

CENERGYICO PK LIMITED
Second Quarter Report
31 December 2023



LEADING THE CHARGE



**PAKISTAN'S ONLY SINGLE POINT
MOORING FACILITY**

Cnergyico Pk Limited

Company Information

2nd Quarter ended 31st December 2023

Board of Directors

Uzma Abbasi
Chairperson

Amir Abbassciy
Director &
Chief Executive Officer

Usama Qureshi
Vice Chairman

Mr. Mushtaq Malik,
Independent Director

Lt. (R) Raja Muhammad
Abbas, Independent Director

Mr. Sami ul Haq Khilji,
Independent Director

Mr. Aumar Abbassciy,
Director

Audit Committee

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

Human Resource and Remuneration Committee

Lt. (R) Raja Muhammad
Abbas, Chairman
Sami ul Haq Khilji, Member
Usama Qureshi, Member
Mushtaq Malik, Member
Aumar Abbassciy, Member

Risk Management Committee

Amir Abbassciy, Chairman
Usama Qureshi, Member
Sami ul Haq Khilji, Member
Aumar Abbassciy, Member

Chief Financial Officer

Zafar Shahab

Company Secretary

Majid Muqtadir

Auditors

Yousuf Adil
Chartered Accountants

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan)
Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Bank of China Limited -
Pakistan Operations
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Limited
Industrial and Commercial
Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan

Pak Oman Investment
Company Limited
Soneri Bank Limited
Summit Bank Limited
Silkbank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Shares Registrar

FAMCO Share Registration Services
(Private) Limited
8-F, Next to Hotel Faran
Nursery, Block - 6, P.E.C.H.S
Shahrah-e-Faisal, Karachi

Tel: (92 21) 3438 0101-5
3438 4621-3

Fax: (92 21) 3438 0106

Registered Office

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

Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.cnergyico.com

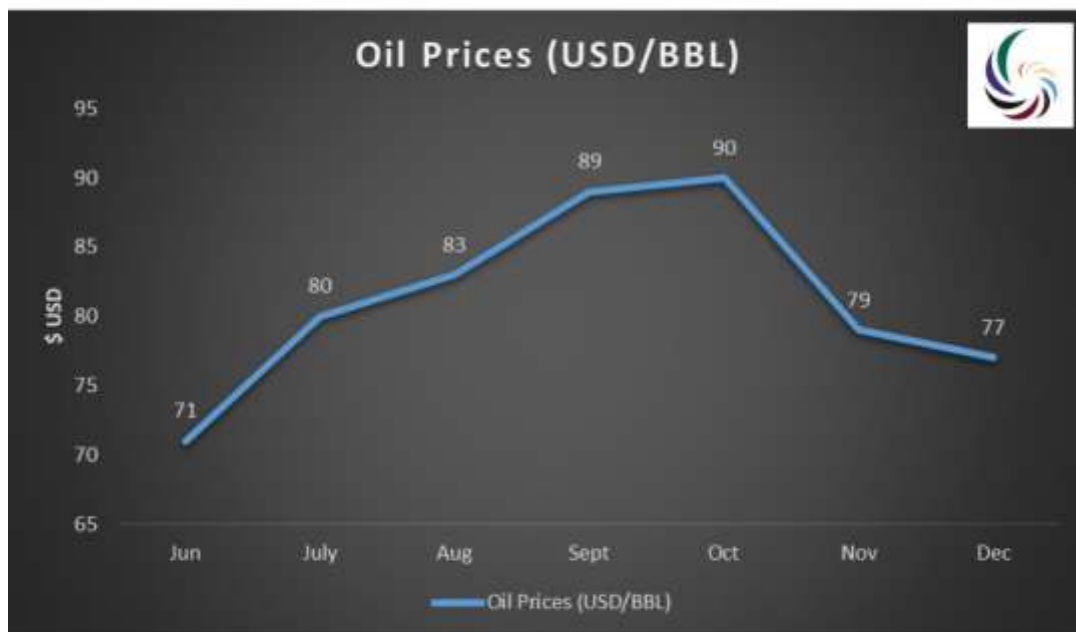
CENERGYICO PK LIMITED
DIRECTORS REPORT FOR THE PERIOD ENDED DECEMBER 31, 2023

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

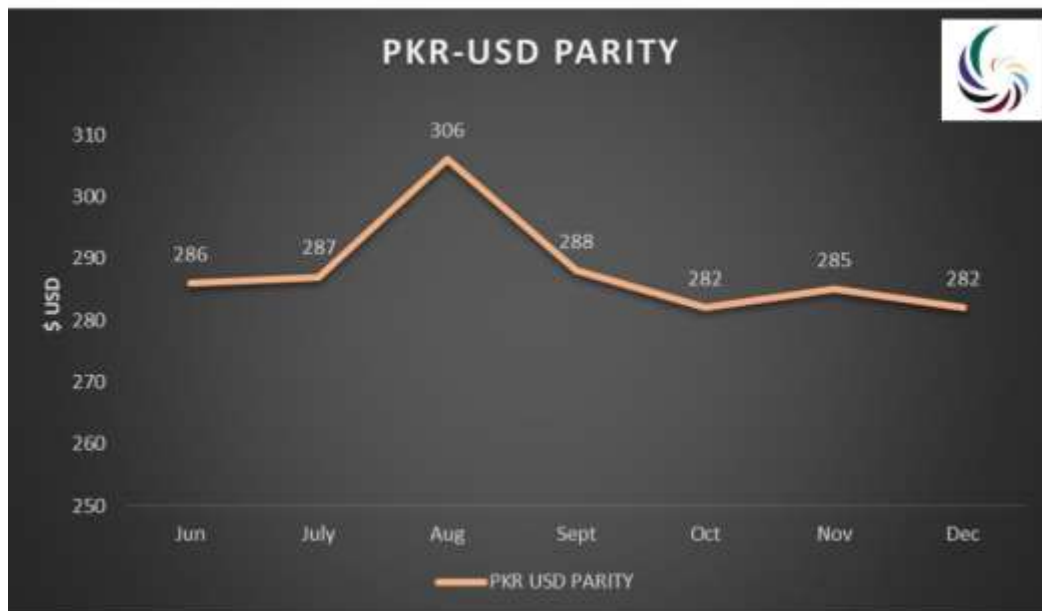
The Directors of your Company are pleased to present a brief review of the financial results and operations of the Company for the period ended 31st December, 2023.

