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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Mr. Laith G. Pharaon**

(Alternate Director Mr. Shuaib A. Malik)

*Non Executive Director*

**Mr. Wael G. Pharaon**

(Alternate Director Mr. Babar Bashir Nawaz)

*Non Executive Director*

**Mr. Shuaib A. Malik**

*Chairman / Non Executive Director*

**Mr. Abdus Sattar**

*Non Executive Director*

**Mr. Jamil A. Khan**

*Non Executive Director*

**Mr. Shamim Ahmad Khan**

*Independent Non Executive Director*

**Mr. G. A. Sabri**

*Independent Non Executive Director*

### CHIEF EXECUTIVE OFFICER

**Mr. M. Adil Khattak**

### CHIEF FINANCIAL OFFICER

**Syed Asad Abbas**

*FCA*

### COMPANY SECRETARY

**Mr. Saif ur Rehman Mirza**

*FCA*

### AUDIT COMMITTEE

**Mr. Shamim Ahmad Khan**

*Chairman*

**Mr. Shuaib A. Malik**

*Member*

**Mr. Abdus Sattar**

*Member*

**Mr. G. A. Sabri**

*Member*

**Mr. Babar Bashir Nawaz**

*Member*

### AUDITORS

**A.F. Ferguson & Co.**

*Chartered Accountants*

### LEGAL ADVISOR

**Ali Sibtain Fazli & Associates**

*Legal Advisors, Advocates & Solicitors*

### SHARE REGISTRAR

**CDC Share Registrar Services Limited**

*CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi-74400.*

### REGISTERED OFFICE

**The Refinery, Morgah, Rawalpindi.**

*Tel : (051) 5487041-5 Fax : (051) 5487093 & 5406229*

*E-mail : info@arl.com.pk Website : www.arl.com.pk*

## DIRECTORS' REVIEW REPORT

IN THE NAME OF ALLAH, THE MOST BENEVOLENT, THE MOST GRACIOUS

The Directors have pleasure in presenting a review of the financial results and operations of the Company for the first quarter ended September 30, 2019.

### FINANCIAL RESULTS

During the period under review your Company successfully completed planned turnaround of all refinery units. For this purpose all units of the refinery remained shut-down for about a month. Mainly due to this reason refinery's profitability remained on lower side with profit after taxation of Rs 7 million from refinery operations. Still this breakeven situation was better than corresponding period of last year where loss of Rs 727 million was suffered. Non-refinery income during the period under review was Rs 362 million (September 30, 2018: Rs 662 million). The non-refinery income enabled the Company to post net profit after tax of Rs 369 million (September 30, 2018: loss of Rs 64 million) resulting in earning per share of Rs 3.47 (September 30, 2018: loss per share of Rs 0.61).

### REFINERY OPERATIONS

Due to the turnaround activity, the refinery was operated at about 68% capacity (September 30, 2018: 92%) with throughput of 416 thousand Tons (September 30, 2018: 565 thousand Tons). The Company supplied 424 thousand Tons of various petroleum products meeting the standard quality specification (September 30, 2018: 559 thousand Tons). Despite all the challenges relating to the turnaround activity, the Company ensured supply of committed quantities of petroleum products.

### FUTURE OUTLOOK

Progress on Licensor Front End Engineering Design (FEED) Package for setting up of Continuous Catalyst Regeneration (CCR) Complex is satisfactory. Meetings were held with M/s UOP for review of process flow, piping and instrumentation diagrams. The Company has also initiated studies to explore possibilities of furnace fuel oil processing to produce value-added products.

Your Company in collaboration with other refineries has submitted to the Government, proposal for appropriate revisions in the Refining Policy. The refineries have also demanded necessary incentives to enable sustainable operations and with a view to undertake capital intensive upgradation projects. We are of the hope that if these very genuine demands of the refineries are fulfilled by the Government, then refineries would be better placed to overcome the challenges being faced by them.

### ACKNOWLEDGEMENT

The Board appreciates continued support received from its employees, valued customers, suppliers as well as Ministry of Energy and other relevant organizations.

On behalf of the Board

**-Sd-**

**M. Adil Khattak**  
Chief Executive Officer

**-Sd-**

**Abdus Sattar**  
Director

October 15, 2019  
Islamabad

انسٹرورمنٹیشن ڈایاگرامز (Process Flow, Piping and Instrumentation Diagrams) کا جائزہ لینے کے لئے بات چیت جاری ہے۔ کمپنی نے اس کے علاوہ فرنس فیول آئل سے زیادہ قدر والی مصنوعات کی تیاری کے امکانات کی تلاش شروع کر دی ہے۔

آپ کی کمپنی نے دوسری ریفاٹریز کے ساتھ مل کر حکومت کو ریفاٹنگ پالیسیز میں مناسب ترامیم کرنے کے لئے مشترکہ تجاویز دی ہیں۔ ریفاٹریز کی سرگرمیاں برقرار رکھنے کے لئے ضروری مراعات کا مطالبہ کیا ہے تاکہ ریفاٹریز بھاری سرمایہ کاری والے تجدید کے منصوبے شروع کر سکیں۔ ریفاٹریز بہت پُر امید ہیں کہ اگر ان کے جائز مطالبات کو حکومت نے منظور کر لیا تو حالیہ پیش آنے والے چیلنجز پر بہتر طریقے سے قابو پایا جائے گا۔

#### اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے ملازمین، قابل قدر صارفین، خام تیل مہیا کرنے والے اداروں، وزارت توانائی اور دیگر متعلقہ اداروں کی جانب سے ملنے والی معاونت پر ان تمام کا شکریہ گزار ہیں۔

بورڈ کی جانب سے

-Sd-

ایم عادل تنک

چیف ایگزیکٹو آفیسر

۱۵ اکتوبر ۲۰۱۹ء

اسلام آباد

-Sd-

عبدالستار

ڈائریکٹر

## ڈائریکٹرز کی جائزہ رپورٹ

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

ڈائریکٹرز ۳۰ ستمبر ۲۰۱۹ء کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

زیر جائزہ مدت کے دوران آپ کی کمپنی نے تمام ریفاٹری یونٹس کی مکمل بندش برائے ضروری مرمت و تبدیلی کامیابی کے ساتھ مکمل کی۔ اس مقصد کے لئے ریفاٹری کے تمام یونٹس تقریباً ایک ماہ کے لئے بند رہے۔ بنیادی طور پر اسی وجہ سے ریفاٹری کے منافع میں کمی کا رجحان رہا جو ریفاٹری آپریشنز سے ٹیکس ادا کرنے کے بعد ۷ ملین روپے رہا۔ کم منافع کی یہ صورت حال پچھلے سال کی اسی مدت سے اب بھی بہتر رہی جب کمپنی کو ۷۲ ملین روپے کا خسارہ اٹھانا پڑا تھا۔ زیر جائزہ مدت کے دوران غیر ریفاٹری ذرائع سے ۳۶۲ ملین روپے کی آمدن ہوئی (۳۰ ستمبر ۲۰۱۸ء: ۶۶۲ ملین روپے)۔ غیر ریفاٹری ذرائع سے ہونے والی آمدن نے کمپنی کو ۳۶۹ ملین روپے کا خالص منافع کمانے کے قابل بنایا (۳۰ ستمبر ۲۰۱۸ء: ۶۴۰ ملین روپے کا نقصان) نتیجتاً حصص آمدن ۳.۴۷ روپے رہی (۳۰ ستمبر ۲۰۱۸ء کو فی حصص نقصان ۰.۶۱ روپے تھا)۔

