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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

**Central Depository Company of Pakistan Limited**

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

### REGISTERED OFFICE

**The Refinery, Morgah, Rawalpindi.**

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

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

## DIRECTORS' REVIEW REPORT

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

The Directors have pleasure in presenting a review of the financial results and operations of the Company for the third quarter and nine months period ended March 31, 2019.

### FINANCIAL RESULTS

During the period under review your Company incurred loss after taxation of Rs 4,231 million from refinery operations compared to loss of Rs 271 million in the corresponding period of last year. Non-refinery income during the period under review was Rs 1,156 million (March 31, 2018: Rs 1,499 million). The non-refinery income enabled the Company to partially off-set the loss from refinery operations and post net loss after tax of Rs 3,075 million (March 31, 2018: profit of Rs 1,228 million) resulting in loss per share of Rs 28.84 (March 31, 2018: earnings per share of Rs 11.52).

Heavy exchange loss due to sharp decline in value of Pak Rupee vs US Dollar and inventory losses due to declining trend in prices of crude oil and products during the nine months period ended March 31, 2019 remained major contributors towards the loss sustained by the Company.

### REFINERY OPERATIONS

Despite extreme financial constraints, the Company maintained uninterrupted supplies and managed to operate at about 95% capacity (March 31, 2018: 91%) with throughput of 1.723 million Tons (March 31, 2018: 1.666 million Tons). The Company supplied 1.671 million Tons of various petroleum products meeting the standard quality specification (March 31, 2018: 1.624 million Tons).

### FUTURE OUTLOOK

Progress on Licensor Front End Engineering Design (FEED) Package for setting up of Continuous Catalyst Regeneration (CCR) Complex is satisfactory. The Company has also initiated studies to explore possibilities of furnace fuel oil processing to produce value-added products.

Despite all the challenges being faced by the refining sector, your Company is trying its best to overcome the difficulties. In this respect refineries have jointly submitted to the Government, proposal for appropriate revisions in the Refining Policy. The refineries have also demanded necessary incentives to enable sustainable operations and with a view to undertake capital intensive upgradation projects.

### ACKNOWLEDGEMENT

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

On behalf of the Board

**-Sd-**

**M. Adil Khattak**  
Chief Executive Officer

**-Sd-**

**Abdus Sattar**  
Director

April 11, 2019  
Rawalpindi

ریفائننگ سیکٹر کو درپیش چیلنجز کے باوجود آپ کی کمپنی مشکلات پر قابو پانے کے لئے تمام وسائل بروئے کار لا رہی ہے۔ اس سلسلہ میں تمام ریفائنریز نے حکومت کو ریفائننگ پالیسیز میں مناسب ترامیم کرنے کے لئے مشترکہ تجاویز دی ہیں۔ علاوہ ازیں ریفائنریز کی سرگرمیاں برقرار رکھنے کے لئے ضروری مراعات کا مطالبہ کیا ہے تاکہ ریفائنریز بھاری سرمایہ کاری والے تجدید کے منصوبے شروع کر سکیں۔

اظہار تشکر

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

بورڈ کی جانب سے

-Sd-

عبدالستار

ڈائریکٹر

-Sd-

ایم عادل عٹیک

چیف ایگزیکٹو آفیسر

۱۱ اپریل ۲۰۱۹ء

راولپنڈی

## الملک ریفائنری لمیٹڈ

### ڈائریکٹرز کی جائزہ رپورٹ

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

ڈائریکٹرز ۳۱ مارچ ۲۰۱۹ء کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

زیر جائزہ مدت کے دوران کمپنی کو ریفائنری آپریشنز سے ٹیکس ادا کرنے کے بعد ۴,۲۳۱ ملین روپے کا خسارہ ہوا جو پچھلے سال کی اسی مدت میں ۲۷۱ ملین روپے تھا۔ غیر ریفائنری ذرائع سے ۱,۱۵۶ ملین روپے کی آمدن ہوئی (۳۱ مارچ ۲۰۱۸ء: ۱,۳۹۹ ملین روپے)۔ غیر ریفائنری ذرائع سے ہونے والی آمدن کا ریفائنری سرگرمیوں سے ہونے والے کل خسارے کو جزوی طور پر جذب کرنے کے باوجود کمپنی کو ۳,۰۷۵ ملین روپے کا خسارہ ہوا (۳۱ مارچ ۲۰۱۸ء: ۱,۲۲۸ ملین روپے کا منافع) نتیجتاً فی حصص نقصان ۲۸.۸۴ روپے رہا (۳۱ مارچ ۲۰۱۸ء کو فی حصص آمدن ۱۱.۵۲ روپے تھی)۔

۳۱ مارچ ۲۰۱۹ء کو ختم ہونے والی نو ماہ کی اختتامی مدت میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں بہت زیادہ کمی کی وجہ سے شرح تبادلہ کی مد میں بھاری نقصان اور خام تیل اور مصنوعات کی قیمتوں میں کمی کے رجحان کی وجہ سے تیل کے ذخیرہ کی قیمت میں کمی، کمپنی کو ہونے والے نقصان کی بنیادی وجہ بنی۔

### ریفائنری آپریشنز

شدید مالیاتی مشکلات کے باوجود کمپنی نے مصنوعات کی بلا تعطل فراہمی جاری رکھی نتیجتاً ریفائنری کی پیداوار ۹۵٪ استعداد (۳۱ مارچ ۲۰۱۸ء: ۹۱٪) کے استعمال کے ساتھ ۱.۷۲۳ ملین ٹن ہوئی (۳۱ مارچ ۲۰۱۸ء: ۱.۶۶۶ ملین ٹن) کمپنی نے ۱.۶۷۱ ملین ٹن اعلیٰ معیار کی مختلف پیٹرولیم مصنوعات فراہم کیں (۳۱ مارچ ۲۰۱۸ء: ۱.۶۲۴ ملین ٹن)۔

### مستقبل کا منظر نامہ

کانٹینوس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب کیلئے تکنیکی تحقیق اور مطالعہ پر پیش قدمی اطمینان بخش ہے۔ کمپنی نے اس کے علاوہ فرنس فیول آئل سے زیادہ قدر والی مصنوعات کی تیاری کے امکانات کی تلاش شروع کر دی ہے۔

# **Condensed Interim Statement of Financial Position (Unaudited)** **As At March 31, 2019**

	Note	March 31, 2019 Rs' 000	June 30, 2018 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, 2018: 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, 2018: 85,293,000) ordinary shares of Rs 10 each	5	1,066,163	852,930
Reserves and surplus	6	23,124,396	26,412,754
Surplus on revaluation of freehold land		<u>12,052,576</u>	<u>12,052,576</u>
		<b>36,243,135</b>	<b>39,318,260</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	9,387,553	12,642,916
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	48,626,528	44,510,275
Accrued mark-up on long term financing	7	294,913	260,909
Current portion of long term financing	7	2,200,000	2,200,000
Unclaimed dividends		9,626	9,839
Provision for taxation		<u>2,391,119</u>	<u>2,163,842</u>
		<b>53,522,186</b>	<b>49,144,865</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>99,152,874</b></u>	<u><b>101,106,041</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>		9	



