



Cnergyico Pk Limited
Annual Report
2021-22



INTEGRATE TO SYNERGISE
FOR **SUSTAINABILITY**

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2021-22





GYMCO







● AT A GLANCE

Cnergyico is Pakistan's largest vertically integrated oil refining company that fulfills the nation's energy requirements and enables 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

450+
Retail
Stations



Largest
Crude Oil
Storage
Tanks



Nation's only
Single Point
Mooring
Facility



900+
Dedicated
Employees



State-of-the-art
Tank Lorries

LOCAL ROOTS FAR-REACHING CAPABILITIES

Bloomberg

Cnergyico Poised to Become
Pakistan's Largest Fuel Retailer.

Milestone

THE FIRST IN BUSINESS

In this turbulent yet consistently profitable industry, Pakistani company Cnergyico, previously known as Byco Petroleum, maintains a robust presence in the region.

CEC

MAGAZINE

INSPIRING THE BUSINESS WORLD

Cnergyico is already Pakistan's largest oil refining company, but CEO Amir Abbassciy says the best is yet to come.





● 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.

Amir Abbassciy
Chief Executive Officer



ENVIRONMENT HEALTH SAFETY AND 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 and honesty, integrity, respect, teamwork, trust and transparency, passion for excellence, and tenacity in achieving results. As a corporate entity, we care about people and the world in which we live in. We have deployed the optimal leadership and management structure to deliver this policy and provide an unbroken chain of responsibility and accountability for EHSS.



EHSS GUIDING PRINCIPLE

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

BOARD OF DIRECTORS

LEADERSHIP

Cnergyico's experienced and diversified Board of Directors govern the Company with a dedicated focus, creating value for the shareholders, fulfilling Pakistan's energy needs, and expanding the business to meet the future needs of the ever-evolving energy sector.



MR. AMIR ABBASSCIY

Director and
Chief Executive Officer

Mr. Amir Abbasciy is the driving force behind Cnergyico's growth, from a small refinery to one of the country's largest energy companies. Mr. Abbasciy holds a prominent position in Pakistan's petroleum sector due to his vast experience in successfully developing and managing various ventures – and is credited with bringing substantial investment to the country.

Mr. Abbasciy is associated with several renowned government and non-government organizations, committees, & fora. He is an active member of the Oil Companies Advisory Council, Young Presidents' Organization, World Economic Forum (Global Growth Companies), and other bodies. He has also served as the President of the Petroleum Institute of Pakistan.

Mr. Abbasciy holds an MBA from the Business School of Lausanne, Switzerland, and a BBA from the American College of Switzerland, Switzerland.

Mr. Wasi Khan is a veteran of the oil industry with around 40 years of experience serving in leading positions in the large public sector and multinational organizations, including major oil refineries.

A Chemical Engineer by profession, his expertise lies in all facets of oil refining, marketing, and trading as well as in petrochemicals. Mr. Khan has previously served as the President & Chief Executive Officer of Cnergyico Pk Limited. He has on his credit a number of successfully completed major refinery projects – establishing an OMC business and petrochemicals manufacturing. He has been actively participating in devising government policies related to the downstream oil industry.

MR. MOHAMMAD WASI KHAN

Chairman



MR. AMIR WAHEED AHMED

Director



Mr. Amir Waheed Ahmed is a seasoned professional having served in diverse roles in Pakistan and abroad in the petrochemicals, oil refining, oil marketing, engineering, power, and banking sectors, with over 30 years of senior managerial experience in both local and international markets.

Mr. Ahmed previously served as CFO of Cnergyico and successfully navigated the company through the global financial crisis of 2008. Subsequently, he moved abroad and joined Al-Waha Petrochemicals Limited as CFO and Company Secretary. On his return, he joined Descon Engineering Limited as CFO and later moved to one of Pakistan's largest power sector companies National Transmission & Despatch Company Limited (NTDC) as CFO. He is presently engaged with professional firms in an advisory capacity.

Mr. Ahmed is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP), qualified in the year 1992. He also actively participates in professional activities of ICAP and is among the founding members of the ICAP KSA Chapter.

Mr. Muhammad Usama Qureshi holds over two decades of experience in leadership positions in the energy, FMCG, Fin-Tech, and telecom industries. Mr. Qureshi is credited with driving the transformation and turnaround of two well-established and large organizations – Hamdard Pakistan where he served as the MD & CEO, and K-Electric Limited where he served as the Chief of Staff & Chief Marketing Officer. He also led Pakistan State Oil's highly successful fuel card business.

An MBA by profession, Mr. Qureshi currently serves as the Chairman of Bolts Private Limited and Advisor of KuickPay. He has been an integral part of numerous national & international trade bodies to promote Pakistan's exports, build the country's soft image, and strengthen cross-border corporate relations. Currently, he is serving as Director on the boards of FPCCI's Business Councils of Pakistan - UK, Italy, Qatar, UAE, and the Maldives.

MR. MUHAMMAD USAMA QURESHI

Director



MR. MUHAMMAD ALIUDDIN ANSARI

Director



Mr. Muhammad Aliuddin Ansari, due to his significant contributions, holds a prominent position in Pakistan's corporate sector. Mr. Ansari played a critical role in the establishment of Dewan Drilling – Pakistan's first oil & gas drilling company – as well as the nation's first LNG terminal and the Thar power project.

He previously served as the CEO (Pakistan) and COO (Emerging Europe) of Credit Lyonnais Securities Asia (CLSA), the CEO of AKD Securities, and the President and CEO of Engro Corporation. Mr. Ansari sits on the boards of leading investment management and venture capital firms, including Faysal Asset Management, Al Meezan Investment Management, AKD Investment Management, and serves as a member of SECP's Capital Markets Advisory Group.

Ms. Uzma Abbasi holds a vast experience in the fields of corporate affairs and corporate social responsibility. Ms. Abbasi serves as the director of the TAF Foundation which works on empowering the country's youth, especially women, by facilitating them in becoming self-sufficient thereby contributing to the overall economic growth of the country.

Additionally, Ms. Abbasi also serves as a Director on the Boards of Cnergyico Mu Incorporated, Cnergyico Ir DMCC, Cusp Pakistan Limited, Cusp Air Pakistan (Pvt) Limited, Cusp Sea Pakistan (Pvt) Limited, and Integrate Pk (Private) Limited (formerly known as Cnergyico Pk (Private) Limited).

MS. UZMA ABBASI

Director



MR. HASAN ZAIDI

Director

Mr. Hasan Zaidi has over fifteen years of experience in corporate finance, investment banking, and private equity. His primary area of concentration has been in the oil and energy sectors, where he has overseen various investment projects, particularly related to renewable and thermal power.

Mr. Zaidi has previously worked as an Associate in the Corporate and Investment Banking Department of Pak Oman Investment Company Limited and as a Senior Manager – Structured Finance in Burj Capital Pakistan Private Limited. He is currently a consultant to international investors with substantial investments in Pakistan. He holds a BA in Accounting and Finance from The University of Greenwich, London.

SUPERVISORY SECRETARIAT



**MR. RASHID
BADRUDDIN**

Vice President
Operations

Mr. Rashid Badruddin has been associated with Cnergyico for 19 years. A mechanical engineer by profession, Mr. Badruddin has been associated with construction engineering firms Zsagrow and Zelin, Mr. Badruddin has also worked with SEFEC Engineering on PARCO's mid-country refinery project, and with JGC Gulf in Khobar, Saudi Arabia.



**MR. NAVEED
ASLAM HASHMI**

Vice President
Internal Audit

Mr. Naveed Aslam Hashmi is a results-driven internal audit leader with a successful 25+-year track record of establishing, restructuring, and managing highly effective audit departments. Mr. Hashmi has deep and refined skills in corporate governance, internal controls, and transaction advisory. He has been providing value-added compliance and implementing strategies that enhance processes, create cost savings, and apply operational efficiencies.



**MR. GHULAM
SARWAR**

Vice President
Services

Mr. Sarwar is a legal services sector 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 Services Division and managing Corporate Services, Govt. Relations/ External Affairs, and Legal Services functions.



A YEAR OF TRANSFORMATION

FY-2022 was a period of challenges as well as opportunities. The business environment remained tough due to volatility in commodity prices, weak and inconsistent upliftment of furnace oil, devaluation of the Pakistani Rupee, absence of a favorable policy framework needed for sustainable operations, and limited support from commercial banks. However, Cnergyico rose to the challenge, maintained supply of fuels, adhered to strict health & safety standards, and delivered robust financial results.

FROM BYCO TO CNERGYICO

It was also a period of transformation for the company as it rebranded from Byco Petroleum Pakistan Limited to Cnergyico Pk Limited. The change was necessitated by the fact that the global energy landscape is undergoing a metamorphosis as the world enters into a low-carbon age. The oil refiners need to adapt according to the evolving environment and adjust their business strategy. We not only recognize this shift but also embrace it. By adopting a new identity, Cnergyico is stepping into a new world.

The word Cnergyico has been derived from Chemical – Energy – Integrated – Company. Cnergyico is investing heavily to expand and modernize the core oil refining business, grow the fuel retail network, enhance other energy infrastructure assets, and envisage our petrochemical operations.

UPGRADE-I PROJECT

During the year, Cnergyico continued to work on the landmark Upgrade-I project which will allow us to produce greater quantities of high-value environmentally friendly fuels and grow our refining capacity. Cnergyico selected Axens for work on the upgradation project.

STRATEGIC ALIGNMENT

Cnergyico also revealed its plan to acquire a majority stake in Puma Energy which, when completed, will allow us to significantly expand our OMC business. Besides raising the storage capacity, the acquisition will increase the total number of petrol pumps under Cnergyico's network from 450 to 982, making it the largest private fuel retailer in the country.





SUSTAINABILITY MAKING AN IMPACT

Sustainability is at the heart of everything we do. Our values express our corporate philosophy of how we conduct business, while our commitments to sustainability provide the basis for our long term business strategy. We strive to maximize the value of the energy we produce along with a commitment to enhance Cnergyico's value to society.

OUR CORE VALUES ON SUSTAINABILITY

- Operational excellence and profitable growth
- Occupational health and safety
- Strong corporate governance, ethics and compliance
- Environmental sustainability
- Improving the quality of life for communities wherever we operate

OUR COMMITMENT TO SUSTAINABILITY

- Reduce production costs and increase productivity
- Ensure the Health & Safety of all stakeholders
- Skill development and vocational training for staff
- Compliance with applicable laws, relevant rules and regulations
- Control & improve emission levels
- Build relationships and maintain trust with communities





MAINTAINING HIGH SAFETY STANDARDS

Strictly adhering to and maintaining high standards of Health and Safety has always been of utmost importance at Cnergyico. The company considers it its primary duty to ensure the well-being of all of its employees, contractors, customers, or anyone who visits Cnergyico’s facilities or uses its products. Cnergyico has successfully instilled a safety culture in the organization where everyone, ranging from the C-suite executives to university interns, embraces and prioritizes safety. At Cnergyico, Health and Safety are regarded as a shared responsibility.

Cnergyico’s oil refining and marketing operations are fully compliant with world-class safety standards. The company has made heavy investments to adopt the DuPont Safety System. Its occupational health and safety policies and guidelines are based on the industry’s gold standard – the US Occupational Safety and Health Administration’s codes. For fire safety, the company has adopted protocols developed by the US National Fire Protection Association.

By working closely with industry experts, Cnergyico constantly monitors its processes and makes targeted improvements in reliability and performance. The company also takes part in benchmarking activities to get a better understanding of the industry’s performance and uses the data to improve its safety systems.

Cnergyico has also achieved several landmarks and milestones, setting a blueprint for other companies operating in the energy sector. For instance, by the first half of 2022, Cnergyico achieved 20 million Safe Man-Hours without Lost Work Injury (LWI) with a 0.06 Total Recordable Incident Rate (TRIR) at its oil refining complex.

Cnergyico has implemented strict regulations and protocols to minimize even the slightest chance of an oil spill. An Emergency Response Team remains deployed and closely monitors the Single Point Mooring facility 24/7. A specialized and fully-equipped OSR team remains ready to handle Tier-I oil spills, backed by Milad – the dedicated OSR craft – which remains vigilant around the clock to prevent any mishap. For handling Tier-II oil spills, the company leads the annual Barracuda oil spill response exercise with Pakistan Navy and national agencies and also conducts quarterly drills to improve response readiness. For Tier-III oil spills, Cnergyico has partnered with Oil Spill Response Limited (OSRL) – the world’s largest oil spill response organization that can provide support and intervention services.





GROWING RETURNS, CUTTING EMISSIONS

At Cnergyico, we are concentrating on delivering attractive returns and creating superior value for shareholders while lowering our carbon emissions.

We firmly believe in providing long term and sustainable energy solutions. To do that, we have to produce efficient products that can generate high returns in a sustainable manner with a low environmental footprint.

We have made substantial strides in the past few years in our emission management efforts. We planted thousands of trees using the Miyawaki Method, pioneered by the famed Japanese botanist Dr. Akira Miyawaki, in Balochistan in the areas adjoining our refinery and in Karachi. Through this approach, we were able to grow trees at an accelerated pace – roughly 10-times quicker than normal – which helped us in offsetting our carbon emissions.

We are also adopting sustainable business practices and investing heavily in environmental projects to further cut down our carbon footprint and produce cleaner energy products, including Euro-V fuels with low sulphur content.





We take pride in setting and adhering to high standards of environmental rules and regulations, and the emergence of a coral reef on our offshore pipeline is a testament to this. The underwater structure, known for housing an incredibly diverse group of marine species, is a rare phenomenon observed in Pakistani waters. With our environmental preservation measures, we will ensure the coral reef continues to thrive.

We believe petroleum products, such as petrol and diesel, will occupy a crucial position in the global energy industry over the long-term. However, in the low-carbon age, only those energy companies will thrive who are efficient in terms of not just capital allocation but also from the perspective of carbon emissions.

