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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. Tariq Iqbal Khan**

*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. Tariq Iqbal Khan**

*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 GRACIOUS, THE MOST MERCIFUL

On behalf of the Board of Directors of Attock Refinery Limited, we are pleased to present review of the financial results and operations of the Company for the first quarter ended September 30, 2021.

#### FINANCIAL RESULTS

During the quarter under review the Company earned profit after tax of Rs 48 million from refinery operations (September 30, 2020: Loss of Rs 562 million). Non-refinery income during this quarter was Rs 416 million (September 30, 2020: Rs Nil). Accordingly, overall profit after taxation was Rs 464 million with earning per share of Rs 4.36 (September 30, 2020: Loss of Rs 562 million with loss per share of Rs 5.27).

The spreads between prices of products and crude oil have slightly improved. However, this has been largely off-set by increase in cost of energy, chemicals and associated freight element. Sharp decline in value of Pak Rupee versus US Dollar and increase in interest rates have also negatively affected finance cost.

#### REFINERY OPERATIONS

During this quarter, the Company successfully completed planned turn-around of its major unit for essential maintenance jobs. During this quarter, the Company supplied 447 thousand Metric Tons of various petroleum products while operating at about 76% of the capacity (September 30, 2020: 466 thousand Metric Tons, 78% capacity). Despite multiple challenges triggered by COVID-19 pandemic, the management was able to ensure smooth supply of petroleum products in the market.

#### FUTURE OUTLOOK

With gradual improvement of COVID-19 pandemic situation and increase in demand of petroleum products in the global market, spreads are expected to improve. However, cost of doing business is likely to remain under pressure due to anticipated higher inflation, Pak Rupee devaluation and international supply chain management issues.

The Working Group constituted earlier by the Government, has submitted revised draft of the Refining Policy after long deliberations with the Government. The draft Refining Policy envisages certain fiscal and tariff concessions to the refining sector. These incentives are likely to improve financial condition of the refineries ensuring sustainability and enabling upgradation of plants. This would enable refineries to supply environment friendly quality fuel to the consumers. The refineries have urged the Government to approve the new Refining Policy at the earliest.

Progress on studies for Continuous Catalyst Regeneration (CCR) Complex, revamp of Diesel Dehydrodesulphurization Unit (DHDS) and proposed joint venture for up-grading furnace oil is satisfactory. However, since these projects are highly capital intensive, support of the Government in the shape of incentives is essential.

#### ACKNOWLEDGEMENT

The Board would like to acknowledge support received from the Ministry of Energy and we offer our profound thanks to the employees for their dedicated commitment and to the valued customers and suppliers for the trust reposed in us.

On behalf of the Board

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

-Sd-

**Abdus Sattar**  
Director

October 21, 2021  
Rawalpindi

## ڈائریکٹرز کی جائزہ رپورٹ

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

انٹک ریفاائنری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۰ ستمبر ۲۰۲۱ 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 سہ ماہی کے دوران کمپنی کو ریفاائنری آپریشنز سے ٹیکس ادا کرنے کے بعد ۲۸ ملین روپے کا منافع ہوا (۳۰ ستمبر ۲۰۲۰: ۵۶۲ ملین روپے کا خسارہ)۔ اس سہ ماہی کے دوران غیر ریفاائنری ذرائع سے ۲۱۶ ملین روپے کی آمدن ہوئی (۳۰ ستمبر ۲۰۲۰: صفر)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۶۴ ملین روپے کے منافع کے ساتھ فی حصص منافع ۳۶.۳۶ روپے رہا (۳۰ ستمبر ۲۰۲۰: ۵۶۲ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۵.۲ روپے)۔

مصنوعات اور خام تیل کی قیمتوں کے درمیان فرق میں قدرے بہتری آئی ہے۔ تاہم، توانائی، کیمیکلز اور اس سے متعلقہ کرایوں میں اضافے نے اس فرق کو کافی حد تک کم کیا۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں بہت زیادہ کمی اور شرح سود میں اضافے نے مالیاتی لاگت کو بھی منفی طور پر متاثر کیا ہے۔

### ریفاائنری آپریشنز

زیر جائزہ مدت کے دوران کمپنی نے اپنے بڑے ریفاائنری یونٹس کی مکمل بندش برائے ضروری مرمت و تبدیلی کامیابی کے ساتھ مکمل کی۔ زیر جائزہ سہ ماہی کے دوران ریفاائنری نے ۶۷% پیداواری استعداد کے ساتھ ۴۲ ہزار میٹرک ٹن کی مختلف پیٹرو لیوم مصنوعات فراہم کیں (۳۰ ستمبر ۲۰۲۰: ۸% پیداواری استعداد کے ساتھ ۴۶۶ ہزار میٹرک ٹن)۔ کوئڈ-۱۹ کی وجہ سے پیدا ہونے والے متعدد چیلنجز کے باوجود انتظامیہ نے پیٹرو لیوم مصنوعات کی فراہمی احسن طریقے سے جاری رکھی۔

### مستقبل کا منظر نامہ

کوئڈ-۱۹ وبائی مرض پر بتدریج بہتر طور پر کنٹرول اور عالمی منڈی میں پیٹرو لیوم مصنوعات کی مانگ میں اضافے کے ساتھ، منافع کے تناسب میں بھی بہتری آنے کی توقع ہے۔ تاہم، متوقع بلند افراط زر، پاکستانی روپے کی قدر میں کمی اور بین الاقوامی مصنوعات کی فراہمی کے سلسلہ انتظام میں مسائل کی وجہ سے کاروبار کرنے کی لاگت کے بڑھنے کا امکان ہے۔

اس سے پہلے حکومت کی طرف سے تشکیل دیئے گئے ورکنگ گروپ نے حکومت کے ساتھ طویل غور و خوض کے بعد ریفاائننگ پالیسی کا ترمیم شدہ مسودہ پیش کیا ہے۔ ریفاائننگ پالیسی کے مسودے میں ریفاائننگ سیکٹر کے لئے متعدد مالی اور محصولات کی مد میں مراعات کی تجویز پیش کی گئی ہے۔ ان مراعات سے ریفاائنریز کے پلانٹس کی تجدید اور توسیع کے منصوبوں کو قابل عمل بنانا، ان کے استحکام اور مالی حالات میں بہتری آنے کا امکان ہے جس سے ریفاائنریز اس قابل ہو جائیں گی کہ وہ صارفین کو معیاری ماحول دوست ایندھن فراہم کر سکیں۔ ریفاائنریز نے حکومت پر زور دیا ہے کہ وہ نئی ریفاائننگ پالیسی کو جلد از جلد منظور کرے۔

