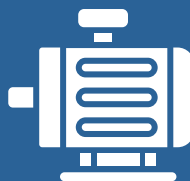
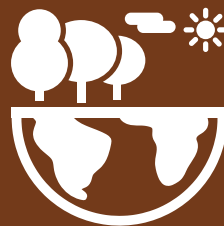
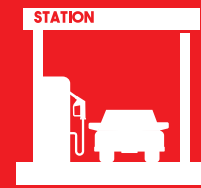


Innovation in Energy

Half Yearly Report
June 2024



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Company Information

Board of Directors

Zain K. Hak (Chairperson)
Waqar I. Siddiqui
Rafi H. Basheer
Parvez Ghias
Imran R. Ibrahim
Madiha Khalid
Zaffar A. Khan
Dr. Mohammed Mahmood Al Balushi
Zarrar Mahmud
Amir R. Paracha
Badaruddin F. Vellani

John King Chong Lo
(Resigned as Director with effect from May 30, 2024)
Dr. Mohammed Mahmood Al Balushi
(Appointed as Director with effect from June 3, 2024)

Chief Executive Audit Committee

Waqar I. Siddiqui
Imran R. Ibrahim (Chairperson)
Rafi H. Basheer
Badaruddin F. Vellani

Human Resource and Remuneration Committee

Zaffar A. Khan (Chairperson)
Parvez Ghias
Zain K. Hak
Waqar I. Siddiqui

Company Secretary Registered Office

Lalarukh Hussain – Shaikh
Shell House 6, Ch. Khaliquzzaman Road
Karachi-75530 Pakistan

Auditors

EY Ford Rhodes

Legal Advisors

Vellani & Vellani Advocates &
Solicitors

Registrar & Share Registration Office

FAMCO Share Registration Services (Pvt) Ltd.
8-F, next to Hotel Faran, Nursery
Block-6, P.E.C.H.S.
Shahra-e-Faisal
Karachi-75400

Report of Directors

For the half year ended June 30, 2024

Dear Shareholders,

The Directors of the Company present the unaudited condensed interim financial statements for the half year and quarter ended June 30, 2024.

The profit for the half year ended June 30, 2024, after providing for administrative, marketing and distribution expenses, financial and other charges amount to:

	Rupees in Million
Profit before taxation	3,474
Taxation	(2,156)
Net Profit for the period ended June 30, 2024	1,318
Profit per share – basic and diluted	Rupees 6.16

Appropriations and movement in reserves have been disclosed in the Statement of Changes in Equity on page 9 of these financial statements.

As per the announcement made by the Company to the Pakistan Stock Exchange (PSX) on June 14, 2023, Shell Petroleum Company Limited, United Kingdom (the Immediate Parent of the Company) which is a subsidiary of Shell Plc, (SPCo) informed the Board of Directors of its intent to sell its shareholding of 77.42% in the Company.

On October 31, 2023, SPCo informed the Company that it had entered into a Share Purchase Agreement with Wafi Energy LLC (the Acquirer) for the sale of its entire shareholding in the Company, which is currently under progress. On April 5, 2024, an Addendum to the above was posted on PSX to reflect a change in the capital ownership structure of the Acquirer, where Wafi Energy Holding Limited replaced Wafi Energy LLC as 'Acquirer'.

On July 27, 2024, Public Announcement of Offer to further acquire up to 24,162,179 ordinary shares representing 11.29% was made by Arif Habib Limited (Manager to the Offer) on behalf of Wafi Energy Holding Limited. The completion of the transaction is subject to receipt of regulatory approvals, completion of legal requirements and satisfaction of other closing formalities.

Macro-economic challenges

The period saw relatively stable macroeconomics conditions. The inflation rate eased to 12.6% in June, down from a peak of 30% in December last year. The period also witnessed a relatively stable exchange rate. However, due to continued economic challenges and one of the highest energy prices in the region, the economy continued to face slowdown and reduced fuel demand during first half of 2024. Despite these challenges, the Company retained its market share through operational excellence and achieved a profit after tax of Rs. 1,318 million for the period as compared to a profit after tax of Rs. 3,540 million same period last year.

Lubricants

In Q2 2024, Shell Lubricants expanded its market share by focusing on consistent customer initiatives, strategic penetration, and strong influencer and awareness marketing campaigns.

