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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 GRACIOUS, THE MOST MERCIFUL

On behalf of the Board of Directors of Attock Refinery Limited, we are pleased to present a brief review of the financial results and operations of the Company for the second quarter and half year ended December 31, 2020.

### FINANCIAL RESULTS

During the half year ended December 31, 2020, the Company suffered loss after tax of Rs 863 million from refinery operations (December 31, 2019: loss Rs 1,274 million). Non-refinery income during this period was Rs 74 million (December 31, 2019: Rs 393 million). Accordingly, overall loss after taxation was Rs 789 million with loss per share of Rs 7.40 (December 31, 2019: loss Rs 881 million with loss per share of Rs 8.27). Negative impact of COVID-19 pandemic on global and domestic economy resulted in erosion of margins in petroleum sector in general and refining sector in particular which caused this loss situation.

Although refining margins were slightly better in the month of December 2020, but overall margins during the period remained suppressed.

### REFINERY OPERATIONS

The refinery had to be operated at lower capacity in order to minimize losses. During the period under review, the Company supplied 898 thousand Metric Tons of various petroleum products while operating at about 76% of the capacity (December 31, 2019: 878 thousand Metric Tons, 73% capacity). Despite multiple challenges triggered by COVID-19 the Company maintained smooth supply of petroleum products.

### FUTURE OUTLOOK

Restoration of global economic activity mainly depends on how soon we see the end of the pandemic. Hopefully, vaccination of large segment of population against COVID-19 may help in gradual restoration, resulting in improvement in demand and stability of prices of petroleum products. The steps already taken by the Government with respect to application of actual exchange rate and fortnightly pricing mechanism for petroleum products is also expected to have positive impact on refineries' margins.

Earlier, the Government had constituted a Working Group comprising of Government officials and representative of refineries to address issues faced by the refining sector. In their submission to the Group, the refineries urged upon the Government to consider providing support to the refineries in the shape of fiscal and other incentives. Several meetings of the working group have been held and discussions are in progress.

### ACKNOWLEDGEMENT

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

On behalf of the Board

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

January 26, 2021  
Rawalpindi

-Sd-

**Abdus Sattar**  
Director

کی امید نظر آرہی ہے۔ پیٹرولیم مصنوعات کے لئے پاکستانی روپے کا امریکی ڈالر کی اصل شرح تبادلہ اور پندرہ دنوں کی قیمتوں کی بنیاد پر پیٹرولیم مصنوعات کی قیمتوں کا تعین کرنے کے طریقہ کار کے حکومتی اقدامات سے ریفائنریز کے منافع پر مثبت اثرات مرتب ہونے کی قوی امید ہے۔

قبل ازیں حکومت نے حکومتی عہدیداران اور ریفائنریز کے نمائندوں پر مشتمل ایک ورکنگ گروپ تشکیل دیا تھا جو حکومت کو ریفائننگ سیکٹر میں درپیش مشکلات سے آگاہ کرے گا۔ گروپ کو دی گئی اپنی تجاویز میں ریفائنریز نے حکومت پر زور دیا ہے کہ وہ ریفائنریز کو مالی اور دیگر مراعات کی شکل میں معاونت فراہم کرے۔ اس ورکنگ گروپ کے متعدد اجلاس منعقد ہو چکے ہیں اور تبادلہ خیال جاری ہے۔

### اظہارِ شکر

بورڈ آف ڈائریکٹرز اپنے ملازمین، قابلِ قدر صارفین، خام تیل مہیا کرنے والے اداروں، وزارتِ توانائی۔ پیٹرولیم ڈویژن اور دیگر اداروں کی جانب سے ملنے والی معاونت پر ان تمام کے شکر گزار ہیں۔

بورڈ کی جانب سے

-Sd-

عبدالستار  
ڈائریکٹر

-Sd-

ایم عادل خٹک  
چیف ایگزیکٹو آفیسر

۲۶ جنوری ۲۰۲۱ء  
راولپنڈی

## ڈائریکٹرز کی جائزہ رپورٹ

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

انک ریفائنری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۱ دسمبر ۲۰۲۰ء کو ختم ہونے والی دوسری سہ ماہی اور ششماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

۳۱ دسمبر ۲۰۲۰ء کو ختم ہونے والی ششماہی کی اختتامی مدت کے دوران کمپنی کو ریفائنری آپریشنز سے ٹیکس ادا کرنے کے بعد ۸۶۳ ملین روپے کا خسارہ ہوا (۳۱ دسمبر ۲۰۱۹ء: ۱،۲۷۴ ملین روپے کا خسارہ)۔ اس مدت کے دوران غیر ریفائنری ذرائع سے ۷۴ ملین روپے کی آمدن ہوئی (۳۱ دسمبر ۲۰۱۹ء: ۳۹۳ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۷۹ ملین روپے کا خسارہ ہوا نتیجتاً فی حصص نقصان ۷۴۰ روپے رہا (۳۱ دسمبر ۲۰۱۹ء: ۸۸۱ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۸۲۷ روپے)۔ عالمی اور ملکی معیشت پر کوئیڈ-۱۹ وبائی امراض کے منفی اثرات کے نتیجے میں عمومی طور پر پیٹرولیم سیکٹر اور خصوصاً ریفائننگ سیکٹر میں منافع میں کمی اس نقصان کا باعث بنی۔

اگرچہ دسمبر ۲۰۲۰ء کے مہینے میں ریفائننگ مارجن میں بہتری آئی، لیکن مجموعی طور پر پوری ششماہی کے دوران یہ مارجنز مایوس کن رہے۔

### ریفائنری آپریشنز

نقصانات کو کم کرنے کیلئے ریفائنری کو کم استعداد پر چلانا پڑا۔ زیر جائزہ مدت کے دوران کمپنی نے ۷۶٪ پیداواری استعداد کے ساتھ ۸۹۸ ہزار میٹرک ٹن کی مختلف پیٹرولیم مصنوعات کی ترسیلات کیں (۳۱ دسمبر ۲۰۱۹ء: ۸۷۸ ہزار میٹرک ٹن، ۷۳٪ استعداد)۔ کوئیڈ-۱۹ کی وجہ سے پیدا ہونے والے متعدد چیلنجز کے باوجود کمپنی نے پیٹرولیم مصنوعات کی فراہمی احسن طریقے سے جاری رکھی۔

### مستقبل کا منظر نامہ

عالمی معاشی سرگرمیوں کی بحالی کا انحصار کوئیڈ-۱۹ مرض سے جلد چھٹکارا پانے پر ہے۔ کوئیڈ-۱۹ کے خلاف آبادی کے بڑے حصے کی ویکسینیشن سے عالمی کاروبار کی تدریج بحالی اور نتیجتاً مصنوعات کی قیمتوں میں طلب اور قیمتوں کے استحکام میں بہتری

**A. F. FERGUSON & CO.**

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the members of Attock Refinery Limited**

### **Report on review of Interim Financial Statements**

#### ***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of Attock Refinery Limited as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the three months ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2020.