	Note	March 31, 2019 Rs' 000	June 30, 2018 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	30,957,952	32,817,565
Capital work-in-progress	11	319,049	303,043
Major spare parts and stand-by equipment		119,579	119,151
		<b>31,396,580</b>	33,239,759
<b>LONG TERM INVESTMENTS</b>	12	13,264,915	13,264,915
<b>LONG TERM LOANS AND DEPOSITS</b>		40,276	42,115
<b>DEFERRED TAXATION</b>		3,266,900	1,304,152
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,344,041	2,905,748
Stock-in-trade	13	12,037,761	9,788,997
Trade debts	14	17,110,531	15,748,278
Loans, advances, deposits, prepayments and other receivables	15	2,484,387	1,871,717
Short term investments		-	985,846
Cash and bank balances	16	16,207,483	21,954,514
		<b>51,184,203</b>	53,255,100
<b>TOTAL ASSETS</b>		<b>99,152,874</b>	101,106,041

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019**

	Note	Three months ended		Nine months ended	
		March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
Gross sales	17	58,625,393	45,972,136	170,709,760	125,203,854
Taxes, duties, levies, discounts and price differential	18	(16,278,241)	(12,406,109)	(39,851,370)	(36,200,929)
Net sales		42,347,152	33,566,027	130,858,390	89,002,925
Cost of sales	19	(42,824,055)	(33,850,396)	(133,884,086)	(88,440,189)
Gross profit/(loss)		(476,903)	(284,369)	(3,025,696)	562,736
Administrative expenses		168,833	160,754	517,100	478,956
Distribution cost		12,651	12,639	35,589	36,226
Other charges	20	-	(20,849)	-	-
		(181,484)	(152,544)	(552,689)	(515,182)
Other income	21	688,855	477,657	2,042,090	1,455,186
Operating profit/(loss)		30,468	40,744	(1,536,295)	1,502,740
Finance cost	22	(552,099)	(809,408)	(3,973,736)	(2,008,022)
Profit/(loss) before taxation from refinery operations		(521,631)	(768,664)	(5,510,031)	(505,282)
Taxation	23	93,183	332,623	1,279,040	234,469
Profit/(loss) after taxation from refinery operations		(428,448)	(436,041)	(4,230,991)	(270,813)
Income from non-refinery operations less applicable charges and taxation	24	323,505	373,521	1,155,866	1,498,839
Profit/(loss) after taxation		(104,943)	(62,520)	(3,075,125)	1,228,026
Earnings/(loss) per share - basic and diluted (Rupees)	28		(Restated)		(Restated)
Refinery operations		(4.01)	(4.09)	(39.68)	(2.54)
Non-refinery operations		3.03	3.51	10.84	14.06
		(0.98)	(0.58)	(28.84)	11.52

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019**

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
Profit/(loss) after taxation	<b>(104,943)</b>	(62,520)	<b>(3,075,125)</b>	1,228,026
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income/(loss)	<b><u>(104,943)</u></b>	<u>(62,520)</u>	<b><u>(3,075,125)</u></b>	<u>1,228,026</u>

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019

	Capital reserve				Revenue reserve				
	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	Total
	Rs' 000								
Balance as at July 1, 2017	852,930	2,045,813	10,962,934	5,948	3,762,775	55	9,697,786	12,052,576	39,380,817
Distribution to owners:									
Final cash dividend @ 60% related to the year ended June 30, 2017	-	-	-	-	-	-	(511,758)	-	(511,758)
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	1,228,026	-	1,228,026
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,228,026	-	1,228,026
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(270,813)	-	-	-	-	270,813	-	-
Balance as at March 31, 2018	852,930	1,775,000	10,962,934	5,948	3,762,775	55	10,684,867	12,052,576	40,097,085
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(649,048)	-	(649,048)
Other comprehensive loss for the period	-	-	-	-	-	-	(129,777)	-	(129,777)
	-	-	-	-	-	-	(778,825)	-	(778,825)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(741,745)	-	-	-	-	741,745	-	-
Balance as at June 30, 2018	852,930	1,033,255	10,962,934	5,948	3,762,775	55	10,647,787	12,052,576	39,318,260
Distribution to owners:									
Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(3,075,125)	-	(3,075,125)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(3,075,125)	-	(3,075,125)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-
Balance as at March 31, 2019	1,066,163	-	10,962,934	5,948	3,762,775	55	8,392,684	12,052,576	36,243,135

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019

	Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	169,289,196	118,056,410
- Others	248,090	698,410
	<b>169,537,286</b>	<b>118,754,820</b>
Cash paid for operating cost	(135,718,799)	(86,701,365)
Cash paid to Government for duties, taxes and other levies	(35,274,191)	(30,869,530)
Income tax paid	(620,792)	(533,606)
Net cash (outflows)/inflows from operating activities	<b>(2,076,496)</b>	<b>650,319</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(90,709)	(204,629)
Proceeds against disposal of operating assets	4,856	6,067
Long term loans and deposits	1,839	(8,186)
Income on bank deposits received	1,293,812	881,237
Dividends received	1,320,227	1,819,574
Net cash generated from investing activities	<b>2,530,025</b>	<b>2,494,063</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(3,650,000)	(4,650,000)
Transaction cost on long term financing	(500)	(500)
Dividends paid	(213)	(510,739)
Finance cost	(3,544,596)	(1,970,436)
Net cash outflows from financing activities	<b>(7,195,309)</b>	<b>(7,131,675)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(6,741,780)</b>	<b>(3,987,293)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>22,940,360</b>	<b>21,630,109</b>
Effect of exchange rate changes	8,903	4,925
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16,207,483</b>	<b>17,647,741</b>

Cash and cash equivalents comprise of cash & bank balances and short term investments.

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019**

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

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

The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

### **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 financial statements for the year ended June 30, 2018.

### **3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS**

#### **a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company.

**b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

**c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant**

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

#### 4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2018.

#### 5. SHARE CAPITAL

The parent company Attock Oil Company Limited held 65,049,030 (June 30, 2018: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2018: 1,432,000) ordinary shares as at March 31, 2019.

#### 6. RESERVES AND SURPLUS

##### Capital reserve

Special reserve for expansion/modernisation - note 6.1

Utilised special reserve for expansion/modernisation - note 6.2

Others

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

Capital gain on sale of building

Insurance and other claims realised relating to  
pre-incorporation period

##### Revenue reserve

Investment reserve - note 6.3

General reserve

Unappropriated profit

March 31, 2019 Rs' 000	June 30, 2018 Rs' 000
------------------------------	-----------------------------

-	1,033,255
10,962,934	10,962,934
4,800	4,800
654	654
494	494
5,948	5,948
3,762,775	3,762,775
55	55
8,392,684	10,647,787
12,155,514	14,410,617
23,124,396	26,412,754

- 6.1** Represents amounts retained as per the stipulations of the Government under the pricing formula and is available only for making investment in expansion or Up-gradation of the refinery or off setting any loss of the refinery. Transfer to/from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit/loss on an annual basis.

