INTEGRATE TO SYNERGISE
FOR **SUSTAINABILITY**

Cnergyico Pk Limited

First Quarter Report
30 September 2022

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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

SHARES REGISTRAR

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

REGISTERED OFFICE

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

WEBSITE

www.cnergyico.com

DIRECTORS' REPORT

For the period ended September 30, 2022

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 30th September, 2022.

The current quarter has brought four very significant challenges together for the country and the oil industry over and above the already prevalent uncertain economic and political conditions.

There have been unprecedented rainfalls followed by devastating floods in almost every part of the country. The heavy flooding in the area surrounding the Company's refineries severely damaged the road network to the extent that the primary bridge connecting Hub City and onwards with Karachi got completely washed away. This has severely affected the refineries' logistics and therefore throughputs. While the Government has initiated reconstruction work on the bridge, nevertheless, it is expected to take around 2 years to complete. The company is managing refineries' products movement through make-shift arrangements and dirt roads as alternate routes, but, as expected, this is creating significant hazards and delays, while the Company continues to try and ensure all possible safety protocols are met. We have requested the Government and continue to impress upon them to put in the best efforts in order to restore the road infrastructure as soon as realistically possible.

Due to country-wide deluge, product demand particularly High-Speed Diesel (HSD) shrunk by over 40%.

During this same period, the Pak Rupee further depreciated against USD to PKR 242/$, however, the State Bank of Pakistan's (SBP) weighted average rate was declared at PKR 225/$, thereby causing enormous amounts of exchange losses to all the import-based industries.

Furthermore, international oil prices fell by about 23% in the quarter under review, which resulted in huge inventory losses.

The Company recorded net sales of PKR 52.7 billion as compared to PKR 34.4 billion in the same period last year which was due to increased oil prices and severe PKR depreciation. Extremely low refinery throughput, resulted in a gross loss of PKR 4.6 billion compared to the gross profit of PKR 751 million in the same period last year. Expenses remained in line except for finance costs, which doubled due to KIBOR and increased oil prices. The Company incurred a loss after tax of PKR 6.5 billion with basic | diluted loss per share of Rs. 1.23 and Rs. 1.19 respectively as compared to the loss after tax of PKR 673 million with basic | diluted loss per share of Rs. 0.13 and Rs. 0.12 respectively in the same period last year.

The Board wishes to place on record its gratitude for the cooperation 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
October 28th, 2022

ڈائریکٹرز رپورٹ

برائے اختتام مدت 30 ستمبر 2022

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

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی میعاد کے لئے مالیاتی نتائج اور کمپنی کی عملی سرگرمیوں کا ایک مختصر جائزہ پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں۔

موجودہ سہ ماہی ملک اور تیل کی صنعت کے لیے، پہلے سے موجود غیر یقینی معاشی اور سیاسی صورتحال کے علاوہ مزید چار بڑے چیلنجز بھی ایک ساتھ لے کر آئی۔

ملک کے تقریباً تمام حصے تیز بارشوں اور تباہ کن سیلابوں کی ضد میں آئے۔ کمپنی کی ریفائنریز کے آس پاس کے علاقے میں آنے والے شدید سیلاب نے سڑکوں کے نیٹ ورک کو اس حد تک نقصان پہنچایا کہ حب سٹی اور اس کے اطراف کے علاقوں کو کراچی کے ساتھ ملانے والا مرکزی پل مکمل طور پر بہہ گیا۔ اس نے ریفائنریوں کی لاجسٹکس، اور اس وجہ سے تھرو پٹ، کو بری طرح متاثر کیا۔ اگرچہ حکومت نے پل کی تعمیر نو کا کام شروع کر دیا ہے، لیکن اسے مکمل ہونے میں تقریباً 2 سال لگ سکتے ہیں۔ کمپنی متبادل کے طور پر عارضی انتظامات اور کچی سڑکوں کے ذریعے ریفائنریز کی مصنوعات کی نقل و حرکت کر رہی ہے۔ لیکن، جیسا کہ توقع کی جا سکتی ہے، اس سے حفاظتی خطرات میں خاطرخواہ اضافہ ہوا ہے اور کام میں تاخیر پیدا ہو رہی ہے، جبکہ کمپنی تمام ممکنہ حفاظتی پروٹوکولز کو پورا کرنے کی کوشش جاری رکھے ہوئے ہے۔ ہم نے حکومت سے درخواست کی ہے اور اس بات پر زور دے رہیں کہ حکومت پوری کوشش کرے کہ سڑکوں کی بحالی کا کام جلد از جلد مکمل ہو۔