کانٹینوس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب، ڈیزل ڈی ہائیڈرو سلفیڈیشن یونٹ (Diesel Dehydrodesulphurization Unit) کی تجدید اور فرنس آئل آپ گریڈیشن (Furnace Oil Upgradation) کے مجوزہ مشترکہ منصوبے کیلئے تکنیکی مطالعہ پر پیش قدمی اطمینان بخش ہے۔

### اظہارِ شکر

بورڈ آف ڈائریکٹرز وزارت توانائی کے تعاون کے معترف ہیں اور اپنے ملازمین کے پُر عزم جذبے کیلئے تہہ دل سے مشکور ہیں اور اپنے قابل قدر صارفین اور خام تیل مہیا کرنے والے اداروں جنہوں نے کمپنی پر اعتماد کیا ان کے تعاون کیلئے ان کے بھی شکر گزار ہیں۔

بورڈ کی جانب سے

-Sd-

ایم عادل خٹک

چیف ایگزیکٹو آفیسر

۲۱ اکتوبر ۲۰۲۱ء

راولپنڈی

-Sd-

عبدالستار

ڈائریکٹر

## Condensed Interim Statement of Financial Position (Unaudited)

### As At September 30, 2021

	Note	September 30, 2021 Rs '000	June 30, 2021 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, 2021: 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, 2021: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	16,016,347	15,552,081
Surplus on revaluation of freehold land		25,093,419	25,093,419
		<u>42,175,929</u>	<u>41,711,663</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	4,964,665	5,492,792
Long term lease liability		129,570	126,399
<b>CURRENT LIABILITIES</b>			
Accrued mark-up on long term financing	7	142,740	152,023
Current portion of long term financing	7	2,200,000	2,200,000
Trade and other payables	8	47,722,671	47,206,536
Short term financing	9	2,000,000	3,000,000
Accrued mark-up on short term financing		13,203	16,191
Current portion of lease liability		107,072	215,832
Unclaimed dividends		9,255	9,302
Provision for taxation		3,341,879	3,163,835
		<u>55,536,820</u>	<u>55,963,719</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>102,806,984</u>	<u>103,294,573</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

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

	Note	September 30, 2021 Rs '000	June 30, 2021 Rs '000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	11	38,309,591	39,092,724
Capital work-in-progress	12	849,062	862,679
Major spare parts and stand-by equipments		149,579	150,287
		<u>39,308,232</u>	<u>40,105,690</u>
<b>LONG TERM INVESTMENTS</b>	13	13,264,915	13,264,915
<b>LONG TERM LOANS AND DEPOSITS</b>		39,111	40,091
<b>DEFERRED TAXATION</b>		7,983,964	7,775,768
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,811,219	3,757,215
Stock-in-trade	14	10,611,158	9,378,907
Trade debts	15	16,923,168	13,305,414
Dividend receivable from an associated company		533,438	-
Loans, advances, deposits, prepayments and other receivables	16	1,108,136	3,615,293
Cash and bank balances	17	9,223,643	12,051,280
		<u>42,210,762</u>	<u>42,108,109</u>
<b>TOTAL ASSETS</b>		<u>102,806,984</u>	<u>103,294,573</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, 2021

	Note	Three months ended	
		September 30, 2021 Rs '000	September 30, 2020 Rs '000
Gross sales	18	55,794,038	47,096,566
Taxes, duties, levies and price differential	19	(10,127,791)	(18,668,191)
Net sales		45,666,247	28,428,375
Cost of sales	20	(45,664,642)	(29,222,826)
Gross profit/(loss)		1,605	(794,451)
Administration expenses		199,727	189,487
Distribution cost		17,663	10,560
Other charges		7,392	-
		(224,782)	(200,047)
Other income	21	347,976	450,364
Impairment reversal/(loss) on financial assets		206,364	(41,999)
Operating profit/(loss)		331,163	(586,133)
Finance cost	22	(262,698)	(196,726)
Profit/(loss) before taxation from refinery operations		68,465	(782,859)
Taxation	23	(20,814)	220,781
Profit/(loss) after taxation from refinery operations		47,651	(562,078)
Income from non-refinery operations less applicable charges and taxation	24	416,615	-
Profit/(loss) after taxation		464,266	(562,078)
Earnings/(loss) per share - basic and diluted (Rupees)			
Refinery operations		0.45	(5.27)
Non-refinery operations		3.91	-
		4.36	(5.27)

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, 2021**

	Three months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Profit/(loss) after taxation	<b>464,266</b>	(562,078)
Other comprehensive income for the period	-	-
Total comprehensive income/(loss)	<b>464,266</b>	(562,078)

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 Changes in Equity (Unaudited)

### For The First Quarter Ended September 30, 2021

	Capital reserve				Revenue reserve				Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Others	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	
Balance as at July 01, 2020	1,066,163	-	10,962,934	5,948	3,762,775	55	3,011,797	25,093,419	43,903,091
Total comprehensive loss - net of tax	-	-	-	-	-	-	(562,078)	-	(562,078)
Loss for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	(562,078)	-	(562,078)
Balance as at September 30, 2020	1,066,163	-	10,962,934	5,948	3,762,775	55	2,449,719	25,093,419	43,341,013
Total comprehensive loss - net of tax	-	-	-	-	-	-	(1,582,978)	-	(1,582,978)
Loss for the period	-	-	-	-	-	-	(46,372)	-	(46,372)
Other comprehensive loss for the period	-	-	-	-	-	-	(1,629,350)	-	(1,629,350)
Balance as at June 30, 2021	1,066,163	-	10,962,934	5,948	3,762,775	55	820,369	25,093,419	41,711,663
Total comprehensive income - net of tax	-	-	-	-	-	-	464,266	-	464,266
Profit for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	464,266	-	464,266
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	11,202	-	-	-	-	(11,202)	-	-
Balance as at September 30, 2021	1,066,163	11,202	10,962,934	5,948	3,762,775	55	1,273,433	25,093,419	42,175,929

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 Cash Flows (Unaudited)

### For The First Quarter Ended September 30, 2021

		Three months ended	
		September 30, 2021 Rs '000	September 30, 2020 Rs '000
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from - Customers		52,111,503	44,437,430
- Others		2,837,868	117,159
		<b>54,949,371</b>	44,554,589
Cash paid for operating cost		(46,158,936)	(29,025,239)
Cash paid to Government for duties, taxes and other levies		(9,868,866)	(18,142,226)
Income tax paid		(130,981)	(110,909)
Net cash outflows from operating activities		<b>(1,209,412)</b>	(2,723,785)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		729	(41,601)
Proceeds against disposal of operating assets		355	6
Long term loans and deposits		981	(991)
Income received on bank deposits		167,553	101,998
Net cash generated from investing activities		<b>169,618</b>	59,412
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(550,000)	-
Repayment of lease liability		-	(30,176)
Transaction cost on long term financing		(500)	(500)
Dividend paid to Company's shareholders		(47)	-
Finance cost		(231,173)	(241,839)
Net cash outflows from financing activities		<b>(781,720)</b>	(272,515)
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		<b>(1,821,514)</b>	(2,936,888)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>9,051,280</b>	8,122,982
Effect of exchange rate changes on cash and cash equivalents		(6,123)	(1,176)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>17.4</b>	<b>7,223,643</b>	5,184,918

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, 2021**

### **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, England 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, 2021.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The Accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended June 30, 2021.