Recent initiatives include Shell Advance brand ambassadors campaign deployed nationwide to convert consumers and encourage mechanic recommendations. For Shell Helix, a unique "Display & Win" campaign to boost brand visibility was launched, allowing traders to share pictures of Helix filled racks via WhatsApp for a chance to win prizes. Meanwhile, Rimula leveraged "Agri-bethaks" during the peak agricultural season to ensure consistent consumer visibility.

In the B2B sector, Shell Lubricant Solutions signed an exclusive agreement with MG Motors, securing the use of Shell Helix motor oils for MG vehicles. This partnership is set to enhance performance and protection for MG's turbocharged engines and may lead to further collaborations, including with V-Power.

Mobility

Shell Pakistan launched the "Shell V-Power Motorsport Collection" promotion across 63 stations, featuring collectible Bluetooth-operated cars, enhancing customer engagement. The "Ehtiyat Bunay Hifazat" safety campaign was relaunched with refreshed branding, and expanded to 298 new retail sites, focusing on biker and rickshaw safety with a strong digital and TV presence.

The network grew with the inauguration of 10 new stations, the addition of 60 Non-Fuel Retail Units, and renovations at 8 stations, improving functionality and customer experience.

The Convenience Retail portfolio achieved robust double-digit sales growth, particularly in the On-Demand Delivery channel, with promotions driving impulse purchases. Training videos on HSSE and Shell V-Power were also developed to boost Service Champions' knowledge, aiming to grow the premium fuels portfolio while ensuring a superior and safe customer experience.

Environmental, Social and Governance

Shell Tameer sponsored 'National Dialogue on Climate Change', an initiative of Ecosol, a Shell Tameer alumni. Youth awareness sessions were held in five different institutes on climate change that include SSKIC-IoBM, Iqra University, Greenwich University, IIEE and Muhammad Ali Jinnah University. The sessions aim to build an environmentally literate community, to boost new ideas and sharpen entrepreneurial mindsets to contribute positively to society.

Around 200 students were engaged in Shell Tameer workshops focused on Entrepreneurship and Business Model Canvas at various educational institutes and incubation centers across Lahore, Karachi, Jamshoro and Faisalabad. The students gave enthusiastic and favorable feedback following the workshops.

Students from SOS Technical Training Institute learnt to build a car with guidance and support from Shell Pakistan. The institute provides technical and vocational training to students mainly from marginalized community of Korangi and Landhi, to help them meet basic level needs of the job market in their chosen technical field. Through this project, students received hands on technical experience, they took this initiative as a challenge to put into practice what they learnt. The team worked on design, body, engine, electrical work, construction, and installation, as well as quality testing.

Going Forward

In the recent Finance Bill, the sales tax regime on petroleum products was changed from zero-rating to exempt, leading to a significant increase in the cost of doing business for the Company and the overall oil industry. The Company will continue to work with other industry players to raise concerns over this change in tax regime and its detrimental impacts on Pakistan's oil industry at relevant regulatory forums.

Despite the challenges, the management and Board of Directors are resolute in their commitment to further strengthen the Company's financial position, uphold a Goal-Zero approach to safety performance, and ensure the Company continues to play a responsible role in society.

Composition of Board

Total number of Directors	Male: 10	Female: 01
Independent Directors	04	
Non-Executive Directors	04	
Executive Directors	03	

We would like to take the opportunity to thank our shareholders, customers, employees and all other stakeholders for their dedication, sustained support, and trust in the Company.

On behalf of the Board of Directors



Zain K. Hak
Chairperson



Waqar I. Siddiqui
Chief Executive

Karachi: August 26, 2024



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF SHELL PAKISTAN LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Shell Pakistan Limited (the Company) as at 30 June 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income and the notes forming part thereof for the three months period ended 30 June 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2024.

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 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 interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Chartered Accountants