FINANCIAL RESULTS

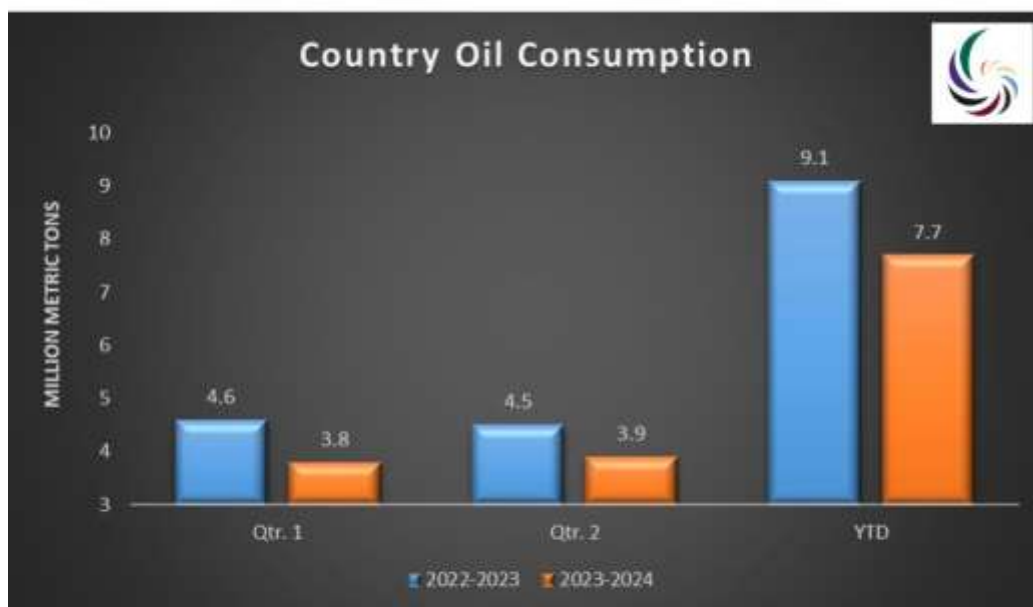
The second quarter of the current period witnessed significant decline in international oil prices as crude oil rates decreased from US\$ 90 / BBL at start of the quarter to about US\$ 77/BBL at end of the period registering a drop of about 14%. Product spreads remained better resulting in healthy margins.



The country also witnessed a reduced oil consumption primarily driven by adverse weather conditions in most parts of the country, as well as the overall economic slowdown. The consumption of High Speed Diesel (HSD) and Motor Spirit (MS) dropped by 5% and 7% respectively, while the consumption of High Sulphur Furnace Oil (HSFO) dropped by 65% as the HSFO based power generation remained negligible.



The decline in international oil prices, reduced consumption of oil in the country and continuation of International Monetary Fund's (IMF) programme provided support to the PKR and it correspondingly recovered from US \$1.00 : PKR 306 in August 2023 to US\$1.00 : PKR 282 in December 2023. We look forward to a continuation of stability at current rates to assist us in our performance as the Country laws do not permit oil companies to hedge forex risk and the unhedged risk results in significant losses.



REFINERY OPERATIONS

During the period under review, the Company has focused on enhancing its performance and initiated various measures to increase refining throughput, while keeping in view the negligible demand of HSFO in local market, the Company was able to export HSFO in the international market, which brought in significant amount of foreign exchange into the country.

We are pleased to inform our shareholders that the above measures have brought a net positive impact on the throughput, viz-a-viz refining margins and operating profits for the second quarter. Our gross sales increased to PKR 120.547 billion as compared to PKR 112.135 billion in the same period last year. Our gross profit and operating profit in the current period was PKR 4.330 billion and PKR 3.164 billion compared to gross loss and operating loss of PKR 7.505 billion and PKR 2.470 billion in the same period last year respectively.

On the financing side, the increase in policy rate by SBP from 16% (in December 2022) to 22% (in December 2023) has resultantly increased the Company's borrowing cost by 67%. Such a high financing rate is not sustainable for any business in the long run and we look towards the Government and the State Bank of Pakistan to consider a downward revision so that the businesses are able to operate and invest.

After netting off the high interest expense during the period as mentioned above, the profit after tax in second quarter was PKR 940 million and the overall loss after taxation for the six months period from July to Dec 23 was PKR 1.602 billion as compared to profit after tax of PKR 1.235 billion (second quarter) and loss after tax of PKR 5.326 billion (Jul to Dec 2022) respectively in the same period last year. This was reduced because of reduction in other income in the current period as compared to the same period last year. Basic I diluted loss per share of Rs. 0.29 as compared to basic (Restated) | diluted loss per share of Rs. 0.99 and Rs. 0.97 respectively in the same period last year.



REFINERY EXPANSION AND UPGRADATION – FUTURE OUTLOOK

We like to inform our shareholders that the brownfield refining policy for upgradation of existing refineries which is called “Pakistan Oil Refining Policy for Upgradation of Existing/Brownfield Refineries 2023 was approved in August 2023 and the refineries were required to sign an Upgrade Agreement with Oil & Gas Regularity Authority (OGRA) within 3 months. However, all the refineries had requested for clarifications | amendments in the proposed Upgrade Policy. Subsequent to the period end, amendments in the Policy have been approved by the Government and now, the refineries are required to sign the Upgrade Agreement within sixty (60) days of notification of amendments in the Policy. We highly appreciate the support of the Government for approving the Policy amendments as this will not only improve the overall product quality but will also attract a huge investment in the refining sector. The Company is actively working on the Upgrade Agreement to be signed with the OGRA and the planning of the project.

PETROLEUM MARKETING BUSINESS

During the period under review, our petroleum marketing business has also done well and added segment profit of Rs. 1.052 billion as compared to Rs. 600 million in the SPLY. This has resulted due to increase in notified margins of HSD and PMG products during the period and better sales outreach and inventory management.

The Board wishes to place on record its gratitude for the co-operation extended by the Government of Pakistan and our strategic partners including: customers, financial institutions, suppliers | vendors and shareholders.

For and on behalf of the Board of Directors

Chief Executive Officer

Director

Karachi
February 28, 2024

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Cnergyico Pk Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Cnergyico Pk Limited** (the Company) as at December 31, 2023, and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as 'condensed interim financial statements'). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on the unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 – 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

Other matter

The figures of the unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income and related notes for the quarter ended December 31, 2023 have not been reviewed by us, as we are only required to review the cumulative figures for the half year six months' period ended December 31, 2023.

The engagement partner on the review resulting in this independent auditors' review report is Hena Sadiq.


