



CONTENTS

Page No.

COMPANY INFORMATION

03

DIRECTORS' REVIEW REPORT

04

ڈائریکٹرز کی جائزہ رپورٹ

07

CONDENSED INTERIM FINANCIAL STATEMENTS

➡ Statement of Financial Position	08
➡ Statement of Profit or Loss	10
➡ Statement of Profit or Loss and Other Comprehensive Income	11
➡ Statement of Changes in Equity	12
➡ Statement of Cash Flows	13
➡ Notes to the Financial Statements	14

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

➡ Statement of Financial Position	28
➡ Statement of Profit or Loss	30
➡ Statement of Profit or Loss and Other Comprehensive Income	31
➡ Statement of Changes in Equity	32
➡ Statement of Cash Flows	33
➡ Notes to the Financial Statements	34

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.

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DIRECTORS' REVIEW REPORT

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

On behalf of the Board of Directors of Attock Refinery Limited, we are pleased to present review of the financial results and operations of the Company for the third quarter and nine months period ended March 31, 2021.

FINANCIAL RESULTS

During the nine months period ended March 31, 2021, the Company suffered loss after tax of Rs 1,129 million from refinery operations (March 31, 2020: Loss of Rs 2,324 million). Non-refinery income during this period was Rs 120 million (March 31, 2020: Rs 554 million). Accordingly, overall loss after taxation was Rs 1,009 million with loss per share of Rs 9.46 (March 31, 2020: Loss of Rs 1,770 million with loss per share of Rs 16.61).

Due to continuity of negative impact of COVID-19 pandemic, refinery margins in the global and domestic economy remained depressed and this affected results of our refinery. The margins started to slightly improve around December 2020. However, afterwards with onset of third wave of the pandemic, the margins again started to shrink.

REFINERY OPERATIONS

In order to minimize losses, the management decided to operate the refinery at lower capacity during the period under review. During this period, the Company supplied 1,359 thousand Metric Tons of various petroleum products while operating at about 76% of the capacity (March 31, 2020: 1,305 thousand Metric Tons, 73% capacity). Despite multiple challenges emerging from COVID-19 pandemic including sickness of several employees of the Company, the management was able to ensure smooth supply of petroleum products.

FUTURE OUTLOOK

Control over COVID-19 pandemic and minimizing incidence through various means including higher percentage of vaccination, is the key for restoration of economic activity. This can help improve demand and stability in prices of petroleum products. Hopefully, efforts all over the world including Pakistan to provide vaccination to large segment of population will yield positive results.

Stability in exchange rate of Pak Rupee and fortnightly pricing mechanism for petroleum products are also expected to have positive impact on refineries' business. The Working Group constituted earlier by the Government, comprising of the Government officials and representative of refineries, had finalised a draft Refining Policy to replace the existing outdated policy. The new draft Refining Policy envisages certain fiscal and tariff concessions to the refining sector which are likely to improve financial condition of the refineries enabling upgradation of plants. Such upgradation would help achieve the Government's agenda of using upgraded fuel. We urge the Government to approve the new Refining Policy at the earliest so that the refineries are able to undertake upgradation projects. The Ministry of Energy is seized with the issue and initial discussions of the refineries with the Government have been encouraging.

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

ACKNOWLEDGEMENT

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

On behalf of the Board

-Sd-

M. Adil Khattak
Chief Executive Officer

April 26, 2021
Rawalpindi

-Sd-

Abdus Sattar
Director

استعمال کے ایجنڈے کو حاصل کرنے میں بھی مدد ملے گی۔ ہم حکومت سے گزارش کرتے ہیں کہ جلد از جلد نئی ریفاٹنگ پالیسی کو منظور کیا جائے تاکہ ریفاٹریز اپنے تجدید اور توسیع کے منصوبوں کو شروع کر سکیں۔ اس معاملے کو وزارت توانائی کے ساتھ اٹھایا گیا ہے اور حکومت کے ساتھ ریفاٹریز کی ابتدائی بات چیت حوصلہ افزا رہی ہے۔

کانیونس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب، ڈیزل ڈی ہائیڈرو سلفرائزیشن یونٹ (Diesel Dehydrodesulphurization Unit) کی تجدید اور فرنس فیل آئل اپ گریڈیشن (Furnace Fuel Oil Upgradation) کا مجوزہ مشترکہ منصوبے کیلئے تکنیکی مطالعہ پر پیش قدمی اطمینان بخش ہے۔ چونکہ یہ منصوبے بھاری سرمایہ کاری کے متقاضی ہیں اس لئے ان یونٹس کے قیام کیلئے مراعات کی شکل میں حکومت کا تعاون لازم ہے۔