Place: Karachi

Date: 28 August 2024

UDIN Number: RR20241012ORl1h23Yz8

Condensed Interim Statement of Financial Position

As at June 30, 2024

	Note	Unaudited June 30, 2024 — (Rupees '000) —	Audited December 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	22,867,927	23,143,446
Right-of-use assets		7,094,982	6,696,781
Long-term investment	6	7,074,158	5,680,940
Long-term loans		28,578	30,653
Long-term deposits and prepayments		165,004	255,871
Deferred taxation - net		-	558,665
		37,230,649	36,366,356
Current assets			
Stock-in-trade	7	34,679,620	48,051,486
Trade debts		8,352,411	6,491,679
Loans and advances		80,883	76,836
Short-term deposits and prepayments		761,589	573,899
Other receivables	8	8,044,301	7,081,188
Taxation - net		639,480	1,154,999
Bank balances	9	15,228,256	6,552,223
		67,786,540	69,982,310
		105,017,189	106,348,666
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
- Authorized share capital 300,000,000 (December 31, 2023: 300,000,000) Ordinary shares of Rs. 10/- each		3,000,000	3,000,000
- Issued, subscribed and paid-up share capital 214,024,662 (December 31, 2023: 214,024,662) Ordinary shares of Rs. 10/- each		2,140,246	2,140,246
Share premium		11,991,012	11,991,012
General reserves		207,002	207,002
Unappropriated profit		7,224,546	5,773,614
Remeasurement of post-employment benefits - actuarial loss		(369,884)	(369,884)
Unrealized loss on remeasurement of equity investment classified as fair value through other comprehensive income		(5,000)	(5,000)
		21,187,922	19,736,990
Liabilities			
Non-current liabilities			
Asset retirement obligation		376,632	361,826
Long-term provisions		3,116,559	2,790,571
Long-term lease liabilities		6,067,126	6,564,770
Provision for post-retirement medical benefits		213,190	213,190
Deferred taxation - net		611,670	-
		10,385,177	9,930,357
Current liabilities			
Trade and other payables	10	70,497,487	71,898,733
Advances received from customers (contract liabilities)		976,304	1,857,237
Unpaid dividend		275,313	1,340,138
Unclaimed dividend		237,589	238,848
Accrued mark-up		-	1,552
Current portion of asset retirement obligation		45,361	45,361
Current portion of long-term provisions		642,956	733,171
Current portion of long-term lease liabilities		769,080	566,279
		73,444,090	76,681,319
Contingencies and commitments			
	11		
		105,017,189	106,348,666
TOTAL EQUITY AND LIABILITIES			

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Zarrar Mahmud
Chief Financial Officer

Waqar I. Siddiqui
Chief Executive

Imran R. Ibrahim
Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the half year ended June 30, 2024

	Note	Half year ended		Quarter ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees '000)					
Sales		223,540,732	215,417,531	114,506,567	105,811,374
Other revenue		464,869	641,137	224,426	258,718
		<u>224,005,601</u>	<u>216,058,668</u>	<u>114,730,993</u>	<u>106,070,092</u>
Sales tax		(4,165,586)	(3,964,881)	(2,281,529)	(2,609,477)
Net revenue		<u>219,840,015</u>	<u>212,093,787</u>	<u>112,449,464</u>	<u>103,460,615</u>
Cost of products sold		(207,408,984)	(193,902,561)	(106,500,522)	(97,467,634)
Gross profit		12,431,031	18,191,226	5,948,942	5,992,981
Distribution and marketing expenses		(6,323,143)	(5,513,142)	(3,353,164)	(2,833,988)
Administrative expenses		(5,772,871)	(4,993,346)	(2,605,221)	(2,685,312)
Other expenses	12	(559,253)	(12,946,685)	(465,808)	(1,810,275)
Other income	13	3,484,632	12,218,609	2,791,153	11,742,231
Operating profit		3,260,396	6,956,662	2,315,902	10,405,637
Finance costs		(1,046,820)	(1,172,434)	(515,782)	(434,667)
		<u>2,213,576</u>	<u>5,784,228</u>	<u>1,800,120</u>	<u>9,970,970</u>
Share of profit of associate - net of tax	6	1,260,491	253,366	733,119	140,492
Profit before income tax and minimum tax differential		3,474,067	6,037,594	2,533,239	10,111,462
Minimum tax differential	14	(660,695)	-	(373,879)	-
Profit before income tax		2,813,372	6,037,594	2,159,360	10,111,462
Income tax:					
Current		(324,832)	(2,574,448)	(127,717)	(2,111,103)
Deferred		(1,170,335)	76,805	(1,027,376)	301,468
	14.2	<u>(1,495,167)</u>	<u>(2,497,643)</u>	<u>(1,155,093)</u>	<u>(1,809,635)</u>
Net profit for the period		1,318,205	3,539,951	1,004,267	8,301,827
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Share of other comprehensive income of associate - net of tax	6	132,727	2,108	132,727	2,108
Total comprehensive income for the period		1,450,932	3,542,059	1,136,994	8,303,935
(Rupees)					
Earning per share - basic and diluted		6.16	16.54	4.69	38.79

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Waqar I. Siddiqui
Chief Executive



Imran R. Ibrahim
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended June 30, 2024