Chartered Accountants

Place: Karachi

Date: February 28, 2024

UDIN: RR2023100576zJB7XhHo

Cnergyico Pk Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at December 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	290,929,406	291,938,370
Intangible assets		9,145	12,372
Investment in subsidiaries - at cost	6	17,414,238	17,414,138
Long-term deposits		328,652	328,652
		308,681,441	309,693,532
Current assets			
Stores and spares		2,374,740	2,308,618
Stock-in-trade	7	32,932,784	25,691,081
Trade debts	8	8,509,216	3,205,613
Loans and advances		1,883,169	1,636,594
Trade deposits and short-term prepayments		29,507	28,591
Accrued interest		552,958	511,631
Other receivables	9	1,490,235	1,423,806
Taxation - net		118,894	573,273
Cash and bank balances		2,352,764	1,194,718
		50,244,267	36,573,925
Total assets		358,925,708	346,267,457
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		54,934,476	54,934,476
Reserves		(34,990,461)	(34,741,156)
Surplus on revaluation of operating fixed assets - net of tax		156,795,651	158,149,183
		176,739,666	178,342,503
Non-current liabilities			
Long term financing		21,388,717	16,319,206
Accrued and deferred markup		10,175,074	8,598,704
Long term lease liabilities		2,216,926	2,014,883
Long-term deposits		240,373	246,115
Deferred liabilities		861,592	855,011
Deferred taxation		61,160,348	61,713,199
		96,043,030	89,747,118
Current liabilities			
Trade and other payables		53,478,208	54,227,820
Advance from customers		2,431,995	1,345,505
Accrued mark-up		3,147,978	1,923,136
Short term borrowings - secured	10	25,954,397	18,954,023
Current portion of non-current liabilities		1,129,407	1,726,325
Unclaimed dividend		1,027	1,027
		86,143,012	78,177,836
Total equity and liabilities		358,925,708	346,267,457
Contingencies and commitments			

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The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Cnergyico Pk Limited
Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)
For the six months period ended December 31, 2023

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----			
Revenue from contract with customers	120,547,032	112,135,031	80,184,872	55,537,730
Sales tax, discounts and other duties	(20,697,641)	(11,573,400)	(13,867,801)	(7,729,225)
Revenue from contract with customers - net	99,849,391	100,561,631	66,317,071	47,808,505
Cost of sales	(95,518,884)	(108,066,887)	(62,376,681)	(50,671,701)
Gross Profit / (loss)	4,330,507	(7,505,256)	3,940,390	(2,863,196)
Administrative expenses	(743,232)	(587,136)	(377,471)	(295,024)
Selling and distribution expenses	(281,683)	(264,408)	(152,121)	(120,089)
Other expenses	(1,512,495)	(1,048,665)	(771,611)	(531,470)
Other income	1,371,314	6,934,677	726,057	6,497,823
	(1,166,096)	5,034,468	(575,146)	5,551,240
Operating profit / (loss)	3,164,411	(2,470,788)	3,365,244	2,688,044
Finance costs - net	(4,765,611)	(2,852,201)	(2,314,609)	(1,567,856)
(Loss) / profit before taxation	(1,601,200)	(5,322,989)	1,050,635	1,120,188
Taxation	(1,637)	(3,504)	(110,401)	115,191
(Loss) / profit after taxation	(1,602,837)	(5,326,493)	940,234	1,235,379
(Loss) / earnings per share				
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
		(Restated)		(Restated)
- Basic	(0.29)	(0.99)	0.17	0.23
- Diluted	(0.29)	(0.97)	0.17	0.22

The annexed notes form an integral part of these unconsolidated condensed interim financial information.

Director

Chief Executive Officer

Chief Financial Officer

Cnergyico Pk Limited
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the six months period ended December 31, 2023

	Six months period ended		Three months period ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
(Loss) / profit after taxation	(1,602,837)	(5,326,493)	940,234	1,235,379
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(1,602,837)</u>	<u>(5,326,493)</u>	<u>940,234</u>	<u>1,235,379</u>

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the six months period ended December 31, 2023

	Issued, subscribed and paid up capital	Capital Reserve			Revenue Reserve	Sub- total	Contribution against future issue of shares	Total
		Merger Reserves	Other Capital Reserve	Surplus on revaluation of operating fixed assets	Accumulated loss			
	(Rupees in '000)							
Balance as at July 1, 2022	53,298,847	(21,303,418)	3,214,209	2,590,087	(4,130,209)	33,669,516	979,418	34,648,934
Loss after taxation	-	-	-	-	(5,326,493)	(5,326,493)	-	(5,326,493)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(5,326,493)	(5,326,493)	-	(5,326,493)
Incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	-	-	(262,596)	262,596	-	-	-
Balance as at December 31, 2022	53,298,847	(21,303,418)	3,214,209	2,327,491	(9,194,106)	28,343,023	979,418	29,322,441
Balance as at July 1, 2023	54,934,476	(21,959,629)	3,214,209	158,149,183	(15,995,736)	178,342,503	-	178,342,503
Loss after taxation	-	-	-	-	(1,602,837)	(1,602,837)	-	(1,602,837)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,602,837)	(1,602,837)	-	(1,602,837)
Incremental depreciation relating to surplus on revaluation of operating fixed assets - net of tax	-	-	-	(1,353,532)	1,353,532	-	-	-
Balance as at December 31, 2023	54,934,476	(21,959,629)	3,214,209	156,795,651	(16,245,041)	176,739,666	-	176,739,666

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Cnergyico Pk Limited
Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)
For the period ended December 31, 2023

	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,601,200)	(5,322,989)
Adjustments for :		
Depreciation / Amortisation	3,454,122	1,963,552
Finance costs	4,765,611	2,852,201
Allowance for expected credited losses	1,512,495	1,048,665
Gain on sale of operating fixed assets	-	(29)
Liabilities written back	-	(5,990,173)
Interest income	(1,341,945)	(897,572)
Provision for defined benefit obligation	72,529	49,950
Net cash inflow / (outflow) before working capital changes	<u>6,861,612</u>	<u>(6,296,395)</u>
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(66,122)	125,736
Stock in trade	(7,241,703)	13,109,486
Trade debts	(5,560,890)	(216,167)
Loans and advances	(246,575)	(89,201)
Trade deposits and short term prepayments	(916)	(220,084)
Other receivables	(66,429)	1,737,366
<i>Increase / (decrease) in current liabilities</i>		
Advance from customers	1,086,490	(415,535)
Trade and other payables	(942,396)	(14,979,439)
	<u>(13,038,541)</u>	<u>(947,838)</u>
Cash used in operations	<u>(6,176,929)</u>	<u>(7,244,233)</u>
Finance costs paid	(2,888,593)	(2,028,150)
Income taxes paid	(100,109)	(30,765)
Defined benefit obligation paid	-	(15,000)
Interest income received	45,410	64,881
Net cash used in operations	<u>(9,120,221)</u>	<u>(9,253,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,232,616)	(1,110,286)
Proceeds from disposal of operating fixed assets	-	415
Investment in subsidiaries	(100)	(500)
Long term deposits - net	(5,741)	(4,466)
Net cash used in investing activities	<u>(1,238,457)</u>	<u>(1,114,837)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing - net	4,750,342	(1,063,771)
Payment of lease liabilities	(233,992)	(205,631)
Short term borrowing - net	7,000,374	10,466,603
Net cash generated from financing activities	<u>11,516,724</u>	<u>9,197,201</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,158,046</u>	<u>(1,170,903)</u>
Cash and cash equivalents - at the beginning of the period	<u>(405,282)</u>	<u>1,279,745</u>
Cash and cash equivalents - at the end of the period	<u><u>752,764</u></u>	<u><u>108,842</u></u>
Cash and cash equivalents comprise of:		
Cash and bank balances	2,352,764	1,708,842
Running finance facility	<u>(1,600,000)</u>	<u>(1,600,000)</u>
	<u><u>752,764</u></u>	<u><u>108,842</u></u>

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Cnergyico Pk Limited

Notes to the Unconsolidated Condensed Interim Financial Statements - (Unaudited)

For the six months period ended December 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Cnergyico Pk Limited (the Company) was incorporated in Pakistan as a public limited company on January 9, 1995 under the Companies Act, 2017 and was granted a certificate of commencement of business on March 13, 1995. The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the company is situated at The Harbour Front, 9th Floor, Dolmen city, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan. The Company is a subsidiary of Bosicorco International Limited, Mauritius (the Parent Company). The Parent Company in turn is a subsidiary of Busientco Incorporated, Cayman Islands (the Ultimate Parent Company).

