Cnergyico is committed to delivering sustainable world-class performance through prevention of injury and ill-health, preservation of the environment, and safeguarding the health, safety, and welfare of its employees and visitors to our sites in a manner that is compliant with applicable laws, customs and culture. We derive strength from our core values of fairness, 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.

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

BOARD OF DIRECTORS

Ms. Uzma Abbasi
Chairperson

Ms. Uzma Abbasi is a celebrated entrepreneur and philanthropist with nearly two decades of impact. Through the TAF Foundation, she actively advances social welfare near Cnergyico's areas of operation, emphasizing skill development for the youth. Under her guidance, Cnergyico is deeply invested in uplifting local communities and nurturing future leaders. Ms. Abbasi holds a graduate degree and serves as a Director on several boards, including Bosicorco International Limited, Asertco Asia Limited, Cusp Air Pakistan (Pvt) Limited, and the TAF Foundation.

Mr. Amir Abbassciy
Chief Executive Officer & Director

Mr. Amir Abbassciy has transformed the company from a small refiner to Pakistan's leading oil refining company, having taken the reins as the Global Chief Executive Officer of Cnergyico in 2010 and Director of Cnergyico Pk Limited in 2016. A significant figure in Pakistan's oil and gas sector, dedicating decades to various strategic initiatives both from operational and financial facets.

Mr. Abbassciy has collaborated with policymakers on leading national and global platforms such as the Oil Companies Advisory Committee, the Young Presidents' Organization, and the World Economic Forum. He has also played pivotal roles in family businesses, managing areas like Finance, Manufacturing, and Marketing. Under his direction, Cnergyico emphasizes environmental stewardship and community welfare.

Mr. Abbassciy earned his MBA from the Business School of Lausanne and a BBA from the American College of Switzerland. He is married with two children.

Mr. Muhammad Usama Qureshi

Vice Chairman & Director

Mr. Usama Qureshi holds vast experience having a diverse background in various industries including Energy, FMCGs, Telecom, FinTech, and Industrial Production. With over two decades of managerial and leadership positions, he has played a pivotal role in business transformations, turnarounds, and re-branding efforts.

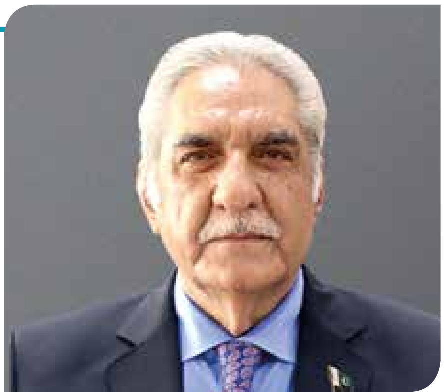
Some of his notable past roles include serving as the MD & CEO of Hamdard Pakistan, Chief of Staff & Chief Marketing Officer at K-Electric Limited, Chairman & Co Founder of Bolts Private Limited, Director / CEO of Oasis Energy Private Limited, Advisor at KuickPay, and Manager of Finance & Operations at Pakistan State Oil's fuel cards business. Currently, he holds positions as Vice Chairman & Director at Cnergyico Group and Director at Amps & Volts Private Limited.

Mr. Usama Qureshi excels in strategic management and corporate turnarounds, with a particular emphasis on agility in the various verticals of energy sector. His educational background includes a Master's in Business Administration. In addition to his professional achievements, he actively collaborates with global trade bodies to promote Pakistan's exports. He has been an integral part of numerous national and international trade bodies, working towards building a positive image for Pakistan and strengthening cross-border corporate relations.

His involvement in various prestigious roles includes serving as Convener of FPCCI's standing committee on Corporate Relations, Senior Vice Chair of the Pakistan – UK Business Council, Director of the Pakistan - Maldives Business Council, Director of the Pakistan – Italy Business Council, and Director of the Pakistan – Qatar Business Council.

Lt. (R) Raja Muhammad Abbas

Independent Director



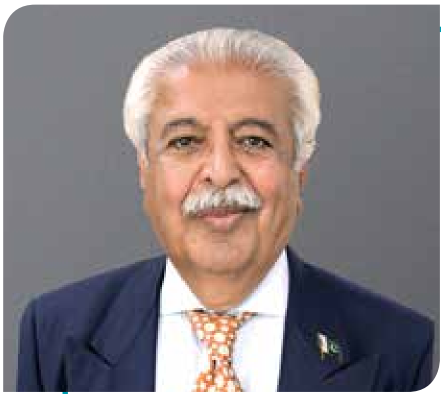
Mr. Raja Muhammad Abbas has made significant contributions in administrative reforms and corporate governance, with experience spanning both the public and private sectors. After serving in the Pakistan Navy, he moved to the Government of Pakistan's District Management Group. He's held esteemed roles as Chairman of the National Commission for Government Reforms and Federal Secretary positions, including with the Ministry of Interior. At provincial levels, he's been the Director General, Lahore Development Authority and Chief Secretary, Sindh.

Mr. Abbas is a graduate from the University of Karachi with specialized training from prestigious institutions in and outside Pakistan. His corporate footprint includes directorships at Askari Bank Limited and board roles at leading Pakistani universities. His contributions to academia include board positions at prominent universities in Pakistan, including Kohsar University, Murree, Women University, Rawalpindi, and Arid Agriculture University, Rawalpindi.

Mr. Sami ul Haq Khilji
Independent Director

With an illustrious career spanning over four decades, Mr. Sami ul Haq Khilji has left an impressive mark in both the public and private sectors of governance and administrative policymaking in Pakistan. His prominent roles include Chairman of Pakistan Railways, Secretary and Managing Director at the Ministry of Housing & Works, Director Investigation of National Accountability Bureau, and the Director General of the Gwadar Port Authority.

Mr. Khilji holds Masters degrees in Sociology from Punjab University and in Public Policy from the University of Wisconsin, Madison, USA. Mr. Khilji serves as the Director on the Boards of Sindh Modaraba, Fauji Cement Company Limited, and Sindh Bank Limited.



Mr. Mushtaq Malik
Independent Director

Mr. Mushtaq Malik's illustrious career, commencing with his induction into the Civil Service in 1973, spans several decades and is testament to his expertise in governance, administration, and policy-making in the public and private sectors. He's held leadership positions in key government institutions, including roles as Chairman of PEMRA, Director General of the Environmental Protection Agency, Secretary to the Board of Investment, and key roles within the Ministry of Finance.

Internationally, he represented multiple countries at the World Bank/IDA forum and was the Economic Minister at the Embassy of Pakistan in Washington D.C. In the corporate arena, he's served on boards including Hinopak Motors and Askari Bank Limited.

Mr. Malik's educational accolades include degrees from Punjab University, Delft University, Boston University, and training from Harvard University.

Mr. Aumar Abbassciy
Director

Since joining Cnergyico PK Limited in 2020, Mr. Aumar Abbassciy has showcased his adaptability in Commercial, Finance, and Operation divisions. He notably impacted group transactions using his financial modeling and risk assessment skills. Later, at Premier-Code Limited, he crucially shaped the Dcode smartphone division. Rejoining Cnergyico in 2022, he's now vital in Strategy and Commercial roles.

Mr. Abbassciy holds a Master's in Finance from the Imperial College Business School, UK, and an undergraduate degree in Economics and Mathematics from Pepperdine University, USA.

CORPORATE SECRETARIAT

Mr. Javed Ahmedjee
Group Chief Financial Officer

Javed Ahmedjee is an inspiring leader with diverse experience in sectors like energy, finance, pharmaceuticals, and manufacturing across Pakistan, the Middle East, Africa, and Europe. He excels in business strategy, transformation, compliance, corporate governance, and risk management. He has been a board member of companies in Pakistan, Morocco, and Kenya. A fellow of the Institute of Chartered Accountants of Pakistan, he has contributed to committees of OICCI, PHDF, ICAP, and OCAC.

Mr. Zafar Shahab
Vice President Finance

Mr. Zafar Shahab, a seasoned Chartered Accountant, has dedicated over 14 years to Cnergyico. With a diverse professional background that spans FMCG, technology, and oil & gas sectors, he boasts profound expertise in International Financial Reporting Standards, as well as income and sales tax regulations.

Mr. Masroor Sabir
Vice President Information

A long-standing pillar of Cnergyico, Mr. Masroor Sabir has accumulated vast experience over the years. Starting his journey in operations and transitioning seamlessly to information, his expertise has been invaluable to the company's growth and innovation.

SUPERVISORY SECRETARIAT

Mr. Rashid Badruddin
Vice President Operations

With a strong 20-year tenure at Cnergyico, Mr. Rashid Badruddin, a proficient mechanical engineer, has also made significant contributions at esteemed engineering firms like Zsagrow and Zelin. His vast experience includes pivotal roles at SEFEC Engineering for the PARCO mid-country refinery project and a notable stint with JGC Gulf in Khobar, Saudi Arabia.

Mr. Noman Yousuf
Head of Internal Audit & Compliance

Mr. Noman Yousuf, a distinguished auditing professional, brings over 20 years of experience from reputable companies in Pakistan and Saudi Arabia. He specializes in financial management, accounting, audits, monitoring and controlling. Adept at strategic planning and leading diverse teams, he's renowned for enhancing productivity and curbing expenses.

Mr. Ghulam Sarwar
Vice President Services

Mr. Sarwar is a legal services veteran with over two decades of accumulative yet diverse experience in legal and strategic services in large corporate organizations and law firms. Currently, he's heading the Services division alongside managing corporate and govt. relations, external affairs and legal services

ENERGISING PAKISTAN: CNERGYICO'S STRATEGIC BLUEPRINT

Cnergyico Pk Limited champions a Strategic Synergistic Approach – where our assets not only serve our company but also strengthen the nation's backbone. We bolster Pakistan's energy security, always with an eye towards environmental preservation. Here's a snapshot:

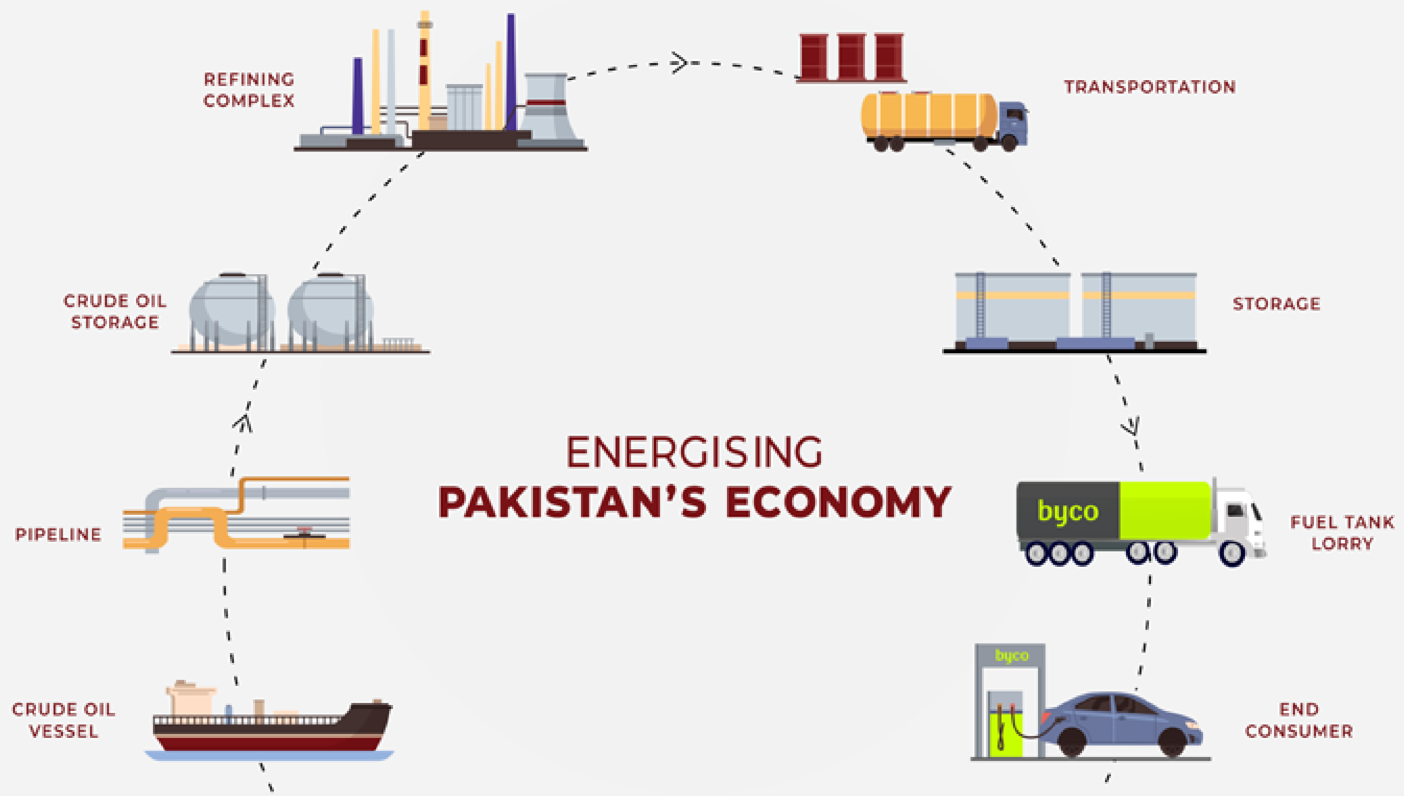
- SPM (Single Point Mooring): We proudly operate Pakistan's singular Single Point Mooring – a premier offshore terminal dedicated to importing crude oil and petroleum products.
- Oil Refining: As the custodian of Pakistan's most expansive oil refining complex, we process a staggering 156,000 barrels of crude oil daily. This state-of-the-art facility located in Hub, Balochistan, yields a diverse array of products from Motor Gasoline to Furnace Oil.
- Storage & Other Energy Assets: Our strategic hold on Pakistan's largest crude oil storage tanks in pivotal centers like Machike, Mehmood Kot, and Kemari amplifies our stature. This is coupled with an expansive portfolio of energy infrastructure assets.
- Oil Marketing: Our burgeoning retail presence encapsulates over 470 fuel outlets, meticulously spread across the nation, ensuring that every Pakistani, no matter the location, has access to our high-quality refined petroleum products.
- Lubricants: Delving into lubricants, we produce top-tier engine oils tailored for gasoline, diesel, and motorcycle engines. Their advanced formulation is synonymous with engine longevity and peak fuel economy.
- Petrochemicals: Envisioning the surging demand, both domestically and internationally, we seek to ramp up our petrochemical production capabilities.

ELEVATING ENERGY SECURITY: THE CYCLE OF ENERGISING PAKISTAN

Pakistan, with its historical dependence on imported energy, has always grappled with energy security. As the leading vertically integrated oil refiner, Cnergyico undertakes a pivotal role. Our focus on refining reduces Pakistan's need for imported energy, ensuring a steady and reliable fuel supply, and our SPM further strengthens the country's ability to efficiently import and manage crude oil.

Our extensive petrol pump network guarantees easy access to top-notch fuels for Pakistan, be it in the remote landscapes of Bialochistan or the scenic valleys of Khyber Pakhtunkhwa. Moreover, with the nation's most voluminous crude oil storage tanks, we've fortified Pakistan's resilience against global oil market volatilities.

Venturing beyond traditional means, our commitment to R&D seeds innovation, propelling energy efficiency and diversification. As we channel resources into cleaner technologies, we pave the way for Pakistan's energy sector's sustainable future.



CUTTING EMISSIONS SUSTAINABLY

In an era marked by unprecedented challenges wrought by climate change, Cnergyico remains unwavering in its commitment to preserving and protecting the environment. At Cnergyico, environmental stewardship isn't merely a corporate responsibility; it's a guiding principle. As the repercussions of climate change amplify, evidenced by the intensifying floods and extreme weather patterns in Pakistan, our determination to combat these issues deepens.

Reforesting and Safeguarding Biodiversity

In the realm of environmental conservation, Cnerygico has carried out a vast tree plantation initiative. By adopting the renowned Miyawaki Method, thousands of trees have been planted in areas neighboring our Balochistan refinery and in Karachi. The Miyawaki Method, a specialized approach, promotes the growth of indigenous trees at an accelerated pace, resulting in dense, biodiverse forests. These green canopies, besides acting as a vital carbon sink, restore habitats, regulate local microclimates, and reduce erosion. Such initiatives are instrumental in offsetting emissions and rejuvenating ecosystems.

In addition to our reforestation efforts, Cnergyico continually embraces sustainable business practices. While the specifics of these practices are vast and varied, the overarching goal remains consistent: minimizing our ecological footprint and fostering a greener future. This

ethos is further emphasized by our strict adherence to the highest environmental rules and regulations. A striking example is the emergence of a coral reef along our offshore pipeline. Coral reefs, vital for marine biodiversity, are rare in Pakistan. Their presence near our infrastructure attests to our meticulous environmental compliance. These underwater ecosystems, besides their intrinsic beauty, serve as barometers of environmental health and are indicative of clean, unpolluted waters.

Towards Cleaner Fuels and a Greener Tomorrow

Looking ahead, Cnergyico envisions a future where our fuels contribute even more significantly to a cleaner environment. The company aims to upgrade its refineries to produce more environmentally friendly Euro-V fuels. This progression aligns with our vision of producing fuels that are less polluting, thereby further mitigating environmental degradation.

The escalating pollution levels in Pakistan are deeply concerning to us. It's not just a statistic; it's a tangible threat affecting millions. As one of Pakistan’s premier oil refining companies, we recognize our responsibility and are determined to be part of the solution.

EMPOWERING LOCAL COMMUNITIES

At Cnergyico, we are committed to empowering the communities in which we operate. We believe that our success is intertwined with the success of our neighbours, and we strive to make a positive impact wherever we can. Our CSR initiatives are focused on supporting the UN's Sustainable Development Goals and creating a brighter, more prosperous future for all.

From providing job and business opportunities to supporting underserved communities, Cnergyico's initiatives are diverse and impactful. Here are some of the ways we are working to empower communities and create positive change.

List of Recent Works:

1. Job and Business Opportunities: Cnergyico offers ample job and business opportunities to the locals, including induction into the coveted Management Trainee program. By providing opportunities for growth and development, we are supporting the long-term prosperity of our communities.

2. Education and Training: Cnergyico has partnered with non-government organizations to support healthcare training initiatives. Offering allied healthcare programs and a midwife diploma, the company has supported training an inaugural batch of 43 students, with plans to enroll more in the future, bridging the education-employment gap in the country.

3. Financial and Material Support: We provide financial and material support to underserved communities through partnerships with local organizations. This support ranges from providing basic necessities like food and shelter to supporting education and skill development programs.

4. Sports Activities: Engaging young people in the community is a key part of our CSR initiatives. Through sports activities like football tournaments and cricket matches, we provide opportunities for physical activity, socialization, and personal growth.

5. Road Reconstruction and Safety Signs: We support the reconstruction of roads to help residents of nearby communities during their commute. In addition, we have added safety signs to prevent road accidents, ensuring safer transportation for all.

6. Water Conservation and Clean Drinking Water: Our initiatives to raise awareness about water usage, recycling, and conservation include installing RO Plants to give clean drinking water to five local villages. We have also installed water filtration units at our retail outlets to conserve water after signing an MoU with UNDP.

We are proud of the work we are doing to empower communities and create a brighter future for all. We will continue to seek out new ways to make a positive impact, and we remain committed to supporting the UN's Sustainable Development Goals.

CULTIVATING EXCELLENCE

Cnergyico's rapid rise in Pakistan's oil sector is a testament to the dedication, expertise, and diligence of its workforce. Recognizing the multifaceted skillset, the energy sector demands, we are committed to nurturing every team member's growth. By providing opportunities for comprehensive training and development in both technical and managerial domains, we empower our employees to achieve their highest potential, ensuring they thrive alongside our business. Our dedication lies not just in our present, but in actively investing in our employees' futures.

OGRA CHAIRMAN VISITS CNERGYICO REFINERY - COMMENDS OPERATIONAL STANDARD AND FACILITY

OGRA Chairman commends Cnergyico's operational standard and facility Despite the challenges, Pakistan's largest Refining facility by capacity remains committed with future investments which were much appreciated by OGRA's Chairman. The Chairman met with senior members from the leadership and management, where Vice Chairman Usama Qureshi gave the brief and explained regarding the facility and operational challenges. Chairman OGRA labeled the visit as an 'Absolute brilliant experience.'

Chairman Oil & Gas Regulatory Authority (OGRA) upon his visit expressed the experience as wonderful and met with the Management and key executives operating the facility. The Chairman's visit comes at a time when the entire oil and gas industry is suffering due to the economic slowdown, Rupee's continuous fall against other currencies especially the US dollar.

Vice Chairman Cnergyico Usama Qureshi alongside VP Technical Rashid Badruddin and other key members also took the Chairman to Zero Point from where Cnergyico's SPM could be seen and displayed different facilities and operations. Chairman OGRA was impressed with the engineering and operational standards maintained by Cnergyico and called the team competent and highly skilled. He stressed that such strategic assets should be utilized even more by the Government.

COMPANY INFORMATION

BOARD OF DIRECTORS

UZMA ABBASI	CHAIRPERSON
AMIR ABBASSCIY	DIRECTOR & CHIEF EXECUTIVE OFFICER
USAMA QURESHI	DIRECTOR & VICE CHAIRMAN
MUSHTAQ MALIK	INDEPENDENT DIRECTOR
LT. (R) RAJA MUHAMMAD ABBAS	INDEPENDENT DIRECTOR
SAMI UL HAQ KHILJI	INDEPENDENT DIRECTOR
AUMAR ABBASSCIY	DIRECTOR

AUDIT COMMITTEE

MUSHTAQ MALIK	CHAIRMAN
USAMA QURESHI	MEMBER
LT. (R) RAJA MUHAMMAD ABBAS	MEMBER
AUMAR ABBASSCIY	MEMBER

HUMAN RESOURCE AND REMUNERATION COMMITTEE

LT. (R) RAJA MUHAMMAD ABBAS	CHAIRMAN
SAMI UL HAQ KHILJI	MEMBER
USAMA QURESHI	MEMBER
MUSHTAQ MALIK	MEMBER
AUMAR ABBASSCIY	MEMBER

RISK MANAGEMENT COMMITTEE

AMIR ABBASSCIY	CHAIRMAN
USAMA QURESHI	MEMBER
SAMI UL HAQ KHILJI	MEMBER
AUMAR ABBASSCIY	MEMBER

CHIEF FINANCIAL OFFICER

ZAFAR SHAHAB

COMPANY SECRETARY

MAJID MUQTADIR

AUDITORS

YOUSUF ADIL
CHARTERED ACCOUNTANTS

BANKERS

ALLIED BANK LIMITED
AL BARAKA BANK (PAKISTAN) LIMITED
ASKARI BANK LIMITED
BANK ALFALAH LIMITED
BANK ISLAMI PAKISTAN LIMITED
BANK OF CHINA LIMITED - PAKISTAN OPERATIONS
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 OMAN INVESTMENT COMPANY LIMITED
SONERI BANK LIMITED
SUMMIT BANK LIMITED
SILKBANK LIMITED
THE BANK OF KHYBER
THE BANK OF PUNJAB
UNITED BANK LIMITED

SHARES 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.CNERGYICO.COM

FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019	2018
			(Rupees in million)			
BALANCE SHEET						
Share Capital	54,934	53,299	53,299	53,299	53,299	53,299
Share holders' equity	178,343	34,649	29,846	26,201	28,218	30,222
Property, plant and equipment	291,938	72,382	71,512	70,790	69,138	68,716
Investment in subsidiaries - at cost	17,414	16,932	16,932	16,932	16,932	16,932
Long-term loans and advances	-	482	568	723	861	939
Stock-in-trade	25,691	48,246	33,585	22,879	29,260	29,391
Trade debts	3,206	7,078	4,556	4,357	5,337	5,464
Total current assets	36,574	67,225	47,747	36,313	41,895	40,378
Total current liabilities	78,178	94,792	78,631	71,521	75,454	72,706
Short-term borrowings - secured	18,954	19,627	15,070	23,908	15,849	2,323
Current portion of non-current liabilities	1,726	3,734	5,961	2,685	7,897	8,766
Non-current liabilities	89,747	27,992	29,521	28,294	26,470	26,824
PROFIT AND LOSS ACCOUNT						
Revenue from contract with customers - net	193,912	170,015	142,150	173,899	197,831	166,290
Cost of sales	203,661	159,043	134,042	171,002	195,871	157,134
Gross (loss) / profit	(9,749)	10,972	8,108	2,896	1,960	9,156
Operating (loss) / profit	(5,635)	8,884	6,286	1,530	832	8,248
Finance costs - net	6,579	2,963	2,416	3,960	3,070	2,878
(Loss) / profit before taxation	(12,214)	5,921	3,870	(2,431)	(2,238)	5,370
(Loss) / profit after taxation	**(12,663)**	**4,788**	**3,596**	**(2,431)**	**(1,684)**	**5,020**

		2023	2022	2021	2020	2019	2018
Profitability Ratios							
Gross Loss	%	-5.03%	6.45%	5.70%	1.67%	0.99%	5.51%
Loss before Tax	%	-6.30%	3.48%	2.72%	-1.40%	-1.13%	3.23%
Net Loss	%	-6.53%	2.82%	2.53%	-1.40%	-0.85%	3.02%
EBITDA Margin to sales	%	-0.66%	7.51%	7.22%	3.06%	2.14%	6.78%
Return on equity	%	-7.1%	13.8%	12.0%	-9.28%	-5.97%	16.61%
Liquidity Ratios							
Current Ratio	Times	0.47	0.71	0.61	0.51	0.56	0.56
Quick / Acid Test Ratio	Times	0.14	0.20	0.18	0.19	0.17	0.15
Activity / Turnover Ratios							
Inventory turnover	Days	66.25	93.90	76.88	55.64	54.65	48.75
Debtors turnover	Days	9.68	12.49	11.44	10.17	9.96	11.33
Creditors turnover	Days	101.0	120.9	105.2	80.0	99.0	116.4
Inventory turnover	Times	5.51	3.89	4.75	6.56	6.68	7.49
Debtors turnover	Times	37.7	29.2	31.9	35.9	36.6	32.2
Creditors turnover	Times	3.61	3.02	3.47	4.56	3.69	3.14
Total assets turnover ratio	Times	0.56	1.08	1.03	1.38	1.52	1.28
Fixed assets turnover ratio	Times	0.66	2.35	1.99	2.46	2.86	2.42
Financial Leverage Ratios							
Interest coverage ratio	Times	(0.86)	3.00	2.60	0.39	0.27	2.87
Debt to equity ratio*	Times	0.62	1.48	1.69	2.09	1.78	1.25
Investment / Market Ratios							
Loss per share	**Rs.**	**(2.34)**	**0.90**	**0.67**	**(0.46)**	**(0.32)**	**0.94**

* Debt also includes subordinated loans from related parties.

CHAIRPERSON'S REVIEW
FOR THE YEAR ENDED JUNE 30, 2023

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company for the year ended 30th June, 2023.

These are testing times for the country as there are huge challenges in terms of political and economic uncertainty. The free fall of PKR has proven catastrophic for the businesses across the board while spiraling inflation and upward revisions of SBP’s policy rates are pushing cost of doing business beyond sustainable levels.

The Company’s performance in current financial year also reflects the same. Due to non-availability of adequate working capital, the Company incurred higher amount of exchange losses and finance costs. The Directors’ report for the current year discusses in details the factors behind current year’s performance and the plan for the future.

Through election of directors during the year, the new board has been formed which includes new directors as well. 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.

UZMA ABBASI
Chairperson
Karachi
October 2nd, 2023

چیئرپرسن کا جائزہ

برائے سال ختم شدہ ۳۰جون ۲۰۲۳

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے ۳۰جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہورہی ہے۔

ہم ملک میں سخت آزمائشی دور سے گزر رہے ہیں کیونکہ سیاسی اور معاشی طورپر غیر یقینی کی صورتحال کے پیش نظر، بہت بڑے چیلنجز کا سامنا ہے۔ پاکستانی روپے کی مسلسل ناقدری تباہ کن ثابت ہورہی ہے دوسری جانب مہنگائی میں ہوشربا اضافہ اور بنک دولت پاکستان کے شرح سود بڑھنے سے کاروبار کرنے کی لاگت میں اضافہ کاروباری استحکام میں بڑی رکاوٹ بناہوا ہے۔

موجودہ مالی سال میں کمپنی کی کارکردگی بھی اسی کی عکاسی کرتی ہے۔ مناسب سرمایہ کی عدم دستیابی کے سبب، کمپنی کو زیادہ مقدار میں زرمبادلہ کے نقصانات اور مالیاتی اخراجات برداشت کرنا پڑے۔ موجودہ سال کے لیے ڈائریکٹرز کی رپورٹ میں موجودہ سال کی کارکردگی کے پیچھے عوامل اور مستقبل کے منصوبوں پر تفصیل سے بحث کی گئی ہے۔

دوران سال ڈائریکٹرز کے انتخاب سے نیا بورڈ تشکیل دیا گیاہے جس میں نئے ڈائریکٹرز بھی شامل ہیں۔ بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی تسلی بخش رہی۔ وسیع تجربہ رکھنے والے ماہر افراد پر مشتمل بورڈ نے ہر سطح پر موثر فیصلے کرنے میں اہم کردار ادا کیا۔ بورڈ کی کمیٹیوں نے موثر طریقے سے کام کیا اور تمام اہم معاملات میں بورڈ کی مدد کی۔

بورڈ کی جانب سے، میں اعتماد اور تعاون کے لیے ان کا شکریہ ادا کرنا چاہوں گی۔ مجھے یقین ہے کہ کمپنی توقعات کو پورا کرنے کی بھرپور صلاحیت رکھتی ہے۔

عظمیٰ عباسی

چیئرپرسن

کراچی

۱۲اکتوبر ۲۰۲۳

DIRECTORS' REPORT

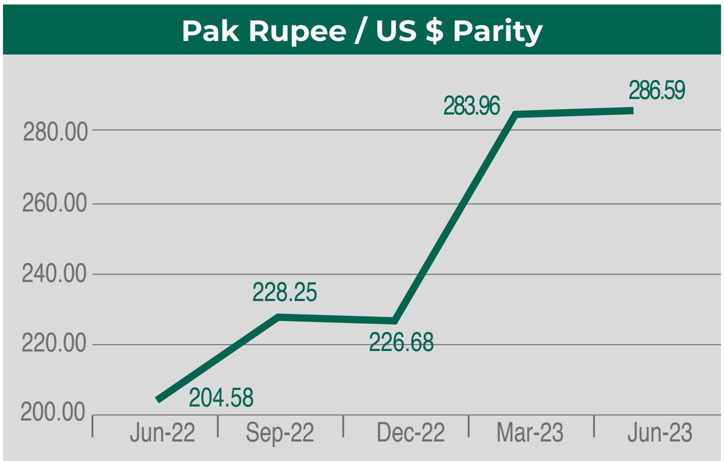
FOR THE YEAR ENDED JUNE 30, 2023

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

The Board of 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 auditor's report for the year ended 30th June, 2023.

During the year, the Company earned net revenue of Rs. 193.9 billion compared to Rs. 170.0 billion in June 2022 with net loss of Rs. (12.6) billion compared to net profit of Rs. 4.7 billion last year. The key factors affecting Company's performance in current financial years are discussed as follows:

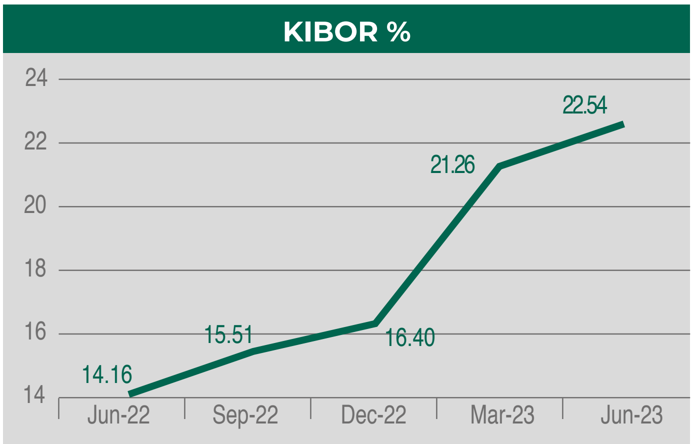
1) One of the major factor that affects any business's performance is economic instability. Our beloved country is passing through difficult times as the turmoil at political front has played havoc on the economic front. Due to continuous high degree of uncertainty over country's ability to meet is financial obligations, the Pak Rupee continued losing its value against all the currencies with an accelerated pace particularly against United States Dollar (USD). The Pak Rupee depreciated against USD by just under 50% in current year making it impossible for the import based industries to continue business as usual.