	Share capital	Capital reserve	Revenue reserve			Total	
		Share premium	General reserves	Unappropriated profit	Remeasurement of post-employment benefits - actuarial loss		Unrealised loss on remeasurement of equity investment
(Rupees '000)							
Balance as at December 31, 2022 (Audited)	2,140,246	11,991,012	207,002	807,101	(543,266)	(5,000)	14,597,095
Net profit for the period	-	-	-	3,539,951	-	-	3,539,951
Other comprehensive income for the period - net of tax	-	-	-	2,108	-	-	2,108
Total comprehensive income for the period	-	-	-	3,542,059	-	-	3,542,059
Balance as at June 30, 2023 (Unaudited)	<u>2,140,246</u>	<u>11,991,012</u>	<u>207,002</u>	<u>4,349,160</u>	<u>(543,266)</u>	<u>(5,000)</u>	<u>18,139,154</u>
Balance as at December 31, 2023 (Audited)	2,140,246	11,991,012	207,002	5,773,614	(369,884)	(5,000)	19,736,990
Net profit for the period	-	-	-	1,318,205	-	-	1,318,205
Other comprehensive income for the period - net of tax	-	-	-	132,727	-	-	132,727
Total comprehensive income for the period	-	-	-	1,450,932	-	-	1,450,932
Balance as at June 30, 2024 (Unaudited)	<u>2,140,246</u>	<u>11,991,012</u>	<u>207,002</u>	<u>7,224,546</u>	<u>(369,884)</u>	<u>(5,000)</u>	<u>21,187,922</u>

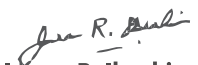
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Waqar I. Siddiqui
Chief Executive



Imran R. Ibrahim
Director

Condensed Interim Statement of Cash Flows (Unaudited)

For the half year ended June 30, 2024

	Note	Half year ended	
		June 30, 2024	June 30, 2023
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	11,869,316	11,393,624
Finance costs paid		(1,552)	(14,722)
Interest portion of lease liabilities paid		(390,828)	(353,417)
Income tax paid		(470,008)	(1,745,281)
Long-term loans		2,075	(17,990)
Long-term deposits and prepayments		90,867	(70,643)
Payments against long-term provisions		(115,385)	-
Net cash generated from operating activities		10,984,485	9,191,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(991,905)	(1,752,621)
Proceeds from disposal of operating fixed assets		13,213	328,521
Interest received on term deposit receipts and saving accounts		869,767	737,682
Net cash used in investing activities		(108,925)	(686,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease liabilities paid		(1,133,443)	(237,466)
Dividends paid		(1,066,084)	(4,107)
Net cash used in financing activities		(2,199,527)	(241,573)
Net increase in cash and cash equivalents		8,676,033	8,263,580
Cash and cash equivalents at the beginning of the period		6,552,223	10,801,097
Cash and cash equivalents at the end of the period		15,228,256	19,064,677

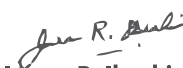
The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Zarrar Mahmud
Chief Financial Officer



Waqar I. Siddiqui
Chief Executive



Imran R. Ibrahim
Director

Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended June 30, 2024

1 THE COMPANY AND ITS OPERATIONS

- 1.1** Shell Pakistan Limited (the Company) is a limited liability Company incorporated in Pakistan on June 28, 1969 under the repealed Companies Act, VII of 1913 (now Companies Act, 2017 (the Act)) and is listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Shell Petroleum Company Limited, United Kingdom (Immediate Parent) which is a subsidiary of Shell Plc (formerly known as Royal Dutch Shell Plc.) (Ultimate Parent).
- 1.2** As disclosed in note 1.1 to the annual audited financial statements of the Company for the year ended December 31, 2023, the Immediate Parent entered into a Share Purchase Agreement on October 31, 2023 with Wafi Energy LLC (the Acquirer) for the sale of its entire shareholding comprising 165,700,304 shares and representing 77.42% of the issued share capital of the Company. However on April 05, 2024, an addendum to the Public Announcement of Intention was published which stated that due to a change in the capital ownership structure of the Acquirer, a new foreign entity 'Wafi Energy Holding Limited' will replace Wafi Energy LLC as "Acquirer". On July 27, 2024, Public Announcement of Offer to further acquire up to 24,162,179 ordinary shares representing 11.29% was made by Arif Habib Limited (Manager to the Offer) on behalf of Wafi Energy Holding Limited. The completion of the transaction is subject to receipt of regulatory approvals, completion of legal requirements and satisfaction of other closing formalities.
- 1.3** The Company markets petroleum products and compressed natural gas. It also blends and markets various kinds of lubricating oils. The registered office of the Company is located at Shell House, 6, Ch. Khaliqzaman Road, Karachi.