### **4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2021.

### **5. SHARE CAPITAL**

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2021: 65,095,630) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2021: 1,790,000) ordinary shares as at September 30, 2021.

September 30, 2021 Rs '000	June 30, 2021 Rs '000
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## 6. RESERVES AND SURPLUS

### Capital reserve

Special reserve for expansion/modernisation - note 6.1	11,202	-
Utilised special reserve for expansion/modernisation - note 6.2	10,962,934	10,962,934
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
	5,948	5,948

### Revenue reserve

Investment reserve - note 6.3	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	1,273,433	820,369
	5,036,263	4,583,199
	16,016,347	15,552,081

- 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.
- 6.2** Represent amounts utilized out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till September 30, 2021 is Rs 29,143.58 million including Rs 18,180.65 million spent over and above the available balance in the Special Reserve which has 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,  
2021  
Rs '000

June 30,  
2021  
Rs '000

## 7. LONG TERM FINANCING - secured

### From banking companies

Syndicated Term Finance - note 7.1	5,533,311	5,942,295
Musharaka Finance - note 7.2	1,811,053	1,944,913
	<b>7,344,364</b>	<b>7,887,208</b>
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	42,393	67,420
Addition during the period/year	500	500
Amortization for the period/year	(5,934)	(25,527)
Balance at the end of the period/year	<b>36,959</b>	<b>42,393</b>
	<b>7,307,405</b>	<b>7,844,815</b>
Current portion of long term financing	<b>(2,200,000)</b>	<b>(2,200,000)</b>
	<b>5,107,405</b>	<b>5,644,815</b>
Mark-up payable shown as current liability	<b>(142,740)</b>	<b>(152,023)</b>
	<b>4,964,665</b>	<b>5,492,792</b>

- 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.
- 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, 2021: nil %) while its share in Musharaka Assets B is 30.42% (June 30, 2021: 35.37%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2021: 100%) while its share in Musharaka Assets B is 69.58% (June 30, 2021: 64.63%) respectively. 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, 2021 Rs '000	June 30, 2021 Rs '000
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	<b>26,996,950</b>	26,847,266
Due to The Attock Oil Company Limited - Holding Company	<b>218,758</b>	229,625
Due to Attock Hospital (Private) Limited - Subsidiary Company	-	571
Due to an associated company Pakistan Oilfields Limited	<b>2,823,245</b>	2,681,791
Accrued liabilities and provisions - note 8.1	<b>4,785,476</b>	4,787,800
Due to the Government under the pricing formula	<b>4,513,252</b>	4,058,933
Custom duty payable to the Government	<b>5,771,377</b>	5,245,223
Advance payments from customers	<b>128,290</b>	193,073
Sales tax payable	<b>1,779,316</b>	2,501,329
Workers' Profit Participation Fund	<b>30,465</b>	-
ARL Gratuity Fund	<b>114,277</b>	114,277
Crude oil freight adjustable through inland freight equalisation margin	<b>67,714</b>	59,958
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>490,108</b>	483,247
Deposits from customers adjustable against freight and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>3,067</b>	3,067
	<b>47,722,671</b>	47,206,536

**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 directives 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 4,015.43 million (June 30, 2021: Rs 3,950.27 million).

## 9. SHORT TERM FINANCING

The Company have obtained short term financing from a bank amounting to Rs. 3,000 million to finance its working capital requirements. This facility is secured by ranking hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company. The rate of mark-up on short term financing facility is 3 months KIBOR plus 0.08% p.a. which is payable on quarterly basis. The total amount outstanding against the said facility at the period end was Rs. 2,000 million (June 30, 2021: Rs 3,000 million).

	September 30, 2021 Rs '000	June 30, 2021 Rs '000
<b>10. CONTINGENCIES AND COMMITMENTS</b>		

### 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 the 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 the imports	<b>1,326,706</b>	1,326,706
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**September 30,  
2021  
Rs '000**

**June 30,  
2021  
Rs '000**

against submission of bank guarantees and restraining customs authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the 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.

On November 10, 2020 the Court referred the case to Customs authorities with the instruction not to encash the bank guarantees without giving the Company appropriate remedy under the law. In June 2021, the Customs authorities have issued orders granting partial relief for Company's contention. The Company has preferred an appeal before Collector of Appeals in respect of matters not adjudicated per its contention.

Based on advice from the legal advisor, the Company is confident that there are reasonable grounds for a favourable decision, and accordingly, this has not been recognized as a liability in the financial statements.

- |      |  |                  |           |
|------|--|------------------|-----------|
| 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 for 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 parties.   |                  |           |
| iii) | Claims for land compensation contested by the Company.   | <b>5,300</b>     | 5,300     |
| iv)  | 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 20.1, the amount of which can not be presently quantified.   |                  |           |
| v)   | In March 2018, Mela and Nashpa 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 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 respective oil fields since 2007 and 2009. In this respect, an amount of Rs. 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA. | <b>2,484,098</b> | 2,484,098 |

September 30,  
2021  
Rs '000

June 30,  
2021  
Rs '000

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 2012 to 2018. 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.

- |     |   |                  |           |
|-----|---|------------------|-----------|
| vi) | 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 had been withdrawn on April 25, 2016. | <b>3,309,536</b> | 3,092,485 |
|-----|---|------------------|-----------|

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.