### ریفاٹری آپریشنز

بندش کی سرگرمیوں کے باوجود ریفاٹری کی پیداوار ۶۸٪ استعداد (۳۰ ستمبر ۲۰۱۸ء: ۹۲٪) کے استعمال کے ساتھ ۴۱۶ ہزار ٹن رہی (۳۰ ستمبر ۲۰۱۸ء: ۵۶۵ ہزار ٹن)۔ کمپنی نے ۴۲۴ ہزار ٹن اعلیٰ معیار کی مختلف پیٹرولیم مصنوعات فراہم کیں (۳۰ ستمبر ۲۰۱۸ء: ۵۵۹ ہزار ٹن)۔ ریفاٹری کی بندش کی سرگرمیوں سے متعلقہ چیلنجز کے باوجود کمپنی نے پیٹرولیم مصنوعات کی طے شدہ مقدار کی فراہمی کو یقینی بنایا۔

### مستقبل کا منظر نامہ

کانٹینوس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب کیلئے تکنیکی تحقیق اور مطالعہ پر پیش قدمی اطمینان بخش ہے۔ میسرز یو او پی (UOP) کے ساتھ پراسس فلو، پائپنگ اور

**Condensed Interim Statement of Financial Position (Unaudited)**  
As At September 30, 2019

	Note	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
150,000,000 (June 30, 2019: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued, subscribed and paid-up</b>			
106,616,250 (June 30, 2019: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	20,908,828	20,539,355
Surplus on revaluation of freehold land		12,052,576	12,052,576
		<u>34,027,567</u>	<u>33,658,094</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	7,436,182	7,981,422
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	50,234,299	57,248,556
Accrued mark-up on long term financing	7	298,836	271,166
Current portion of long term financing	7	2,200,000	2,200,000
Unclaimed dividends		9,538	9,566
Provision for taxation		2,589,148	2,480,850
		<u>55,331,821</u>	<u>62,210,138</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>96,795,570</u>	<u>103,849,654</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	29,766,698	30,376,904
Capital work-in-progress	11	946,336	622,573
Major spare parts and stand-by equipment		156,906	145,542
		<u>30,869,940</u>	<u>31,145,019</u>
<b>LONG TERM INVESTMENTS</b>	12	13,264,915	13,264,915
<b>LONG TERM LOANS AND DEPOSITS</b>		43,849	44,326
<b>DEFERRED TAXATION</b>		4,739,025	4,507,066
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,473,722	3,575,963
Stock-in-trade	13	8,149,559	10,018,655
Trade debts	14	19,296,358	22,411,912
Dividend receivable from an associated company		217,730	-
Loans, advances, deposits, prepayments and other receivables	15	2,431,048	2,298,204
Cash and bank balances	16	14,309,424	16,583,594
		<u>47,877,841</u>	<u>54,888,328</u>
<b>TOTAL ASSETS</b>		<u>96,795,570</u>	<u>103,849,654</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

-Sd-  
Syed Asad Abbas  
Chief Financial Officer

-Sd-  
M. Adil Khattak  
Chief Executive Officer

-Sd-  
Abdus Sattar  
Director

## Condensed Interim Statement of Profit or Loss (Unaudited)

### For The First Quarter Ended September 30, 2019

	Note	Three months ended	
		September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
Gross sales	17	48,845,566	57,891,400
Taxes, duties, levies and price differential	18	(12,673,026)	(13,433,842)
Net sales		36,172,540	44,457,558
Cost of sales	19	(36,429,788)	(45,079,834)
Gross loss		(257,248)	(622,276)
Administrative expenses		178,672	185,742
Distribution cost		13,049	12,080
Other charges	20	7,942	-
		(199,663)	(197,822)
Other income	21	863,986	626,276
Operating profit/(loss)		407,075	(193,822)
Finance cost	22	(353,541)	(744,276)
Profit/(loss) before taxation from refinery operations		53,534	(938,098)
Taxation	23	(46,270)	211,192
Profit/(loss) after taxation from refinery operations		7,264	(726,906)
Income from non-refinery operations less applicable charges and taxation	24	362,209	662,433
Profit/(loss) after taxation		369,473	(64,473)
Earnings/(loss) per share - basic and diluted (Rupees)			
Refinery operations		0.07	(6.82)
Non-refinery operations		3.40	6.21
		3.47	(0.61)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

-Sd-

**Syed Asad Abbas**  
Chief Financial Officer

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

-Sd-

**Abdus Sattar**  
Director

**Condensed Interim Statement of Profit or Loss and Other  
Comprehensive Income (Unaudited)  
For The First Quarter Ended September 30, 2019**

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
Profit/(loss) after taxation	<b>369,473</b>	(64,473)
Other comprehensive income (net of tax)	-	-
Total comprehensive income/(loss)	<b>369,473</b>	(64,473)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

**-Sd-**  
**Syed Asad Abbas**  
Chief Financial Officer

**-Sd-**  
**M. Adil Khattak**  
Chief Executive Officer

**-Sd-**  
**Abdus Sattar**  
Director

		Capital reserve				Revenue reserve				
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Issue of bonus shares	Others	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs' 000									
Balance as at June 30, 2018	852,930	1,033,255	10,962,934	-	5,948	3,762,775	55	10,647,787	12,052,576	39,318,260
Effect of changes in accounting policies due to adoption of IFRS 9	-	-	-	-	-	-	-	(249,143)	-	(249,143)
Adjusted balance as at July 1, 2018	852,930	1,033,255	10,962,934	-	5,948	3,762,775	55	10,398,644	12,052,576	39,069,117
Transferred to reserve for issue of bonus shares	-	-	-	213,233	-	-	-	(213,233)	-	-
Total comprehensive loss	-	-	-	-	-	-	-	(64,473)	-	(64,473)
Loss for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(64,473)	-	(64,473)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(726,906)	-	-	-	-	-	726,906	-	-
Balance as at September 30, 2018 (Restated)	852,930	306,349	10,962,934	213,233	5,948	3,762,775	55	10,847,844	12,052,576	39,004,644
Distribution to owners:										
Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	(213,233)	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	-	(5,320,766)	-	(5,320,766)
Loss for the period	-	-	-	-	-	-	-	(25,784)	-	(25,784)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(5,346,550)	-	(5,346,550)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(306,349)	-	-	-	-	-	306,349	-	-
Balance as at June 30, 2019	1,066,163	-	10,962,934	-	5,948	3,762,775	55	5,807,643	12,052,576	33,658,094
<b>Total comprehensive income</b>										
Income for the period	-	-	-	-	-	-	-	369,473	-	369,473
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	369,473	-	369,473
<b>Balance as at September 30, 2019</b>	<b>1,066,163</b>	<b>-</b>	<b>10,962,934</b>	<b>-</b>	<b>5,948</b>	<b>3,762,775</b>	<b>55</b>	<b>6,177,116</b>	<b>12,052,576</b>	<b>34,027,567</b>