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

Following is the status of Special Reserve for expansion/modernization utilisation on Up-gradation and expansion projects from July 1, 1997 to March 31, 2019:

	<b>March 31, 2019 Rs' 000</b>	<b>June 30, 2018 Rs' 000</b>
Balance at the beginning of period/year	<b>1,033,255</b>	2,045,813
Transfer for the period/year	<b>(1,033,255)</b>	(1,012,558)
Balance as at period/year	<b>-</b>	<b>1,033,255</b>

- 6.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernization till March 31, 2019 is Rs 28,297 million including Rs 17,334 million spent over and above the available balance in the Special Reserve which have been incurred by the Company from its own resources.

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

<b>March 31, 2019 Rs' 000</b>	<b>June 30, 2018 Rs' 000</b>
---------------------------------------	--------------------------------------

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

### **From banking companies**

Syndicated Term Finance - note 7.1	<b>9,032,162</b>	11,494,985
Musharka Finance - note 7.2	<b>2,956,227</b>	3,762,252
	<b>11,988,389</b>	15,257,237
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	<b>153,412</b>	204,062
Addition during the period/year	<b>500</b>	500
Amortization for the period/year	<b>(47,989)</b>	(51,150)
Balance at the end of the period/year	<b>105,923</b>	153,412
	<b>11,882,466</b>	15,103,825
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>9,682,466</b>	12,903,825
Mark-up payable shown as current liability	<b>(294,913)</b>	(260,909)
	<b>9,387,553</b>	12,642,916

- 7.1** The Company entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation



Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis. The tenure of this facility is 13 years.

**7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2018: nil%) while its share in Musharaka Assets B is 54.71% (June 30, 2018: 68.72%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2018: 100%) while its share in Musharaka Assets B is 45.29% (June 30, 2018: 31.28%) respectively. The tenure of this facility is 13 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

**7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until 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%.

	<b>March 31, 2019 Rs' 000</b>	<b>June 30, 2018 Rs' 000</b>
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## **8. TRADE AND OTHER PAYABLES**

Creditors - note 8.1	<b>24,473,232</b>	24,291,759
Due to The Attock Oil Company Limited - Holding Company	<b>110,809</b>	110,497
Due to Attock Hospital (Private) Limited - Subsidiary Company	-	220
Due to associated companies		
Pakistan Oilfields Limited	<b>2,100,107</b>	2,478,433
Attock Sahara Foundation	-	754
Attock Solar (Private) Limited	<b>263</b>	970
Accrued liabilities and provisions - note 8.1	<b>4,051,834</b>	4,027,691
Due to Government under the pricing formula	<b>3,522,717</b>	4,883,264
Custom duty payable to Government	<b>10,750,060</b>	6,888,202
Advance payments from customers	<b>60,961</b>	119,274
Sales tax payable	<b>1,605,265</b>	168,206
ARL Gratuity Fund	-	102,136
Staff Pension Fund	-	123,877
Crude oil freight adjustable through inland freight equalisation margin	<b>33,240</b>	15,761
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>1,914,747</b>	1,295,938
Deposits from customers adjustable against freight and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>2,917</b>	2,917
	<b>48,626,528</b>	44,510,275

**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 3,290.59 million (June 30, 2018: Rs 3,113.17 million).

<b>March 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2018</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies:

- |  |  |                  |           |
|--|--|------------------|-----------|
| i)   | Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014 in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/ claimable government levies. | <b>1,326,706</b> | 1,326,706 |
| <p>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.</p> |  |                  |           |
| 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].  | <b>135</b>       | 414       |
| iv)  | Claims for land compensation contested by the Company.   | <b>1,300</b>     | 1,300     |
| v)   | Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 19.1, the amount of which can not be presently quantified.   |                  |           |
| vi)  | In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the related oil fields since 2007 and 2009 respectively. In this respect, an amount of Rs 2,484 million has been demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.  | <b>2,484,098</b> | 2,484,098 |

Based on the Company's assessment of related matter and based on 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. In this respect, 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.

	March 31, 2019 Rs' 000	June 30, 2018 Rs' 000
vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	1,705,262	1,081,087
The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.		
viii) The Finance Act, 2017 introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.	418,470	418,470
Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.		
<b>Commitments:</b>		
i) Capital expenditure	213,577	129,754
ii) Letters of credit for purchase of store items	217,902	88,941
	<b>Nine months ended March 31, 2019 Rs' 000</b>	<b>Year ended June 30, 2018 Rs' 000</b>
<b>10. OPERATING ASSETS</b>		
Opening written down value	32,817,565	35,133,344
Additions during the period/year	74,275	253,740
Written down value of disposals	(119)	(225)
Depreciation during the period/year	(1,933,769)	(2,569,294)
Closing written down value	<u>30,957,952</u>	<u>32,817,565</u>
<b>11. CAPITAL WORK-IN-PROGRESS</b>		
Balance at the beginning of the year	303,043	142,057
Addition during period/year	75,162	322,186
Transfer to operating assets		
- Building on freehold land	5,659	27,653
- Plant and machinery	53,497	133,547
	(59,156)	(161,200)
Balance at the end	<u>319,049</u>	<u>303,043</u>

	Nine months ended March 31, 2019 Rs' 000	Year ended June 30, 2018 Rs' 000
<b>Breakup of the closing balance of capital work-in-progress</b>		
Civil works	18,177	7,720
Plant and machinery	299,872	294,323
Pipeline project	1,000	1,000
	<b>319,049</b>	<b>303,043</b>

March 31, 2019		June 30, 2018	
% age Holding	Rs' 000	% age Holding	Rs' 000

## 12. LONG TERM INVESTMENTS - AT COST

### Associated Companies

#### Quoted

National Refinery Limited	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485

#### Unquoted

Attock Gen Limited - note 12.1	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<b>13,262,915</b>		<b>13,262,915</b>

### Subsidiary Company

#### Unquoted

Attock Hospital (Private) Limited	100	2,000	100	2,000
		<b>13,264,915</b>		<b>13,264,915</b>

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

## 13. STOCK-IN-TRADE

As at March 31, 2019, stock-in-trade includes stocks carried at net realisable value of Rs 7,633.72 million (June 30, 2018: Rs 5,688.51 million). Adjustments amounting to Rs 1,304.69 million (June 30, 2018: Rs 871.36 million) have been made to closing inventory to write down stock to net realizable value.

## 14. TRADE DEBTS - unsecured and considered good

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,261.96 million (June 30, 2018: Rs 10,413.07 million) and Pakistan Oilfields Limited Rs 1.57 million (June 30, 2018: Rs 42.02 million).