#### ***Scope of Review***

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

#### ***Conclusion***

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

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin.

**-Sd-**

Chartered Accountants  
Islamabad  
Dated: February 1, 2021

**Condensed Interim Statement of Financial Position (Unaudited)**  
As At December 31, 2020

	Note	December 31, 2020 Rs' 000	June 30, 2020 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, 2020: 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 capital</b>			
106,616,250 (June 30, 2020: 106,616,250) ordinary shares of Rs 10 each	5	<b>1,066,163</b>	1,066,163
Reserves and surplus	6	<b>16,954,736</b>	17,743,509
Surplus on revaluation of freehold land		<b>25,093,419</b>	25,093,419
		<u><b>43,114,318</b></u>	<u>43,903,091</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	7	<b>6,548,304</b>	7,614,194
Long term lease liability		<b>54,496</b>	106,741
<b>CURRENT LIABILITIES</b>			
Accrued mark-up on long term financing	7	<b>150,978</b>	204,519
Current portion of long term financing	7	<b>1,100,000</b>	-
Trade and other payables	8	<b>42,796,422</b>	43,181,953
Short term financing	9	<b>1,500,000</b>	-
Accrued mark-up on short term financing		<b>1,210</b>	-
Current portion of lease liability		<b>213,905</b>	214,899
Unclaimed dividends		<b>9,350</b>	9,355
Provision for taxation		<b>2,971,195</b>	2,752,442
		<u><b>48,743,060</b></u>	<u>46,363,168</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>98,460,178</b></u>	<u>97,987,194</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

	Note	December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	11	<b>40,200,547</b>	41,424,612
Capital work-in-progress	12	<b>853,661</b>	979,206
Major spare parts and stand-by equipment		<b>153,254</b>	138,935
		<u><b>41,207,462</b></u>	<u>42,542,753</u>
<b>LONG TERM INVESTMENTS</b>	13	<b>13,264,915</b>	13,264,915
<b>LONG TERM LOANS AND DEPOSITS</b>		<b>39,309</b>	40,103
<b>DEFERRED TAXATION</b>		<b>7,456,229</b>	6,704,608
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<b>3,989,882</b>	4,431,073
Stock-in-trade	14	<b>8,292,144</b>	7,163,855
Trade debts	15	<b>12,291,343</b>	12,728,442
Loans, advances, deposits, prepayments and other receivables	16	<b>3,418,065</b>	2,988,463
Cash and bank balances	17	<b>8,500,829</b>	8,122,982
		<u><b>36,492,263</b></u>	<u>35,434,815</u>
<b>TOTAL ASSETS</b>		<u><b>98,460,178</b></u>	<u>97,987,194</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 Six Months Period Ended December 31, 2020

	Note	Three months ended		Six months ended	
		December 31,	December 31,	December 31,	December 31,
		2020 Rs' 000	2019 Rs' 000	2020 Rs' 000	2019 Rs' 000
Gross sales	18	43,729,285	54,295,452	90,825,851	103,141,018
Taxes, duties, levies, discounts and price differential	19	(18,042,975)	(16,303,919)	(36,711,166)	(28,976,945)
Net sales		25,686,310	37,991,533	54,114,685	74,164,073
Cost of sales	20	(26,158,107)	(39,918,791)	(55,380,933)	(76,348,579)
Gross loss		(471,797)	(1,927,258)	(1,266,248)	(2,184,506)
Administration expenses		(198,803)	(247,877)	(388,290)	(426,549)
Distribution cost		(10,685)	(10,056)	(21,245)	(23,105)
Other charges		-	7,942	-	-
		(209,488)	(249,991)	(409,535)	(449,654)
Other income	21	507,256	848,894	957,620	1,712,880
Impairment loss on financial assets		(49,181)	(121,288)	(91,180)	(121,288)
Operating loss		(223,210)	(1,449,643)	(809,343)	(1,042,568)
Finance cost	22	(201,048)	(339,696)	(397,774)	(693,237)
Loss before taxation from refinery operations		(424,258)	(1,789,339)	(1,207,117)	(1,735,805)
Taxation	23	123,535	508,207	344,316	461,937
Loss after taxation from refinery operations		(300,723)	(1,281,132)	(862,801)	(1,273,868)
Income from non-refinery operations less applicable charges and taxation	24	74,028	30,513	74,028	392,722
Loss after taxation		(226,695)	(1,250,619)	(788,773)	(881,146)
(Loss)/earnings per share - basic and diluted (Rs)					
Refinery operations		(2.82)	(12.02)	(8.09)	(11.95)
Non-refinery operations		0.69	0.28	0.69	3.68
Loss per share		(2.13)	(11.74)	(7.40)	(8.27)

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 Six Months Period Ended December 31, 2020**

	Three months ended		Six months ended	
	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
Loss after taxation	<b>(226,695)</b>	(1,250,619)	<b>(788,773)</b>	(881,146)
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive loss	<b><u>(226,695)</u></b>	<u>(1,250,619)</u>	<b><u>(788,773)</u></b>	<u>(881,146)</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 Changes in Equity (Unaudited)

### For The Six Months Period Ended December 31, 2020

	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	
	Rs' 000								
Balance as at July 01, 2019	1,066,163	-	10,962,934	5,948	3,762,775	55	5,807,643	12,052,576	33,658,094
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(881,146)	-	(881,146)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(881,146)	-	(881,146)
Balance as at December 31, 2019	1,066,163	-	10,962,934	5,948	3,762,775	55	4,926,497	12,052,576	32,776,948
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(1,943,780)	-	(1,943,780)
Other comprehensive income for the period	-	-	-	-	-	-	29,080	13,040,843	13,069,923
	-	-	-	-	-	-	(1,914,700)	13,040,843	11,126,143
Balance as at June 30, 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									
Loss for the period	-	-	-	-	-	-	(788,773)	-	(788,773)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(788,773)	-	(788,773)
Balance as at December 31, 2020	1,066,163	-	10,962,934	5,948	3,762,775	55	2,223,024	25,093,419	43,114,318

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 Six Months Period Ended December 31, 2020

	Six months ended	
	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - customers	90,961,459	108,926,684
- others	336,652	383,901
	<b>91,298,111</b>	109,310,585
Cash paid for operating costs	(55,206,871)	(80,758,381)
Cash paid to Government for duties, taxes and other levies	(36,784,381)	(28,325,837)
Income tax paid	(201,616)	(441,352)
Net cash outflows from operating activities	<b>(894,757)</b>	(214,985)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(58,740)	(404,419)
Proceeds against disposal of operating assets	124	4,678
Long term loans and deposits	794	4,054
Income on bank deposits received	216,463	832,036
Dividend received	87,092	442,218
Net cash generated from investing activities	<b>245,733</b>	878,567
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	(1,100,000)
Repayment of lease liability	(60,352)	-
Short term financing received	1,500,000	-
Transaction cost on long term financing	(500)	(500)
Dividend paid to Company's shareholders	(6)	(28)
Finance cost	(408,382)	(673,272)
Net cash inflows/(outflows) from financing activities	<b>1,030,760</b>	(1,773,800)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>381,736</b>	(1,110,218)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>8,122,982</b>	16,583,594
Effect of exchange rate changes	(3,889)	(3,617)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>8,500,829</b>	15,469,759

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 Six Months Period Ended December 31, 2020**

### **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 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 34 "Interim Financial Reporting" (IAS 34) 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, 2020.