2 BASIS OF PREPARATION

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

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

These condensed interim financial statements of the Company for the half year ended June 30, 2024 are unaudited but subject to limited scope review by the statutory auditors as required by section 237 of the Act.

- 2.2** The figures of the condensed interim statement of comprehensive income for the quarters ended June 30, 2024 and June 30, 2023 have not been reviewed by the external auditors of the Company as they have reviewed the cumulative figures for the half year ended June 30, 2024. These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2023.
- 2.3** These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Act and Pakistan Stock Exchange Regulations.

3 MATERIAL ACCOUNTING POLICY INFORMATION

- 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 annual audited financial statements for the year ended December 31, 2023 except for below:

Amendments

- IAS1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1
- IAS 7 and IFRS 7: Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- IFRS 16: Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

The above amendments had no impact on the Company's condensed interim financial statements.

Further on May 15, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) issued a circular in respect of 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'. Pursuant to the release of the circular, the Company has elected to change the method of accounting for minimum taxes.

The Company has elected to designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, will then be recognised as a levy falling under the scope of IFRIC 21/IAS 37.

The change has been applied retrospectively however there were no material reclassifications to report in this respect.

3.2 The Company has not early adopted any standard, interpretation or amendment that are not yet effective.

3.3 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 these condensed interim financial statements.

4 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

4.1 The preparation of these condensed interim financial statements is in conformity with the approved accounting standards which requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from the estimates.

4.2 During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2023.

5	PROPERTY, PLANT AND EQUIPMENT	Note	Unaudited	Audited
			June 30, 2024	December 31, 2023
			———— (Rupees '000) ————	
	Operating fixed assets - at net book value		20,444,809	18,553,441
	Provision for impairment	5.1	(225,987)	(250,145)
			20,218,822	18,303,296
	Capital work-in-progress	5.2	2,649,105	4,840,150
			22,867,927	23,143,446
5.1	Operating fixed assets			
	Balance at the beginning of the period / year		18,303,296	15,973,551
	Additions during the period / year	5.1.1	3,182,950	4,637,231
			21,486,246	20,610,782
	Disposals / write-offs during the period / year - net book value	5.1.2	(27,889)	(475,777)
	Depreciation charge / impairment reversal during the period / year - net		(1,239,535)	(1,831,709)
			(1,267,424)	(2,307,486)
	Balance at the end of the period / year		20,218,822	18,303,296

5.1.1 Additions to operating fixed assets including transfers from capital work-in-progress, during the period were as follows:

	Unaudited Half year ended	
	June 30, 2024	June 30, 2023
———— (Rupees '000) ————		
Leasehold land	-	130,242
Buildings on leasehold land	741,698	414,956
Tanks and pipelines	630,294	109,901
Plant and machinery	142,227	586,411
Air conditioning plant	104,733	56,763
Lifts	12,291	2,546
Dispensing pumps	195,193	73,953
Rolling stock and vehicles	92,730	-
Electrical, mechanical and firefighting equipments	459,703	40,350
Furniture, office equipment and other assets	542,535	218,363
Computer auxiliaries	261,546	62,568
	3,182,950	1,696,053

5.1.2 The following assets were written off / disposed during the period:

	Cost	Accumulated depreciation (Rupees '000)	Net book value
June 30, 2024 (Unaudited)			
Buildings on leasehold land	30,810	26,562	893 4,248
Tanks and pipelines	8,740	5,779	2,961
Plant and machinery	3,300	1,582	1,718
Dispensing pumps	18,277	7,330	10,947
Rolling stock and vehicles	12,744	11,516	1,228
Electrical, mechanical and fire fighting equipments	34,625	29,026	5,599
Furniture, office equipment and other assets	5,748	5,013	735
Computer auxiliaries	1,660	1,207	453
	<u>115,904</u>	<u>88,015</u>	<u>27,889</u>
June 30, 2023 (Unaudited)			
Leasehold land	8,466	539	7,927
Buildings on leasehold land	86,564	65,789	20,775
Tanks and pipelines	66,341	56,805	9,536
Plant and machinery	161,364	58,600	102,764
Air conditioning plant	1,597	1,314	283
Dispensing pumps	133,934	86,420	47,514
Rolling stock and vehicles	157,334	156,065	1,269
Electrical, mechanical and fire fighting equipments	501,398	409,055	92,343
Furniture, office equipment and other assets	6,159	4,947	1,212
Computer auxiliaries	163	163	-
	<u>1,123,320</u>	<u>839,697</u>	<u>283,623</u>
	Note	Unaudited June 30, 2024	Audited December 31, 2023
		(Rupees '000)	