1.2 The Company currently operates two business segments namely oil refinery business and petroleum marketing business. The Company has two refineries with an aggregate rated capacity of 156,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 473 (June 30, 2023: 468) retail outlets across the country as at December 31, 2023.

1.3 Potential restructuring of the Company

The Company made an announcement on Pakistan Stock Exchange ("PSX") dated December 21, 2023 regarding potential restructuring of the Company. Through the said announcement the board of directors of the Company in their meeting approved a draft scheme of arrangement under section 279 to 283 and 285 of the Companies Act, 2017, to be entered into between the Company and its following wholly owned subsidiaries namely:

i) Bosicorco ORB 1 (Private) Limited (ORB 1) ii) Bosicorco ORB 2 (Private) Limited (ORB 2) iii) Bosicorco OMB 1 (Private) Limited (OMB) iv) Bosicorco OSB 2 (Private) Limited (OSB) v) Bosicorco CPB 1 (Private) Limited (CPB) and vi) Cnergyico Isomate PK (Private) Limited (ISOM) laid before the Board of Directors of the Company (the "Scheme"), pertaining to the proposed corporate reorganization / restructuring of the Company and its wholly owned subsidiaries, subject to completion and finalisation of the Scheme, obtaining all necessary members', creditors' and regulatory approvals, and the sanction of the Scheme by the High Court of Sindh at Karachi, along with fulfilment of related legal formalities in accordance with applicable laws.

In terms of the Scheme, it is intended, inter alia, that certain business units / undertakings of the Company shall be segregated and demerged / carved out from the Company, which undertakings (including the respective assets, liabilities and obligations comprising thereof) shall be merged with and into, and stand vested in, ORB 1, ORB 2, OMB, OSB and CPB respectively. Furthermore, ISOM, being a wholly owned subsidiary of the Company shall be merged with and into ORB 2. To execute the scheme, the Company has filed a petition before High Court of Sindh on January 23, 2024.

Furthermore, subsequent to period ended December 31, 2023 the High Court of Sindh passed order dated February 06, 2024 inter alia for conducting the meeting of the members / secured creditors of the Company with due notice.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017 ; and
- Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual unconsolidated financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023. These unconsolidated condensed interim financial statements are unaudited, however, the same have been subject to limited scope review by the statutory auditors of the Company, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3** The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended December 31, 2023 and December 31, 2022.
- 2.4** These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses (if any).
- 2.5** These unconsolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- 3.1** The accounting policies and the methods of computation applied in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited unconsolidated financial statements as at and for the year ended June 30, 2023. Certain new IFRS and amendments to existing IFRS are effective for periods beginning on or after July 1, 2023, which do not have any impact on the Company's financial reporting and therefore have not been detailed in these unconsolidated condensed interim financial statements.
- 3.2** The Company follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in this unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by the management in the preparation of this unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023, except as disclosed otherwise.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 and 5.4	251,928,946	255,157,042
Capital work-in-progress (CWIP)	5.2	37,547,545	35,410,950
Right-of-use assets	5.3	1,452,915	1,370,378
		290,929,406	291,938,370

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- (Rupees in '000) -----	
5.1 Additions in operating fixed assets including transfer from CWIP		
Building on free hold land, roads and civil works	-	82,389
Plant and machinery	-	40,618
Furniture and fixtures	-	1,085
Filling stations	63,566	24,600
Vehicles	-	20,000
Computer and allied equipments	618	8,360
Safety and lab equipments	-	13,852
	<u>64,184</u>	<u>190,904</u>

5.2 During the period, the additions in capital work-in-progress amounted to Rs. 2,172.932 million (December 31, 2022: Rs. 1,063.746 million). Transfer from CWIP to operating fixed assets amounted to Rs. 36.339 million (December 31, 2022: Rs. 144.364 million).

5.3 During the period, the additions in right-of-use assets amounted to Rs. 247.326 million (December 31, 2022: Rs. 821.538 million). The additions have resulted increase corresponding lease liability of Rs. 247.326 million.

5.4 During the period, disposals in operating fixed assets amounting to Nil (December 31, 2022: Rs. 0.39 million).

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
6. INVESTMENT IN SUBSIDIARIES - AT COST		
	Note	
Cnergyico Isomorate PK (Private) Limited	6.1	16,931,504
Bosicorco OSB 1 (Private) Limited	6.2	482,134
Other wholly owned subsidiaries	6.4	600
		<u>17,414,238</u>
		<u>17,414,138</u>

6.1 This represents investment in Cnergyico Isomorate Pk (Private) Limited (CIPL), a wholly owned subsidiary, of 1,693,150,430 shares (June 30, 2023: 1,693,150,430 shares) of Rs. 10 each. CIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

6.2 This represents investment in Bosicorco OSB 1 (Private) Limited (BOSB1L), comprising of 91.05% shareholding of 46,391,621 shares (June 30, 2023: 46,391,621 shares) of Rs. 10 each. BOSB1L is principally engaged in serving as a mooring point for offloading liquid products through the Single Buoy Mooring (SBM) to the company.

6.3 The Company carried out a review of the recoverable amount of the investment in CIPL and BOSB1L on June 30, 2023. The Company estimated the recoverable amount by using value-in-use method and concluded that recoverable amount being higher than the carrying amount no impairment needs to be charged. The key assumptions in the value-in-use calculations are the terminal growth rate and the risk-adjusted pre-tax discount rate.

6.4 This includes wholly owned subsidiaries incorporated by the company with paid up capital of Rs. 100,000. The company holds 100% paid up capital of these subsidiaries. Subsidiaries include Bosicorco CPB 1 (Private) Limited, Bosicorco OMB 1 (Private) Limited, Bosicorco ORB 1 (Private) Limited, Bosicorco ORB 2 (Private) Limited, Bosicorco OSB 2 (Private) Limited.