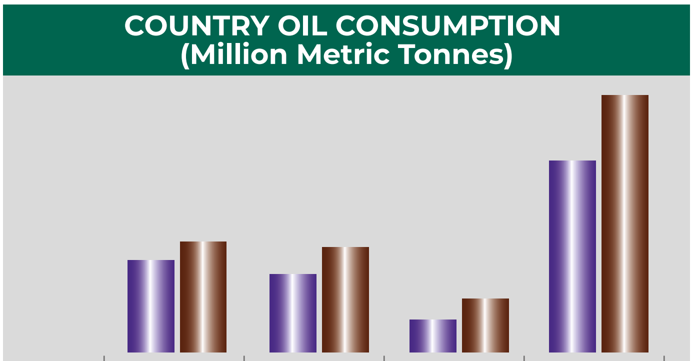


The impact of Pak Rupee devaluation is enormous for the oil industry as oil companies are not allowed to obtain forward cover for their payments. Further, all the oil firms struggled in obtaining Letter of Credit (LC) confirmation from international banks even at extremely high rates. There were huge differences in the open market rates and interbank rates during the year / subsequent to the year end and resultantly the same differences were reflected in the rates quoted by the banks and the weighted average rates of the State Bank of Pakistan (SBP). Those differences were not made part of the product pricing and have thus caused massive exchange losses for the entire oil industry. As banks provide LC limits based on PKR, such a catastrophic devaluation of currency (40%) within a year severely constrained the ability to procure crude oil resulting in making it impossible for the Company to maintain its refining throughput.

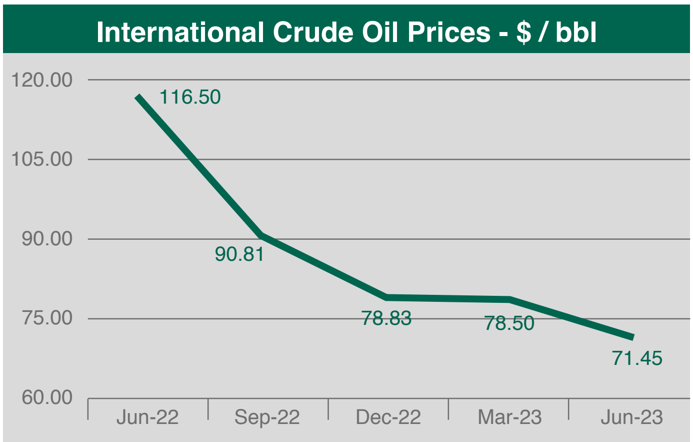
2) Currency devaluation, rising oil and utility prices also put inflation and lending rates on upward trajectory. KIBOR rate touched **~23%** (14% at the beginning of the year) by the end of the financial year. These resulted in an increase in the overall cost of doing business and financial cost for the Company.

3) During the year the country's oil consumption also reduced by about 26% due to deteriorating economic conditions, increase in oil prices, rising inflation, etc. It is also to be noted that the smuggling of oil products into country also played a major role affecting supplies of local refineries. The easier access on the smuggled products across the country has a devastating effect over oil industry and the Government is also losing huge revenues in form of duties and taxes. We hope that the Government will make all out efforts to





	MS	HSD	FO	Total
FY 23	7.57	6.42	2.25	16.93
FY 22	9.18	9.00	4.20	22.99



curtail the smuggling of petroleum products.

4) Oil prices in international market were over US$ 110 / barrel at the beginning of the year. During the year, a sharp decline in international oil prices was observed in first half of the year as the ongoing war in Ukraine continued. The decline in international oil prices gave a hope for improvement of the local economic conditions however, the same was outplayed by the impact of political and economic uncertainty and resulting currency devaluation.

5) Furthermore, during the year, in July and August 2022, the monsoon season brought severe rainfall and flash floodings throughout the country which has more devastating impact on Province of Balouchistan particularly Hub City. The main bridge connecting Hub City with Karachi City was also washed away. This bridge is still under construction.

The collapse of bridge and overall deteriorated infrastructure had an adverse impact on transportation of Company's petroleum products from its refineries to the oil terminals and depots. The Company was forced to use alternate roads which were not in good condition and heavy traffic movement affected the product supply chain. We hope that the Government will realize the importance of the logistical connectivity between Balouchistan and Sindh and the bridge will be reconstructed in minimum possible time.

All the above factors resulted into reduced refining throughput, sales volume reduction, inventory losses, exchange losses, increased finance cost and consequently significant net loss during the year. The Company earned net revenues of Rs. 193.9 billion (June 2022: Rs. 170.0 billion), a Gross Loss of Rs. (9.7) billion (June 2022: Gross Profit of Rs. 10.9 billion), and a Net Loss of Rs. (12.6) billion (June 2022: Net Profit of Rs. 4.7 billion). The basic / diluted loss per share amounts to Rs. (2.34) compared to basic earnings per share (Restated) of Rs. 0.89 (diluted: Rs. 0. 87) last year. Due to unprecedented losses incurred during the year, the Company faced severe constraints in meeting its financial obligations on due dates. Despite all the above stated challenges, the company managed over-dues with tight monitoring of its constrained cash flows. To further improve the cash flow position, the Company is in discussion with its lenders for converting the short term financing into long term financing. The lenders have already agreed in principal on this proposal and we expect the same to be concluded soon.

The management of the Company is actively working on various plans to address the issue of low refining throughput and the resultant adverse profit and cash flow position. These plans include procuring crude oil on supplier's credit, entering into the toll manufacturing arrangement with the crude oil suppliers, aligning crude oil pricing with country's pricing formula to minimize price loss, minimizing demurrages and other costs etc. The management has reviewed each cost components with minute details to ensure maximum possible cost reduction without affecting operations or quality of services. We are hopeful that results of above efforts will start realizing in near future with improvement in Company's performance.

The profitability of the marketing business decreased primarily due to reduced sales volume as a result of reduced product availability and significant increase in influx of smuggled products in the market. This has been slightly compensated by the stepwise upward revision in the marketing margins i.e. from Rs. 3.68 per litre to Rs. 6 per litre on High Speed Diesel (HSD) and Motor Spirit (MS). The Company added 21 new retail stations during the year, bringing the total to 468. Keeping in view the inflation and forex trend, OMCs were in discussion with the Government for revision in the OMC margin and subsequent to the year end, Economic Coordination Committee (ECC) has approved to revised the marketing margin by Rs. 1.87 per litre in case of HSD and MS in a stepwise manner effective from 16th September 2023 which will slightly improve the profitability of the marketing segment.

Subsequent to the year end, the Government of Pakistan has approved the brownfield oil refining policy for upgradation of existing / brownfield refineries. The objective of this policy is to provide optimal tariff protection to the refining sector to ensure sustainability. Your company has already initiated internal processes to upgrade its refineries so as to be able to provide more environmentally friendly petroleum products to its customers and cater to low consumption of Furnace Oil in the country.

The Single Point Mooring (SPM) facility continued to provide support of timely supply of crude oil to the refineries and has the potential to handle a significant portion of country's crude oil imports. The SPM is the only facility in the Country with Tier – I oil spill response capability available on-site.

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 represent low credit risk and the ability of the Company to timely meet the financial commitments.

On a consolidated basis, the Group's basic and diluted (Loss) / earning per share amounted to Rs. (2.51) (2022: Restated: 0.76) and Rs. (2.51) (2022: Restated: 0.75) respectively.

For a more comprehensive look at the financials of your Company over the last six years, refer to page 36.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In these challenging years for the country, Cnergyico has assured stability and excellence with its utmost resilience in pursuing for a safer and better environment towards to more sustainable world. The Company stayed true to its course, underscoring the belief that our environmental stewardship and social upliftment are integral to our commercial success.

Proudly situated at the forefront of Corporate Social Responsibility (CSR), Cnergyico embraces the ideals of sustainability, empowerment, diversity, and inclusion. Our CSR activities span beyond the immediate periphery of our refining complex in Balouchistan; they resonate throughout the nation through our plantation drives and dedication towards the Environment, social and Governance Program.

Widely recognized as one of the most successful afforestation campaigns using the innovative Miyawaki method, the company successfully planted thousands of trees not only in the vicinity of our oil refining complex, but extending the green mission to other parts of Karachi. This initiative significantly contributes to increasing the country's forest cover, proving beneficial for all citizens.

Cnergyico's fight against climate change is woven into our business strategy. We recognize and act upon the world's pressing need to mitigate the impacts of this global challenge.

Simultaneously, the safety and well-being of those connected to our operations take precedence in our commitments. Moreover, Cnergyico stands as a reliable ally during humanitarian crises or natural disasters. When the devastating floods hit Balouchistan, we promptly mobilized our resources to aid the flood affectees to the best of our abilities and resources available.

Furthermore, the company continues to support the communities we operate in, prioritizing their interests through financial and material contributions. Initiatives ranging from combating water scarcity to providing skill training, road construction, and safety measures illustrate our dedication to sustainable community development.

Cnergyico's environmental leadership extends into the depth of our oceans. We are conscientiously engaged in protecting marine life, nurturing the growth of an artificial coral reef, a thriving marine ecosystem. Our vigilance safeguards the marine life from potential oil spill threats, ensuring a healthy oceanic habitat for generations to come.

Cnergyico is not just an oil refining company; we are an embodiment of sustainability and positive change.

ENVIRONMENT, HEALTH, SAFETY & SECURITY (EHSS)

Cnergyico has exhibited an unwavering commitment to fostering an independent and resilient process safety management system, coupled with a steadfast dedication to nurturing a safety-oriented culture wherein personnel demonstrate genuine concern not only for their own well-being but also for that of their colleagues and the surrounding environment. The organization is continuously enhancing its comprehensive process safety management system identify and address potential hazards, minimizing operational disruptions and safeguarding our assets. By virtue of this, Cnergyico is on the brink of surpassing the remarkable milestone of 25 Million safe man-hours. Furthermore, the company has successfully achieved a Total Recordable Injury Rate (TRIR) of 0.131, meeting the rigorous benchmark (TRIR<0.3) set by the US labor statistics, i.e. almost 2.2 times better.

Innovation and advancement is the driving force of Cnergyico policy towards environment, health and safety. Embracing the forefront of technological advancements, we have proudly inaugurated the EHS e-learning portal, an innovative video-based safety training platform that represents a significant leap forward in our EHS practices. Our resolute pursuit of effectively communicating the hazards has been notably demonstrated through the successful installation of over 200 safety signs strategically positioned both within and outside the refinery premises, effectively communicating potential hazards and fortifying our safety standards within the local community.

Remarkably, our proactive approach extends beyond the refineries confines, as evidenced by the commencement of the 'Corporate EHS Alignment Drive,' a strategic initiative which helped in achieving safe and healthy environment at Cnergyico corporate office. Cnergyico firmly holds the belief that inculcating a culture of safety consciousness among its employees can be achieved by instilling awareness in their cherished families. This commitment to safety is exemplified through the introduction of the "Cnergyico Off-the-Job Safety Program," which aims to promote safety awareness within the family units of our workforce.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Cnergyico stringently follows an effective ESG policy within the ambit of overall strategy to maximise the impact of environmental and social governance. Some of the major efforts the Company has taken are as follows:

1) **EIAs and Sustainable Practices**

   Cnergyico prioritises sustainability in business practices. The application of Environmental Impact Assessments (EIA) mitigates adverse environmental impacts in all of our operations. Our "reduce, reuse, and recycle" policy guides sustainable material usage, fostering environmental consciousness across the organisation and extending to clients, partners, and competitors.

2) **Community Engagement and Relationship with Local People**

   Cnergyico cultivates relations with local communities near our business operation sites. We engage with locals to foster trust and ensure our operations align with local needs. Our initiatives provide a platform for dialogue, contributing positively to the community while advancing our operational objectives.

3) **Occupational Health and Safety Measures for Employees**

   Ensuring a safe and healthy work environment is of paramount importance at Cnergyico. Our rigorous measures shield employees from hazards, sickness, and injuries stemming from employment. The holistic well-being of our workforce is a priority, and we adhere to international standards of excellence to uphold the highest levels of safety. Through stringent enforcement and a nurtured safety culture, we promote a conducive and protective workspace, aligning with our core principle of prioritising employee welfare.

4) **Human Rights Practices in The Remote Areas of Balochistan**

   Cnergyico is committed to upholding human rights, especially in the remote regions of Balochistan where we operate. We adhere to a stringent policy ensuring respect, dignity, and equitable treatment for all individuals. Through proactive engagement and educational initiatives, we aim to foster awareness and adherence to human rights principles among our employees, local partners, and communities. Our operations in Balochistan reflect a deep-seated commitment to improving local livelihoods while respecting the social and cultural fabric of the region.

5) **Transparency in Financial Disclosures**

   Cnergyico adheres to a robust transparency ethos in financial disclosures, providing clear, accurate, and timely financial information to stakeholders. We believe high-quality financial statement disclosures are vital for investors to understand the economics underlying our financial performance, aiding sound investment decision-making. Adhering to stringent accounting standards and regulatory requisites, we aim to foster trust, facilitate informed decisions among stakeholders, and uphold ethical financial management and reporting integrity.

6) **Board Diversity and Independence**

   Cnergyico values a diverse and independent Board to enhance decision-making and uphold robust governance. Our Board reflects diversity in age, race, gender, education, professional qualifications, and life experiences, fostering a broad spectrum of demographic attributes in the boardroom. This diversity, paired with Board members' independence, promotes objectivity and aligns decisions with the company and stakeholders' best interests, thereby contributing to the Company's long-term success.

7) **Ethical Business Conduct and Adherence to Regulations**

Cnergyico adheres to ethical business conduct and regulatory compliance across all operations. Every transaction aligns with applicable laws, showcasing our commitment to integrity. In every region we operate, we abide by relevant trade and sanctions regulations, embodying our dedication to safeguarding individuals and assets. We promote an open culture where employees and contractors can voice concerns and report policy violations. The Audit Committee diligently oversees accounting and internal control matters, ensuring compliance with legal and regulatory requirements, fortifying our ethical and compliant operational framework.

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 to listed entities, which is given below:

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

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

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

Name of Director	
Mrs. Uzma Abbasi	Female Non – Executive Director
Mr. Amir Abbassciy	Executive Director
Mr. Muhammad Usama Qureshi	Executive Director
Mr. Mushtaq Malik	Independent Director
Lt. (R) Raja Muhammad Abbas	Independent Director
Mr. Sami ul Haq Khilji	Independent Director
Mr. Aumar Abbassciy	Non - Executive Director
Mr. Muhammad Aliuddin Ansari (Resigned on 27th October 2022)	Independent Director
Mr. Mohammad Wasi Khan (Resigned on 10th November 2022)	Non - Executive Director
Mr. Amir Waheed Ahmed (Resigned on 22nd March 2023)	Independent Director
Syed Hasan Zaidi (Resigned on 6th April 2023)	Non - Executive Director
Syed Arshad Raza (Resigned on 1st June 2023)	Non - Executive Director
Mrs. Samia Roomi (Resigned on 1st June 2023)	Female Non - Executive Director

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

The details of the remuneration package of each of the directors and chief executive are available on page 94 of the Annual Report.

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

Audit Committee
Mr. Mushtaq Malik, Chairman
Mr. Usama Qureshi, Member
Lt. (R) Raja Muhammad Abbas, Member
Mr. Aumar Abbassciy, Member

Human Resource and Remuneration Committee
Lt. (R) Raja Muhammad Abbas, Chairman
Mr. Sami ul Haq Khilji, Member
Mr. Usama Qureshi, Member
Mr. Mushtaq Malik, Member
Mr. Aumar Abbassciy, Member

Risk Management Committee
Mr. Amir Abbassciy, Chairman
Mr. Usama Qureshi, Member
Mr. Sami ul Haq Khilji, Member
Mr. Aumar Abbassciy, Member

PATTERN OF SHAREHOLDING

- The pattern of shareholding and additional information as of 30th June 2023 appears on page 147 of the Annual Report.

- Bosicorco International Limited (formerly Cnergyico Mu Incorporated), based in Mauritius, holds 70.73% shares, financial institutions, and banks and others hold 8.60% shares, and 20.67% shares are held by individuals.

EXTERNAL AUDITORS

The auditors Messrs. Yousuf Adil Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs. Yousuf Adil Chartered Accountants as auditors for the year ending June 30, 2024.

ACKNOWLEDGEMENT

The Board wishes to express appreciation and place on record its gratitude for the cooperation extended to your Company by the Government of Pakistan and strategic partners including financial institutions, vendors, suppliers, customers and shareholders of your Company.

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

For and on behalf of the Board of Directors

Chief Executive Officer
Karachi
October 2nd, 2023

Director

رسک مینجمنٹ کمیٹی	
جناب عامر عباسی	چیئر مین
جناب اسامہ قریشی	ممبر
جناب سمیع الحق خلجی	ممبر
جناب عمر عباسی	ممبر

شیئر ہولڈنگ کا پیٹرن

- 30 جون 2023 کو شیئر ہولڈنگ اور اضافی معلومات کا نمونہ سالانہ رپورٹ کے صفحہ 147 پر موجود ہے۔
- Bosicorco International Limited (سابقہ Cnergyico Mu Incorporated)، جو ماریشس میں واقع ہے، 70.73٪ شیئرز کا مالک ہے، مالیاتی اداروں، بینکوں اور دیگر کے پاس 8.60٪ شیئرز ہیں جبکہ 20.67٪ شیئرز افراد کے پاس ہیں۔

بیرونی آڈیٹرز

آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے اور خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کو 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈیٹر کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔

اظہار تشکر

بورڈ کی جانب سے حکومت پاکستان اور کاروباری شراکت داروں بشمول مالیاتی اداروں، وینڈرز، سپلائرز، کسٹمرز اور کمپنی کے شیئر ہولڈرز کے آپ کی کمپنی پر اعتماد اور تعاون کے لیے اظہار تشکر کیا جاتا ہے اور انہیں خراج تحسین پیش کی جاتی ہے۔

ہم پائیدار کاروباری سرگرمیوں کے لیے اپنے پرخلوص اور احساس ذمہ داری کے سرشار اپنے ملازمین کے بھی شکر گزار ہیں

منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر
کراچی
2 اکتوبر 2023

ڈائریکٹر

مالی سال کے دوران، درج ذیل افراد کمپنی کے ڈائریکٹرز تھے:

ڈائریکٹر کا نام	
محترمہ عظمیٰ عباسی	خاتون نان ایگزیکٹوڈائریکٹر
جناب عامر عباسی	ایگزیکٹوڈائریکٹر
جناب محمد اسامہ قریشی	ایگزیکٹوڈائریکٹر
جناب مشتاق ملک	آزاد ڈائریکٹر
لیفٹیننٹ (ر) راجہ محمد عباس	آزاد ڈائریکٹر
جناب سمیع الحق خلجی	آزاد ڈائریکٹر
جناب عمر عباسی	نان ایگزیکٹوڈائریکٹر
جناب محمد علی الدین انصاری (27 اکتوبر 2022 کو مستعفی ہوئے)	آزاد ڈائریکٹر
جناب محمد وصی خان (10 نومبر 2022 کو مستعفی ہوئے)	نان ایگزیکٹوڈائریکٹر
جناب عامر وحید احمد (22 مارچ 2023 کو مستعفی ہوئے)	آزاد ڈائریکٹر
جناب سید حسن زیدی (6 اپریل 2023 کو مستعفی ہوئے)	نان ایگزیکٹوڈائریکٹر
جناب سید ارشد رضا (یکم جون 2023 کو مستعفی ہوئے)	نان ایگزیکٹوڈائریکٹر
محترمہ سمیہ رومی (یکم جون 2023 کو مستعفی ہوئیں)	نان ایگزیکٹوڈائریکٹر

بورڈ آف ڈائریکٹرز کو اس بات کی تصدیق کرتے ہوئے خوشی ہو رہی ہے کہ اندرونی کنٹرول کا نظام مستحکم ڈیزائن کا ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

ہر ڈائریکٹر اور چیف ایگزیکٹو کے معاوضے کی تفصیلات سالانہ رپورٹ کے صفحہ 94 پر دستیاب ہیں۔

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

آڈٹ کمیٹی	
جناب مشتاق ملک	چیئرمین
جناب اسامہ قریشی	ممبر
لیفٹیننٹ (ر) راجہ محمد عباس	ممبر
جناب عمر عباسی	ممبر

ہیومن ریسورس اور ریمونریشن کمیٹی	
لیفٹیننٹ (ر) راجہ محمد عباس	چیئرمین
جناب سمیع الحق خلجی	ممبر
جناب اسامہ قریشی	ممبر
جناب مشتاق ملک	ممبر
جناب عمر عباسی	ممبر

4۔ بلوچستان کے دور دراز علاقوں میں انسانی حقوق کے فروغ کی کوششیں

Cnergyico انسانی حقوق کو یقینی بنانے کے لیے پر عزم ہے، خاص طور پر بلوچستان کے دور دراز علاقوں میں جہاں ہم کام کرتے ہیں۔ ہم تمام افراد کے لیے عزت، وقار اور مساوی سلوک کو یقینی بنانے والی پالیسی پر عمل پیرا ہیں۔ موثر تعلق داری اور تعلیمی اقدامات کے ذریعے، اپنے ملازمین، مقامی شراکت داروں، اور کمیونٹیز میں انسانی حقوق کے اصولوں سے متعلق آگہی دینا ہم نے اپنا مقصد بنا رکھا ہے۔ بلوچستان میں ہمارے آپریشنز علاقے کے سماجی اور ثقافتی روایات کا احترام کرتے ہوئے مقامی معاشی ترقی کے لیے ہمارے عزم کی عکاسی کرتے ہیں۔

5۔ مالیاتی وضاحتوں میں شفافیت

Cnergyico میں اسٹیک ہولڈرز کو واضح، درست اور بروقت مالی معلومات فراہم کرتے ہوئے، مالیاتی وضاحتوں میں شفافیت کی پاسداری کی جاتی ہے۔ ہمارا ماننا ہے کہ مالیاتی گوشواروں کی معیاری وضاحتوں سے سرمایہ کاروں کے لیے ہماری مالیاتی کارکردگی کو سمجھنا آسان ہوتا ہے۔ نتیجتاً انہیں سرمایہ کاری کے لیے درست فیصلے کرنے میں مدد ملتی ہے۔ اکاؤنٹنگ کے اعلیٰ اسٹینڈرڈز اور ریگولیٹری تقاضوں پر عمل کرتے ہوئے اعتماد کو فروغ دینا، اسٹیک ہولڈرز کے درمیان سہولت فراہم کرنا، شفاف مالیاتی نظام اور رپورٹنگ میں دیانتداری ہماری ترجیحات میں شامل ہے۔

6۔ بورڈ میں وسعت اور آزادی کا فروغ

Cnergyico میں فیصلہ سازی کو بڑھانے اور مضبوط گورننس کو برقرار رکھنے کے لیے متنوع اور آزاد بورڈ کی قدر کی جاتی ہے۔ ہمارا بورڈ عمر، نسل، جنس، تعلیم، پیشہ ورانہ قابلیت، اور زندگی کے تجربات میں تنوع کی عکاسی کے ساتھ مختلف آبادیوں اور صفات کو فروغ دیتا ہے۔ بورڈ ممبران کی آزادی اس تنوع کے ساتھ منسلک ہے، جس سے مقصد کا حصول آسان اور فیصلہ سازی کو کمپنی اور اسٹیک ہولڈرز کے بہترین مفادات سے ہم آہنگی حاصل ہوتی ہے، اس طرح کمپنی کی طویل مدتی کامیابی بھی یقینی ہوتی ہے۔

7۔ بزنس کا بہترین طرز عمل اور ضوابط کی پابندی

Cnergyico کے تمام آپریشنز میں بزنس کے بہترین طرز عمل اور ریگولیٹری تقاضوں کو پورا کیا جاتا ہے۔ ہر لین دین میں لاگو قوانین پر عمل پیرا ہو کر ہم دیانتداری کے اپنے عزم پر کاربند ہیں۔ اپنے آپریشن والے ہر علاقے میں، ہم متعلقہ تجارتی پالیسیوں اور پابندیوں پر عمل کرتے ہیں تاکہ ہمارے ملازمین اور اثاثوں کی سلامتی پر آنچ نہ آئے۔ ہم ایسے کلچر کو فروغ دیتے ہیں جہاں ملازمین اور ٹھیکیدار اپنے خدشات کا اظہار کرنے اور پالیسی کی خلاف ورزیوں کی اطلاع دینے میں آزاد ہوتے ہیں۔ آڈٹ کمیٹی موثر انداز میں اکاؤنٹنگ اور اندرونی کنٹرول کے معاملات کی نگرانی، قانونی اور ریگولیٹری تقاضوں کی تعمیل کے ذریعے، ہمارے دیانتدارانہ اور شفاف کاروباری طرز عمل کو تقویت دیتی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

بورڈ کی تشکیل لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق ہے جو ذیل میں درج ہے:

ڈائریکٹرز کی تعداد	
مرد:	06
خاتون:	01
کل:	07

بورڈ آف ڈائریکٹرز کی تشکیل	
آزاد ڈائریکٹرز:	03
نان ایگزیکٹو ڈائریکٹرز:	01
ایگزیکٹو ڈائریکٹرز:	02
خاتون ڈائریکٹر:	01

Cnergyico کی ماحولیات سے متعلق قیادت ہمارے سمندروں کی گہرائی تک پھیلی ہوئی ہے۔ ہم ایمانداری کے ساتھ سمندری حیات کے تحفظ میں مصروف ہیں، ایک مصنوعی مونگے کی چٹان کی نشوونما، ایک زبردست میرین ایکو سسٹم کی بنیاد بھی ہماری کوششوں میں شامل ہے۔ ہماری توجہ اور چوکسی کے پیش نظر سمندری حیات کو تیل کے اخراج کے ممکنہ خطرات سے تحفظ حاصل رہے تاکہ آنے والی نسلوں کے لیے ایک موحول دوست ساحل یقینی ہوں۔

Cnergyico صرف ایک آئل ریفائننگ کمپنی نہیں ہے بلکہ ہم استحکام اور مثبت تبدیلی کی علامت ہیں۔

ماحولیات، صحت، حفاظت اور سلامتی (EHSS)

Cnergyico نے ایک آزاد اور مستحکم سیفٹی مینجمنٹ سسٹم کو فروغ دینے کے لیے ایک زبردست عزم کو جاری رکھتے ہوئے حفاظت کی روایت کو پروان چڑھانے کے لیے مستقل لگن کا مظاہرہ کیا ہے جہاں ملازمین نہ صرف اپنی فلاح و بہبود کے لیے بلکہ اپنے ساتھیوں اور ارد گرد کے ماحول کے لیے بھی فکر مند رہتے ہیں۔ ادارہ نے ممکنہ خطرات کی نشاندہی اور ان سے نمٹنے کے لیے اپنے مربوط حفاظتی نظام کو تقویت دیتے ہوئے آپریشنل رکاوٹوں کو کم کرنے اور اپنے اثاثوں کی حفاظت کو یقینی بنایا ہے۔ اسی کے پیش نظر Cnergyico 25 ملین محفوظ مین آورز کے قابل ذکر سنگ میل کو عبور کرنے جا رہا ہے۔ مزید براں، کمپنی نے کامیابی کے ساتھ 0.131 کا ٹوٹل ریکارڈ ایبل انجری ریٹ (TRIR) حاصل کر لیا ہے، جو کہ امریکی لیبر کے مقررہ اعداد و شمار کے سخت بینچ مارک (TRIR<0.3) سے تقریباً 2.2 گنا بہتر ہے۔

جدت اور ترقی Cnergyico کی ماحولیات، صحت اور حفاظت سے متعلق پالیسی کے نمایاں جزو ہیں۔ تکنیکی ترقیوں میں آگے نکلتے ہوئے، ہم نے فخریہ طور پر EHS ای لرننگ پورٹل کا افتتاح کیا ہے یہ ایک جدید ویڈیو پر مبنی حفاظتی تربیتی پلیٹ فارم ہے جو ہمارے EHS طریقوں میں ایک نمایاں پیش رفت ہے۔ خطرات سے موثر انداز میں نمٹنے کے لیے ریفائنری کے اندر اور باہر دونوں جگہ اہم پوزیشن میں رکھے گئے 200 سے زیادہ حفاظتی علامات کی کامیاب تنصیب ہماری کوششوں کو نمایاں کرتی ہے ان سے ممکنہ خطرات کی نشاندہی ہوتی ہے اور مقامی کمیونٹی کے اندر اپنے حفاظتی معیارات کی مضبوطی واضح ہوتی ہے۔

قابل ذکر بات یہ ہے کہ ہمارا موثر کردار ریفائنریوں کی حدود سے باہر تک پھیلا ہوا ہے، جیسا کہ 'کارپوریٹ EHS الائنمنٹ ڈرائیو' سے ظاہر ہوتا ہے، یہ ایک اسٹریٹجک اقدام ہے جس نے Cnergyico کارپوریٹ آفس میں محفوظ اور صحت مند ماحول کے حصول میں مدد کی۔ Cnergyico اس بات پر کاربند ہے کہ اس کے ملازمین میں حفاظتی شعور کی روایت کو ان کے خاندانوں میں آگہی پیدا کر کے فروغ دیا جا سکتا ہے۔ حفاظت سے متعلق ہمارے عزم کی مثال "Cnergyico آف دی جاب سیفٹی پروگرام" کا تعارف ہے، جس کا مقصد ہمارے ملازمین کے خاندانوں میں حفاظت سے متعلق آگاہی کو فروغ دینا ہے۔

ماحولیاتی، سماجی اور گورننس (ESG)

cynergico ماحولیاتی اور سماجی عمل درآمد کے اثرات کو ممکنہ حد تک بڑھانے کے لیے مشترکہ حکمت عملی کے تحت ایک موثر ESG پالیسی پر سنجیدگی سے عمل کر رہے ہیں۔ ان کاوشوں میں درج ذیل بھی شامل ہیں:

1۔ EIAs اور پائیدار عمل درآمد

Cnergyico میں کاروباری طریقوں کے استحکام کو ترجیح دی جاتی ہے۔ انوائرنمنٹل امپیکٹ اسیسمنٹ (EIA) کا اطلاق ہمارے تمام آپریشنز میں منفی ماحولیاتی اثرات کو کم کرتا ہے۔ ایسی اشیاء کو "کم کرنے، دوبارہ استعمال کرنے اور ری سائیکل کرنے" کی ہماری پالیسی کاروباری استحکام، پورے ادارے میں ماحولیاتی آگہی کو فروغ دینے کے ساتھ صارفین، شراکت داروں اور حریفوں تک وسعت رکھتی ہے۔

2۔ کمیونٹی سے ہم آہنگی اور مقامی لوگوں کے ساتھ تعلقات

Cnergyico میں بزنس آپریشن سائٹس کی قریبی کمیونٹیز کے ساتھ ہم آہنگی کو فروغ دیا جاتا ہے۔ ہم اپنے آپریشنز کو مقامی ضروریات کے مطابق ڈھالنے کے لیے مقامی لوگوں کے ساتھ تعلقات استوار کرنے میں مشغول رہتے ہیں۔ ہمارے اقدامات باہمی تبادلہ خیال کا ایک پلیٹ فارم مہیا کرتے ہیں تاکہ آپریشنل مقاصد میں پیش رفت کے ساتھ کمیونٹی کے لیے مثبت کردار جاری رہے۔

3۔ ملازمین کے لیے پیشہ ورانہ صحت اور حفاظتی اقدامات

Cnergyico میں کام کے محفوظ اور صحت مند ماحول کو یقینی بنانا انتہائی اہمیت کا حامل ہے۔ ہمارے سخت اقدامات ملازمین کو کام کے دوران پیش آنے والے خطرات، بیماری اور حادثات سے بچاتے ہیں۔ اپنی افرادی قوت کی فلاح و بہبود اہماری ولین ترجیح ہے اس لیے ہم اعلیٰ معیاری حفاظت کو یقینی بنانے کے لیے بین الاقوامی معیار پر عمل پیرا ہیں۔ ان معیار پر سخت عمل درآمد کے اپنے بنیادی اصول کے مطابق، ہم ایک سازگار ماحول اور کام کے لیے محفوظ ترین جگہ کو یقینی بناتے ہیں۔

کمپنی کی انتظامیہ کم ریفائننگ تھروپٹ اور نتیجے میں منفی منافع اور کیش فلو پوزیشن کے مسئلے سے نمٹنے کے لیے مختلف منصوبوں پر مستعدی سے کام کر رہی ہے۔ ان منصوبوں میں سپلائر کے کریڈٹ پر خام تیل کی خریداری، کروڈ آئل کے سپلائرز کے ساتھ ٹول مینوفیکچرنگ کے انتظامات میں شامل ہونا، قیمتوں میں کمی کے نقصان کو کم کرنے کے لیے کروڈ آئل کی قیمتوں کو ملکی قیمتوں کے فارمولے کے ساتھ ہم آہنگ کرنا، ڈیمریجز اور دیگر اخراجات کو کم کرنا وغیرہ شامل ہیں۔ انتظامیہ نے آپریشنز یا خدمات کے معیار کو متاثر کیے بغیر لاگت میں ہر ممکن کمی کو یقینی بنانے والے ہر جزو کا جائزہ لیا ہے۔ ہمیں امید ہے کہ مذکورہ بالا کوششوں سے بہت جلد کمپنی کی کارکردگی میں بہتری آنا شروع ہو جائے گی۔