- |      |  |                |         |
|------|--|----------------|---------|
| vii) | 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. | <b>418,470</b> | 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   | <b>38,655</b> | 40,970 |
| ii) | Letters of credit and other contracts for purchase of store items | <b>39,688</b> | 34,431 |

Three months ended  
September 30,  
2021  
Rs '000

Year ended  
June 30,  
2021  
Rs '000

## 11. OPERATING ASSETS

### 11.1 Owned assets

Opening written down value	38,707,929	41,076,387
Additions during the period/year	13,596	239,071
Written down value of disposals	(6)	(121)
Depreciation during the period/year	(651,842)	(2,607,408)
	<b>38,069,677</b>	<b>38,707,929</b>

### 11.2 Right of use assets (ROU)

Balance at the beginning	384,795	348,225
Termination of right of use assets	(120,890)	-
Depreciation for the period/year	(23,991)	(190,500)
Remeasurement in lease liability	-	227,070
Balance at the end of the period/year	<b>239,914</b>	<b>384,795</b>
Closing written down value	<b>38,309,591</b>	<b>39,092,724</b>

## 12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	862,679	979,206
Additions during the period/year	741	114,650
Transfer/return to operating assets	-	3,596
- Building on freehold land	14,358	227,581
- Plant and machinery	(14,358)	(231,177)
Balance at the end of the period/year	<b>849,062</b>	<b>862,679</b>

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

The details are as under:

Civil works	27	-
Plant and machinery	848,035	861,679
Pipeline project	1,000	1,000
	<b>849,062</b>	<b>862,679</b>

	September 30, 2021		June 30, 2021	
	% age Holding	Rs '000	% age Holding	Rs '000
<b>13. LONG TERM INVESTMENTS - AT COST</b>				
<b>Associated Companies</b>				
<b><u>Quoted</u></b>				
National Refinery Limited - note 13.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485
<b><u>Unquoted</u></b>				
Attock Gen Limited	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><u>Unquoted</u></b>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<b>13,264,915</b>		<b>13,264,915</b>

**13.1** Based on valuation analysis, the recoverable amount of investment in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations are made on discounted cash flow based valuation methodology carried out by an external investment advisor engaged by the Company on annual basis. The latest valuation analysis was carried out for the year ended June 30, 2021.

#### **14. STOCK-IN-TRADE**

As at September 30, 2021, stock-in-trade includes stocks carried at net realisable value of Rs 4,775.65 million (June 30, 2021: Rs 5,845.80 million). Adjustments amounting to Rs 184.36 million (June 30, 2021: Rs 379.61 million) have been made to closing inventory to write down stock to net realizable value.

#### **15. TRADE DEBTS - unsecured and considered good**

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 10,472.62 million (June 30, 2021: Rs 7,833.75 million) and Pakistan Oilfields Limited Rs 3.91 million (June 30, 2021: Rs nil).

September 30, 2021 Rs '000	June 30, 2021 Rs '000
----------------------------------	-----------------------------

**16. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Due from Subsidiary Company		
Attock Hospital (Private) Limited	411	-
Due from associated companies		
Attock Petroleum Limited	1,008,071	3,653,123
Attock Information Technology Services (Private) Limited	543	444
Attock Leisure and Management Associates (Private) Limited	83	50
Attock Gen Limited	14,267	1,961
National Refinery Limited	2,437	10,912
National Cleaner Production Centre Foundation	588	611
Attock Energy (Private) Limited	53	9
Caggas (Private) Limited	65	51
Income accrued on bank deposits	31,798	26,616
Staff Pension Fund	16,688	16,688
Loans, deposits, prepayments and other receivables	153,514	231,574
Loss allowance	(120,382)	(326,746)
	<b>1,108,136</b>	<b>3,615,293</b>

**17. CASH AND BANK BALANCES**

Cash in hand (US \$ 7,393; June 30, 2021: US \$ 7,393)	3,771	2,321
With banks:		
Local currency		
Current accounts	8,000	8,024
Deposit accounts - notes 17.1, 17.2 and 17.3	6,459,664	6,894,581
Saving accounts	2,673,122	5,073,295
Foreign Currency		
Saving accounts (US \$ 463,573; June 30, 2021: US \$ 463,573)	79,086	73,059
	<b>9,223,643</b>	<b>12,051,280</b>

**17.1** Deposit accounts include Rs 3,959.66 million (June 30, 2021: Rs 3,894.58 million) placed in a 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.

**17.2** Balances with banks include Rs 2,500 million (June 30, 2021: Rs 3,000 million placed in 30-days) in respect of deposits placed in 90-days interest-bearing account.

**17.3** Bank deposits include Rs 1,326.71 million (June 30, 2021: Rs 1,326.71 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

September 30, 2021 Rs '000	September 30, 2020 Rs '000
----------------------------------	----------------------------------

**17.4 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprise the following:

Cash and bank balances	9,223,643	5,184,918
Short term financing	(2,000,000)	-
	<b>7,223,643</b>	<b>5,184,918</b>

**18. GROSS SALES**

	<b>Three months ended</b>	
	<b>September 30, 2021 Rs '000</b>	<b>September 30, 2020 Rs '000</b>
Local sales	<b>55,688,220</b>	46,615,865
Naphtha export sales	<b>105,818</b>	480,701
	<b>55,794,038</b>	47,096,566

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

Sales tax	<b>6,918,239</b>	6,724,668
Petroleum development levy	<b>804,939</b>	10,659,788
Custom duties and other levies - note 19.1	<b>1,995,108</b>	989,118
PMG RON differential - note 19.2	<b>269,435</b>	294,617
HSD price differential - note 19.3	<b>140,070</b>	-
	<b>10,127,791</b>	18,668,191

**19.1** This includes Rs 1,995.09 million (September 30, 2020: Rs 989.03 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

**19.2** 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.

**19.3** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of HSD Euro-III and V price differential claim.

**20. COST OF SALES**

	<b>Three months ended</b>	
	<b>September 30, 2021 Rs '000</b>	<b>September 30, 2020 Rs '000</b>
Crude oil consumed - note 20.1	<b>42,389,063</b>	25,956,640
Transportation and handling charges	<b>14,274</b>	21,279
Salaries, wages and other benefits	<b>268,797</b>	263,608
Chemicals consumed	<b>953,060</b>	951,389
Fuel and power	<b>1,458,323</b>	907,903
Repairs and maintenance	<b>83,145</b>	60,022
Staff transport and travelling	<b>3,250</b>	4,365
Insurance	<b>84,109</b>	75,160
Cost of receptacles	<b>3,412</b>	6,926
Other operating costs	<b>7,433</b>	21,825
Security charges	<b>6,236</b>	6,569
Contract services	<b>60,921</b>	47,595
Depreciation	<b>648,850</b>	675,579
Cost of goods manufactured	<b>45,980,873</b>	28,998,860
Changes in stock	<b>(316,231)</b>	223,966
	<b>45,664,642</b>	29,222,826