5.2 Capital work-in-progress

Buildings on leasehold land	1,460,077	2,863,388
Tanks and pipelines	869,467	1,442,815
Plant and machinery	153,521	258,358
Rolling stock and vehicles	142	168
Electrical, mechanical and fire fighting equipments	163,979	180,655
Furniture, office equipment and other assets	1,919	94,766
	<u>2,649,105</u>	<u>4,840,150</u>

5.2.1 Additions to capital work-in-progress during the period amounted to Rs. 991,905 thousand (June 30, 2023: Rs. 1,752,621 thousand).

6 LONG-TERM INVESTMENT

Includes investment of 26% in an unquoted associate "Pak-Arab Pipeline Company Limited (PAPCO)", which is carried under equity method of accounting as summarized below:

	Unaudited June 30, 2024	Audited December 31, 2023
	(Rupees '000)	
Balance at the beginning of the period / year	5,680,940	5,198,192
Share of profit before taxation	2,045,603	1,379,024
Share of taxation	(785,112)	(660,157)
	1,260,491	718,867
Share of other comprehensive income before taxation	217,586	303,677
Share of taxation	(84,859)	(118,434)
	132,727	185,243
Dividend received	-	(421,362)
Balance at the end of the period / year	<u>7,074,158</u>	<u>5,680,940</u>

7 STOCK-IN-TRADE	Note	Unaudited June 30, 2024 ———— (Rupees '000) ————	Audited December 31, 2023 ———— (Rupees '000) ————
Raw and packing materials		5,757,208	6,338,124
Provision for obsolete and slow moving stock		(58,365)	(52,891)
		5,698,843	6,285,233
Finished products			
- in hand and in pipeline system		24,211,080	35,322,306
- in White Oil Pipeline	7.1	4,964,574	6,452,723
		29,175,654	41,775,029
Provision for obsolete and slow moving stock		(194,877)	(8,776)
		28,980,777	41,766,253
		34,679,620	48,051,486

7.1 Represents stock held with PAPCO (an associate).

8 OTHER RECEIVABLES

Petroleum development levy and other duties		1,380,029	1,380,029
Price differential claims			
- on imported purchases		295,733	295,733
- on high speed diesel		343,584	343,584
- on imported motor gasoline		1,961,211	1,961,211
Customs duty receivable		44,413	44,413
Sales tax refundable		264,611	1,689,029
Inland freight equalization margin		-	60,365
Receivable from related parties		3,145,261	2,990,515
Service cost receivable from PAPCO - an associate		4,707	30,707
Workers' profits participation fund		-	81,385
Staff retirement benefit schemes		116,371	130,743
Receivable from Oil Marketing Companies		13,910	45,483
Taxes recoverable		1,705,780	1,297,979
Margin held against letter of credit		578	375
Receivable from dealers		790,977	520,306
Others		340,139	476,300
		10,407,304	11,348,157
Provision for impairment	8.1	(2,363,003)	(4,266,969)
		8,044,301	7,081,188
8.1 Provision for impairment			
Balance at the beginning of the period / year		4,266,969	2,155,189
Provision made during the period / year		-	2,111,780
Reversal made during the period / year	8.2	(1,765,286)	-
		(1,765,286)	2,111,780
Write-offs during the year		(138,680)	-
Balance at the end of the period / year		2,363,003	4,266,969

8.2 Represents reversal in respect of recovery of price differential claims on imported motor gasoline from Ministry of Energy (Petroleum Division).

9 BANK BALANCES

Includes term deposit receipts amounting to Rs. 3,762,519 thousand (December 31, 2023: Nil) which carry interest rates ranging from 15% to 17.55% (December 31, 2023: 7.50% to 20.50%) per annum, having maturity upto September 10, 2024.