### **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, 2020.

### **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, 2020.

### **5. SHARE CAPITAL**

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2020: 65,063,530) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2020: 1,790,000) ordinary shares as at December 31, 2020.

December 31,  
2020  
Rs' 000

June 30,  
2020  
Rs' 000

## 6. RESERVES AND SURPLUS

### Capital reserve

Special reserve for expansion/modernisation - note 6.1

-

-

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

**2,223,024**

3,011,797

**5,985,854**

6,774,627

**16,954,736**

17,743,509

- 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/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till December 31, 2020 is Rs 29,095.90 million including Rs 18,132.97 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.

December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
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**7. LONG TERM FINANCING - secured**
**From banking companies**

Syndicated Term Finance - note 7.1

**5,917,606**

5,941,485

Musharaka Finance - note 7.2

**1,936,833**

1,944,648

**7,854,439**

7,886,133

Less: Unamortised transaction cost on financing:

Balance at the beginning of the period/year

**67,420**

94,920

Addition during the period/year

**500**

500

Amortization for the period/year

**(12,763)**

(28,000)

Balance at the end of the period/year

**55,157**

67,420

**7,799,282**

7,818,713

Current portion of long term financing

**(1,100,000)**

-

**6,699,282**

7,818,713

Mark-up payable shown as current liability

**(150,978)**

(204,519)

**6,548,304**

7,614,194

**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, 2020: nil %) while its share in Musharaka Assets B is 35.37% (June 30, 2020: 35.37%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2020: 100%) while its share in Musharaka Assets B is 64.63% (June 30, 2020: 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%.

**7.4** The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators/governments across the globe had introduced a host of measures on both the fiscal and economic fronts. The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rates and other regulatory measures to provide an impetus to economic activity including allowing borrowers to defer principal loan payments by one year.

Taking the benefit of above mentioned steps, the Company availed the scheme for deferment in repayment of principal amount of its long term financing for a period of one year and the next installment of Rs 550 million will be due in July 2021.

December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
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**8. TRADE AND OTHER PAYABLES**

Creditors - note 8.1	21,351,280	21,236,688
Unearned revenue	-	331,943
Due to Attock Oil Company Limited - Holding Company	144,771	148,127
Due to Attock Hospital (Private) Limited - Subsidiary Company	240	-
Due to associated companies		
Pakistan Oilfields Limited	2,111,095	1,793,167
Attock Energy (Private) Limited	-	1
Accrued liabilities and provisions - note 8.1	4,585,336	4,602,951
Due to Government under the pricing formula	2,611,351	1,715,915
Custom duty payable to Government	6,226,457	8,908,757
Advance payments from customers	200,285	501,777
Sales tax payable	2,110,959	1,081,535
ARL Gratuity Fund	47,535	47,535
Crude oil freight adjustable through inland freight equalisation margin	36,210	126,879
Payable to statutory authorities in respect of petroleum development levy and excise duty	3,367,460	2,683,235
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	<b>42,796,422</b>	<b>43,181,953</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 3,785.72 million (June 30, 2020: Rs 3,722.85 million).

**9. SHORT TERM FINANCING**

The Company has availed short term financing from a bank to the extent of Rs 1.5 billion to finance its working capital requirement, this facility was fully utilized at the period end. 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.

December 31,	June 30,
2020	2020
Rs' 000	Rs' 000

**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 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 |
|      | During the period, the Court in a hearing ordered to refer the Company's writ petition to the Collector of Customs, with the condition that in case the decision is against the petitioner the bank guarantees shall not be called unless the Company avails an appropriate remedy under the law. Aggrieved with this decision the Company has filed an Intra Court Appeal (ICA) which is pending adjudication.  |                  |           |
|      | 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 parties.   |                  |           |
| iii) | Guarantees issued by banks on behalf of the Company [other than (i) above].  | -                | 344       |
| iv)  | Claims for land compensation contested by the Company.   | <b>5,300</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 20.1, 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   | <b>2,484,098</b> | 2,484,098 |



December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
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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.

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 along consideration of the legal advices obtained from its legal consultants the Company has not acknowledged the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.

<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 upgradation of Refineries, the Government committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive was withdrawn on April 25, 2016.	<b>2,751,472</b>	2,500,895
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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>viii)</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.

#### **Commitments:**

<b>i)</b> Capital expenditure	<b>72,444</b>	111,761
<b>ii)</b> Letters of credit for purchase of store items	<b>36,588</b>	159,418

Six months ended December 31, 2020 Rs' 000	Year ended June 30, 2020 Rs' 000
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**11. OPERATING ASSETS**
**11.1 Owned assets**

Opening written down value	41,076,387	30,376,904
Additions during the period/year	169,966	257,142
Revaluation surplus	-	13,040,843
Written down value of disposals	(29)	(2,397)
Depreciation during the period/year	(1,303,144)	(2,596,105)
	<u>39,943,180</u>	<u>41,076,387</u>

**11.2 Right of use assets (ROU)**

Balance at the beginning of the period/year	348,225	-
Effect of change in accounting policy due to adoption of IFRS-16	-	539,141
Depreciation for the period/year	(90,858)	(227,048)
Remeasurement in lease liability	-	36,132
	<u>257,367</u>	<u>348,225</u>
Closing written down value	<u>40,200,547</u>	<u>41,424,612</u>

**12. CAPITAL WORK-IN-PROGRESS**

Balance at the beginning	979,206	622,573
Addition during period/year	43,504	594,538
Transfer to operating assets		
- Building on freehold land	3,596	20,539
- Plant and machinery	165,453	217,366
	<u>(169,049)</u>	<u>(237,905)</u>
Balance at the end	<u>853,661</u>	<u>979,206</u>

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

The details are as under:

Civil works	466	3,838
Plant and machinery	852,195	974,368
Pipeline project	1,000	1,000
	<u>853,661</u>	<u>979,206</u>

	December 31, 2020		June 30, 2020	
	% 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 - note 13.2	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, 2020.

**13.2** 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 (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.

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

As at December 31, 2020, stock-in-trade includes stocks carried at net realisable value of Rs 3,505.04 million (June 30, 2020: Rs 3,326.41 million). Adjustments amounting to Rs 344.20 million (June 30, 2020: Rs 509.50 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 6,991.70 million (June 30, 2020: Rs 10,329.65 million) and Pakistan Oilfields Limited Rs nil (June 30, 2020: Rs 49.24 million).