اظہار تشکر

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

بورڈ کی جانب سے

-Sd-

عبدالستار
ڈائریکٹر

-Sd-

ایم عادل خٹک
چیف ایگزیکٹو آفیسر

۲۶ اپریل ۲۰۲۱ء

راولپنڈی

ڈائریکٹرز کی جائزہ رپورٹ

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

انک ریفاٹری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۱ مارچ ۲۰۲۱ء 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

۳۱ مارچ ۲۰۲۱ء کو ختم ہونے والی نو ماہ کی اختتامی مدت کے دوران کمپنی کو ریفاٹری آپریشنز سے ٹیکس ادا کرنے کے بعد ۱,۱۲۹ ملین روپے کا خسارہ ہوا (۳۱ مارچ ۲۰۲۰ء: ۲,۳۲۴ ملین روپے کا خسارہ)۔ اس مدت کے دوران غیر ریفاٹری ذرائع سے ۱۲۰ ملین روپے کی آمدن ہوئی (۳۱ مارچ ۲۰۲۰ء: ۵۵۴ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۱,۰۰۹ ملین روپے کا خسارہ ہوا نتیجتاً فی حصص نقصان ۹.۳۶ روپے رہا (۳۱ مارچ ۲۰۲۰ء: ۷۰.۷۰ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۶۱.۶۱ روپے)۔

کوئیڈ-۱۹ وبائی مرض کے منفی اثرات کے تسلسل کی وجہ سے عالمی اور ملکی معیشت میں مارجنز مایوس کن رہے۔ اور اسی کی وجہ سے ہماری ریفاٹری کے نتائج بھی متاثر ہوئے۔ اگرچہ دسمبر ۲۰۲۰ء کے دوران مارجنز میں معمولی بہتری آنا شروع ہوئی تاہم اُس کے بعد وبائی مرض کی تیسری لہر شروع ہونے کے بعد مارجنز ایک دفعہ پھر کم ہونے لگے۔

ریفاٹری آپریشنز

نقصانات کو کم کرنے کیلئے کمپنی انتظامیہ نے ریفاٹری کو کم استعداد پر چلانے کا فیصلہ کیا۔ زیر جائزہ مدت کے دوران کمپنی نے ۶۷٪ پیداواری استعداد کے ساتھ ۱,۳۵۹ ہزار میٹرک ٹن کی مختلف پیٹرولیم مصنوعات کی ترسیلات کیں (۳۱ مارچ ۲۰۲۰ء: ۱,۳۰۵ ہزار میٹرک ٹن، ۳۳٪ استعداد)۔ کمپنی کے متعدد ملازمین کی بیماری سمیت 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

دینا بھر میں معاشی سرگرمیوں کی بحالی کا انحصار کوئیڈ-۱۹ وبائی مرض پر کامیابی سے قابو پانے پر ہے اس وبائی مرض سے ہونے والے نقصانات کو کم کرنے کیلئے متعدد اقدامات کیے جا رہے ہیں جن میں آبادی کے بڑے حصے کو کرونا ویکسین کی فراہمی بھی شامل ہے۔ اس سے پیٹرولیم مصنوعات کی طلب اور قیمتوں میں استحکام کی بہتری میں مدد ملے گی۔ پاکستان سمیت دینا بھر میں آبادی کے بڑے حصے کو ویکسین فراہم کرنے جیسی کوششوں سے مثبت نتائج برآمد ہوں گے۔

پاکستانی روپے کی زرمبادلہ کی شرح میں استحکام اور پٹرولیم مصنوعات کی ہر پندرہ دن بعد قیمتوں کے تعین کے طریقہ کار کی وجہ سے ریفاٹریز کے کاروبار پر مثبت اثرات مرتب ہونے کی امید ہے۔ اس سے پہلے حکومت کی طرف سے تشکیل دیئے گئے ورکنگ گروپ نے جو سرکاری افسران اور ریفاٹریز کے نمائندوں پر مشتمل تھا، نے موجودہ پرانی پالیسی کو تبدیل کرنے کے لئے نئی ریفاٹنگ پالیسی کے مسودے کو حتمی شکل دی ہے۔ ریفاٹنگ پالیسی کے نئے مسودے میں ریفاٹنگ سیکٹر کے لئے متعدد مالی اور محصولات کی مدد میں مراعات کی تجویز پیش کی گئی ہے۔ جس سے ریفاٹریز کی پلانٹس کی تجدید اور توسیع کے منصوبوں کو قابل عمل بنانے اور ریفاٹریز کی مالی حالات میں بہتری آنے کا امکان ہے۔ اس طرح کے تجدید اور توسیع کے منصوبوں سے حکومت کے جدید ایندھن کے