پروڈکٹس کی دستیابی میں کمی اور مارکیٹ میں اسمگل شدہ پروڈکٹس میں نمایاں اضافے کے نتیجے میں فروخت کم ہونے سے مارکیٹنگ بزنس کے منافع میں کمی واقع ہوئی۔ اس ضمن میں مارکیٹنگ کے منافع پر بتدریج نظر ثانی سے اس کی تھوڑی سی تلافی ہوئی ہے یعنی ہائی اسپیڈ ڈیزل (HSD) اور موٹر اسپرٹ (MS) پر 3.68 فی لیٹر سے 6 روپے فی لیٹر۔ کمپنی نے سال کے دوران 21 نئے ریٹیل اسٹیشنز کا اضافہ کیا، جس سے کل تعداد 468 ہو گئی۔ مہنگائی اور فوریکس ٹرینڈ کے پیش نظر، OMC مارجن میں نظر ثانی کے لیے حکومت کے ساتھ OMCs کی بات چیت ہوئی ہے اور سال کے آخر تک HSD اور MS کے حوالے سے، اقتصادی رابطہ کمیٹی (ECC) نے 1.87 روپے فی لیٹر مارکیٹنگ مارجن میں نظر ثانی کی منظوری دی ہے۔ 16 ستمبر 2023 سے مرحلہ وار نفاذ سے مارکیٹنگ کے منافع میں قدرے بہتری آئے گی۔

سال کے اختتام کے بعد، حکومت پاکستان نے موجودہ / براؤن فیلڈ ریفائنریز کی اپ گریڈیشن کے لیے براؤن فیلڈ آئل ریفائننگ پالیسی کی منظوری دے دی ہے۔ اس پالیسی کا مقصد پائیداری کو یقینی بنانے کے لیے ریفائننگ سیکٹر کو زیادہ سے زیادہ ٹیرف تحفظ فراہم کرنا ہے۔ آپ کی کمپنی نے اپنی ریفائنریوں کو اپ گریڈ کرنے کے لیے پہلے ہی انٹرنل پروسیس شروع کر دی ہے تاکہ اپنے صارفین کو زیادہ ماحول دوست پیٹرولیم پروڈکٹس فراہم کر سکیں اور ملک میں فرنس آئل کی کم کھپت کو پورا کر سکیں۔

سنگل پوائنٹ مورنگ (SPM) ریفائنریوں کو کروڈ آئل کی بروقت فراہمی میں معاونت فراہم کرتی رہی۔ یہ ملک میں کروڈ آئل کی درآمدات کے ایک نمایاں حصے کو سنبھالنے کی صلاحیت رکھتی ہے۔ SPM ملک میں واحد سہولت ہے جس میں Tier-I آئل اسپل ریسپانس کی صلاحیت سائٹ پر دستیاب ہے۔

کمپنی کی طویل مدتی اور قلیل مدتی کریڈٹ ریٹنگ بالترتیب A مائنس (A-) اور A2 (ATwo) ہے۔ کریڈٹ ریٹنگ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کی تھی۔ یہ درجہ بندی کم کریڈٹ رسک اور کمپنی کی بروقت مالی وعدوں کو پورا کرنے کی صلاحیت کی نمائندگی کرتی ہے۔

مشترکہ بنیادوں پر، گروپ کی بنیادی اور تحلیل شدہ فی حصص آمدنی / (نقصان) بالترتیب (2.51) روپے (2022: 0.76) روپے اور (2.51) روپے (2022: 0.75) رہی۔

گزشتہ چھ سالوں کے دوران اپنی کمپنی کے مالیاتی گوشواروں کی مزید تفصیلات دیکھنے کے لیے، صفحہ 36 ملاحظہ کریں۔

کارپوریٹ سماجی ذمہ داری (CSR)

ملک کے لیے ان مشکل ترین سالوں میں، Cnergyico نے مزید مستحکم دنیا کے لیے ایک محفوظ اور بہتر ماحول کے اپنے عزم کے ساتھ استحکام اور مہارت کا یقین دلایا ہے۔ کمپنی اپنے عزم کی تکمیل کے لیے اس پر زور دیتی رہی کہ ہماری ماحولیاتی ذمہ داری اور سماجی ترقی ہماری تجارتی کامیابی کے لیے لازم و ملزوم ہیں۔

کارپوریٹ سماجی ذمہ داری (CSR) کو فخر کے ساتھ نبھانے کے لیے، Cnergyico استحکام، با اختیار بنانے، تنوع اور شمولیت کے نظریات پر کاربند ہے۔ ہماری CSR سرگرمیاں بلوچستان میں ہمارے ریفائننگ کمپلیکس تک ہی محدود نہیں ہیں بلکہ ہماری شجرکاری مہم اور ماحولیات، سماجی اور گورننس کے پروگرامز میں بھرپور کوششوں کے ذریعے پورے ملک میں جاری ہیں۔

شجرکاری کی ایک کامیاب ترین مہم کے طور پر پہچانی جانے والی جدید ترین میاواکی طریقہ استعمال کرتے ہوئے کمپنی نے نہ صرف اپنے آئل ریفائننگ کمپلیکس کے آس پاس ہزاروں درخت کامیابی کے ساتھ لگائے بلکہ گرین مشن کو کراچی کے دیگر حصوں تک بھی پھیلایا۔ یہ اقدام ملک کے جنگلات کے رقبے کو بڑھانے میں اہم کردار ادا کر سکتا ہے، جو تمام شہریوں کے لیے فائدہ مند ثابت ہو گا۔

موسمیاتی تبدیلی کے خلاف Cnergyico کی مہم ہماری کاروباری حکمت عملی میں شامل ہے۔ ہم اس عالمی چیلنج کے اثرات کو کم کرنے کے لیے دنیا کی اہم ضرورت کو تسلیم کرتے ہیں اور اس پر عمل کرتے ہیں۔

اسی طرح، ہمارے آپریشنز سے منسلک افراد کی حفاظت اور بہبود ہمارے عزم میں بہت اہمیت رکھتی ہے۔ مزید براں، Cnergyico انسانی بحرانوں یا قدرتی آفات کے دوران ایک قابل اعتماد اتحادی کے طور پر موجود ہے۔ جب بلوچستان میں تباہ کن سیلاب آیا تو ہم نے فوری طور پر سیلاب متاثرین کی مدد کے لیے اپنی بہترین صلاحیتوں اور دستیاب وسائل کو بروئے کار لانے میں کوئی دیر نہیں کی۔

مزید براں، کمپنی نے مالی اور مادی تعاون کے ذریعے وہاں کے مفادات کو ترجیح دی جن کمیونٹیز میں ہم کام کرتے ہیں ان کی حمایت جاری رکھی۔ پانی کی کمی کو پورا کرنے سے لے کر ہنر کی تربیت فراہم کرنے، سڑک کی تعمیر اور حفاظتی اقدامات تک کے تمام کام مستحکم کمیونٹی کے لیے ہماری لگن کا ثبوت ہیں۔

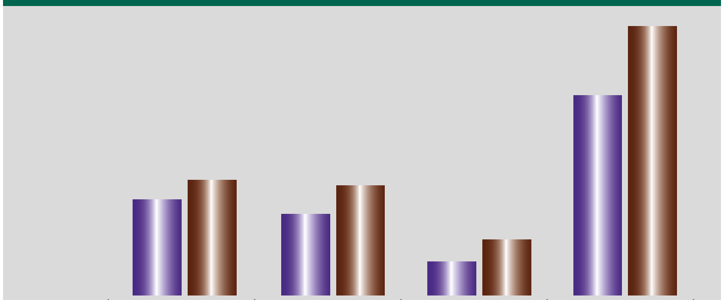
ہمیں امید ہے کہ حکومت پٹرولیم مصنوعات کی اسمگلنگ کو روکنے کے لیے ہر ممکن کوشش کرے گی۔

4) سال کے آغاز میں عالمی منڈی میں تیل کی قیمتیں 110 ڈالر فی بیرل سے زیادہ تھیں۔ دوران سال یوکرین کی جنگ جاری رہنے کے نتیجے میں سال کی پہلی ششماہی کے دوران تیل کی عالمی قیمتوں میں تیزی سے کمی واقع ہوئی۔ تیل کی بین الاقوامی قیمتوں میں کمی نے مقامی معاشی حالات میں بہتری کی امید پیدا کی تاہم سیاسی اور اقتصادی غیر یقینی صورتحال اور اس کے نتیجے میں کرنسی کی قدر میں کمی کے اثرات نے اسے پیچھے چھوڑ دیا۔

5) مزید براں، سال کے دوران، جولائی اور اگست 2022 میں، مون سون کے موسم میں ملک بھر میں شدید بارشیں اور سیلابی ریلے آئے جس کے صوبہ بلوچستان خصوصاً حب سٹی پر زیادہ تباہ کن اثرات مرتب ہوئے۔ حب شہر کو کراچی شہر سے ملانے والا مرکزی پل بھی بہہ گیا۔ یہ پل ابھی تک زیر تعمیر ہے۔

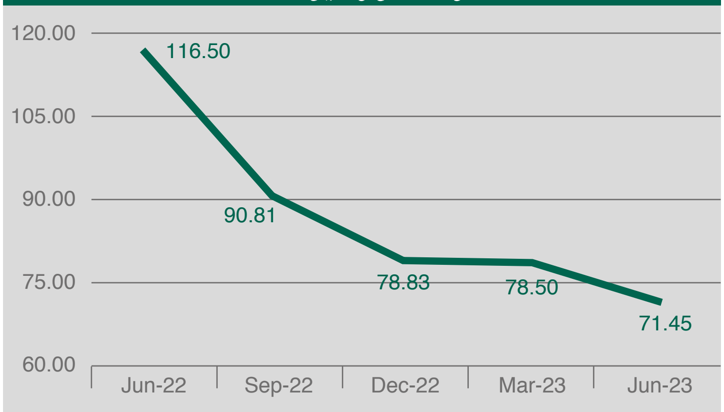
پل کے گرنے اور انفراسٹرکچر کی ابتر صورتحال سے کمپنی کی پٹرولیم پروڈکٹس کو اس کی ریفائنریوں سے آئل ٹرمینلز اور ڈپوؤں تک پہنچانے میں دشواری کا سامنا رہا۔ کمپنی کو متبادل روڈز استعمال کرنے پر مجبور کیا گیا جو اچھی حالت میں نہیں تھے اور بھاری ٹریفک کی آمد ورفت نے پروڈکٹس کی سپلائی چین کو متاثر کیا۔ ہم امید کرتے ہیں کہ حکومت بلوچستان اور سندھ کے درمیان لاجسٹک رابطے کی اہمیت کو سمجھے گی اور پل کو کم سے کم وقت میں دوبارہ تعمیر کیا جائے گا۔

ملک کی تیل کی کھپت
(ملین میٹرک ٹن)



	MS	HSD	FO	Total
FY 23	7.57	6.42	2.25	16.93
FY 22	9.18	9.00	4.20	22.99

عالمی کروڈ آئل کی قیمتیں، bbl/$



مذکورہ بالا تمام عوامل کے نتیجے میں ریفائننگ تھروپٹ اور سیلز کے حجم میں کمی، انوینٹری کے نقصانات، ایکسچینج کے نقصانات، مالیاتی اخراجات میں اضافہ ہوا اور سال کے دوران قابل ذکر نقصان کا سامنا رہا۔ کمپنی نے 193.9 ارب روپے کی خالص آمدنی حاصل کی (جون 2022: 170.0 ارب روپے)، (9.7) ارب روپے کا مجموعی نقصان (جون 2022: 10.9 ارب روپے کا مجموعی منافع)، اور (12.6) ارب روپے کا خالص نقصان (جون 2022: 4.7 ارب روپے کا خالص منافع)۔ فی حصص بنیادی / تحلیل شدہ نقصان (2.34) روپے ہے، گزشتہ سال 0.89 فی شیئر بنیادی آمدنی کے مقابلے میں (تحلیل شدہ: 0.87 روپے)۔ سال کے دوران ہونے والے غیر معمولی نقصانات کی وجہ سے، کمپنی کو مقررہ تاریخوں پر اپنی مالی ادائیگیوں کو پورا کرنے میں سخت دشواری کا سامنا کرنا پڑا۔ مذکورہ بالا تمام مسائل کے باوجود، کمپنی نے اپنے محدود کیش فلو کی سخت نگرانی کے ساتھ اضافی واجبات کا انتظام کیا۔ کیش فلو کی پوزیشن کو مزید بہتر بنانے کے لیے، کمپنی اپنے قرض دہندگان کے ساتھ قلیل مدتی فنانسنگ کو طویل مدتی فنانسنگ میں تبدیل کرنے کے لیے بات چیت کر رہی ہے۔ قرض دہندگان نے پہلے ہی اس تجویز پر رضامندی ظاہر کی ہے اور ہم امید کرتے ہیں کہ جلد ہی اس پر عمل درآمد ہو جائے گا۔

ڈائریکٹرز کی رپورٹ

برائے سال ختم شدہ 30 جون 2023

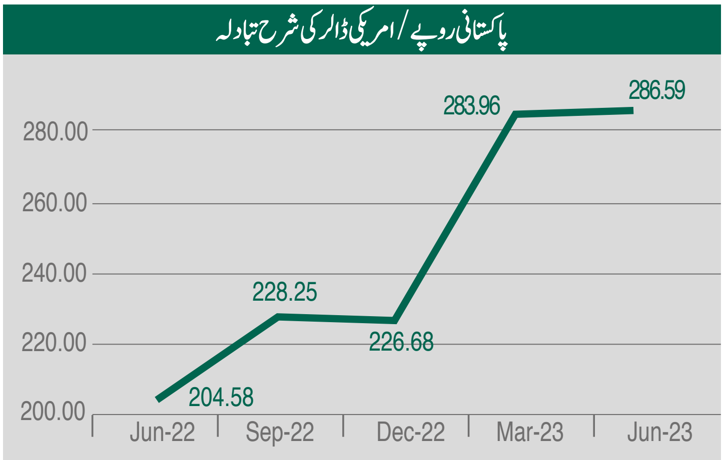
اللہ تعالیٰ کے نام سے شروع جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

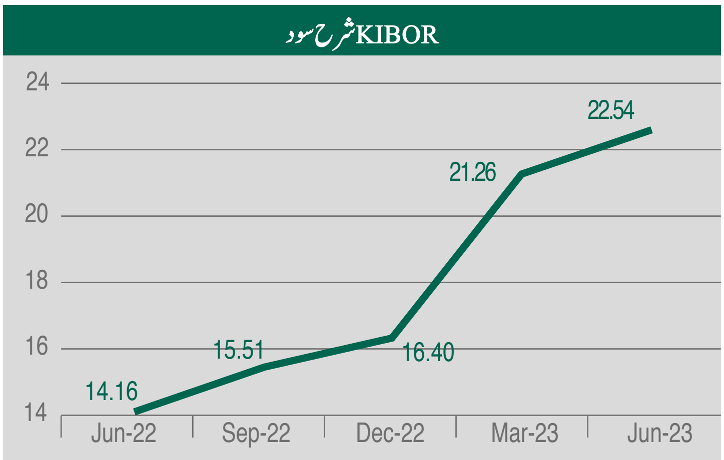
آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2023 کو ختم ہونے والے سال کے لیے آڈٹ شدہ، انفرادی اور مشترکہ مالیاتی گوشواروں اور آڈیٹر کی رپورٹ کے ساتھ کمپنی کی سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

دوران سال، کمپنی نے 193.9 ارب روپے کی خالص آمدنی حاصل کی یہ جون 2022 میں 170.0 ارب روپے تھی، نتیجے میں سال کے لیے خالص نقصان (12.6) ارب روپے رہا جبکہ پچھلے سال 4.7 ارب روپے کا خالص منافع حاصل ہوا تھا۔ موجودہ مالیاتی سال میں کمپنی کی کارکردگی کو متاثر کرنے والے اہم عوامل درج ذیل ہیں:

1) معاشی عدم استحکام کسی بھی کاروبار کی کارکردگی کو متاثر کرنے والا ایک بڑا عنصر ہوتا ہے۔ ہمارا پیارا ملک مشکل وقت سے گزر رہا ہے کیونکہ سیاسی محاذ پر ہنگامہ آرائی نے معاشی صورتحال کو بگاڑ کر رکھ دیا ہے۔ ملک کی مالیاتی ذمہ داریوں کو پورا کرنے کی صلاحیت پر غیر یقینی صورتحال کی وجہ سے پاکستانی روپیہ تمام کرنسیوں بالخصوص امریکی ڈالر (USD) کے مقابلے میں اپنی قدر کھوتا جا رہا ہے۔ پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں صرف رواں سال میں 50 فیصد کمی ہوئی جس سے درآمدات پر مبنی صنعتوں کے لیے معمول کے مطابق کاروبار جاری رکھنا ممکن ہو گیا۔

پاکستانی روپے کی ناقدری کا اثر آئل انڈسٹری پر بہت زیادہ پڑا ہے کیونکہ تیل کمپنیوں کو اپنی ادائیگیوں کے لیے فارورڈ کور حاصل کرنے کی اجازت نہیں ہے۔ مزید براں، تمام آئل فرموں کو بہت زیادہ ریٹس پر بھی بین الاقوامی بینکوں سے لیٹر آف کریڈٹ (LC) تصدیق حاصل کرنے میں دشواری کا سامنا رہا۔ سال کے دوران / آئندہ سال کے آخر تک اوپن مارکیٹ ریٹ اور انٹر بینک ریٹس میں بہت بڑا فرق تھا اور نتیجتاً یہی فرق بینکوں کی جانب سے دیئے گئے ریٹس اور اسٹیٹ بینک آف پاکستان (SBP) کے لاگو اوسط ریٹس میں ظاہر ہوا۔ ریٹس کے اس فرق کو پروڈکٹ کی قیمتوں کا حصہ نہیں بنایا گیا تھا اور اس طرح پوری آئل انڈسٹری کو بڑے پیمانے پر ایکسچینج نقصان کا سامنا رہا۔ چونکہ بینک پاکستانی روپے (PKR) کی بنیاد پر LC کی حد فراہم کرتے ہیں، ایک سال کے اندر کرنسی کی شدید ناقدری (40٪) نے خام تیل حاصل کرنے کی صلاحیت کو شدید متاثر کیا۔ نتیجتاً کمپنی کے لیے اپنی ریفائننگ تھروپٹ کو برقرار رکھنا ممکن ہو گیا۔





2) کرنسی کی ناقدری، آئل اور یوٹیلیٹی کی بڑھتی ہوئی قیمتیں بھی افراط زر اور قرضے کی شرح کو بڑھانے کے اسباب ہیں۔ مالی سال کے اختتام تک KIBOR کی شرح 23٪ (سال کے آغاز میں 14٪ تھی) تک پہنچ گئی۔ نتیجے میں کاروبار کرنے کی مجموعی لاگت اور کمپنی کی مالی لاگت میں اضافہ ہوا۔

3) دوران سال معاشی حالات کی بگڑتی ہوئی صورتحال، تیل کی قیمتوں اور مہنگائی میں اضافہ کے نتیجے میں ملک میں تیل کی کھپت میں بھی تقریباً 26 فیصد کمی واقع ہوئی۔ یہ بھی دیکھا گیا کہ ملک بھر میں اسمگل شدہ پروڈکٹس کی آسان رسائی سے مقامی ریفائنریوں کی سپلائی پر منفی اثرات پڑے۔ اسمگلنگ کے منفی اثرات میں آئل انڈسٹری کی تباہی اور حکومت ڈیوٹیز اور ٹیکسوں کی صورت میں بڑی آمدنی سے بھی محرومی شامل ہے۔

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE "REGULATIONS")

Cnergyico Pk Limited (the "Company")

30th June 2023

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

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	03	Mr. Mushtaq Malik Lt. (R) Raja Muhammad Abbas Mr. Sami ul Haq Khilji
ii.	Non-executive directors	01	Mr. Aumar Abbassciy
iii.	Executive directors	02	Mr. Amir Abbassciy Mr. Usama Qureshi
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 / Chairperson and in their absence by the director elected by the board for the time being. 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, two (02) director has requisite experience to be exempted from training program as mentioned in regulation No. 19, sub-regulation 2 of the Regulations. Three (03) directors on the Board have already attended the Directors' Training program in prior years. Remaining two (02) directors will pursue the training during the financial year 2023-24 as they could not attend directors training program planned during the year due to business travelling;

10. During the year, no change was occurred in the positions of Chief Financial Officer and Company Secretary. A change, however, occurred in the position of 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
    Mushtaq Malik, Chairman
    Usama Qureshi, Member
    Lt. (R) Raja Muhammad Abbas, Member
    Aumar Abbassciy, Member

    (b) Human Resource and Remuneration Committee
    Lt. (R) Raja Muhammad Abbas, Chairman
    Sami ul Haq Khilji, Member
    Usama Qureshi, Member
    Mushtaq Malik, Member
    Aumar Abbassciy, Member

    (c) Risk Management Committee
    Amir Abbassciy, Chairman
    Usama Qureshi, Member
    Sami ul Haq Khilji, Member
    Aumar Abbassciy, Member

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

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

    a) Audit Committee – **Every Quarter (04)**

    b) Human Resource and Remuneration Committee – **Yearly (01)**

    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, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below:

Reg. No.	Requirement	Explanation
19(1)(iii) & (2)	It is encouraged that: (1) (iii) by June 30, 2022 all the directors on their Boards have acquired the prescribed certification. (2) A newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.	The Company wishes to pursue the said program for its eligible directors during the financial year 2023-24.
19(3)	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	The Company wishes to pursue the said program for its eligible female executives and head of departments in the upcoming years.
29(1)	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.
30	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has constituted a risk management committee whose terms of reference are yet to be framed. Presently, risk management framework is managed at CEO's level who apprises the Board accordingly.
35(1)	The Company may post on its website key elements of its significant policies including but not limited to the following: i. Communication and disclosure policy; ii. Code of conduct for members of board of directors, senior management and other employees; iii. Risk management policy; iv. internal control policy; v. whistle blowing policy; vi. Corporate social responsibility / sustainability / environmental, social and governance related policy.	As the regulation provides concession with respect to disclosure of key elements of significant policies on the website, only those policies which were considered necessary, have been posted.

Uzma Abbasi
Chairperson

October 2nd, 2023

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21 3454 1314
www.yousufadil.com

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CNERGYICO PK 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 (the Board) of **Cnergyico Pk Limited** (the Company) for the year ended June 30, 2023 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's 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 June 30, 2023.

Chartered Accountants

Place: Karachi
Date: October 02, 2023
UDIN: CR202310057U02RfsQC1

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21 3454 1314
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNERGYICO PK LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Cnergyico Pk Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the 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, 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 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 June 30, 2023 and of the loss, the 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 unconsolidated 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 unconsolidated financial statements of the current period. 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 matter	How our audit addressed the key audit matter
1. Valuation and existence stock-in-trade	
As disclosed in note 10 to the unconsolidated financial statements the stock-in-trade balance amounts to Rs. 25,691,081 million. Stock-in-trade comprises of crude oil, high speed diesel, motor gasoline and other related petroleum products with differing characteristics.	Our key audit procedures in relation to the verification of stock-in-trade amongst other procedures included followings: • Obtained an understanding of controls over purchases and valuation of stock-in-trade and evaluated control design and implementation; • Observed test counts of quantity of stock-in-trade held as at year end, on sampling basis, and compared the quantities counted by us with the results of the counts of the management;

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Key audit matter	How our audit addressed the key audit matter
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. Due to complexities in determination of volume held in tanks, with third parties and in transit, we have considered this area as a key audit matter.	• 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 by performing quality test on sample basis; • On sample basis, we rechecked components of stock-in-trade by tracing them back to underlying documents and compared unit cost with management's; • Assessed net realizable value by comparing management's estimation of future selling prices for the products with the prices notified by Oil and Gas Regulatory Authority in its notification for regulated products and approved selling prices for deregulated products achieved subsequent to the reporting period; • Obtained third party certificates in respect of stock-in-trade held at third party locations; and • Assessed the adequacy of the disclosure made in respect of the accounting policies and details of stock-in-trade held by the Company at the year end.
2. Valuation and existence operating fixed assets	
As disclosed in note 3.1 to the unconsolidated financial statements, freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipment are carried at revaluation model. The revaluation exercise performed by the management external valuer (the expert) during the year has resulted in an increase of Rs. 218,210.594 million bringing carrying value from Rs. 38,053.857 million to Rs. 256,264.451 million, which constitutes 74% of total assets as at year end. Considering the significant portion of company's total assets and significant judgments, estimates and other uncertain factors involved in the valuation carried out by the expert, we have considered the valuation of operating fixed assets as a key audit matter.	Our key audit procedures in relation to the valuation and existence of operating fixed assets carried out by the management amongst other procedures included followings: • Discussed with management and challenged the appropriateness of the valuation methodology adopted by the management expert through involvement of our own valuation expert; • Ensured reasonableness of the fair values of assets carried at revaluation model by comparing the reports issued by our expert and management expert; • Performed, on sampling basis, test counts and compared the assets counted by us with the results of the list of operating fixed asset maintained by the management; and • Assessed adequacy of the related disclosures in the unconsolidated financial statements in accordance with the financial reporting standard.

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 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 the fact. We have not been provided with such other information therefore 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 the 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.

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

Auditor's 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 period 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, 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 deducted 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 **Hena Sadiq**.

Chartered Accountants

Place: Karachi
Date: October 02,2023
UDIN: AR202310057dvsitLboB

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	**291,938,370**	72,382,374
Intangible asset	5	**12,372**	18,827
Investment in subsidiaries - at cost	6	**17,414,138**	16,931,504
Long-term loans and advances	7	**-**	482,134
Long-term deposits	8	**328,652**	393,440
		309,693,532	90,208,279
Current assets			
Stores and spares		**2,308,618**	2,640,075
Stock-in-trade	10	**25,691,081**	48,245,824
Trade debts	11	**3,205,613**	7,078,048
Loans and advances	12	**1,636,594**	1,705,454
Trade deposits and short-term prepayments	13	**28,591**	52,700
Accrued interest - assets		**511,631**	427,982
Other receivables	14	**1,423,806**	3,238,817
Taxation - net		**573,273**	956,058
Cash and bank balances	15	**1,194,718**	2,879,745
		36,573,925	67,224,703
Total assets		**346,267,457**	157,432,982
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	16	**54,934,476**	53,298,847
Reserves		**(34,741,156)**	(22,219,418)
		20,193,320	31,079,429
Surplus on revaluation of operating fixed assets - net of tax	17	**158,149,183**	2,590,087
		178,342,503	33,669,516
Contribution against future issue of shares	18	**-**	979,418
		178,342,503	34,648,934
Non-current liabilities			
Long-term financing	19	**16,319,206**	19,144,438
Accrued and deferred mark-up	20	**8,598,704**	7,132,660
Long-term lease liabilities	21	**2,014,883**	1,130,709
Long-term deposits	22	**246,115**	250,081
Deferred liabilities	23	**855,011**	334,283
Deferred income - government grant	24	**-**	-
Deferred tax liability	9	**61,713,199**	-
		89,747,118	27,992,171
Current liabilities			
Trade and other payables	25	**54,227,820**	67,818,439
Advance from customers	26	**1,345,505**	2,893,301
Accrued mark-up	27	**1,923,136**	714,498
Short-term borrowings - secured	28	**18,954,023**	19,627,469
Current portion of non-current liabilities	29	**1,726,325**	3,737,143
Unclaimed dividend		**1,027**	1,027
		78,177,836	94,791,877
Total equity and liabilities		**346,267,457**	157,432,982
Contingencies and commitments	30		

The annexed notes from 1 to 52 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 JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contract with customers - net	31	**193,912,162**	170,015,072
Cost of sales	32	**(203,661,418)**	(159,042,906)
Gross (loss) / profit		**(9,749,256)**	10,972,166
Administrative expenses	33	**(1,245,752)**	(1,106,873)
Selling and distribution expenses	34	**(481,169)**	(592,869)
Other expenses	35	**(2,142,172)**	(1,409,624)
Other income	36	**7,983,060**	1,021,205
		4,113,967	(2,088,161)
Operating (loss) / profit		**(5,635,289)**	8,884,005
Finance costs - net	37	**(6,578,648)**	(2,962,594)
(Loss) / profit before taxation		**(12,213,937)**	5,921,411
Taxation	38	**(449,342)**	(1,133,535)
(Loss) / profit after taxation		**(12,663,279)**	4,787,876
(Loss) / earnings per share		------------ (Rupees)	--------------
			(Restated)
- Basic	39	**(2.34)**	0.89
- Diluted	39	**(2.34)**	0.87

The annexed notes from 1 to 52 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 JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
(Loss) / profit after taxation		**(12,663,279)**	4,787,876
Other comprehensive income for the year			
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss			
Surplus on revaluation of operating fixed assets	17	**218,210,594**	-
Deferred tax thereon	17	**(61,753,958)**	
		156,456,636	-
Re-measurements on defined benefit obligation	23.1.7	**(140,547)**	21,180
Deferred tax thereon		**40,759**	(6,142)
		(99,788)	15,038
		156,356,848	15,038
Total comprehensive income for the year		**143,693,569**	4,802,914

The annexed notes from 1 to 52 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 JUNE 30, 2023

(Rupees in '000)

	Capital Reserves				Revenue Reserve			
	Issued, subscribed and paid up capital	Merger reserve	Other capital reserve	Surplus on revaluation of operating fixed assets (note 17)	Accumulated Loss	Sub-total	Contribution against future issue of shares	Total
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
Profit after taxation	-	-	-	-	4,787,876	4,787,876	-	4,787,876
Other comprehensive profit for the year - net of tax	-	-	-	-	15,038	15,038	-	15,038
Total comprehensive income for the year	-	-	-	-	4,802,914	4,802,914	-	4,802,914
Incremental depreciation relating to revaluation surplus on operating fixed assets - net of tax (note 17)	-	-	-	(525,279)	525,279	-	-	-
Balance as at June 30, 2022	53,298,847	(21,303,418)	3,214,209	2,590,087	(4,130,209)	33,669,516	979,418	34,648,934
Shares issued during the year	1,635,629	(656,211)				979,418	(979,418)	-
Loss after taxation	-	-	-	-	(12,663,279)	(12,663,279)	-	(12,663,279)
Other comprehensive income for the year - net of tax	-	-	-	156,456,636	(99,788)	156,356,848	-	156,356,848
Total comprehensive income for the year	-	-	-	156,456,636	(12,763,067)	143,693,569	-	143,693,569
Incremental depreciation relating to revaluation surplus on operating fixed assets - net of tax (note 17)	-	-	-	(897,540)	897,540	-	-	-
Balance as at June 30, 2023	**54,934,476**	**(21,959,629)**	**3,214,209**	**158,149,183**	**(15,995,736)**	**178,342,503**	**-**	**178,342,503**

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

UNCONSOLIDATED STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(12,213,937)**	5,921,411
Adjustments for:			
Depreciation on operating fixed assets	4.1	**4,031,957**	3,491,003
Depreciation on right-of-use assets	4.3	**308,175**	396,764
Amortisation of intangible asset	5	**6,455**	538
Finance costs	37	**6,578,648**	2,962,594
Allowance for expected credited losses	11.1	**2,142,172**	1,409,624
Gain on disposal of operating fixed assets	36	**(247)**	(72)
Interest income	36	**(1,827,628)**	(987,274)
Liabilities written back		**(6,081,235)**	-
Provision for defined benefit obligation	23.1.5	**112,908**	116,277
Net cash flows before working capital changes		**(6,942,732)**	13,310,865
Movement in working capital			
Decrease / (increase) in current assets			
Stores and spares		**331,457**	(558,697)
Stock-in-trade		**22,554,743**	(14,661,150)
Trade debts		**3,357,862**	(3,036,447)
Loans and advances		**68,860**	(59,226)
Trade deposits and short-term prepayments		**24,109**	(273)
Other receivables		**1,815,011**	(1,076,632)
		28,152,042	(19,392,425)
(Decrease) / increase in current liabilities			
Trade and other payables		**(13,684,043)**	13,567,023
Advance from customers		**(1,547,796)**	41,927
		(15,231,839)	13,608,950
Cash generated from operations		**5,977,471**	7,527,390
Finance costs paid		**(5,481,647)**	(4,667,397)
Income taxes paid		**(66,557)**	(55,922)
Gratuity paid	23.1.5	**(20,000)**	(120,100)
Interest received		**116,380**	26,273
Net cash generated from operations		**525,647**	2,710,244
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(2,148,372)**	(2,814,592)
Acquisition of intangible asset		**-**	(19,365)
Proceeds from disposal of operating fixed assets		**673**	72
Investment in subsidiaries		**(500)**	-
Long-term deposits - net		**60,822**	(75,147)
Net cash used in investing activities		**(2,087,377)**	(2,909,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		**902,538**	(3,324,338)
Short-term borrowings - net		**(673,446)**	4,557,969
Payment of lease liabilities		**(352,389)**	(405,056)
Net cash (used in) / generated from financing activities		**(123,297)**	828,576
Net (decrease) / increase in cash and cash equivalents		**(1,685,027)**	629,787
Cash and cash equivalents - at the beginning of the year		**1,279,745**	649,958
Cash and cash equivalents - at the end of the year	40	**(405,282)**	1,279,745

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Cnergyico Pk Limited (the Company) was incorporated in Pakistan as a public limited company on January 09, 1995 under the Companies Act, 2017 and was granted a certificate of commencement of business on March 13, 1995. The shares of the Company are listed on Pakistan Stock Exchange. The Company is a subsidiary of Bosicorco International Limited (formerly Cnergyico Mu Incorporated (CMI)), 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 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 156,000 bpd. Petroleum marketing business was formally launched in 2007 and has 468 (June 30, 2022: 447) retail outlets across the country.