December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
---------------------------------	-----------------------------

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

Due from Subsidiary Company		
Attock Hospital (Private) Limited	-	3,494
Due from associated companies		
Attock Petroleum Limited	3,802,528	3,347,758
Attock Information Technology Services (Private) Limited	449	441
Attock Leisure and Management Associates (Private) Limited	76	436
Attock Gen Limited	5,584	980
National Refinery Limited	10,912	10,912
National Cleaner Production Centre Foundation	1,049	762
Attock Sahara Foundation	-	18
Attock Energy (Private) Limited	317	-
Capgas (Private) limited	12	-
Income accrued on bank deposits	15,862	28,066
Staff Pension Fund	14,354	14,354
Loans, deposit, prepayments and other receivables	395,448	318,589
Loss allowance	(828,526)	(737,347)
	<b>3,418,065</b>	<b>2,988,463</b>

**17. CASH AND BANK BALANCES**

Cash in hand (US \$ 7,393; June 30, 2020: US \$ 7,393)	2,615	2,281
With banks:		
Local currency		
Current accounts	7,944	7,932
Deposit accounts - notes 17.1 and 17.2	3,729,574	3,663,055
Saving accounts	4,686,678	4,371,869
Foreign Currency		
Saving accounts (US \$ 463,192; June 30, 2020: US \$ 463,090)	74,018	77,845
	<b>8,500,829</b>	<b>8,122,982</b>

**17.1** Deposit accounts include Rs 3,729.57 million (June 30, 2020: Rs 3,663.06 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** Bank deposits include Rs 1,326.71 million (June 30, 2020: Rs 1,327.05 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<b>18. GROSS SALES</b>				
Local sales	<b>43,729,285</b>	53,922,525	<b>90,345,150</b>	100,052,384
Naphtha export sales	-	372,927	<b>480,701</b>	3,088,634
	<b>43,729,285</b>	54,295,452	<b>90,825,851</b>	103,141,018
<b>19. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>6,353,780</b>	7,684,162	<b>13,078,448</b>	14,241,483
Petroleum development levy	<b>10,566,124</b>	6,519,885	<b>21,225,912</b>	11,304,692
Custom duties and other levies - note 19.1	<b>955,393</b>	1,398,361	<b>1,944,511</b>	2,478,323
Discounts	-	5,985	-	5,985
PMG RON differential - note 19.2	<b>167,678</b>	695,526	<b>462,295</b>	946,462
	<b>18,042,975</b>	16,303,919	<b>36,711,166</b>	28,976,945

**19.1** This includes Rs 1,944.38 million (December 31, 2019: Rs 2,478.18 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.

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<b>20. COST OF SALES</b>				
Crude oil consumed - note 20.1	<b>23,576,746</b>	37,759,341	<b>49,533,386</b>	69,053,121
Transportation and handling charges	<b>25,207</b>	26,205	<b>46,486</b>	296,190
Salaries, wages and other benefits	<b>261,327</b>	274,109	<b>524,935</b>	548,153
Chemicals consumed	<b>745,780</b>	784,239	<b>1,697,169</b>	1,561,776
Fuel and power	<b>939,709</b>	1,010,997	<b>1,847,612</b>	1,953,007
Repairs and maintenance	<b>91,912</b>	131,215	<b>151,934</b>	454,535
Staff transport and travelling	<b>3,832</b>	4,529	<b>8,197</b>	10,982
Insurance	<b>82,467</b>	62,782	<b>157,627</b>	159,682
Cost of receptacles	<b>3,448</b>	7,422	<b>10,374</b>	17,551
Other operating costs	<b>7,404</b>	3,524	<b>29,229</b>	29,566
Security Charges	<b>6,568</b>	7,026	<b>13,137</b>	13,669
Contract Services	<b>58,681</b>	48,337	<b>106,276</b>	106,701
Depreciation	<b>676,404</b>	688,498	<b>1,351,983</b>	1,329,155
Cost of goods manufactured	<b>26,479,485</b>	40,808,224	<b>55,478,345</b>	75,534,088
Changes in stock	<b>(321,378)</b>	(889,433)	<b>(97,412)</b>	814,491
	<b>26,158,107</b>	39,918,791	<b>55,380,933</b>	76,348,579

**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.

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31, 2020 Rs' 000</b>	<b>December 31, 2019 Rs' 000</b>	<b>December 31, 2020 Rs' 000</b>	<b>December 31, 2019 Rs' 000</b>
<b>21. OTHER INCOME</b>				
Income on bank deposits	119,989	475,669	204,259	832,050
Interest on delayed payments	192,591	286,855	453,940	529,828
Handling and service charges	8,515	12,787	27,021	25,392
Rental income	30,434	24,479	57,164	53,313
Exchange gain - (net)	143,195	44,199	196,695	255,268
Miscellaneous	12,532	4,905	18,541	17,029
	<b>507,256</b>	<b>848,894</b>	<b>957,620</b>	<b>1,712,880</b>
<b>22. FINANCE COST</b>				
Interest on long term financing	194,984	322,919	388,385	676,317
Interest on short term financing	1,210	-	1,210	-
Bank and other charges	931	187	1,065	330
Interest on lease liability	3,923	16,590	7,114	16,590
	<b>201,048</b>	<b>339,696</b>	<b>397,774</b>	<b>693,237</b>
<b>23. TAXATION</b>				
Current	192,722	286,034	407,305	564,263
Deferred	(316,257)	(794,241)	(751,621)	(1,026,200)
	<b>(123,535)</b>	<b>(508,207)</b>	<b>(344,316)</b>	<b>(461,937)</b>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>				
Dividend income from associated companies	87,092	-	87,092	442,218
Related charges				
Workers' Profit Participation Fund	-	(22,111)	-	-
Workers' Welfare Fund	-	(8,402)	-	-
Taxation	13,064	-	13,064	49,496
	<b>(13,064)</b>	<b>30,513</b>	<b>(13,064)</b>	<b>(49,496)</b>
	<b>74,028</b>	<b>30,513</b>	<b>74,028</b>	<b>392,722</b>

## 25. OPERATING SEGMENTS

These 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		Six months ended	
	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
High Speed Diesel	<b>16,390,543</b>	20,411,880	<b>32,774,958</b>	37,763,732
Premier Motor Gasoline	<b>17,964,126</b>	20,493,931	<b>37,476,625</b>	34,365,973
Jet Petroleum	<b>2,379,958</b>	4,427,812	<b>4,568,206</b>	8,430,466
Furnace Fuel Oil	<b>5,112,266</b>	5,075,052	<b>10,939,053</b>	12,927,284
Naphtha	-	692,166	<b>480,701</b>	3,655,757
Others	<b>1,882,392</b>	3,194,611	<b>4,586,308</b>	5,997,806
	<b>43,729,285</b>	54,295,452	<b>90,825,851</b>	103,141,018
Duties, taxes, levies, discounts and price differential	<b>(18,042,975)</b>	(16,303,919)	<b>(36,711,166)</b>	(28,976,945)
	<b>25,686,310</b>	37,991,533	<b>54,114,685</b>	74,164,073

Revenue from four major customers of the Company constitute 92% of total revenue during the six months period ended December 31, 2020 (December 31, 2019: 89%).