ملک بھر میں سیلاب کی وجہ سے مصنوعات، خاص طور پر ہائی اسپیڈ ڈیزل (HSD) کی طلب میں 40 فیصد سے زیادہ کی واقع ہوئی۔

اس عرصے کے دوران، پاکستانی روپے کی شرح مبادلہ کمزور ہو کر 242 PKR فی امریکی ڈالر تک پہنچ گئی۔ تاہم، اسٹیٹ بینک آف پاکستان (SBP) کی اعلان کردہ اوسط (weighted average) شرح 225 PKR فی امریکی ڈالر رہی، جس سے درآمدات پر مبنی تمام صنعتوں کو زر مبادلہ کے بڑے نقصانات ہوئے۔

تیل کی بین الاقوامی قیمتوں میں تقریباً 23 فیصد کمی ہوئی جس کے نتیجے میں سہ ماہی کے دوران انوینٹری کی مد میں بھاری نقصان ہوا۔

کمپنی نے گزشتہ سال کی اسی مدت میں 34.4 ارب روپے کے مقابلے میں 52.7 ارب روپے کی خالص فروخت ریکارڈ کی، جس کی وجہ تیل کی قیمتوں میں اضافہ اور پاکستانی روپے کی قدر میں شدید کمی تھی۔ انتہائی کم ریفائنری تھرو پٹ کی وجہ سے گزشتہ سال کی اسی مدت میں 751 ملین روپے کے مجموعی منافع کے مقابلے میں 4.6 ارب روپے کا مجموعی خسارہ ہوا۔ اخراجات وہی رہے، سوائے مالیاتی لاگت کے جو شرح سود اور تیل کی قیمتوں میں اضافے کی وجہ سے دگنی ہوگئی۔ کمپنی کو 6.5 ارب روپے کا بعد از ٹیکس خسارہ ہوا، جس میں فی حصص بنیادی اور تحلیل شدہ بالترتیب 1.23 روپے اور 1.19 روپے تھا۔ اس کے مقابلے میں پچھلے سال کی اسی مدت میں کمپنی کو 673 ملین روپے کا خسارہ ہوا تھا، جس میں فی حصص بنیادی اور تحلیل شدہ بالترتیب 0.13 روپے اور 0.12 روپے تھا۔

بورڈ حکومت پاکستان اور ہمارے اسٹریٹجک پارٹنرز بشمول صارفین، مالیاتی اداروں، سپلائرز، وینڈرز اور شیئر ہولڈرز کی جانب سے کمپنی کو فراہم کردہ تعاون پر تہہ دل سے شکریہ ادا کرتا ہے۔

برائے و منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو آفیسر **ڈائریکٹر**

کراچی
28 اکتوبر، 2022

Unconsolidated

Condensed Interim Statement of Financial Position

As at September 30, 2022

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	5	**73,420,648**	72,382,374
Intangible asset		**17,214**	18,827
Long term investment		**16,931,504**	16,931,504
Long term loans and advances		**482,134**	482,134
Long-term deposits		**393,440**	393,440
		91,244,941	90,208,279
CURRENT ASSETS			
Stores and spares		**2,582,709**	2,640,075
Stock-in-trade	6	**23,796,721**	48,245,824
Trade debts	7	**5,761,320**	7,078,048
Loans and advances		**1,817,045**	1,705,454
Trade deposits and short-term prepayments		**67,371**	52,700
Accrued interest		**448,646**	427,982
Other receivables	8	**1,776,241**	3,238,817
Taxation - net		**848,087**	956,058
Cash and bank balances		**1,183,868**	2,879,745
		38,282,007	67,224,703
TOTAL ASSETS		**129,526,948**	157,432,982
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		**53,298,847**	53,298,847
Reserves		**(28,649,991)**	(22,219,418)
Surplus on revaluation of operating fixed assets		**2,458,789**	2,590,087
		27,107,645	33,669,516
Contribution against future issue of shares		**979,418**	979,418
		28,087,063	34,648,935
NON CURRENT LIABILITIES			
Long term financing		**18,558,506**	19,144,438
Accrued and deferred markup		**7,779,802**	7,132,660
Long term lease liabilities		**1,892,401**	1,130,709
Long-term deposits		**242,261**	250,081
Deferred liabilities		**313,803**	334,283
		28,786,774	27,992,171
CURRENT LIABILITIES			
Trade and other payables		**30,877,364**	67,818,439
Advance from customers		**2,809,081**	2,893,301
Accrued mark-up		**1,098,133**	714,498
Short Term Borrowings - secured		**34,212,223**	19,627,469
Current portion of non-current liabilities		**3,655,284**	3,737,143
Unclaimed dividend		**1,027**	1,027
		72,653,111	94,791,877
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		**129,526,948**	157,432,982