**20.1** 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.

	Three months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000
<b>21. OTHER INCOME</b>		
Income on bank deposits	172,736	84,270
Interest on delayed payments	110,445	261,349
Handling and service charges	24,119	18,506
Rental income	32,735	26,730
Exchange gain - (net)	-	53,500
Miscellaneous	7,941	6,009
	<b>347,976</b>	<b>450,364</b>
<b>22. FINANCE COST</b>		
Exchange loss - (net)	41,276	-
Interest on long term financing	192,754	193,401
Interest on short term financing	13,203	-
Bank and other charges	165	134
Interest on lease liability	15,300	3,191
	<b>262,698</b>	<b>196,726</b>
<b>23. TAXATION</b>		
Current	229,009	214,583
Deferred	(208,195)	(435,364)
	<b>20,814</b>	<b>(220,781)</b>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>		
Dividend income from an associated company	533,438	-
Related charges:		
Workers' Profit Participation Fund	26,672	-
Workers' Welfare Fund	10,135	-
Taxation	80,016	-
	<b>(116,823)</b>	<b>-</b>
	<b>416,615</b>	<b>-</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, 2021 Rs '000	September 30, 2020 Rs '000
High Speed Diesel	19,323,695	16,384,415
Premier Motor Gasoline	21,160,083	19,512,499
Jet Petroleum	4,446,403	2,188,248
Furnace Fuel Oil	8,126,441	5,826,787
Naphtha	105,818	480,701
Others	2,631,598	2,703,916
	<b>55,794,038</b>	<b>47,096,566</b>
Taxes, duties, levies and price differential	<b>(10,127,791)</b>	<b>(18,668,191)</b>
	<b>45,666,247</b>	<b>28,428,375</b>

Revenue from four major customers of the Company constitute 94% of total revenue during the three months period ended September 30, 2021 (September 30, 2020: 91%).

## 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, 2020. 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 company during the period were as follows:

	Three months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000
<b>Sale of goods and services to:</b>		
Associated companies	18,289,477	11,936,874
Subsidiary company	6,331	4,538
Holding company	2,509	7,609
Interest income on delayed payments from an associated company	110,445	261,349
<b>Purchase of goods and services from:</b>		
Associated companies	5,296,686	3,071,308
Subsidiary company	20,750	18,262
Holding company	191,385	74,389
<b>Dividend income from:</b>		
Associated company	533,438	-
<b>Other related parties:</b>		
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	31,138	32,036
Honorarium/remuneration to Non-Executive Directors	3,448	3,549
Contribution to Workers' Profit Participation Fund	30,465	-
Contribution to Employees' Pension, Gratuity and Provident Funds	20,124	22,460

**28. GENERAL****28.1 Impact of COVID-19 on the Condensed Interim Financial Statements**

The spread of COVID-19 as a pandemic and consequent imposition of smart lock down by the Federal and Provincial Governments of Pakistan caused an overall economic slowdown and disruption of various businesses. Initially, this resulted in decrease in prices of petroleum products and lower product margins. However, during the current quarter the margins have started to improve gradually. As at period end, there is no other material adverse impact to the business, financial conditions and results of the operations. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects.

**28.2 Reclassification**

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.

**28.3 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 21, 2021.

**-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, 2021***

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
**As At September 30, 2021**

	Note	September 30, 2021 Rs '000	June 30, 2021 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, 2021: 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, 2021: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	23,906,199	23,761,583
Surplus on revaluation of freehold land		25,093,419	25,093,419
		<u>50,065,781</u>	<u>49,921,165</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	4,964,665	5,492,792
Long term lease liability		129,570	126,399
Deferred grant		5,036	5,204
<b>CURRENT LIABILITIES</b>			
Accrued mark-up on long term financing	7	142,740	152,023
Current portion of long term financing	7	2,200,000	2,200,000
Trade and other payables	8	47,730,896	47,226,654
Short term financing	9	2,000,000	3,000,000
Accrued mark-up on short term financing		13,203	16,191
Current portion of lease liability		107,072	215,832
Unclaimed dividends		9,255	9,302
Provision for taxation		3,341,879	3,163,835
		<u>55,545,045</u>	<u>55,983,837</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>110,710,097</u>	<u>111,529,397</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

	Note	September 30, 2021 Rs '000	June 30, 2021 Rs '000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	11	38,334,597	39,118,611
Capital work-in-progress	12	849,062	862,679
Major spare parts and stand-by equipments		149,579	150,287
		<u>39,333,238</u>	<u>40,131,577</u>
<b>LONG TERM INVESTMENTS</b>			
	13	21,787,291	22,199,744
<b>LONG TERM LOANS AND DEPOSITS</b>			
		39,995	41,031
<b>DEFERRED TAXATION</b>			
		7,249,741	6,963,147
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,811,219	3,757,215
Stock-in-trade	14	10,613,361	9,381,522
Trade debts	15	16,923,263	13,305,509
Dividend receivable from an associated company		533,438	-
Loans, advances, deposits, prepayments and other receivables	16	1,133,559	3,644,242
Cash and bank balances	17	9,284,992	12,105,410
		<u>42,299,832</u>	<u>42,193,898</u>
<b>TOTAL ASSETS</b>			
		<u>110,710,097</u>	<u>111,529,397</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, 2021

	Note	Three months ended	
		September 30, 2021 Rs '000	September 30, 2020 Rs '000
Gross sales	18	55,825,569	47,119,988
Taxes, duties, levies and price differential	19	(10,127,791)	(18,668,191)
Net sales		45,697,778	28,451,797
Cost of sales	20	(45,664,642)	(29,222,826)
Gross profit/(loss)		33,136	(771,029)
Administration expenses		210,164	203,126
Distribution cost		17,663	10,560
Other charges		7,854	239
		(235,681)	(213,925)
Other income	21	348,320	450,893
Impairment reversal/(loss) on financial assets		206,364	(41,999)
Operating profit/(loss)		352,139	(576,060)
Finance cost	22	(262,698)	(196,726)
Profit/(loss) before taxation from refinery operations		89,441	(772,786)
Taxation	23	(28,327)	217,444
Profit/(loss) after taxation from refinery operations		61,114	(555,342)
Non-refinery income:			
Share in profit of associated companies	24	83,703	420,274
Profit/(loss) after taxation		144,817	(135,068)
Earnings/(loss) per share - basic and diluted (Rupees)			
Refinery operations		0.57	(5.21)
Non-refinery operations		0.79	3.94
		1.36	(1.27)

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

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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, 2021**

	<b>Three months ended</b>	
	<b>September 30, 2021 Rs '000</b>	<b>September 30, 2020 Rs '000</b>
Profit/(loss) after taxation	<b>144,817</b>	(135,068)
Other comprehensive income/(loss) (net of tax):		
Share of other comprehensive income/(loss) of associated companies - net of tax	<b>(201)</b>	205
Total comprehensive income/(loss)	<b>144,616</b>	(134,863)

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 Changes in Equity (Unaudited)