## 26. FAIR VALUE MEASUREMENT

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:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Rs' 000</b>	<b>Rs' 000</b>	<b>Rs' 000</b>	<b>Rs' 000</b>
<b>Sale of goods and services to:</b>				
Associated companies	<b>8,089,007</b>	14,705,094	<b>20,010,097</b>	28,114,196
Subsidiary company	<b>4,705</b>	5,730	<b>9,243</b>	12,182
Holding company	<b>5,389</b>	5,754	<b>12,998</b>	17,550
Interest income on delayed payments from an associated company	<b>192,591</b>	286,855	<b>453,940</b>	529,828
<b>Purchase of goods and services from:</b>				
Associated companies	<b>2,759,885</b>	4,333,021	<b>5,846,977</b>	7,936,068
Subsidiary company	<b>22,812</b>	23,729	<b>41,074</b>	47,468
Holding company	<b>81,256</b>	108,098	<b>155,645</b>	211,971
<b>Dividend received from:</b>				
Associated companies	<b>87,092</b>	-	<b>87,092</b>	442,218
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	<b>26,482</b>	19,628	<b>58,518</b>	50,826
Honorarium/remuneration to Non-Executive directors	<b>1,373</b>	1,126	<b>4,922</b>	4,503
Contribution to Workers' Profit Participation Fund	-	(25,185)	-	-
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>20,253</b>	20,403	<b>42,713</b>	40,985



**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 to various businesses. This resulted in decrease in prices of petroleum products and lower product margins, which are now steadily recovering. 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 January 26, 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  
Six Months Period  
Ended December 31, 2020***

## Condensed Interim Consolidated Statement of Financial Position (Unaudited)

### As At December 31, 2020

	Note	December 31, 2020 Rs' 000	June 30, 2020 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, 2020: 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, 2020: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	22,511,374	22,735,949
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		<u>48,670,956</u>	<u>48,895,531</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	6,548,304	7,614,194
Long term lease liability		54,496	106,741
Deferred grant		5,539	5,873
<b>CURRENT LIABILITIES</b>			
Accrued mark-up on long term financing	7	150,978	204,519
Current portion of long term financing	7	1,100,000	-
Trade and other payables	8	42,819,006	43,207,620
Short term financing	9	1,500,000	-
Accrued mark-up on short term financing		1,210	-
Current portion of lease liability		213,905	214,899
Unclaimed dividends		9,350	9,355
Provision for taxation		<u>2,971,195</u>	<u>2,752,443</u>
		<u>48,765,644</u>	<u>46,388,836</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>104,044,939</u>	<u>103,011,175</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

	Note	December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	11	40,224,456	41,446,237
Capital work-in-progress	12	853,661	979,206
Major spare parts and stand-by equipments		<u>153,254</u>	<u>138,935</u>
		<u>41,231,371</u>	<u>42,564,378</u>
<b>LONG TERM INVESTMENTS</b>	13	19,145,568	18,520,569
<b>LONG TERM LOANS AND DEPOSITS</b>		40,395	40,626
<b>DEFERRED TAXATION</b>		7,073,164	6,398,137
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,989,882	4,431,073
Stock-in-trade	14	8,294,052	7,166,651
Trade debts	15	12,291,367	12,728,517
Loans, advances, deposits, prepayments and other receivables	16	3,434,179	3,002,534
Cash and bank balances	17	8,544,961	8,158,690
		<u>36,554,441</u>	<u>35,487,465</u>
<b>TOTAL ASSETS</b>		<u>104,044,939</u>	<u>103,011,175</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 Six Months Period Ended December 31, 2020

	Note	Three months ended		Six months ended	
		December 31, 2020 Rs' 000	December 31, 2019 Rs' 000	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
Gross sales	18	43,755,465	54,319,272	90,875,453	103,187,916
Taxes, duties, levies, discounts and price differential	19	(18,042,975)	(16,303,919)	(36,711,166)	(28,976,945)
Net sales		25,712,490	38,015,353	54,164,287	74,210,971
Cost of sales	20	(26,158,107)	(39,918,791)	(55,380,933)	(76,348,579)
Gross loss		(445,617)	(1,903,438)	(1,216,646)	(2,137,608)
Administration expenses		(213,180)	(261,513)	(416,306)	(450,243)
Distribution cost		(10,685)	(10,056)	(21,245)	(23,105)
Other charges		(209)	7,704	(448)	(538)
		(224,074)	(263,865)	(437,999)	(473,886)
Other income	21	507,748	850,791	958,641	1,715,441
Impairment loss on financial assets		(49,181)	(121,288)	(91,180)	(121,288)
Operating loss		(211,124)	(1,437,800)	(787,184)	(1,017,341)
Finance cost	22	(201,048)	(339,696)	(397,774)	(693,237)
Loss before taxation from refinery operations		(412,172)	(1,777,496)	(1,184,958)	(1,710,578)
Taxation	23	120,543	504,784	337,987	454,296
Loss after taxation from refinery operations		(291,629)	(1,272,712)	(846,971)	(1,256,282)
Non-refinery income:					
Share in profit of associated companies	24	201,915	117,064	622,189	436,515
Loss after taxation		(89,714)	(1,155,648)	(224,782)	(819,767)
(Loss)/earnings per share - basic and diluted (Rupees)					
Refinery operations		(2.73)	(11.93)	(7.94)	(11.78)
Non-refinery operations		1.90	1.09	5.84	4.09
Loss per share		(0.83)	(10.84)	(2.10)	(7.69)

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 Six Months Period Ended December 31, 2020**

	Three months ended		Six months ended	
	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
Loss after taxation	(89,714)	(1,155,648)	(224,782)	(819,767)
Other comprehensive income/(loss) (net of tax):				
Share of other comprehensive income/(loss) of associated companies - net of tax	2	(5)	207	235
Total comprehensive loss	<u>(89,712)</u>	<u>(1,155,653)</u>	<u>(224,575)</u>	<u>(819,532)</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 Changes in Equity (Unaudited) For The Six Months Period Ended December 31, 2020