The Board of directors (the board) of the Company in their meeting dated January 13, 2022 has approved the acquisition of 57.37% stake in Puma Energy Pakistan Private Limited. However, no progress has been made in this regards.

During the year, the Company also acquired 91.05% shareholding in Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) against the advance against shares as disclosed in note 6.2.

The Board of the Company in its meeting held on September 22, 2022 approved the incorporation of five new wholly owned subsidiaries, as disclosed in note 6.4, in order to restructure the Company such that it would result in spinning off of the company's assets and liabilities into its subsidiaries and will be consummated through a court sanctioned scheme of arrangement under section 279 to 283 and 285 of the Companies Act, 2017 to be filed with the High Court of Sindh.

1.2 Geographical location and address of business units

Head office
The Harbour Front, 9th Floor, Dolmen City, HC-3, block 4, marine drive, Clifton, Karachi - 75600, Pakistan.

Refining unit
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan.

1.3 These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries are 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 Basis of measurement

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

- Operating fixed assets 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 3.12 and 23.1.

2.3 Changes in accounting standards and interpretations

2.3.1 Amendments to accounting and reporting standards and the framework for financial reporting

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework;	January 01, 2023
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use;	January 01, 2023
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract;	January 01, 2023
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).	January 01, 2023

2.3.2 New accounting standards / amendments to the accounting and reporting standard that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

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:

		Note
i)	Useful lives of items of property, plant and equipment	3.1 & 4.1
ii)	Impairment against investment in subsidiary	3.4
iii)	Provision for slow moving and obsolete stores and spares	3.6
iv)	Allowance for expected credit losses and other receivables	3.9
v)	Impairment against non-financial assets	3.3
vi)	Estimates of receivables and payables in respect of staff retirement benefit schemes	3.12
vii)	Surplus on revaluation of Property, plant and equipment	3.1
viii)	Provision for taxation	3.14
ix)	Contingencies	3.18
x)	Determining the lease term of contracts with renewal and termination options	3.11

2.4.1 Change in accounting estimate

During preparation of these financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited unconsolidated financial statements of the Company for the year ended June 30, 2022 except for the following:

During the year, the Company conducted an assessment of the remaining useful life of its operating fixed assets by independent valuer, in adherence to the requirement set forth by International Accounting Standard 16 "Property, Plant and Equipment". This evaluation resulted in an extension of the useful life of the following operating fixed assets, with effect from April 30, 2023:

	From	To
	------------ (No. of years)	------------
Plant and machinery	20 - 25	35 - 40
Safety and lab equipments	4 - 5	35 - 40

The said change is accounted for as a change in accounting estimate and is applied prospectively as per the requirements of International Accounting Standard 8 "Accounting Policies, Changes In Accounting Estimates and Errors".

Had there been no change in useful life of plant, the effect of depreciation and loss in current and future years would have been increased by the following amounts:

Financial impact each year:	**Depreciation on old life**	**Depreciation on revised life**	**Effect on profit or loss**
	--------------------	(Rupees in '000)	--------------------
2023	9,350,821	3,860,400	5,490,421
2024 & Onwards	39,535,977	6,593,455	32,942,522

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Operating fixed assets - 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 operating fixed assets.

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 operating fixed assets 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 charged to the unconsolidated statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Company.

An item of operating fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of operating fixed assets is recognised in the month of disposal.

Increase in the carrying amounts arising on revaluation of operating fixed assets are recognised in unconsolidated statement of comprehensive income and accumulated in reserves in shareholders' equity to except to the extent that it reverses a revaluation decrease previously recognised in unconsolidated statement of profit or loss, in which case the increase is credited to unconsolidated statement of profit or loss to the extent of the decrease previously charged. Decrease that reverse previous increase of the same asset are first recognised in unconsolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease 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 3.17 to the unconsolidated financial statements.

- interest expenses and other expenses as mentioned in note 4.2.1 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 recognised in statement of profit or loss.

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 Intangible asset

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. Direct costs include the purchase cost of software, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method over a period of three years or license period, whichever is shorter.

The carrying value of intangible assets are reviewed 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 value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

3.3 Impairment of 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 amortisation, if no impairment loss had been recognised previously.

Reversal of an impairment loss is recognised immediately in unconsolidated statement of profit or loss.

3.4 Investment in subsidiary

Investment in subsidiary is initially recognised at cost. At each reporting date, 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.

3.5 Stock-in-trade

All stock-in-trade is valued at the lower of cost and net realisable value (NRV). Stock-in-transit, if any, are valued at cost comprising invoice values plus other charges incurred as of reporting 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 realisable 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.

3.6 **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 realisable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the unconsolidated statement of profit or loss.

3.7 **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.

3.8 **Advance from customers**

Advances from customers 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, an advance is recognised when the payment is made or the payment is due (whichever is earlier). Advances are recognised as revenue when the Company fulfills its performance obligations under the contract.

3.9 **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.

3.9.1 **Financial assets**

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised 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 as determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised 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 amortised cost (debt instruments);

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) (FVTOCI); and

- Financial assets at fair value through profit or loss (FVTPL).

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised 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 amortised 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.

The Company's financial assets at amortised cost includes long-term loans, long-term deposits, trade receivables, other receivables and cash at bank.

Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI 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 unconsolidated statement of profit or loss. Dividends are recognised as other income in unconsolidated statement of 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 FVTOCI.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, 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 amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL 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 FVTOCI. Dividends on listed equity investments are also recognised as other income in unconsolidated statement of profit or loss when the right of payment has been established.

The Company has not designated any financial asset at FVTPL.

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.

3.9.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, 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 FVTPL

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 FVTPL.

Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortised 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 amortisation process.

Amortised 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.

3.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated statement of financial position 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 realise 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 statement of financial position.

3.10 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of unconsolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and running finance facility.

3.11 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

Where the Company cannot readily determine the interest rate implicit in the lease, 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.

3.12 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 June 30, 2023 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 the unconsolidated statement of comprehensive income in the year in which they arise. Past service costs are recognised immediately in the 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 the 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.

3.13 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.

3.14 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 (ITO).

Deferred

Deferred tax is recognised using the 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 utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised 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.

3.15 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.

3.16 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).

3.17 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 capitalised 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 recognised 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.

3.18 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.

3.19 Share capital

Ordinary shares are classified as equity and recognised 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.

3.20 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods 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; and

- Handling and storage income, rental income on equipment and other services income is recognised on accrual basis.

3.21 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 loan and advances are recognised on the time proportionate basis;

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

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

3.22 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.

3.23 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.

3.24 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.

3.25 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved.

3.26 Unclaimed dividend

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

3.27 Functional and presentation currency

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

	Note	June 2023	June 2022
		---------- (Rupees in '000)	----------
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**255,157,042**	40,782,071
Capital work-in-progress	4.2	**35,410,950**	30,889,066
Right-of-use assets	4.3	**1,370,378**	711,237
		291,938,370	72,382,374

4.1 Operating fixed assets

(Rupees in '000)

June 30, 2023	COST / REVALUATION					ACCUMULATED DEPRECIATION				Written down value as at June 30, 2023	Depreciation rate (note 4) %
	As at July 01, 2022	Additions/ transfers	Revaluation surplus	Disposals	As at June 30, 2023	As at July 01, 2022	Charge for the year	Disposals	As at June 30, 2023		
Free hold land	966,668	-	4,090,787	-	5,057,455	-	-	-	-	5,057,455	-
Lease hold land (4.1.1)	1,314,956	-	1,175,125	-	2,490,081	110,081	-	-	110,081	2,380,000	-
land, roads and civil works	1,798,317	82,389	1,259,865	-	3,140,571	572,915	77,445	-	650,360	2,490,211	4
Building on lease hold land	81,906	-	-	-	81,906	33,719	3,499	-	37,218	44,688	4
Plant and machinery	65,582,193	45,309	211,501,922	-	277,129,424	28,714,252	3,827,535	-	32,541,787	244,587,637	2.5-2.86
Furniture and fixtures	242,988	1,085	-	-	244,073	185,088	7,777	-	192,865	51,208	10
Filling stations (4.1.2)	1,041,663	25,675	-	-	1,067,338	702,182	58,355	-	760,537	306,801	5-12.5
Vehicles	93,220	20,000	-	-	113,220	89,953	5,070	-	95,023	18,197	20
Computer and allied equipments	473,314	8,450	-	(1,587)	480,177	419,075	39,409	(1,161)	457,323	22,854	33.33
Safety and lab equipments	1,374,499	13,852	182,895	-	1,571,246	1,360,388	12,867	-	1,373,255	197,991	2.5-2.86
	72,969,724	**196,760**	**218,210,594**	**(1,587)**	**291,375,491**	**32,187,653**	**4,031,957**	**(1,161)**	**36,218,449**	**255,157,042**	

(Rupees in '000)

June 30, 2022	COST / REVALUATION					ACCUMULATED DEPRECIATION				Written down value as at June 30, 2023	Depreciation rate (note 4) %
	As at July 01, 2022	Additions/ transfers	Revaluation surplus	Disposals	As at June 30, 2023	As at July 01, 2022	Charge for the year	Disposals	As at June 30, 2023		
Free hold land	966,668	-	-	-	966,668	-	-	-	-	966,668	-
Lease hold land (4.1.1)	1,314,956	-	-	-	1,314,956	110,081	-	-	110,081	1,204,875	-
Building on free hold											
land, roads and civil works	1,798,317	-	-	-	1,798,317	499,828	73,087	-	572,915	1,225,402	4
Building on lease hold land	81,906	-	-	-	81,906	29,988	3,731	-	33,719	48,187	4
Plant and machinery	65,040,909	541,284	-	-	65,582,193	25,414,381	3,299,871	-	28,714,252	36,867,941	4-6.7
Furniture and fixtures	239,049	3,939	-	-	242,988	177,474	7,614	-	185,088	57,900	10
Filling stations (4.1.2)	817,507	224,156	-	-	1,041,663	652,648	49,534	-	702,182	339,481	5-12.5
Vehicles	93,220	-	-		93,220	87,630	2,323	-	89,953	3,267	20
Computer and allied equipments	450,126	26,855	-	(3,667)	473,314	371,448	51,294	(3,667)	419,075	54,239	33.33
Safety and lab equipments	1,364,638	9,861	-	-	1,374,499	1,356,839	3,549	-	1,360,388	14,111	20-25
	72,167,296	806,095	-	(3,667)	72,969,724	28,700,317	3,491,003	(3,667)	32,187,653	40,782,071	

4.1.1 This includes lease hold land amounting to Rs. 110.081 million (June 30, 2022 : Rs. 110.081 million) which had been fully depreciated based on its lease term.

4.1.2 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.

4.1.3 On April 30, 2023, Company revalued its freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery and safety and lab equipments, as per the 3 years revaluation cycle, that resulted in revaluation surplus of Rs. 218,210.594 million. The valuation was carried out by an independent valuer, on the basis of present market values for similar assets and replacement values of similar type of assets adjusted for depreciation or economic obselence factor (level 3).

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 cash flows) (level 3).

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

	Note	**June 2023**	June 2022
		---------- (Rupees in '000)	**----------**
Free hold land		**56,154**	56,154
Lease hold land		**213,200**	213,200
Buildings on free hold land, roads and civil works		**1,164,647**	1,156,672
Building on lease hold land		**37,126**	40,402
Plant and machinery		**32,494,889**	35,352,606
Safety and lab equipments		**20,514**	12,784
		33,986,530	36,831,818

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

	Note	**June 2023**	June 2022
		---------- (Rupees in '000)	**----------**
Cost of sales	32.1	**3,933,108**	3,393,428
Administrative expenses	33	**39,090**	46,609
Selling and distribution expenses	34	**59,759**	50,966
		4,031,957	3,491,003

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

Free hold land		**3,540,218**	773,334
Lease hold land		**1,666,000**	963,900
Buildings on free hold land, roads and civil works		**1,570,681**	957,005
Building on lease hold land		**56,911**	37,057
Plant and machinery		**171,449,399**	24,089,507
Safety and lab equipments		**113,555**	11,990
		178,396,764	26,832,793

4.1.7 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	July 01, 2022	Additions	Transfers	Closing balance June 2023	Closing balance June 2022
Building on free hold land, roads and civil works		**691**	**164,648**	**(82,389)**	**82,950**	691
Plant and machinery	4.2.1 & 4.2.2	**30,888,375**	**4,402,843**	**(44,061)**	**35,247,157**	30,888,375
Safety & lab equipment		**-**	**26,907**	**(14,664)**	**12,243**	-
Filling stations		**-**	**68,600**	**-**	**68,600**	-
Computer & Allied		**-**	**8,392**	**(8,392)**	**-**	-
		30,889,066	**4,671,390**	**(149,506)**	**35,410,950**	30,889,066

4.2.1 Capitalisation of borrowing costs amounting to Rs. 2,783.922 million (June 30, 2022: Rs. 1,664.276 million) have been determined at the rate of 16% (June 30, 2022: 9%) per annum.

4.2.2 This includes units for refinery upgradation that are currently under construction / progress and will become operational as per the projected plans of the Company.

	Note	June 2023	June 2022
		---------- (Rupees in '000)	----------
4.3 Right-of-use assets			
Year ended June 30			
Opening net book value		**711,237**	828,609
Additions		**967,316**	279,392
Depreciation charge for the year	4.3.2	**(308,175)**	(396,764)
Closing net book value		**1,370,378**	711,237
As at June 30			
Cost		**2,930,197**	1,962,881
Accumulated depreciation		**(1,559,819)**	(1,251,644)
Net book value		**1,370,378**	711,237

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

	June 2023	June 2022
	------- (Rupees in '000)	-------
Lease hold land	**631,765**	395,497
Building on lease hold land	**738,613**	315,740
	1,370,378	711,237

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

	Note	June 2023	June 2022
		---------- (Rupees in '000)	----------
Cost of sales	32.1	**140,529**	89,179
Administrative expenses	33	**79,439**	108,003
Selling and distribution expenses	34	**88,207**	199,582
		308,175	396,764

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

Lease hold land	**121,864**	181,801
Building on lease hold land	**186,311**	214,963
	308,175	396,764

4.3.3 Lease obligations of the Company comprise of lease arrangements giving it the right-of-use over lands, warehouses, terminals and office premises.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
5. INTANGIBLE ASSET			
Computer Software			
Opening net book value		**18,827**	-
Additions for the year		**-**	19,365
Amortisation charge for the year		**(6,455)**	(538)
Closing net book value		**12,372**	18,827
Cost		**19,365**	19,365
Accumulated amortisation		**(6,993)**	(538)
Net book value		**12,372**	18,827
		---------------- (%) ----------------	
Rate of amortisation		**33.33**	33.33

	Note	June 2023	June 2022
6. INVESTMENT IN SUBSIDIARIES - AT COST			
Cnergyico Isomerate Pk (Private) Limited	6.1	**16,931,504**	16,931,504
Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited)	6.2	**482,134**	-
Other wholly owned subsidiaries	6.4	**500**	-
		17,414,138	16,931,504

6.1 This represents investment in Cnergyico Isomerate Pk (Private) Limited (CIPL), a wholly owned subsidiary, of 1,693,150,430 shares (June 30, 2022: 1,693,150,430 shares) of Rs. 10 each. CIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

6.2 During the year, Rs 482.134 million were converted into long term investments from long term loans and advances. On December 27, 2022 company has acquired 46,391,621 ordinary shares comprising of 91.05% of total paid-up capital of Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) (BOSB1L).

6.3 The Company carried out a review of the recoverable amount of the investment in CIPL and BOSB1L. The Company estimated the recoverable amount by using value-in-use method and concluded that recoverable amount being higher than the carrying amount no impairment has been charged. The key assumptions in the value-in-use calculations are the terminal growth rate and the risk-adjusted pre-tax discount rate.

6.4 Other wholly owned subsidiaries

During the year subsidiaries namely Bosicorco ORB 1 (Private) Limited (formerly Cnergyico ORB ORC 1 (Private) Limited) , Bosicorco ORB 2 (Private) Limited (formerly Cnergyico ORB ORC 2 (Private) Limited), Bosicorco OSB 2 (Private) Limited (formerly Cnergyico SLB SPM 2 (Private) Limited), Bosicorco CPB 1 (formerly Cnergyico CPB CPC 1 (Private) Limited and Bosicorco OMB 1 (Private) Limited (formerly Cnergyico OMB (Private)) Limited have been incorporated with paid-up capital of 10,000 shares each having face value of Rs. 10. The company holds 100% paid up capital of these subsidiaries.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
7. LONG-TERM LOANS AND ADVANCES			
Considered good:			
Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited		**1,518,780**	1,518,780
Advance against investment in shares	6.2	**-**	482,134
		1,518,780	2,000,914
Current portion	12	**(1,518,780)**	(1,518,780)
		-	482,134
8. LONG-TERM DEPOSITS			
Offices		**14,959**	14,178
Retail sites and others		**313,693**	379,262
		328,652	393,440

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
9.	**DEFERRED TAXATION**			
	Deductible temporary differences arising in respect of:			
	- employee retirement benefit		**32,743**	44,430
	- allowance for expected credit losses		**3,239,367**	2,618,137
	- unabsorbed tax depreciation		**2,866,393**	3,500,398
	- lease liability		**508,783**	220,186
			6,647,286	6,383,151
	Taxable temporary differences arising in respect of:			
	- accelerated tax depreciation		**(6,209,118)**	(5,170,631)
	- right of use assets		**(397,409)**	(206,258)
	- revaluation surplus on operating fixed assets		**(61,753,958)**	(1,006,262)
			(68,360,485)	(6,383,151)
			(61,713,199)	-
10.	**STOCK-IN-TRADE**			
	Raw material	10.1 & 10.2	**18,389,344**	35,168,694
	Finished products	10.3 & 10.4	**7,301,737**	13,077,130
			25,691,081	48,245,824

10.1 This includes raw material in transit amounting to Rs. 14,366.305 million (June 30, 2022: Rs. 22,250.820 million) as at the date of unconsolidated statement of financial position.

10.2 Raw material has been written down by Rs. 318.784 million (June 30, 2022: nil) to net realisable value.

10.3 This includes finished product held by third parties amounting to Rs. 1,867.896 million (June 30, 2022: Rs. 2,689.126 million) as at the date of unconsolidated statement of financial position.

10.4 Finished products has been written down by Rs. 8.139 million (June 30, 2022: nil) to net realisable value.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
11.	**TRADE DEBTS**			
	Considered good		**3,205,613**	7,078,048
	Considered doubtful		**11,170,231**	9,028,059
			14,375,844	16,106,107
	Allowance for expected credit losses	11.1	**(11,170,231)**	(9,028,059)
			3,205,613	7,078,048
11.1	**Allowance for expected credit losses**			
	Opening balance		**9,028,059**	7,618,435
	For the year	35	**2,142,172**	1,409,624
	Closing balance		**11,170,231**	9,028,059
12.	**LOANS AND ADVANCES**			
	Considered good - Secured			
	Advance to suppliers and contractors		**69,131**	4,294
	Considered good - Unsecured			
	Advance to employees, suppliers and contractors		**48,683**	182,380
	Current portion of loan and advance to Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited)	7	**1,518,780**	1,518,780
			1,636,594	1,705,454
13.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Deposits		**15,372**	15,372
	Prepayments			
	- Insurance		**9,354**	37,328
	- Others		**3,865**	-
			28,591	52,700

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
14.	**OTHER RECEIVABLES**			
	Considered good			
	Due from Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) (BOSB1L)	14.1	**717,383**	1,087,566
	Due from Cnergyico Isomerate Pk (Private) Limited (CIPL)	14.2	**683,848**	682,022
	Sales tax refundable	14.3	**-**	1,446,654
	Others		**22,575**	22,575
			1,423,806	3,238,817

14.1 During the year, BOSB1L has become subsidiary of the Company and this balance represents expenses incurred by the Company on behalf of BOSB1L. The outstanding balance is being adjusted against the cost payable to BOSB1L on account of usage of buoy.

14.2 This represents receivable from CIPL - wholly owned subsidiary against expenses incurred on behalf of CIPL.

14.3 This represents sales tax on raw material paid by the Company at import stage.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
15.	**CASH AND BANK BALANCES**			
	Cash in hand		**304**	333
	Cash at banks			
	- Current accounts		**1,122,932**	2,303,482
	- Savings / deposit accounts	15.1 & 15.2	**71,482**	575,930
			1,194,414	2,879,412
			1,194,718	2,879,745

15.1 These carry interest at the rates ranging from 3.75% to 19.50% (June 30, 2022: 2.7% to 12.25%) per annum.

15.2 This includes Rs. 107.460 million (June 30, 2022: Rs. 327.158 million) kept in shariah compliant savings account.

16. SHARE CAPITAL

June 2023	June 2022		Note	June 2023	June 2022
-------- (Number of Shares) --------				--------- (Rupees in '000) --------	
		Authorised share capital			
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10/- each	16.1	**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
5,306,098,933	5,142,536,068	Issued for consideration other than cash - assets		**53,060,990**	51,425,361
5,493,447,571	5,329,884,706			**54,934,476**	53,298,847

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

16.2 As at June 30, 2023 Bosicorco International Limited (formerly Cnergyico Mu Incorporated)(the Holding Company) hold 3,885,421,355 (June 30, 2022: 3,721,858,490) ordinary shares of Rs. 10 each.

16.3 In pursuant to the resolution as disclosed in note 18.1, the Company, on May 05, 2023, has further issued 163,562,865 ordinary shares of Rs. 10 each to the parent company by way of other than right offer for consideration other than cash.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	

17. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF TAX

		June 2023	June 2022
Gross Surplus			
Balances as at the beginning of the year		**3,648,009**	4,387,839
Revaluation surplus recognised during the year		**218,210,594**	-
Incremental depreciation transferred to accumulated losses		**(1,264,141)**	(739,830)
		220,594,462	3,648,009
Related deferred tax charge			
Balances as at the beginning of the year		**(1,057,922)**	(1,272,473)
Revaluation surplus recognised during the year		**(61,753,958)**	-
Incremental depreciation transferred to accumulated losses		**366,601**	214,551
		(62,445,279)	(1,057,922)
		158,149,183	2,590,087

18. CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

	Note	June 2023	June 2022
From Bosicorco International Limited (formerly Cnergyico Mu Incorporated), the parent company	18.1	**-**	979,418

18.1 In respect of plant and machinery

Pursuant to a share subscription Agreement dated August 31, 2006 and amended vide an addendum dated July 31, 2007 entered into between the Company and its sponsor, the sponsor has paid the amount to the supplier against the plant and machinery 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 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.

In the year 2021, the Board of Directors of the Company in its meeting held on August 31, 2021, resolved and approved for issuance of 163.563 million shares of the Company, having face value of Rs. 10 each, to Bosicorco International Limited (formerly Cnergyico Mu Incorporated), the Parent Company.

In pursuant to the above resolution, the company has further issued 163,562,865 ordinary shares of Rs. 10 each to the parent company as disclosed in note 16.3.

19. LONG-TERM FINANCING

Facilities	Note	Mark-up rate	Installments			June 2023	June 2022
			Payment term	Number	Commencement		
						---------- (Rupees in '000) ----------	
Secured							
Bilateral Loan I	19.1 & 19.2	Six months kibor + 4.5%	Quarterly	12	June 2019	**-**	150,000
Bilateral Loan II	19.1	Three months kibor + 1.5%	Quarterly	12	September 2020	**83,334**	416,667
Bilateral Loan III	19.1 & 19.2	Three months kibor + 4.5%	Quarterly	12	June 2019	**-**	100,000
Bilateral Loan IV	19.1	Three months kibor + 1.5%	Quarterly	12	May 2021	**916,666**	1,650,000
Bilateral Loan V	19.1	Three months kibor + 2.5%	Quarterly	08	October 2020	**63,742**	191,227
Bilateral Loan VI	19.1 & 24.1	SBP rate* + (2.5% - 3%)	Quarterly	08	January 2021	**-**	307,387
Bilateral Loan VII	19.1 & 19.2	Three months kibor + 4.5%	Quarterly	12	March 2024	**240,000**	-
Bilateral Loan VIII	19.1 & 19.3	Three months kibor + 0.5%	Quarterly	20	June 2023	**2,500,000**	-
						3,803,742	2,815,281
Sukuk certificates	19.1 & 19.4	Three months kibor + 1.05%	Quarterly	12	April 2019	**-**	780,000
Related parties - unsecured							
Integrate Pk (Private) Limited - Supplier's credit	19.5, 19.8 & 19.10	One year Libor + 1%	Semi-annually	20	June 2025	**958,890**	958,890
Integrate Pk (Private) Limited - Others	19.5, 19.6 & 19.11	Nil to six months kibor + 4%	Semi-annually	05	June 2025	**8,724,667**	13,456,323
Bosicorco International Limited (formerly Cnergyico Mu Incorporated), the Parent Company	19.9 & 19.10	Six month to one year libor + 1%	Semi-annually	04	June 2025	**3,935,650**	3,935,650
						13,619,207	18,350,863
						17,422,949	21,946,144
Current maturity						**(1,103,743)**	(2,801,706)
						16,319,206	19,144,438

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

19.1 This represent facilities availed from various banks and are secured against the Company's operating fixed assets and current assets.

19.2 In December 2022, the Company restructured its outstanding facilities of Rs. 100 million and Rs. 150 million into a restructured term finance facility of Rs. 250 million. This restructured facility is to be paid in 12 equal installments starting from March 2024.

19.3 During the year short-term facility amounting to Rs. 2.5 billion was restructured to a long-term facility to streamline the Company's operations.

19.4 This 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.

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

19.6 In June 2021, the Company entered into a novation agreement according to which loan and accrued markup novated to Integrate Pk (Private) Limited, a related party.

19.7 During the year, loan amounting to Rs. 250 million obtained 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 6 months kibor + 4% per annum.

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

19.9 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.

19.10 During the year ended June 30, 2018, the Company 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 recognised the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

19.11 During the year, Integrate Pk (Private) Limited waived off portion of its loan amounting to Rs. 4,591.531 million through waiver agreement dated December 12,2022. Due to the said waiver the old liability was extinguished and a new liability was recognised at revised fair value in these unconsolidated financial statements. Consequently, the carrying values of the deferred mark-up have been re-measured to incorporate the impact new loan liability. The resulting gain on modification due to changes in term of the loan is charged to statement of profit or loss (note 36).

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
20. ACCRUED AND DEFERRED MARK-UP			
Mark-up on long-term financing / loans from related parties			
- secured		**317,602**	592,148
- unsecured		**8,598,704**	7,132,660
		8,916,306	7,724,808
Current portion of accrued and deferred mark-up		**(317,602)**	(592,148)
		8,598,704	7,132,660
21. LONG-TERM LEASE LIABILITIES			
Opening balance		**1,470,497**	1,387,666
Additions during the year		**967,316**	279,392
Accretion of interest	37	**234,439**	208,495
Lease rentals paid		**(352,389)**	(405,056)
Balance at end of the year		**2,319,863**	1,470,497
Current portion of lease liabilities	29	**(304,980)**	(339,788)
Long-term lease liabilities		**2,014,883**	1,130,709

21.1 The rent expense related to short-term leases, included in cost of goods sold, administrative and selling and distribution expenses amounts to Rs. 68.655 million (June 30, 2022: Rs. 13.748 million).

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
22. LONG-TERM DEPOSITS			
Deposits	22.1	**246,115**	250,081

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

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	

23. DEFERRED LIABILITIES

	Note	June 2023	June 2022
Employees retirement benefits	23.1	**401,322**	167,867
Others	23.2	**453,689**	166,416
		855,011	334,283

23.1 Employees retirements benefits - staff gratuity

23.1.1 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 June 30, 2023, 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:

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	

23.1.2 Reconciliation of amount payable to defined benefit plan

	Note	June 2023	June 2022
Present value of defined benefit obligation	23.1.3	**798,443**	691,514
Fair value of plan assets	23.1.4	**(397,121)**	(523,647)
		401,322	167,867

23.1.3 Movement in the present value of defined benefit obligation:

	Note	June 2023	June 2022
Opening balance		**691,514**	652,473
Current service cost		**94,394**	96,515
Interest cost		**82,824**	63,446
Benefits paid during the year		**(96,581)**	(53,267)
Actuarial loss / (gain)	23.1.7	**26,292**	(67,653)
Closing balance		**798,443**	691,514

23.1.4 Movement in the fair value of plan assets:

	Note	June 2023	June 2022
Opening balance		**523,647**	459,603
Expected return on plan assets		**64,310**	43,684
Contributions		**20,000**	120,100
Benefits paid during the year		**(96,581)**	(53,267)
Actuarial loss	23.1.7	**(114,255)**	(46,473)
Closing balance		**397,121**	523,647

23.1.5 Movement in net liability

	Note	June 2023	June 2022
Opening balance		**167,867**	192,870
Charge for the year	23.1.6	**112,908**	116,277
Contributions		**(20,000)**	(120,100)
Actuarial (gain) / loss	23.1.7	**140,547**	(21,180)
Closing balance		**401,322**	167,867

23.1.6 Charge for the year

	Note	June 2023	June 2022
Current service cost		**94,394**	96,515
Interest cost - net		**18,514**	19,762
		112,908	116,277

23.1.7 Actuarial remeasurements

	Note	June 2023	June 2022
Actuarial (loss) / gain on defined benefit obligations		**(26,292)**	67,653
Actuarial loss on fair value of plan assets		**(114,255)**	(46,473)
		(140,547)	21,180

	June 2023	June 2022
	---------- (Rupees in '000) ----------	

23.1.8 Actuarial assumptions:

	June 2023	June 2022
Valuation discount rate per annum	**16.25%**	13.25%
Salary increase rate per annum	**15.25%**	12.25%
Expected return on plan assets per annum	**12.28%**	9.50%
Normal retirement age of employees	**60 years**	60 years
Mortality rates	**SLIC 2001-05**	SLIC 2001-05

23.1.9 As of June 30, 2023: 625 employees (June 30, 2022: 748 employees) were covered under the above scheme.

23.1.10 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 145.058 million (June 30, 2022: Rs. 108.101 million).

23.1.11 Contribution for the next financial year as per the actuarial valuation report amounts to Rs. 95.627 million (June 30, 2022: 93.075 million)

23.1.12 The weighted average duration of the obligation is 6.45 years (June 30, 2022: 9.84 years).

23.1.13 Comparisons for past years:

	2023	2022	2021	2020	2019
	---------- (Rupees '000) ----------				
Present value of defined benefit obligation	**798,443**	691,514	652,473	451,077	325,987
Fair value of plan assets	**(397,121)**	(523,647)	(459,603)	(352,155)	(267,153)
Deficit	**401,322**	167,867	192,870	98,922	58,834
Experience adjustment on plan liabilities	**(26,292)**	67,653	(123,231)	(37,575)	(19,498)
Experience adjustment on plan assets	**(114,255)**	(46,473)	20,535	324	(28,733)
	(140,547)	21,180	(102,696)	(37,251)	(48,231)

23.1.14 Sensitivity analysis (± 100 bps) on present value of defined benefit obligation:

	June 30, 2023			
	Discount rate		**Salary increase**	
	+ 100 bps	**- 100 bps**	**+ 100 bps**	**- 100 bps**
	---------- (Rupees in '000) ----------			
Present value of defined benefit obligation	**751,745**	**850,621**	**854,180**	**747,833**

	June 30, 2022			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	---------- (Rupees in '000) ----------			
Present value of defined benefit obligation	628,692	763,981	767,356	624,859

23.1.15 The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. The impact of change in following variables on defined benefit obligation is as follows:

	Increase in assumption	**Decrease in assumption**
	-------- (Rupees in '000) --------	
Mortality 1 year (forward / back)	**798,568**	798,316
Withdrawal rates (10%)	**800,128**	796,623

	June 2023	June 2022
	---------- (Rupees in '000) ----------	
23.1.16 Composition of plan assets		
Mutual funds	**386,384**	416,412
Cash at bank	**10,737**	107,235
	397,121	523,647

	June 2023	June 2022
23.1.17 Maturity profile		
Year 1	**111,321**	33,155
Year 2	**76,458**	36,061
Year 3	**102,729**	30,537
Year 4	**105,703**	45,892
Year 5	**96,588**	70,910
Year 6 - 10	**682,117**	464,733
Year 11 and above	**2,650,040**	3,321,095

23.1.18 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 savings accounts. The cash at bank exposure is almost 2.7% i.e. Rs. 107.235 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' assets.