Condensed Interim Statement of Financial Position (Unaudited)

As At March 31, 2021

	Note	March 31, 2021 Rs '000	June 30, 2020 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
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>
Issued, subscribed and paid-up			
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	16,734,857	17,743,509
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		<u>42,894,439</u>	<u>43,903,091</u>
NON-CURRENT LIABILITIES			
Long term financing	7	6,031,024	7,614,194
Long term lease liabilities		<u>26,959</u>	<u>106,741</u>
CURRENT LIABILITIES			
Accrued mark-up on long term financing	7	147,107	204,519
Current portion of long term financing	7	1,650,000	-
Trade and other payables	8	45,498,990	43,181,953
Short term financing	9	250,001	-
Accrued mark-up on short term financing		21,159	-
Current portion of lease liabilities		215,909	214,899
Unclaimed dividends		9,335	9,355
Provision for taxation		<u>3,069,392</u>	<u>2,752,442</u>
		<u>50,861,893</u>	<u>46,363,168</u>
TOTAL EQUITY AND LIABILITIES		<u>99,814,315</u>	<u>97,987,194</u>
CONTINGENCIES AND COMMITMENTS	10		

	Note	March 31, 2021 Rs '000	June 30, 2020 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	39,557,524	41,424,612
Capital work-in-progress	12	806,378	979,206
Major spare parts and stand-by equipments		<u>150,562</u>	<u>138,935</u>
		<u>40,514,464</u>	<u>42,542,753</u>
LONG TERM INVESTMENTS	13	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS		40,119	40,103
DEFERRED TAXATION		7,824,941	6,704,608
CURRENT ASSETS			
Stores, spares and loose tools		3,910,662	4,431,073
Stock-in-trade	14	9,306,417	7,163,855
Trade debts	15	13,776,811	12,728,442
Loans, advances, deposits, prepayments and other receivables	16	3,424,836	2,988,463
Cash and bank balances	17	7,751,150	8,122,982
		<u>38,169,876</u>	<u>35,434,815</u>
TOTAL ASSETS		<u>99,814,315</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 Nine Months Period Ended March 31, 2021**

	Note	Three months ended		Nine months ended	
		March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Gross sales	18	50,837,202	49,322,173	141,663,053	152,463,191
Taxes, duties, levies, discount and price differential	19	(15,700,334)	(14,267,860)	(52,411,500)	(43,244,805)
Net sales		35,136,868	35,054,313	89,251,553	109,218,386
Cost of sales	20	(35,426,994)	(36,393,607)	(90,807,927)	(112,742,186)
Gross loss		(290,126)	(1,339,294)	(1,556,374)	(3,523,800)
Administration expenses		(180,402)	(206,474)	(568,692)	(633,023)
Distribution cost		(12,100)	(11,295)	(33,345)	(34,400)
Other charges		-	-	-	-
		(192,502)	(217,769)	(602,037)	(667,423)
Other income	21	385,090	502,520	1,342,710	2,215,400
Impairment loss on financial assets		(40,030)	(69,816)	(131,210)	(191,104)
Operating loss		(137,568)	(1,124,359)	(946,911)	(2,166,927)
Finance cost	22	(232,972)	(340,910)	(630,746)	(1,034,147)
Loss before taxation from refinery operations		(370,540)	(1,465,269)	(1,577,657)	(3,201,074)
Taxation	23	104,394	414,287	448,710	876,224
Loss after taxation from refinery operations		(266,146)	(1,050,982)	(1,128,947)	(2,324,850)
Income from non-refinery operations less applicable charges and taxation	24	46,267	161,753	120,295	554,475
Loss after taxation		(219,879)	(889,229)	(1,008,652)	(1,770,375)
(Loss)/earnings per share - basic and diluted (Rupees)					
Refinery operations		(2.50)	(9.86)	(10.59)	(21.81)
Non-refinery operations		0.44	1.52	1.13	5.20
Loss per share		(2.06)	(8.34)	(9.46)	(16.61)