	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, 2019	1,066,163	-	12,908,966	205,640	155,996	7,077,380	7,029,489	3,337	12,052,576	40,499,547	
Total comprehensive income/(loss)											
Loss for the period	-	-	-	-	-	-	(819,767)	-	-	(819,767)	
Other comprehensive income for the period	-	-	-	-	-	-	235	-	-	235	
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	-	-	-	(819,532)	-	-	(819,532)	
	-	-	-	1,865	-	-	(1,865)	-	-	-	
Balance as at December 31, 2019	1,066,163	-	12,908,966	207,505	155,996	7,077,380	6,208,092	3,337	12,052,576	39,680,015	
Total comprehensive income/(loss)											
Loss for the period	-	-	-	-	-	-	(3,865,560)	-	-	(3,865,560)	
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	40,334	(101)	13,040,843	13,081,076	
	-	-	-	-	-	-	(3,825,226)	(101)	13,040,843	9,215,516	
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	6,071	-	-	(6,071)	-	-	-	
Balance as at June 30, 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)											
Loss for the period	-	-	-	-	-	-	(224,782)	-	-	(224,782)	
Other comprehensive income for the period	-	-	-	-	-	-	207	-	-	207	
	-	-	-	-	-	-	(224,575)	-	-	(224,575)	
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	841	-	-	(841)	-	-	-	
Balance as at December 31, 2020	1,066,163	-	12,908,966	214,417	155,996	7,077,380	2,151,379	3,236	25,093,419	48,670,956	

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 Six Months Period Ended December 31, 2020

	Six months ended	
	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	91,050,104	109,020,410
- Others	336,652	383,901
	<b>91,386,756</b>	109,404,311
Cash paid for operating cost	(55,279,764)	(80,848,325)
Cash paid to Government for duties, taxes and other levies	(36,784,381)	(28,325,837)
Income tax paid	(206,083)	(446,457)
Net cash outflows from operating activities	<b>(883,472)</b>	(216,308)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(62,708)	(406,268)
Proceeds against disposal of operating assets	124	4,678
Long term loans and deposits	231	3,817
Income on bank deposits received	218,133	834,196
Dividend received	87,092	442,218
Net cash generated from investing activities	<b>242,872</b>	878,641
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	(1,100,000)
Repayment of lease liability	(60,352)	-
Short term financing received	1,500,000	-
Transaction cost on long term financing	(500)	(500)
Dividend paid to Company's shareholders	(6)	(28)
Grant received for purchase of operating assets	-	1,520
Finance cost	(408,382)	(673,272)
Net cash inflow/(outflows) from financing activities	<b>1,030,760</b>	(1,772,280)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>390,160</b>	(1,109,947)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>8,158,690</b>	16,622,691
Effect of exchange rate changes	(3,889)	(3,617)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>8,544,961</b>	15,509,127

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 Six Months Period Ended December 31, 2020**

### **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, 2020.

**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 consolidated financial statements for the year ended June 30, 2020.

### **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, 2020.



## 5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2020: 65,063,530) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2020: 1,790,000) ordinary shares as at December 31, 2020.

## 6. RESERVES AND SURPLUS

### Capital reserve

Special reserve for expansion/modernisation - note 6.1

Utilised special reserve for expansion/modernisation - note 6.2

Utilised special reserve for expansion/modernisation of an associated company

Maintenance reserve - note 6.3

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

Donation received for purchase of hospital equipment

Bonus shares issued by associated companies

### Revenue reserve

General reserve

Transfer of investment

Unappropriated profit

December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
---------------------------------	-----------------------------

-	-
<b>10,962,934</b>	10,962,934
<b>1,946,032</b>	1,946,032
<b>12,908,966</b>	12,908,966
<b>214,417</b>	213,576
<b>4,800</b>	4,800
<b>654</b>	654
<b>494</b>	494
<b>4,000</b>	4,000
<b>146,048</b>	146,048
<b>155,996</b>	155,996
<b>7,077,380</b>	7,077,380
<b>3,236</b>	3,236
<b>2,151,379</b>	2,376,795
<b>9,231,995</b>	9,457,411
<b>22,511,374</b>	22,735,949

- 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/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till December 31, 2020 is Rs 29,095.90 million including Rs 18,132.97 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 to pay for major maintenance expenses in terms of the Power Purchase Agreement.

<b>December 31,</b>	<b>June 30,</b>
<b>2020</b>	<b>2020</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**7. LONG TERM FINANCING - secured**
**From banking companies**

Syndicated Term Finance - note 7.1	<b>5,917,606</b>	5,941,485
Musharaka Finance - note 7.2	<b>1,936,833</b>	1,944,648
	<b>7,854,439</b>	7,886,133
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	<b>67,420</b>	94,920
Addition during the period/year	<b>500</b>	500
Amortization for the period/year	<b>(12,763)</b>	(28,000)
Balance at the end of the period/year	<b>55,157</b>	67,420
	<b>7,799,282</b>	7,818,713
Current portion of long term financing	<b>(1,100,000)</b>	-
	<b>6,699,282</b>	7,818,713
Mark-up payable shown as current liability	<b>(150,978)</b>	(204,519)
	<b>6,548,304</b>	7,614,194

- 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, 2020: nil %) while its share in Musharaka Assets B is 35.37% (June 30, 2020: 35.37%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2020: 100%) while its share in Musharaka Assets B is 64.63% (June 30, 2020: 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%.
- 7.4** The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators/governments across the globe had introduced a host of measures on both the fiscal and economic fronts. The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rates and other regulatory measures to provide an impetus to economic activity including allowing borrowers to defer principal loan payments by one year.

Taking the benefit of above mentioned steps, the Company availed the scheme for deferment in repayment of principal amount of its long term financing for a period of one year and the next installment of Rs 550 million will be due in July 2021.

December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
---------------------------------	-----------------------------

**8. TRADE AND OTHER PAYABLES**

Creditors - note 8.1	21,356,907	21,240,821
Unearned revenue	-	331,943
Due to The Attock Oil Company Limited - Holding Company	144,680	148,115
Due to associated companies		
Pakistan Oilfields Limited	2,107,713	1,790,324
Attock Energy (Private) Limited	-	1
Accrued liabilities and provisions - note 8.1	4,608,375	4,629,589
Due to the Government under the pricing formula	2,611,351	1,715,915
Custom duty payable to the Government	6,226,457	8,908,757
Advance payments from customers	200,285	501,777
Sales tax payable	2,110,959	1,081,535
ARL Gratuity Fund	44,946	45,066
Crude oil freight adjustable through inland freight equalisation margin	36,210	126,879
Payable to statutory authorities in respect of petroleum development levy and excise duty	3,367,460	2,683,235
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	42,819,006	43,207,620

**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 3,785.72 million (June 30, 2020: Rs 3,722.85 million).

**9. SHORT TERM FINANCING**

The Company has availed short term financing from a bank to the extent of Rs 1.5 billion to finance its working capital requirement, this facility was fully utilized at the period end. 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.

December 31, 2020 Rs' 000	June 30, 2020 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 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	1,326,706	1,326,706
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**December 31,  
2020  
Rs' 000**

**June 30,  
2020  
Rs' 000**

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.

During the period, the Court in a hearing ordered to refer the Company's writ petition to the Collector of Customs, with the condition that in case the decision is against the petitioner the bank guarantees shall not be called unless the Company avails an appropriate remedy under the law. Aggrieved with this decision the Company has filed an Intra Court Appeal (ICA) which is pending adjudication.