-Sd-  
Abdus Sattar  
Director



## Condensed Interim Statement of Cash Flows (Unaudited)

### For The First Quarter Ended September 30, 2019

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from		
- Customers	52,028,501	46,939,516
- Others	272,061	123,232
	<b>52,300,562</b>	<b>47,062,748</b>
Cash paid for operating cost	(41,705,636)	(43,454,882)
Cash paid to Government for duties, taxes and other levies	(12,030,498)	(10,821,115)
Income tax paid	(219,427)	(144,306)
Net cash outflows from operating activities	<b>(1,654,999)</b>	<b>(7,357,555)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(372,582)	(4,910)
Proceeds against disposal of operating assets	3,124	174
Long term loans and deposits	477	(1,000)
Income on bank deposits received	399,399	402,050
Dividend received from an associated company	224,489	-
Net cash generated from investing activities	<b>254,907</b>	<b>396,314</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(550,000)	(550,000)
Transaction cost on long term financing	(500)	-
Dividends paid to the Company's shareholders	(28)	(1)
Finance cost	(320,611)	(661,806)
Net cash outflows from financing activities	<b>(871,139)</b>	<b>(1,211,807)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(2,271,231)</b>	<b>(8,173,048)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>16,583,594</b>	<b>22,940,360</b>
Effect of exchange rate changes	(2,939)	1,280
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>14,309,424</b>	<b>14,768,592</b>

Cash and cash equivalents comprise of cash and bank balances.

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

-Sd-

**Syed Asad Abbas**  
Chief Financial Officer

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

-Sd-

**Abdus Sattar**  
Director

## **Selected Notes To and Forming Part of the Condensed Interim Financial Statements (Unaudited) For The First Quarter Ended September 30, 2019**

### **1. LEGAL STATUS AND OPERATIONS**

Attock Refinery Limited (the Company) was incorporated in Pakistan on November 8, 1978 as a private limited company and was converted into a public limited company on June 26, 1979. The registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited. It is principally engaged in the refining of crude oil.

The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is M/s Coral Holding Limited (a private limited company incorporated in Malta).

### **2. STATEMENT OF COMPLIANCE**

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; 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.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2019.

### **3. ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2019 except for the adoption of new and amended standards as set out below:

#### **3.1 Changes in accounting policies**

This note explains the impact of the adoption of IFRS 16 "Leases" on the Company's condensed interim financial statements that have been applied from July 1, 2019.

##### **3.1.1 IFRS 16 - Leases**

The Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on Statement of Financial Position lease accounting model for lessees. A lessee recognizes an asset's right-of-use representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. The management assessed that adoption of IFRS 16 does not have a material impact on the condensed interim financial statements of the Company for the quarter ended September 30, 2019.

#### 4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2019.

#### 5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,049,030 (June 30, 2019: 65,049,030) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2019: 1,790,000) ordinary shares as at September 30, 2019.

#### 6. RESERVES AND SURPLUS

##### Capital reserve

Special reserve for expansion/modernisation - note 6.1

Utilised special reserve for expansion/modernisation - note 6.2

Others

Liabilities taken over from The Attock Oil Company Limited  
no longer required

Capital gain on sale of building

Insurance and other claims realised relating to  
pre-incorporation period

September 30,  
2019  
Rs' 000

June 30,  
2019  
Rs' 000

-	-
10,962,934	10,962,934
4,800	4,800
654	654
494	494
5,948	5,948

##### Revenue reserve

Investment reserve - note 6.3

General reserve

Unappropriated profit

3,762,775	3,762,775
55	55
6,177,116	5,807,643
9,939,946	9,570,473
20,908,828	20,539,355

- 6.1** Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy-Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilized in off setting losses of the refinery from refinery operations.

Following is the status of Special Reserve for expansion/modernization utilisation on Up-gradation and expansion projects from July 1, 1997 to September 30, 2019:

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
Balance at the beginning of period/year	-	1,033,255
Transfer for the period/year	-	(1,033,255)
Balance as at period/year	-	-

- 6.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till September 30, 2019 is Rs 28,924.67 million including Rs 17,961.74 million spent over and above the available balance in the Special Reserve which have been incurred by the Company from its own resources.

**6.3** The Company has set aside gain on sale of investment as investment reserve to meet any future losses/impairment on investments.

September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
----------------------------------	-----------------------------

## **7. LONG TERM FINANCING - secured**

### **From banking companies**

Syndicated Term Finance - note 7.1	<b>7,549,147</b>	7,946,589
Musharka Finance - note 7.2	<b>2,470,836</b>	2,600,919
	<b>10,019,983</b>	10,547,508
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	<b>94,920</b>	153,412
Addition during the period/year	<b>500</b>	500
Amortization for the period/year	<b>(10,455)</b>	(58,992)
Balance at the end of the period/year	<b>84,965</b>	94,920
	<b>9,935,018</b>	10,452,588
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>7,735,018</b>	8,252,588
Mark-up payable shown as current liability	<b>(298,836)</b>	(271,166)
	<b>7,436,182</b>	7,981,422

**7.1** The Company entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis. The tenure of this facility is 13 years.

**7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2019: nil%) while its share in Musharaka Assets B is 40.33% (June 30, 2019: 42.80%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2019: 100%) while its share in Musharaka Assets B is 59.67% (June 30, 2019: 57.20%) respectively. The tenure of this facility is 13 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

**7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	<b>24,340,022</b>	31,766,400
Due to The Attock Oil Company Limited - Holding Company	<b>132,436</b>	124,811
Due to associated companies		
Pakistan Oilfields Limited	<b>2,347,902</b>	2,698,510
Attock Solar (Private) Limited	<b>454</b>	274
Accrued liabilities and provisions - note 8.1	<b>4,220,661</b>	4,204,087
Due to the Government under the pricing formula	<b>3,353,364</b>	3,621,492
Custom duty payable to the Government	<b>10,858,936</b>	11,243,750
Advance payments from customers	<b>98,079</b>	30,698
Sales tax payable	<b>2,487,325</b>	1,811,905
Workers' Profit Participation Fund	<b>25,185</b>	-
Gratuity Fund	<b>70,453</b>	72,792
Crude oil freight adjustable through inland freight equalisation margin	<b>50,053</b>	36,665
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>2,245,986</b>	1,633,879
Deposits from customers adjustable against freight and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>3,067</b>	2,917
	<b>50,234,299</b>	57,248,556

**8.1** These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,468.87 million (June 30, 2019: Rs 3,375.65 million).

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
--	----------------------------------	-----------------------------

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies:

- |   |                  |           |
|---|------------------|-----------|
| i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014 in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/ claimable government levies. | <b>1,326,706</b> | 1,326,706 |
|---|------------------|-----------|

Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favourable decision and

**September 30,  
2019  
Rs' 000**

**June 30,  
2019  
Rs' 000**

accordingly this liability has not been recognized in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.

ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.		
iii) Guarantees issued by banks on behalf of the Company [other than (i) above].	<b>492</b>	153
iv) Claims for land compensation contested by the Company.	<b>1,300</b>	1,300
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 19.1, the amount of which can not be presently quantified.		
vi) In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the related oil fields since 2007 and 2009 respectively. In this respect, an amount of Rs 2,484 million has been demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.	<b>2,484,098</b>	2,484,098
<p>In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.</p>		
vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	<b>2,092,835</b>	1,928,344

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.		
viii) The Finance Act, 2017 introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.	418,470	418,470

Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.

**Commitments:**

i) Capital expenditure	161,090	146,131
ii) Letters of credit and other contracts for purchase of store items	232,645	708,583

	Three months ended September 30, 2019 Rs' 000	Year ended June 30, 2019 Rs' 000
<b>10. OPERATING ASSETS</b>		
Opening written down value	30,376,904	32,817,565
Additions during the period/year	37,454	140,519
Written down value of disposals	(15)	(217)
Depreciation during the period/year	(647,645)	(2,580,963)
Closing written down value	29,766,698	30,376,904
<b>11. CAPITAL WORK-IN-PROGRESS</b>		
Balance at the beginning of the year	622,573	303,043
Additions during period/year	353,229	415,183
Transfer to operating assets		
- Building on freehold land	20,539	5,721
- Plant and machinery	8,927	89,932
	(29,466)	(95,653)
Balance at the end	946,336	622,573

	Three months ended September 30, 2019 Rs' 000	Year ended June 30, 2019 Rs' 000
<b>Breakup of the closing balance of capital work-in-progress</b>		
Civil works	242	20,781
Plant and machinery	945,094	600,792
Pipeline project	1,000	1,000
	<b>946,336</b>	<b>622,573</b>

	September 30, 2019		June 30, 2019	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>12. LONG TERM INVESTMENTS - AT COST</b>				
<b>Associated Companies</b>				
<b>Quoted</b>				
National Refinery Limited	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485
<b>Unquoted</b>				
Attock Gen Limited - note 12.1	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<b>13,262,915</b>		<b>13,262,915</b>
<b>Subsidiary Company</b>				
<b>Unquoted</b>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<b>13,264,915</b>		<b>13,264,915</b>

**12.1** In October 2017, the Board of Directors of the Company approved to offer 3.95% out of the Company's 30% shareholding in paid up capital of Attock Gen Limited's (AGL) to the general public including employees/officers of the Company upon listing of the shares of AGL on the Pakistan Stock Exchange Limited. However, the proposed offer has not yet been made.

### 13. STOCK-IN-TRADE

As at September 30, 2019, stock-in-trade includes stocks carried at net realisable value of Rs 3,927.37 million (June 30, 2019: Rs 7,415.14 million). Adjustments amounting to Rs 788.26 million (June 30, 2019: Rs 1,657.97 million) have been made to closing inventory to write down stock to net realizable value.

### 14. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 13,661.71 million (June 30, 2019: Rs 10,473.79 million) and Pakistan Oilfields Limited Rs 17.45 million (June 30, 2019: Rs nil).



	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	76	1,052
Due from associated companies		
Attock Petroleum Limited	2,451,280	2,198,642
Attock Information Technology Services (Private) Limited	2,334	606
Attock Leisure and Management Associates (Private) Limited	147	134
Attock Gen Limited	10,298	6,901
National Refinery Limited	11,287	9,735
National Cleaner Production Centre Foundation	4,421	4,264
Attock Sahara Foundation	426	83
Income accrued on bank deposits	87,813	130,830
Staff Pension Fund	4,708	3,221
Loans, deposits, prepayments and other receivables	248,084	332,562
	<b>2,820,874</b>	<b>2,688,030</b>
Loss allowance	<b>(389,826)</b>	<b>(389,826)</b>
	<b>2,431,048</b>	<b>2,298,204</b>

**16. CASH AND BANK BALANCES**

Cash in hand (US \$ 5,928; June 30, 2019: US \$ 4,228)	4,376	1,324
With banks:		
Local currency		
Current accounts	8,556	8,013
Deposit accounts - notes 16.1, 16.2 & 16.3	5,350,529	6,266,548
Savings accounts	8,873,766	10,233,733
Foreign Currency		
Saving accounts (US \$ 468,286; June 30, 2019: US \$ 462,927)	72,197	73,976
	<b>14,309,424</b>	<b>16,583,594</b>

**16.1** Deposit accounts include Rs 3,350.53 million (June 30, 2019: Rs 3,266.55 million) placed in 90 days interest-bearing account consequent to directives of the Ministry of Energy (Petroleum Division) on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 8.1.

**16.2** Balances with banks include Rs 2,000 million (June 30, 2019: Rs 3,000 million) in respect of deposits placed in 90-days interest-bearing account.

**16.3** Bank deposits include Rs 1,327.20 million (June 30, 2019: Rs 1,326.86 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

Three months ended	
September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>17. GROSS SALES</b>	
Local sales	46,129,859
Naphtha export sales	2,715,707
	<b>48,845,566</b>
	56,074,761
	1,816,639
	<b>57,891,400</b>

**18. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**

Sales tax	6,557,321	7,882,589
Petroleum development levy	4,784,807	3,965,293
Custom duties and other levies - note 18.1	1,079,962	1,337,476
PMG RON differential - note 18.2	250,936	248,484
	<b>12,673,026</b>	<b>13,433,842</b>

**18.1** This includes Rs 1,079.91 million (September 30, 2018: Rs 1,272.39 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

**18.2** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of differential between price of PSO's imported 92 RON PMG and 90 RON PMG sold by the Company during the period.

Three months ended	
September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>19. COST OF SALES</b>	
Crude oil consumed - note 19.1	31,293,780
Transportation and handling charges	269,985
Salaries, wages and other benefits	280,687
Chemicals consumed	777,537
Fuel and power	942,010
Repairs and maintenance	381,684
Staff transport and travelling	6,453
Insurance	96,900
Cost of receptacles	10,129
Other operating costs	26,042
Depreciation	640,657
Cost of goods manufactured	<b>34,725,864</b>
Changes in stock	<b>1,703,924</b>
	<b>36,429,788</b>
	41,400,510
	165,842
	271,485
	1,025,459
	1,081,067
	111,740
	4,253
	71,556
	4,212
	20,660
	637,000
	44,793,784
	286,050
	<b>45,079,834</b>

**19.1** Certain crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreements (COSA) and may require adjustment in subsequent periods.