### For The First Quarter Ended September 30, 2021

	Capital reserve					Revenue reserve					Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Gain/(loss) on revaluation of investment at fair value through OCI	Surplus on revaluation of freehold land		
	Rs '000										
Balance as at July 01, 2020	1,066,163	-	12,908,966	213,576	155,996	7,077,380	2,376,795	3,236	25,093,419	48,895,531	
Total comprehensive income/(loss)-net of tax											
Loss for the period	-	-	-	-	-	-	(135,068)	-	-	(135,068)	
Other comprehensive income for the period	-	-	-	-	-	-	205	-	-	205	
	-	-	-	-	-	-	(134,863)	-	-	(134,863)	
Balance as at September 30, 2020	1,066,163	-	12,908,966	213,576	155,996	7,077,380	2,241,932	3,236	25,093,419	48,760,668	
Total comprehensive income/(loss)-net of tax											
Profit for the period	-	-	-	-	-	-	1,202,910	-	-	1,202,910	
Other comprehensive loss for the period	-	-	-	-	-	-	(41,624)	(789)	-	(42,413)	
	-	-	-	-	-	-	1,161,286	(789)	-	1,160,497	
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	1,337	-	-	(1,337)	-	-	-	
Balance as at June 30, 2021	1,066,163	-	12,908,966	214,913	155,996	7,077,380	3,401,881	2,447	25,093,419	49,921,165	
Total comprehensive income/(loss)-net of tax											
Profit for the period	-	-	-	-	-	-	144,817	-	-	144,817	
Other comprehensive loss for the period	-	-	-	-	-	-	(201)	-	-	(201)	
	-	-	-	-	-	-	144,616	-	-	144,616	
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	11,202	-	-	-	-	(11,202)	-	-	-	
Balance as at September 30, 2021	1,066,163	11,202	12,908,966	214,913	155,996	7,077,380	3,535,295	2,447	25,093,419	50,065,781	

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 Cash Flows (Unaudited)

### For The First Quarter Ended September 30, 2021

	Three months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000
Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	52,161,225	44,478,305
- Others	2,837,868	117,159
	<b>54,999,093</b>	44,595,464
Cash paid for operating cost	(46,199,153)	(29,060,218)
Cash paid to Government for duties, taxes and other levies	(9,868,866)	(18,142,226)
Income tax paid	(133,254)	(112,864)
Net cash outflows from operating activities	<b>(1,202,180)</b>	(2,719,844)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	660	(42,384)
Proceeds against disposal of operating assets	355	6
Long term loans and deposits	1,037	(941)
Income received on bank deposits	167,553	102,600
Net cash generated from investing activities	<b>169,605</b>	59,281
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(550,000)	-
Repayment of lease liability	-	(30,176)
Transaction cost on long term financing	(500)	(500)
Dividend paid to Company's shareholders	(47)	-
Finance cost	(231,173)	(241,839)
Net cash outflows from financing activities	<b>(781,720)</b>	(272,515)
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(1,814,295)</b>	(2,933,078)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>9,105,410</b>	8,158,690
Effect of exchange rate changes on cash and cash equivalents	(6,123)	(1,176)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>7,284,992</b>	5,224,436

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, 2021**

### **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, England 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 consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended June 30, 2021.

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

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The Accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the audited consolidated financial statements for the year ended June 30, 2021.

### **4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended June 30, 2021.

## 5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2021: 65,095,630) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2021: 1,790,000) ordinary shares as at September 30, 2021.

September 30, 2021 Rs '000	June 30, 2021 Rs '000
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## 6. RESERVES AND SURPLUS

### Capital reserve

Special reserve for expansion/modernisation - note 6.1	11,202	-
Utilised special reserve for expansion/modernisation - note 6.2	10,962,934	10,962,934
Utilised special reserve for expansion/modernisation of an associated company	1,946,032	1,946,032
	12,908,966	12,908,966
Maintenance reserve - note 6.3	214,913	214,913
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
Donation received for purchase of hospital equipment	4,000	4,000
Bonus shares issued by associated companies	146,048	146,048
	155,996	155,996

### Revenue reserve

General reserve	7,077,380	7,077,380
Gain on revaluation of investment at fair value through OCI	2,447	2,447
Unappropriated profit	3,535,295	3,401,881
	10,615,122	10,481,708
	23,906,199	23,761,583

**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.

**6.2** Represent amounts utilized out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till September 30, 2021 is Rs 29,143.58 million including Rs 18,180.65 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

**6.3** Represents amount retained by Attock Gen Limited for the purposes of major maintenance expenses as per the terms of the Power Purchase Agreement.

September 30,  
2021  
Rs '000

June 30,  
2021  
Rs '000

## 7. LONG TERM FINANCING - secured

### From banking companies

Syndicated Term Finance - note 7.1	5,533,311	5,942,295
Musharaka Finance - note 7.2	1,811,053	1,944,913
	<b>7,344,364</b>	<b>7,887,208</b>
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	42,393	67,420
Addition during the period/year	500	500
Amortization for the period/year	(5,934)	(25,527)
Balance at the end of the period/year	<b>36,959</b>	<b>42,393</b>
	<b>7,307,405</b>	<b>7,844,815</b>
Current portion of long term financing	<b>(2,200,000)</b>	<b>(2,200,000)</b>
	<b>5,107,405</b>	<b>5,644,815</b>
Mark-up payable shown as current liability	<b>(142,740)</b>	<b>(152,023)</b>
	<b>4,964,665</b>	<b>5,492,792</b>

- 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.
- 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, 2021: nil %) while its share in Musharaka Assets B is 30.42% (June 30, 2021: 35.37%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2021: 100%) while its share in Musharaka Assets B is 69.58% (June 30, 2021: 64.63%) respectively. 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, 2021 Rs '000	June 30, 2021 Rs '000
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## 8. TRADE AND OTHER PAYABLES

Creditors - note 8.1	27,000,967	26,851,751
Due to The Attock Oil Company Limited - Holding Company	218,753	229,599
Due to an associated company Pakistan Oilfields Limited	2,816,972	2,678,017
Accrued liabilities and provisions - note 8.1	4,796,658	4,808,532
Due to the Government under the pricing formula	4,513,252	4,058,933
Custom duty payable to the Government	5,771,377	5,245,223
Advance payments from customers	128,290	193,073
Sales tax payable	1,779,316	2,501,329
Workers' Profit Participation Fund	30,465	-
ARL Gratuity Fund	113,361	113,329
Crude oil freight adjustable through inland freight equalisation margin	67,714	59,958
Payable to statutory authorities in respect of petroleum development levy and excise duty	490,108	483,247
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	<b>47,730,896</b>	<b>47,226,654</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 4,015.43 million (June 30, 2021: Rs 3,950.27 million).

## 9. SHORT TERM FINANCING

The Company have obtained short term financing from a bank amounting to Rs 3,000 million to finance its working capital requirements. This facility is secured by ranking hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company. The rate of mark-up on short term financing facility is 3 months KIBOR plus 0.08% p.a. which is payable on quarterly basis. The total amount outstanding against the said facility at the period end was Rs 2,000 million (June 30, 2021: Rs 3,000 million).