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].	-	344
iv) Claims for land compensation contested by ARL.	<b>5,300</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 20.1, 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

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

	December 31, 2020 Rs' 000	June 30, 2020 Rs' 000
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.		
<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>2,751,472</b>	2,500,895
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>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
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>ix)</b> The Company's share in contingency of associated companies.	<b>2,176,113</b>	2,122,458
<b>Commitments:</b>		
<b>i)</b> Capital expenditure	<b>72,444</b>	111,761
<b>ii)</b> Letters of credit for purchase of store items	<b>36,588</b>	159,418
<b>iii)</b> The Company's share of commitments of associated companies:		
Capital expenditure commitments	<b>411,216</b>	555,162
Outstanding letters of credit	<b>618,750</b>	508,836

Six months ended December 31, 2020 Rs' 000	Year ended June 30, 2020 Rs' 000
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**11. OPERATING ASSETS**
**11.1 Owned assets**

Opening written down value	41,098,012	30,398,193
Additions during the period/year	173,933	260,379
Revaluation surplus	-	13,040,843
Written down value of disposals	(30)	(2,397)
Depreciation during the period/year	(1,304,826)	(2,599,006)
	<u>39,967,089</u>	<u>41,098,012</u>

**11.2 Right of use assets (ROU)**

Balance at the beginning of the period/year	348,225	-
Effect of change in accounting policy due to adoption of IFRS-16	-	539,141
Depreciation for the period/year	(90,858)	(227,048)
Remeasurement in lease liability	-	36,132
	<u>257,367</u>	<u>348,225</u>
Closing written down value	<u>40,224,456</u>	<u>41,446,237</u>

**12. CAPITAL WORK-IN-PROGRESS**

Balance at the beginning	979,206	622,573
Additions during the period/year	43,504	594,538
Transfer to operating assets		
- Buildings on freehold land	3,596	20,539
- Plant and machinery	165,453	217,366
	<u>(169,049)</u>	<u>(237,905)</u>
Balance at the end	<u>853,661</u>	<u>979,206</u>

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

The details are as under:

Civil works	466	3,838
Plant and machinery	852,195	974,368
Pipeline project	1,000	1,000
	<u>853,661</u>	<u>979,206</u>

**13. LONG TERM INVESTMENTS**

Investment in associated companies

Balance as at July 1	18,520,569	20,709,543
Share of profit/(loss) after tax of associated companies	506,242	(440,818)
Share in other comprehensive income	207	7,918
Dividend received from associated companies	(87,092)	(625,913)
Impairment reversal/(loss) on investment	205,642	(1,130,060)
Effect of change in accounting policies due to IFRS 9	-	(101)
	<u>19,145,568</u>	<u>18,520,569</u>

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

	<b>December 31, 2020</b>		<b>June 30, 2020</b>	
	<b>% age Holding</b>	<b>Rs' 000</b>	<b>% age Holding</b>	<b>Rs' 000</b>
<b><u>Quoted</u></b>				
National Refinery Limited - note 13.2	<b>25</b>	<b>8,396,490</b>	25	8,396,490
Attock Petroleum Limited	<b>21.88</b>	<b>7,794,428</b>	21.88	7,399,825
<b><u>Unquoted</u></b>				
Attock Gen Limited - note 13.3	<b>30</b>	<b>2,916,578</b>	30	2,689,167
Attock Information Technology Services (Private) Limited	<b>10</b>	<b>38,072</b>	10	35,087
		<b>19,145,568</b>		<b>18,520,569</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, 2020.

**13.3** 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 (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.

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

As at December 31, 2020, stock-in-trade includes stocks carried at net realisable value of Rs 3,505.04 million (June 30, 2020: Rs 3,326.41 million). Adjustments amounting to Rs 344.20 million (June 30, 2020: Rs 509.50 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 6,991.70 million (June 30, 2020: Rs 10,329.65 million) and Pakistan Oilfields Limited Rs nil (June 30, 2020: Rs 49.24 million).

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

	<b>December 31, 2020 Rs' 000</b>	<b>June 30, 2020 Rs' 000</b>
Due from associated companies		
Attock Petroleum Limited	<b>3,804,872</b>	3,348,960
Attock Information Technology Services (Private) Limited	<b>449</b>	441
Attock Leisure and Management Associates (Private) Limited	<b>76</b>	436
Attock Gen Limited	<b>5,998</b>	1,048
National Refinery Limited	<b>10,912</b>	10,912
National Cleaner Production Centre Foundation	<b>1,050</b>	764
Attock Sahara Foundation	-	313
Attock Energy (Private) Limited	<b>317</b>	-
Capgas (Private) Limited	<b>68</b>	48
Attock Cement Pakistan Limited	<b>24</b>	-
Income accrued on bank deposits	<b>15,862</b>	28,536
Staff Pension Fund	<b>13,867</b>	13,978
Loans, deposits, prepayments and other receivables	<b>409,210</b>	334,445
Loss allowance	<b>(828,526)</b>	(737,347)
	<b>3,434,179</b>	<b>3,002,534</b>

December 31,  
2020  
Rs' 000

June 30,  
2020  
Rs' 000

**17. CASH AND BANK BALANCES**

Cash in hand (US \$ 7,393; June 30, 2020: US \$ 7,393)	2,900	2,397
With banks:		
Local currency		
Current accounts	8,020	11,831
Deposit accounts - note 17.1 and 17.2	3,729,574	3,663,055
Saving accounts	4,730,449	4,403,562
Foreign Currency		
Saving accounts (US \$ 463,192; June 30, 2020: US \$ 463,090)	74,018	77,845
	<u>8,544,961</u>	<u>8,158,690</u>

**17.1** Deposit accounts include Rs 3,729.57 million (June 30, 2020: Rs 3,663.06 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** Bank deposits include Rs 1,326.71 million (June 30, 2020: Rs 1,327.05 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	Three months ended		Six months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<b>18. GROSS SALES</b>				
<b>Company</b>				
Local sales	43,729,285	53,922,525	90,345,150	100,052,384
Naphtha export sales	-	372,927	480,701	3,088,634
<b>Subsidiary</b>				
Local sales	26,180	23,820	49,602	46,898
	<u>43,755,465</u>	<u>54,319,272</u>	<u>90,875,453</u>	<u>103,187,916</u>
<b>19. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL</b>				
Sales tax	6,353,780	7,684,162	13,078,448	14,241,483
Petroleum development levy	10,566,124	6,519,885	21,225,912	11,304,692
Custom duties and other levies - note 19.1	955,393	1,398,361	1,944,511	2,478,323
Discounts	-	5,985	-	5,985
PMG RON differential - note 19.2	167,678	695,526	462,295	946,462
	<u>18,042,975</u>	<u>16,303,919</u>	<u>36,711,166</u>	<u>28,976,945</u>

**19.1** This includes Rs 1,944.38 million (December 31, 2019: Rs 2,478.18 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.