Therefore, we are taking action now to ensure we become the most efficient energy company of the future.

EMPOWERING PAKISTAN – ENRICHING LIVES

At Cnergyico, we aspire to do good and spread joy in the world. We value the people, the planet, and we believe in empowering everyone around us. We focus our CSR activities on the neighboring communities adjoining our oil refining complex. We also seek to safeguard the environment and protect the health and safety of all connected to our operations.

From combating water scarcity to supporting skill development programmes to constructing roads to helping families impacted by the floods to planting trees to supporting women empowerment initiatives to preserving marine habitats, Cnergyico works on various social projects that leave a positive mark on society. In doing so, the company also supports various United Nations' Sustainable Development Goals (SDGs), specifically goal numbers SDG-1 (no poverty), SDG-3 (good health and well-being), SDG-5 (gender equality), SDG-6 (clean water and sanitation), SDG-13 (climate action), and SDG-14 (life below water).





To reduce plastic consumption, especially plastic bags, Cnergyico has been supporting the 'Green without Plastic' (GwP) initiative through which eco-friendly canvas bags are produced and distributed in Balochistan, Sindh, Punjab, and Islamabad.



Cnergyico has supported the installation of eco-friendly and energy-efficient solar-powered RO Plants in five villages in Balochistan that provide free, clean, and safe drinking water to thousands of people.

Cnergyico has also supported the TAF Foundation in empowering the country's women and youth through vocational training courses and skill development programmes. So far, thousands of people have benefited from this partnership, which also leads to employment opportunities in various renowned organizations.

In collaboration with Tayaba Organization and Thar Education Alliance, dozens of water wheelbarrows were distributed among residents of Mori Ji Dhani in the Tharparkar district to help the locals. The Company also organizes special seminars, particularly for elderly women and children of Tharparkar, to raise awareness about oral hygiene, health, and safety.

Through its sustainability initiatives, Cnergyico protects the environment and uplifts communities.



ACCELERATING HUMAN POTENTIAL

Cnergyico's exceptional past belongs to its future. Our people define our success. Energy has been running in our DNA for generations. We are proud of what we have accomplished since 1995. The energy business requires skills from diverse fields to meet the growing demands of our business. At Cnergyico, every employee gets an opportunity to reach their full potential and have a rewarding career with the company. We invest into the future of our employees through training, learning and development. We support our staff who want to develop their skills both in technical and management aspects.

DELIVERING EXCELLENCE

Cnergyico received numerous awards and accolades last year in recognition of extraordinary services and strong performance in various fields, ranging from Environment, Health, and Safety (EHS) to Corporate Social Responsibility (CSR). In the past few months alone, Cnergyico has won:

- **Occupational Safety, Health, and Well-being Award** for securing the top position in the oil refining sector conferred by the Employers' Federation of Pakistan (EFP). The award was presented by the honourable President of the Islamic Republic of Pakistan Dr. Arif Alvi.

- **The Corporate Social Responsibility Award 2022**, Pakistan's most prestigious CSR Award, from the National Forum for Environment & Health in recognition of its environmental and sustainability initiatives.

- **The Best Place to Work Award 2021** in the oil and gas industry from the Pakistan Society of Human Resources Management.

- **The Environment Excellence Award** from National Forum for Environment & Health for consistently meeting local and international standards of Environment Protection and Health Practices.

- **The Foundations of Process Safety Award and Oil Spill Management Award** at the 7th International Awards on Environment, Health & Safety 2021.

With its strong performance, Cnergyico continues to set new milestones and is driving the progress of Pakistan's energy industry. We look forward to continuing being the best in the business.



COMPANY INFORMATION

BOARD OF DIRECTORS

Mohammad Wasi Khan	Chairman
Amir Abbassciy	Director & Chief Executive Officer
Amir Waheed Ahmed	Independent Director
Muhammad Usama Qureshi	Independent Director
Muhammad Aliuddin Ansari	Independent Director
Uzma Abbasi	Director Alternate Director: Aumar Abbassciy
Syed Hasan Zaidi	Director

AUDIT COMMITTEE

Amir Waheed Ahmed	Chairman
Muhammad Usama Qureshi	Member
Uzma Abbasi	Member Alternate Director: Aumar Abbassciy

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Muhammad Usama Qureshi	Chairman
Muhammad Aliuddin Ansari	Member
Amir Waheed Ahmed	Member

RISK MANAGEMENT COMMITTEE

Muhammad Aliuddin Ansari	Chairman
Muhammad Usama Qureshi	Member
Amir Waheed Ahmed	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
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
Saudi Pak Industrial and Agricultural Investment Company Limited
Soneri Bank Limited
Summit Bank Limited
Silkbank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

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

WEBSITE

www.cenergyico.com





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

Cnergyico Pk Limited (the “Company”)
30th June 2022

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

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

2. The composition of the Board is as follows:

Category		Names	
i.	Independent directors	02	Mr. Amir Waheed Ahmed Mr. Muhammad Usama Qureshi
ii.	Non-executive directors	03	Syed Arshad Raza Mr. Mohammad Wasi Khan Syed Hasan Zaidi
iii.	Executive directors	01	Mr. Amir Abbasciy
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. The Board has complied with the requirements of the 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) directors have requisite experience to be exempted from training program as mentioned in regulation No. 19, sub-regulation 2 of the Regulations. Two (02) directors on the Board have already attended the Directors' Training program in prior years, whereas One (01) director has completed the required certification during the year. Remaining two (02) directors will pursue the training during the financial year 2022-23 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, Company Secretary and Head of Internal Audit. Their remuneration and terms and conditions of employment complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-
 - a) **Audit Committee**
Amir Waheed Ahmed, Chairman
Muhammad Usama Qureshi, Member
Uzma Abbasi, Member
 - b) **Human Resource and Remuneration Committee**
Muhammad Usama Qureshi, Chairman
Syed Arshad Raza, Member
Uzma Abbasi, Member
 - c) **Risk Management Committee**
Amir Abbassciy, Chairman
Muhammad Usama Qureshi, Member
Amir Waheed Ahmed, Member
13. The terms of reference of the aforesaid committees, 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 – **Half Yearly (02)**
 - c) Risk Management Committee – **NIL**
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below:

Reg. No.	Requirement	Explanation
6(1)	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.	In a Board comprising of 7 directors, one third would equate 2.333 persons which was not rounded up as one since the two Independent Directors have robustly protected the interests of the minority shareholders. Further, the two elected Independent Directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations.
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.	During the previous year two of Company's head of departments have acquired training under Directors' Training Program. The Company wishes to further 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 appraises 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.

Mohammad Wasi Khan
Chairman

Dated: September 20th, 2022

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	Note	(Rupees in '000)	
		2022	2021
Profit after taxation		4,787,876	3,595,840
Other comprehensive income / (loss) for the year			
Items that will not be reclassified subsequently to unconsolidated statement of profit or loss			
Re-measurements on defined benefit obligation	22.1.7	21,180	(102,696)
Deferred tax thereon		(6,142)	29,782
Re-measurements on defined benefit obligation - net of tax		15,038	(72,914)
Total comprehensive income for the year		4,802,914	3,522,926

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

- 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 22.1.

2.3 Changes in accounting standards and interpretations

2.3.1 Initial application of standard, 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, 2022. 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:
– Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
– Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

2.3.2 New accounting standards / amendments and IFRS interpretations 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 IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
– Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
– Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract	January 01, 2022
– Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
– Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
– Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	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 IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (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

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 property, plant and equipment.

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

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

Repairs and maintenance cost is 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 property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property plant and equipment is recognised in the month of disposal.

Increase in the carrying amounts arising on revaluation of property, plant and equipment are recognised in unconsolidated 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 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 3.16 to the unconsolidated financial statements.
- interest expenses, exchange loss and other expenses as mentioned in note 4.2.3 and 4.2.4 to the unconsolidated financial statements.
- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

Right-of-use assets

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

3.2 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 indicate on 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).

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 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 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 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 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 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 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 consolidated 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 consolidated 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 consolidated statement of financial position.

3.10 Cash and cash equivalents

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

3.11 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, 2022 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). The charge for income tax includes super tax in accordance with 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 accrualbasis.

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
Operating fixed assets	4.1	40,782,071	43,466,979
Capital work-in-progress	4.2	30,889,066	27,216,293
Right-of-use assets	4.3	711,237	828,609
		72,382,374	71,511,881

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

(Rupees in '000)

	2022	2021
Lease hold land	395,497	495,188
Building on lease hold land	315,740	333,421
	711,237	828,609

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

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

(Rupees in '000)

	Note	2021	2020
Cost of sales	31.1	89,179	141,667
Administrative expenses	32	108,003	108,003
Selling and distribution expenses	33	199,582	217,584
		396,764	467,254

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

(Rupees in '000)

	2022	2021
Lease hold land	181,801	77,360
Building on lease hold land	214,963	389,894
	396,764	467,254

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

5. INTANGIBLE ASSET

(Rupees in '000)

	2022
Computer Software	
Opening net book value	–
Additions for the year	19,365
Amortisation charge for the year	(538)
Closing net book value	18,827
Cost	19,365
Accumulated amortisation	(538)
Net book value as at June 30	18,827

10. STOCK-IN-TRADE

	Note	(Rupees in '000)	
		2022	2021
Raw material	10.1	35,168,694	26,063,302
Finished products	10.2	13,077,130	7,521,371
		48,245,824	33,584,673

10.1 This includes raw material in transit amounting to Rs. 22,250.820 million (June 30, 2021: Rs. 21,961.788 million) as at the date of unconsolidated statement of financial position.

10.2 This includes finished product held by third parties amounting to Rs. 2,689.126 million (June 30, 2021: Rs. 3,163.736 million) as at the date of unconsolidated statement of financial position.

11. TRADE DEBTS

	Note	(Rupees in '000)	
		2022	2021
Considered good		7,078,048	4,556,175
Considered doubtful		9,028,059	7,618,435
		16,106,107	12,174,610
Allowance for expected credit losses	11.1	(9,028,059)	(7,618,435)
		7,078,048	4,556,175

11.1 Allowance for expected credit losses

Opening balance		7,618,435	6,196,510
For the year	34	1,409,624	1,421,925
Closing balance		9,028,059	7,618,435

12. LOANS AND ADVANCES

Considered good - Secured			
Advance to suppliers and contractors		4,294	9,666
Considered good - Unsecured			
Advance to employees, suppliers and contractors		182,380	117,782
Current portion of loan to CRL	7	1,518,780	1,432,683
		1,705,454	1,560,131

13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Deposits		15,372	15,372
Prepayments			
- Insurance		37,328	34,195
- Others		-	2,860
		52,700	52,427

14. OTHER RECEIVABLES

	Note	2022	2021
(Rupees in '000)			
Considered good			
Receivable from CRL	14.1	1,087,566	1,234,507
Sales tax refundable	14.2	1,446,654	–
Due from a related party	14.3 & 14.4	682,022	706,853
Others		22,575	220,825
		3,238,817	2,162,185

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

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

14.3 This represents receivable from CIPPL - wholly owned subsidiary against expenses incurred on behalf of CIPPL.

14.4 The maximum aggregate amount due from the subsidiary at the end of any month during the year outstanding was Rs. 706.853 million (June 30, 2021: Rs. 725.816 million). The balance is neither past due nor impaired.

15. CASH AND BANK BALANCES

	Note	2022	2021
(Rupees in '000)			
Cash in hand		333	188
Cash at banks			
- Current accounts		2,303,482	1,762,285
- Savings / deposit accounts	15.1 & 15.2	575,930	487,485
		2,879,412	2,249,770
		2,879,745	2,249,958

15.1 These carry interest at the rates ranging from 2.7% to 12.25% (June 30, 2021: 3.25% to 7.3%) per annum.

15.2 This includes Rs. 327.158 million (June 30, 2021: Rs. 469.304 million) kept in shariah compliant saving account.

16. SHARE CAPITAL

Number of Shares			(Rupees in '000)	
2022	2021	Note	2022	2021
		Authorized share capital		
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10/- each	60,000,000	60,000,000
		Issued, subscribed and paid-up capital		
187,348,638	187,348,638	Issued for cash	1,873,486	1,873,486
5,142,536,068	5,142,536,068	Issued for consideration other than cash - assets	51,425,361	51,425,361
5,329,884,706	5,329,884,706		53,298,847	53,298,847

- 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, 2022 Cnergyico Mu Incorporated (the Holding Company) hold 3,721,858,490 (June 30, 2021: 4,194,520,196) ordinary shares of Rs. 10 each.

17. CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

(Rupees in '000)			
	Note	2022	2021
From Cnergyico Mu Incorporated, the parent company	17.1, 17.2 & 17.3	979,418	979,418

17.1 In respect of plant and machinery

Represents Rs. 529.20 million (June 30, 2021: Rs. 592.20 million) being rupee equivalent of USD 4.0 million (June 30, 2021: USD 4.0 million) representing part of the cost of plant, machinery purchased by the Company.

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 above amount to the supplier against the said assets in lieu of its equity contribution in the Company for which ordinary shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 17.3 to these unconsolidated financial statements.

17.2 In respect of dismantling and refurbishment of Aromatic Plant:

This includes a sum of (i) Rs. 394.802 million (June 30, 2021: Rs. 394.802 million), being rupee equivalent of € 2.259 million and £ 0.290 million (June 30, 2021: € 2.259 million and £ 0.290 million) and (ii) Rs. 55.416 million (June 30, 2021: Rs. 55.416 million), being rupee equivalent of US\$ 0.419 million (June 30, 2021: US\$ 0.419 million), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 17.3 to these unconsolidated financial statements.

17.3 The Company has fulfilled all the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Regulation 5 of Chapter IV of the Companies (further issue of shares) Regulations, 2020 for issuance of shares to the Parent Company. 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 Cnergyico Mu Incorporated, the Parent Company. The Company is in the process of meeting other regulatory requirements after which shares will be issued in the due course.