September 30, 2021 Rs '000	June 30, 2021 Rs '000
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## 10. 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 the 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 the imports against submission of bank guarantees and restraining customs	1,326,706	1,326,706
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September 30,  
2021  
Rs '000

June 30,  
2021  
Rs '000

authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the 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.

On November 10, 2020 the Court referred the case to Customs authorities with the instruction not to encash the bank guarantees without giving the Company appropriate remedy under the law. In June 2021, the Customs authorities have issued orders granting partial relief for Company's contention. The Company has preferred an appeal before Collector of Appeals in respect of matters not adjudicated per its contention.

Based on advice from the legal advisor, the Company is confident that there are reasonable grounds for a favourable decision, and accordingly, this has not been recognized as a liability in the consolidated financial statements.

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 for 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 parties.		
iii) Claims for land compensation contested by ARL.	<b>5,300</b>	5,300
iv) 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 20.1, the amount of which can not be presently quantified.		
v) In March 2018, Mela and Nashpa 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 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 respective oil fields since 2007 and 2009. In this respect, an amount of Rs. 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.	<b>2,484,098</b>	2,484,098

September 30,  
2021  
Rs '000

June 30,  
2021  
Rs '000

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 2012 to 2018. 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.

<b>vi)</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 had been withdrawn on April 25, 2016.	<b>3,309,536</b>	3,092,485
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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.

<b>vii)</b>	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.	<b>418,470</b>	418,470
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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.

<b>viii)</b>	The Company's share in contingency of associated companies.	<b>3,188,626</b>	2,324,842
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**Commitments:**

<b>i)</b>	Capital expenditure	<b>38,655</b>	40,970
<b>ii)</b>	Letters of credit and other contracts for purchase of store items	<b>39,688</b>	34,431
<b>iii)</b>	The Company's share of commitments of associated companies:		
	Capital expenditure commitments	<b>378,017</b>	381,141
	Outstanding letters of credit	<b>3,101,486</b>	1,790,581

Three months ended  
September 30,  
2021  
Rs '000

Year ended  
June 30,  
2021  
Rs '000

## 11. OPERATING ASSETS

### 11.1 Owned assets

Opening written down value	38,733,816	41,098,012
Additions during the period/year	13,665	246,915
Written down value of disposals	(6)	(121)
Depreciation during the period/year	(652,792)	(2,610,990)
	<b>38,094,683</b>	<b>38,733,816</b>

### 11.2 Right of use assets (ROU)

Balance at the beginning	384,795	348,225
Termination of right of use assets	(120,890)	-
Depreciation for the period/year	(23,991)	(190,500)
Remeasurement in lease liability	-	227,070
Balance at the end of the period/year	<b>239,914</b>	<b>384,795</b>
Closing written down value	<b>38,334,597</b>	<b>39,118,611</b>

## 12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	862,679	979,206
Additions during the period/year	741	114,650
Transfer/return to operating assets		
- Building on freehold land	-	3,596
- Plant and machinery	14,358	227,581
	<b>(14,358)</b>	<b>(231,177)</b>
Balance at the end of the period/year	<b>849,062</b>	<b>862,679</b>

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

#### The details are as under:

Civil works	27	-
Plant and machinery	848,035	861,679
Pipeline project	1,000	1,000
	<b>849,062</b>	<b>862,679</b>

## 13. LONG TERM INVESTMENTS

### Investment in associated companies

Balance at the beginning	22,199,744	18,520,569
Share of profit after tax of associated companies	846,217	2,200,192
Share in other comprehensive loss	(201)	(4,116)
Dividend received from an associated company	(533,438)	(141,524)
Impairment (loss)/reversal on investment	(725,031)	1,625,412
Effect of change in accounting policies due to IFRS 9	-	(789)
Balance at the end of the period/year	<b>21,787,291</b>	<b>22,199,744</b>

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

	September 30, 2021		June 30, 2021	
	% age Holding	Rs '000	% age Holding	Rs '000
<b>Quoted</b>				
National Refinery Limited - note 13.2	25	9,835,888	25	10,459,427
Attock Petroleum Limited	21.88	8,324,531	21.88	8,347,683
<b>Unquoted</b>				
Attock Gen Limited	30	3,584,858	30	3,351,893
Attock Information Technology Services (Private) Limited	10	42,014	10	40,741
		<b>21,787,291</b>		<b>22,199,744</b>

13.2 Based on valuation analysis, the recoverable amount of investment in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations are made on discounted cash flow based valuation methodology carried out by an external investment advisor engaged by the Company on annual basis. The latest valuation analysis was carried out for the year ended June 30, 2021.

#### 14. STOCK-IN-TRADE

As at September 30, 2021, stock-in-trade includes stocks carried at net realisable value of Rs 4,775.65 million (June 30, 2021: Rs 5,845.80 million). Adjustments amounting to Rs 184.36 million (June 30, 2021: Rs 379.61 million) have been made to closing inventory to write down stock to net realizable value.

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

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 10,472.62 million (June 30, 2021: Rs 7,833.75 million) and Pakistan Oilfields Limited Rs 3.91 million (June 30, 2021: Rs nil).

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

Due from associated companies

	September 30, 2021 Rs '000	June 30, 2021 Rs '000
Attock Petroleum Limited	1,010,549	3,654,893
Attock Information Technology Services (Private) Limited	543	444
Attock Leisure and Management Associates (Private) Limited	83	50
Attock Gen Limited	14,274	2,047
Attock Cement Pakistan Limited	1	-
National Cleaner Production Centre Foundation	882	613
Capgas (Private) Limited	133	212
National Refinery Limited	2,437	10,912
Attock Energy (Private) Limited	53	9
Attock Sahara Foundation	289	466
Staff Pension Fund	30,852	30,632
Income accrued on bank deposits	32,257	26,615
Loans, deposits, prepayments and other receivables	161,588	244,095
Loss allowance	(120,382)	(326,746)
	<b>1,133,559</b>	<b>3,644,242</b>

September 30, 2021 Rs '000	June 30, 2021 Rs '000
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**17. CASH AND BANK BALANCES**

Cash in hand (US \$ 7,393; June 30, 2021: US \$ 7,393)	4,112	2,521
With banks:		
Local currency		
Current accounts	8,267	8,934
Deposit accounts - note 17.1, 17.2 and 17.3	6,459,664	6,894,581
Saving accounts	2,733,863	5,126,315
Foreign Currency		
Saving accounts (US \$ 463,573; June 30, 2021: US \$ 463,573)	79,086	73,059
	<b>9,284,992</b>	<b>12,105,410</b>

**17.1** Deposit accounts include Rs 3,959.66 million (June 30, 2021: Rs 3,894.58 million) placed in a 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.