**20. OTHER CHARGES**

This includes Rs 3.074 million and Rs 4.868 million (three months period ended September 30, 2018: Rs nil) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>21. OTHER INCOME</b>		
Income on bank deposits	356,381	397,795
Interest on delayed payments	242,973	169,624
Handling and service charges	12,605	27,887
Rental income	28,834	25,144
Exchange gain - (net)	211,069	-
Miscellaneous	12,124	5,826
	<b>863,986</b>	<b>626,276</b>
<b>22. FINANCE COST</b>		
Exchange loss - (net)	-	353,669
Interest on long term financing	353,398	390,574
Bank and other charges	143	33
	<b>353,541</b>	<b>744,276</b>
<b>23. TAXATION</b>		
Current	278,229	231,531
Deferred	(231,959)	(442,723)
	<b>46,270</b>	<b>(211,192)</b>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>		
Dividend income from associated companies	442,218	752,922
Related charges:		
Workers' Profit Participation Fund	22,111	-
Workers' Welfare Fund	8,402	-
Taxation	49,496	90,489
	<b>(80,009)</b>	<b>(90,489)</b>
	<b>362,209</b>	<b>662,433</b>
<b>25. OPERATING SEGMENT</b>		

These condensed interim financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company are as follows:

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
High Speed Diesel	17,351,852	21,401,739
Premier Motor Gasoline	13,872,042	18,783,780
Jet Petroleum	4,002,654	4,644,269
Furnace Fuel Oil	7,852,232	8,254,204
Naphtha	2,963,591	2,119,785
Others	2,803,195	2,687,623
	<b>48,845,566</b>	<b>57,891,400</b>
Taxes, duties, levies and price differential	<b>(12,673,026)</b>	<b>(13,433,842)</b>
	<b>36,172,540</b>	<b>44,457,558</b>

Revenue from four major customers of the Company constitute 86% of total revenue during the three months period ended September 30, 2019 (September 30, 2018: 90%).

## 26. FAIR VALUE MEASUREMENTS

The carrying values of financial assets and liabilities approximate their fair values. The different levels have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities;
- Level 2: Observable inputs ; and
- Level 3: Unobservable inputs

Fair value of land has been determined using level 2 by using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Valuation of the freehold land owned by the Company was valued by independent valuer to determine the fair value of the land as at June 30, 2017. The revaluation surplus was credited to Statement of Profit or Loss and Other Comprehensive Income and is shown as 'surplus on revaluation of freehold land'.

## 27. RELATED PARTY TRANSACTIONS

Aggregate transactions with holding company, associated companies and subsidiary during the period were as follows:

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>Sale of goods and services to:</b>		
Associated companies	<u>13,409,102</u>	<u>14,745,416</u>
Subsidiary company	<u>6,452</u>	<u>4,455</u>
Holding company	<u>11,796</u>	<u>10,598</u>
Interest income on delayed payments from an associated company	<u>242,973</u>	<u>169,624</u>
<b>Purchase of goods and services from:</b>		
Associated companies	<u>3,603,047</u>	<u>4,869,241</u>
Subsidiary company	<u>23,739</u>	<u>22,725</u>
Holding company	<u>103,873</u>	<u>108,596</u>
<b>Dividend income from:</b>		
Associated companies	<u>442,218</u>	<u>752,922</u>

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>Other related parties:</b>		
Remuneration including benefits and perquisites of Chief Executive and key management personnel	<u>64,124</u>	<u>60,244</u>
Honorarium/remuneration to Non-Executive Directors	<u>3,377</u>	<u>2,976</u>
Contribution to Workers' Profit Participation Fund	<u>25,185</u>	<u>-</u>
Contribution to Employees' Pension, Gratuity and Provident Funds	<u>20,582</u>	<u>19,380</u>

## 28. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 15, 2019.

**-Sd-**  
**Syed Asad Abbas**  
Chief Financial Officer

**-Sd-**  
**M. Adil Khattak**  
Chief Executive Officer

**-Sd-**  
**Abdus Sattar**  
Director

***Condensed Interim Consolidated  
Financial Statements For The  
First Quarter  
Ended September 30, 2019***

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
**As At September 30, 2019**

	Note	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
150,000,000 (June 30, 2019: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued, subscribed and paid-up</b>			
106,616,250 (June 30, 2019: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	27,909,825	27,380,808
Surplus on revaluation of freehold land		<u>12,052,576</u>	<u>12,052,576</u>
		<u>41,028,564</u>	<u>40,499,547</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	7,436,182	7,981,422
Deferred grant		<u>4,830</u>	<u>4,960</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	50,264,793	57,285,622
Accrued mark-up on long term financing	7	298,836	271,166
Current portion of long term financing	7	2,200,000	2,200,000
Unclaimed dividends		9,538	9,566
Provision for taxation		<u>2,589,148</u>	<u>2,480,850</u>
		<u>55,362,315</u>	<u>62,247,204</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>103,831,891</u>	<u>110,733,133</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	29,787,431	30,398,193
Capital work-in-progress	11	946,336	622,573
Major spare parts and stand-by equipment		<u>156,906</u>	<u>145,542</u>
		<u>30,890,673</u>	<u>31,166,308</u>
<b>LONG TERM INVESTMENTS</b>	12	20,878,497	20,709,543
<b>LONG TERM LOANS AND DEPOSITS</b>		44,042	44,490
<b>DEFERRED TAXATION</b>		4,085,229	3,871,802
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,473,722	3,575,963
Stock-in-trade	13	8,151,942	10,020,227
Trade debts	14	19,296,421	22,411,940
Dividend receivable from an associated company		217,730	-
Loans, advances, deposits, prepayments and other receivables	15	2,441,435	2,310,169
Cash and bank balances	16	14,352,200	16,622,691
		<u>47,933,450</u>	<u>54,940,990</u>
<b>TOTAL ASSETS</b>		<u>103,831,891</u>	<u>110,733,133</u>

The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.