- 18.8** A supplier's credit amounting to USD 41.927 million novated from Cnergycio 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.
- 18.9** 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.
- 18.10** 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. ACCRUED AND DEFERRED MARK-UP

	Note	(Rupees in '000)	
		2022	2021
Mark-up on long-term financing / loans from related parties			
- secured		592,148	2,594,128
- unsecured		7,132,660	5,598,113
		7,724,808	8,192,241
Current portion of accrued and deferred mark-up		(592,148)	(2,418,075)
		7,132,660	5,774,166

20. LONG-TERM LEASE LIABILITIES

Opening balance		1,387,666	1,449,783
Additions during the year		279,392	98,475
Accretion of interest	36	208,495	254,298
Lease rentals paid		(405,056)	(414,890)
Balance at end of the year		1,470,497	1,387,666
Current portion of lease liabilities	28	(339,788)	(358,619)
Long-term lease liabilities		1,130,709	1,029,047

- 20.1** The rent expense related to short-term leases, included in cost of goods sold, administrative and selling and distribution expenses amounts to Rs. 13.748 million (June 30, 2021: Rs. 22.089 million).

21. LONG-TERM DEPOSITS

	Note	(Rupees in '000)	
		2022	2021
Deposits -liability	21.1	250,081	269,500

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

22. DEFERRED LIABILITIES

(Rupees in '000)

	Note	2022	2021
Employees retirement benefits	22.1	167,867	192,870
Arrangement fee		–	36,746
Others	22.2	166,416	318,513
		334,283	548,129

22.1 Employees retirements benefits - staff gratuity

22.1.1 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, 2022, 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:

22.1.2 Reconciliation of amount payable to defined benefit plan

(Rupees in '000)

	Note	2022	2021
Present value of defined benefit obligation	22.1.3	691,514	652,473
Fair value of plan assets	22.1.4	(523,647)	(459,603)
		167,867	192,870

22.1.3 Movement in the present value of defined benefit obligation:

Opening balance		652,473	451,077
Current service cost		96,515	71,070
Interest cost		63,446	40,122
Benefits paid during the year		(53,267)	(33,027)
Actuarial (gain) / loss	22.1.7	(67,653)	123,231
Closing balance		691,514	652,473

22.1.4 Movement in the fair value of plan assets:

Opening balance		459,603	352,155
Expected return on plan assets		43,684	29,940
Contributions		120,100	90,000
Benefits paid during the year		(53,267)	(33,027)
Actuarial (loss) / gain	22.1.7	(46,473)	20,535
Closing balance		523,647	459,603

22.1.5 Movement in net liability

Opening balance		192,870	98,922
Charge for the year	22.1.6	116,277	81,252
Contributions		(120,100)	(90,000)
Actuarial (gain) / loss	22.1.7	(21,180)	102,696
Closing balance		167,867	192,870

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.

- 22.2 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 18).

23. DEFERRED INCOME - GOVERNMENT GRANT

(Rupees in '000)

	2022	2021
Opening balance	30,467	34,672
Received during the year	–	38,041
Recognised in long term loan	(26,966)	(42,246)
Closing balance	3,501	30,467
Current portion	(3,501)	(26,966)
Non-current portion	–	3,501

- 23.1 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.

24. TRADE AND OTHER PAYABLES

(Rupees in '000)

	2022	2021
Creditors for supplies and services	61,391,441	43,962,536
Accrued liabilities	6,172,413	6,331,536
Due to related parties	144,413	166,621
Sales tax, duties, levies, penalties and default surcharge	–	3,584,859
Withholding tax deductions payable	88,030	114,688
Payable to staff provident fund	22,142	19,037
	67,818,439	54,179,277

40.3 Transactions with related parties

(Rupees in '000)

	2022	2021
Parent company		
Mark-up charged	60,572	74,132
Subsidiary company		
Product processing charges	75,400	86,356
Other expenses incurred	366	341
Associated companies		
Mark-up charged	1,464,209	889,540
Receipt of loan	–	4,661,000
Purchase of operating fixed assets and services	101,010	44,324
Others		
Retirement benefit funds	368,355	339,292
Key management personnel	209,017	143,296

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

40.3.1 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 as at June 30 are, as follows:

(Rupees in '000)

	2022	2021
Within one year	366	366
After one year but not more than five years	2,017	1,940
More than five years	3,322	3,862
	5,705	6,168

40.4 Balances with related parties

Parent company		
Contribution against future issue of shares	979,418	979,418
Accrued mark-up	778,601	718,829
Loan payable	3,935,650	3,935,650
Subsidiary company		
Receivable against expenses incurred	682,598	706,853
Associated companies		
Advance against shared services	37,452	70,069
Accrued mark-up	6,354,058	4,885,134
Loan payable	14,581,628	14,831,628
Payable against purchases	38,453	28,044
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	188,134	211,907

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

40.5 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 41 to these unconsolidated financial statements.

43. 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, 2022.

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

43.1 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.

43.1.1 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 CRL and on delayed payments from PSO on which the Company earns interest. The Company manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

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

Variable Rate Instruments

(Rupees in '000)

	2022	2021
Financial assets		
Long-term loan to CRL	1,518,780	1,518,780
Trade debts	1,543,719	2,058,292
	3,062,499	3,577,072
Financial liabilities		
Long-term financing	21,946,144	25,054,672
Accrued and deferred mark-up	8,439,305	8,192,241
Short-term borrowings	19,627,469	15,069,500
	50,012,918	48,316,413

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 469.504 million (June 30, 2021: Rs. 447.393 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2021.

43.1.2 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:

	2022		2021	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Trade and other payables	55,719,386	272,347	39,725,350	252,160

The average rates applied during the year is Rs. 178.21/USD (June 30, 2021: Rs. 160.30/ USD) and the spot rate as at June 30, 2022 is Rs. 204.59/USD (June 30, 2021: Rs. 157.54/USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 557.194 million (June 30, 2021: Rs. 397.253 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2021.

43.1.3 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.

43.2 Credit risk

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

The risk management function is regularly conducting detailed analysis on sectors / industries to identify the degree by which the Company's customers and their businesses 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:

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	More than one years	Total
June 30, 2021					
Long-term financing	–	–	–	21,897,037	21,897,037
Accrued and deferred mark-up	–	–	–	5,774,166	5,774,166
Long-term deposits	–	–	–	269,500	269,500
Current portion of non-current liabilities	–	791,705	5,142,624	–	5,934,329
Trade and other payables	–	54,179,277	–	–	54,179,277
Unclaimed dividend	1,027	–	–	–	1,027
Short-term borrowings	–	15,069,500	–	–	15,069,500
Accrued mark-up	–	568,226	–	–	568,226
	1,027	70,608,708	5,142,624	27,940,703	103,693,062

44. 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, 2022, the Company has no financial instruments that are measured at fair value in the unconsolidated statement of financial position.

45. 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, 2022.

The Company is not exposed to externally imposed capital requirement.

The gearing ratios as at June 30, 2022 and 2021 are as follows:

		(Rupees in '000)	
	Note	2022	2021
Long-term financing	18	19,144,438	21,897,037
Accrued and deferred mark-up	19	7,132,660	5,774,166
Long-term lease liabilities	20	1,130,709	1,029,047
Deferred liabilities	22	334,283	548,129
Accrued mark-up	26	714,498	568,226
Short-term borrowings	27	19,627,469	15,069,500
Current portion of non-current liabilities		3,733,642	5,934,329
Total debt		51,817,699	50,820,434
Share capital	16	53,298,847	53,298,847
Reserves		(22,219,418)	(27,547,611)
Contribution against future issue of shares	17	979,418	979,418
Total capital		32,058,848	26,730,654
Capital and net debt		83,876,546	77,551,088
Gearing (%)		61.78	65.53

46. 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.

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

	2022		2021	
	(Rupees in '000)	%	(Rupees in '000)	%
Debt securities	133,808	26	128,041	26
Listed equity	87,059	17	129,843	27
Bank deposits	179,214	36	162,216	33
Government securities	107,585	21	67,178	14
	507,666	100	487,278	100

47.2 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.

48. PLANT CAPACITY AND PRODUCTION

Against the designed annual capacity (based on 365 days) of 56.940 million barrels (June 30, 2021: 56.940 million barrels), the actual throughput during the year was 9.305 million barrels (June 30, 2021: 14.950 million barrels). The Company operated the plants considering the level which gives optimal yield of products as per market dynamics.

49. NUMBER OF EMPLOYEES

	(Number)	
	2022	2021
At year end	895	911
Average during the year	903	889

50. 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.

51. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 20th, 2022 by the board of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENERGYICO PK LIMITED

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Cenergyico Pk Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, 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, 2022, 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 are the key audit matters:

Key audit matters	How the matter was addressed in our audit
<p>1. Valuation and existence stock-in-trade</p> <p>As disclosed in note 9 to the consolidated financial statements the stock-in-trade balance amounts to Rs. 48,245,824 million which constitutes 32% of total assets of the Group. Stock-in-trade comprises of crude oil, high speed diesel, motor gasoline and other related petroleum products with differing characteristics.</p> <p>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.</p> <p>We focused on stock-in-trade as it is a significant portion of Group's total asset and involves complexities in determination of volume held and in transit.</p>	<p>Our key audit procedures in relation to the verification of stock-in-trade amongst other procedures included followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of controls over purchases and valuation of stock-in-trade and evaluated control design and implementation and assessed operating effectiveness of such controls; • Tested quantity of stock-in-trade held as at year end, assessed the corresponding stock-in-trade by observing and performed, on sampling basis, test counts and compared the quantities counted by us with the results of the counts of the management; • 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;

Key audit matters	How the matter was addressed in our audit
1. Valuation and existence stock-in-trade	<ul style="list-style-type: none"> On sample basis, we rechecked components of stock-in-trade by analyzing individual components and traced 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 confirmations in respect of stock-in-trade held at third party locations, and performed alternate procedures, where required; 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.

Information Other than the Consolidated 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 consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work, we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have noting 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 statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

The consolidated financial statements of the Group for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion on those statements vide their report dated September 30, 2021.

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

Chartered Accountants

Place: Karachi

Dated: September 23rd, 2022

UDIN: AR202210057hzWKBjfSX

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2022

(Rupees in '000)			
	Note	2022	2021
Revenue from contract with customers - net	30	170,015,072	142,150,298
Cost of sales	31	(159,904,227)	(134,892,850)
Gross profit		10,110,845	7,257,448
Administrative expenses	32	(1,107,083)	(1,005,045)
Selling and distribution expenses	33	(592,869)	(576,360)
Other expenses	34	(1,409,624)	(1,498,664)
Other income - net	35	1,020,839	1,256,589
		(2,088,737)	(1,823,480)
Operating profit		8,022,108	5,433,968
Finance costs - net	36	(2,962,593)	(2,416,361)
Profit before taxation		5,059,515	3,017,607
Taxation	37	(935,666)	(74,468)
Profit after taxation		4,123,849	2,943,139
(Rupees)			
Earnings per share			
- Basic	38	0.77	0.55
- Diluted	38	0.75	0.54

The annexed notes from 1 to 51 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, 2022

	Note	(Rupees in '000)	
		2022	2021
Profit after taxation		4,123,849	2,943,139
Other comprehensive income / (loss) for the year			
Items that will not be reclassified subsequently to consolidated statement of profit or loss			
Re-measurements on defined benefit obligation	22.1.7	21,180	(102,696)
Deferred tax thereon		(6,142)	29,782
Re-measurements on defined benefit obligation - net of tax		15,038	(72,914)
Total comprehensive income for the year		4,138,887	2,870,225

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

(Rupees in '000)

	Issued, subscribed and paid up capital	Capital Reserves			Revenue Reserve		Sub-total	Contribution against future issue of shares	Total
		Merger reserve	Other capital reserve (note 17.10)	Surplus on revaluation of operating fixed assets	Accumulated Loss				
Balance as at June 30, 2020	53,298,847	(21,303,418)	3,214,209	10,754,216	(28,133,134)	17,830,720	857,140	18,687,860	
Profit after taxation	-	-	-	-	2,943,139	2,943,139	-	2,943,139	
Other comprehensive loss for the year - net of tax	-	-	-	-	(72,914)	(72,914)	-	(72,914)	
Total comprehensive income for the year	-	-	-	-	2,870,225	2,870,225	-	2,870,225	
Revaluation on contribution against future issue of shares	-	-	-	-	-	-	122,278	122,278	
Incremental depreciation relating to to revaluation surplus on operating fixed assets - net of tax	-	-	-	(1,010,945)	1,010,945	-	-	-	
Balance as at June 30, 2021	53,298,847	(21,303,418)	3,214,209	9,743,271	(24,251,964)	20,700,945	979,418	21,680,363	
Profit after taxation	-	-	-	-	4,123,849	4,123,849	-	4,123,849	
Other comprehensive income 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	

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

1. LEGAL STATUS AND NATURE OF BUSINESS

As at June 30, 2022 'the Group' comprises of the Holding Company and a subsidiary 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 Holding Company are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Cnergyico Mu Incorporated, (formerly Byco Industries Incorporated (BII)), Mauritius (the Parent Company). The Holding Company in turn is a subsidiary of Busientco Incorporated (formerly Byco Busient Incorporated (BBI)), Cayman Islands (the Ultimate Parent Company).

The Holding Company currently operates two business segments namely Oil refinery business and Petroleum marketing business. The Holding Company has two refineries with an aggregate rated capacity of 156,000 bpd. Petroleum marketing business was formally launched in 2007 and has 447 (June 30, 2021: 415) retail outlets across the country.

During the year, the Holding Company in its Extra Ordinary General Meeting of shareholders held on July 08, 2021 passed special resolution and resolved that name of the Holding company changed from 'Byco Petroleum Pakistan Limited' to "Cnergyico PK Limited".