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

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

Unconsolidated

Condensed Interim Statement of Profit or Loss

For the period ended September 30, 2022

	Period ended	
	September 2022	**September 2021**
	(Rupees in '000)	
Revenue from contract with customers - Gross	**56,597,301**	40,196,623
Sales tax, discounts & other duties	**(3,844,175)**	(5,737,995)
Revenue from contract with customers - net	**52,753,126**	34,458,628
Cost of sales	**(57,395,186)**	(33,707,099)
Gross (loss) / profit	**(4,642,060)**	751,529
Administrative expenses	**(292,112)**	(269,670)
Selling and distribution expenses	**(144,319)**	(137,941)
Other expenses	**(517,195)**	(355,767)
Other income - net	**436,854**	248,138
	(516,772)	(515,240)
Operating (loss) / profit	**(5,158,832)**	236,289
Finance costs - net	**(1,284,345)**	(651,172)
Loss before taxation	**(6,443,177)**	(414,883)
Current	**(118,695)**	–
Deferred	**–**	(258,621)
Taxation	**(118,695)**	(258,621)
Loss after taxation	**(6,561,872)**	(673,504)
Loss per share - Rupees		
- Basic	**(1.23)**	(0.13)
- Diluted	**(1.19)**	(0.12)

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

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

Unconsolidated

Condensed Interim Statement of Other Comprehensive Income

For the period ended September 30, 2022

	Period ended	
	September 2022	September 2021
	(Rupees in '000)	
Loss after taxation	**(6,561,872)**	(673,504)
Other comprehensive income	**–**	–
Total comprehensive loss for the period	**(6,561,872)**	(673,504)

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

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

Unconsolidated

Condensed Interim Statement of Changes in Equity

For the period ended September 30, 2022

(Rupees in '000)

		Capital Reserve			Revenue Reserve			
	Issued, subscribed and paid up capital	Merger Reserves	Other Capital Reserve	Surplus on revaluation of operating assets	Accumulated Loss	Sub-total	Contribution against future issue of shares	Total
Balance as at 1 July 2021	53,298,847	(21,303,418)	3,214,209	3,115,366	(9,458,402)	28,866,602	979,418	29,846,020
Total comprehensive income for the period								
Loss for the period	–	–	–	–	(673,504)	(673,504)	–	(673,504)
Other comprehensive income / (loss) for the period - net of tax	–	–	–	–	–	–	–	–
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	–	–	–	(131,493)	131,493	–	–	–
Balance as at Sep 30, 2021	**53,298,847**	**(21,303,418)**	**3,214,209**	**2,983,873**	**(10,000,413)**	**28,193,098**	**979,418**	**29,172,516**
Balance as at 1 July 2022	53,298,847	(21,303,418)	3,214,209	2,590,087	(4,130,209)	33,669,516	979,418	34,648,934
Total comprehensive loss for the period								
Loss for the period	–	–	–	–	(6,561,872)	(6,561,872)	–	(6,561,872)
Other comprehensive income / (loss) for the period - net of tax	–	–	–	–	–	–	–	–
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	–	–	–	(131,298)	131,298	–	–	–
Balance as at Sep 30, 2022	**53,298,847**	**(21,303,418)**	**3,214,209**	**2,458,789**	**(10,560,782)**	**27,107,645**	**979,418**	**28,087,063**