-Sd-  
**Syed Asad Abbas**  
 Chief Financial Officer

-Sd-  
**M. Adil Khattak**  
 Chief Executive Officer

-Sd-  
**Abdus Sattar**  
 Director

## Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

### For The First Quarter Ended September 30, 2019

		Three months ended	
	Note	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000 (Restated)
Gross sales	17	48,868,644	57,911,542
Taxes, duties, levies and price differential	18	(12,673,026)	(13,433,842)
Net sales		36,195,618	44,477,700
Cost of sales	19	(36,429,788)	(45,079,834)
Gross loss		(234,170)	(602,134)
Administrative expenses		188,730	197,621
Distribution cost		13,049	12,080
Other charges	20	8,242	283
		(210,021)	(209,984)
Other income	21	864,650	631,211
Operating profit/(loss)		420,459	(180,907)
Finance cost	22	(353,541)	(744,276)
Profit/(loss) before taxation from refinery operations		66,918	(925,183)
Taxation	23	(50,488)	207,097
Profit/(loss) after taxation from refinery operations		16,430	(718,086)
Non-refinery income:			
Share in profit of associated companies	24	319,451	508,759
Profit/(loss) after taxation		335,881	(209,327)
Earnings/(loss) per share - basic and diluted (Rupees)			
Refinery operations		0.15	(6.74)
Non-refinery operations		3.00	4.77
		3.15	(1.97)

The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.

-Sd-

**Syed Asad Abbas**  
Chief Financial Officer

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

-Sd-

**Abdus Sattar**  
Director



**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)**  
**For The First Quarter Ended September 30, 2019**

	<b>Three months ended</b>	
	<b>September 30, 2019 Rs' 000</b>	<b>September 30, 2018 Rs' 000</b>
Profit/ (loss) after taxation	<b>335,881</b>	(209,327)
Other comprehensive income (net of tax):		
Share of other comprehensive income/(loss) of associated companies - net of tax	<b>240</b>	(700)
Fair value adjustment of investments classified as fair value through other comprehensive income	-	(229)
Total comprehensive income/(loss)	<b><u>336,121</u></b>	<b><u>(210,256)</u></b>

The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.

**-Sd-**  
**Syed Asad Abbas**  
 Chief Financial Officer

**-Sd-**  
**M. Adil Khattak**  
 Chief Executive Officer

**-Sd-**  
**Abdus Sattar**  
 Director

**-Sd-**  
**Abdus Sattar**  
Director

## Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

### For The First Quarter Ended September 30, 2019

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from		
- Customers	52,074,385	46,985,772
- Others	272,061	123,232
	<b>52,346,446</b>	<b>47,109,004</b>
Cash paid for operating cost	(41,745,427)	(43,484,968)
Cash paid to Government for duties, taxes and other levies	(12,030,498)	(10,821,115)
Income tax paid	(221,632)	(146,417)
Net cash outflows from operating activities	<b>(1,651,111)</b>	<b>(7,343,496)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(372,761)	(6,282)
Proceeds against disposal of operating assets	3,124	174
Long term loans and deposits	447	(1,000)
Income on bank deposits received	399,399	402,050
Dividend received from an associated company	224,489	-
Net cash generated from investing activities	<b>254,698</b>	<b>394,942</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(550,000)	(550,000)
Transaction cost on long term financing	(500)	-
Dividends paid to the Company's shareholders	(28)	(1)
Finance cost	(320,611)	(661,806)
Net cash outflows from financing activities	<b>(871,139)</b>	<b>(1,211,807)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(2,267,552)</b>	<b>(8,160,361)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>16,622,691</b>	<b>22,958,032</b>
Effect of exchange rate changes	(2,939)	1,280
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>14,352,200</b>	<b>14,798,951</b>

Cash and cash equivalents comprise of cash and bank balances.

The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.

-Sd-  
**Syed Asad Abbas**  
Chief Financial Officer

-Sd-  
**M. Adil Khattak**  
Chief Executive Officer

-Sd-  
**Abdus Sattar**  
Director

## **Selected Notes To and Forming Part of the Condensed Interim Consolidated Financial Statements (Unaudited) For The First Quarter Ended September 30, 2019**

### **1. LEGAL STATUS AND OPERATIONS**

Attock Refinery Limited (the Company) was incorporated in Pakistan on November 8, 1978 as a private limited company and was converted into a public limited company on June 26, 1979. The registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited. It is principally engaged in the refining of crude oil.

The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is M/s Coral Holding Limited (a private limited company incorporated in Malta).

Attock Hospital (Private) Limited (AHL) was incorporated in Pakistan on August 24, 1998 as a private limited company and commenced its operations from September 1, 1998. AHL is engaged in providing medical services. AHL is a wholly owned subsidiary of Attock Refinery Limited.

For the purpose of these condensed interim consolidated financial statements, ARL and its above referred wholly owned subsidiary AHL is referred to as the Company.

### **2. STATEMENT OF COMPLIANCE**

**2.1** These condensed interim consolidated 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; 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.

These condensed interim consolidated financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended June 30, 2019.

**2.2** The condensed interim consolidated financial statements include the accounts of Attock Refinery Limited and its wholly owned subsidiary Attock Hospital (Private) Limited.

### **3. ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited consolidated financial statements for the year ended June 30, 2019 except for the adoption of new and amended standards as set out below:

#### **3.1 Changes in accounting policies**

This note explains the impact of the adoption of IFRS 16 "Leases" on the Company's condensed interim consolidated financial statements that have been applied from July 1, 2019.

##### **3.1.1 IFRS 16 - Leases**

The Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15

'Operating Leases- Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on statement of financial position lease accounting model for lessees. A lessee recognizes an asset's right-of-use representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. The management assessed that adoption of IFRS 16 does not have a material impact on the condensed interim consolidated financial statements of the Company for the quarter ended September 30, 2019.

#### 4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended June 30, 2019.

#### 5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,049,030 (June 30, 2019: 65,049,030) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2019: 1,790,000) ordinary shares as at September 30, 2019.

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>6. RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
Special reserve for expansion/modernisation - note 6.1	-	-
Special reserve for expansion/modernisation of an associated company	-	-
	-	-
Utilised special reserve - note 6.2	<b>10,962,934</b>	10,962,934
Utilised special reserve by an associated company	<b>1,946,032</b>	1,946,032
	<b>12,908,966</b>	12,908,966
Maintenance reserve - note 6.3	<b>205,640</b>	205,640
<b>Others</b>		
Liabilities taken over from The Attock Oil Company Limited no longer required	<b>4,800</b>	4,800
Capital gain on sale of building	<b>654</b>	654
Insurance and other claims realised relating to pre-incorporation period	<b>494</b>	494
Donation received for purchase of hospital equipment	<b>4,000</b>	4,000
Bonus shares issued by associated companies	<b>146,048</b>	146,048
	<b>155,996</b>	155,996
<b>Revenue reserve</b>		
General reserve	<b>7,077,380</b>	7,077,380
Transfer of investment	<b>3,337</b>	3,337
Unappropriated profit	<b>7,558,506</b>	7,029,489
	<b>14,639,223</b>	14,110,206
	<b>27,909,825</b>	27,380,808

- 6.1** Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy-Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilized in off setting losses of the refinery from refinery operations.