During the year, 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 ('Puma').

During the year, the board of the Holding Company in its meeting held on April 28, 2022 authorised the management of the Holding company to explore the feasibility of potential merger of its subsidiary with the Holding Company.

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 Company

Cnergyico Isomerate Pk (Private) Limited (CIPPL)

CIPPL was incorporated in Pakistan as a private limited company under the Act on May 14, 2014. CIPPL 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

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

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 4.11 and 21.1.

2.3 Changes in accounting standards and interpretations

2.3.1 Initial application of standard, 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, 2022. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
– Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
– Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

2.3.2 New accounting standards / amendments and IFRS interpretations 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 Group's operations or are not expected to have significant impact on the Group'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, 2022
– Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
– Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract	January 01, 2022
– Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

	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 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	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 IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (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 operating fixed assets	4.1 & 5.1
ii) Provision for slow moving and obsolete stores and spares	4.5
iii) Provision for doubtful debts 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 operating fixed assets	4.1
vii) Provision for taxation	4.13
viii) Contingencies	4.20
ix) Determining the lease term of contracts with renewal and termination options	4.10

3. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary company, here-in-after referred to as “the Group” 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 subsidiary are prepared for the same reporting year as the Holding Company, using consistent accounting policies.

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

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 operating fixed assets.

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 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 consolidated 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 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 4.16 to the consolidated financial statements.
- interest expenses, exchange loss and other expenses as mentioned in note 5.2.3 and 5.2.4 to the consolidated financial statements.

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

Right-of-use assets

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

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

The carrying value of intangible asset is 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 on the 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 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Group performs its 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 debts 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 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 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 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 consolidated statement of comprehensive income. Equity instruments designated at fair value through OCI 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.

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, 2022 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.

Deferred

Deferred tax is recognised using the liability method, on all temporary differences arising at the reporting 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 in thousand 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 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.

4.18 Other income

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

- Mark-up on delayed payment charges are recognised on the time proportionate basis;
- Interest income on short-term deposits and interest bearing advances are recognised on the time proportionate basis;

- Scrap sales, dealership income and rental income are recognised on an accrual basis; and
- Gain on disposal is recognised at the time of disposal of operating fixed assets.

4.19 Earnings per share

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

4.20 Contingencies

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.21 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.

4.22 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Rupees in '000)	
		2022	2021
Operating fixed assets	5.1	52,076,046	55,647,506
Capital work-in-progress	5.2	30,889,066	27,216,293
Right-of-use assets	5.3	711,237	828,609
		83,676,349	83,692,408

5.1.1 This includes lease hold land amounting to Rs. 110.081 million (June 30, 2021 : 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 Act 2017.

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

The different levels have been defined in IFRS 13 as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e, as prices) or indirectly (i.e., derived from prices) (level 2); and
 - Inputs for the asset or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cashflows). (level 3).
- 5.1.4** Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

Note	2022	2021
Free hold land	56,154	56,154
Lease hold land	213,200	213,200
Buildings on free hold land, roads and civil works	1,156,672	1,219,538
Building on lease hold land	40,402	43,802
Plant and machinery	37,306,374	39,868,782
Generators	653,785	734,923
Safety and lab equipments	12,784	7,799
	39,439,371	42,144,198

(Rupees in '000)

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

Cost of sales	31.1	4,279,979	4,260,563
Administrative expenses	32	46,609	48,269
Selling and distribution expenses	33	50,966	81,596
		4,377,554	4,390,428

5.1.6 Forced sale values of asset class:

Free hold land	773,334	773,334
Lease hold land	963,900	963,900
Buildings on free hold land, roads and civil works	957,005	1,030,092
Building on lease hold land	37,057	40,788
Plant and machinery	31,854,202	35,395,406
Generators	495,709	599,643
Safety and lab equipments	11,991	5,679
	35,093,198	38,808,842

5.1.7 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 Sheikhpura	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:

(Rupees in '000)

	Note	July 01, 2021	Additions	Transfers	Closing balance	
					June 30, 2022	June 30, 2021
Building on free hold land, roads and civil works		691	–	–	691	691
Plant and machinery	5.2.1 - 5.2.5	27,159,938	4,248,262	(519,825)	30,888,375	27,159,938
Filling stations		55,664	–	(55,664)	–	55,664
		27,216,293	4,248,262	(575,489)	30,889,066	27,216,293

5.2.1 Includes plant and machinery amounting to USD 4 million (June 30, 2021: USD 4 million) against which shares to be issued as disclosed in note 16.1 to these consolidated financial statements.

5.2.2 Includes incidental and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Holding Company as disclosed in note 16.2 to these consolidated financial statements.

5.2.3 Capitalisation of borrowing costs amounting to Rs. 1,664.276 million (June 30, 2021: Rs. 1,151.672 million) have been determined at the rate of 9% (June 30, 2021: 7%) per annum.

5.2.4 Plant and machinery includes exchange difference of Rs. nil (June 30, 2021: Rs. 122.279 million).

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

5.3 Right-of-use assets

(Rupees in '000)

	Note	2022	2021
Year ended June 30			
Opening net book value		828,609	1,197,388
Additions for the year		279,392	98,475
Depreciation charge for the year	5.3.3	(396,764)	(467,254)
Closing net book value		711,237	828,609
As at June 30			
Cost		1,962,881	1,683,489
Accumulated depreciation		(1,251,644)	(854,880)
Net book value		711,237	828,609

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

(Rupees in '000)

	2022	2021
Lease hold land	395,497	495,188
Building on lease hold land	315,740	333,421
	711,237	828,609

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

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

(Rupees in '000)

	Note	2022	2021
Cost of sales	31.1	89,179	141,667
Administrative expenses	32	108,003	108,003
Selling and distribution expenses	33	199,582	217,584
		396,764	467,254

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

(Rupees in '000)

	2022	2021
Lease hold land	181,801	77,360
Building on lease hold land	214,963	389,894
	396,764	467,254

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

6. INTANGIBLE ASSET

(Rupees in '000)

	2022
Computer Software	
Net book value - opening balance	–
Additions for the year	19,365
Amortisation charge for the year	(538)
Net book value - closing balance	18,827
Cost	19,365
Accumulated amortisation	(538)
Net book value - closing balance	18,827

7. LONG-TERM LOANS AND ADVANCES

(Rupees in '000)				
		Note	2022	2021
Unsecured - considered good:				
Loan to Coastal Refinery Limited (CRL)			1,518,780	1,518,780
Advance against investment in shares			482,134	482,134
			2,000,914	2,000,914
Current portion of loan to CRL		12	(1,518,780)	(1,432,683)
			482,134	568,231

8. LONG-TERM DEPOSITS

Rent			14,178	14,178
Retail sites and others			379,262	323,534
			393,440	337,712

9. STOCK-IN-TRADE

Raw material		9.1	35,168,694	26,063,302
Finished products		9.2	13,077,130	7,521,371
			48,245,824	33,584,673

- 9.1** This includes raw material in transit amounting to Rs. 22,250.820 million (June 30, 2021: Rs. 21,961.788 million) as at the date of consolidated statement of financial position.
- 9.2** This includes finished product held by third parties amounting to Rs. 2,689.126 million (June 30, 2021: Rs. 3,163.736 million) as at the date of consolidated statement of financial position.

10. TRADE DEBTS

(Rupees in '000)				
		Note	2022	2021
Considered good			7,078,048	4,556,175
Considered doubtful			9,028,059	7,618,435
			16,106,107	12,174,610
Allowance for expected credit losses		10.1	(9,028,059)	(7,618,435)
			7,078,048	4,556,175

10.1 Allowance for expected credit losses

Opening balance			7,618,435	6,196,510
For the year		34	1,409,624	1,421,925
Closing balance			9,028,059	7,618,435

11. LOANS AND ADVANCES

	Note	(Rupees in '000)	
		2022	2021
Considered good - Secured			
Advance to suppliers and contractors		4,294	9,666
Considered good - Unsecured			
Advance to employees, suppliers and contractors		182,380	117,782
Current portion of loan to CRL	7	1,518,780	1,432,683
		1,705,454	1,560,131

12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Deposits		15,372	15,372
Prepayments			
- Insurance		37,328	34,195
- Others		-	2,860
		52,700	52,427

13. OTHER RECEIVABLES

Considered good			
Receivable from CRL	13.1	1,087,566	1,234,507
Sales tax refundable	13.2	1,454,058	-
Others		22,576	229,734
		2,564,200	1,464,241

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

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

14. CASH AND BANK BALANCES

	Note	(Rupees in '000)	
		2022	2021
Cash in hand		333	188
Cash at banks			
- Current accounts		2,304,482	1,762,285
- Savings / deposit accounts	14.1 & 14.2	575,930	487,485
		2,880,412	2,249,770
		2,880,745	2,249,958

14.1 These carry interest at the rates ranging from 2.7% to 12.25% (2021: 3.25% to 7.3%) per annum.

14.2 This includes Rs. 327.158 million (June 30, 2021: Rs. 469.304 million) kept in shariah compliant saving account.

15. SHARE CAPITAL

Number of Shares		(Rupees in '000)		
2022	2021	Note	2022	2021
6,000,000,000	6,000,000,000			
Authorized share capital				
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		1,873,486	1,873,486
Issued for cash				
5,142,536,068	5,142,536,068		51,425,361	51,425,361
Issued for consideration other than cash - assets				
5,329,884,706	5,329,884,706		53,298,847	53,298,847

- 15.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.
- 15.2 As at June 30, 2022 Cnergyico Mu Incorporated (the Holding Company) hold 3,721,858,490 (June 30, 2021: 4,194,520,196) ordinary shares of Rs. 10 each.

16. CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

			(Rupees in '000)	
	Note		2022	2021
From Cnergyico Mu Incorporated, the parent company	16.1, 16.2 & 16.3		979,418	979,418

16.1 In respect of plant and machinery

Represents Rs. 529.200 million (June 30, 2021: Rs. 592.200 million) being rupee equivalent of USD 4.0 million (June 30, 2021: USD 4.0 million) representing part of the cost of plant, machinery purchased by the Holding Company.

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 above amount to the supplier against the said assets in lieu of its equity contribution in the Holding Company for which ordinary shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 16.3 to these consolidated financial statements.

16.2 In respect of dismantling and refurbishment of Aromatic Plant:

This includes a sum of (i) Rs. 394.802 million (June 30, 2021: Rs. 394.802 million), being rupee equivalent of € 2.259 million and £ 0.290 million (June 30, 2021: € 2.259 million and £ 0.290 million) and (ii) Rs. 55.416 million (June 30, 2021: Rs. 55.416 million), being rupee equivalent of US\$ 0.419 million (June 30, 2021: US\$ 0.419 million), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Holding Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 16.3 to these consolidated financial statements.

- 16.3 The Holding company has fulfilled all the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Regulation 5 of Chapter IV of the Companies (further issue of shares) Regulations, 2020 for issuance of shares to the Parent Company. In the year 2021, the board 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 Cnergyico Mu Incorporated, the Parent Company. The Holding Company is in the process of meeting other regulatory requirements after which shares will be issued in the due course.

17. LONG-TERM FINANCING

(Rupees in '000)

Facilities	Note	Mark-up rate	Installments			2022	2021
			Payment term	Number	Commencement		
Secured							
Syndicate loan I	17.2	8% per annum for the first two years from the date of disbursement and six months kibar or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	–	145,250
Arrangement fee	17.2		–	–	–	–	94,748
Bilateral Loan I	17.3	Six months kibar + 4.5%	Quarterly	12	June 2019	150,000	350,000
Bilateral Loan II	17.3	Three months kibar + 1.5%	Quarterly	12	Sep 2020	416,667	666,667
Bilateral Loan III	17.3	Three months kibar + 4.5%	Quarterly	12	June 2019	100,000	233,334
Bilateral Loan IV	17.3	Three months kibar + 1.5%	Quarterly	12	May 2021	1,650,000	2,200,000
Bilateral Loan V	17.3	Three months kibar + 2.5%	Quarterly	08	October 2020	191,227	318,712
Bilateral Loan VI	22.1	SBP rate* + (2.5% - 3%)	Quarterly	08	January 2021	307,387	777,186
	17.1					2,815,281	4,785,907
Sukuk certificates	17.1 & 17.4	Three months kibar + 1.05%	Quarterly	12	April 2019	780,000	1,820,000
Related parties - unsecured							
Integrate Pk (Private) Limited - Supplier's credit	17.5, 17.8 & 17.10	One year Libor + 1%	Semi-annually	20	March 2025	958,890	958,890
Integrate PK (Private) Limited - Others	17.5 & 17.6	Nil to 4.5% to six months kibar + 4%	Semi-annually	05	March 2025	13,456,323	13,554,225
Cnergyico Mu Incorporated, the Parent Company	17.9 & 17.10	Six month to one year libor + 1%	Semi-annually	04	March 2025	3,935,650	3,935,650
						18,350,863	18,448,765
						21,946,144	25,054,672
Current maturity						(2,801,706)	(3,157,635)
						19,144,438	21,897,037

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

- 17.1** Represent facilities availed from various banks and are secured against the Holding Company's operating fixed assets and current assets.
- 17.2** Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility was secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of its 80% shares.
- 17.3** Represents bilateral loans availed from various banks and financial institutions and are secured against the Holding Company's operating fixed assets and current assets.
- 17.4** 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 Company. This facility is secured against operating fixed assets.
- 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 amounting to Rs. 14,581.630 million and Rs. 4,879.284 million respectively, novated to Integrate PK (Private) Limited, a related party.
- 17.7** Loan amounting to Rs. 250 million obtained last year from Integrate PK (Private) Limited, a related party, for the purpose of assembly and construction of certain oil refinery assets. The loan carried interest rate of 4.5% per annum.