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

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

Unconsolidated

Condensed Interim Cash Flow Statement

For the period ended September 30, 2022

(Rupees in '000)

	Sep 30, 2022	Sep 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(6,443,177)**	(414,883)
Adjustments for:		
Depreciation/Amortisation	**963,289**	976,589
Finance costs	**1,284,345**	651,172
Allowance for expected credited losses	**517,185**	346,837
Gain on disposal of assets	**(33)**	–
Interest income	**(413,009)**	(240,721)
Provision for defined benefit plan	**24,284**	26,629
Net cash flow before working capital changes	**(4,067,116)**	1,345,622
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	**57,366**	(42,656)
Stock in trade	**24,449,102**	10,444,187
Trade debts	**1,188,085**	857,138
Loans and advances	**(111,591)**	(2,058)
Trade deposits and short term prepayments	**(14,671)**	(5,894)
Other receivables	**1,462,576**	60,679
Increase / (Decrease) in current liabilities		
Advance from customers	**(84,220)**	(478,184)
Trade and other payables	**(36,447,922)**	(10,975,067)
	(9,501,276)	(141,856)
Cash (used in) / generated from operations	**(13,568,392)**	1,203,766
Finance costs paid	**(710,782)**	(1,084,475)
Income Taxes paid	**(10,723)**	(9,657)
Gratuity paid	**(15,000)**	(9,572)
Interest income received	**3,804**	9,320
Net Cash (used in) / generated from operations	**(14,301,093)**	109,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(1,350,791)**	(1,228,121)
Proceeds from disposal of PPE	**112**	–
Long term deposits - net	**(7,820)**	(192)
Net cash used in investing activities	**(1,358,499)**	(1,228,313)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	**(621,039)**	(712,835)
Short Term Borrowing	**14,584,754**	646,616
Net cash generated / (used in) financing activities	**13,963,714**	(66,219)
Net decrease in cash and cash equivalents	**(1,695,877)**	(1,185,151)
Cash and cash equivalents - opening	**1,279,745**	649,958
Cash and cash equivalents - closing	**(416,132)**	(535,193)
Cash and cash equivalents comprise of:		
Cash and bank balances	**1,183,868**	1,064,807
Running finance facility	**(1,600,000)**	(1,600,000)
	(416,132)	(535,193)

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the period ended September 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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 451 retail outlets across the country as at 30 Sep 2022.

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 financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2022.

2.3 This unconsolidated 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.

2.4 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.

2.5 The comparative balance sheet presented in these unconsolidated condensed interim financial information has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2022.

3 ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2022 except as disclosed otherwise.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated 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 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 30 June 2022, except as disclosed otherwise.

5 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Operating fixed assets	5.1	**40,031,809**	40,782,071
Capital work in progress - at cost	5.2	**31,953,293**	30,889,066
ROU asset	5.3	**1,435,546**	711,237
		73,420,648	72,382,374

5.1 Additions in operating fixed assets

(Rupees in '000)

	Sep 30, 2022 (Unaudited)	Sep 30, 2021 (Unaudited)
Buidling on freehold land, roads and civil works	**82,389**	–
Plant and machinery	**–**	3,654
Furnitue and fixtures	**1,085**	1,009
Filling stations	**13,711**	–
Vehicles	**20,000**	–
Computer and allied equipments	**8,360**	19,276
Safety and lab equipments	**1,710**	413
	127,256	24,352

5.2 During the period, the additions in capital work-in-progress amounted to Rs. 414.991 million (Sep 30, 2021:Rs. 1,180.875 million).

5.3 During the period, the additions in right-of-use assets amounted to Rs. 808.545 million (Sep 30, 2021: Rs. 22.894 million).

6 STOCK IN TRADE

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Raw material	6.1 & 6.2	**13,871,021**	35,168,694
Finished products	6.3 & 6.4	**9,925,700**	13,077,130
		23,796,721	48,245,824

6.1 This includes raw material in transit amouting to Rs. 9,990.762 million (30 June 2022: Rs. 22,250.820 million) as at the balance sheet date.

6.2 Raw material has been written down by Rs. 1,577.645 million (June 2022: Nil) to net realiseable value.

6.3 Finished Product costing Rs. 11,090.809 million (June 2022: Nil) has been written down by Rs. 1,165.109 million (June 2022: Nil) to net realiseable value.