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.

23.2 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 19).

	June 2023	June 2022
	---------- (Rupees in '000) ----------	

24. DEFERRED INCOME - GOVERNMENT GRANT

Opening balance	**3,501**	30,467
Received during the year	**-**	-
Recognised in long term loan	**(3,501)**	(26,966)
Closing balance	**-**	3,501
Maturity Analysis:		
Current portion	**-**	(3,501)
Non-current portion	**-**	-

24.1 Government grant had 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.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
25. TRADE AND OTHER PAYABLES			
Creditors for supplies and services		**51,355,623**	61,391,441
Accrued liabilities		**524,223**	6,172,413
Due to related parties		**256,934**	144,413
Sales tax and other government taxes		**1,847,175**	88,030
Payable to staff provident fund		**243,865**	22,142
		54,227,820	67,818,439
26. ADVANCE FROM CUSTOMERS	26.1	**1,345,505**	2,893,301

26.1 These represent advances received from customers against supply of petroleum products which are recognised as revenue when the performance obligation is satisfied. During the year, the performance obligations underlying the opening contract liability were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
27. ACCRUED MARK-UP - SECURED			
Long-term financing		**142,589**	169,493
Short-term borrowings		**1,780,547**	545,005
		1,923,136	714,498
28. SHORT-TERM BORROWINGS - SECURED			
Finance against trust receipts	28.1	**17,354,023**	18,027,469
Running finance	28.2	**1,600,000**	1,600,000
		18,954,023	19,627,469

28.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 32,681 million (June 30, 2022: Rs. 27,725 million) out of which Rs. 15,589 million (June 30, 2022: Rs. 9,698 million) remains unutilised as at the reporting date. The facility carries mark-up ranging from 1 month's KIBOR plus 1.5% to 2% (June 30,2022: 1 month's KIBOR plus 1.25% to 3%). These facilities are secured under joint pari passu (JPP) arrangement having charge on the Company's current and fixed assets.

28.2 The Company has obtained running finance facility amounting to Rs. 1,600 million (June 30,2022: Rs. 1,600 million) obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 2% (June 30, 2022: 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 operating fixed assets of the Company.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
29. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long-term financing	19	**1,103,743**	2,801,706
Accrued and deferred mark-up	20	**317,602**	592,148
Lease liabilities	21	**304,980**	339,788
Deferred income - government grant	24	**-**	3,501
		1,726,325	3,737,143

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 Claim against the Company not acknowledged as debt amounting to Rs. 3,353.182 million (June 30, 2022: 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 May 22, 2012 and February 14, 2013 claiming Rs. 233.550 million (June 30, 2022: Rs. 233.550 million) and Rs. 404.357 million (June 30, 2022: 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.

		June 2023	June 2022
		---------- (Rupees in '000) ----------	
30.2	**Commitments**		
30.2.1	Commitments for capital expenditure	**3,949,879**	4,076,368
30.2.2	Commitments in respect of purchase of Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) shares	**877,383**	877,383

31. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

	June 2023	June 2022
Gross sales - local	**223,953,961**	188,210,862
Sales tax and other duties	**(29,593,679)**	(17,557,779)
Trade discounts	**(448,120)**	(638,011)
	(30,041,799)	(18,195,790)
	193,912,162	170,015,072

31.1 Disaggregation of revenue has been disclosed in note 47 to these unconsolidated financial statements.

32. COST OF SALES

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
Opening stock		**13,077,130**	7,521,371
Cost of goods manufactured, storage and handling	32.1	**186,833,849**	158,557,312
Finished products purchased during the year		**11,052,176**	6,041,353
		210,963,155	172,120,036
Closing stock	10	**(7,301,737)**	(13,077,130)
		203,661,418	159,042,906

32.1 Cost of goods manufactured, storage and handling

	Note	June 2023	June 2022
Raw material consumed	32.1.1	**172,599,779**	146,173,563
Depreciation on operating fixed assets	4.1.5	**3,933,108**	3,393,428
Exchange loss on crude / POL products		**4,177,942**	3,280,894
Staff remuneration	32.1.2	**1,812,736**	1,655,892
Electricity, power and fuel		**1,749,228**	1,526,615
Stores and spares consumed		**1,201,285**	1,389,080
Insurance		**270,464**	242,854
Maintenance and repairs		**256,674**	237,183
Staff transportation and catering		**275,466**	231,531
Hospitalities		**275,863**	202,785
Security expenses		**98,696**	117,944
Depreciation on right-of-use assets	4.3.2	**140,529**	89,179
Vehicle running		**20,349**	13,597
Rent		**21,730**	2,767
		186,833,849	158,557,312

32.1.1 Raw material consumed

	Note	June 2023	June 2022
Opening stock		**35,168,694**	26,063,302
Purchases during the year		**155,820,429**	155,278,955
		190,989,123	181,342,257
Closing stock	10	**(18,389,344)**	(35,168,694)
		172,599,779	146,173,563

32.1.2 This includes a sum of Rs. 131.411 million (June 30, 2022: Rs. 114.382 million) in respect of staff retirement benefits.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
33.	**ADMINISTRATIVE EXPENSES**			
	Staff remuneration	33.1	**707,496**	646,627
	Depreciation on right-of-use assets	4.3.3	**79,439**	108,003
	Maintenance and repairs		**79,683**	76,131
	SAP and other software maintenance		**66,278**	55,640
	Depreciation on operating fixed assets	4.1.5	**39,090**	46,609
	Travelling and conveyance		**37,191**	38,538
	Legal and professional		**54,224**	35,285
	Utilities		**53,583**	31,686
	Fee and subscriptions		**29,563**	24,609
	Vehicle running		**13,309**	11,065
	Rent		**54,728**	9,213
	Printing and stationary		**7,150**	7,008
	Auditors' remuneration	33.2	**8,500**	6,550
	Security expense		**5,440**	5,655
	Insurance		**3,623**	3,716
	Amortisation	5	**6,455**	538
			1,245,752	1,106,873

33.1 This includes a sum of Rs. 48.218 million (June 30, 2022: Rs. 61.044 million) in respect of staff retirement benefits.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
33.2	**Auditors' remuneration**			
	Audit fee			
	- standalone financial statements		**4,200**	4,200
	- consolidation of financial statements		**700**	700
	Special audit fee		**1,950**	-
	Half year review		**650**	650
	Code of corporate governance and other certifications		**500**	500
	Out of pocket expenses		**500**	500
			8,500	6,550
34.	**SELLING AND DISTRIBUTION EXPENSES**			
	Staff remuneration	34.1	**310,059**	281,048
	Depreciation on right-of-use assets	4.3.2	**88,207**	199,582
	Advertisement		**12,759**	59,505
	Depreciation on operating fixed assets	4.1.5	**59,759**	50,966
	Rent		**10,385**	1,768
			481,169	592,869

34.1 This includes a sum of Rs. 21.213 million (June 30, 2022: Rs. 18.858 million) in respect of staff retirement benefits.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
35.	**OTHER EXPENSES**			
	Allowance for expected credit losses	11.1	**2,142,172**	1,409,624
36.	**OTHER INCOME**			
	Income from financial assets			
	Interest on balances due from customer		**1,627,599**	895,051
	Interest on loan to Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited)		**82,654**	65,951
	Interest income on savings account		**117,375**	26,272
			1,827,628	987,274
	Income from non-financial assets			
	Dealership income		**9,200**	18,500
	Scrap sales		**60,840**	11,933
	Land lease rent		**366**	366
	Gain / (loss) on disposal of operating fixed assets		**247**	72
	Liabilities written back	19.11	**6,081,235**	-
	Others		**3,544**	3,060
			7,983,060	1,021,205

		Note	June 2023	June 2022
37.	**FINANCE COSTS - NET**		---------- (Rupees in '000) ----------	
	Mark-up on:			
	- Long-term financing		**475,998**	390,585
	- Short-term borrowings		**5,664,564**	2,232,267
			6,140,562	2,622,852
	Interest on lease liabilities	21	**234,439**	208,495
	Exchange loss - net		**93,424**	72,138
	Bank and other charges		**110,223**	59,109
			6,578,648	2,962,594
38.	**TAXATION**			
	Current year		**601,879**	238,128
	Prior year		**(152,537)**	-
	Deferred tax charge - net		**-**	895,407
			449,342	1,133,535

38.1 The returns of income tax have been filed up to and including tax year 2022. These, except for those mentioned in 38.2 are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

38.2 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.

38.3 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 November 24, 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 June 30, 2018. As at the unconsolidated statement of financial position date, no liability has been recorded by the Company in this respect.

38.4 Relationship between accounting profit and income tax expense for the year

Provision for current tax is based on minimum tax on turnover. Accordingly, tax reconciliation has not been presented in these unconsolidated financial statements.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
39.	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	BASIC EARNINGS PER SHARE			
	(Loss) / Profit after taxation		**(12,663,279)**	4,787,876
				(Restated)
	Weighted average ordinary shares (Numbers)	39.1	**5,420,173,184**	5,394,321,685
				(Restated)
	(Loss) / Earnings per share - basic (Rupees)		**(2.34)**	0.89
	DILUTED EARNINGS PER SHARE			
	(Loss) / Profit after taxation		**(12,663,279)**	4,787,876
	Weighted average ordinary shares (Numbers)		**5,420,173,184**	5,329,884,706
	Potential shares to be issued (Numbers)	16.3	**-**	163,562,865
			5,420,173,184	5,493,447,571
	(Loss) / Earnings per share - diluted (Rupees)		**(2.34)**	0.87

39.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 'Earnings Per Share', the basic earning per share of the Company for the year ended June 30, 2022 has been retrospectively adjusted for the effect of bonus element contained in the further issuance of shares made during the year. For this purpose, the weighted average number of ordinary shares outstanding immediately before the rights issue has been increased by the bonus adjustment factor of 1.012 which, in turn, has been determined as the fair value of an ordinary share of the Company as on the date of further issuance of shares i.e. May 05, 2023 divided by the theoretical ex-rights price per share.

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
40. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	**1,194,718**	2,879,745
Running finance facility	28.2	**(1,600,000)**	(1,600,000)
		(405,282)	1,279,745

40.1 Changes in liabilities from financing activities

	July 01, 2022	Cash flows - net	Non - cash flows	June 30, 2023
	----------------------- (Rupees in '000)			-------------------------------
Long-term financing	21,946,144	618,765	(5,141,960)	**17,422,949**
Lease liabilities	1,470,497	(352,389)	1,201,755	**2,319,863**
Unclaimed dividends	1,027	-	-	**1,027**
	23,417,668	266,376	(3,940,205)	**19,743,839**

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of ultimate parent company, parent company, subsidiaries, 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:

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

Name of related party	Basis of association	Aggregate shareholding June 2023	Aggregate shareholding June 2022
		------------ (%)	------------
Bosicorco International Limited (formerly Cnergyico Mu Incorporated)	Parent	**70.73**	69.83
Cnergyico Isomerate Pk (Private) Limited (CIPPL)	Subsidiary	**100**	100
Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited)	Subsidiary	**91.05**	-
Premier Systems (Private) Limited	Associated companies***	**-**	-
Cnergyico IR DMCC	Associated companies*	**-**	-
Cnergyico Acisal Incorporated	Associated companies**	**-**	-
Asertco Asia Limited	Associated companies*	**-**	-
Integrate Pk (Private) Limited	Associated companies*	**2.71**	4.74
Askari Bank Limited	Associated companies*	**0.01**	-
Employees' gratuity fund	Retirement benefit fund	**0.93**	-
Employees' provident fund	Retirement benefit fund	**-**	-

* Based on common directorship
** Subsidiary of ultimate parent company
*** Based on shareholding of a director

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

Name	Country of Incorporation
Bosicorco International Limited (formerly Cnergyico Mu Incorporated)	Mauritius
Cnergyico IR DMCC	United Arab Emirates
Cnergyico Acisal Incorporated	British Virgin Islands

41.3 Transactions with related parties during the year	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
Parent company			
Mark-up charged		**234,430**	60,572
Subsidiary companies			
Product processing charges		**60,943**	75,400
Buoy charges - Net of Right of Way		**79,020**	-
Rent expense		**366**	366
Associated companies			
Mark-up charged			
- secured		**76,819**	-
- unsecured		**1,961,949**	1,464,209
Purchase of operating fixed assets and services		**182,406**	101,010
Waiver of loan		**4,591,531**	-
Others			
Retirement benefit funds		**73,722**	368,355
Key management personnel		**371,947**	209,017

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

41.3.1 Operating lease commitments — Company as a lessor

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

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

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
Within one year		**403**	366
After one year but not more than five years		**1,691**	2,017
More than five years		**3,512**	3,322
		5,606	5,705

41.4 Balances with related parties		
Parent company		
Contribution against future issue of shares	**-**	979,418
Accrued mark-up	**1,011,009**	778,601
Loan payable	**3,935,650**	3,935,650
Subsidiary companies		
Receivable against expenses incurred	**1,401,230**	682,598
Loans and advances	**1,518,780**	-
Accrued Interest - Receivable	**504,329**	-
Associated companies		
Advance against shared services	**12,452**	37,452
Accrued mark-up		
- secured	**44,017**	-
- unsecured - Gross	**8,311,546**	6,354,058
Loan payable		
- secured	**63,742**	-
- unsecured - Gross	**10,240,098**	14,581,628
Short-term borrowings	**3,947,018**	-
Payable against purchases	**153,595**	38,453
Payable against services	**22,379**	-
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**499,833**	188,134

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

41.5 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 42 to these unconsolidated financial statements.

42. 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:

	June 2023			June 2022		
	Chief Executive	**Directors**	**Executives**	Chief Executive	Directors	Executives
	(Rupees '000)					
Fee	-	2,760	-	-	2,880	-
Managerial remuneration	60,102	-	838,179	-	-	722,521
Staff retirement benefits	-	-	131,059	-	-	119,166
Housing and utilities	-	-	246,478	-	-	221,707
Leave fare assistance	-	-	66,355	-	-	60,186
	60,102	2,760	1,282,071	-	2,880	1,123,580
	(Numbers)					
Persons	1	4	258	1	2	248

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

42.2 Few executives have been provided with company maintained cars.

42.3 The board consists of 7 directors of which 5 are non-executive directors. Except for three independent directors and two executive director, no remuneration and other benefits have been paid to any other director.

43. FINANCIAL INSTRUMENTS BY CATEGORY

43.1 Financial assets and financial liabilities

	Note	**June 2023**	June 2022
		(Rupees in '000)	
Financial assets measured at amortised cost			
Long-term loans	7	-	482,134
Long-term deposits	8	328,652	393,440
Trade debts	11	3,205,613	7,078,048
Loans	12	1,518,780	1,518,780
Trade deposits	13	15,372	15,372
Accrued interest		511,631	427,982
Other receivables	14	1,423,806	1,792,163
Cash and bank balances	15	1,194,718	2,879,745
		8,198,572	14,587,664
Financial liabilities measured at amortised cost			
Long-term financing	19	16,319,206	19,144,438
Accrued and deferred mark-up	20	8,598,704	7,132,660
Long-term deposits	22	246,115	250,081
Trade and other payables	25	52,380,645	67,730,409
Accrued mark-up	27	1,923,136	714,498
Short-term borrowings - secured	28	18,954,023	19,627,469
Current portion of non-current liabilities	29	1,421,345	3,393,854
Unclaimed dividend		1,027	1,027
		99,844,201	117,994,436

44. 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 minimise the risk. The Company's principal financial instruments comprise short-term borrowings and financing from financial institutions, cash at bank, trade receivables 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's overall risk management policy focuses on minimising 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.

No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023.

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

44.1 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 other price risks such as equity risk

44.1.1 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, obligations under finance lease 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 Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) 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 the Company's interest-bearing financial instruments:

Variable Rate Instruments

	June 2023	June 2022
	---------- (Rupees in '000) ----------	
Financial assets		
Long-term loan to Bosicorco OSB 1 (Private) Limited	**688,780**	688,780
Trade debts	**1,029,146**	1,543,719
	1,717,926	2,232,499
Financial liabilities		
Long-term financing	**17,422,949**	21,946,144
Accrued and deferred mark-up	**10,839,442**	8,439,305
Short-term borrowings	**18,954,023**	19,627,469
	47,216,414	50,012,918

A change of 1% in interest rates at the year-end would have increased or decrease the loss before tax by Rs. 454.985 million (June 30, 2022: Rs. 477.804 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2022.

44.1.2 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:

	June 2023		June 2022	
	(Rupees in '000)	**(USD '000)**	(Rupees in '000)	(USD '000)
Trade and other payables	**20,658,661**	**72,235**	55,719,386	272,347

The average rates applied during the year is Rs. 245.594/USD (June 30, 2022: Rs. 178.21/USD) and the spot rate as at June 30, 2023 is Rs. 285.991/USD (June 30, 2022: Rs. 204.59/USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 206.587 million (June 30, 2022: Rs. 557.194 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2022.

44.1.3 Other 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. The Company is not exposed to other price risk as at unconsolidated statement of financial position date.

44.2 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 long-term 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 could be affected due to economic and other changes in their environment. 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.

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 minimise 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; and

- 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:

	Note	**June 2023**	June 2022
		---------- (Rupees in '000)	**----------**
Long-term loans	7	**-**	482,134
Long-term deposits	8	**328,652**	393,440
Trade debts	11	**3,205,613**	7,078,048
Loans and advances	12	**1,518,780**	1,518,780
Trade deposits	13	**15,372**	15,372
Accrued interest		**511,631**	427,982
Other receivables	14	**1,423,806**	1,110,141
Bank balances	15	**1,194,414**	2,879,412
		8,198,268	13,905,309

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 debtors at the unconsolidated statement of financial position date is as follows:

	June 2023	June 2022
	---------- (Rupees in '000)	**----------**
Neither past due nor impaired	**2,160,110**	5,502,467
Past due 1-30 days	**9,126**	24,187
Past due 31-365 days	**7,231**	7,676
Above 365 days	**1,029,146**	1,543,718
	3,205,613	7,078,048

Bank balances

A1+	**1,151,052**	2,800,970
A1	**432**	10,184
A2	**7,236**	59,348
A3	**-**	8,910
A-1	**130**	-
F1+	**60**	-
Suspended	**35,504**	-
	1,194,414	2,879,412

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

44.3 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.

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

	On demand	Less than 3 months	3 to 12 months	More than one year	Total
	----------	----------	(Rupees '000)	----------	----------
June 30, 2023					
Long-term financing	**-**	**-**	**-**	**16,319,206**	**16,319,206**
Accrued and deferred mark-up	**-**	**-**	**-**	**8,598,704**	**8,598,704**
Long-term deposits	**-**	**-**	**-**	**246,115**	**246,115**
Trade and other payables	**-**	**52,380,645**	**-**	**-**	**52,380,645**
Current portion of non-current liabilities	**-**	**317,602**	**1,408,723**	**-**	**1,726,325**
Unclaimed dividend	**1,027**	**-**	**-**	**-**	**1,027**
Short-term borrowings	**-**	**18,954,023**	**-**	**-**	**18,954,023**
Accrued mark-up	**-**	**1,923,136**	**-**	**-**	**1,923,136**
	1,193,965	**73,575,406**	**1,408,723**	**25,164,025**	**100,149,181**
June 30, 2022					
Long-term financing	-	-	-	19,144,438	19,144,438
Accrued and deferred mark-up	-		-	7,132,660	7,132,660
Long-term deposits	-	-	-	250,081	250,081
Trade and other payables	-	67,730,409	-	-	67,818,439
Current portion of non-current liabilities	-	1,624,878	1,768,976	-	3,393,854
Unclaimed dividend	1,027	-	-	-	1,027
Short-term borrowings	-	19,627,469	-	-	19,627,469
Accrued mark-up	-	714,498	-	-	714,498
	1,027	89,697,254	1,768,976	26,527,179	118,082,466

45. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from 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 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2023, the Company has no financial instruments that are measured at fair value in the unconsolidated statement of financial position.

46. 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 maximise the shareholders' value. The Company closely monitors gearing ratios. 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 minimise the risk. No changes were made in the objectives, policies or processes during the year ended June 30, 2023.

The Company is not exposed to externally imposed capital requirement.

The gearing ratios as at June 30, 2023 and 2022 are as follows:

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
Long-term financing	19	**16,319,206**	19,144,438
Accrued and deferred mark-up	20	**8,598,704**	7,132,660
Long-term lease liabilities	21	**2,014,883**	1,130,709
Accrued mark-up	27	**1,923,136**	714,498
Short-term borrowings	28	**18,954,023**	19,627,469
Current portion of non-current liabilities	29	**1,726,325**	3,733,642
Total debt		**49,536,277**	51,483,416
Share capital	16	**54,934,476**	53,298,847
Reserves		**(34,741,156)**	(22,219,418)
Contribution against future issue of shares	18	**-**	979,418
Total capital		**20,193,320**	32,058,847
Capital and net debt		**69,729,597**	83,542,264
		--------- (%) ---------	
Gearing		**71.04**	61.63

47. 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.

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:

	Oil Refining Business		Petroleum Marketing Business		Total	
	June 2023	June 2022	**June 2023**	June 2022	**June 2023**	June 2022
	-- (Rupees '000) --					
Revenue						
Sales to external customers - net	**121,205,186**	64,680,822	**72,706,976**	105,334,250	**193,912,162**	170,015,072
Inter-segment sales	**71,848,428**	103,394,958	**-**	-	**71,848,428**	103,394,958
Eliminations	**(71,848,428)**	(103,394,958)	**-**	-	**(71,848,428)**	(103,394,958)
Total revenue	**121,205,186**	64,680,822	**72,706,976**	105,334,250	**193,912,162**	170,015,072
Result						
Segment (loss) / profit	**(6,517,366)**	7,737,493	**1,196,621**	1,568,863	**(5,320,745)**	9,306,356
Unallocated expenses:						
Finance costs - net					**(6,578,648)**	(2,962,594)
Interest income					**1,827,628**	987,274
Other expenses					**(2,142,172)**	(1,409,624)
Taxation					**(449,342)**	(1,133,535)
(Loss) / profit after taxation					**(12,663,279)**	4,787,877
Segmental assets	**345,469,509**	156,239,323	**797,948**	1,193,659	**346,267,457**	157,432,982
Unallocated assets	**-**	-	**-**	-	**-**	-
	345,469,509	156,239,323	**797,948**	1,193,659	**346,267,457**	157,432,982
Segmental liabilities	**167,428,697**	121,676,673	**496,257**	1,107,375	**167,924,954**	122,784,048
Unallocated liabilities	**-**	-	**-**	-	**-**	-
	167,428,697	121,676,673	**496,257**	1,107,375	**167,924,954**	122,784,048
Capital expenditure	**2,122,697**	2,590,436	**25,675**	224,156	**2,148,372**	2,814,592
Other Information						
Depreciation	**4,168,598**	3,637,219	**171,534**	250,548	**4,340,132**	3,887,767

47.1 The Company sells its manufactured products to Oil Marketing Companies (OMCs) and other organisations. Out of these, two of the Company's customers contributed towards 30% (2022: 10.8%) of the net revenues during the year amounting to Rs. 58.24 billion (2022: Rs. 18.3 billion) and each customer individually exceeds 10% of the net revenues.

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

48. 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:

	Note	**(Unaudited) June 2023**	(Audited) June 2022
		---------- (Rupees in '000)	**----------**
Size of the fund - Total assets		**637,408**	672,237
Cost of the investment made	48.1	**317,753**	507,465
Fair value of the investment		**318,303**	507,980
Percentage of the investment		**49.85%**	75.49%

48.1 Break-up of cost of investments out of fund:

	June 2023		June 2022	
	(Rupees in '000)	**(%)**	(Rupees in '000)	(%)
Debt securities	**80,108**	**25**	125,712	25
Listed equity	**46,420**	**15**	87,029	17
Bank deposits	**53,040**	**17**	178,702	35
Government securities	**138,185**	**43**	116,022	23
	317,753	**100**	507,465	100

48.2 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 Act and the rules formulated for this purpose.

49. PLANT CAPACITY AND PRODUCTION

Against the designed annual capacity (based on 365 days) of 56.940 million barrels (June 30, 2022: 56.940 million barrels), the actual throughput during the year was 6.821 million barrels (June 30, 2022: 9.305 million barrels). The Company operated the plants considering the level which gives optimal yield of products as per market dynamics.

	Note	**June 2023**	June 2022
		---------- (Rupees in '000)	**----------**
50. NUMBER OF EMPLOYEES			
At year end		**725**	895
Average during the year		**810**	903

51. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated. Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these unconsolidated financial statements during the current year.

52. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on October 02, 2023 by the board of the Company.

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

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21 3454 1314
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNERGYICO PK LIMITED

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Cnergyico Pk Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the 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, 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash 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 is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Valuation and existence stock-in-trade	
As disclosed in note 9 to the consolidated financial statements the stock-in-trade balance amounts to Rs. 25,691.081 million. 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.	Our key audit procedures in relation to the verification of stock-in-trade amongst other procedures included followings: • Obtained an understanding of controls over purchases and valuation of stock-in-trade and evaluated control design and implementation; • Observed test counts of quantity of stock-in-trade held as at year end, on sampling basis, and compared the quantities counted by us with the results of the counts of the management;

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Key audit matter	How our audit addressed the key audit matter
Due to complexities in determination of volume held in tanks, with third parties and in transit, we have considered this area as a key audit matter.	• 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 by performing quality test on sample basis; • On sample basis, we rechecked components of stock-in-trade by tracing them back to underlying documents and compared unit cost with management's; • Assessed net realisable value by comparing management's estimation of future selling prices for the products with the prices notified by Oil and Gas Regulatory Authority in its notification for regulated products and approved selling prices for deregulated products achieved subsequent to the reporting period; • Obtained third party certificates in respect of stock-in-trade held at third party locations; and • Assessed the adequacy of the disclosure made in respect of the accounting policies and details of stock-in-trade held by the Group at the year end.
2. Valuation and existence operating fixed assets	
As disclosed in note 5.1 to the consolidated financial statements, freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipment are carried at revaluation model. The revaluation exercise performed by the management external valuer (the expert) during the year has resulted in an increase of Rs. 244,203.181 million bringing carrying value from Rs. 52,076.046 million to Rs. 295,025.334 million, which constitutes 81% of total assets as at year end. Considering the significant portion of Group's total assets and significant judgments, estimates and other uncertain factors involved in the valuation carried out by the expert, we have considered the valuation of operating fixed assets as a key audit matter.	Our key audit procedures in relation to the valuation and existence of operating fixed assets carried out by the management amongst other procedures included followings: • Discussed with management and challenged the appropriateness of the valuation methodology adopted by the management expert through involvement of our own valuation expert; • Ensured reasonableness of the fair values of assets carried at revaluation model by comparing the reports issued by our expert and management expert; • Performed, on sampling basis, test counts and compared the assets counted by us with the results of the list of operating fixed asset maintained by the management; and • Assessed adequacy of the related disclosures in the unconsolidated financial statements in accordance with the financial reporting standard.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

Management is annual report of the company for the year ended June 30, 2023 responsible for the other information. The other information comprises the information included in annual report, but does not include the consolidated financial statements and our auditor's report thereon, and review report issued on statement for comliance with Code of Corporate Governance.

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 matrial mistatemenr of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and 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 the requirements of the Companies Act, 2017 (XIX of 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.

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

Auditor's Responsibilities for the Audit of the consolidated financial

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 auditor's report is **Hena Sadiq**.

Chartered Accountants

Place: Karachi
Date: October 02, 2023
UDIN: AR202310057f35DtQTyY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**331,806,662**	83,676,349
Intangible asset	6	**12,372**	18,827
Long-term loans and advances		**-**	482,134
Long-term deposits	7	**328,727**	393,440
		332,147,761	84,570,750
Current assets			
Stores and spares		**2,308,618**	2,640,075
Stock-in-trade	9	**25,691,081**	48,245,824
Trade debts	10	**3,205,613**	7,078,048
Loans and advances	11	**117,814**	1,705,454
Trade deposits and short-term prepayments	12	**28,591**	52,700
Accrued interest - assets		**7,302**	427,981
Other receivables	13	**23,157**	2,564,200
Taxation - net		**518,289**	946,344
Cash and bank balances	14	**1,196,310**	2,880,745
		33,096,775	66,541,371
Total Assets		**365,244,536**	151,112,121
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	15	**54,934,476**	53,298,847
Reserves		**(50,072,929)**	(37,192,038)
		4,861,547	16,106,809
Surplus on revaluation of operating fixed assets		**180,718,586**	8,733,023
		185,580,133	24,839,832
Contribution against future issue of shares	16	**-**	979,418
Equity attributable to the shareholders of the parent company		**185,580,133**	25,819,250
Non controlling interest		**1,033,255**	-
Total equity		**186,613,388**	25,819,250
Non-current liabilities			
Long-term financing	17	**16,319,206**	19,144,438
Accrued and deferred mark-up	18	**8,598,704**	7,132,660
Long-term lease liabilities	19	**2,014,883**	1,130,709
Long-term deposits	20	**246,115**	250,081
Deferred liabilities	21	**855,011**	334,283
Deferred taxation - net	8	**72,200,890**	2,508,941
		100,234,809	30,501,112
Current liabilities			
Trade and other payables	23	**54,446,323**	67,818,322
Advance from customers	24	**1,345,505**	2,893,300
Accrued mark-up	25	**1,923,136**	714,498
Short-term borrowings - secured	26	**18,954,023**	19,627,469
Current portion of non-current liabilities	27	**1,726,325**	3,737,143
Unclaimed dividend		**1,027**	1,027
		78,396,339	94,791,759
Total equity and liabilities		**365,244,536**	151,112,121
Contingencies and commitments	28		

The annexed notes from 1 to 50 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 JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue from contract with customers - net	29	**193,912,162**	170,015,072
Cost of sales	30	**(204,550,626)**	(159,904,227)
Gross (loss) / profit		**(10,638,464)**	10,110,845
Administrative expenses	31	**(1,257,457)**	(1,107,083)
Selling and distribution expenses	32	**(481,169)**	(592,869)
Other expenses	33	**(2,142,172)**	(1,409,624)
Other income	34	**7,940,373**	1,020,839
		4,059,575	(2,088,737)
Operating (loss) / profit		**(6,578,889)**	8,022,108
Finance costs - net	35	**(6,578,648)**	(2,962,593)
(Loss) / profit before taxation		**(13,157,537)**	5,059,515
Taxation	36	**(473,533)**	(935,666)
(Loss) / profit after taxation		**(13,631,070)**	4,123,849
Attributable to:			
- Shareholders of the Holding Company		**(13,617,885)**	4,123,849
- Non controlling interest		**(13,185)**	-
		(13,631,070)	4,123,849
(Loss) / earnings per share		------------ (Rupees)	--------------
			(Restated)
- Basic	37	**(2.51)**	0.76
- Diluted	37	**(2.51)**	0.75

The annexed notes from 1 to 50 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 JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
(Loss) / profit after taxation		**(13,631,070)**	4,123,849
Other comprehensive income for the year			
Items that will not be reclassified subsequently to consolidated statement of profit or loss			
Surplus on revaluation of operating fixed assets		**244,203,181**	-
Deferred tax thereon		**(70,724,625)**	-
		173,478,556	-
Re-measurements on defined benefit obligation	21.1.7	**(140,547)**	21,180
Deferred tax thereon		**40,759**	(6,142)
		(99,788)	15,038
		173,378,768	15,038
Total comprehensive income for the year		**159,747,698**	4,138,887
Attributable to:			
- Shareholders of the Holding Company		**158,762,537**	4,138,887
- Non controlling interest		**985,161**	-
		159,747,698	4,138,887

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.a

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

(Rupees in '000)

		Capital Reserves			Revenue Reserve				
	Issued, subscribed and paid up capital	Merger reserve	Other capital reserve	Surplus on revaluation of operating fixed assets	Accumulated Loss	Sub-total	Contribution against future issue of shares	Non controlling interest	Total
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
Profit after taxation	-	-	-	-	4,123,849	4,123,849	-	-	4,123,849
Other comprehensive profit for the year - net of tax	-	-	-	-	15,038	15,038	-	-	15,038
Total comprehensive income for the year	-	-	-	-	4,138,887	4,138,887	-	-	4,138,887
Incremental depreciation relating to revaluation surplus on operating fixed assets - net of tax	-	-	-	(1,010,248)	1,010,248	-	-	-	-
Balance as at June 30, 2022	**53,298,847**	**(21,303,418)**	**3,214,209**	**8,733,023**	**(19,102,829)**	**24,839,832**	**979,418**	**-**	**25,819,250**
Shares issued during the year	**1,635,629**	**(656,211)**	**-**	**-**	**-**	**979,418**	**(979,418)**	**-**	**-**
Business acquisition during the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**48,093**	**48,093**
Loss after taxation	**-**	**-**	**-**	**-**	**(13,617,885)**	**(13,617,885)**	**-**	**(13,185)**	**(13,631,070)**
Other comprehensive income for the year - net of tax	**-**	**-**	**-**	**173,478,556**	**(99,788)**	**173,378,768**	**-**	**998,347**	**174,377,115**
Total comprehensive income for the year	**-**	**-**	**-**	**173,478,556**	**(13,717,673)**	**159,760,883**	**-**	**985,161**	**160,746,045**
Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	**-**	**-**	**-**	**(1,492,993)**	**1,492,993**	**-**	**-**	**-**	**-**
Balance as at June 30, 2023	**54,934,476**	**(21,959,629)**	**3,214,209**	**180,718,586**	**(31,327,509)**	**185,580,133**	**-**	**1,033,255**	**186,613,388**

The annexed notes from 1 to 50 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 JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(13,157,537)**	5,059,515
Adjustments for:			
Depreciation on operating fixed assets	5.1	**5,011,245**	4,377,554
Depreciation on right-of-use assets	5.3	**308,175**	396,764
Amortisation of intangible asset	6	**6,455**	538
Finance costs	35	**6,578,648**	2,962,593
Allowance for expected credited losses	10.1	**2,142,172**	1,409,624
Gain on property, plant and equipment	34	**(247)**	(72)
Interest income	34	**(1,785,305)**	(987,274)
Liabilities written back		**(6,081,235)**	-
Provision for defined benefit plan	21.1.5	**112,908**	116,278
Net cash flows before working capital changes		**(6,864,722)**	13,335,520
Movement in working capital			
Decrease / (increase) in current assets			
Stores and spares		**331,457**	(558,698)
Stock-in-trade		**22,554,743**	(14,661,150)
Trade debts		**3,357,862**	(3,036,447)
Loans and advances		**68,860**	(59,226)
Trade deposits and short-term prepayments		**24,109**	(273)
Other receivables		**1,686,003**	(1,099,959)
		28,023,033	(19,415,753)
(Decrease) / increase in current liabilities			
Trade and other payables		**(13,625,134)**	13,566,697
Advance from customers		**(1,547,795)**	41,926
		(15,172,929)	13,608,623
Cash generated from operations		**5,985,382**	7,528,390
Finance costs paid		**(5,481,647)**	(4,667,397)
Income taxes paid		**(80,611)**	(55,923)
Gratuity paid	21.1.5	**(20,000)**	(120,100)
Interest received		**115,383**	26,274
Net cash generated from operations		**518,507**	2,711,244
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(2,141,138)**	(2,814,592)
Acquisition of intangible asset		**-**	(19,365)
Proceeds from disposal of property, plant and equipment		**673**	72
Long-term deposits - net		**60,822**	(75,147)
Net cash used in investing activities		**(2,079,644)**	(2,909,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		**902,538**	(3,324,338)
Short-term borrowings - net		**(673,446)**	4,557,969
Payment of lease liabilities		**(352,389)**	(405,056)
Net cash (used in) / generated from financing activities		**(123,298)**	828,575
Net (decrease) / increase in cash and cash equivalents		**(1,684,435)**	630,787
Cash and cash equivalents - at the beginning of the year		**1,280,745**	649,958
Cash and cash equivalents - at the end of the year	38	**(403,690)**	1,280,745

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

As at June 30, 2023, 'the Group' comprises of the Holding Company and following subsidiaries that have been consolidated in these consolidated financial statements.