- 17.8** A supplier's credit amounting to USD 41.927 million novated from Cnergycico 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 recognized the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

18. ACCRUED AND DEFERRED MARK-UP

	Note	2022	2021
(Rupees in '000)			
Mark-up on long-term financing / loans from related parties			
- secured		592,149	2,588,278
- unsecured		7,132,660	5,603,963
		7,724,809	8,192,241
Current portion of accrued and deferred mark-up		(592,149)	(2,418,075)
		7,132,660	5,774,166

19. LONG-TERM LEASE LIABILITIES

Opening balance		1,387,666	1,449,783
Additions during the year		279,392	98,475
Accretion of interest during the year	36	208,495	254,298
Lease rentals paid during the year		(405,056)	(414,890)
Closing Balance		1,470,497	1,387,666
Current portion of lease liabilities		(339,788)	(358,619)
Long-term lease liabilities		1,130,709	1,029,047

- 19.1** The rent expense related to short-term leases, included in administrative and selling and distribution expenses, amounts to Rs. 13.748 million (June 30, 2021: Rs. 22.089 million).

20. LONG-TERM DEPOSITS

	Note	2022	2021
(Rupees in '000)			
Deposits	20.1	250,081	269,500

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

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:

(Rupees in '000)		
	Increase in assumption	Decrease in assumption
Mortality 1 year (forward / back)	691,753	691,274
Withdrawal rates (10%)	692,247	690,750

21.1.16 Composition of plan assets

(Rupees in '000)		
	2022	2021
Mutual funds	416,412	434,931
Cash at bank	107,235	24,672
	523,647	459,603

21.1.17 Maturity profile

Year 1	33,155	28,890
Year 2	36,061	16,478
Year 3	30,537	22,493
Year 4	45,892	17,695
Year 5	70,910	33,917
Year 6 - 10	464,733	324,755
Year 11 and above	3,321,095	2,503,677

22.1.18 Significant risks

Final salary risk

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

Asset volatility

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

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 Holding Company for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post retirement benefit been given by the 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.

24. TRADE AND OTHER PAYABLES

(Rupees in '000)		
Note	2022	2021
Creditors for supplies and services	61,391,441	43,962,536
Accrued liabilities	6,172,296	6,331,746
Due to related parties	144,413	166,621
Sales tax, duties, levies, penalties and default surcharge	-	3,584,859
Withholding tax deductions payable	88,030	114,688
Payable to staff provident fund	22,142	19,037
	67,818,322	54,179,487

25. ADVANCE FROM CUSTOMERS

	25.1	2,893,300	2,851,374
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- 25.1** Represents advances received from customers for supply of goods. During the year, goods have been supplied against opening advance amount from customers.

26. ACCRUED MARK-UP - SECURED

(Rupees in '000)		
Note	2022	2021
Long-term financing	169,493	107,943
Short-term borrowings	545,005	460,283
	714,498	568,226

27. SHORT-TERM BORROWINGS

Finance against trust receipts	27.1	18,027,469	13,469,500
Running finance	27.2	1,600,000	1,600,000
		19,627,469	15,069,500

- 27.1** The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 27,725 million (June 30, 2021: Rs. 27,584 million) out of which Rs. 9,698 million (June 30, 2021: Rs. 14,114 million) remains unutilised as at reporting date. The facility carries mark-up ranging from 1 month's KIBOR plus 1.25% to 3% (June 30, 2021: 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.

- 27.2** The Group has obtained running finance facility amounting to Rs. 1,600 million (June 30, 2021: Rs. 1,600 million) obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 1.5% (June 30, 2021: 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.

32.2 Auditors' remuneration

(Rupees in '000)

	Note	2022	2021
Audit fee		4,400	4,400
Half year review		650	650
Consolidation of financial statements		700	700
Code of corporate governance and other certifications		500	500
Out of pocket expenses		510	510
		6,760	6,760

33. SELLING AND DISTRIBUTION EXPENSES

Salaries, allowances and other benefits	33.1	281,048	244,764
Depreciation on right-of-use assets	5.3.3	199,582	217,584
Advertisement		59,505	30,764
Depreciation on operating fixed assets	5.1.4	50,966	81,596
Rent, rates and taxes		1,768	1,652
		592,869	576,360

33.1 This includes a sum of Rs. 39.079 million (2021: Rs. 29.802 million) in respect of staff retirement benefits.

34. OTHER EXPENSES

(Rupees in '000)

		2022	2021
Allowance for expected credit loss	11.1	1,409,624	1,421,925
Late payment surcharge and penalties		–	76,739
		1,409,624	1,498,664

35. OTHER INCOME - NET

Income from financial assets			
Interest on balances due from customer		895,051	907,352
Interest on loan to CRL		65,951	49,248
Interest income on savings accounts		26,272	31,128
		987,274	987,728
Income from non-financial assets			
Dealership income		18,500	24,600
Scrap sales		11,933	87,526
Others - other income		3,060	4,650
Gain / (loss) on disposal of operating fixed assets		72	(149)
Reversal of worker's welfare fund		–	152,234
		1,020,839	1,256,589

36. FINANCE COSTS - NET

	Note	2022	2021
(Rupees in '000)			
Mark-up on:			
- Long-term financing		390,585	449,797
- Short-term borrowings		2,232,267	1,667,344
		2,622,852	2,117,141
Interest on lease liabilities		208,495	254,298
Exchange loss / (gain) on others - net		54,512	(15,074)
Bank and other charges		76,734	59,996
		2,962,593	2,416,361

37. TAXATION

Current year	238,345	10,560
Prior year	-	(12,119)
Deferred tax charge - net	697,321	76,027
	935,666	74,468

37.1 The returns of income tax have been filed up to and including tax year 2021. These, except for those mentioned in 37.2 are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

37.2 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.

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

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

Provision for current tax is based on Minimum tax, Alternate Corporate Tax and Super tax. Accordingly, tax reconciliation has not been presented in these consolidated financial statements.

38. EARNINGS PER SHARE - BASIC AND DILUTED

	(Rupees in '000)	
	2022	2021
BASIC EARNINGS PER SHARE		
Profit after taxation (Rupees in '000)	4,123,849	2,943,139
Weighted average ordinary shares (Numbers)	5,329,884,706	5,329,884,706
Earnings per share - basic (Rupees)	0.77	0.55
DILUTED EARNINGS PER SHARE		
Profit after taxation (Rupees in '000)	4,123,849	2,943,139
Weighted average ordinary shares (Numbers)	5,329,884,706	5,329,884,706
Potential shares to be issued (Numbers)	16.3	163,562,865
	5,493,447,571	5,493,447,570
Earnings per share - diluted (Rupees)	0.75	0.54

39. CASH AND CASH EQUIVALENTS

Cash and bank balances	14	2,880,745	2,249,958
Running finance facility	27	(1,600,000)	(1,600,000)
		1,280,745	649,958

39.1 Changes in liabilities from financing activities

	(Rupees in '000)			
	July 01, 2021	Cash flows	Non - cash flows	June 30, 2022
Long-term financing	25,054,672	(3,324,337)	215,809	21,946,144
Lease liabilities	1,387,666	(405,056)	487,887	1,470,497
Unclaimed dividends	1,027	-	-	1,027
	26,443,365	(3,729,393)	703,696	23,417,668

40. 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:

- 40.1 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 % of shareholding	
		2022	2021
Cnergyico Mu Incorporated	Parent	69.83	78.70
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*	4.74	4.96
Employees' Gratuity fund	Retirement benefit fund	–	–
Employees' Provident fund	Retirement benefit fund	–	–

* Based on common directorship

** Subsidiary of ultimate parent company

- 40.2 Associated companies, joint ventures or holding companies incorporated outside Pakistan:

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

- 40.3 Transactions with related parties

	(Rupees in '000)	
	2022	2021
Parent Company		
Mark-up charged	60,572	74,132
Associated Companies		
Mark-up charged	1,464,209	889,540
Receipt of loan	–	4,661,000
Purchase of operating fixed assets and services	101,010	44,324
Others		
Retirement benefit funds	368,355	339,292
Key Management Personnel	209,017	143,296

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

40.4 Balances with related parties

(Rupees in '000)

	2022	2021
Parent Company		
Contribution against future issue of shares	979,418	979,418
Accrued mark-up	778,601	718,829
Loan payable	3,935,650	3,935,650
Associated Companies		
Advance against shared services	37,452	70,069
Accrued mark-up	6,354,058	4,885,134
Loan payable	14,581,628	14,831,628
Payable against purchases	38,453	28,044
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	188,134	211,907

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

- 40.5 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 41 to these consolidated financial statements.

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount included in these consolidated financial statements for remuneration, including the benefits and perquisites, to the chief executive, directors and executives of the Group are as follows:

(Rupees in '000)

	2022			2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Fee	–	2,880	–	–	1,890	–
Managerial remuneration	–	–	722,521	–	–	621,062
Staff retirement benefits	–	–	119,166	–	–	102,021
Housing and utilities	–	–	221,707	–	–	189,385
Leave fare assistance	–	–	60,186	–	–	51,734
	–	2,880	1,123,580	–	1,890	964,202
Number of persons	1	2	248	1	2	222

- 41.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.
- 41.2 Few executives have been provided with Group maintained cars.
- 41.3 The Group's board of directors consists of 7 directors of which 6 are non-executive directors. Except for two independent directors, no remuneration and other benefits have been paid to any other director.

42. FINANCIAL INSTRUMENTS BY CATEGORY

42.1 Financial assets and financial liabilities

(Rupees in '000)

	Note	2022	2021
Financial assets measured at amortised cost			
Long-term loans and advances	7	482,134	568,231
Long-term deposits	8	393,440	337,712
Trade debts	10	7,078,048	4,556,175
Loans	11	1,518,780	1,432,683
Trade deposits	12	15,372	15,372
Accrued interest		427,981	362,032
Other receivables	13	1,110,142	1,464,241
Cash and bank balances	14	2,880,745	2,249,958
		13,906,642	10,986,404
Financial liabilities measured at amortised cost			
Long-term financing	17	19,144,438	21,897,037
Accrued and deferred mark-up	18	7,724,809	8,192,241
Long-term deposits	20	250,081	269,500
Trade and other payables	24	67,730,292	50,479,940
Accrued mark-up	26	714,498	568,226
Short-term borrowings - secured	27	19,627,469	15,069,500
Current portion of non-current liabilities	28	3,393,854	5,575,710
Unclaimed dividend		1,027	1,027
		118,586,468	102,053,181

43. 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, 2022.

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

43.1 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.

43.1.1 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 loan to CRL and on delayed payments from PSO on which the Holding Company earns interest. The Group manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

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

Variable Rate Instruments

(Rupees in '000)

	2022	2021
Financial assets		
Long-term loan to CRL	1,518,780	1,518,780
Trade debts	1,543,719	2,058,292
	3,062,499	3,577,072
Financial liabilities		
Long-term financing	21,946,144	25,054,672
Accrued and deferred mark-up	8,439,305	8,192,241
Short-term borrowings	19,627,469	15,069,500
	50,012,918	48,316,413

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 469.504 million (June 30, 2021: Rs. 447.393 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2021.

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

	2022		2021	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Trade and other payables	55,719,386	272,347	39,725,350	252,160

The average rates applied during the year is Rs. 178.21/USD (June 30, 2021: Rs. 160.30/ USD) and the spot rate as at June 30, 2022 is Rs. 204.59/USD (June 30, 2021: Rs. 157.54/USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the loss by Rs. 557.194 million (June 30, 2021: Rs. 397.253 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2021.

43.1.3 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 reporting date.

43.2 Credit risk

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

The risk management function is regularly conducting detailed analysis on sectors / industries to identify the degree by which the Group's customers and their businesses 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 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;
- 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	2022	2021
Long-term loans and advances	7	482,134	568,231
Long-term deposits	8	393,440	337,712
Trade debts	10	7,078,048	4,556,175
Loans and advances	11	1,705,454	1,560,131
Trade deposits	12	15,372	15,372
Accrued interest		427,981	362,032
Other receivables	13	1,110,142	1,464,241
Bank balances	14	2,880,412	2,249,770
		14,092,983	11,113,664

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:

	Note	2022	2021
(Rupees in '000)			
Neither past due nor impaired		5,502,467	2,451,257
Past due 1-30 days		24,187	39,635
Past due 31-365 days		7,676	6,992
Above 365 days		1,543,718	2,058,291
		7,078,048	4,556,175
<hr/>			
A1+		2,801,970	2,080,807
A1		10,184	17,367
A2		59,348	151,596
A3		8,910	–
		2,880,412	2,249,770

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

43.3 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 years	Total
(Rupees in '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
Trade and other payables	–	67,730,292	–	–	67,730,292
Accrued mark-up	–	714,498	–	–	714,498
Short-term borrowings	–	19,627,469	–	–	19,627,469
Current portion of non-current liabilities	–	1,624,878	1,768,976	–	3,393,854
Unclaimed dividend	1,027	–	–	–	1,027
	1,027	89,697,137	1,768,976	26,527,179	117,994,319

	On demand	Less than 3 months	3 to 12 months	More than one years	Total
(Rupees in '000)					
June 30, 2021					
Long-term financing	–	–	–	21,897,037	21,897,037
Accrued and deferred mark-up	–	–	–	5,774,166	5,774,166
Long-term deposits	–	–	–	269,500	269,500
Trade and other payables	–	50,479,940	–	–	50,479,940
Accrued mark-up	–	568,226	–	–	568,226
Short-term borrowings	–	15,069,500	–	–	15,069,500
Current portion of non-current liabilities	–	791,705	4,784,005	–	5,575,710
Unclaimed dividend	1,027	–	–	–	1,027
	1,027	66,909,371	4,784,005	27,940,703	99,635,106

44. 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, 2022, the Group has no financial instruments that are measured at fair value in the consolidated statement of financial position.

45. 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, 2022.

The Group is not exposed to externally imposed capital requirement.