<b>March 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2018</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

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

Due from Subsidiary Company		
Attock Hospital (Private) Limited	97	-
Due from associated companies		
Attock Petroleum Limited	1,999,215	1,462,881
Attock Information Technology Services (Private) Limited	636	503
Attock Leisure and Management Associates (Private) Limited	123	12
Attock Gen Limited	963	247
National Refinery Limited	20,467	3,087
National Cleaner Production Centre Foundation	4,914	4,906
Attock Sahara Foundation	260	-
Income accrued on bank deposits	107,870	104,729
Workers' Profit Participation Fund	-	20,000
Loans, deposits, prepayments and other receivables	349,842	275,352
	<b>2,484,387</b>	<b>1,871,717</b>

**16. CASH AND BANK BALANCES**

Cash in hand (US \$ 6,838; June 30, 2018: US \$ 2,298)	3,206	1,200
With banks:		
Local currency		
Current accounts	7,977	27,959
Deposit accounts - notes 16.1, 16.2 & 16.3	6,186,120	8,005,069
Saving accounts	9,945,952	13,862,915
Foreign Currency		
Saving accounts (US \$ 462,405; June 30, 2018: US \$ 472,578)	64,228	57,371
	<b>16,207,483</b>	<b>21,954,514</b>

**16.1** Deposit accounts include Rs 3,186.12 million (June 30, 2018: Rs nil) placed in 90 days interest-bearing account consequent to directives of the Ministry of Energy (Petroleum Division) on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 8.1. Pursuant to same directives a Term Deposit Receipt (TDR) amounting to Rs nil (June 30, 2018: Rs 3,005.07 million) was placed in 12 months interest bearing account with the terms that allowed the Company to opt for pre-mature encashment. The said TDR was encashed during the period.

**16.2** Balances with banks include Rs 3,000 million (June 30, 2018: Rs 5,000 million) in respect of deposits placed in 90-days interest-bearing account.

**16.3** Bank deposits of Rs 1,326.84 million (June 30, 2018: Rs 1,327.12 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>17. GROSS SALES</b>				
Local sales	<b>55,911,605</b>	44,665,435	<b>164,899,904</b>	121,691,663
Naphtha export sales	<b>2,713,788</b>	1,306,701	<b>5,809,856</b>	3,504,241
	<b>58,625,393</b>	45,972,136	<b>170,709,760</b>	125,195,904
Reimbursement due from the Government under import parity pricing formula - note 17.1	-	-	-	7,950
	<b>58,625,393</b>	45,972,136	<b>170,709,760</b>	125,203,854

**17.1** This represents amount due from the Government of Pakistan on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>18. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>7,963,726</b>	7,388,807	<b>21,195,407</b>	21,503,076
Petroleum development levy	<b>6,785,730</b>	3,830,940	<b>14,064,225</b>	11,437,768
Custom duties and other levies - note 18.1	<b>1,288,523</b>	934,072	<b>3,862,050</b>	2,451,876
Discounts	-	17,740	<b>25,345</b>	50,577
PMG RON differential - note 18.2	<b>240,262</b>	234,550	<b>704,343</b>	757,632
	<b>16,278,241</b>	12,406,109	<b>39,851,370</b>	36,200,929

**18.1** This includes Rs 3,700.21 million (March 31, 2018: Rs 2,451.81 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD.

**18.2** This represents amount payable to GoP 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		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>19. COST OF SALES</b>				
Crude oil consumed - note 19.1	<b>38,801,053</b>	31,127,118	<b>123,479,586</b>	82,084,136
Transportation and handling charges	<b>324,327</b>	194,163	<b>711,813</b>	499,668
Salaries, wages and other benefits	<b>287,733</b>	279,566	<b>822,462</b>	819,613
Chemicals consumed	<b>1,138,620</b>	674,276	<b>3,174,038</b>	2,039,188
Fuel and power	<b>1,097,870</b>	814,380	<b>3,334,988</b>	2,271,096
Repairs and maintenance	<b>144,854</b>	132,500	<b>392,307</b>	215,538
Staff transport and travelling	<b>5,418</b>	3,980	<b>14,615</b>	11,948
Insurance	<b>92,579</b>	67,521	<b>252,692</b>	173,275
Cost of receptacles	<b>5,191</b>	2,349	<b>15,334</b>	17,774
Other operating costs	<b>21,457</b>	24,437	<b>62,720</b>	60,596
Depreciation	<b>638,045</b>	635,188	<b>1,912,390</b>	1,903,550
Cost of goods manufactured	<b>42,557,147</b>	33,955,478	<b>134,172,945</b>	90,096,382
Changes in stock	<b>266,908</b>	(105,082)	<b>(288,859)</b>	(1,656,193)
	<b>42,824,055</b>	33,850,396	<b>133,884,086</b>	88,440,189

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

## 20. OTHER CHARGES

This includes Rs nil (nine months period ended March 31, 2018: Rs nil) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>21. OTHER INCOME</b>				
Income on bank deposits	<b>433,997</b>	259,715	<b>1,296,953</b>	879,475
Interest on delayed payments	<b>214,884</b>	141,270	<b>585,013</b>	376,548
Handling and service charges	<b>11,229</b>	21,915	<b>57,306</b>	75,815
Rental income	<b>23,344</b>	23,021	<b>76,371</b>	72,495
Miscellaneous	<b>5,401</b>	31,736	<b>26,447</b>	50,853
	<b>688,855</b>	477,657	<b>2,042,090</b>	1,455,186

## 22. FINANCE COST

Exchange loss (net)	<b>137,049</b>	425,093	<b>2,559,799</b>	841,227
Interest on long term financing	<b>414,957</b>	384,084	<b>1,413,551</b>	1,160,617
Interest on Workers' Profit Participation Fund	-	-	-	5,673
Bank and other charges	<b>93</b>	231	<b>386</b>	505
	<b>552,099</b>	809,408	<b>3,973,736</b>	2,008,022

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>23. TAXATION</b>				
Current	225,397	14,536	683,708	35,042
Deferred	(318,580)	(347,159)	(1,962,748)	(269,511)
	<b>(93,183)</b>	<b>(332,623)</b>	<b>(1,279,040)</b>	<b>(234,469)</b>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>				
Dividend income from associated companies	367,389	421,822	1,320,227	1,819,575
Related charges	-	(4,173)	-	65,715
Workers' Profit Participation Fund	-	425	-	26,982
Workers' Welfare Fund	43,884	52,049	164,361	228,039
Taxation	(43,884)	(48,301)	(164,361)	(320,736)
	<b>323,505</b>	<b>373,521</b>	<b>1,155,866</b>	<b>1,498,839</b>

**25. OPERATING SEGMENT**

The 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		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
High Speed Diesel	21,308,921	16,888,851	62,344,046	46,777,286
Premier Motor Gasoline	17,251,289	15,924,023	53,394,689	42,937,720
Jet Petroleum	4,329,804	3,513,607	14,146,322	8,880,314
Furnace Fuel Oil	9,890,159	5,283,520	25,695,203	15,148,974
Naphtha	2,978,187	1,553,972	6,673,210	4,167,363
Others	2,867,033	2,808,163	8,456,290	7,292,197
	<b>58,625,393</b>	<b>45,972,136</b>	<b>170,709,760</b>	<b>125,203,854</b>
Taxes, duties, levies, discounts and price differential	(16,278,241)	(12,406,109)	(39,851,370)	(36,200,929)
	<b>42,347,152</b>	<b>33,566,027</b>	<b>130,858,390</b>	<b>89,002,925</b>

Revenue from four major customers of the Company constitute 89% of total revenue during the nine months period ended March 31, 2019 (March 31, 2018: 90%).