6.4 This includes finished products held by third parties amounting to Rs. 3,768.188 million (30 June 2022: Rs. 2,689.126 million).

7 TRADE DEBTS

7.1 During the period, allowance for expected credit losses amounting to Rs. 517.185 million (Sep 30, 2021:Rs. 346.837 million).

8 OTHER RECEIVABLES - considered good

8.1 This includes Rs. 677.463 million and Rs. 1,076.779 million (30 June 2022: Rs. 682.022 million & 1,087.566) receivable from a related party and Costal refinery Limited respectively.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 29 to the annual audited unconsolidated financial statements for the year ended 30 June 2022.

9.2 Commitments

The status for commitments is same as disclosed in unconsolidated financial statements for the year ended 30 June 2022 except for:

(Rupees in '000)

	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Commitments for capital expenditure	**4,215,452**	4,076,368

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, parent company, subsidiary 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

(Rupees in '000)

	Jul-Sep 2022	Jul-Sep 2021
	(Unaudited)	
Parent Company:		
Markup charged	**55,344**	15,267
Subsidiary Company:		
Other expenses incurred	**92**	92
Product Processing charges	**14,703**	31,288
Associated companies:		
Purchase of operating fixed assets and services	**39,741**	2,426
Markup charged	**591,799**	371,896
Others		
Post employment benefit Funds	**37,076**	48,811
Key management personnel - Salaries and other benefits	**79,504**	49,585

10.2 Balances with related parties

(Rupees in '000)

	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Parent Company		
Contribution against future issue of shares	**979,418**	979,418
Accrued markup	**833,945**	778,601
Loan payable	**3,935,650**	3,935,650
Subsidiary Company		
Receivable against expenses incurred	**677,463**	682,598
Associated Companies		
Advance against shared services	**27,732**	37,452
Security Deposit	**61,875**	61,875
Payable against purchases	**38,453**	38,453
Accrued markup	**6,945,858**	6,354,058
Loan payable	**14,581,628**	14,581,628
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**251,984**	188,134

11 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2022. There have been no changes in any risk management policies since the year end.

12 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

13 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.

(Rupees in '000)

	Oil Refining		Petroleum Marketing		Total	
	2022	2021	2022	2021	2022	2021
Sales to external customers	**26,219,056**	11,561,841	**26,534,070**	22,896,787	**52,753,126**	34,458,628
Inter-segment sales	**26,157,844**	22,285,042			**26,157,844**	22,285,042
Eliminations	**(26,157,844)**	(22,285,042)	**–**	–	**(26,157,844)**	(22,285,042)
Total revenue	**26,219,056**	11,561,841	**26,534,070**	22,896,787	**52,753,126**	34,458,628
Result						
Segment results - (loss)/profit	**(5,446,908)**	1,930	**392,261**	349,405	**(5,054,647)**	351,335
Unallocated expenses:						
Finance costs					**(1,284,345)**	(651,172)
Other expenses					**(517,195)**	(355,767)
Interest income					**413,009**	240,721
Loss before taxation					**(6,443,178)**	(414,883)
Taxation					**(118,695)**	(258,621)
Loss after taxation					**(6,561,873)**	(673,504)
Other Information						
Depreciation/Amortisation	**899,356**	911,990	**63,933**	64,599	**963,289**	976,589

All non-current assets of the Company as at September 30, 2022 and 2021 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial statements was authorised for issue on **October 28, 2022** by the Board of Directors of the Company.