The gearing ratios as at June 30, 2022 and 2021 are as follows:

	Note	2022	2021
(Rupees in '000)			
Long-term financing	17	19,144,438	21,897,037
Accrued and deferred mark-up	18	7,132,660	5,774,166
Long-term lease liabilities	19	1,130,709	1,029,047
Deferred liabilities	21	334,283	548,129
Accrued mark-up	26	714,498	568,226
Short-term borrowings	27	19,627,469	15,069,500
Current portion of non-current liabilities		3,393,854	5,961,295
Total debt		51,477,911	50,847,400
Share capital	15	53,298,847	53,298,847
Reserves		(37,192,038)	(42,341,173)
Contribution against future issue of shares	16	979,418	979,418
Total capital		17,086,227	11,937,092
Capital and net debt		68,564,138	62,784,492
Gearing (%)		75.08	80.99

46. 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:

	(Rupees in '000)					
	Oil Refining Business		Petroleum Marketing Business		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Sales to external customers	64,680,822	64,077,045	105,334,250	78,073,253	170,015,072	142,150,298
Inter-segment sales	103,394,958	75,511,062	-	-	103,394,958	75,511,062
Eliminations	(103,394,958)	(75,511,062)	-	-	(103,394,958)	(75,511,062)
Total revenue	64,680,822	64,077,045	105,334,250	78,073,253	170,015,072	142,150,298
Result						
Segment profit	6,875,596	4,540,070	1,568,863	1,405,211	8,444,459	5,945,281
Unallocated expenses:						
Finance cost - net					(2,962,593)	(2,416,361)
Interest income					987,274	987,728
Other expenses					(1,409,624)	(1,498,664)
Taxation					(935,666)	(74,468)
Profit after taxation					4,123,850	2,943,516
Segmental assets	149,918,462	129,941,205	1,193,659	1,696,926	151,112,121	131,638,131
Unallocated Assets	-	-	-	-	-	-
	149,918,462	129,941,205	1,193,659	1,696,926	151,112,121	131,638,131
Segmental liabilities	122,835,272	108,658,362	2,457,599	1,299,406	125,292,871	109,957,768
Unallocated Liabilities	-	-	-	-	-	-
	122,835,272	108,658,362	2,457,599	1,299,406	125,292,871	109,957,768
Capital expenditure	4,534,104	4,537,420	224,156	33,126	4,758,260	4,570,546
Other Information						
Depreciation	4,523,770	4,558,502	250,548	299,180	4,774,318	4,857,682

46.1 None of the Group's customers contributed more than 10% of the revenue during the year.

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

47. 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	(Rupees in '000)	
		2022	2021
		(Unaudited)	(Audited)
Size of the fund - Total assets		733,982	650,196
Cost of the investment made	47.1	507,666	487,278
Fair value of the investment		507,980	508,103
Percentage of the investment		69.17%	74.94%

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

	2022		2021	
	(Rupees in '000)	%	(Rupees in '000)	%
Debt securities	133,808	26	128,041	26
Listed equity	87,059	17	129,843	27
Bank deposits	179,214	36	162,216	33
Government securities	107,585	21	67,178	14
	507,666	100	487,278	100

47.2 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.

48. PLANT CAPACITY AND PRODUCTION

Against the designed annual capacity (based on 365 days) of 56.940 million barrels (June 30, 2021: 56.940 million barrels), the actual throughput during the year was 9.305 million barrels (June 30, 2021: 14.950 million barrels) and against the designed annual capacity (based on 365 days) of isomerisation plant of 12,500 barrels per day (30 June 2021: 12,500 barrels per day), the actual throughput during the year was 977 barrels per day (30 June 2021: 1,045 barrels per day). The Group operated the plants considering the level which gives optimal yield of products as per market dynamics.

49. NUMBER OF EMPLOYEES

	(Number)	
	2022	2021
At year end	895	911
Average during the year	903	889

50. 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.

51. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 20th, 2022 by the Board of Directors of the Group.

CATEGORIES OF SHAREHOLDING

As at June 30, 2022

Shareholders Category	No. of Shareholders	No. of Shares	%
Directors, Chief Executive Officer, and their spouse and minor children	8	120,800	0.00
Associated Companies, Undertakings and related Parties	3	3,974,631,398	74.57
NIT and ICP	–	–	–
Banks, Development Financial Institutions, Non Banking Financial Institutions	9	33,473,567	0.63
Insurance Companies	3	8,014,671	0.15
Modarabas and Mutual Funds	26	136,822,605	2.57
Shareholders holding 10%	2	3,721,860,898	69.83
General Public:			
a. local	27,995	960,933,245	18.03
b. Foreign	–	–	–
Others	164	215,888,420	4.05
Total (excluding shareholders holding 10%)	28,208	5,329,884,706	100.00

Directors, Chief Executive Officer, and their spouse and minor children

S. No.	Folio	Name	Holding
1	18	MRS. UZMA ABBASI	5,600
2	1859	MRS. FAZILA GHULAM ALI RAZA	600
3	6020	MR. AMIR ABBASSCIY	2,500
4	6374	MR.MOHAMMAD WASI KHAN	500
5	6382	MR. MUHAMMAD USAMA QURESHI	500
6	6384	SYED HASAN ZAIDI	500
7	03277-20637	SYED ARSHAD RAZA	10,600
8	10629-76524	AMIR WAHEED AHMED	100,000
		TOTAL	120,800

Associated Companies, Undertakings and related Parties

1	6368	M/S. CENERGYICO MU INCORPORATED	925,411,762
2	03277-111904	INTEGRATE PK (PRIVATE.) LIMITED	252,770,500
3	03277-60633	CENERGYICO MU INCORPORATED	2,796,449,136
		TOTAL	3,974,631,398

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	02246-42	HABIB BANK LIMITED-TREASURY DIVISION	500,000
5	02832-32	MEEZAN BANK LIMITED	10,400,000
6	03525-100145	ESCORTS INVESTMENT BANK LIMITED	3,000
7	03798-52	THE BANK OF KHYBER	5,000,000
8	03889-44	NATIONAL BANK OF PAKISTAN	9,312,500
9	05132-26	ASKARI BANK LIMITED	8,222,000
		TOTAL	33,473,567

Insurance Companies

1	12484-18622	ASKARI GENERAL INSURANCE COMPANY	120,000
2	13748-501	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	7,296,671
3	14357-29	ALFALAH INSURANCE COMPANY LIMITED	598,000
		TOTAL	8,014,671

S. No.	Folio	Name	Holding
Modarabas and Mutual Funds			
1	00620-68812	TRUST MODARABA	90,000
2	04077-25	FIRST FIDELITY LEASING MODARABA	10,000
3	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	2,075,978
4	06197-29	CDC - TRUSTEE ALFALAH GHP VALUE FUND	385,000
5	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	413,300
6	06619-26	CDC - TRUSTEE AKD OPPORTUNITY FUND	20,200,000
7	07062-23	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	9,370,000
8	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	44,462,500
9	07450-521	B.R.R. GUARDIAN MODARABA	67,890
10	10710-28	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	2,595,000
11	11809-26	CDC - TRUSTEE ALFALAH GHP STOCK FUND	2,095,000
12	11924-22	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	822,500
13	12195-21	CDC - TRUSTEE ABL STOCK FUND	227,500
14	13946-28	CDC - TRUSTEE KSE MEEZAN INDEX FUND	5,174,937
15	14514-28	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	70,000
16	14688-29	CDC - TRUSTEE NIT INCOME FUND - MT	2,338,500
17	16485-22	CDC - TRUSTEE FAYSAL MTS FUND - MT	10,457,500
18	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1,898,000
19	16519-26	CDC - TRUSTEE NBP ISLAMIC ENERGY FUND	2,686,500
20	16626-23	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	275,000
21	16675-28	CDC - TRUSTEE MEEZAN ENERGY FUND	2,597,000
22	17160-29	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	250,500
23	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1,162,000
24	17368-25	DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	5,000,000
25	17921-26	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	19,875,000
26	18390-39	CDC - TRUSTEE HBL INCOME FUND - MT	2,223,000
		TOTAL	136,822,605
Others			
1	5698	PRIDE STOCK SERVICES (PVT) LIMITED	200
2	5996	BAWA SECURITIES (PVT) LTD.	200
3	6005	TRUSTEE TO THE FRACTIONS	4
4	6281	BANK2 UN-NAME SHARES (R-2)	12,521
5	6282	BANK3 UN-NAMESHARES (R-2)	4,290
6	6292	CAMPANY SECRETARY	500
7	00208-36885	GADITEK ASSOCIATES EMPLOYEES PROVIDENT FUND TRUST	73,000
8	00208-38865	DREAMWORLD LIMITED	255,000
9	00208-39806	GREAVES PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	130,000
10	00513-32	RAHAT SECURITIES LIMITED	25,000
11	00620-25515	TRUSTEE LEVER BROTHERS EMPLOYEES	5,000
12	01339-33357	SHIELDS (PRIVATE) LIMITED.	100,000
13	01339-34	INTERMARKET SECURITIES LIMITED	500,000
14	01339-34538	DADABHOY INVESTMENTS (PRIVATE) LIMITED	500,000
15	01339-43588	M. A. OILS (PVT.) LIMITED	525,000
16	01669-26	SHAFFI SECURITIES (PVT) LIMITED	214,353
17	01826-87775	PETROMARK (PRIVATE) LIMITED	75,000
18	01917-33	PRUDENTIAL SECURITIES LIMITED	38
19	01917-41	PRUDENTIAL SECURITIES LIMITED	500
20	02113-3850	CAPITAL FINANCIAL SERVICES (PVT.) LIMITED	90,000
21	03038-79	STANDARD CAPITAL SECURITIES (PRIVATE) LIMITED	2,510
22	03244-107630	TECHNICO INDUSTRIAL CONCERN	2,500
23	03244-125699	B.J & COMPANY	20,000
24	03277-105496	TRUSTEES OF HAMDARD LABORATORIES (WAQF) PAKISTAN.	10,000,000
25	03277-116766	AGVEN (PVT.) LIMITED	48,434,500
26	03277-1339	PREMIER FASHIONS (PVT) LTD	209,500

S. No.	Folio	Name	Holding
27	03277-15506	TRUSTEES PERAC MNG&SUPERVISORY S.PEN FND	9,466
28	03277-18119	M.C OF THE KARACHI PARSI CO-OP H.SOC LTD	5,000
29	03277-26972	WESTBURY (PRIVATE) LTD	5,000,000
30	03277-38435	PREMIER MERCANTILE SERVICES (PRIVATE) LIMITED	571
31	03277-4841	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	1,048,000
32	03277-4931	SOFIAN BUSINESS CORPORATION (PRIVATE) LIMITED	11,500,000
33	03277-60958	MIAN NAZIR SONS IND. (PVT) LTD.	225,000
34	03277-6359	PREMIER SHIPPING SERVICES (PVT) LTD.	325
35	03277-72577	HAMEED SHAFI HOLDINGS (PVT) LTD.	100,000
36	03277-78462	NOMAN ABID & CO. LTD.	100,000
37	03277-80323	ELLAHI CAPITAL (PRIVATE) LIMITED	100
38	03277-94268	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	30,000
39	03277-9699	BURMA OIL MILLS LTD	60,000
40	03277-97910	MAKDA (PVT.) LIMITED	176,500
41	03525-105464	INNOVATIVE INVESTMENT BANK LIMITED (UNDER LIQUIDATION)	30,000
42	03525-111774	GHANI HALAL FEED MILL (PRIVATE) LIMITED	2,200,000
43	03525-54825	NAEEM S SECURITIES (PVT) LTD	9,600
44	03525-57191	SARFRAZ MAHMOOD (PRIVATE) LTD	500
45	03525-6581	TREET CORPORATION LIMITED.	1
46	03525-87235	MAPLE LEAF CAPITAL LIMITED	1
47	03525-89723	TRUSTEES HIMONT PHARMACEUTICALS (PVT) LTD EMP PROVIDENT FUND	10,000
48	03939-12703	EXCEL SECURITIES (PRIVATE) LIMITED	50
49	03939-62	PEARL SECURITIES LIMITED	4,083,143
50	04002-22	MEMON SECURITIES (PVT.) LIMITED	12,500
51	04002-34898	TRUSTEE-KARACHI SHERATON HOTEL EMPLOYEES PROVIDENT FUND	500
52	04085-24	MRA SECURITIES LIMITED	2,409,500
53	04317-25	DALAL SECURITIES (PVT) LTD.	300,000
54	04341-3265	RAO SYSTEMS (PVT.) LTD.	40,000
55	04366-20	MULTILINE SECURITIES LIMITED	3,000
56	04432-21	ADAM SECURITIES LIMITED	41,050
57	04440-20	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	10,700
58	04457-29	FDM CAPITAL SECURITIES (PVT) LIMITED	5,000
59	04457-66160	THE MEMON WELFARE SOCIETY	230,000
60	04457-91978	MAK COMMODITIES	50,000
61	04481-26	DOSSLANI S SECURITIES (PVT) LIMITED	200
62	04580-23	CAPITAL VISION SECURITIES (PVT) LTD.	500
63	04655-16	NCC-SQUARING-UP ACCOUNT	300
64	04705-97687	FREEMEN CORPORATION (PRIVATE) LIMITED	2,007,000
65	04879-28	AKHAI SECURITIES (PRIVATE) LIMITED	400
66	04895-11643	CONCORDIA ENTERPRISES (PRIVATE) LIMITED	1,500,000
67	04895-26	DJM SECURITIES LIMITED	1,500,000
68	05264-101035	DILSONS (PRIVATE) LIMITED	160,000
69	05264-145248	SITARA DEVELOPERS (PRIVATE) LIMITED	800,000
70	05264-21	JS GLOBAL CAPITAL LIMITED	2,854,000
71	05348-21	HH MISBAH SECURITIES (PRIVATE) LIMITED	100,000
72	05470-26	B & B SECURITIES (PRIVATE) LIMITED	106,000
73	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	17,374,500
74	05884-9779	TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	65,000
75	06114-27	A.S.SECURITIES (PRIVATE) LIMITED	523
76	06445-28	DARSON SECURITIES LIMITED	70,000
77	06452-13335	TRUSTEE CHERAT CEMENT COMPANY LTD STAFF GRATUITY FUND	40,000
78	06452-35	ARIF HABIB LIMITED	140,000
79	06502-5986	UNITED TOWEL EXPORTERS (PVT.) LIMITED	20,000
80	06650-22	SAAO CAPITAL (PVT) LIMITED	80,000
81	06650-48	SAAO CAPITAL (PVT) LIMITED	90,000