1.1 Holding Company

Cnergyico Pk Limited (the Holding Company)

The Holding Company was incorporated in Pakistan as a public limited company on January 09, 1995 under the Companies Act, 2017 and was granted a certificate of commencement of business on March 13, 1995. The shares of the Company are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Bosicorco International Limited (formerly Cnergyico Mu Incorporated), Mauritius (the Parent Company). The Parent 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 Company has two refineries with an aggregate rated capacity of 156,000 bpd. Petroleum marketing business was formally launched in 2007 and has 468 (June 30, 2022: 447) retail outlets across the country.

The Board of directors (the board) of the Holding Company in their meeting dated January 13, 2022 has approved the acquisition of 57.37% stake in Puma Energy Pakistan Private Limited. However, no progress has been made in this regards.

During the year the Holding Company acquired 91.05% shareholding in Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) against the advance against shares.

During the year, the board of the Holding Company in its meeting held on September 22, 2022 approved the incorporation of five new wholly owned subsidiaries, in order to restructure the Holding Company such that it would result in spinning off of the company's assets and liabilities into its subsidiaries and will be consummated through a court sanctioned scheme of arrangement under section 279 to 283 and 285 of the Companies Act, 2017 to be filed with the High Court of Sindh.

Geographical location and addresses of major business units of the Holding Company are as under:

Head office

The Harbour Front, 9th Floor, Dolmen City, HC-3, block 4, marine drive, Clifton, Karachi - 75600, Pakistan.

Refining unit

Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan.

1.2 Subsidiary Companies

1.2.1 Cnergyico Isomerate Pk (Private) Limited (CIPL)

CIPL was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on May 14, 2014. CIPL 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 of the subsidiary are as under:

Head office

Rooms 406 and 407, 4th Floor, Islamabad Stock Exchange Towers, 55-b. Jinnah Avenue, Islamabad.

Refining unit

Survery / Khasra No. 310, Mouza Kund, Sub Tehsil, Gadani, District, Lasbella Baluchistan.

1.2.2 Bosicorco OSB 1 (Private) Limited

Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) (the Company) was incorporated as a public unlisted company in Pakistan on August 19, 2005 and was subsequently converted into a private limited company on April 27, 2011, under the Companies Act, 2017. The principal activity of the Company is serving as a mooring point for offloading liquid products through the Single Buoy Mooring (SBM).

Company in its extra ordinary general meeting of shareholders held on January 10, 2023 passed special resolution and resolved that name of the Company changed from 'Coastal Refinery (Private) Limited' to "Cnergyico SLB SPM 1 (Private) Limited". However, the extra ordinary general meeting held on July 27, 2023 passed special resolution and resolved that name of the Company changed from "Cnergyico SLB SPM 1 (Private) Limited" to "Bosicorco OSB 1 (Private) Limited".

Geographical location and addresses of major business units of the subsidiary are as under:

Head office

The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.

SBM facility

Mouza Kund, Sub Tehsil, Gadani, District , Lasbella Balochistan.

1.2.3 Bosicorco CPB 1 (Private) Limited

Bosicorco CPB 1 (Private) Limited (formerly Cnergyico CPB CPC 1 (Private) Limited was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on October 27, 2022. The company is principally engaged in refining, buying and selling basic drugs, phyto chemicals, laboratory and other chemicals used in different industries.

Subsequent to year end, Company in its extra ordinary general meeting of shareholders held on July 06, 2023 passed special resolution and resolved that name of the Company changed from 'Cnergyico CPB CPC 1 (Private) Limited to "Bosicorco CPB 1 (Private) Limited".

Head Office:

The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.

1.2.4 Bosicorco OMB 1 (Private) Limited

Bosicorco OMB 1 (Private) Limited (formerly Cnergyico OMB (Private) Limited) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on October 27, 2022. The company is principally engaged in acquisition, distribution, marketing and selling, import ad export all kinds of petroleum and petroleum products.

Subsequent to year end, Company in its extra ordinary general meeting of shareholders held on July 06, 2023 passed special resolution and resolved that name of the Company changed from 'Cnergyico OMB (Private) Limited to "Bosicorco OMB 1 (Private) Limited".

Head Office:

The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.

1.2.5 Bosicorco ORB 1 (Private) Limited

Bosicorco ORB 1 (Private) Limited (formerly Cnergyico ORB ORC 1 (Private) Limited) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on October 25, 2022. The company is principally engaged in refining of crude oil to produce petroleum products like PMG, HSD, Kerosene Oil, furnace oil and other petroleum products.

Subsequent to year end, Company in its extra ordinary general meeting of shareholders held on July 06, 2023 passed special resolution and resolved that name of the Company changed from 'Cnergyico ORB ORC 1 (Private) Limited to "Bosicorco ORB 1 (Private) Limited".

Head Office:

The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.

1.2.6 Bosicorco ORB 2 (Private) Limited

Bosicorco ORB 2 (Private) Limited (formerly Cnergyico ORB ORC 2 (Private) Limited) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on October 27, 2022. The company is principally engaged in refining of crude oil to produce petroleum products like PMG, HSD, Kerosene Oil, furnace oil and other petroleum products.

Subsequent to year end, Company in its extra ordinary general meeting of shareholders held on July 06, 2023 passed special resolution and resolved that name of the Company changed from 'Cnergyico ORB ORC 2 (Private) Limited to "Bosicorco ORB 2 (Private) Limited".

Head Office:

The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.

1.2.7 Bosicorco OSB 2 (Private) Limited

Bosicorco OSB 2 (Private) Limited (formerly Cnergyico SLB SPM 2 (Private) Limited) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on October 27, 2022. The company is principally engaged in refining of crude oil to produce petroleum products like PMG, HSD, Kerosene Oil, furnace oil and other petroleum products.

Subsequent to year end, Company in its extra ordinary general meeting of shareholders held on July 06, 2023 passed special resolution and resolved that name of the Company changed from 'Cnergyico SLB SPM 2 (Private) Limited to "Bosicorco OSB 2 (Private) Limited".

Head Office:

The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.

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 Basis of measurement

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

- Operating fixed assets which are carried at revalued amount in accordance with IAS 16 “Property, Plant and Equipment” as disclosed in note 4.1 and 5.1; 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 4.12 and 21.1

2.3 Changes in accounting standards and interpretations

2.3.1 Amendments to accounting and reporting standards and the framework for financial reporting

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework;	January 01, 2023
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use;	January 01, 2023
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract;	January 01, 2023
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).	January 01, 2023

2.3.2 New accounting standards / amendments to the accounting and reporting standard

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.4 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:

		Note
i)	Useful lives of items of property, plant and equipment	4.1 & 5.1
ii)	Provision for slow moving and obsolete stores and spares	4.5
iii)	Allowance for expected credit losses and other receivables	4.8
iv)	Impairment against non-financial assets	4.3
v)	Estimates of receivables and payables in respect of staff retirement benefit schemes	4.11
vi)	Surplus on revaluation of Property, plant and equipment	4.1
vii)	Provision for taxation	4.13
viii)	Contingencies	4.17
ix)	Determining the lease term of contracts with renewal and termination options	4.10

2.4.1 Changes in accouting estimates

During preparation of these financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceeding audited consolidated financial statements of the Group for the year ended June 30, 2023 except for the following:

During the year, the Group conducted an assessment of the remaining useful life of its operating fixed assets by independent valuer, in adherence to the requirement set forth by International Accounting Standard 16 "Property, Plant and Equipment". This evaluation resulted in an extension of the useful life of the following operating fixed assets, with effect from April 30, 2023:

	From	To
	------------ (No. of years) ------------	
Plant and machinery	**20 - 25**	35 - 40
Safety and lab equipments	**4 - 5**	35 - 40

The said change is accounted for as a change in accounting estimate and is applied prospectively as per the requirements of International Accounting Standard 8 "Accounting Policies, Changes In Accounting Estimates and Errors".

Had there been no change in useful life of plant the effect of depreciation in current and future years in relation to these assets will be increased by the following amounts:

Financial impact each year:	**Depreciation on old life**	**Depreciation on revised life**	**Effect on profit or loss**
	-------------------- (Rupees in '000) --------------------		
2023	10,619,187	4,932,388	5,686,798
2024 & Onwards	41,786,254	7,665,465	34,120,788

3. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as "the Group" as disclosed in note 1.

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 unconsolidated financial statements of the subsidiaries are prepared for the same reporting year as the Holding Company, using consistent accounting policies.

The assets, liabilities, income and expenses of subsidiary Companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Operating fixed assets - 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 5.1 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 operating fixed assets 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 charged to the consolidated statement of profit or loss in the year in which it is incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Group.

An item of operating fixed assets 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 month of disposal.

Increase in the carrying amounts arising on revaluation of operating fixed assets are recognised in consolidated statement of other comprehensive income and accumulated in reserves in shareholders' equity to except to the extent that it reverses a revaluation decrease previously recognised in consolidated statement of profit or loss, in which case the increase is credited to consolidated statement of profit or loss to the extent of the decrease previously charged. Decrease that reverse previous increase of the same asset are first recognised in consolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease 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 4.17 to the consolidated financial statements.

- interest expenses and other expenses as mentioned in note 5.2.1 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.

4.2 Intangible asset

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Group and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. Direct costs include the purchase cost of software, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method over a period of three years or license period, whichever is shorter.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indicate on exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

4.3 Impairment of 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 amortisation, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in consolidated statement of profit or loss.

4.4 Stock-in-trade

All stock-in-trade is valued at the lower of cost and net realisable value (NRV). Stock-in-transit, if any, are valued at cost comprising invoice values plus other charges incurred as of reporting 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 realisable 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.

4.5 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 realisable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the consolidated statement of profit or loss.

4.6 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 reporting 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.

4.7 Advance from customers

Advances from customers 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, an advance is recognised when the payment is made or the payment is due (whichever is earlier). Advances are recognised as revenue when the Group fulfills its performance obligations under the contract.

4.8 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.

4.8.1 Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised 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 as determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, 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 amortised cost (debt instruments);

- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments) (FVTOCI); and

- Financial assets at fair value through profit or loss (FVTPL).

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised 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 amortised 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.

The Group's financial assets at amortised cost includes long-term loans, long-term deposits, trade receivables, other receivables and Cash at bank.

Financial assets designated at FVTOCI (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 consolidated statement of profit or loss. Dividends are recognised as other income in consolidated statement of 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 other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Group has not designated any financial asset at FVTOCI.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, 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 amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL 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 FVTOCI. Dividends on listed equity investments are also recognised as other income in consolidated statement of profit or loss when the right of payment has been established.

The Group has not designated any financial asset at FVTPL.

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.

4.8.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, 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 FVTPL

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 FVTPL.

Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortised 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 amortisation process.

Amortised 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.

4.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated statement of financial position 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 realise 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 statement of financial position.

4.9 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.

4.10 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

Where the Group cannot readily determine the interest rate implicit in the lease, 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.

Group as a lessor

Leases in which the Group 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 consolidated 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.

4.11 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 June 30, 2023 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 the consolidated statement of comprehensive income in the year in which they arise. Past service costs are recognised immediately in the 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 the 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.

4.12 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.

4.13 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 (ITO).

Deferred

Deferred tax is recognised using the 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 utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

4.14 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.

4.15 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Group is stated at the rates at which these were received. Foreign currency payments by the Group 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).

4.16 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 capitalised 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 recognised 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.

4.17 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.

4.18 Share capital

Ordinary shares are classified as equity and recognised 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.

4.19 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Group expects to be entitled to in exchange for transferring goods 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; and

- Handling and storage income, rental income on equipment and other services income is recognised on accrual basis.

4.20 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 loan and advances are recognised on the time proportionate basis;

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

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

4.21 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.

4.22 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.

4.23 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.

4.24 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved.

4.25 Unclaimed dividend

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

4.26 Functional and presentation currency

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

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**295,025,334**	52,076,046
Capital work-in-progress	5.2	**35,410,950**	30,889,066
Right-of-use assets	5.3	**1,370,378**	711,237
		331,806,662	83,676,349

5.1 Operating fixed assets

(Rupees in ‘000)

June 30, 2023	COST / REVALUATION					ACCUMULATED DEPRECIATION				Written down value as at June 30, 2022	Depreciation rate %
	As at July 01, 2021	Additions / transfers	Revaluation surplus	Disposals	As at June 30, 2022	As at July 01, 2021	Charge for the year	Disposals	As at June 30, 2022		
Free hold land	966,668	-	4,090,787	-	5,057,455	-	-	-	-	5,057,455	-
Lease hold land (5.1.1)	1,314,956	-	1,175,125	-	2,490,081	110,081	-	-	110,081	2,380,000	-
Building on free hold											
land, roads and civil works	1,798,317	82,389	1,259,865	-	3,140,571	572,916	77,445	-	650,361	2,490,210	4
Building on lease hold land	81,906	-	-	-	81,906	33,719	3,499	-	37,218	44,688	4
Plant and machinery	83,312,339	3,606,326	237,494,509	-	324,413,174	35,150,421	4,806,822	-	39,957,243	284,455,931	2.5-2.86
Furniture and fixtures	242,988	1,085	-	-	244,073	185,088	7,777	-	192,865	51,208	10
Filling stations (5.1.2)	1,041,663	25,675	-	-	1,067,338	702,182	58,355	-	760,537	306,801	5-12.5
Vehicles	93,220	20,000	-	-	113,220	89,953	5,070	-	95,023	18,197	20
Computer and allied equipments	473,314	8,450	-	(1,587)	480,177	419,075	39,410	(1,161)	457,324	22,853	33.33
Safety and lab equipments	1,374,499	13,852	182,895	-	1,571,246	1,360,388	12,867	-	1,373,255	197,991	2.5-2.86
	90,699,869	**3,757,777**	**244,203,181**	**(1,587)**	**338,659,241**	**38,623,823**	**5,011,245**	**(1,161)**	**43,633,907**	**295,025,334**	

(Rupees in ‘000)

June 30, 2022	COST / REVALUATION					ACCUMULATED DEPRECIATION				Written down value as at June 30, 2022	Depreciation rate %
	As at July 01, 2021	Additions / transfers	Revaluation surplus	Disposals	As at June 30, 2022	As at July 01, 2021	Charge for the year	Disposals	As at June 30, 2022		
	---------- (Rupees in '000) ----------										
Free hold land	966,668	-	-	-	966,668	-	-	-	-	966,668	-
Lease hold land (5.1.1)	1,314,956	-	-	-	1,314,956	110,081	-	-	110,081	1,204,875	-
Building on free hold				-	-				-		
land, roads and civil works	1,798,317		-	-	1,798,317	499,829	73,087	-	572,916	1,225,401	4
Building on lease hold land	81,906	-	-	-	81,906	29,988	3,731	-	33,719	48,187	4
Plant and machinery	82,771,055	541,284	-	-	83,312,339	30,963,999	4,186,422	-	35,150,421	48,161,918	4-6.7
Furniture and fixtures	239,049	3,939	-	-	242,988	177,474	7,614	-	185,088	57,900	10
Filling stations (5.1.2)	817,507	224,156	-	-	1,041,663	652,648	49,534	-	702,182	339,481	5-12.5
Vehicles	93,220		-	-	93,220	87,630	2,323	-	89,953	3,267	20
Computer and allied equipments	450,126	26,855	-	(3,667)	473,314	371,448	51,294	(3,667)	419,075	54,239	33.33
Safety and lab equipments	1,364,638	9,861	-	-	1,374,499	1,356,839	3,549	-	1,360,388	14,111	20-25
	89,897,442	**806,095**	**-**	**(3,667)**	**90,699,869**	**34,249,936**	**4,377,554**	**(3,667)**	**38,623,823**	**52,076,046**	

5.1.1 This includes lease hold land amounting to Rs. 110.081 million (June 30, 2022 : Rs. 110.081 million) which had been fully depreciated based on its lease term.

5.1.2 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.

5.1.3 On April 30, 2023, Group revlaued its freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery and safety and lab equipments, as per the 3 years revaluation cycle, that resulted in revaluation surplus of Rs. 244,203.181 million. The valuation was carried out by an independent valuer, on the basis of present market values for similar assets and replacement values of similar type of assets adjusted for depreciation or economic obselence factor (level 3).

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 cash flows) (level 3).

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

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
Free hold land		**56,154**	56,154
Lease hold land		**213,200**	213,200
Buildings on free hold land, roads and civil works		**1,164,647**	1,156,672
Building on lease hold land		**37,126**	40,402
Plant and machinery		**44,145,272**	37,960,159
Safety and lab equipments		**20,514**	12,784
		45,636,913	39,439,371

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

	Note	**June 2023**	June 2022
Cost of sales	30.1	**4,912,395**	4,279,979
Administrative expenses	31	**39,090**	46,609
Selling and distribution expenses	32	**59,759**	50,966
		5,011,244	4,377,554

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

	June 2023	June 2022
Free hold land	**3,540,218**	773,334
Lease hold land	**1,666,000**	963,900
Buildings on free hold land, roads and civil works	**1,570,681**	957,005
Building on lease hold land	**56,911**	37,057
Plant and machinery	**197,585,281**	32,349,911
Safety and lab equipments	**113,555**	11,991
	204,532,645	35,093,198

5.1.7 **Particulars of immovable assets of the Group 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

5.2 Capital work-in-progress

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

	Note	July 01, 2022	Additions	Transfers	Closing balance June 2023	Closing balance June 2022
		(Rupees in '000)				
Building on free hold land, roads and civil works		691	164,648	(82,389)	**82,950**	691
Plant and machinery	5.2.1 - 5.2.2	30,888,375	4,402,843	(44,061)	**35,247,157**	30,888,375
Safety & lab equipment		-	26,907	(14,664)	**12,243**	-
Filling stations		-	68,600	-	**68,600**	-
Computer & Allied		-	8,392	(8,392)	**-**	-
		30,889,066	4,671,390	(149,506)	**35,410,950**	30,889,066

5.2.1 Capitalisation of borrowing costs amounting to Rs. 2,783.922 million (June 30, 2022: Rs. 1,664.276 million) have been determined at the rate of 16% (June 30, 2022: 9%) per annum.

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

	Note	June 2023	June 2022
5.3 Right-of-use assets		(Rupees in '000)	
Year ended June 30			
Opening net book value		**711,237**	828,609
Additions		**967,316**	279,392
Depreciation charge for the year	5.3.2	**(308,175)**	(396,764)
Closing net book value		**1,370,378**	711,237
As at June 30			
Cost		**2,930,197**	1,962,881
Accumulated depreciation		**(1,559,819)**	(1,251,644)
Net book value		**1,370,378**	711,237

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

	June 2023	June 2022
Lease hold land	**631,765**	395,497
Building on lease hold land	**738,613**	315,740
	1,370,378	711,237

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

	Note	June 2023	June 2022
Cost of sales	30.1	**140,529**	89,179
Administrative expenses	31	**79,439**	108,003
Selling and distribution expenses	32	**88,207**	199,582
		308,175	396,764

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

	June 2023	June 2022
Lease hold land	**121,864**	181,801
Building on lease hold land	**186,311**	214,963
	308,175	396,764

5.3.3 Lease obligations of the Group comprise of lease arrangements giving it the right-of-use over lands, warehouses, terminals and office premises.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
6.	**INTANGIBLE ASSET**			
	Computer Software			
	Opening net book value		**18,827**	-
	Additions for the year		**-**	19,365
	Amortisation charge for the year		**(6,455)**	(538)
	Closing net book value		**12,372**	18,827
	As at June 30, 2023			
	Cost		**19,365**	19,365
	Accumulated amortisation		**(6,993)**	(538)
	Net book value		**12,372**	18,827
			---------------- (%) ----------------	
	Rate of amortisation		**33.33**	33.33
			---------- (Rupees in '000) ----------	
7.	**LONG-TERM DEPOSITS**			
	Offices		**14,959**	14,178
	Retail sites and others		**313,768**	379,262
			328,727	393,440
8.	**DEFERRED TAXATION - NET**			
	Deductible temporary differences arising in respect of:			
	- employees retirement benefit		**32,743**	44,430
	- allowance for expected credit losses		**3,239,367**	2,618,137
	- unabsorbed tax depreciation		**2,866,393**	3,500,398
	- lease liability		**508,783**	220,186
			6,647,286	6,383,151
	Taxable temporary differences arising in respect of:			
	- accelerated tax depreciation		**(9,744,195)**	(5,376,889)
	- right of use assets		**(397,409)**	
	- revaluation surplus on property, plant and equipment		**(68,706,572)**	(1,006,262)
			(78,848,176)	(6,383,151)
			(72,200,890)	-
9.	**STOCK-IN-TRADE**			
	Raw material	9.1 & 9.2	**18,389,344**	35,168,694
	Finished products	9.3 & 9.4	**7,301,737**	13,077,130
			25,691,081	48,245,824

9.1 This includes raw material in transit amounting to Rs. 14,366.305 million (June 30, 2022: Rs. 22,250.820 million) as at the date of consolidated statement of financial position.

9.2 Raw material has been written down by Rs. 318.784 million (June 30, 2022: nil) to net realisable value.

9.3 This includes finished product held by third parties amounting to Rs. 1,867.896 million (June 30, 2022: Rs. 2,689.126 million) as at the date of consolidated statement of financial position.

9.4 Finished products has been written down by Rs. 8.139 million (June 30, 2022: nil) to net realisable value.

		Note	June 2023	June 2022
10.	**TRADE DEBTS**		---------- (Rupees in '000) ----------	
	Considered good		**3,205,613**	7,078,048
	Considered doubtful		**11,170,231**	9,028,059
			14,375,844	16,106,107
	Allowance for expected credit losses	10.1	**(11,170,231)**	(9,028,059)
			3,205,613	7,078,048

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
10.1	**Allowance for expected credit losses**			
	Opening balance		**9,028,059**	7,618,435
	For the year	33	**2,142,172**	1,409,624
	Closing balance		**11,170,231**	9,028,059
11.	**LOANS AND ADVANCES**			
	Considered good - Secured			
	Advance to suppliers and contractors		**69,131**	4,294
	Considered good - Unsecured			
	Advance to employees, suppliers and contractors		**48,683**	182,380
	Current portion of loans and advances to Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited)		**-**	1,518,780
			117,814	1,705,454
12.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Deposits		**15,372**	15,372
	Prepayments			
	- Insurance		**9,354**	37,328
	- Others		**3,865**	-
			28,591	52,700
13.	**OTHER RECEIVABLES**			
	Considered good			
	Due from Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) (BOSB1L)	13.1	**-**	1,087,566
	Sales tax refundable	13.2	**-**	1,454,058
	Others		**23,156**	22,576
			23,157	2,564,200

13.1 This balance represents expenses incurred by the Company on behalf of BOSB1L. The outstanding balance is being adjusted against the cost payable to BOSB1L on account of usage of buoy. During the year, the holding company acquired BOSB1L therefore balances as at reporting date were eliminated in these consolidated financial statements.

13.2 This represents sales tax on raw material paid by the Company at import stage.

		Note	June 2023	June 2022
14.	**CASH AND BANK BALANCES**		---------- (Rupees in '000) ----------	
	Cash in hand		**804**	333
	Cash at banks			
	- Current accounts		**1,123,948**	2,304,482
	- Savings / deposit accounts	14.1 & 14.2	**71,558**	575,930
			1,195,506	2,880,412
			1,196,310	2,880,745

14.1 These carry interest at the rates ranging from 3.75% to 19.50% (June 30, 2022: 2.7% to 12.25%) per annum.

14.2 This includes Rs. 107.460 million (June 30, 2022: Rs. 327.158 million) kept in shariah compliant saving account.

15. SHARE CAPITAL

June 30, 2023	June 30, 2022		Note	June 2023	June 2022
-------- (Number of Shares) --------				---------- (Rupees in '000) ----------	
		Authorised 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
5,306,098,933	5,142,536,068	Issued for consideration other than cash - assets		**53,060,990**	51,425,361
5,493,447,571	5,329,884,706			**54,934,476**	53,298,847

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

15.2 As at June 30, 2023 Bosicorco International Limited (formerly Cnergyico Mu Incorporated (CMI)), Mauritius) (the Holding Company) hold 3,885,421,355 (June 30, 2022: 3,721,858,490) ordinary shares of Rs. 10 each.

15.3 In pursuant to the resolution as disclosed in note 16.1, the Holding Company, on May 05, 2023, has further issued 163,562,865 ordinary shares of Rs. 10 each to the parent company by way of other than right offer for consideration other than cash.

16. CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
From Bosicorco International Limited (formerly Cnergyico Mu Incorporated), the parent company	16.1	-	979,418

16.1 In respect of plant and machinery

Pursuant to a share subscription agreement dated August 31, 2006 and amended vide an addendum dated July 31, 2007 entered into between the Holding Company and its sponsor, the sponsor has paid the amount to the supplier against the plant and machinery 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 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.

In the year 2021, the Board of Directors of the Holding Company in its meeting held on August 31, 2021, resolved and approved for issuance of 163.563 million shares of the Company, having face value of Rs. 10 each, to Bosicorco International Limited (formerly Cnergyico Mu Incorporated), the Parent Company.

In pursuant to the above resolution, the Holding Company has further issued 163,562,865 ordinary shares of Rs. 10 each to the parent company as disclosed in note 15.3.

17. LONG-TERM FINANCING

Facilities	Note	Mark-up rate	Installments: Payment term	Number	Commencement	2023	2022
Secured							
Bilateral Loan I	17.1 & 17.2	Six months kibor + 4.5%	Quarterly	12	June 2019	-	150,000
Bilateral Loan II	17.1	Three months kibor + 1.5%	Quarterly	12	September 2020	**83,334**	416,667
Bilateral Loan III	17.1 & 17.2	Three months kibor + 4.5%	Quarterly	12	June 2019	-	100,000
Bilateral Loan IV	17.1	Three months kibor + 1.5%	Quarterly	12	May 2021	**916,666**	1,650,000
Bilateral Loan V	17.1	Three months kibor + 2.5%	Quarterly	08	October 2020	**63,742**	191,227
Bilateral Loan VI	17.1 & 22.1	SBP rate* + (2.5% - 3%)	Quarterly	08	January 2021	-	307,387
Bilateral Loan VII	17.1 & 17.2	Three months kibor + 4.5%	Quarterly	12	March 2024	**240,000**	-
Bilateral Loan VIII	17.1 & 17.3	Three months kibor + 0.5%	Quarterly	20	June 2023	**2,500,000**	-
						3,803,742	2,815,281
Sukuk certificates	17.1 & 17.4	Three months kibor + 1.05%	Quarterly	12	April 2019	-	780,000
Related parties - unsecured							
Integrate Pk (Private) Limited - Supplier's credit	17.5, 17.8 & 17.10	One year Libor + 1%	Semi-annually	20	June 2025	**958,890**	958,890
Integrate Pk (Private) Limited - Others	17.5, 17.6 & 17.11	Nil to six months kibor + 4%	Semi-annually	05	June 2025	**8,724,667**	13,456,323
Bosicorco International Limited (formerly Cnergyico Mu Incorporated), the Parent Company	17.9 & 17.10	Six month to one year libor + 1%	Semi-annually	04	June 2025	**3,935,650**	3,935,650
						13,619,207	18,350,863
						17,422,949	21,946,144
Current maturity						**(1,103,743)**	(2,801,706)
						16,319,206	19,144,438

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

17.1 This represent facilities availed from various banks and are secured against the Holding Company's operating fixed assets and current assets.

17.2 In December 2022, the Holding Company restructured its outstanding facilities of Rs. 100 million and Rs. 150 million into a restructured term finance facility of Rs. 250 million. This restructured facility is to be paid in 12 equal installments starting from March 2024.

17.3 During the year short-term facility amounting to Rs. 2.5 billion restructured to a long-term facility to streamline the Group's operations.

17.4 This 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 Group.

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

17.6 In June 2021, the Holding Company entered into a novation agreement according to which loan and accrued markup novated to Integrate Pk (Private) Limited, a related party.

17.7 During the year, loan amounting to Rs. 250 million obtained 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 6 months kibor plus 4% per annum.

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

17.9 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.

17.10 During the year ended June 30, 2018, the Holding Company 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 recognised the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

17.11 During the year, Integrate Pk (Private) Limited waived off portion of its loan amounting to Rs. 4,591.531 million through waiver agreement dated December 12,2022. Due to the said waiver the old liability was extinguished and a new liability was recognised at revised fair value in these consolidated financial statements. Consequently, the carrying values of the deferred mark-up have been re-measured to incorporate the impact new loan liability. The resulting gain on modification due to changes in term of the loan is charged to consolidated statement of profit or loss (note 34).

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
18. ACCRUED AND DEFERRED MARK-UP			
Mark-up on long-term financing / loans from related parties			
- secured		**317,602**	592,148
- unsecured		**8,598,704**	7,132,660
		8,916,306	7,724,808
Current portion of accrued and deferred mark-up		**(317,602)**	(592,148)
		8,598,704	7,132,660
19. LONG-TERM LEASE LIABILITIES			
Opening balance		**1,470,497**	1,387,666
Additions during the year		**967,316**	279,392
Accretion of interest	35	**234,439**	208,495
Lease rentals paid		**(352,389)**	(405,056)
Balance at end of the year		**2,319,863**	1,470,497
Current portion of lease liabilities	27	**(304,980)**	(339,788)
Long-term lease liabilities		**2,014,883**	1,130,709

19.1 The rent expense related to short-term leases, included in cost of goods sold, administrative and selling and distribution expenses amounts to Rs. 68.655 million (June 30, 2022: Rs. 13.748 million).