During the period Bosicorco Essential service (Private) Limited has been incorporated with paid-up capital of 10,000 shares each having face value of Rs. 10. The company holds 100% paid up capital of this subsidiary.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
7. STOCK-IN-TRADE			
Raw material	7.1 and 7.2	14,004,113	18,389,344
Finished products	7.3 and 7.4	18,928,671	7,301,737
		<u>32,932,784</u>	<u>25,691,081</u>

7.1 This includes raw material in transit amounting to Rs. 10,664.908 million (June 30, 2023: Rs. 14,366.305 million) as at the reporting date.

7.2 Raw material has been written down by Rs. 114.734 million (June 30, 2023: Rs. 318.784 million) to net realiseable value.

7.3 Finished Product has been written down by Rs. 2.793 million (June 30, 2023: Rs. 8.139 million) to net realisable value.

7.4 This includes finished products held by third parties amounting to Rs. 8,573.221 million (June 30, 2023: Rs. 1,867.896 million).

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
8. TRADE DEBTS			
Considered good		8,509,216	3,205,613
Considered doubtful		<u>12,682,726</u>	<u>11,170,231</u>
		21,191,942	14,375,844
Allowance for expected credit losses	8.1	<u>(12,682,726)</u>	<u>(11,170,231)</u>
		<u>8,509,216</u>	<u>3,205,613</u>

8.1 Allowance for expected credit losses

Opening balance	11,170,231	9,028,059
For the period / year	<u>1,512,495</u>	<u>2,142,172</u>
Closing balance	<u>12,682,726</u>	<u>11,170,231</u>

9. OTHER RECEIVABLES

Considered good	9.1	<u>1,490,235</u>	<u>1,423,806</u>
-----------------	-----	------------------	------------------

9.1 This includes Rs. 730.292 million and Rs. 737.430 million (June 30, 2023: Rs. 683.848 million and Rs. 717.383 million) receivable from Cnerygico Isomerate Pk (Private) Limited and Bosicorco OSB 1 (Private) Limited.

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
10. SHORT TERM BORROWINGS - SECURED			
	10.1	<u>25,954,397</u>	<u>18,954,023</u>

- 10.1** This includes facilities extended by commercial banks for import and procurement of crude oil and petroleum products. These carry mark-up ranging from 1-3 month's KIBOR plus 1% to 3% (June 30, 2023: 1 month's KIBOR plus 1.5% to 2%). These are secured under joint pari passu (JPP) arrangement having charge on the Company's current and operating fixed assets.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There were no material changes in the status of contingencies from what is disclosed in note 30 to the annual audited unconsolidated financial statements for the year ended June 30, 2023.

11.2 Commitments

The status for commitments is same as disclosed in annual audited unconsolidated financial statements for the year ended June 30, 2023 except for the following:

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Commitments for capital expenditure	<u><u>3,729,766</u></u>	<u><u>3,949,879</u></u>

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- (Rupees in '000) -----	
12.1 Transactions with related parties during the period:		
Parent company:		
Markup charged	173,970	110,688
Subsidiary Companies:		
Other income	183	183
Product processing charges	-	49,188
Buoy charges - Net right of way	286,294	-
Associated companies:		
Sales	4,855,224	
Purchase of operating fixed assets and services	82,983	86,339
Rent expense	-	44,550
Waiver of principal amount	-	4,591,531
Markup charged		
Secured	523,172	-
Unsecured	2,128,024	1,189,794
Others		
Retirement benefit funds	-	37,143
Key management personnel	211,510	178,818

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
12.2 Balances with related parties		
Parent Company		
Accrued mark-up payable	1,169,858	1,011,009
Loan payable	3,935,650	3,935,650
Subsidiary Companies		
Receivable against expenses incurred	1,467,660	1,401,230
Loans and advances	1,518,780	1,518,780
Accrued Interest - Receivable	545,655	504,329
Associated Companies		
Advance against shared services	12,060	12,452
Accrued mark-up payable		
- secured	58,397	44,017
- unsecured	9,498,948	6,912,904
Loan payable		
- secured	2,020,522	63,742
- unsecured	9,990,098	10,240,098
Short-term borrowings	1,992,000	3,947,018
Trade debts - Net	925,144	-
Payable against purchases	217,326	153,595
Payable against services	3,052,837	22,379
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	859,070	499,833

13. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. There have been no changes in any risk management policies since the year end.

14. FAIR VALUE OF ASSETS AND LIABILITIES

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 December 31, 2023, the Company has no financial instruments that are measured at fair value in the unconsolidated statement of financial position.

15. 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 board of directors

The quantitative data for segments is given below:

	Oil Refining		Petroleum Marketing		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----					
Sales to external customers	54,810,651	58,993,205	45,038,740	41,568,426	99,849,391	100,561,631
Inter-segment sales	43,808,261	41,231,494	-	-	43,808,261	41,231,494
Eliminations	(43,808,261)	(41,231,494)	-	-	(43,808,261)	(41,231,494)
Total revenue	54,810,651	58,993,205	45,038,740	41,568,426	99,849,391	100,561,631

Result

Segment Profit / (Loss)	2,282,550	(5,772,734)	1,052,411	600,838	3,334,961	(2,319,695)
Unallocated expenses:						
Finance costs					(4,765,611)	(2,852,201)
Other expenses					(1,512,495)	(1,048,665)
Interest income					1,341,945	897,572
Loss before taxation					(1,601,200)	(5,322,989)
Taxation					(1,637)	(3,504)
Loss after taxation					(1,602,837)	(5,326,493)

	Oil Refining		Petroleum Marketing		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----					
Segment assets	356,989,041	139,639,096	1,936,667	3,235,123	358,925,708	142,874,219
Unallocated assets	-	-	-	-	-	-
	356,989,041	139,639,096	1,936,667	3,235,123	358,925,708	142,874,219
Segment liabilities	180,542,377	111,765,125	1,643,665	1,786,653	182,186,042	113,551,778
Unallocated liabilities	-	-	-	-	-	-
	180,542,377	111,765,125	1,643,665	1,786,653	182,186,042	113,551,778
Capital expenditure	1,169,050	1,062,974	63,566	47,312	1,232,616	1,110,286
Other information						
Depreciation	3,382,418	1,859,903	71,704	103,649	3,454,122	1,963,552

All non-current assets of the Company as at December 31, 2023 and December 31, 2022 are located in Pakistan.

16. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 28, 2024 by the Board of Directors of the Company.