S. No.	Folio	Name	Holding
82	06676-2380	TRISTAR INDUSTRIES (PVT) LTD.	10,000
83	06684-187248	SHAIKH PACKAGES INDUSTRIES (PVT.) LIMITED	20,010
84	06890-24	MAYARI SECURITIES (PVT) LIMITED	53,500
85	06916-20	PASHA SECURITIES (PVT) LTD.	2,000
86	06999-22	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED	19
87	07005-29	MAM SECURITIES (PVT) LIMITED	300
88	07039-26	N.U.A SECURITIES (PRIVATE) LIMITED	1,800,000
89	07054-24	BHAYANI SECURITIES (PVT) LTD.	4,795,500
90	07229-23	ALTAF ADAM SECURITIES (PVT) LTD.	539,000
91	07286-27	DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED	504,290
92	07294-26	AL-HAQ SECURITIES (PVT) LTD.	5,100
93	07443-27	Y.H. SECURITIES (PVT.) LTD.	1,300,000
94	07450-1040	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEEES P.FUND	269,000
95	07450-26	DAWOOD EQUITIES LTD.	155,000
96	09563-20	VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED	500,000
97	09621-22	HIGHLINK CAPITAL (PVT.) LIMITED	300
98	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	100,070
99	10470-29	GPH SECURITIES (PVT.) LTD.	75,000
100	10611-20	AKD SECURITIES LIMITED - AKD TRADE	500
101	10629-100233	AKD VENTURE FUND LIMITED	2,500,000
102	10629-1035	AQEEL KARIM DHEDI SECURITIES (PVT.) LIMITED STAFF PRO.FUND	10,000,000
103	10629-142441	DADABHOY FOUNDATION	1,750,000
104	10629-154370	GHANI GASES EMPLOYEES PROVIDENT FUND	112,000
105	10629-185408	ASAB PAKISTAN (PVT.) LIMITED	500,000
106	10629-193337	STANLEY HOUSE INDUSTRIES (PRIVATE) LIMITED.	60,000
107	10629-265846	BLESSED VOYAGES (PRIVATE) LIMITED	25,000
108	10629-29	AKD SECURITIES LIMITED	25,999,500
109	10629-5630	AKD REIT MANAGEMENT COMPANY LIMITED	8,300,000
110	10629-631	AKD CAPITAL LIMITED	3,800,000
111	11072-16436	SOFCOM (PRIVATE) LIMITED	10,000
112	11072-26	SEVEN STAR SECURITIES (PVT.) LTD.	1,528,000
113	11387-42864	HAFIZ LIMITED	130,000
114	11478-28	CMA SECURITIES (PVT) LIMITED	10,000
115	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	1,000
116	12013-21	SETHI SECURITIES (PVT.) LIMITED	110,000
117	12203-28	M. M. SECURITIES (PVT.) LIMITED	5,000,000
118	12286-20	JSK SECURITIES LIMITED	40,500
119	12484-6767	ENVICON (PRIVATE) LIMITED	1,000,000
120	12484-7807	BRAVISTO (PVT) LIMITED	1
121	12732-3143	AVANCEON LTD. EMPLOYEES PROVIDENT FUND	100,000
122	12757-22	TOPLINE SECURITIES LIMITED - MT	508,000
123	12922-21	ABA ALI HABIB SECURITIES (PVT) LIMITED - MT	2,750,500
124	12997-24	TOPLINE SECURITIES LIMITED - MF	60,000
125	13078-24	AL HABIB CAPITAL MARKETS (PRIVATE) LIMITED - MT	996,000
126	13128-27	PEARL SECURITIES LIMITED - MF	72,000
127	13920-3636	KOHINOOR POWER COMPANY LIMITED	200,000
128	14118-27	ASDA SECURITIES (PVT.) LTD.	422,003
129	14258-21	H. M. IDREES H. ADAM (PRIVATE) LIMITED	7,525
130	14332-21	HIGH LAND SECURITIES (PVT) LIMITED	13,200
131	14746-21	KTRADE SECURITIES LIMITED	1
132	14753-20	ARIF HABIB LIMITED - MF	49,000
133	14787-27	STRONGMAN SECURITIES (PVT.) LIMITED	12,000
134	14837-20	SPINZER EQUITIES (PRIVATE) LIMITED	70,000
135	14886-25	VENUS SECURITIES (PVT.) LIMITED	385,000
136	14944-27	ADAM SECURITIES LTD. - MF	50,000

S. No.	Folio	Name	Holding
137	15024-27	INTERACTIVE SECURITIES (PVT) LIMITED	174,500
138	15057-24	NINI SECURITIES (PRIVATE) LIMITED	168,844
139	15404-21	FIRST CHOICE SECURITIES LIMITED	100,000
140	15578-21	BAWANY SECURITIES (PRIVATE) LIMITED	326,000
141	15875-6204	SEMAAB TRADERS (PRIVATE) LIMITED	510,000
142	16212-23	BIPL SECURITIES LIMITED - MF	13,000
143	16261-28	AXIS GLOBAL LIMITED - MF	62,500
144	16410-29	ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	500
145	16576-20	INTERMARKET SECURITIES LIMITED - MF	276,225
146	16659-20	LSE FINANCIAL SERVICES LIMITED - MT	13,570,500
147	16832-28	GROWTH SECURITIES (PRIVATE) LIMITED - MF	23,000
148	16857-26	MRA SECURITIES LIMITED - MF	6,507,000
149	16881-23	SAKARWALA CAPITAL SECURITIES (PRIVATE) LIMITED - MF	65,000
150	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	668,470
151	16923-27	N. U. A. SECURITIES (PRIVATE) LIMITED - MF	90,000
152	17004-27	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	400,000
153	17103-25	DARSON SECURITIES LIMITED - MF	49,000
154	17293-24	CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF	50,000
155	17509-26	TRUST SECURITIES & BROKERAGE LIMITED - MF	15,000
156	17772-25	ASKARI SECURITIES LIMITED - MF	90,000
157	18432-1155	SALIM SOZER SECURITIES (PRIVATE) LIMITED	55,016
158	18432-16583	MANAGING COMMITTEE RAZIA SHEIKH WELFARE TRUST	20,000
159	18432-21344	FAIR EDGE SECURITIES (PVT.) LIMITED	8,500
160	18432-2245	SAYA SECURITIES (PRIVATE) LIMITED	22,500
161	18432-3177	MARGALLA FINANCIAL (PRIVATE) LIMITED	10,000
162	18432-6238	MSD CAPITAL EQUITIES (PVT.) LIMITED	25,000
163	18457-23	ADAM USMAN SECURITIES (PRIVATE) LIMITED	77,500
164	18630-20	DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED - MT	31,000
TOTAL			215,888,420

PATTERN OF SHAREHOLDING

As at June 30, 2022

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
986	1	100	40,813
3,132	101	500	1,393,485
3,420	501	1,000	3,286,236
8,642	1,001	5,000	25,967,733
3,873	5,001	10,000	31,667,131
1,591	10,001	15,000	20,654,808
1,260	15,001	20,000	23,357,951
785	20,001	25,000	18,511,679
588	25,001	30,000	16,825,725
369	30,001	35,000	12,273,107
328	35,001	40,000	12,671,879
216	40,001	45,000	9,381,960
489	45,001	50,000	24,188,158
139	50,001	55,000	7,372,206
169	55,001	60,000	9,908,137
104	60,001	65,000	6,572,254
129	65,001	70,000	8,851,619
116	70,001	75,000	8,586,900
89	75,001	80,000	7,022,710
58	80,001	85,000	4,821,477
71	85,001	90,000	6,307,797
51	90,001	95,000	4,762,300
308	95,001	100,000	30,722,603
50	100,001	105,000	5,139,217
59	105,001	110,000	6,431,720
33	110,001	115,000	3,751,222
36	115,001	120,000	4,289,500
40	120,001	125,000	4,961,891
34	125,001	130,000	4,389,325
25	130,001	135,000	3,343,600
17	135,001	140,000	2,373,800
19	140,001	145,000	2,727,404
76	145,001	150,000	11,369,775
21	150,001	155,000	3,212,902
15	155,001	160,000	2,382,800
13	160,001	165,000	2,128,000
19	165,001	170,000	3,194,574
21	170,001	175,000	3,660,153
16	175,001	180,000	2,854,400
10	180,001	185,000	1,833,927
10	185,001	190,000	1,892,000
8	190,001	195,000	1,550,000
89	195,001	200,000	17,784,030
12	200,001	205,000	2,432,655
11	205,001	210,000	2,307,000
9	210,001	215,000	1,913,853
9	215,001	220,000	1,972,211
12	220,001	225,000	2,681,381
12	225,001	230,000	2,738,100
6	230,001	235,000	1,391,379
9	235,001	240,000	2,146,560
7	240,001	245,000	1,698,610
21	245,001	250,000	5,241,177
13	250,001	255,000	3,292,500

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
10	255,001	260,000	2,594,914
7	260,001	265,000	1,835,600
7	265,001	270,000	1,879,351
8	270,001	275,000	2,194,252
7	275,001	280,000	1,943,598
3	280,001	285,000	852,000
2	285,001	290,000	571,500
3	290,001	295,000	882,000
39	295,001	300,000	11,688,500
4	300,001	305,000	1,214,400
7	305,001	310,000	2,154,103
3	310,001	315,000	939,960
4	315,001	320,000	1,268,269
4	320,001	325,000	1,293,000
8	325,001	330,000	2,629,500
4	330,001	335,000	1,333,500
3	335,001	340,000	1,017,000
2	340,001	345,000	686,500
11	345,001	350,000	3,844,828
3	350,001	355,000	1,061,000
5	355,001	360,000	1,794,500
2	360,001	365,000	729,000
6	365,001	370,000	2,202,500
5	370,001	375,000	1,873,000
2	375,001	380,000	756,500
3	380,001	385,000	1,155,000
4	385,001	390,000	1,549,102
18	395,001	400,000	7,197,000
3	400,001	405,000	1,208,500
3	405,001	410,000	1,224,000
5	410,001	415,000	2,071,300
1	415,001	420,000	418,000
3	420,001	425,000	1,271,003
4	425,001	430,000	1,712,500
3	430,001	435,000	1,299,030
1	435,001	440,000	439,836
2	440,001	445,000	887,500
11	445,001	450,000	4,946,000
1	450,001	455,000	455,000
4	455,001	460,000	1,834,500
4	460,001	465,000	1,860,000
3	465,001	470,000	1,406,000
1	470,001	475,000	475,000
2	480,001	485,000	965,500
2	485,001	490,000	976,000
4	490,001	495,000	1,975,500
28	495,001	500,000	13,993,000
2	500,001	505,000	1,004,690
4	505,001	510,000	2,038,000
2	520,001	525,000	1,046,000
1	525,001	530,000	526,000
1	530,001	535,000	531,000
1	535,001	540,000	539,000
4	545,001	550,000	2,200,000
2	550,001	555,000	1,101,100
1	555,001	560,000	560,000
1	560,001	565,000	565,000

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
4	565,001	570,000	2,279,372
1	570,001	575,000	571,000
2	585,001	590,000	1,176,000
10	595,001	600,000	5,998,000
1	600,001	605,000	601,000
1	605,001	610,000	608,500
5	615,001	620,000	3,093,018
3	620,001	625,000	1,872,000
2	630,001	635,000	1,265,549
2	645,001	650,000	1,298,500
1	650,001	655,000	655,000
4	655,001	660,000	2,633,000
1	660,001	665,000	660,143
1	665,001	670,000	668,470
1	670,001	675,000	675,000
1	675,001	680,000	675,500
7	695,001	700,000	4,900,000
2	700,001	705,000	1,400,151
1	705,001	710,000	710,000
2	710,001	715,000	1,430,000
2	720,001	725,000	1,450,000
1	730,001	735,000	731,000
1	735,001	740,000	738,000
1	745,001	750,000	747,000
2	750,001	755,000	1,506,000
1	765,001	770,000	770,000
3	775,001	780,000	2,336,500
2	785,001	790,000	1,577,500
1	790,001	795,000	795,000
9	795,001	800,000	7,200,000
1	810,001	815,000	813,900
3	820,001	825,000	2,468,000
1	825,001	830,000	827,000
2	845,001	850,000	1,700,000
1	850,001	855,000	853,500
1	870,001	875,000	875,000
1	890,001	895,000	892,800
2	895,001	900,000	1,800,000
1	900,001	905,000	904,000
1	915,001	920,000	920,000
1	920,001	925,000	925,000
2	945,001	950,000	1,900,000
2	990,001	995,000	1,980,990
19	995,001	1,000,000	18,995,000
1	1,020,001	1,025,000	1,025,000
3	1,045,001	1,050,000	3,148,000
1	1,060,001	1,065,000	1,064,000
2	1,065,001	1,070,000	2,136,500
1	1,070,001	1,075,000	1,073,100
1	1,085,001	1,090,000	1,087,000
1	1,090,001	1,095,000	1,092,500
2	1,095,001	1,100,000	2,200,000
1	1,135,001	1,140,000	1,140,000
2	1,145,001	1,150,000	2,300,000
1	1,160,001	1,165,000	1,162,000
1	1,165,001	1,170,000	1,170,000
5	1,195,001	1,200,000	6,000,000