	Note	**June 2023**	June 2022
20. LONG-TERM DEPOSITS		**---------- (Rupees in '000) ----------**	
Deposits	20.1	**246,115**	250,081

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

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
21. DEFERRED LIABILITIES			
Employees retirement benefits	21.1	**401,322**	167,867
Others	21.2	**453,689**	166,416
		855,011	334,283

21.1 Employees retirements benefits - staff gratuity

21.1.1 General description

The Group 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 June 30, 2023, 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:

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	
21.1.2 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	21.1.3	**798,443**	691,514
Fair value of plan assets	21.1.4	**(397,121)**	(523,647)
		401,322	167,867
21.1.3 Movement in the present value of defined benefit obligation:			
Opening balance		**691,514**	652,473
Current service cost		**94,394**	96,515
Interest cost		**82,824**	63,446
Benefits paid during the year		**(96,581)**	(53,267)
Actuarial (gain) / loss	21.1.7	**26,292**	(67,653)
Closing balance		798,443	691,514
21.1.4 Movement in the fair value of plan assets:			
Opening balance		**523,647**	459,603
Expected return on plan assets		**64,310**	43,684
Contributions		**20,000**	120,100
Benefits paid during the year		**(96,581)**	(53,267)
Actuarial (loss) / gain	21.1.7	**(114,255)**	(46,473)
Closing balance		**397,121**	523,647
21.1.5 Movement in net liability			
Opening balance		**167,867**	192,870
Charge for the year	21.1.6	**112,908**	116,277
Contributions		**(20,000)**	(120,100)
Actuarial loss / (gain)	21.1.7	**140,547**	(21,180)
Closing balance		**401,322**	167,867
21.1.6 Charge for the year			
Current service cost		**94,394**	96,515
Interest cost - net		**18,514**	19,762
		112,908	116,277
21.1.7 Actuarial remeasurements			
Actuarial gain / (loss) on defined benefit obligations		**(26,292)**	67,653
Actuarial (loss) / gain on fair value of plan assets		**(114,255)**	(46,473)
		(140,547)	21,180

	Note	June 2023	June 2022
		---------- (Rupees in '000) ----------	

21.1.8 Actuarial assumptions:

	June 2023	June 2022
Valuation discount rate per annum	16.25%	13.25%
Salary increase rate per annum	15.25%	12.25%
Expected return on plan assets per annum	12.28%	9.50%
Normal retirement age of employees	60 years	60 years
Mortality rates	SLIC 2001-05	SLIC 2001-05

21.1.9 As of June 30, 2023: 625 employees (June 30, 2022: 748 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. 145.058 million (June 30, 2022: Rs. 108.101 million).

21.1.11 Contribution for the next financial year as per the actuarial valuation report amounts to Rs. 95.627 million (June 30, 2022: 93.075 million).

21.1.12 The weighted average duration of the obligation is 6.45 years (June 30, 2022: 9.84 years).

21.1.13 Comparisons for past years:

As at June 30	**2023**	2022	2021	2020	2019
	---------------------------------- (Rupees '000)				---------------------------------
Present value of defined benefit obligation	**798,443**	691,514	652,473	451,077	325,987
Fair value of plan assets	**(397,121)**	(523,647)	(459,603)	(352,155)	(267,153)
Deficit	**401,322**	167,867	192,870	98,922	58,834
Experience adjustment on plan liabilities	**(26,292)**	67,653	(123,231)	(37,575)	(19,498)
Experience adjustment on plan assets	**(114,255)**	(46,473)	20,535	324	(28,733)
	(140,547)	21,180	(102,696)	(37,251)	(48,231)

21.1.14 Sensitivity analysis (± 100 bps) on present value of defined benefit obligation:

	June 30, 2023			
	Discount rate		**Salary increase**	
	+ 100 bps	**- 100 bps**	**+ 100 bps**	**- 100 bps**
	--------------------- (Rupees in '000)			**------------------------**
Present value of defined benefit obligation	**751,745**	**850,621**	**854,180**	**747,833**

	June 30, 2022			
	Discount rate		Salary increase	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
	--------------------- (Rupees in '000)			------------------------
Present value of defined benefit obligation	628,692	763,981	767,356	624,859

21.1.15 The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. The impact of change in following variables on defined benefit obligation is as follows:

	Increase in assumption	**Decrease in assumption**
	---------- (Rupees in '000)	**----------**
Mortality 1 year (forward / back)	**798,568**	798,316
Withdrawal rates (10%)	**800,128**	796,623

21.1.16 Composition of plan assets

	June 2023	June 2022
	---------- (Rupees in '000)	**----------**
Mutual funds	**386,384**	416,412
Cash at bank	**10,737**	107,235
	397,121	523,647

	June 2023	June 2022
	---------- (Rupees in '000) ----------	
21.1.17 Maturity profile		
Year 1	**111,321**	33,155
Year 2	**76,458**	36,061
Year 3	**102,729**	30,537
Year 4	**105,703**	45,892
Year 5	**96,588**	70,910
Year 6 - 10	**682,117**	464,733
Year 11 and above	**2,650,040**	3,321,095

21.1.18 Significant risks

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Group 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 savings accounts. The cash at bank exposure is almost 2.7% i.e Rs. 107.235 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' assets.

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 Group 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 Group 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 Group 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).

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
22.	**DEFERRED INCOME - GOVERNMENT GRANT**			
	Opening balance		**3,501**	30,467
	Received during the year		**-**	-
	Recognised in long term loan		**(3,501)**	(26,966)
	Closing balance		**-**	3,501
	Maturity Analysis:			
	Current portion		**-**	(3,501)
	Non-current portion		**-**	-

22.1 Government grant had 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.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
23.	**TRADE AND OTHER PAYABLES**			
	Creditors for supplies and services		**51,356,823**	61,391,441
	Accrued liabilities		**526,747**	6,172,296
	Due to related parties		**256,934**	144,413
	Sales tax and other government taxes		**1,847,175**	88,030
	Payable to staff provident fund		**243,865**	22,142
			54,446,323	67,818,322
24.	**ADVANCE FROM CUSTOMERS**	**24.1**	**1,345,505**	**2,893,300**

24.1 These represent advances received from customers against supply of petroleum products which are recognised as revenue when the performance obligation is satisfied. During the year, the performance obligations underlying the opening contract liability were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
25.	**ACCRUED MARK-UP**			
	Long-term financing		**142,589**	169,493
	Short-term borrowings		**1,780,547**	545,005
			1,923,136	714,498
26.	**SHORT-TERM BORROWINGS - SECURED**			
	Finance against trust receipts	26.1	**17,354,023**	18,027,469
	Running finance	26.2	**1,600,000**	1,600,000
			18,954,023	19,627,469

26.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 32,681 million (June 30, 2022: Rs. 27,725 million) out of which Rs. 15,589 million (June 30, 2022: Rs. 9,698 million) remains unutilised as at the reporting date. The facility carries mark-up ranging from 1 month's KIBOR plus 1.5% to 2% (June 30,2022: 1 month's KIBOR plus 1.25% to 3%). These facilities are secured under joint pari passu (JPP) arrangement having charge on the Group's current and fixed assets.

26.2 The Group has obtained running finance facility amounting to Rs. 1,600 million (June 30,2022: Rs. 1,600 million) obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 2% (June 30, 2022: 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 operating fixed assets of the Group.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
27.	**CURRENT PORTION OF NON-CURRENT LIABILITIES**			
	Long-term financing	17	**1,103,743**	2,801,706
	Accrued and deferred mark-up	18	**317,602**	592,148
	Lease liabilities	19	**304,980**	339,788
	Deferred income - government grant	22	**-**	3,501
			1,726,325	3,737,143

28. CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 Claim against the Group not acknowledged as debt amounting to Rs. 3,353.182 million (June 30, 2022: 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 May 22, 2012 and February 14, 2013 claiming Rs. 233.550 million (June 30, 2022: Rs. 233.550 million) and Rs. 404.357 million (June 30, 2022: 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.

28.1.2 On October 10, 2020, the Appellate Tribunal Inland Revenue (ATIR) decided the subsidiary company's (Bosicorco OSB 1 (Private) Limited) (formerly Cnergyico SLB SPM 1 (Private) Limited) appeal in its favor by declaring provisions of minimum tax under section 153 (3) of the Income Tax Ordinance, 2001 (ITO) not applicable on the subsidiary company, in respect of tax years 2016 and 2017. The subsidiary company's tax assessments for the tax years 2015, 2018 and 2019 were decided by the Commissioner Inland Revenue - Appeals in the subsidiary company's favour, while relying on the aforementioned judgment of the ATIR. The Department has challenged the judgment of the ATIR in High Court of Sindh on January 04, 2021, which is pending hearing. The Group's management is confident that the ATIR judgment will be upheld in the court of law. Accordingly, the Group has not recognised potential tax liability of approximately Rs. 25.124 million (2022: Rs. 25.124 million) in these consolidated financial statements.

		Note	June 2023	June 2022
			---------- (Rupees in '000)	----------
28.2	**Commitments**			
28.2.1	Commitments for capital expenditure		**3,949,879**	4,076,368
28.2.2	Commitments in respect of purchase of Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited) shares		**-**	877,383
29.	**REVENUE FROM CONTRACT WITH CUSTOMERS - NET**			
	Gross sales - local		**223,953,961**	188,210,862
	Sales tax and other duties		**(29,593,679)**	(17,557,779)
	Trade discounts		**(448,120)**	(638,011)
			(30,041,799)	(18,195,790)
			193,912,162	170,015,072

29.1 Disaggregation of revenue has been disclosed in note 45 to these consolidated financial statements.

		Note	June 2023	June 2022
			---------- (Rupees in '000)	----------
30.	**COST OF SALES**			
	Opening stock		**13,077,130**	7,521,371
	Cost of goods manufactured, storage and handling	30.1	**187,723,057**	159,418,633
	Finished products purchased during the year		**11,052,176**	6,041,353
			211,852,363	172,981,357
	Closing stock	9	**(7,301,737)**	(13,077,130)
			204,550,626	159,904,227
30.1	**Cost of goods manufactured, storage and handling**			
	Raw material consumed	30.1.1	**172,459,364**	146,097,835
	Depreciation on operating fixed assets	5.1.5	**4,912,395**	4,279,979
	Exchange loss on crude / POL products		**4,177,942**	3,280,894
	Staff remuneration	30.1.2	**1,812,736**	1,655,892
	Electricity, power and fuel		**1,749,228**	1,526,615
	Stores and spares consumed		**1,201,285**	1,389,080
	Insurance		**320,800**	293,351
	Maintenance and repairs		**256,674**	237,183
	Staff transportation and catering		**275,466**	231,531
	Hospitalities		**275,863**	202,785
	Security expenses		**98,696**	117,944
	Depreciation on right-of-use assets	5.3.2	**140,529**	89,179
	Vehicle running		**20,349**	13,597
	Rent		**21,730**	2,767
			187,723,057	159,418,633

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
30.1.1	**Raw material consumed**			
	Opening stock		**35,168,694**	26,063,302
	Purchases during the year		**155,680,014**	155,203,227
			190,848,708	181,266,529
	Closing stock	9	**(18,389,344)**	(35,168,694)
			172,459,364	146,097,835

30.1.2 This includes a sum of Rs. 131.411 million (June 30, 2022: Rs. 114.382 million) in respect of staff retirement benefits.

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
31.	**ADMINISTRATIVE EXPENSES**			
	Staff remuneration	31.1	**707,496**	646,627
	Depreciation on right-of-use assets	5.3.2	**79,439**	108,003
	Maintenance and repairs		**79,683**	76,131
	SAP and other software maintenance		**66,278**	55,640
	Depreciation on operating fixed assets	5.1.5	**39,090**	46,609
	Travelling and conveyance		**37,191**	38,538
	Legal and professional		**57,151**	35,285
	Utilities		**53,583**	31,686
	Fee and subscriptions		**29,563**	24,608
	Vehicle running		**13,309**	11,065
	Rent		**54,728**	9,213
	Printing and stationary		**7,150**	7,008
	Auditors' remuneration	31.2	**9,970**	6,760
	Security expense		**5,440**	5,655
	Insurance		**10,931**	3,716
	Amortisation	6	**6,455**	538
			1,257,457	1,107,083

31.1 This includes a sum of Rs. 48.218 million (June 30, 2022: Rs. 61.044 million) in respect of staff retirement benefits.

		Note	June 2023	June 2022
31.2	**Auditors' remuneration**		---------- (Rupees in '000) ----------	
	Audit fee			
	- unconsolidated financial statements		**5,460**	4,400
	- consolidation of financial statements		**700**	700
	Special audit fee		**1,950**	-
	Half year review		**650**	650
	Code of corporate governance and other certifications		**500**	500
	Out of pocket expenses		**616**	423
	Sales tax		**93**	87
			9,970	6,760
32.	**SELLING AND DISTRIBUTION EXPENSES**			
	Staff remuneration	32.1	**310,059**	281,048
	Depreciation on right-of-use assets		**88,207**	199,582
	Advertisement		**12,759**	59,505
	Depreciation on operating fixed assets	5.1.5	**59,759**	50,966
	Rent, rates and taxes		**10,385**	1,768
			481,169	592,869

32.1 This includes a sum of Rs. 21.213 million (June 30, 2022: Rs. 18.858 million) in respect of staff retirement benefits.

		Note	June 2023	June 2022
33.	**OTHER EXPENSES**		---------- (Rupees in '000) ----------	
	Allowance for expected credit losses	10.1	**2,142,172**	1,409,624

		Note	June 2023	June 2022
			---------- (Rupees in '000) ----------	
34.	**OTHER INCOME**			
	Income from financial assets			
	Interest on balances due from customer		**1,627,599**	895,051
	Interest on loan to Bosicorco OSB 1 (Private) Limited (formerly Cnergyico SLB SPM 1 (Private) Limited)		**40,331**	65,951
	Interest income on savings accounts		**117,375**	26,272
			1,785,305	987,274
	Income from non-financial assets			
	Dealership income		**9,200**	18,500
	Scrap sales		**60,840**	11,933
	Gain on disposal of operating fixed assets		**247**	72
	Liabilities written back	17.11	**6,081,235**	-
	Others		**3,546**	3,060
			7,940,373	1,020,839
35.	**FINANCE COSTS - NET**			
	Mark-up on:			
	- Long-term financing		**475,998**	390,585
	- Short-term borrowings		**5,664,564**	2,232,267
			6,140,562	2,622,852
	Interest on lease liabilities	19	**234,439**	208,495
	Exchange loss - net		**93,424**	54,512
	Bank and other charges		**110,223**	76,734
			6,578,648	2,962,593
36.	**TAXATION**			
	Current year		**627,132**	238,345
	Prior year		**(153,599)**	-
	Deferred tax charge - net		**-**	697,321
			473,533	935,666

36.1 The returns of income tax have been filed up to and including tax year 2022. These, except for those mentioned in 36.2 are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

36.2 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.

36.3 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 Company filed a Constitutional Petition (CP) before the Court on November 24, 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 June 30, 2018. As at the consolidated statement of financial position date, no liability has been recorded by the Holding Company in this respect.

36.4 Relationship between accounting profit and income tax expense for the year.

Provision for current tax is based on minimum tax on turnover. Accordingly, tax reconciliation has not been presented in these consolidated financial statements.

37. EARNINGS PER SHARE - BASIC AND DILUTED	Note	**June, 2023**	June 2022
		---------- (Rupees in '000) ----------	
BASIC EARNINGS PER SHARE			
(Loss) / profit attributable to shareholders of the Holding Company (Rupees)		**(13,617,885)**	4,123,849
			(Restated)
Weighted average ordinary shares (Numbers)	37.1	**5,420,173,184**	5,394,321,685
			(Restated)
(Loss) / earnings per share - basic (Rupees)		**(2.51)**	0.76
DILUTED EARNINGS PER SHARE			
(Loss) / profit attributable to shareholders of the Holding Company (Rupees)		**(13,617,885)**	4,123,849
Weighted average ordinary shares (Numbers)		**5,420,173,184**	5,329,884,706
Potential shares to be issued (Numbers)	16.3	**-**	163,562,865
		5,420,173,184	5,493,447,571
(Loss) / earnings per share - diluted (Rupees)		**(2.51)**	0.75

37.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 'Earnings Per Share', the basic earning per share of the Holding Company for the year ended June 30, 2022 has been retrospectively adjusted for the effect of bonus element contained in the further issuance of shares made during the year. For this purpose, the weighted average number of ordinary shares outstanding immediately before the rights issue has been increased by the bonus adjustment factor of 1.012 which, in turn, has been determined as the fair value of an ordinary share of the Holding Company as on the date of further issuance of shares i.e. May 05, 2023 divided by the theoretical ex-rights price per share.

38. CASH AND CASH EQUIVALENTS	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
Cash and bank balances	14	**1,196,310**	2,880,745
Running finance facility	26	**(1,600,000)**	(1,600,000)
		(403,690)	1,280,745

38.1 Changes in liabilities from financing activities

	July 01, 2022	Cash flows - net	Non - cash flows	**June 30, 2023**
	---------------------- (Rupees in '000)			------------------------
Long-term financing	21,946,144	68,337	(4,591,532)	**17,422,949**
Lease liabilities	1,470,497	(352,389)	1,201,755	**2,319,863**
Unclaimed dividends	1,027	-	-	**1,027**
	23,417,668	(284,052)	(3,389,777)	**19,743,839**

39. 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:

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

Name of related party	Basis of association	Aggregate shareholding June 2023	June 2022
		---------- (Rupees in '000) ----------	
Bosicorco International Limited (formerly Cnergyico Mu Incorporated)	Parent	**70.73**	69.83
Premier Systems (Private) Limited	Associated companies***	**-**	-
Cnergyico IR DMCC	Associated companies*	**-**	-
Cnergyico Acisal Incorporated	Associated companies**	**-**	-
Asertco Asia Limited	Associated companies*	**-**	-
Integrate Pk (Private) Limited	Associated companies*	**2.71**	4.74
Askari Bank Limited	Associated companies*	**0.01**	-
Employees' gratuity fund	Retirement benefit fund	**0.93**	-
Employees' provident fund	Retirement benefit fund	**-**	-

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* Based on common directorship
** Subsidiary of ultimate parent company
*** Based on shareholding of a director

39.2 Associated companies, joint ventures or holding companies incorporated outside Pakistan:

Name	Country of Incorporation
Bosicorco International Limited (formerly Cnergyico Mu Incorporated)	Mauritius
Cnergyico IR DMCC	United Arab Emirates
Cnergyico Acisal Incorporated	British Virgin Islands

39.3 Transactions with related parties during the year

	June 2023	June 2022
	---------- (Rupees in '000) ----------	
Parent company		
Mark-up charged	**234,430**	60,572
Associated companies		
Mark-up charged		
- secured	**76,819**	-
- unsecured	**1,961,949**	1,464,209
Purchase of operating fixed assets and services	**182,406**	101,010
Waiver of loan	**4,591,531**	-
Others		
Retirement benefit funds	**73,722**	383,015
Key management personnel	**371,947**	209,017

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

39.4 Balances with related parties

	June 2023	June 2022
	---------- (Rupees in '000) ----------	
Parent company		
Contribution against future issue of shares	**-**	979,418
Accrued mark-up	**1,011,009**	778,601
Loan payable	**3,935,650**	3,935,650
Associated companies		
Advance against shared services	**12,452**	37,452
Accrued mark-up		
- secured	**44,017**	-
- unsecured - Gross	**8,311,546**	6,354,058
Loan payable		
- secured	**63,742**	-
- unsecured - Gross	**10,240,098**	14,581,628
Short-term borrowings	**3,947,018**	-
Payable against purchases	**153,595**	38,453
Payable against services	**22,379**	-
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**499,833**	188,134

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

39.5 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 40 to these consolidated financial statements.

40. 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:

	June 2023			June 2022		
	Chief Executive	**Directors**	**Executives**	Chief Executive	Directors	Executives
	(Rupees '000)					
Fee	**-**	**2,760**	**-**	-	2,880	-
Managerial remuneration	**60,102**	**1,800**	**838,179**	-	-	722,521
Staff retirement benefits	**-**	**-**	**131,059**	-	-	119,166
Housing and utilities	**-**	**-**	**246,478**	-	-	221,707
Leave fare assistance	**-**	**-**	**66,355**	-	-	60,186
	60,102	**4,560**	**1,282,071**	-	2,880	1,123,580
	(Numbers)					
Persons	**1**	**4**	**258**	1	2	248

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

40.2 Few executives have been provided with company maintained cars.

40.3 The board consists of 7 directors of which 5 are non-executive directors. Except for three independent directors and two executive director, no remuneration and other benefits have been paid to any other director.

41. FINANCIAL INSTRUMENTS BY CATEGORY

41.1 Financial assets and financial liabilities

	Note	**June 2023**	June 2022
		(Rupees in '000)	
Financial assets measured at amortised cost			
Long-term loans		**-**	482,134
Long-term deposits	7	**328,727**	393,440
Trade debts	10	**3,205,613**	7,078,048
Loans	11	**-**	1,518,780
Trade deposits	12	**15,372**	15,372
Accrued interest		**7,302**	427,981
Other receivables	13	**23,156**	1,110,142
Cash and bank balances	14	**1,196,310**	2,880,745
		4,776,480	13,906,642
Financial liabilities measured at amortised cost			
Long-term financing	17	**16,319,206**	19,144,438
Accrued and deferred mark-up	18	**8,916,306**	7,724,808
Long-term deposits	20	**246,115**	250,081
Trade and other payables	23	**52,384,369**	67,730,409
Accrued mark-up	25	**1,923,136**	714,498
Short-term borrowings - secured	26	**18,954,023**	19,627,469
Current portion of non-current liabilities	27	**1,408,723**	3,141,494
Unclaimed dividend		**1,027**	1,027
		100,152,905	118,334,224

42. 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 minimise the risk. The Group's principal financial instruments comprise short-term borrowings and financing from financial institutions, cash at bank, trade receivables 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's overall risk management policy focuses on minimising 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.

No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023.

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

42.1 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 other price risks such as equity risk.

42.1.1 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, obligations under finance lease 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 delayed payments from PSO on which the Group 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 the Group's interest-bearing financial instruments:

Variable Rate Instruments

	June 2023	June 2022
	---------- (Rupees in '000)	**----------**
Financial assets		
Long-term loan and advance to Bosicorco OSB 1 (Private) Limited	**-**	688,780
Trade debts	**1,029,146**	1,543,719
	1,029,146	2,232,499
Financial liabilities		
Long-term financing	**17,422,949**	21,946,144
Accrued and deferred mark-up	**10,839,442**	8,439,305
Short-term borrowings	**18,954,023**	19,627,469
	47,216,414	50,012,919

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 461.873 million (June 30, 2022: Rs. 477.804 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2022.

42.1.2 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. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	June 2023		June 2022	
	(Rupees in '000)	**(USD '000)**	(Rupees in '000)	(USD '000)
Trade and other payables	**20,658,661**	**72,235**	55,719,386	272,347

The average rates applied during the year is Rs. 245.594/USD (June 30, 2022: Rs. 178.21/USD) and the spot rate as at June 30, 2023 is Rs. 285.991/USD (June 30, 2022: Rs. 204.59/USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 206.587 million (June 30, 2022: Rs. 557.194 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2022.

42.1.3 Other 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. The Group is not exposed to other price risk as at consolidated statement of financial position date.

42.2 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 long-term 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 could be affected due to economic and other changes in their environment. 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.

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 minimise 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; and

- 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:

	Note	**June 2023**	June 2022
		---------- (Rupees in '000)	**----------**
Long-term loans and advances		**-**	482,134
Long-term deposits	7	**328,727**	393,440
Trade debts	10	**3,205,613**	7,078,048
Loans and advances	11	**-**	1,705,454
Trade deposits	12	**15,372**	15,372
Accrued interest		**7,302**	427,981
Other receivables	13	**23,156**	1,110,142
Bank balances	14	**1,195,506**	2,880,412
		4,775,676	14,092,983

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 debtors at the consolidated statement of financial position date is as follows:

	June 2023	June 2022
	---------- (Rupees in '000)	**----------**
Neither past due nor impaired	**2,160,110**	5,502,467
Past due 1-30 days	**9,126**	24,187
Past due 31-365 days	**7,231**	7,676
Above 365 days	**1,029,146**	1,543,718
	3,205,613	7,078,048

Bank balances

A1+	**1,152,065**	2,801,970
A1	**432**	10,184
A2	**7,236**	59,348
A3	**-**	8,910
A-1	**130**	-
F1+	**60**	-
Suspended	**35,583**	-
	1,195,506	2,880,412

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

42.3 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

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

	On demand	**Less than 3 months**	**3 to 12 months**	**More than one year**	**Total**
	(Rupees '000)				
June 30, 2023					
Long-term financing	**-**	**-**	**-**	**16,319,206**	**16,319,206**
Accrued and deferred mark-up	**-**	**-**	**-**	**8,598,704**	**8,598,704**
Long-term deposits	**-**	**-**	**-**	**246,115**	**246,115**
Trade and other payables	**-**	**52,384,369**	**-**	**-**	**52,384,369**
Current portion of non-current liabilities	**-**	**317,602**	**1,408,723**	**-**	**1,726,325**
Unclaimed dividend	**1,027**	**-**	**-**	**-**	**1,027**
Short-term borrowings	**-**	**18,954,023**	**-**	**-**	**18,954,023**
Accrued mark-up	**-**	**1,923,136**	**-**	**-**	**1,923,136**
	1,027	**73,579,130**	**1,408,723**	**25,164,025**	**100,152,905**

	On demand	Less than 3 months	3 to 12 months	More than one year	Total
	(Rupees '000)				
June 30, 2022					
Long-term financing	-	-	-	19,144,438	19,144,438
Accrued and deferred mark-up	-		-	7,132,660	7,132,660
Long-term deposits	-	-	-	250,081	250,081
Current portion of govt. grant	-	-	-	-	-
Trade and other payables	-	67,730,409	-	-	67,730,409
Current portion of non-current liabilities	-	1,624,878	1,768,976	-	3,393,854
Unclaimed dividend	1,027	-	-	-	1,027
Short-term borrowings	-	19,627,469	-	-	19,627,469
Accrued mark-up	-	714,498	-	-	714,498
	1,027	89,697,254	1,768,976	26,527,179	117,994,436

43. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from 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 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2023, the Group has no financial instruments that are measured at fair value in the consolidated statement of financial position

44. 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 maximise the shareholders' value. The Group closely monitors gearing ratios. 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 minimise the risk. No changes were made in the objectives, policies or processes during the year ended June 30, 2023.

The Group is not exposed to externally imposed capital requirement.

The gearing ratios as at June 30, 2023 and 2022 are as follows:

	Note	**June 2023**	June 2022
		---------- (Rupees in '000) ----------	
Long-term financing	17	**16,319,206**	19,144,438
Accrued and deferred mark-up	18	**8,598,704**	7,132,660
Long-term lease liabilities	19	**2,014,883**	1,130,709
Accrued mark-up	25	**1,923,136**	714,498
Short-term borrowings	26	**18,954,023**	19,627,469
Current portion of non-current liabilities		**1,726,325**	3,393,854
Total debt		**49,536,277**	51,143,628
Share capital	15	**54,934,476**	53,298,847
Reserves		**(50,072,929)**	(37,192,038)
Contribution against future issue of shares	16	**-**	979,418
Total capital		**4,861,547**	17,086,227
Capital and net debt		**54,397,824**	68,229,855
		--------- (%) ---------	
Gearing		**91.06**	74.96

45. 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.

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:

	Oil Refining Business		**Petroleum Marketing Business**		**Total**	
	June 2023	June 2022	**June 2023**	June 2022	**June 2023**	June 2022
	---------- (Rupees '000) ----------					
Revenue						
Sales to external customers - net	**121,205,186**	64,680,822	**72,706,976**	105,334,250	**193,912,162**	170,015,072
Inter-segment sales	**71,848,428**	103,394,958	**-**	-	**71,848,428**	103,394,958
Eliminations	**(71,848,428)**	(103,394,958)	**-**	-	**(71,848,428)**	(103,394,958)
Total revenue	**121,205,186**	64,680,822	**72,706,976**	105,334,250	**193,912,162**	170,015,072
Result						
Segment (loss) / profit	**(7,418,643)**	6,875,596	**1,196,621**	1,568,863	**(6,222,022)**	8,444,459
Unallocated expenses:						
Finance costs - net					**(6,578,648)**	(2,962,593)
Interest income					**1,785,305**	987,274
Other expenses					**(2,142,172)**	(1,409,624)
Taxation					**(473,533)**	(935,666)
(Loss) / profit after taxation					**(13,631,070)**	4,123,850
Segmental assets	**364,446,588**	149,918,462	**797,948**	1,193,659	**365,244,536**	151,112,121
Unallocated assets	**-**	-	**-**	-	**-**	-
	364,446,588	149,918,462	**797,948**	1,193,659	**365,244,536**	151,112,121
Segmental liabilities	**178,134,891**	122,835,272	**496,257**	2,457,599	**178,631,148**	125,292,871
Unallocated liabilities	**-**	-	**-**	-	**-**	-
	178,134,891	122,835,272	**496,257**	2,457,599	**178,631,148**	125,292,871
Capital expenditure	**2,115,463**	2,590,436	**25,675**	224,156	**2,141,138**	2,814,592
Other Information						
Depreciation	**5,147,886**	4,523,770	**171,534**	250,548	**5,319,420**	4,774,318

45.1 The Group sells its manufactured products to Oil Marketing Companies (OMCs) and other organisations. Out of these, two of the Group's customers contributed towards 30% (2022: 10.8%) of the net revenues during the year amounting to Rs. 58.24 billion (2022: Rs. 18.3 billion) and each customer individually exceeds 10% of the net revenues.

45.2 All non-current assets of the Group are located in Pakistan. For this purpose non-current assets consist of property, plant and equipment.

46. 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:

	Note	**(Unaudited) June 2023**	(Audited) June 2022
		---------- (Rupees in '000)	**----------**
Size of the fund - Total assets		**637,408**	733,982
Cost of the investment made	46.1	**317,753**	507,465
Fair value of the investment		**318,303**	507,980
Percentage of the investment		**49.85%**	69.17%

46.1 Break-up of cost of investments out of fund:

	June 2023		June 2022	
	(Rupees in '000)	**(%)**	(Rupees in '000)	(%)
Debt securities	**80,108**	**25**	125,712	25
Listed equity	**46,420**	**15**	87,029	17
Bank deposits	**53,040**	**17**	178,702	35
Government securities	**138,185**	**43**	116,022	23
	317,753	**100**	507,465	100

46.2 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 Act and the rules formulated for this purpose.

47. PLANT CAPACITY AND PRODUCTION

Holding Company

Against the designed annual capacity (based on 365 days) of 56.940 million barrels (June 30, 2022: 56.940 million barrels), the actual throughput during the year was 6.821 million barrels (June 30, 2022: 9.305 million barrels). The Group operated the plants considering the level which gives optimal yield of products as per market dynamics.

Cnergyico Isomerate Pk (Private) Limited

Against the designed annual capacity (based on 365 days) of 12,500 barrels per day (June 30, 2022: 12,500 barrels per day), the actual throughput during the year was 738 barrels per day (June 30, 2022: 977 barrels per day) as the operations of the isomerisation plant is based on the customer's requirement for processing.

48. NUMBER OF EMPLOYEES

	June 2023	June 2022
	--------- (Number)	**---------**
At year end	**725**	895
Average during the year	**810**	903

49. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated. Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these consolidated financial statements during the current year.

50. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on October 02, 2023 by the Board of Directors of the Group.