Following is the status of Special Reserve for expansion/modernization utilisation on Up-gradation and expansion projects from July 1, 1997 to September 30, 2019:

	<b>September 30, 2019 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
Balance at the beginning of period/year	-	1,033,255
Transfer for the period/year	-	(1,033,255)
Balance as at period/year	-	-

**6.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till September 30, 2019 is Rs 28,924.67 million including Rs 17,961.74 million spent over and above the available balance in the Special Reserve which have been incurred by the Company from its own resources.

**6.3** Represents amount retained by Attock Gen Limited to pay for major maintenance expenses in terms of the Power Purchase Agreement.

	<b>September 30, 2019 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
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## **7. LONG TERM FINANCING - secured**

### **From banking companies**

Syndicated Term Finance - note 7.1	<b>7,549,147</b>	7,946,589
Musharka Finance - note 7.2	<b>2,470,836</b>	2,600,919
	<b>10,019,983</b>	10,547,508
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	<b>94,920</b>	153,412
Addition during the period/ year	<b>500</b>	500
Amortization for the period/ year	<b>(10,455)</b>	(58,992)
Balance at the end of the period/ year	<b>84,965</b>	94,920
	<b>9,935,018</b>	10,452,588
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>7,735,018</b>	8,252,588
Mark-up payable shown as current liability	<b>(298,836)</b>	(271,166)
	<b>7,436,182</b>	7,981,422

**7.1** The Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis. The tenure of this facility is 13 years.

**7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2019: nil%) while its share in Musharaka Assets B is 40.33% (June 30, 2019: 42.80%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2019: 100%) while its share in Musharaka Assets B is 59.67% (June 30, 2019: 57.20%) respectively. The tenure of this facility is 13 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

**7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

## 8. TRADE AND OTHER PAYABLES

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
Creditors - note 8.1	24,342,302	31,769,084
Due to The Attock Oil Company Limited - Holding Company	132,400	124,749
Due to associated companies		
Pakistan Oilfields Limited	2,343,507	2,694,883
Attock Solar (Private) Limited	454	274
Accrued liabilities and provisions - note 8.1	4,239,458	4,227,546
Due to the Government under the pricing formula	3,353,364	3,621,492
Custom duty payable to the Government	10,858,936	11,243,750
Advance payments from customers	98,079	30,698
Sales tax payable	2,487,325	1,811,905
Workers' Profit Participation Fund	25,185	-
Gratuity Fund	76,445	78,649
Staff Pension Fund	7,636	8,535
Crude oil freight adjustable through inland freight equalisation margin	50,053	36,665
Payable to statutory authorities in respect of petroleum development levy and excise duty	2,245,986	1,633,879
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,137
	<b>50,264,793</b>	<b>57,285,622</b>

**8.1** These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,468.87 million (June 30, 2019: Rs 3,375.65 million).

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies:

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014 in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank	1,326,706	1,326,706

September 30,  
2019  
Rs' 000

June 30,  
2019  
Rs' 000

guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/ claimable government levies.

Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.

ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.		
iii) Guarantees issued by banks on behalf of the Company [other than (i) above].	492	153
iv) Claims for land compensation contested by ARL.	1,300	1,300
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 19.1, the amount of which can not be presently quantified.		
vi) In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the related oil fields since 2007 and 2009 respectively. In this respect, an amount of Rs 2,484 million has been demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.	2,484,098	2,484,098

In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.



	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
<b>vii)</b> Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	<b>2,092,835</b>	1,928,344
<p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>		
<b>viii)</b> The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.	<b>418,470</b>	418,470
<p>Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.</p>		
<b>ix)</b> The Company's share in tax contingency of associated companies.	<b>966,492</b>	1,256,295
<b>x)</b> The Company is defendants in a case filed on November 16, 2018 in the District Consumer Court, Rawalpindi, wherein the complainant is pursuing the recovery on account of alleged malpractice and professional misconduct by one of the Company's doctors. The case is pending before the aforementioned forum. The Company, based on the advice of its legal counsel, is of the view that there is no likelihood of any liability in this case.	<b>550</b>	550
<b>Commitments:</b>		
<b>i)</b> Capital expenditure	<b>161,090</b>	146,131
<b>ii)</b> Letters of credit for purchase of store items	<b>232,645</b>	708,583
<b>iii)</b> The Company's share of commitments of associated companies:		
Capital expenditure commitments	<b>1,838,606</b>	1,698,534
Outstanding letters of credit	<b>14,144,646</b>	3,632
Others	<b>169,530</b>	511,845

Three months ended  
September 30,  
2019  
Rs' 000

Year ended  
June 30,  
2019  
Rs' 000

**10. OPERATING ASSETS**

Opening written down value	30,398,193	32,829,945
Additions during the period/year	37,634	151,788
Written down value of disposals	(15)	(217)
Depreciation during the period/year	(648,381)	(2,583,323)
Closing written down value	29,787,431	30,398,193

**11. CAPITAL WORK-IN-PROGRESS**

Balance at the beginning of the year	622,573	303,043
Additions during the period/year	353,229	415,183
Transfer to operating assets		
- Buildings on freehold land	20,539	5,721
- Plant and machinery	8,927	89,932
	(29,466)	(95,653)
Balance at the end	946,336	622,573

**Breakup of the closing balance of capital work-in-progress**

Civil works	242	20,781
Plant and machinery	945,094	600,792
Pipeline project	1,000	1,000
	946,336	622,573

**12. LONG TERM INVESTMENTS**
**Investment in associated companies**

Balance as at July 1	20,709,543	24,830,227
Share of profit/(loss) after tax of associated companies	248,345	(642,406)
Share in other comprehensive income	240	28,252
Dividend received from associated companies	(442,218)	(1,320,227)
Impairment reversal/(loss) on investment	169,691	(1,913,702)
Effect of change in accounting policies due to IFRS 9	192,896	(272,601)
	20,878,497	20,709,543

12.1 The Company's interest in associates are as follows:

	September 30, 2019		June 30, 2019	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>Quoted</b>				
National Refinery Limited	25	10,535,595	25	10,535,595
Attock Petroleum Limited	21.88	7,549,898	21.88	7,472,257
<b>Unquoted</b>				
Attock Gen Limited - note 12.2	30	2,762,758	30	2,672,526
Attock Information Technology Services (Private) Limited	10	30,246	10	29,165
		20,878,497		20,709,543

**12.2** In October 2017, the Board of Directors of the Company approved to offer 3.95% out of the Company's 30% shareholding in paid up capital of Attock Gen Limited's (AGL) to the general public including employees/officers of the Company upon listing of the shares of AGL on the Pakistan Stock Exchange Limited. However, the proposed offer has not yet been made.

### 13. STOCK-IN-TRADE

As at September 30, 2019, stock-in-trade includes stocks carried at net realisable value of Rs 3,927.37 million (June 30, 2019: Rs 7,415.14 million). Adjustments amounting to Rs 788.26 million (June 30, 2019: Rs 1,657.97 million) have been made to closing inventory to write down stock to net realizable value.