Director

Chief Executive Officer

Chief Financial Officer

Cnergyico Pk Limited
Consolidated Condensed Interim Statement of Financial Position
As at December 31, 2023

	Notes	(Unaudited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
NON CURRENT ASSETS			
Property, plant and equipment	5	330,261,693	331,806,662
Intangible assets		9,145	12,372
Long-term deposits		328,727	328,727
		<u>330,599,564</u>	<u>332,147,761</u>
CURRENT ASSETS			
Stores and spares		2,374,740	2,308,618
Stock-in-trade	6	32,932,784	25,691,081
Trade debts	7	8,509,216	3,205,613
Loans and advances		364,389	117,814
Trade deposits and short-term prepayments		29,506	28,591
Accrued interest		7,302	7,302
Other receivables		23,157	23,157
Taxation - net		44,156	518,289
Cash and bank balances		2,354,456	1,196,310
		<u>46,639,707</u>	<u>33,096,775</u>
TOTAL ASSETS		<u><u>377,239,271</u></u>	<u><u>365,244,536</u></u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital		54,934,476	54,934,476
Reserves		<u>(50,109,077)</u>	<u>(50,072,929)</u>
		4,825,399	4,861,547
Surplus on revaluation of operating fixed assets		<u>178,847,288</u>	<u>180,718,586</u>
Equity attributable to shareholders of the Parent company		<u>183,672,687</u>	<u>185,580,133</u>
Non controlling Interest		<u>1,019,536</u>	<u>1,033,255</u>
		<u>184,692,223</u>	<u>186,613,388</u>
NON CURRENT LIABILITIES			
Long term financing		21,388,717	16,319,206
Accrued and deferred markup		10,175,074	8,598,704
Long term lease liabilities		2,217,508	2,014,883
Long-term deposits		240,373	246,115
Deferred liabilities		861,592	855,011
Deferred taxation - net		<u>71,435,987</u>	<u>72,200,890</u>
		<u>106,319,251</u>	<u>100,234,809</u>
CURRENT LIABILITIES			
Trade and other payables		53,562,950	54,446,323
Advance from customers		2,431,995	1,345,505
Accrued mark-up		3,147,978	1,923,136
Short Term Borrowings - secured	8	25,954,397	18,954,023
Current portion of non-current liabilities		1,129,450	1,726,325
Unclaimed dividend		1,027	1,027
		<u>86,227,797</u>	<u>78,396,339</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u><u>377,239,271</u></u>	<u><u>365,244,536</u></u>

The annexed notes form an integral part of these consolidated condensed interim financial information.

-----Sd-----
Chief Executive Officer

-----Sd-----
Director

-----Sd-----
Chief Financial Officer

Cnergyico Pk Limited
Consolidated Condensed Interim Statement of Profit or Loss Account
For the period ended December 31, 2023

Note	Three months Period ended		Three months period ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Revenue from contract with customers - Gross	120,547,032	112,135,031	80,184,872	55,537,730
Sales tax, discount & other duties	(20,697,641)	(11,573,400)	(13,867,801)	(7,729,224)
Revenue from contract with customers - net	99,849,391	100,561,631	66,317,071	47,808,506
Cost of sales	(95,986,461)	(108,486,762)	(62,585,642)	(50,871,806)
Gross profit / (loss)	3,862,930	(7,925,131)	3,731,429	(3,063,300)
Administrative expenses	(744,035)	(587,137)	(377,479)	(295,025)
Selling and distribution expenses	(281,683)	(264,407)	(152,121)	(120,089)
Other expenses	(1,512,495)	(1,048,665)	(771,611)	(531,470)
Other income - net	1,329,804	6,934,494	705,302	6,497,731
	(1,208,409)	5,034,285	(595,909)	5,551,147
Operating profit / (loss)	2,654,521	(2,890,846)	3,135,520	2,487,847
Finance costs	(4,765,777)	(2,852,201)	(2,314,692)	(1,567,855)
(Loss) / profit before taxation	(2,111,256)	(5,743,047)	820,828	919,992
Taxation	190,091	89,539	37,400	160,823
(Loss) / profit after taxation	(1,921,165)	(5,653,508)	858,228	1,080,815
Attributable to:				
- Equity Holders of the Parent Company	(1,907,446)	(5,653,508)	859,749	1,080,815
- Non- controlling interest	(13,719)	-	(1,521)	-
	(1,921,165)	(5,653,508)	858,228	1,080,815
(Loss) / earning per share				
	----- (Rupees) -----		----- (Rupees) -----	
	(Restated)		(Restated)	
- Basic	(0.35)	(1.05)	0.16	0.20
- Diluted	(0.35)	(1.03)	0.16	0.20

The annexed notes form an integral part of these consolidated condensed interim financial information.

-----Sd-----
Chief Executive Officer

-----Sd-----
Director

-----Sd-----
Chief Financial Officer

Cnergyico Pk Limited
Consolidated Condensed Interim Statement of Other Comprehensive Income
For the period ended December 31, 2023

	<u>Six months period ended</u>		<u>Six months period ended</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>----- (Rupees in '000) -----</u>			
(Loss) / profit after taxation	(1,921,165)	(5,653,508)	858,228	1,080,815
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(1,921,165)</u>	<u>(5,653,508)</u>	<u>858,228</u>	<u>1,080,815</u>
Attributable to:				
- Equity Holders of the Parent Company	(1,907,446)	(5,653,508)	859,749	1,080,815
- Non- controlling interest	(13,719)	-	(1,521)	-
	<u>(1,921,165)</u>	<u>(5,653,508)</u>	<u>858,228</u>	<u>1,080,815</u>

The annexed notes form an integral part of these consolidated condensed interim financial information.

-----Sd-----
Chief Executive Officer

-----Sd-----
Director

-----Sd-----
Chief Financial Officer

Cnergyico Pk Limited
Consolidated Condensed Interim Statement of Changes In Equity
For the period ended December 31, 2023

	Issued, subscribed and paid up capital	Capital Reserve			Revenue Reserve	Sub- total	Non- Controlling Interest - NCI	Contribution against future issue of shares	Total
		Merger Reserves	Other Capital Reserve	Surplus on revaluation of operating assets	Accumulated Loss				
					(Rupees in '000)				
Balance as at 1 July 2022	53,298,847	(21,303,418)	3,214,209	8,733,023	(19,102,829)	24,839,832	--	979,418	25,819,250
Loss for the period	--	--	--	--	(5,653,508)	(5,653,508)	--	--	(5,653,508)
Business aquisiton during the period	--	--	--	--	--	--	47,382	--	47,382
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	--	--	--	(505,080)	505,080	--	--	--	--
Balance as at Dec 31, 2022	53,298,847	(21,303,418)	3,214,209	8,227,943	(24,251,257)	19,186,324	47,382	979,418	20,213,125
Balance as at 1 July 2023	54,934,476	(21,959,629)	3,214,209	180,718,586	(31,327,509)	185,580,133	1,033,255	--	186,613,388
Loss for the period	--	--	--	--	(1,907,446)	(1,907,446)	(13,719)	--	(1,921,165)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	--	--	--	(1,871,298)	1,871,298	--	--	--	--
Balance as at Dec 31, 2023	54,934,476	(21,959,629)	3,214,209	178,847,288	(31,363,657)	183,672,687	1,019,536	--	184,692,223

The annexed notes form an integral part of these consolidated condensed interim financial information.