## 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, 2017. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'.

## 27. RELATED PARTY TRANSACTIONS

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

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March 31, 2019 Rs' 000</b>	<b>March 31, 2018 Rs' 000</b>	<b>March 31, 2019 Rs' 000</b>	<b>March 31, 2018 Rs' 000</b>
<b>Sale of goods and services to:</b>				
Associated companies	<b>13,191,605</b>	11,126,731	<b>41,213,623</b>	30,334,122
Subsidiary company	<b>4,129</b>	2,818	<b>11,464</b>	10,251
Holding company	<b>8,011</b>	5,793	<b>26,571</b>	19,648
Interest income on delayed payments from an associated company	<b>214,884</b>	141,270	<b>585,013</b>	376,548
<b>Purchase of goods and services from:</b>				
Associated companies	<b>4,450,982</b>	4,102,733	<b>14,567,972</b>	10,693,679
Subsidiary company	<b>20,327</b>	20,303	<b>65,167</b>	55,801
Holding company	<b>125,663</b>	204,701	<b>411,491</b>	684,579
<b>Dividend paid to:</b>				
Associated companies	-	-	-	8,592
Holding company	-	-	-	312,235
Key management personnel	-	-	-	1,421
<b>Dividend income from:</b>				
Associated companies	<b>367,389</b>	421,822	<b>1,320,227</b>	1,819,575

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive and key management personnel	<b>39,883</b>	33,114	<b>146,898</b>	128,959
Honorarium/remuneration to Non-Executive Directors	<b>1,171</b>	900	<b>5,262</b>	3,533
Contribution to Workers' Profit Participation Fund	-	(18,385)	-	65,715
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>21,072</b>	18,876	<b>63,521</b>	55,491

## 28. EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED

Earnings per share - basic and diluted for the three months and nine months period ended March 31, 2018 respectively have been restated taking into consideration the corresponding effect of bonus shares issued during the nine months period ended March 31, 2019.

## 29. DATE OF AUTHORISATION

This condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 11, 2019.

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

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

**-Sd-  
Abdus Sattar**  
Director

***Condensed Interim Consolidated  
Financial Statements  
For The Nine Months Period  
Ended March 31, 2019***

# **Condensed Interim Consolidated Statement of Financial Position (Unaudited)** **As At March 31, 2019**

	Note	March 31, 2019 Rs' 000	June 30, 2018 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, 2018: 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, 2018: 85,293,000) ordinary shares of Rs 10 each	5	1,066,163	852,930
Reserves and surplus	6	33,482,333	36,722,462
Surplus on revaluation of freehold land		12,052,576	12,052,576
Fair value gain on available for sale investment classified as fair value through other comprehensive income		-	108
		<u>46,601,072</u>	<u>49,628,076</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	9,387,553	12,642,916
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	48,667,577	44,552,948
Accrued mark-up on long term financing	7	294,913	260,909
Current portion of long term financing	7	2,200,000	2,200,000
Unclaimed dividends		9,626	9,839
Provision for taxation		2,391,119	2,163,842
		<u>53,563,235</u>	<u>49,187,538</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>109,551,860</b></u>	<u><b>111,458,530</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	March 31, 2019 Rs' 000	June 30, 2018 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	30,978,490	32,829,945
Capital work-in-progress	11	319,049	303,043
Major spare parts and stand-by equipment		119,579	119,151
		<b>31,417,118</b>	<b>33,252,139</b>
<b>LONG TERM INVESTMENTS</b>	12	<b>24,841,636</b>	<b>24,830,227</b>
<b>LONG TERM LOANS AND DEPOSITS</b>		<b>40,276</b>	<b>42,115</b>
<b>DEFERRED TAXATION</b>		<b>2,020,141</b>	<b>43,494</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,344,041	2,905,748
Stock-in-trade	13	12,039,488	9,789,826
Trade debts	14	17,110,848	15,748,306
Loans, advances, deposits, prepayments and other receivables	15	2,501,086	1,888,643
Short term investments		-	985,846
Cash and bank balances	16	16,237,226	21,972,186
		<b>51,232,689</b>	<b>53,290,555</b>
<b>TOTAL ASSETS</b>		<b>109,551,860</b>	<b>111,458,530</b>

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019

	Note	Three months ended		Nine months ended	
		March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
Gross sales	17	58,625,393	45,972,136	170,709,760	125,203,854
Taxes, duties, levies, discounts and price differential	18	(16,278,241)	(12,406,109)	(39,851,370)	(36,200,929)
Net sales		42,347,152	33,566,027	130,858,390	89,002,925
Cost of sales	19	(42,824,055)	(33,850,396)	(133,884,086)	(88,440,189)
Gross profit/(loss)		(476,903)	(284,369)	(3,025,696)	562,736
Administrative expenses	20	168,833	160,754	517,100	478,956
Distribution cost		12,651	12,639	35,589	36,226
Other charges		-	(20,849)	-	-
		(181,484)	(152,544)	(552,689)	(515,182)
Other income	21	688,855	477,657	2,042,090	1,455,186
Operating profit/(loss)		30,468	40,744	(1,536,295)	1,502,740
Finance cost	22	(552,099)	(809,408)	(3,973,736)	(2,008,022)
Profit/(loss) before taxation from refinery operations		(521,631)	(768,664)	(5,510,031)	(505,282)
Taxation	23	93,183	332,623	1,279,040	234,469
Profit/(loss) after taxation from refinery operations		(428,448)	(436,041)	(4,230,991)	(270,813)
Non-refinery income:					
Share in profit of associated companies	24	214,882	455,658	1,204,095	1,666,981
Profit/(loss) after taxation		(213,566)	19,617	(3,026,896)	1,396,168
Earnings/(loss) per share - basic and diluted (Rupees)	28		(Restated)		(Restated)
Refinery operations		(4.01)	(4.09)	(39.68)	(2.54)
Non-refinery operations		2.01	4.28	11.29	15.64
		(2.00)	0.19	(28.39)	13.10

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March 31, 2019 Rs' 000</b>	<b>March 31, 2018 Rs' 000</b>	<b>March 31, 2019 Rs' 000</b>	<b>March 31, 2018 Rs' 000</b>
Profit/(loss) after taxation	<b>(213,566)</b>	19,617	<b>(3,026,896)</b>	1,396,168
Other comprehensive income (net of tax):				
Share of other comprehensive profit/(loss) of associated companies - net of tax	<b>700</b>	(156)	-	(82)
Fair value adjustment on investments classified as fair value through other comprehensive income	-	-	<b>(108)</b>	-
Total comprehensive income/(loss)	<b><u>(212,866)</u></b>	<u>19,461</u>	<b><u>(3,027,004)</u></b>	<u>1,396,086</u>