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated

Condensed Interim Statement of Financial Position

As at September 30, 2022

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	5	**84,492,985**	83,676,349
Intangible assets		**17,214**	18,827
Long term loans and advances		**482,134**	482,134
Long-term deposits		**393,440**	393,440
		85,385,775	84,570,750
CURRENT ASSETS			
Stores and spares		**2,582,709**	2,640,075
Stock-in-trade	6	**23,796,721**	48,245,824
Trade debts	7	**5,761,320**	7,078,048
Loans and advances		**1,817,045**	1,705,454
Trade deposits and short-term prepayments		**67,371**	52,700
Accrued interest		**448,646**	427,981
Other receivables	8	**1,102,739**	2,564,200
Taxation - net		**836,262**	946,344
Cash and bank balances		**1,184,868**	2,880,745
		37,597,680	66,541,371
TOTAL ASSETS		**122,983,455**	151,112,121
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		**53,298,847**	53,298,847
Reserves		**(43,673,819)**	(37,192,038)
Surplus on revaluation of operating fixed assets		**8,480,483**	8,733,023
		18,105,511	24,839,832
Contribution against future issue of shares		**979,418**	979,418
		19,084,929	25,819,250
NON CURRENT LIABILITIES			
Long term financing		**18,558,506**	19,144,438
Accrued and deferred markup		**7,779,802**	7,132,660
Long term lease liabilities		**1,892,386**	1,130,709
Long-term deposits		**242,261**	250,081
Deferred liabilities		**313,803**	334,283
Deferred taxation		**2,458,642**	2,508,941
		31,245,402	30,501,112
CURRENT LIABILITIES			
Trade and other payables		**30,877,364**	67,818,439
Advance from customers		**2,809,081**	2,893,301
Accrued mark-up		**1,098,133**	714,498
Short Term Borrowings - secured		**34,212,223**	19,627,469
Current portion of non-current liabilities		**3,655,299**	3,737,143
Unclaimed dividend		**1,027**	1,027
		72,653,125	94,791,759
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		**122,983,455**	151,112,121

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

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

Consolidated

Condensed Interim Statement of Profit or Loss Account

For the period ended September 30, 2022

	Period ended	
	September 2022	**September 2021**
	(Rupees in '000)	
Revenue from contract with customers - Gross	**56,597,301**	40,196,623
Sales tax, discounts & other duties	**(3,844,175)**	(5,737,995)
Revenue from contract with customers - net	**52,753,126**	34,458,628
Cost of sales	**(57,614,955)**	(33,915,909)
Gross (loss) / profit	**(4,861,829)**	542,719
Administrative expenses	**(292,112)**	(269,670)
Selling and distribution expenses	**(144,319)**	(137,941)
Other expenses	**(517,195)**	(355,767)
Other income	**436,763**	248,047
	(516,863)	(515,331)
Operating (loss) / profit	**(5,378,692)**	27,388
Finance costs - net	**(1,284,345)**	(651,172)
Loss before taxation	**(6,663,037)**	(623,784)
Current	**(120,805)**	(3,169)
Deferred	**49,521**	(209,099)
Taxation	**(71,284)**	(212,268)
Loss after taxation	**(6,734,321)**	(836,052)
Loss per share - Rupees		
- Basic	**(1.26)**	(0.16)
- Diluted	**(1.23)**	(0.15)

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

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

Consolidated
Condensed Interim Statement of Other Comprehensive Income

For the period ended September 30, 2022

	Period ended	
	September 2022	September 2021
	(Rupees in '000)	
Loss after taxation	**(6,734,321)**	(836,052)
Other comprehensive income	**–**	–
Total comprehensive loss for the period	**(6,734,321)**	(836,052)

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

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

Consolidated
Condensed Interim Statement of Changes in Equity

For the period ended September 30, 2022

(Rupees in '000)

		Capital Reserve			Revenue Reserve			
	Issued, subscribed and paid up capital	Merger Reserves	Other Capital Reserve	Surplus on revaluation of operating assets	Accumulated Loss	Sub-total	Contribution against future issue of shares	Total
Balance as at 1 July 2021	53,298,847	(21,303,418)	3,214,209	9,743,271	(24,251,964)	20,700,945	979,418	21,680,363
Total comprehensive income for the period								
Loss for the period	–	–	–	–	(836,052)	(836,052)	–	(836,052)
Other comprehensive income / (loss) for the period - net of tax	–	–	–	–	–	–	–	–
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	–	–	–	(252,735)	252,735	–	–	–
Balance as at Sep 30, 2021	**53,298,847**	**(21,303,418)**	**3,214,209**	**9,490,536**	**(24,835,281)**	**19,864,893**	**979,418**	**20,844,311**
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
Total comprehensive loss for the period								
Loss for the period	–	–	–	–	(6,734,321)	(6,734,321)	–	(6,734,321)
Other comprehensive income / (loss) for the period - net of tax	–	–	–	–	–	–	–	–
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	–	–	–	(252,540)	252,540	–	–	–
Balance as at Sep 30, 2022	**53,298,847**	**(21,303,418)**	**3,214,209**	**8,480,483**	**(25,584,610)**	**18,105,511**	**979,418**	**19,084,929**