10 TRADE AND OTHER PAYABLES	Note	Unaudited June 30, 2024	Audited December 31, 2023
		———— (Rupees '000) ————	
Creditors	10.1	58,927,685	60,611,234
Accrued liabilities	10.2	7,440,132	9,823,795
Security deposits		534,547	532,552
Inland freight equalization margin		2,862,406	-
Workers' Welfare Fund		624,220	411,561
Workers' profit participation fund		103,634	-
Provision for staff redundancy plan		-	511,228
Other liabilities		4,863	8,363
		<u>70,497,487</u>	<u>71,898,733</u>

10.1 Includes amounts due to related parties aggregating to Rs. 48,066,037 thousand (December 31, 2023: Rs. 51,038,370 thousand).

10.2 Includes Rs. 3,274,171 thousand (December 31, 2023: Rs. 4,014,552 thousand) accrued in respect of related parties.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no material change in the status of contingencies from what is disclosed in note 24.1 to the annual audited financial statements for the year ended December 31, 2023.

11.2 Commitments

11.2.1 Capital expenditure contracted for but not incurred as at June 30, 2024 amounted to approximately Rs. 1,690,707 thousand (December 31, 2023: Rs. 2,063,961 thousand).

11.2.2 Post-dated cheques have been deposited with the Collector of Customs Port Qasim and Karachi Port Trust in accordance with the Customs' Act, 1969 as an indemnity to adequately discharge the liability for the duties and taxes leviable on imports, as required under the Finance Act, 2005. As at June 30, 2024, the value of these cheques amounted to Rs. 39,789,225 thousand (December 31, 2023: Rs. 56,437,060 thousand). The maturity dates of these cheques extend to February 08, 2025 (December 31, 2023: July 24, 2024).

11.2.3 Letters of credit, bank guarantees and bank contracts outstanding at June 30, 2024 amount to Rs. 24,456,182 thousand (December 31, 2023: Rs. 18,113,436 thousand).

12 OTHER EXPENSES

Includes exchange loss amounting to nil (June 30, 2023: Rs. 10,442,832 thousand).

13 OTHER INCOME

Includes reversal of provision for impairment on other receivables amounting to Rs. 1,765,286 thousand (June 30, 2023: Nil) and exchange gain amounting to Rs. 212,101 thousand (June 30, 2023: Nil).

14 TAXATION

14.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

14.2 The aggregate of minimum tax and income tax, amounting to Rs. 2,155,862 thousand (June 30, 2023: Rs. 2,497,643 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

		Unaudited Half year ended		
		June 30, 2024	June 30, 2023	
		———— (Rupees '000) ————		
15	CASH GENERATED FROM OPERATIONS	Note		
	Profit before income tax and minmum tax differential		3,474,067	6,037,594
	Adjustment for non-cash charges and other items:			
	Depreciation charge for the period on operating fixed assets		1,263,694	951,579
	Write-off of operating fixed assets		25,819	-
	Reversal of provision for impairment on operating fixed assets - net		(24,159)	(214,025)
	Gain on disposal of operating fixed assets		(11,143)	(44,898)
	Gain on termination of leases		(12,850)	-
	Depreciation charge for the period on right-of-use assets		453,249	454,874
	Amortization charge for the period		-	1,576
	Accretion expense in respect of asset retirement obligation		14,806	8,649
	Provision for obsolete and slow moving stock-in-trade - net		191,575	368,641
	(Reversal) / allowance for expected credit losses on trade debts - net		(1,121)	5,132
	Write-off of trade debts		-	16,690
	Provision for soil and ground water remediation		351,158	393,756
	(Reversal) / provision for impairment on other receivables	8.1	(1,765,286)	1,974,470
	Share of profit of associate - net of tax	6	(1,260,491)	(253,366)
	Interest on term deposit receipts and saving accounts		(869,767)	(737,682)
	Liabilities no longer payable written back		(465,685)	(11,089,530)
	Mark-up on short-term borrowings and running finance		-	11,874
	Accretion of interest on lease liabilities		390,828	353,417
	Working capital changes	15.1	10,114,622	13,154,873
			<u>11,869,316</u>	<u>11,393,624</u>
15.1	Working capital changes			
	Decrease / (increase) in current assets			
	Stock-in-trade		13,180,291	2,514,033
	Trade debts		(1,859,611)	(854,293)
	Loans and advances		(4,047)	(13,822)
	Short-term deposits and prepayments		(187,690)	(44,259)
	Other receivables		802,173	(1,058,332)
			<u>11,931,116</u>	<u>543,327</u>
	(Decrease) / increase in current liabilities			
	Trade and other payables		(935,561)	12,611,546
	Advances received from customers (contract liabilities)		(880,933)	-
			<u>10,114,622</u>	<u>13,154,873</u>
16	RELATED PARTY TRANSACTIONS			