**17.2** Balances with banks include Rs 2,500 million (June 30, 2021: Rs 3,000 million placed in 30-days) in respect of deposits placed in 90-days interest-bearing account.

**17.3** Bank deposits include Rs 1,326.71 million (June 30, 2021: Rs 1,326.71 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

September 30, 2021 Rs '000	September 30, 2020 Rs '000
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**17.4 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprise the following:

Cash and bank balances	9,284,992	5,184,918
Short term financing	(2,000,000)	-
	<b>7,284,992</b>	<b>5,224,436</b>

**Three months ended**

September 30, 2021 Rs '000	September 30, 2020 Rs '000
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**18. GROSS SALES**
**Company**

Local sales	55,688,220	46,615,865
Naphtha export sales	105,818	480,701

**Subsidiary**

Local sales	31,531	23,422
	<b>55,825,569</b>	<b>47,119,988</b>

**Three months ended**

September 30, 2021 Rs '000	September 30, 2020 Rs '000
<b>6,918,239</b>	6,724,668
<b>804,939</b>	10,659,788
<b>1,995,108</b>	989,118
<b>269,435</b>	294,617
<b>140,070</b>	-
<b>10,127,791</b>	<b>18,668,191</b>

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

Sales tax	<b>6,918,239</b>	6,724,668
Petroleum development levy	<b>804,939</b>	10,659,788
Custom duties and other levies - note 19.1	<b>1,995,108</b>	989,118
PMG RON differential - note 19.2	<b>269,435</b>	294,617
HSD price differential - note 19.3	<b>140,070</b>	-

**19.1** This includes Rs 1,995.09 million (September 30, 2020: Rs 989.03 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

**19.2** 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.

**19.3** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of HSD Euro-III and V price differential claim.

**Three months ended**

September 30, 2021 Rs '000	September 30, 2020 Rs '000
<b>42,389,063</b>	25,956,640
<b>14,274</b>	21,279
<b>268,797</b>	263,608
<b>953,060</b>	951,389
<b>1,458,323</b>	907,903
<b>83,145</b>	60,022
<b>3,250</b>	4,365
<b>84,109</b>	75,160
<b>3,412</b>	6,926
<b>7,433</b>	21,825
<b>6,236</b>	6,569
<b>60,921</b>	47,595
<b>648,850</b>	675,579
<b>45,980,873</b>	28,998,860
<b>(316,231)</b>	223,966
<b>45,664,642</b>	<b>29,222,826</b>

**20. COST OF SALES**

Crude oil consumed - note 20.1	<b>42,389,063</b>	25,956,640
Transportation and handling charges	<b>14,274</b>	21,279
Salaries, wages and other benefits	<b>268,797</b>	263,608
Chemicals consumed	<b>953,060</b>	951,389
Fuel and power	<b>1,458,323</b>	907,903
Repairs and maintenance	<b>83,145</b>	60,022
Staff transport and travelling	<b>3,250</b>	4,365
Insurance	<b>84,109</b>	75,160
Cost of receptacles	<b>3,412</b>	6,926
Other operating costs	<b>7,433</b>	21,825
Security charges	<b>6,236</b>	6,569
Contract services	<b>60,921</b>	47,595
Depreciation	<b>648,850</b>	675,579
Cost of goods manufactured	<b>45,980,873</b>	28,998,860
Changes in stock	<b>(316,231)</b>	223,966

**20.1** 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.

	Three months ended	
	September 30, 2021 Rs '000	September 30, 2020 Rs '000
<b>21. OTHER INCOME</b>		
Income on bank deposits	173,196	84,890
Interest on delayed payments	110,445	261,349
Handling and service charges	24,119	18,506
Rental income	32,452	26,472
Exchange gain - (net)	-	53,500
Miscellaneous	8,108	6,176
	<b>348,320</b>	<b>450,893</b>
<b>22. FINANCE COST</b>		
Exchange loss - (net)	41,276	-
Interest on long term financing	192,754	193,401
Interest on short term financing	13,203	-
Bank and other charges	165	134
Interest on lease liability	15,300	3,191
	<b>262,698</b>	<b>196,726</b>
<b>23. TAXATION</b>		
Current	235,581	217,975
Deferred	(207,254)	(435,419)
	<b>28,327</b>	<b>(217,444)</b>
<b>24. NON-REFINERY INCOME</b>		
Share in profit of associated companies [net of impairment reversal/(loss)]	121,186	482,007
Related charges:		
Workers' Profit Participation Fund	26,672	-
Workers' Welfare Fund	10,135	-
Taxation - current and deferred	676	61,733
	<b>(37,483)</b>	<b>(61,733)</b>
	<b>83,703</b>	<b>420,274</b>
<b>25. OPERATING SEGMENT</b>		

These condensed interim consolidated 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, 2021 Rs '000	September 30, 2020 Rs '000
High Speed Diesel	19,323,695	16,384,415
Premier Motor Gasoline	21,160,083	19,512,499
Jet Petroleum	4,446,403	2,188,248
Furnace Fuel Oil	8,126,441	5,826,787
Naphtha	105,818	480,701
Others	2,663,129	2,727,338
	<b>55,825,569</b>	<b>47,119,988</b>
Taxes, duties, levies and price differential	<b>(10,127,791)</b>	<b>(18,668,191)</b>
	<b>45,697,778</b>	<b>28,451,797</b>

Revenue from four major customers of the Company constitute 94% of total revenue during the three months period ended September 30, 2021 (September 30, 2020: 91%).

## 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, 2020. The revaluation surplus was credited to consolidated 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, 2021 Rs '000	September 30, 2020 Rs '000
<b>Sale of goods and services to:</b>		
Associated companies	18,299,280	11,944,206
Holding company	2,509	7,609
Interest income on delayed payments from an associated company	110,445	261,349
<b>Purchase of goods and services from:</b>		
Associated companies	5,296,872	3,071,574
Holding company	191,385	74,389
<b>Dividend income from:</b>		
Associated company	533,438	-
<b>Other related parties:</b>		
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	32,321	32,036
Honorarium/remuneration to Non-Executive Directors	3,448	3,549
Contribution to Workers' Profit Participation Fund	30,465	-
Contribution to Employees' Pension, Gratuity and Provident Funds	21,083	23,674

**28. GENERAL****28.1 Impact of COVID-19 on the Condensed Interim Consolidated Financial Statements**

The spread of COVID-19 as a pandemic and consequent imposition of smart lock down by the Federal and Provincial Governments of Pakistan caused an overall economic slowdown and disruption of various businesses. Initially, this resulted in decrease in prices of petroleum products and lower product margins. However, during the current quarter the margins have started to improve gradually. As at period end, there is no other material adverse impact to the business, financial conditions and results of the operations. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects.

**28.2 Reclassification**

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.

**28.3 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 21, 2021.

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

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

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