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

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

Consolidated
Condensed Interim Cash Flow Statement

For the period ended September 30, 2022

(Rupees in '000)

	Sep 30, 2022	Sep 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(6,663,037)**	(623,784)
Adjustments for:		
Depreciation / Amortisation	**1,184,804**	1,198,263
Finance costs	**1,284,345**	651,172
Allowance for expected credited losses	**517,185**	346,837
Gain on disposal of assets	**(33)**	–
Interest income	**(413,009)**	(240,721)
Provision for defined benefit plan	**24,284**	26,629
Net cash flow before working capital changes	**(4,065,461)**	1,358,395
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	**57,366**	(42,656)
Stock in trade	**24,449,102**	10,444,187
Trade debts	**1,188,085**	857,138
Loans and advances	**(111,591)**	(2,058)
Trade deposits and short term prepayments	**(14,671)**	(5,894)
Other receivables	**1,466,021**	41,895
Increase / (Decrease) in current liabilities		
Advance from customers	**(84,220)**	(478,184)
Trade and other payables	**(36,453,022)**	(10,969,057)
	(9,502,930)	(154,630)
Cash (used in) / generated from operations	**(13,568,392)**	1,203,766
Finance costs paid	**(710,782)**	(1,084,475)
Income Taxes paid	**(10,723)**	(9,657)
Gratuity paid	**(15,000)**	(9,572)
Interest income received	**3,804**	9,320
Net cash (used in) / generated from operations	**(14,301,092)**	109,381
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(1,350,791)**	(1,228,121)
Proceeds from disposal of PPE	**112**	–
Long term deposits - net	**(7,820)**	(192)
Net cash used in investing activities	**(1,358,499)**	(1,228,313)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	**(621,039)**	(712,835)
Short Term Borrowing	**14,584,754**	646,616
Net cash generated / (used in) financing activities	**13,963,714**	(66,219)
Net decrease in cash and cash equivalents	**(1,695,877)**	(1,185,151)
Cash and cash equivalents - opening	**1,280,745**	649,958
Cash and cash equivalents - closing	**(415,132)**	(535,193)
Cash and cash equivalents comprise of:		
Cash and bank balances	**1,184,868**	1,064,807
Running finance facility	**(1,600,000)**	(1,600,000)
	(415,132)	(535,193)

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended September 30, 2022

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 Cnergyico Mu Incorporated - CMI, Mauritius (the Parent Company). The Holding Company in turn is a subsidiary of Busientco Incorporated - BI, Cayman Islands (the Ultimate Parent Company).

The Holding Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company has two refineries with an aggregate rated capacity of 156,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 451 retail outlets across the country as at 30 September 2022.

Subsidiary Company

ii) Cnergyico Isomerate PK (Private) Limited - CIPPL (Formerly Byco Isomerisation Pakistan (Private) Limited)

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

2 BASIS OF PREPARATION

2.1 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.

2.2 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, 2022.

2.3 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.

2.4 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.

2.5 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 2022.

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, 2022. Certain new IFRS and amendments to existing IFRS are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Group's financial reporting and therefore have not been detailed in these unconsolidated 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 2022, except as disclosed otherwise.

5 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Operating fixed assets	5.1	**51,104,147**	52,076,046
Capital work in progress	5.2	**31,953,291**	30,889,066
Right-of-use assets	5.3	**1,435,546**	711,237
		84,492,985	83,676,349

5.1 Additions in operating fixed assets

(Rupees in '000)

	Sep 30, 2022 (Unaudited)	Sep 30, 2021 (Unaudited)
Building on free hold land, roads and civil works	**82,389**	–
Plant and machinery	**–**	3,654
Furniture and fixtures	**1,085**	1,009
Filling stations	**13,711**	–
Vehicles	**20,000**	–
Computer and allied equipments	**8,360**	19,276
Safety & lab equipments	**1,710**	413
	127,256	24,352

5.2 During the period, the additions in capital work-in-progress amounted to Rs. 414.991 million (Sep 30, 2021:Rs. 1,180.875 million).