### 14. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 13,661.71 million (June 30, 2019: Rs 10,473.79 million) and Pakistan Oilfields Limited Rs 17.45 million (June 30, 2019: Rs nil).

### 15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Due from associated companies

	September 30, 2019 Rs' 000	June 30, 2019 Rs' 000
Attock Petroleum Limited	2,452,595	2,200,250
Attock Information Technology Services (Private) Limited	2,334	606
Attock Leisure and Management Associates (Private) Limited	147	134
Attock Gen Limited	10,524	6,983
Attock Cement Pakistan Limited	1	-
National Cleaner Production Centre Foundation	4,428	4,310
Capgas (Private) Limited	85	27
National Refinery Limited	11,287	9,735
Attock Sahara Foundation	734	108
Income accrued on bank deposits	88,348	130,830
Loans, deposits, prepayments and other receivables	260,778	347,012
	<b>2,831,261</b>	<b>2,699,995</b>
Loss allowance	<b>(389,826)</b>	<b>(389,826)</b>
	<b>2,441,435</b>	<b>2,310,169</b>

### 16. CASH AND BANK BALANCES

Cash in hand (US \$ 5,928; June 30, 2019: US \$ 4,228)	4,649	1,660
With banks:		
Local currency		
Current accounts	9,225	8,425
Deposit accounts - note 16.1, 16.2 & 16.3	5,350,529	6,266,548
Savings accounts	8,915,600	10,272,082
Foreign Currency		
Saving accounts (US \$ 468,286; June 30, 2019: US \$ 462,927)	72,197	73,976
	<b>14,352,200</b>	<b>16,622,691</b>

**16.1** Deposit accounts include Rs 3,350.53 million (June 30, 2019: Rs 3,266.55 million) placed in 90 days interest-bearing account consequent to directives of the Ministry of Energy (Petroleum Division) on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 8.1.

- 16.2** Balances with banks include Rs 2,000 million (June 30, 2019: Rs 3,000 million) in respect of deposits placed in 90-days interest-bearing account.
- 16.3** Bank deposits include Rs 1,327.20 million (June 30, 2019: Rs 1,326.86 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

**Three months ended**

	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000 (Restated)
<b>17. GROSS SALES</b>		
<b>Company</b>		
Local sales	46,129,859	56,074,761
Naphtha export sales	2,715,707	1,816,639
<b>Subsidiary</b>		
Local sales	23,078	20,142
	<b>48,868,644</b>	<b>57,911,542</b>

**18. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**

Sales tax	6,557,321	7,882,589
Petroleum development levy	4,784,807	3,965,293
Custom duties and other levies - note 18.1	1,079,962	1,337,476
PMG RON differential - note 18.2	250,936	248,484
	<b>12,673,026</b>	<b>13,433,842</b>

- 18.1** This includes Rs 1,079.91 million (September 30, 2018: Rs 1,272.39 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.
- 18.2** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of differential between price of PSO's imported 92 RON PMG and 90 RON PMG sold by the Company during the period.

**Three months ended**

	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>19. COST OF SALES</b>		
Crude oil consumed - note 19.1	31,293,780	41,400,510
Transportation and handling charges	269,985	165,842
Salaries, wages and other benefits	280,687	271,485
Chemicals consumed	777,537	1,025,459
Fuel and power	942,010	1,081,067
Repairs and maintenance	381,684	111,740
Staff transport and travelling	6,453	4,253
Insurance	96,900	71,556
Cost of receptacles	10,129	4,212
Other operating costs	26,042	20,660
Depreciation	640,657	637,000
Cost of goods manufactured	34,725,864	44,793,784
Changes in stock	1,703,924	286,050
	<b>36,429,788</b>	<b>45,079,834</b>

**19.1** Certain crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreements (COSA) and may require adjustment in subsequent periods.

## 20. OTHER CHARGES

This includes Rs 3.074 million and Rs 4.868 million (three months period ended September 30, 2018: Rs nil) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

## 21. OTHER INCOME

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000 (Restated)
Income on bank deposits	356,916	402,730
Interest on delayed payments	242,973	169,624
Handling and service charges	12,605	27,887
Rental income	28,834	25,144
Exchange gain - (net)	211,069	-
Miscellaneous	12,253	5,826
	<b>864,650</b>	<b>631,211</b>

## 22. FINANCE COST

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
Exchange loss - (net)	-	353,669
Interest on long term financing	353,398	390,574
Bank and other charges	143	33
	<b>353,541</b>	<b>744,276</b>

## 23. TAXATION

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000 (Restated)
Current	282,492	235,546
Deferred	(232,004)	(442,643)
	<b>50,488</b>	<b>(207,097)</b>

September 30, 2019 Rs' 000	September 30, 2018 Rs' 000 (Restated)
418,036	577,734
22,111	-
8,402	-
68,072	68,975
(98,585)	(68,975)
319,451	508,759

## Taxation - current and deferred

<b>September 30, 2019 Rs' 000</b>	<b>September 30, 2018 Rs' 000 (Restated)</b>
<b>17,351,852</b>	21,401,739
<b>13,872,042</b>	18,783,780
<b>4,002,654</b>	4,644,269
<b>7,852,232</b>	8,254,204
<b>2,963,591</b>	2,119,785
<b>2,826,273</b>	2,707,765
<b>48,868,644</b>	57,911,542
<b>(12,673,026)</b>	(13,433,842)
<b>36,195,618</b>	44,477,700

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Fair value of land has been determined using level 2 by using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Valuation of the freehold land owned by the Company was valued by independent valuer to determine the fair value of the land as at June 30, 2017. The revaluation surplus was credited to statement of profit or loss and other comprehensive income and is shown as 'surplus on revaluation of freehold land'.

## 27. RELATED PARTY TRANSACTIONS

Aggregate transactions with holding company and associated companies during the period were as follows:

	Three months ended	
	September 30, 2019 Rs' 000	September 30, 2018 Rs' 000
<b>Sale of goods and services to:</b>		
Associated companies	13,415,350	14,751,212
Holding company	11,796	10,598
Interest income on delayed payments from an associated company	242,973	169,624
<b>Purchase of goods and services from:</b>		
Associated companies	3,603,120	4,869,287
Holding company	103,873	108,596
<b>Dividend income from:</b>		
Associated companies	442,218	752,922
<b>Other related parties:</b>		
Remuneration including benefits and perquisites of Chief Executive and key management personnel	64,124	60,244
Honorarium/remuneration to Non-Executive Directors	3,377	2,976
Contribution to Workers' Profit Participation Fund	25,185	-
Contribution to Employees' Pension, Gratuity and Provident Funds	21,606	20,334

## 28. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 15, 2019.

-Sd-

**Syed Asad Abbas**  
Chief Financial Officer

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

-Sd-

**Abdus Sattar**  
Director