The annexed notes 1 to 29 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

		Capital reserve				Revenue reserve				
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Fair value gain on available for sale investment	Total
	Rs' 000									
Balance as at July 1, 2017	852,930	2,045,813	12,908,966	196,679	119,708	6,102,380	14,628,728	12,052,576	-	48,907,780
Distribution to owners: Final cash dividend @ 60% related to the year ended June 30, 2017	-	-	-	-	-	-	(511,758)	-	-	(511,758)
Total comprehensive income	-	-	-	-	-	-	1,396,168	-	-	1,396,168
Profit for the period	-	-	-	-	-	-	(81)	-	-	(81)
Other comprehensive loss for the period	-	-	-	-	-	-	1,396,087	-	-	1,396,087
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(270,813)	-	-	-	-	270,813	-	-	-
Profit after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	524	-	-	-	-	(524)	-	-	-
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.3	-	-	-	2,371	-	-	(2,371)	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	750,000	(750,000)	-	-	-
Balance as at March 31, 2018	852,930	1,775,524	12,908,966	199,050	119,708	6,852,380	15,030,975	12,052,576	-	49,792,109
Total comprehensive loss	-	-	-	-	-	-	(7,420)	-	-	(7,420)
Loss for the period	-	-	-	-	-	-	(156,721)	-	108	(156,613)
Other comprehensive (loss)/ income for the period	-	-	-	-	-	-	(164,141)	-	108	(164,033)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(741,745)	-	-	-	-	741,745	-	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	(524)	-	-	-	-	524	-	-	-
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.3	-	-	-	2,575	-	-	(2,575)	-	-	-
Balance as at June 30, 2018	852,930	1,033,255	12,908,966	201,625	119,708	6,852,380	15,606,528	12,052,576	108	49,628,076
Distribution to owners: Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-	-
Bonus shares issued by an associated company	-	-	-	-	36,288	-	(36,288)	-	-	-
Total comprehensive loss	-	-	-	-	-	-	(3,026,896)	-	-	(3,026,896)
Loss for the period	-	-	-	-	-	-	-	-	(108)	(108)
Other comprehensive loss for the period	-	-	-	-	-	-	(3,026,896)	-	(108)	(3,027,004)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-	-
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.3	-	-	-	1,712	-	-	(1,712)	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	225,000	(225,000)	-	-	-
Balance as at March 31, 2019	1,066,163	-	12,908,966	203,337	155,996	7,077,380	13,136,654	12,052,576	-	46,601,072

-Sd-  
Abdus Sattar  
Director



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

### For The Nine Months Period Ended March 31, 2019

	Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	169,413,639	118,164,911
- Others	248,090	698,410
	<b>169,661,729</b>	<b>118,863,321</b>
Cash paid for operating cost	(135,820,403)	(86,797,053)
Cash paid to Government for duties, taxes and other levies	(35,274,191)	(30,869,530)
Income tax paid	(627,261)	(539,384)
Net cash (outflows)/inflows from operating activities	<b>(2,060,126)</b>	<b>657,354</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(100,488)	(210,856)
Proceeds against disposal of operating assets	4,856	6,067
Long term loans and deposits	1,839	(8,186)
Income on bank deposits received	1,299,290	881,666
Dividends received	1,320,227	1,819,574
Net cash generated from investing activities	<b>2,525,724</b>	<b>2,488,265</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(3,650,000)	(4,650,000)
Transaction cost on long term financing	(500)	(500)
Dividends paid	(213)	(510,739)
Finance cost	(3,544,595)	(1,970,436)
Net cash outflows from financing activities	<b>(7,195,308)</b>	<b>(7,131,675)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(6,729,710)</b>	<b>(3,986,056)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>22,958,032</b>	<b>21,650,017</b>
Effect of exchange rate changes	8,904	4,925
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16,237,226</b>	<b>17,668,886</b>

Cash and cash equivalents comprise of cash & bank balances and short term investments.

The annexed notes 1 to 29 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 Nine Months Period Ended March 31, 2019**

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

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

The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

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

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

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

**2.1** These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2018.

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

### **3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS**

**a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

**IFRS 9 'Financial instruments'** - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

**IFRS 15 'Revenue from contracts with customers'** - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these consolidated financial statements of the Company.

**b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's consolidated financial statements and hence have not been detailed here.

**c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant**

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the consolidated financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its consolidated financial statements.

**4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objective and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended June 30, 2018.

**5. SHARE CAPITAL**

The parent company Attock Oil Company Limited held 65,049,030 (June 30, 2018: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2018: 1,432,000) ordinary shares as at March 31, 2019.

<b>March 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2018</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**6. RESERVES AND SURPLUS**
**Capital reserve**

Special reserve for expansion/modernisation - note 6.1	-	1,033,255
Special reserve for expansion/modernisation by an associated company	-	-
	-	1,033,255

Utilised special reserve - note 6.2	<b>10,962,934</b>	10,962,934
Utilised special reserve by an associated company	<b>1,946,032</b>	1,946,032
	<b>12,908,966</b>	12,908,966

Maintenance reserve -note 6.3	<b>203,337</b>	201,625
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**Others**

Liabilities taken over from The Attock Oil Company Limited no longer required	<b>4,800</b>	4,800
Capital gain on sale of building	<b>654</b>	654
Insurance and other claims realised relating to pre-incorporation period	<b>494</b>	494
Donation received for purchase of hospital equipment	<b>4,000</b>	4,000
Bonus shares issued by associated companies	<b>146,048</b>	109,760
	<b>155,996</b>	119,708

**Revenue reserve**

General reserve	<b>7,077,380</b>	6,852,380
Unappropriated profit	<b>13,136,654</b>	15,606,528
	<b>20,214,034</b>	22,458,908
	<b>33,482,333</b>	36,722,462

- 6.1** Represents amounts retained as per the stipulations of the Government under the pricing formula and is available only for making investment in expansion or Up-gradation of the refinery or off setting any loss of the refinery. Transfer to/from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit/loss on an annual basis.

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

Following is the status of Special Reserve for expansion/modernization utilisation on Up-gradation and expansion projects from July 1, 1997 to March 31, 2019:

	<b>March 31,</b>	<b>June 30,</b>
	<b>2019</b>	<b>2018</b>
	<b>Rs' 000</b>	<b>Rs' 000</b>
Balance at the beginning of period/year	<b>1,033,255</b>	2,045,813
Transfer for the period/year	<b>(1,033,255)</b>	(1,012,558)
Balance as at period/year	-	1,033,255

**6.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernization till March 31, 2019 is Rs 28,297 million including Rs 17,334 million spent over and above the available balance in the Special Reserve which have been incurred by the Company from its own resources.

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

March 31, 2019 Rs' 000	June 30, 2018 Rs' 000
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## **7. LONG TERM FINANCING - secured**

### **From banking companies**

Syndicated Term Finance - note 7.1	<b>9,032,162</b>	11,494,985
Musharka Finance - note 7.2	<b>2,956,227</b>	3,762,252
	<b>11,988,389</b>	15,257,237
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	<b>153,412</b>	204,062
Addition during the period/ year	<b>500</b>	500
Amortization for the period/ year	<b>(47,989)</b>	(51,150)
Balance at the end of the period/ year	<b>105,923</b>	153,412
	<b>11,882,466</b>	15,103,825
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>9,682,466</b>	12,903,825
Mark-up payable shown as current liability	<b>(294,913)</b>	(260,909)
	<b>9,387,553</b>	12,642,916

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

**7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2018: nil%) while its share in Musharaka Assets B is 54.71% (June 30, 2018: 68.72%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2018: 100%) while its share in Musharaka Assets B is 45.29% (June 30, 2018: 31.28%) respectively. The tenure of this facility is 13 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

**7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until 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%.

<b>March 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2018</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**8. TRADE AND OTHER PAYABLES**