5.3 During the period, the additions in right-of-use assets amounted to Rs. 808.545 million (Sep 30, 2021: Rs. 22.894 million).

6 STOCK IN TRADE

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Raw material	6.1 & 6.2	**13,871,021**	35,168,694
Finished products	6.3 & 6.4	**9,925,700**	13,077,130
		23,796,721	48,245,824

6.1 This includes raw material in transit amouting to Rs. 9,990.762 million (30 June 2022: Rs. 22,250.820 million) as at the balance sheet date.

6.2 Raw material has been written down by Rs. 1,577.645 million (June 2022: Nil) to net realiseable value.

6.3 Finished Product costing Rs. 11,090.809 million (June 2022: Nil) has been written down by Rs. 1,165.109 million (June 2022: Nil) to net realiseable value.

6.4 This includes finished products held by third parties amounting to Rs. 3,768.188 million (30 June 2022: Rs. 2,689.126 million).

7 TRADE DEBTS

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Trade debts	7.1	**5,761,320**	7,078,048

7.1 During the period, allowance for expected credit losses amounting to Rs. 517.185 million (Sep 30, 2021:Rs. 346.837 million).

8 OTHER RECEIVABLES

(Rupees in '000)

	Note	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Considered good	8.1	**1,102,739**	2,564,200

8.1 This includes Rs. 1,076.779 million (30 June 2022: Rs. 1,087.566 million) receivable from Coastal Refinery Limited.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 26 to the annual audited consolidated financial statements for the year ended 30 June 2022.

9.2 Commitments

The status for commitments is same as disclosed in annual audited consolidated financial statements for the year ended 30 June 2022 except for:

(Rupees in '000)

	Sep 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Commitments for capital expenditure	**4,215,452**	4,076,368

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

(Rupees in '000)

	Jul-Sep 2022	Jul-Sep 2021
	(Unaudited)	
Parent company:		
Markup charged	**55,344**	15,267
Associated companies:		
Purchase of operating fixed assets and services	**39,741**	2,426
Markup charged	**591,799**	371,896
Others		
Post employment benefit Funds	**37,076**	48,811
Key management personnel remuneration	**79,504**	49,585

10.2 Balances with related parties

(Rupees in '000)

	Jun 30, 2022 (Unaudited)	Jun 30, 2022 (Audited)
Parent Company		
Contribution against future issue of shares	**979,418**	979,418
Accrued markup	**833,945**	778,601
Loan payable	**3,935,650**	3,935,650
Associated Companies		
Advance against shared services	**27,732**	37,452
Security Deposit & other services	**61,875**	61,875
Payable against purchases	**38,453**	38,453
Accrued markup	**6,945,858**	6,354,058
Loan payable	**14,581,628**	14,581,628
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**251,984**	188,134

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

There were no transfers amongst levels during the period.

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.

(Rupees in '000)

	Oil Refining		Petroleum Marketing		Total	
	2022	2021	**2022**	2021	**2022**	2021
Sales to external customers	**26,219,056**	11,561,841	**26,534,070**	22,896,787	**52,753,126**	34,458,628
Inter-segment sales	**26,157,844**	22,285,042	**–**	–	**26,157,844**	22,285,042
Eliminations	**(26,157,844)**	(22,285,042)	**–**	–	**(26,157,844)**	(22,285,042)
Total revenue	**26,219,056**	11,561,841	**26,534,070**	22,896,787	**52,753,126**	34,458,628
Result						
Segment results - (Loss)/profit	**(5,666,766)**	206,971	**392,261**	349,405	**(5,274,506)**	142,434
Unallocated expenses:						
Finance costs					**(1,284,345)**	(651,172)
Other expenses					**(517,195)**	(355,767)
Interest income					**413,009**	240,721
Loss before taxation					**(6,663,037)**	(623,784)
Taxation					**(71,284)**	(212,268)
Loss after taxation					**(6,734,321)**	(836,052)
Other Information						
Depreciation	**1,120,871**	1,133,664	**63,933**	64,599	**1,184,804**	1,198,263

All non-current assets of the Group as at September 30, 2022 and 2021 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements was authorised for issue on **October 28, 2022** by the Board of Directors of the Group.

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

Cnergyico Pk Limited

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