	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2020 Rs' 000	2019 Rs' 000	2020 Rs' 000	2019 Rs' 000
<b>20. COST OF SALES</b>				
Crude oil consumed - note 20.1	<b>23,576,746</b>	37,759,341	<b>49,533,386</b>	69,053,121
Transportation and handling charges	<b>25,207</b>	26,205	<b>46,486</b>	296,190
Salaries, wages and other benefits	<b>261,327</b>	267,466	<b>524,935</b>	548,153
Chemicals consumed	<b>745,780</b>	784,239	<b>1,697,169</b>	1,561,776
Fuel and power	<b>939,709</b>	1,010,997	<b>1,847,612</b>	1,953,007
Repairs and maintenance	<b>91,912</b>	72,851	<b>151,934</b>	454,535
Staff transport and travelling	<b>3,832</b>	4,529	<b>8,197</b>	10,982
Insurance	<b>82,467</b>	62,782	<b>157,627</b>	159,682
Cost of receptacles	<b>3,448</b>	7,422	<b>10,374</b>	17,551
Other operating costs	<b>7,404</b>	3,524	<b>29,229</b>	29,566
Security Charges	<b>6,568</b>	13,669	<b>13,137</b>	13,669
Contract Services	<b>58,681</b>	106,701	<b>106,276</b>	106,701
Depreciation	<b>676,404</b>	688,498	<b>1,351,983</b>	1,329,155
Cost of goods manufactured	<b>26,479,485</b>	40,808,224	<b>55,478,345</b>	75,534,088
Changes in stock	<b>(321,378)</b>	(889,433)	<b>(97,412)</b>	814,491
	<b>26,158,107</b>	39,918,791	<b>55,380,933</b>	76,348,579

**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		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2020 Rs' 000	2019 Rs' 000	2020 Rs' 000	2019 Rs' 000
<b>21. OTHER INCOME</b>				
Income on bank deposits	<b>120,569</b>	477,294	<b>205,459</b>	834,210
Interest on delayed payments	<b>192,591</b>	286,855	<b>453,940</b>	529,828
Handling and service charges	<b>8,515</b>	12,787	<b>27,021</b>	25,392
Rental income	<b>30,178</b>	24,479	<b>56,650</b>	53,313
Exchange gain - (net)	<b>143,195</b>	44,199	<b>196,695</b>	255,268
Miscellaneous	<b>12,700</b>	5,177	<b>18,876</b>	17,430
	<b>507,748</b>	850,791	<b>958,641</b>	1,715,441
<b>22. FINANCE COST</b>				
Interest on long term financing	<b>194,984</b>	322,919	<b>388,385</b>	676,317
Interest on short term financing	<b>1,210</b>	-	<b>1,210</b>	-
Bank and other charges	<b>931</b>	187	<b>1,065</b>	330
Interest on lease liability	<b>3,923</b>	16,590	<b>7,114</b>	16,590
	<b>201,048</b>	339,696	<b>397,774</b>	693,237
<b>23. TAXATION</b>				
Current	<b>195,696</b>	289,412	<b>413,671</b>	571,904
Deferred	<b>(316,239)</b>	(794,196)	<b>(751,658)</b>	(1,026,200)
	<b>(120,543)</b>	(504,784)	<b>(337,987)</b>	(454,296)

**24. NON-REFINERY INCOME**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31, 2020 Rs' 000</b>	<b>December 31, 2019 Rs' 000</b>	<b>December 31, 2020 Rs' 000</b>	<b>December 31, 2019 Rs' 000</b>
Share in profit of associated companies [net of impairment reversal/(loss)]	<b>229,877</b>	81,988	<b>711,884</b>	500,024
Related charges:				
Workers' Profit Participation Fund	-	(22,111)	-	-
Workers' Welfare Fund	-	(8,402)	-	-
Taxation - current and deferred	<b>27,962</b>	(4,563)	<b>89,695</b>	63,509
	<b>(27,962)</b>	35,076	<b>(89,695)</b>	(63,509)
	<b>201,915</b>	117,064	<b>622,189</b>	436,515

**25. OPERATING SEGMENT**

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:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31, 2020 Rs' 000</b>	<b>December 31, 2019 Rs' 000</b>	<b>December 31, 2020 Rs' 000</b>	<b>December 31, 2019 Rs' 000</b>
High Speed Diesel	<b>16,390,543</b>	20,411,880	<b>32,774,958</b>	37,763,732
Premier Motor Gasoline	<b>17,964,126</b>	20,493,931	<b>37,476,625</b>	34,365,973
Jet Petroleum	<b>2,379,958</b>	4,427,812	<b>4,568,206</b>	8,430,466
Furnace Fuel Oil	<b>5,112,266</b>	5,075,052	<b>10,939,053</b>	12,927,284
Naphtha	-	692,166	<b>480,701</b>	3,655,757
Others	<b>1,908,572</b>	3,218,431	<b>4,635,910</b>	6,044,704
	<b>43,755,465</b>	54,319,272	<b>90,875,453</b>	103,187,916
Taxes, duties, levies, discounts and price differential	<b>(18,042,975)</b>	(16,303,919)	<b>(36,711,166)</b>	(28,976,945)
	<b>25,712,490</b>	38,015,353	<b>54,164,287</b>	74,210,971

Revenue from four major customers of the Company constitute 92% of total revenue during the six months period ended December 31, 2020 (December 31, 2019: 89%).

**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		Six months ended	
	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000	December 31, 2020 Rs' 000	December 31, 2019 Rs' 000
<b>Sale of goods and services to:</b>				
Associated companies	<b>8,081,544</b>	14,713,703	<b>20,025,750</b>	28,129,053
Holding company	<b>5,389</b>	5,754	<b>12,998</b>	17,550
Interest income on delayed payments from an associated company	<b>192,591</b>	286,855	<b>453,940</b>	529,828
<b>Purchase of goods and services from:</b>				
Associated companies	<b>2,775,865</b>	4,333,204	<b>5,847,439</b>	7,936,324
Holding company	<b>81,256</b>	108,098	<b>155,645</b>	211,971
<b>Dividend income from:</b>				
Associated companies	<b>87,092</b>	-	<b>87,092</b>	442,218
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	<b>26,482</b>	19,628	<b>58,518</b>	50,826
Honorarium/remuneration to Non-Executive Directors	<b>1,373</b>	1,126	<b>4,922</b>	4,503
Contribution to Workers' Profit Participation Fund	-	(25,185)	-	-
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>21,175</b>	21,422	<b>44,849</b>	43,028

**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 to various businesses. This resulted in decrease in prices of petroleum products and lower product margins, which are now steadily recovering. 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 January 26, 2021.

**-Sd-****Syed Asad Abbas**  
Chief Financial Officer**-Sd-****M. Adil Khattak**  
Chief Executive Officer**-Sd-****Abdus Sattar**  
Director