Creditors - note 8.1	<b>24,475,292</b>	24,294,232
Due to The Attock Oil Company Limited - Holding Company	<b>110,778</b>	110,475
Due to associated companies		
Pakistan Oilfields Limited	<b>2,096,345</b>	2,475,616
Attock Sahara Foundation	-	754
Attock Solar (Private) Limited	<b>263</b>	970
Accrued liabilities and provisions - note 8.1	<b>4,075,005</b>	4,048,226
Due to Government under the pricing formula	<b>3,522,717</b>	4,883,264
Custom duty payable to Government	<b>10,750,060</b>	6,888,202
Advance payments from customers	<b>60,961</b>	119,274
Sales tax payable	<b>1,605,265</b>	168,206
ARL Gratuity Fund	<b>5,588</b>	109,694
Staff Pension Fund	<b>13,803</b>	138,823
Crude oil freight adjustable through inland freight equalisation margin	<b>33,240</b>	15,761
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>1,914,747</b>	1,295,938
Deposits from customers adjustable against freight and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>3,137</b>	3,137
	<b>48,667,577</b>	44,552,948

- 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 3,290.59 million (June 30, 2018: Rs 3,113.17 million).

<b>March 31,</b>	<b>June 30,</b>
<b>2019</b>	<b>2018</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**9. CONTINGENCIES AND COMMITMENTS**
**Contingencies:**

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

**March 31,  
2019  
Rs' 000**

**June 30,  
2018  
Rs' 000**

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].	<b>135</b>	414
iv) Claims for land compensation contested by ARL.	<b>1,300</b>	1,300
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 19.1, the amount of which can not be presently quantified.		
vi) In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the related oil fields since 2007 and 2009 respectively. In this respect, an amount of Rs 2,484 million has been demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.	<b>2,484,098</b>	2,484,098

Based on the Company's assessment of related matter and based on 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. In this respect, 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.

vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	<b>1,705,262</b>	1,081,087
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**March 31,  
2019  
Rs' 000**

**June 30,  
2018  
Rs' 000**

The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.

<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
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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>ix)</b> The Company's share in tax contingency of associated companies.	<b>1,148,755</b>	1,474,866
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**Commitments:**

<b>i)</b> Capital expenditure	<b>213,577</b>	129,754
<b>ii)</b> Letters of credit for purchase of store items	<b>217,902</b>	88,941

**iii)** The Company's share of commitments of associated companies:

Capital expenditure commitments	<b>1,456,848</b>	1,796,604
Outstanding letters of credit	<b>5,740,542</b>	4,559,627
Others	<b>514,342</b>	506,929

**Nine months ended  
March 31,  
2019  
Rs' 000**

**Year ended  
June 30,  
2018  
Rs' 000**

**10. OPERATING ASSETS**

Opening written down value	<b>32,829,945</b>	35,140,631
Additions during the period/year	<b>84,053</b>	260,363
Written down value of disposals	<b>(119)</b>	(225)
Depreciation during the period/year	<b>(1,935,389)</b>	(2,570,824)
Closing written down value	<b>30,978,490</b>	32,829,945



	Nine months ended March 31, 2019 Rs' 000	Year ended June 30, 2018 Rs' 000
<b>11. CAPITAL WORK-IN-PROGRESS</b>		
Balance at the beginning of the year	303,043	142,057
Addition during the period/year	75,162	322,186
Transfer to operating assets		
- Buildings on freehold land	5,659	27,653
- Plant and machinery	53,497	133,547
	(59,156)	(161,200)
Balance at the end	319,049	303,043
<b>Breakup of the closing balance of capital work-in-progress</b>		
Civil works	18,177	7,720
Plant and machinery	299,872	294,323
Pipeline project	1,000	1,000
	319,049	303,043

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

Balance as at July 1	24,830,227	23,939,539
Share of profit/(loss) after tax of associated companies	(164,551)	2,552,958
Share in other comprehensive loss	(108)	(21,115)
Dividend received from associated companies	(1,320,227)	(1,819,575)
Impairment reversal on investment	1,496,295	178,420
	24,841,636	24,830,227

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

	March 31, 2019		June 30, 2018	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>Quoted</b>				
National Refinery Limited	25	14,793,813	25	14,793,813
Attock Petroleum Limited	21.88	7,210,470	21.88	7,345,605
<b>Unquoted</b>				
Attock Gen Limited - note 12.2	30	2,809,320	30	2,666,574
Attock Information Technology Services (Private) Limited	10	28,033	10	24,235
		24,841,636		24,830,227

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

**13. STOCK-IN-TRADE**

As at March 31, 2019, stock-in-trade includes stocks carried at net realisable value of Rs 7,633.72 million (June 30, 2018: Rs 5,688.51 million). Adjustments amounting to Rs 1,304.69 million (June 30, 2018: Rs 871.36 million) have been made to closing inventory to write down stock to net realizable value.

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

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,261.96 million (June 30, 2018: Rs 10,413.07 million) and Pakistan Oilfields Limited Rs 1.57 million (June 30, 2018: Rs 42.02 million).

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

	March 31, 2019 Rs' 000	June 30, 2018 Rs' 000
Due from associated companies		
Attock Petroleum Limited	2,000,527	1,463,364
Attock Information Technology Services (Private) Limited	636	503
Attock Leisure and Management Associates (Private) Limited	123	12
Attock Gen Limited	1,168	398
Attock Cement Pakistan Limited	3	5
National Cleaner Production Centre Foundation	4,926	4,946
Capgas (Private) Limited	119	111
National Refinery Limited	20,467	3,087
Attock Sahara Foundation	260	-
Income accrued on bank deposits	108,520	104,729
Workers' Profit Participation Fund	-	20,000
Loans, deposits, prepayments and other receivables	364,337	291,488
	<b>2,501,086</b>	<b>1,888,643</b>

**16. CASH AND BANK BALANCES**

Cash in hand (US \$ 6,838; June 30, 2018: US \$ 2,298)	3,747	1,472
With banks:		
Local currency		
Current accounts	8,237	28,267
Deposit accounts - notes 16.1, 16.2 & 16.3	6,186,120	8,005,069
Saving accounts	9,974,894	13,880,007
Foreign Currency		
Saving accounts (US \$ 462,405; June 30, 2018: US \$ 472,578)	64,228	57,371
	<b>16,237,226</b>	<b>21,972,186</b>

**16.1** Deposit accounts include Rs 3,186.12 million (June 30, 2018: Rs nil) placed in 90 days interest-bearing account consequent to directives of the Ministry of Energy (Petroleum Division) on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 8.1. Pursuant to same directives a Term Deposit Receipt (TDR) amounting to Rs nil (June 30, 2018: Rs 3,005.07 million) was placed in 12 months interest bearing account with the terms that allowed the Company to opt for pre-mature encashment. The said TDR was encashed during the period.

**16.2** Balances with banks include Rs 3,000 million (June 30, 2018: Rs 5,000 million) in respect of deposits placed in 90-days interest-bearing account.