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	1,200,001	1,205,000	1,203,000
1	1,205,001	1,210,000	1,210,000
1	1,235,001	1,240,000	1,240,000
2	1,245,001	1,250,000	2,500,000
1	1,250,001	1,255,000	1,253,853
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
2	1,305,001	1,310,000	2,617,000
1	1,315,001	1,320,000	1,320,000
1	1,355,001	1,360,000	1,360,000
1	1,395,001	1,400,000	1,400,000
1	1,445,001	1,450,000	1,450,000
1	1,485,001	1,490,000	1,489,500
8	1,495,001	1,500,000	12,000,000
1	1,525,001	1,530,000	1,528,000
1	1,645,001	1,650,000	1,650,000
1	1,675,001	1,680,000	1,680,000
3	1,695,001	1,700,000	5,100,000
1	1,745,001	1,750,000	1,750,000
1	1,770,001	1,775,000	1,775,000
1	1,790,001	1,795,000	1,790,298
1	1,795,001	1,800,000	1,800,000
1	1,810,001	1,815,000	1,814,177
1	1,845,001	1,850,000	1,850,000
1	1,865,001	1,870,000	1,870,000
1	1,895,001	1,900,000	1,898,000
1	1,925,001	1,930,000	1,930,000
1	1,940,001	1,945,000	1,944,086
1	1,945,001	1,950,000	1,950,000
12	1,995,001	2,000,000	23,999,000
1	2,005,001	2,010,000	2,007,000
1	2,010,001	2,015,000	2,011,170
1	2,065,001	2,070,000	2,065,500
1	2,075,001	2,080,000	2,075,978
1	2,090,001	2,095,000	2,095,000
1	2,095,001	2,100,000	2,100,000
2	2,195,001	2,200,000	4,400,000
1	2,220,001	2,225,000	2,223,000
1	2,245,001	2,250,000	2,250,000
1	2,275,001	2,280,000	2,279,500
1	2,295,001	2,300,000	2,300,000
1	2,325,001	2,330,000	2,330,000
2	2,335,001	2,340,000	4,676,000
1	2,395,001	2,400,000	2,400,000
1	2,405,001	2,410,000	2,409,500
1	2,445,001	2,450,000	2,450,000
2	2,450,001	2,455,000	4,909,500
5	2,495,001	2,500,000	12,500,000
1	2,545,001	2,550,000	2,550,000
1	2,550,001	2,555,000	2,555,000
1	2,590,001	2,595,000	2,595,000
3	2,595,001	2,600,000	7,794,500
1	2,635,001	2,640,000	2,639,501
1	2,685,001	2,690,000	2,686,500
1	2,750,001	2,755,000	2,750,500
1	2,850,001	2,855,000	2,854,000

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	2,980,001	2,985,000	2,984,500
2	2,995,001	3,000,000	6,000,000
1	3,000,001	3,005,000	3,000,005
1	3,045,001	3,050,000	3,050,000
1	3,495,001	3,500,000	3,500,000
1	3,795,001	3,800,000	3,800,000
1	4,080,001	4,085,000	4,083,143
1	4,445,001	4,450,000	4,450,000
1	4,645,001	4,650,000	4,650,000
1	4,795,001	4,800,000	4,795,500
5	4,995,001	5,000,000	25,000,000
1	5,005,001	5,010,000	5,008,500
1	5,170,001	5,175,000	5,174,937
1	5,855,001	5,860,000	5,858,000
1	6,505,001	6,510,000	6,507,000
1	6,870,001	6,875,000	6,873,500
1	7,295,001	7,300,000	7,296,671
1	7,995,001	8,000,000	8,000,000
1	8,220,001	8,225,000	8,222,000
1	8,295,001	8,300,000	8,300,000
1	8,825,001	8,830,000	8,829,000
1	9,310,001	9,315,000	9,312,500
1	9,365,001	9,370,000	9,370,000
1	9,695,001	9,700,000	9,696,000
2	9,995,001	10,000,000	20,000,000
1	10,395,001	10,400,000	10,400,000
1	10,455,001	10,460,000	10,457,500
1	11,495,001	11,500,000	11,500,000
1	11,725,001	11,730,000	11,729,000
1	13,570,001	13,575,000	13,570,500
1	13,745,001	13,750,000	13,750,000
1	17,370,001	17,375,000	17,374,500
1	18,550,001	18,555,000	18,552,514
1	19,870,001	19,875,000	19,875,000
1	19,995,001	20,000,000	20,000,000
1	20,195,001	20,200,000	20,200,000
1	23,995,001	24,000,000	24,000,000
1	25,995,001	26,000,000	25,999,500
1	44,460,001	44,465,000	44,462,500
1	48,430,001	48,435,000	48,434,500
1	55,065,001	55,070,000	55,065,741
1	252,770,001	252,775,000	252,770,500
1	925,410,001	925,415,000	925,411,762
1	2,796,445,001	2,796,450,000	2,796,449,136
28,208			5,329,884,706

NOTICE OF 28TH ANNUAL GENERAL MEETING

Cnergyico Pk Limited

Notice is hereby given that the 28th Annual General Meeting (“**Meeting**”) of Cnergyico Pk Limited will be held on Wednesday, 19th October 2022 at 10:00 am at the Moosa D. Desai Auditorium of The Institute of Chartered Accountants of Pakistan (ICAP), Clifton, Karachi, to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on 25th July 2022.
2. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the financial year ended 30th June 2022, together with the Directors' and Auditors' reports thereon.
3. To appoint Messrs Yousuf Adil, Chartered Accountants as auditors of the Company and to fix their remuneration for the financial year ending 30th June 2023.

B. SPECIAL BUSINESS

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

RESOLVED THAT the valuation report dated 20th September 2022, in pursuance of the scheme of arrangement dated 23rd June 2016 for approving the issue of 163,562,865 ordinary shares of the Company having face value of Rs. 10/- each to Cnergyico Mu Incorporated being the parent company / majority shareholder of the Company, other than by way of right offer, and for consideration other than cash, be and is hereby approved and adopted.

(Statement under Section 134(3) of the Companies Act, 2017 is annexed)

C. OTHER BUSINESS

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

By Order of the Board

Majid Muqtadir
Company Secretary

28th September 2022
Karachi

NOTES:

Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Wednesday, 12th October 2022 until Wednesday, 19th October 2022 (*both days inclusive*).

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Tuesday, 11th October 2022, 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 February 15, 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 Monday, 17th October 2022. In order to attend the Meeting through video conference facility, the members are requested to get themselves registered as per the below format:

Full Name	Folio / CDC No.	CNIC Number	Registered Email Address	Cell number

Video conference link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Monday, 17th October 2022. 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 Monday, 17th October 2022.

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 encourage to open their account with Investor Accounts Services of CDC or Sub Account with any of the brokers and convert their physical shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

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 28th Annual General Meeting of Cnergyico Pk Limited to be held on Wednesday, 19th October 2022 at 10:00 am at the Moosa D. Desai Auditorium of The Institute of Chartered Accountants of Pakistan (ICAP), Clifton, Karachi.

The Company intend to issue 163,562,865 (One Hundred Sixty Three Million Five Hundred Sixty Two Thousand Eight Hundred Sixty Five) ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, to Cnergyico Mu Incorporated (“**CMI**”), being the parent company / majority shareholder of the Company, other than by way of right offer, and for consideration other than cash.

By way of background, the Company entered into a Scheme of Arrangement dated 23rd June 2016, in terms of which Byco Oil Pakistan Limited (“**BOPL**”) and Byco Terminals Pakistan Limited were amalgamated /merged with and into the Company (the “**Scheme**”). After necessary approvals the Scheme became effective as of the close of business on 30th June 2016.

Prior to the Scheme, as detailed in Article 4.3 thereof, BOPL had commenced the purchase of certain plant and machinery, for which payments were made outside Pakistan by CMI for and on behalf of BOPL. Against the payment for the Assets shares of BOPL were to be issued to CMI (the “**Advance BOPL Shares**”). For the purposes of the Scheme, the actual issuance to be carried out at a later time following completion of legal formalities, including receipt of SBP and SECP approval. In the same manner, since the actual issuance of the Advance BOPL Shares was not carried out, and since BOPL now stands merged with and into the Company, shares of the Company are intended to be issued to CMI instead of the Advance BOPL Shares.

At present CMI holds approximately 69.83% of the issued and paid up share capital of the Company, as the parent company of the Company. As a consequence of the Proposed Issuance, CMI will hold approximately 70.73% shareholding in the Company.

It is emphasized that the Proposed Issuance of the Additional BPPL Shares was stipulated in the Scheme, which was approved, in its entirety, by the board of directors of the Company on May 26, 2016 and by the shareholders of the Company at their meeting held on 29th August 2016, as special resolutions (as per the requirements of Section 83(1)(b) of the Companies Act, 2017 (previously Section 86 of the Companies Ordinance, 1984). Additionally, the Scheme in its entirety, capturing inter alia the Proposed Issuance, was also sanctioned by the High Court of Sindh at Karachi, ‘as prayed’, vide the Order. In addition to the same, a meeting of the Board of Directors of the Company was also held on Tuesday, 31st August 2021, in which the Company was authorized to apply to the SECP for the Proposed Issuance.

Consequently, we are hereby seeking approval of the members for the valuation report dated 20th September 2022 and proposed Issuance of 163,562,865 (One Hundred Sixty Three Million Five Hundred Sixty Two Thousand Eight Hundred Sixty Five) shares of the Company to CMI, other than by way of right, and for consideration other than cash, under Section 83(1)(b) of the Act, read with Regulation 5 of the Shares Regulations (in accordance with the provisions of the Scheme and the Order of the High Court).

Majid Muqtadir
Company Secretary

28th September 2022
Karachi

FORM OF PROXY

28th Annual General Meeting
Cnergyico Pk Limited

The Company Secretary
The Harbour Front, 9th Floor, Dolmen City
HC-3, Block-4, Marine Drive, Clifton
Karachi-75600

I / We _____
of _____
being member(s) of **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 28th Annual General Meeting of the Company to be held
on Wednesday, 19th October 2022 and in case of adjournment, at any reconvened Meeting.

Signed / Seal and Delivered by

in the presence of: _____

1. Name: _____	2. Name: _____
CNIC No.: _____	CNIC No.: _____
Address: _____	Address: _____
_____	_____

Folio No. / CDC Account No.

This signature should tally with the
specimen signature in the
Company's record

Important

1. The duly completed and signed proxy form must be received at the registered office of the Company at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi-75600, not less than 48 hours before the time of holding the Meeting.
2. Only members of the Company may be appointed proxies except corporate members who may appoint non-members as their proxy.
3. If more than one proxy is appointed by an instrument or more than one instrument of proxy is deposited by any member, all such instruments shall be rendered invalid.

For CDC account holder(s) / corporate entities

In addition to the above, the following requirements must be met:

- i) the execution of the proxy form should be attested by two witnesses, whose names, addresses and CNIC numbers shall appear in the form;
- ii) attested copies of the CNIC or passport of the beneficial owner and proxy should be submitted along with the proxy form;
- iii) the proxy shall produce his / her original CNIC or passport at the time of the Meeting; and
- iv) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.



AFFIX
CORRECT
POSTAGE
STAMPS

Mr. Majid Muqtadir
Company Secretary

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 مقنذر
کمپنی سیکریٹری

سنز جیکو پی کے لمیٹڈ
دی ہاربر فرنٹ، نوین منزل، ڈالمن سٹی
HC-3 بلاک 4، میرین ڈرائیو، کلفٹن
کراچی 75600، پاکستان

پراکسی فارم/نمائندگی نامہ

28 واں سالانہ اجلاس عام

کمپنی سیکریٹری
سنز جیکو پی کے لمیٹڈ
دی ہاربر فرنٹ، ڈالمن ٹی،
HC-3 بلاک 4، میرین ڈرائیو کلفٹن
کراچی

میں / ہم _____ برائے _____
بحیثیت رکن سنز جیکو 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 سنز جیکو پی کے لمیٹڈ کے ممبر بھی ہیں، میری غیر موجودگی کی صورت میں بطور
میرے نائب کمپنی کے 28 ویں سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس مینٹنگ کا انعقاد بدھ، 19 اکتوبر 2022 کو یا اس
کے اتوار کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جاسکتی ہے۔ دستخط / مہر اور کی طرف سے بھیج دیا گیا

درج ذیل کی موجودگی میں

نام _____	نام _____
شناختی کارڈ نمبر _____	شناختی کارڈ نمبر _____
پتہ _____	پتہ _____

یہ دستخط کمپنی میں موجود نمونہ دستخط سے ملنے چاہئیں

فولیو نمبر / سی ڈی اکاؤنٹ نمبر

اہم امور:

- 1- متعلقہ اتھارٹی فارم کو مکمل کر کے اور اپنے دستخط کر کے کمپنی کے رجسٹرڈ آفس دی ہاربر فرنٹ، ڈالمن ٹی، HC-3 بلاک 4، میرین ڈرائیو کلفٹن کراچی میں مینٹنگ کے وقت سے 48 گھنٹے قبل ارسال کریں۔
- 2- صرف کمپنی کے ممبران ماسوائے کارپوریٹ ممبران کا تقرر کیا جاسکتا ہے۔
- 3- 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 ہوں گی:

- 1- 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۔
- 2- فارم کے ساتھ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں جمع کرانی ہوں گی۔
- 3- اختیارات کا حامل شخص اپنا اصل شناختی کارڈ یا پاسپورٹ مینٹنگ کے وقت پیش کرے گا۔
- 4- کارپوریٹ اتھارٹی مینٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد کی ایک تصدیق شدہ کاپی فراہم کرے گا یا پور آف اٹارنی جس پر اتھارٹی کے دستخط موجود ہوں، پیش کرنا ہوگا۔



Cnergyico Pk Limited

The Harbour Front, 9th Floor, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi-75600, Pakistan
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