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

CATEGORY DETAILS OF SHAREHOLDING
AS AT JUNE 30, 2023

S. NO.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	8,600	0.00
2	Associated Companies, Undertakings and related Parties	3	4,034,390,763	73.44
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	9	25,480,567	0.46
5	Insurance Companies	1	898,000	0.02
6	Modarabas and Mutual Funds	15	66,188,065	1.20
7	Share holders holding 10%	2	3,885,423,763	70.73
8	General Public :			
	a. local	28,367	1,135,496,701	20.67
	b .Foreign	-	-	-
9	Others	143	230,984,875	4.20
Total (excluding : share holders holding 10%)		**28,541**	**5,493,447,571**	**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	6020	MR. AMIR ABBASSCIY	2,500
3	6382	MR. MUHAMMAD USAMA QURESHI	500
		TOTAL	8,600

Associated Companies, Undertakings and related Parties

1	6368	BISICORCO INTERNATIONAL LIMITED (FORMERLY CNERGYICO MU INCORPORATED)	925,411,762
2	03277-111904	INTEGRATE PK (PRIVATE.) LIMITED	148,967,000
3	03277-60633	CNERGYICO MU INCORPORATED (FORMERLY CNERGYICO MU INCORPORATED)	2,960,012,001
		TOTAL	**4,034,390,763**

Banks, Development Financial Institutions, Non Banking Financial Institutions

1	5937	CRESCENT STANDARD INVESTMENT BANK LTD.	12,000
2	6034	HBL 1 AND 2 PAGE	8,167
3	6162	ABL - PAGE (1 & 2)	15,900
4	02832-32	MEEZAN BANK LIMITED	10,400,000
5	03525-100145	ESCORTS INVESTMENT BANK LIMITED	3,000
6	03798-52	THE BANK OF KHYBER	5,000,000
7	03889-44	NATIONAL BANK OF PAKISTAN	9,312,500
8	05132-26	ASKARI BANK LIMITED	722,000
9	14571-584	FIRST DAWOOD INVESTMENT BANK LIMITED	7,000
		TOTAL	**25,480,567**

Insurance Companies

1	14357-29	ALFALAH INSURANCE COMPANY LIMITED	898,000
		TOTAL	**898,000**

S. NO.	FOLIO	NAME	HOLDING
Modarabas and Mutual Funds			
1	00620-68812	TRUST MODARABA	165,000
2	03277-4962	FIRST ALNOOR MODARABA	112,000
3	04077-25	FIRST FIDELITY LEASING MODARABA	10,000
4	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	413,300
5	06619-26	CDC - TRUSTEE AKD OPPORTUNITY FUND	8,500,000
6	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	18,429,947
7	07450-521	B.R.R. GUARDIAN MODARABA	562,890
8	13946-28	CDC - TRUSTEE KSE MEEZAN INDEX FUND	5,901,428
9	14514-28	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	70,000
10	14688-29	CDC - TRUSTEE NIT INCOME FUND - MT	4,500
11	16485-22	CDC - TRUSTEE FAYSAL MTS FUND - MT	1,787,500
12	17368-25	DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	3,700,000
13	17921-26	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	19,875,000
14	18390-39	CDC - TRUSTEE HBL INCOME FUND - MT	4,503,000
15	18770-24	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	2,153,500
		TOTAL	**66,188,065**
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	00208-38865	DREAMWORLD LIMITED	255,000
8	00208-39806	GREAVES PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	130,000
9	00307-86110	UHF CONSULTING (PRIVATE) LIMITED	600,000
10	00620-25515	TRUSTEE LEVER BROTHERS EMPLOYEES	5,000
11	01339-34538	DADABHOY INVESTMENTS (PRIVATE) LIMITED	1,000,000
12	01669-26	SHAFFI SECURITIES (PVT) LIMITED	25,243
13	01826-198390	SARMAAYA FINANCIALS (PRIVATE) LIMITED	100,000
14	01826-87775	PETROMARK (PRIVATE) LIMITED	75,000
15	01917-33	PRUDENTIAL SECURITIES LIMITED	38
16	01917-41	PRUDENTIAL SECURITIES LIMITED	500
17	02113-3850	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	88,400
18	03244-125699	B.J & COMPANY	20,000
19	03277-116766	AGVEN (PVT.) LIMITED	48,434,500
20	03277-1339	PREMIER FASHIONS (PVT) LTD	209,500
21	03277-15506	TRUSTEES PERAC MNG&SUPERVISORY S.PEN FND	9,466
22	03277-18119	M.C OF THE KARACHI PARSI CO-OP H.SOC LTD	5,000
23	03277-26972	WESTBURY (PRIVATE) LTD	5,000,000
24	03277-38435	PREMIER MERCANTILE SERVICES (PRIVATE) LIMITED	571
25	03277-4841	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	2,448,000
26	03277-4931	SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	11,500,000
27	03277-60958	MIAN NAZIR SONS IND. (PVT) LTD.	225,000
28	03277-6359	PREMIER SHIPPING SERVICES (PVT) LTD.	325
29	03277-72577	HAMEED SHAFI HOLDINGS (PVT) LTD.	60,000
30	03277-80323	ELLAHI CAPITAL (PRIVATE) LIMITED	100
31	03277-94268	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	30,000
32	03277-9699	BURMA OIL MILLS LTD	60,000
33	03277-97910	MAKDA (PVT.) LIMITED	207,975
34	03525-105464	INNOVATIVE INVESTMENT BANK LIMITED (UNDER LIQUIDATION)	30,000
35	03525-111774	GHANI HALAL FEED MILL (PRIVATE) LIMITED	2,200,000
36	03525-54825	NAEEM S SECURITIES (PVT) LTD	9,600

S. NO.	FOLIO	NAME	HOLDING
37	03525-57191	SARFRAZ MAHMOOD (PRIVATE) LTD	500
38	03525-6581	TREET CORPORATION LIMITED.	1
39	03525-87235	MAPLE LEAF CAPITAL LIMITED	1
40	03525-89723	TRUSTEES HIMONT PHARMACEUTICALS (PVT) LTD EMP PROVIDENT FUND	10,000
41	03939-12703	EXCEL SECURITIES (PRIVATE) LIMITED	50
42	03939-62	PEARL SECURITIES LIMITED	1,397,599
43	04002-34898	TRUSTEE-KARACHI SHERATON HOTEL EMPLOYEES PROVIDENT FUND	500
44	04085-24	MRA SECURITIES LIMITED	889,500
45	04317-25	DALAL SECURITIES (PVT) LTD.	300,000
46	04341-3265	RAO SYSTEMS (PVT.) LTD.	120,000
47	04366-20	MULTILINE SECURITIES LIMITED	1,000,000
48	04432-21	ADAM SECURITIES LIMITED	80,000
49	04440-20	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	10,700
50	04457-66160	THE MEMON WELFARE SOCIETY	230,000
51	04457-78	FDM CAPITAL SECURITIES (PVT) LIMITED	100,000
52	04457-91978	MAK COMMODITIES	50,000
53	04580-23	CAPITAL VISION SECURITIES (PVT) LTD.	500
54	04655-16	NCC-SQUARING-UP ACCOUNT	300
55	04705-97687	FREEMEN CORPORATION (PRIVATE) LIMITED	2,007,000
56	04895-11643	CONCORDIA ENTERPRISES (PRIVATE) LIMITED	1,500,000
57	04895-26	DJM SECURITIES LIMITED	1,500,000
58	05264-114350	PREMIUM ADVISORY & TAX SERVICES (PRIVATE) LIMITED	23,200
59	05264-21	JS GLOBAL CAPITAL LIMITED	995,000
60	05348-21	HH MISBAH SECURITIES (PRIVATE) LIMITED	50,000
61	05470-26	B & B SECURITIES (PRIVATE) LIMITED	76,000
62	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	17,248,368
63	05884-12310	MIAN NAZIR SONS INDUSTRIES (PVT) LIMITED	153,087
64	05884-9779	TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	50,000
65	06114-27	A.S.SECURITIES (PRIVATE) LIMITED	523
66	06122-24612	FIVE RIVERS TECHNOLOGIES (PVT.) LTD	179,000
67	06445-28	DARSON SECURITIES LIMITED	270,000
68	06452-13335	TRUSTEE CHERAT CEMENT COMPANY LTD STAFF GRATUITY FUND	40,000
69	06502-17759	TRI-STAR INDUSTRIES (PRIVATE) LIMITED	10,000
70	06502-5986	UNITED TOWEL EXPORTERS (PVT.) LIMITED	20,000
71	06650-22	SAAO CAPITAL (PVT) LIMITED	80,000
72	06650-48	SAAO CAPITAL (PVT) LIMITED	175,000
73	06999-22	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED	19
74	07005-29	MAM SECURITIES (PVT) LIMITED	300
75	07039-23150	ALPHA ALLIANCE (PRIVATE) LIMITED	1,500,000
76	07039-26	N.U.A SECURITIES (PRIVATE) LIMITED	3,000,000
77	07054-24	BHAYANI SECURITIES (PVT) LTD.	6,169,500
78	07229-23	ALTAF ADAM SECURITIES (PVT) LTD.	165,500
79	07286-27	DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED	651,890
80	07294-26	AL-HAQ SECURITIES (PVT) LTD.	5,100
81	07450-1040	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	419,000
82	07450-24497	B. R. R. INVESTMENT (PRIVATE) LIMITED	25,000
83	09563-20	VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED	1,000,000
84	09621-22	HIGHLINK CAPITAL (PVT.) LIMITED	300
85	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	70
86	10611-20	AKD SECURITIES LIMITED - AKD TRADE	500
87	10629-100233	AKD VENTURE FUND LIMITED	2,500,000
88	10629-1035	AQEEL KARIM DHEDHI SECURITIES (PVT.) LIMITED STAFF PRO.FUND	10,000,000
89	10629-142441	DADABHOY FOUNDATION	1,701,000
90	10629-185408	ASAB PAKISTAN (PVT.) LIMITED	600,000

S. NO.	FOLIO	NAME	HOLDING
91	10629-45	AKD SECURITIES LIMITED.	18,499,500
92	10629-461650	CNERGYICO PK LIMITED EMPLOYEES GRATUITY FUND	51,033,000
93	10629-5630	AKD REIT MANAGEMENT COMPANY LIMITED	8,300,000
94	10629-631	AKD CAPITAL LIMITED	3,800,000
95	11072-16436	SOFCOM (PRIVATE) LIMITED	11,000
96	11387-42864	HAFIZ LIMITED	130,000
97	11478-28	CMA SECURITIES (PVT) LIMITED	10,000
98	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	11,500
99	12203-28	M. M. SECURITIES (PVT.) LIMITED	5,000,000
100	12286-20	JSK SECURITIES LIMITED	40,500
101	12484-6767	ENVICON (PRIVATE) LIMITED	1,000,000
102	12484-7807	BRAVISTO (PVT) LIMITED	1
103	12922-21	ABA ALI HABIB SECURITIES (PVT) LIMITED - MT	565,000
104	12997-24	TOPLINE SECURITIES LIMITED - MF	140,000
105	13078-24	AL HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MT	1,256,500
106	13128-27	PEARL SECURITIES LIMITED - MF	70,000
107	14118-27	ASDA SECURITIES (PVT.) LTD.	261,503
108	14258-21	H. M. IDREES H. ADAM (PRIVATE) LIMITED	7,505
109	14571-550	F. D. REGISTRAR SERVICES (SMC-PRIVATE) LIMITED.	15,000
110	14589-21	STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF	50,000
111	14746-21	KTRADE SECURITIES LIMITED	1
112	14753-20	ARIF HABIB LIMITED - MF	85,500
113	14787-27	STRONGMAN SECURITIES (PVT.) LIMITED	12,000
114	14837-20	SPINZER EQUITIES (PRIVATE) LIMITED	70,000
115	15057-24	NINI SECURITIES (PRIVATE) LIMITED	223,844
116	15404-21	FIRST CHOICE SECURITIES LIMITED	100,000
117	15578-21	BAWANY SECURITIES (PRIVATE) LIMITED	278,500
118	15875-6204	SEMAAB TRADERS (PRIVATE) LIMITED	510,000
119	16261-28	AXIS GLOBAL LIMITED - MF	430,042
120	16576-20	INTERMARKET SECURITIES LIMITED - MF	776,225
121	16659-20	LSE FINANCIAL SERVICES LIMITED - MT	2,485,500
122	16857-26	MRA SECURITIES LIMITED - MF	932,000
123	16865-25	BAWA SECURITIES (PVT) LTD. - MF	60,000
124	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	375,000
125	16923-27	N. U. A. SECURITIES (PRIVATE) LIMITED - MF	25,000
126	17004-27	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	1,030,373
127	17509-26	TRUST SECURITIES & BROKERAGE LIMITED - MF	4,000
128	17889-22	AL-HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MF	33,000
129	18432-1155	SALIM SOZER SECURITIES (PRIVATE) LIMITED	55,066
130	18432-16583	MANAGING COMMITTEE RAZIA SHEIKH WELFARE TRUST	20,000
131	18432-21344	FAIR EDGE SECURITIES (PVT.) LIMITED	8,500
132	18432-2245	SAYA SECURITIES (PRIVATE) LIMITED	22,500
133	18432-3177	MARGALLA FINANCIAL (PRIVATE) LIMITED	10,000
134	18432-46846	GPH SECURITIES (PRIVATE) LIMITED	75,000
135	18432-46853	HIGH LAND SECURITIES (PRIVATE) LIMITED	13,174
136	18432-57801	PASHA SECURITIES (PVT.) LIMITED	2,000
137	18432-6238	MSD CAPITAL EQUITIES (PVT.) LIMITED	250,000
138	18432-68311	DOSSLANIS SECURITIES (PRIVATE) LIMITED	200
139	18432-74038	SETHI SECURITIES (PVT.) LIMITED	110,000
140	18457-23	ADAM USMAN SECURITIES (PRIVATE) LIMITED	22,000
141	18630-20	DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED - MT	1,914,000
142	18945-23	ABBASI & COMPANY (PRIVATE) LIMITED - MT	1,419,500
143	19174-26	BACKERS & PARTNERS (PRIVATE) LIMITED - MT	379,000
		TOTAL	**230,984,875**

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2023

No of Shareholders	No. of Sharesholdings From	No. of Sharesholdings To	Total Shares
1,213	1	100	49,722
3,061	101	500	1,319,616
3,281	501	1,000	3,133,235
8,398	1,001	5,000	24,992,518
3,770	5,001	10,000	30,752,759
1,653	10,001	15,000	21,397,565
1,250	15,001	20,000	23,131,298
828	20,001	25,000	19,483,073
605	25,001	30,000	17,203,826
392	30,001	35,000	12,996,603
340	35,001	40,000	13,127,526
231	40,001	45,000	10,016,608
553	45,001	50,000	27,248,744
158	50,001	55,000	8,381,453
183	55,001	60,000	10,707,317
132	60,001	65,000	8,304,906
136	65,001	70,000	9,341,402
124	70,001	75,000	9,161,522
94	75,001	80,000	7,393,399
66	80,001	85,000	5,494,004
93	85,001	90,000	8,236,616
52	90,001	95,000	4,852,833
328	95,001	100,000	32,723,022
66	100,001	105,000	6,786,781
68	105,001	110,000	7,426,782
36	110,001	115,000	4,082,600
57	115,001	120,000	6,776,171
47	120,001	125,000	5,835,483
41	125,001	130,000	5,277,716
40	130,001	135,000	5,346,078
30	135,001	140,000	4,167,453
20	140,001	145,000	2,870,144
86	145,001	150,000	12,872,402
19	150,001	155,000	2,900,587
21	155,001	160,000	3,341,818
12	160,001	165,000	1,953,601
25	165,001	170,000	4,211,608
15	170,001	175,000	2,604,294
16	175,001	180,000	2,857,308
13	180,001	185,000	2,385,858
22	185,001	190,000	4,155,367
9	190,001	195,000	1,738,135
102	195,001	200,000	20,375,488
19	200,001	205,000	3,853,445
14	205,001	210,000	2,924,070
18	210,001	215,000	3,829,253
16	215,001	220,000	3,500,570

No of Shareholders	No. of Sharesholdings From	To	Total Shares
16	220,001	225,000	3,584,544
10	225,001	230,000	2,288,650
6	230,001	235,000	1,401,000
12	235,001	240,000	2,863,500
10	240,001	245,000	2,430,754
25	245,001	250,000	6,235,000
10	250,001	255,000	2,532,500
11	255,001	260,000	2,849,503
5	260,001	265,000	1,319,003
5	265,001	270,000	1,343,095
6	270,001	275,000	1,650,000
10	275,001	280,000	2,787,173
4	280,001	285,000	1,133,888
4	285,001	290,000	1,151,500
11	290,001	295,000	3,232,511
45	295,001	300,000	13,482,436
8	300,001	305,000	2,420,177
13	305,001	310,000	4,017,346
4	310,001	315,000	1,254,660
8	315,001	320,000	2,546,749
5	320,001	325,000	1,620,053
5	325,001	330,000	1,642,008
4	330,001	335,000	1,329,560
5	335,001	340,000	1,686,639
3	340,001	345,000	1,028,500
13	345,001	350,000	4,543,400
4	350,001	355,000	1,412,338
7	355,001	360,000	2,514,000
3	360,001	365,000	1,086,522
8	365,001	370,000	2,942,002
11	370,001	375,000	4,120,000
4	375,001	380,000	1,516,800
3	380,001	385,000	1,151,000
4	385,001	390,000	1,556,652
1	390,001	395,000	390,500
24	395,001	400,000	9,597,000
7	400,001	405,000	2,823,952
1	405,001	410,000	410,000
5	410,001	415,000	2,069,863
5	415,001	420,000	2,094,000
4	420,001	425,000	1,699,672
5	425,001	430,000	2,146,000
6	430,001	435,000	2,601,934
5	435,001	440,000	2,193,462
4	440,001	445,000	1,771,797
15	445,001	450,000	6,738,496
2	450,001	455,000	905,500
4	455,001	460,000	1,835,649
5	460,001	465,000	2,316,900
2	465,001	470,000	935,915
5	470,001	475,000	2,371,600

No of Shareholders	No. of Sharesholdings From	To	Total Shares
2	475,001	480,000	955,800
2	480,001	485,000	964,574
3	485,001	490,000	1,461,266
3	490,001	495,000	1,478,500
29	495,001	500,000	14,483,206
3	500,001	505,000	1,509,510
4	505,001	510,000	2,040,000
3	510,001	515,000	1,537,051
1	515,001	520,000	515,500
2	520,001	525,000	1,046,000
2	525,001	530,000	1,055,627
4	530,001	535,000	2,135,763
6	545,001	550,000	3,300,000
3	550,001	555,000	1,653,600
1	555,001	560,000	560,000
2	560,001	565,000	1,127,890
3	565,001	570,000	1,707,966
1	575,001	580,000	580,000
2	580,001	585,000	1,170,000
3	585,001	590,000	1,762,309
1	590,001	595,000	594,000
11	595,001	600,000	6,600,000
4	600,001	605,000	2,408,324
3	605,001	610,000	1,825,500
1	610,001	615,000	615,000
5	615,001	620,000	3,094,028
2	620,001	625,000	1,247,201
2	625,001	630,000	1,256,000
2	630,001	635,000	1,265,549
2	640,001	645,000	1,290,000
3	645,001	650,000	1,947,000
2	650,001	655,000	1,306,890
4	655,001	660,000	2,633,118
1	660,001	665,000	661,346
1	670,001	675,000	675,000
1	675,001	680,000	675,500
2	685,001	690,000	1,377,360
1	690,001	695,000	695,000
9	695,001	700,000	6,296,000
1	700,001	705,000	700,012
2	710,001	715,000	1,430,000
3	720,001	725,000	2,169,500
1	735,001	740,000	738,000
4	745,001	750,000	2,997,000
1	750,001	755,000	755,000
3	770,001	775,000	2,320,700
3	775,001	780,000	2,336,225
1	790,001	795,000	795,000
7	795,001	800,000	5,595,264
1	800,001	805,000	804,400
1	805,001	810,000	810,000

No of Shareholders	No. of Sharesholdings From	To	Total Shares
1	815,001	820,000	816,292
1	820,001	825,000	820,500
1	825,001	830,000	830,000
2	835,001	840,000	1,676,000
1	840,001	845,000	845,000
2	845,001	850,000	1,700,000
1	850,001	855,000	853,500
2	855,001	860,000	1,714,500
1	860,001	865,000	863,253
1	870,001	875,000	875,000
1	885,001	890,000	889,500
7	895,001	900,000	6,298,000
1	900,001	905,000	904,500
2	920,001	925,000	1,848,000
1	930,001	935,000	932,000
1	945,001	950,000	950,000
2	990,001	995,000	1,985,420
21	995,001	1,000,000	20,999,000
1	1,000,001	1,005,000	1,001,387
1	1,010,001	1,015,000	1,012,000
1	1,020,001	1,025,000	1,025,000
4	1,030,001	1,035,000	4,131,016
1	1,045,001	1,050,000	1,050,000
2	1,065,001	1,070,000	2,136,361
1	1,070,001	1,075,000	1,071,821
1	1,075,001	1,080,000	1,077,783
2	1,085,001	1,090,000	2,173,301
1	1,090,001	1,095,000	1,092,500
3	1,095,001	1,100,000	3,300,000
1	1,145,001	1,150,000	1,150,000
1	1,165,001	1,170,000	1,170,000
1	1,170,001	1,175,000	1,173,667
1	1,185,001	1,190,000	1,187,000
1	1,230,001	1,235,000	1,231,000
1	1,235,001	1,240,000	1,240,000
4	1,245,001	1,250,000	4,998,500
1	1,255,001	1,260,000	1,256,500
1	1,270,001	1,275,000	1,271,571
1	1,290,001	1,295,000	1,292,000
3	1,295,001	1,300,000	3,900,000
1	1,305,001	1,310,000	1,310,000
1	1,315,001	1,320,000	1,320,000
2	1,345,001	1,350,000	2,700,000
1	1,355,001	1,360,000	1,360,000
2	1,395,001	1,400,000	2,797,463
2	1,410,001	1,415,000	2,825,950
1	1,415,001	1,420,000	1,419,500
1	1,435,001	1,440,000	1,436,500
1	1,445,001	1,450,000	1,450,000
1	1,475,001	1,480,000	1,479,500
1	1,485,001	1,490,000	1,490,000

No of Shareholders	No. of Sharesholdings From	To	Total Shares
7	1,495,001	1,500,000	10,500,000
1	1,535,001	1,540,000	1,536,481
3	1,545,001	1,550,000	4,650,000
1	1,550,001	1,555,000	1,552,382
1	1,560,001	1,565,000	1,564,000
1	1,570,001	1,575,000	1,575,000
1	1,585,001	1,590,000	1,589,000
1	1,595,001	1,600,000	1,600,000
1	1,635,001	1,640,000	1,635,088
2	1,645,001	1,650,000	3,300,000
1	1,695,001	1,700,000	1,700,000
1	1,700,001	1,705,000	1,701,000
1	1,725,001	1,730,000	1,728,000
1	1,755,001	1,760,000	1,757,000
1	1,770,001	1,775,000	1,775,000
1	1,785,001	1,790,000	1,787,500
1	1,790,001	1,795,000	1,790,298
1	1,805,001	1,810,000	1,807,159
1	1,910,001	1,915,000	1,914,000
1	1,925,001	1,930,000	1,930,000
1	1,940,001	1,945,000	1,944,086
9	1,995,001	2,000,000	18,000,000
2	2,005,001	2,010,000	4,013,600
1	2,150,001	2,155,000	2,153,500
1	2,165,001	2,170,000	2,166,910
1	2,175,001	2,180,000	2,180,000
3	2,195,001	2,200,000	6,600,000
1	2,275,001	2,280,000	2,279,500
1	2,300,001	2,305,000	2,305,000
1	2,335,001	2,340,000	2,337,500
1	2,395,001	2,400,000	2,400,000
1	2,445,001	2,450,000	2,448,000
1	2,450,001	2,455,000	2,454,500
1	2,485,001	2,490,000	2,485,500
8	2,495,001	2,500,000	20,000,000
1	2,520,001	2,525,000	2,525,000
1	2,525,001	2,530,000	2,527,500
1	2,550,001	2,555,000	2,555,000
1	2,570,001	2,575,000	2,575,000
2	2,595,001	2,600,000	5,200,000
1	2,695,001	2,700,000	2,700,000
1	2,795,001	2,800,000	2,800,000
1	2,845,001	2,850,000	2,850,000
1	2,915,001	2,920,000	2,920,000
1	2,980,001	2,985,000	2,984,500
2	2,995,001	3,000,000	5,999,000
1	3,005,001	3,010,000	3,010,000
1	3,020,001	3,025,000	3,022,500
1	3,045,001	3,050,000	3,050,000
1	3,695,001	3,700,000	3,700,000
1	3,795,001	3,800,000	3,800,000

No of Shareholders	No. of Sharesholdings From	To	Total Shares
1	3,870,001	3,875,000	3,874,105
1	3,995,001	4,000,000	4,000,000
1	4,500,001	4,505,000	4,503,000
1	4,505,001	4,510,000	4,508,473
1	4,980,001	4,985,000	4,982,000
4	4,995,001	5,000,000	20,000,000
1	5,155,001	5,160,000	5,159,800
1	5,210,001	5,215,000	5,210,782
1	5,755,001	5,760,000	5,759,775
1	5,785,001	5,790,000	5,790,000
1	5,845,001	5,850,000	5,850,000
1	5,855,001	5,860,000	5,858,000
1	5,900,001	5,905,000	5,901,428
1	5,995,001	6,000,000	6,000,000
1	6,100,001	6,105,000	6,103,000
1	6,165,001	6,170,000	6,169,500
1	6,695,001	6,700,000	6,700,000
1	6,950,001	6,955,000	6,951,000
1	7,725,001	7,730,000	7,730,000
1	8,295,001	8,300,000	8,300,000
1	8,350,001	8,355,000	8,350,841
1	8,495,001	8,500,000	8,500,000
1	9,310,001	9,315,000	9,312,500
2	9,995,001	10,000,000	20,000,000
1	10,395,001	10,400,000	10,400,000
1	11,495,001	11,500,000	11,500,000
1	14,270,001	14,275,000	14,271,000
1	14,565,001	14,570,000	14,569,225
1	16,245,001	16,250,000	16,250,000
1	17,245,001	17,250,000	17,248,368
1	18,425,001	18,430,000	18,429,947
1	18,495,001	18,500,000	18,499,500
1	19,650,001	19,655,000	19,653,273
1	19,870,001	19,875,000	19,875,000
1	19,995,001	20,000,000	20,000,000
1	48,430,001	48,435,000	48,434,500
1	51,030,001	51,035,000	51,033,000
1	63,610,001	63,615,000	63,612,741
1	148,965,001	148,970,000	148,967,000
1	925,410,001	925,415,000	925,411,762
1	2,960,010,001	2,960,015,000	2,960,012,001
	28,541		**5,493,447,571**

Notice of 29th Annual General Meeting
Cnergyico Pk Limited

Notice is hereby given that the 29th Annual General Meeting ("Meeting") of Cnergyico Pk Limited will be held on Friday, 27th October 2023 at 10:00 am at Jasmine Hall, Beach Luxury Hotel, M. T. Khan Road, Lalazar, Karachi as well as through video-link facility, to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of the 28th Annual General Meeting of the Company held on 19th October 2022.

2. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the financial year ended 30th June 2023, together with the Directors' and Auditors' reports thereon.

3. To re-appoint Messrs Yousuf Adil, Chartered Accountants as auditors of the Company and to fix their remuneration for the financial year ending 30th June 2024.

B. SPECIAL BUSINESS

1. To consider and, if deemed fit, pass with or without modification, the following special resolution:

   RESOLVED THAT the dispatch of notice of the annual general meeting, as per the requirements of the Companies Act, 2017 (the "Act"), to members of the Company at their registered address containing QR code and web link to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act, as allowed by the Securities and Exchange Commission of Pakistan vide S.R.O. 389(1)/2023 dated 21st March 2023, be and hereby is approved.

2. To consider and, if deemed fit, pass with or without modification, the following special resolution to make suitable alteration in the Memorandum and Articles of Association of the Company in order to align the same as per the Companies Act, 2017.

   RESOLVED THAT pursuant to the provisions of Sections 32 and 38 of the Companies Act, 2017, existing Memorandum and Articles of Association of the Company be and are hereby substituted by the new set of updated Memorandum and Articles of Association in order to align the same as per the new Companies Act, 2017.

   FURTHER RESOLVED THAT Mr. Amir Abbassciy, the Chief Executive Officer, Mr. Usama Qureshi, the Vice Chairman and Mr. Majid Muqtadir, Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolution, as well as carry out any other act or step which may be ancillary and/or incidental to do the above and necessary to fully achieve the spirit and intent of the foregoing resolution.
   (Statements under Section 134(3) of the Companies Act, 2017 are annexed)

C. OTHER BUSINESS

1. To transact any other business with the permission of the Chair.

By Order of the Board

Majid Muqtadir
Company Secretary

2nd October 2023
Karachi

NOTES:

Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Friday, 20th October 2023 until Friday, 27th October 2023 (both days inclusive).

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Thursday, 19th October 2023, are entitled to attend, participate in, and vote at 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.

Guidelines for Central Depository Company of Pakistan Limited ("CDC") Account Holders CDC account holders should comply with the following guidelines of the SECP:

For Attendance

a)Individuals should be account holder(s) or sub-account holder(s) and their registration details should be uploaded according to CDC regulations and must establish their identity at the time of the Meeting by presenting their original Computerized National Identity Card ("CNIC") or passport.

b)Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

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.

d)Proxies must at the time of the Meeting produce their original CNIC or passport.

e)Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

Participation in the Meeting via Video Conference Facility

Securities & Exchange Commission of Pakistan through its Circular No. 4 dated 15th February 2021 has directed the listed companies to ensure the participation of members in General Meeting through electronic means as a regular feature in addition to holding physical meetings. Accordingly, members interested in participating in the meeting are requested to share below information at company.secretary@cnergyico.com for their appointment and proxy's verification by or before Wednesday, 25th October 2023. 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 Wednesday, 25th October 2023. Members can also provide their comments and questions for the agenda items of the Meeting at company.secretary@cnergyico.com or at the registered address of the Company on or before Wednesday, 25th October 2023.

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.cnergyico.com.

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 encouraged 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.

Video Conference Facility
Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the requisite form (available on Company's website www.cnergyico.com) and submit to registered address of the Company 10 days before holding of the Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Meeting through video conference at least 10 days prior to date of the Meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Meeting along with complete information necessary to enable them to access the facility.

The Notice of Meeting has been placed on the Company's website www.cnergyico.com in addition to its dispatch to the shareholders.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the 29th Annual General Meeting of Cnergyico Pk Limited to be held on Friday, 27th October 2023 at 10:00 am at Jasmine Hall, Beach Luxury Hotel, M. T. Khan Road, Lalazar, Karachi.

Agenda Item 1 of Special Business

The Securities and Exchange Commission of Pakistan (SECP) has issued a S.R.O. 389 (I)/2023 dated 22nd March 2023 whereby SECP has allowed the listed companies to circulate the Annual Report to its members through QR enabled code and web link subject to the fulfilment of the following requirements:

(i) the approval of the shareholders has been obtained in the general meeting to circulate the annual audited financial statements to its members through QR enabled code and web link;

(ii) the notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the web link address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act; and

(iii) It shall be the responsibility of the Company to ensure that the QR code and web link is accurate and members are able to download the required information at all times.

Furthermore the Company, in future, shall circulate the annual audited financial statements through email in case email address has been provided by the member to the Company and the consent of member to receive the copies through email is not required as allowed by the SECP and the Company shall be required to send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the Company.

As the SECP has allowed that considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB may be discontinued therefore the Company will discontinue circulating the Annual Report through CD/DVD/USB in future.

Agenda Item 2 of Special Business

Alteration in the Memorandum and Articles of Association of Cnergyico Pk Limited

The existing Memorandum and Articles of Association (M&AoA) of the Company were required to be revised to align it with legislative changes and requirements brought about by the Companies Act, 2017 and other applicable rules & regulations.

Accordingly, the existing documents have been amended/ altered and the revised M&AoA will be laid before the members in the 29th Annual General Meeting scheduled on 27th October 2023. In accordance with the requirements of Section 134(3) of the Companies Act 2017, the revised M&AoA along with comparative table of amendments are provided in the DVD, as integral part of this notice.

The Board of Directors of the Company has already approved during its meeting held on 2nd October 2023 suitable alteration in the Memorandum and Articles of Association of the Company. None of the directors of the Company has any personal interest in alteration / amendments / substitution of Memorandum and Articles of Association of the Company except in their capacity as Shareholder or Directors of the Company.

Majid Muqtadir
Company Secretary

2nd October 2023
Karachi

Form of Proxy

29th Annual General Meeting
Cnergyico Pk Limited

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 Cnergyico Pk Limited and holder(s) of _____________________________

______________________________ordinary shares, hereby appoint _________________________________

of ___________________________ or failing him / her ____ of

__________________________________, who is / are also member(s) of Cnergyico Pk Limited, as my / our proxy in my / our absence to attend and vote on my / our behalf at the 29th Annual General Meeting of the Company to be held on Friday, 27th October 2023 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 / 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

Cnergyico Pk 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

سنرجیکو پی کے لمیٹڈ

دی ہاربر فرنٹ، نویں منزل، ڈالمن سٹی

HC-3 بلاک 4، میرین ڈرائیو، کلفٹن

کراچی 75600، پاکستان

کمپنی سیکریٹری
سنرجیکو پی کے لمیٹڈ
دی ہاربرفرنٹ، نویں منزل، ڈالمن سٹی
HC-3 بلاک 4، میرین ڈرائیو، کلفٹن
کراچی

پراکسی فارم/نمائندگی نامہ

29 واں سالانہ اجلاس عام

میں/ ہم ______________ برائے ______________
بحیثیت رکن سنرجیکو پی کے لمیٹڈ اور حامل ______________
حصص مقرر کرتا ہوں بطور نائب محترم/ محترمہ ______________
برائے ______________ یا ان کی عدم موجودگی کی صورت میں محترم/ محترمہ ______________
برائے ______________، جو سنرجیکو پی کے لمیٹڈ کے ممبر بھی ہیں، میری غیر موجودگی کی صورت میں بطور میرے نائب کمپنی کے 29 ویں سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس میٹنگ کا انعقاد جمعہ، 27 اکتوبر 2023 کو یا اس کے التوا کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جا سکتی ہے۔ دستخط/ مہر اور کی طرف سے بھیج دیا گیا ______________

درج ذیل کی موجودگی میں

۱۔ نام ______________
شناختی کارڈ نمبر ______________
پتہ ______________

۲۔ نام ______________
شناختی کارڈ نمبر ______________
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۔

The Harbour Front, 9th Floor, Dolmen City, HC-3, Block-4, Marine Drive,
Clifton, Karachi-75600, Pakistan
Tel: (+92 21) 111 222 081 | www.cnergyico.com