**16.3** Bank deposits of Rs 1,326.84 million (June 30, 2018: Rs 1,327.12 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>17. GROSS SALES</b>				
Local sales	<b>55,911,605</b>	44,665,435	<b>164,899,904</b>	121,691,663
Naphtha export sales	<b>2,713,788</b>	1,306,701	<b>5,809,856</b>	3,504,241
	<b>58,625,393</b>	45,972,136	<b>170,709,760</b>	125,195,904
Reimbursement due from the Government under import parity pricing formula - note 17.1	-	-	-	7,950
	<b>58,625,393</b>	45,972,136	<b>170,709,760</b>	125,203,854

**17.1** This represents amount due from the Government of Pakistan on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>18. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>7,963,726</b>	7,388,807	<b>21,195,407</b>	21,503,076
Petroleum development levy	<b>6,785,730</b>	3,830,940	<b>14,064,225</b>	11,437,768
Custom duties and other levies - note 18.1	<b>1,288,523</b>	934,072	<b>3,862,050</b>	2,451,876
Discounts	-	17,740	<b>25,345</b>	50,577
PMG RON differential - note 18.2	<b>240,262</b>	234,550	<b>704,343</b>	757,632
	<b>16,278,241</b>	12,406,109	<b>39,851,370</b>	36,200,929

**18.1** This includes Rs 3,700.21 million (March 31, 2018: Rs 2,451.81 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD.

**18.2** This represents amount payable to GoP 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		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>19. COST OF SALES</b>				
Crude oil consumed - note 19.1	38,801,053	31,127,118	123,479,586	82,084,136
Transportation and handling charges	324,327	194,163	711,813	499,668
Salaries, wages and other benefits	287,733	279,566	822,462	819,613
Chemicals consumed	1,138,620	674,276	3,174,038	2,039,188
Fuel and power	1,097,870	814,380	3,334,988	2,271,096
Repairs and maintenance	144,854	132,500	392,307	215,538
Staff transport and travelling	5,418	3,980	14,615	11,948
Insurance	92,579	67,521	252,692	173,275
Cost of receptacles	5,191	2,349	15,334	17,774
Other operating costs	21,457	24,437	62,720	60,596
Depreciation	638,045	635,188	1,912,390	1,903,550
Cost of goods manufactured	42,557,147	33,955,478	134,172,945	90,096,382
Changes in stock	266,908	(105,082)	(288,859)	(1,656,193)
	<b>42,824,055</b>	<b>33,850,396</b>	<b>133,884,086</b>	<b>88,440,189</b>

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

## 20. OTHER CHARGES

This includes Rs nil (nine months period ended March 31, 2018: Rs nil) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>21. OTHER INCOME</b>				
Income on bank deposits	433,997	259,715	1,296,953	879,475
Interest on delayed payments	214,884	141,270	585,013	376,548
Handling and service charges	11,229	21,915	57,306	75,815
Rental income	23,344	23,021	76,371	72,495
Others	5,401	31,736	26,447	50,853
	<b>688,855</b>	<b>477,657</b>	<b>2,042,090</b>	<b>1,455,186</b>
<b>22. FINANCE COST</b>				
Exchange loss (net)	137,049	425,093	2,559,799	841,227
Interest on long term financing	414,957	384,084	1,413,551	1,160,617
Interest on Workers' Profit Participation Fund	-	-	-	5,673
Bank and other charges	93	231	386	505
	<b>552,099</b>	<b>809,408</b>	<b>3,973,736</b>	<b>2,008,022</b>

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>23. TAXATION</b>				
Current	225,397	14,536	683,708	35,042
Deferred	(318,580)	(347,159)	(1,962,748)	(269,511)
	<u>(93,183)</u>	<u>(332,623)</u>	<u>(1,279,040)</u>	<u>(234,469)</u>
<b>24. NON-REFINERY INCOME</b>				
Share of profit of associated companies (net of reversal of impairment loss)	232,032	517,833	1,331,744	2,001,086
Related charges				
Workers' Profit Participation Fund	-	(4,173)	-	65,715
Workers' Welfare Fund	-	425	-	26,982
Taxation - current and deferred	23,062	69,939	149,795	250,970
	<u>(23,062)</u>	<u>(66,191)</u>	<u>(149,795)</u>	<u>(343,667)</u>
	<u>208,970</u>	<u>451,642</u>	<u>1,181,949</u>	<u>1,657,419</u>
Profit after taxation from Attock Hospital (Private) Limited (wholly owned subsidiary)	5,912	4,016	22,146	9,562
	<u>214,882</u>	<u>455,658</u>	<u>1,204,095</u>	<u>1,666,981</u>
<b>25. OPERATING SEGMENT</b>				

The 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		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
High Speed Diesel	21,308,921	16,888,851	62,344,046	46,777,286
Premier Motor Gasoline	17,251,289	15,924,023	53,394,689	42,937,720
Jet Petroleum	4,329,804	3,513,607	14,146,322	8,880,314
Furnace Fuel Oil	9,890,159	5,283,520	25,695,203	15,148,974
Naphtha	2,978,187	1,553,972	6,673,210	4,167,363
Others	2,867,033	2,808,163	8,456,290	7,292,197
	<u>58,625,393</u>	<u>45,972,136</u>	<u>170,709,760</u>	<u>125,203,854</u>
Taxes, duties, levies, discounts and price differential	(16,278,241)	(12,406,109)	(39,851,370)	(36,200,929)
	<u>42,347,152</u>	<u>33,566,027</u>	<u>130,858,390</u>	<u>89,002,925</u>

Revenue from four major customers of the Company constitute 89% of total revenue during the nine months period ended March 31, 2019 (March 31, 2018: 90%).

## 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, 2017. The revaluation surplus was credited to 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		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>Sale of goods and services to:</b>				
Associated companies	<b>13,197,622</b>	11,132,351	<b>41,230,621</b>	30,350,138
Holding company	<b>8,011</b>	5,793	<b>26,571</b>	19,648
Interest income on delayed payments from an associated company	<b>214,884</b>	141,270	<b>585,013</b>	376,548
<b>Purchase of goods and services from:</b>				
Associated companies	<b>4,450,982</b>	4,102,733	<b>14,567,972</b>	10,693,679
Holding company	<b>125,663</b>	204,700	<b>411,491</b>	684,578
<b>Dividend paid to:</b>				
Associated companies	-	-	-	8,592
Holding company	-	-	-	312,235
Key management personnel	-	-	-	1,421
<b>Dividend income from:</b>				
Associated companies	<b>367,389</b>	421,822	<b>1,320,227</b>	1,819,575

	Three months ended		Nine months ended	
	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000	March 31, 2019 Rs' 000	March 31, 2018 Rs' 000
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive and key management personnel	<b>39,883</b>	33,114	<b>146,898</b>	128,959
Honorarium/remuneration to Non-Executive Directors	<b>1,171</b>	900	<b>5,262</b>	3,533
Contribution to Workers' Profit Participation Fund	-	(18,385)	-	65,715
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>3,114,522</b>	19,847	<b>3,159,013</b>	58,285

## 28. EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED

Earnings per share - basic and diluted for the three months and nine months period ended March 31, 2018 respectively have been restated taking into consideration the corresponding effect of bonus shares issued during the nine months period ended March 31, 2019.

## 29. 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 April 11, 2019.

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

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

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