-----Sd-----
Chief Executive Officer

-----Sd-----
Director

-----Sd-----
Chief Financial Officer

Energyico PK Limited
Consolidated Condensed Interim Statement of Cash Flows
For the period ended December 31, 2023

	December 31, 2023 ------(Rupees in '000)-----	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,111,256)	(5,743,047)
Adjustments for:		
Depreciation / Amortisation	3,990,127	2,406,899
Finance costs	4,765,777	2,852,201
Allowance for expected credited losses	1,512,494	1,048,665
Gain on disposal of assets	-	(29)
Liabilities written back	-	(5,990,173)
Interest income	(1,300,618)	(897,572)
Provision for defined benefit plan	72,529	49,950
Net cash flow before working capital changes	<u>6,929,053</u>	<u>(6,273,106)</u>
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(66,122)	125,736
Stock in trade	(7,241,703)	13,109,486
Trade debts	(5,560,889)	(216,168)
Loans and advances	(246,575)	(89,201)
Trade deposits and short term prepayments	(915)	(220,084)
Other receivables	-	1,744,770
<i>Decrease in current liabilities</i>		
Advance from customers	1,086,490	(415,535)
Trade and other payables	(1,076,266)	(15,001,390)
	<u>(13,105,980)</u>	<u>(962,386)</u>
Cash used in operations	<u>(6,176,927)</u>	<u>(7,235,493)</u>
Finance costs paid	(2,888,593)	(2,028,145)
Income Taxes paid	(100,109)	(39,417)
Gratuity paid	-	(15,000)
Interest income received	45,410	64,882
Net cash used in operating activities	<u>(9,120,219)</u>	<u>(9,253,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,232,616)	(1,110,286)
Proceeds from disposal of PPE	-	415
Long term deposits - net	(5,742)	(4,467)
Net cash used in investing activities	<u>(1,238,358)</u>	<u>(1,114,338)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	4,750,341	(1,063,771)
Payment of lease liabilities	(233,992)	(205,632)
Short Term Borrowing	7,000,374	10,466,603
Net cash generated from financing activities	<u>11,516,723</u>	<u>9,197,199</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,158,146</u>	<u>(1,170,311)</u>
Cash and cash equivalents - opening	<u>(403,690)</u>	<u>1,280,745</u>
Cash and cash equivalents - closing	<u><u>754,456</u></u>	<u><u>110,434</u></u>
Cash and cash equivalents comprise of:		
Cash and bank balances	2,354,456	1,710,435
Running finance facility	(1,600,000)	(1,600,000)
	<u><u>754,456</u></u>	<u><u>110,435</u></u>

The annexed notes form an integral part of these consolidated condensed interim financial information.

-----Sd-----
Chief Executive Officer

-----Sd-----
Director

-----Sd-----
Chief Financial Officer

Cnergyico PK Limited
Notes to the Consolidated Condensed Interim Financial Statements
For the period ended December 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consist of:

Holding Company

i) Cnergyico Pk Limited - the Holding Company

The Holding Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the repealed Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Holding Company are listed on Pakistan Stock Exchange. The Holding Company is a subsidiary of Bosicorco International Limited, Mauritius (the Parent Company). The Parent Company in turn is a subsidiary of Busientco Incorporated, 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 473 (June 30, 2023: 468) retail outlets across the country as at 31 December 2023.

Subsidiary Companies

ii) Cnergyico Isomerate PK (Private) Limited (CIPL)

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

iii) Bosicorco OSB 1 (Private) Limited

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

iv) Bosicorco CPB 1 (Private) Limited

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

v) Bosicorco OMB 1 (Private Limited)

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

vi) Bosicorco ORB 1 (Private) Limited

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

vii) Bosicorco ORB 2 (Private) Limited

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

viii) Bosicorco OSB 2 (Private) Limited

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

ix) Bosicorco Essential Services (Private) Limited

Bosicorco Essential Services (Private) Limited (the Company) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on July 6, 2023. The company is principally engaged in material management, event management, disaster response services, canteen and cafeteria service, janitorial services, fumigation, import, export, and to set up, establish, run and manage family entertainment centers that are par with family amusement standards worldwide.

1.2 Potential restructuring of the Company

The Company made an announcement on Pakistan Stock Exchange ("PSX") dated December 21, 2023 regarding potential restructuring of the Company. Through the said announcement the board of directors of the Company in their meeting approved a draft scheme of arrangement under section 279 to 283 and 285 of the Companies Act, 2017, to be entered into between the Company and its following wholly owned subsidiaries namely:

i) Bosicorco ORB 1 (Private) Limited (ORB 1) ii) Bosicorco ORB 2 (Private) Limited (ORB 2) iii) Bosicorco OMB 1 (Private) Limited (OMB) iv) Bosicorco OSB 2 (Private) Limited (OSB) v) Bosicorco CPB 1 (Private) Limited (CPB) and vi) Cnergyico Isomerate PK (Private) Limited (ISOM) laid before the Board of Directors of the Company (the "Scheme"), pertaining to the proposed corporate reorganization / restructuring of the Company and its wholly owned subsidiaries, subject to completion and finalisation of the Scheme, obtaining all necessary members', creditors' and regulatory approvals, and the sanction of the Scheme by the High Court of Sindh at Karachi, along with fulfilment of related legal formalities in accordance with applicable laws.

In terms of the Scheme, it is intended, inter alia, that certain business units / undertakings of the Company shall be segregated and demerged / carved out from the Company, which undertakings (including the respective assets, liabilities and obligations comprising thereof) shall be merged with and into, and stand vested in, ORB 1, ORB 2, OMB, OSB and CPB respectively. Furthermore, ISOM, being a wholly owned subsidiary of the Company shall be merged with and into ORB 2. To execute the scheme, the Company has filed a petition before High Court of Sindh on January 23, 2024.

Furthermore, subsequent to period ended December 31, 2023 the High Court of Sindh passed order dated February 06, 2024 inter alia for conducting the meeting of the members / secured creditors of the Company with due notice.

2 Statement of compliance

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

-International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017 ; and

-Provisions of and directives issued under the Companies Act, 2017.

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

2.1 Basis of Consolidation

These Condensed consolidated financial statements include the financial statements of the Holding Company and its subsidiaries.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

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

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit or loss, and reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss.

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

2.2 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses, if any.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.3 Bosicorco Essential Services (Private) Limited has been incorporated during the period with paid up capital of 10,000 shares having face value of Rs. 10. Cnergyico PK Limited holds 100% paid up capital of the subsidiary.

2.4 These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended June 30, 2023.

2.5 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.6 These consolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand.

2.7 The comparative balance sheet presented in these consolidated condensed interim financial information has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2023.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements as at and for the year ended June 30, 2023. Certain new IFRS and amendments to existing IFRS are effective for periods beginning on or after July 1, 2023, which do not have any impact on the Group's financial reporting and therefore have not been detailed in these consolidated condensed interim financial statements.