The related parties of the Company comprise of Ultimate and Immediate Parent and its subsidiaries, companies with common directorship, associates, employees' retirement funds, directors and key management personnel. All transactions with related parties are executed at agreed terms duly approved by the Board of Directors of the Company. Transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Nature of relationship	Nature of transactions	Note	Unaudited Half year ended	
			June 30, 2024	June 30, 2023
			———— (Rupees '000) ————	
Associate	Pipeline charges		305,477	322,372
	Others		15,335	3,587
Employees' retirement funds				
Defined benefit pension funds	Contribution		6,445	8,399
Defined contribution pension fund	Contribution		77,325	81,826
Defined benefit gratuity funds	Contribution		2,044	2,507
Provident funds	Contribution		37,415	37,897
Key management Personnel	Salaries and other short term employee benefits		114,287	82,289
	Post-employment benefits		7,403	6,433
	Medical		2,468	900
	Loan to Director		-	1,787
Non-executive Directors	Fee for attending meetings		6,961	6,047
Others	Purchases		76,666,916	59,636,509
	Sales		651,831	241,272
	Collection for sales made in Pakistan from customers of the associated company		-	273,698
	Technical service fee charged	16.2	2,821,972	2,709,945
	Trade-marks and manifestations license fee charged		319,990	213,895
	Insurance		3,786	6,258
	Bank charges		326,738	231,912
	Interest on term deposit receipts and saving accounts		703,471	659,758
	Expenses recovered from related parties - net		680,613	10,770,164
	Other expenses charged by related parties	16.3	1,340,505	961,022
	Donations		10,700	10,150
	Legal charges		872	1,256
	Commission income - net		-	715
	Subscription paid		3,397	360

- 16.1** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. The Company considers its Chief Executive, Company Secretary, Executive Directors and Chief Financial Officer to be key management personnel.
- 16.2** Technical services include advice and assistance to the Company in its operations. The fee for these services has been determined on the basis of an agreement between the Company and a related Shell Group company based on an agreed methodology.
- 16.3** Include charges net of reversals amounting to Rs. 191,086 thousand (June 30, 2023: Rs. 296,796 thousand) in respect of services obtained from Shell Shared Business Service Centre companies under agreements entered into with them by the Company.
- 16.4** As at the reporting date, trade debts amounting to Rs. 5,856 thousand (December 31, 2023: Rs. 7,789 thousand) were due from associated companies.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at December 31, 2023. There has been no change in any risk management policies since the year end.

18 OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

As described in note 1.3 to these condensed interim financial statements, the Company markets petroleum products and compressed natural gas. It also blends and markets various kinds of lubricating oils. All the sales of the Company from external customers relate to petroleum products including lubricating oils.

Total sales of the Company relating to customers in Pakistan were 100% during the half year ended June 30, 2024 (June 30, 2023: 100%).

All non-current assets of the Company as at June 30, 2024 and 2023 are located in Pakistan.

Sales to twenty major customers of the Company are around 16% during the half year ended June 30, 2024 (June 30, 2023: 17%).

19. GENERAL

- 19.1** Figures have been rounded off to the nearest thousand, unless otherwise stated.
- 19.2** Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However there has been no material reclassification to report.

20 DATE OF AUTHORIZATION

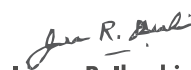
These condensed interim financial statements were authorized for issue on August 26, 2024 by the Board of Directors of the Company.



Zarrar Mahmud
Chief Financial Officer



Waqar I. Siddiqui
Chief Executive



Imran R. Ibrahim
Director

Trade in Shares by Executive through CDC

During January 01 to June 30, 2024

Name	Category	Transaction's date	No. of Shares	Nature	Rate (Rs.)
Danish Mukarram	Executive	March 29, 2024	100	Bought	151.00
Maria Silat	Executive	April 16, 2024	500	Bought	151.00
Danish Mukarram	Executive	April 30, 2024	100	Bought	145.00
Danish Mukarram	Executive	April 30, 2024	100	Bought	146.00
Imtiaz Aftab	Executive	May 20, 2024	1000	Sold	143.00
Khurram Baghpatee (Spouse)	Executive	June 10, 2024	350	Bought	135.14
Khurram Baghpatee (Spouse)	Executive	June 11, 2024	900	Bought	135.00
Muhammad Akmal	Executive	June 21, 2024	500	Bought	137.10
Khurram Baghpatee (Spouse)	Executive	June 25, 2024	2000	Bought	134.26

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