3.2 The Group follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these consolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to the annual consolidated financial statements of the Group for the year ended 30 June 2023, except as disclosed otherwise.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Notes	------(Rupees in '000)-----	
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	291,261,233	295,025,334
Capital work in progress	5.2	37,547,545	35,410,950
Right-of-use assets	5.3	1,452,915	1,370,378
		330,261,693	331,806,662

		(Unaudited) December 31, 2023	(Unaudited) December 31, 2023
		------(Rupees in '000)-----	
5.1	Additions in operating fixed assets		
Building on free hold land, roads and civil works		-	82,389
Plant and machinery		-	40,618
Furniture and fixtures		-	1,085
Filling stations		63,566	24,600
Vehicles		-	20,000
Computer and allied equipments		618	8,360
Safety & lab equipments		-	13,852
		64,184	190,905

5.2 During the period, the additions in capital work-in-progress amounted to Rs. 2,172.932 million (December 31, 2022: Rs. 1,063.746 million). Transfer from CWIP to operating fixed assets amounted to Rs. 36.339 million (December 31, 2022: Rs. 144.364 million).

5.3 During the period, the additions in right-of-use assets amounted to Rs. 247.326 million (December 31, 2022: Rs. 821.538 million). The additions have resulted in corresponding lease liability of Rs. 247.326 million.

5.4 During the period, disposals in operating fixed assets amounting to Nil (December 31, 2022: Rs. 0.39 million).

		(Unaudited) December 31, 2023 ------(Rupees in '000)-----	(Audited) June 30, 2023
6	STOCK IN TRADE		
	Raw material	6.1 & 6.2 14,004,114	18,389,344
	Finished products	6.3 & 6.4 18,928,671	7,301,737
		32,932,784	25,691,081

6.1 This includes raw material in transit amounting to Rs. 10,664.908 million (June 30, 2023: Rs. 14,366.305 million) as at balance sheet date.

6.2 Raw material has been written down by Rs. 114.734 million (June 2023: Rs. 318.784) to net realisable value.

6.3 Finished Product has been written down by Rs. 2.793 million (June 2023: Rs. 8.139) to net realisable value.

6.4 This includes finished products held by third parties amounting to Rs. 8,573.221 million (June 2023: Rs. 1,867.896 million).

7 TRADE DEBTS

Considered good		8,509,216	3,205,614
Considered doubtful		12,682,726	11,170,231
Allowance for expected credit losses	7.1	(12,682,726)	(11,170,231)
		8,509,216	3,205,614

7.1 Allowance for expected credit losses

Opening balance	11,170,231	9,028,059
For the period / year	1,512,495	2,142,172
Closing balance	12,682,726	11,170,231

8 SHORT TERM BORROWINGS - SECURED

8.1	25,954,397	18,954,023
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8.1 This includes facilities extended by commercial banks for import and procurement of crude oil and petroleum products. These carry mark-up ranging from 1-3 month's KIBOR plus 1% to 3% (June 30, 2023: 1 month's KIBOR plus 1.5% to 2%). These are secured under joint pari passu (JPP) arrangement having charge on the Company's current and operating fixed assets.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 28 to the annual audited consolidated financial statements for the year ended 30 June 2023.

9.2 Commitments

The status for commitments is same as disclosed in annual audited consolidated financial statements for the year ended 30 June 2023 except for:

	(Unaudited) December 31, 2023 ------(Rupees in '000)-----	(Audited) June 30, 2023
Commitments for capital expenditure	3,729,766	3,949,879

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, parent company, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Details of transactions and balances with related parties during the period are as follows:

10.1 Transactions with related parties	(Unaudited) December 31, 2023	(Unaudited) December 31, 2023
	----- (Rupees in '000) -----	
Parent Company:		
Markup charged	173,970	110,688
Associated companies:		
Sales	4,855,224	--
Purchase of operating fixed assets and services	82,983	86,339
Rent Expense	--	44,550
Waiver of principal amount	--	4,593,531
Markup charged - net		
- secured	523,172	--
- unsecured	2,128,024	1,189,794
Others		
Post employment benefit Funds	--	37,143
Key management personnel remuneration	211,510	178,818
10.2 Balances with related parties	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Parent Company		
Accrued markup	1,169,858	1,011,009
Loan payable	3,935,650	3,935,650
Associated Companies		
Advance against shared services	12,060	12,452
Accrued markup		
- secured	58,397	44,017
- unsecured - gross	9,498,948	8,311,546
Loan payable		
- secured	2,020,522	63,742
- unsecured - gross	9,990,098	10,240,098
Short term borrowings	1,922,000	3,947,018
Trade debts - net	925,144	--
Payable against purchases	217,326	153,595
Payable against services	3,052,837	22,379
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	859,070	499,833

11 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks. There have been no changes in any risk management policies since the year end.

12 FAIR VALUE OF ASSETS AND LIABILITIES

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

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.

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 December 31, 2023, the Company has no financial instruments that are measured at fair value in the consolidated statement of financial position.

13 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.

	Oil Refining		Petroleum Marketing		Total	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Sales to ext. customers	54,810,651	58,993,205	45,038,740	41,568,426	99,849,391	100,561,631
Inter-segment sales	43,808,261	41,231,494	--	--	43,808,261	41,231,494
Eliminations	(43,808,261)	(41,231,494)	--	--	(43,808,261)	(41,231,494)
Total revenue	54,810,651	58,993,205	45,038,740	41,568,426	99,849,391	100,561,631
Result						
Segment results - profit / (Loss)	1,784,801	(9,377,513)	1,052,411	600,838	2,837,212	(8,776,675)
Unallocated expenses:						
Finance costs					(4,765,777)	(2,852,201)
Other expenses					(1,512,495)	(1,048,665)
Interest income					1,329,804	6,934,494
Loss before taxation					(2,111,256)	(5,743,047)
Taxation					190,091	89,539
Loss after taxation					(1,921,165)	(5,653,508)
Segment assets	375,302,604	133,133,225	1,936,667	3,235,123	377,239,271	136,368,348
Unallocated assets	-	-	-	-	-	-
	375,302,604	133,133,225	1,936,667	3,235,123	377,239,271	136,368,348
Segment liabilities	190,903,383	114,368,469	1,643,665	1,786,653	192,547,048	116,155,122
Unallocated liabilities	-	-	-	-	-	-
	190,903,383	114,368,469	1,643,665	1,786,653	192,547,048	116,155,122
Capital expenditure	1,169,050	1,072,738	63,566	37,548	1,232,616	1,110,286
Other Information						
Depreciation/Amortisation	3,918,423	2,303,250	71,704	103,649	3,990,127	2,406,899

All non-current assets of the Group as at December 31, 2023 and 2022 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements was authorised for issue on February 28, 2024 by the Board of Directors of the Group.

-----Sd-----
Chief Executive Officer

-----Sd-----
Director

-----Sd-----
Chief Financial Officer