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

-Sd-

Syed Asad Abbas
Chief Financial Officer

-Sd-

M. Adil Khattak
Chief Executive Officer

-Sd-

Abdus Sattar
Director

**Condensed Interim Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For The Nine Months Period Ended March 31, 2021**

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Loss after taxation	(219,879)	(889,229)	(1,008,652)	(1,770,375)
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive loss	<u>(219,879)</u>	<u>(889,229)</u>	<u>(1,008,652)</u>	<u>(1,770,375)</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

		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 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	-	-	-	-	-	-	(1,770,375)	-	(1,770,375)
loss for the period	-	-	-	-	-	-	(1,770,375)	-	(1,770,375)
Other comprehensive income	-	-	-	-	-	-	-	-	-
for the period	-	-	-	-	-	-	(1,770,375)	-	(1,770,375)
Balance as at March 31, 2020	1,066,163	-	10,962,934	5,948	3,762,775	55	4,037,268	12,052,576	31,887,719
Total comprehensive income/(loss)	-	-	-	-	-	-	(1,054,551)	-	(1,054,551)
Loss for the period	-	-	-	-	-	-	(1,054,551)	-	(1,054,551)
Other comprehensive income	-	-	-	-	-	-	29,080	13,040,843	13,069,923
for the period	-	-	-	-	-	-	(1,025,471)	13,040,843	12,015,372
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	-	-	-	-	-	-	(1,008,652)	-	(1,008,652)
Loss for the period	-	-	-	-	-	-	(1,008,652)	-	(1,008,652)
Other comprehensive income	-	-	-	-	-	-	-	-	-
for the period	-	-	-	-	-	-	(1,008,652)	-	(1,008,652)
Balance as at March 31, 2021	1,066,163	-	10,962,934	5,948	3,762,775	55	2,003,145	25,093,419	42,894,439

-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, 2021

		Nine months ended	
		March 31, 2021 Rs '000	March 31, 2020 Rs '000
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash receipts from - Customers	140,197,209	157,951,588
	- Others	555,707	191,308
		140,752,916	158,142,896
	Cash paid for operating cost	(87,538,781)	(115,295,223)
	Cash paid to Government for duties, taxes and other levies	(53,121,977)	(44,176,526)
	Income tax paid	(375,902)	(571,321)
	Net cash outflows from operating activities	(283,744)	(1,900,174)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Additions to property, plant and equipment	(63,530)	(588,252)
	Proceeds against disposal of operating assets	290	5,129
	Long term loans and deposits	(16)	1,273
	Income received on bank deposits	266,493	1,263,061
	Dividend received from associated companies	141,524	625,913
	Net cash generated from investing activities	344,761	1,307,124
CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long term financing	-	(1,650,000)
	Repayment of lease liability	(90,528)	-
	Transaction cost on long term financing	(500)	(500)
	Dividend paid to Company's shareholders	(21)	(208)
	Finance cost	(587,913)	(1,144,092)
	Net cash outflows from financing activities	(678,962)	(2,794,800)
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		(617,945)	(3,387,850)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		8,122,982	16,583,594
Effect of exchange rate changes on cash and cash equivalents		(3,888)	2,255
	CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,501,149	13,197,999
17.3			

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 Nine Months Period Ended March 31, 2021

1. LEGAL STATUS AND OPERATIONS

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 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 March 31, 2021.

6. RESERVES AND SURPLUS

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
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	2,003,145	3,011,797
	5,765,975	6,774,627
	16,734,857	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 March 31, 2021 is Rs 29,101.88 million including Rs 18,138.95 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.

7. LONG TERM FINANCING - secured

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
From banking companies		
Syndicated Term Finance - note 7.1	5,934,533	5,941,485
Musharaka Finance - note 7.2	1,942,373	1,944,648
	7,876,906	7,886,133
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	67,419	94,920
Addition during the period/year	500	500
Amortization for the period/year	(19,144)	(28,000)
Balance at the end of the period/year	48,775	67,420
	7,828,131	7,818,713
Current portion of long term financing	(1,650,000)	-
	6,178,131	7,818,713
Mark-up payable shown as current liability	(147,107)	(204,519)
	6,031,024	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.

8. TRADE AND OTHER PAYABLES

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
Creditors - note 8.1	24,519,185	21,236,688
Unearned revenue	-	331,943
Due to The Attock Oil Company Limited - Holding Company	175,482	148,127
Due to Attock Hospital (Private) Limited - Subsidiary Company	174	-
Due to associated companies		
Pakistan Oilfields Limited	2,306,157	1,793,167
Attock Energy (Private) Limited	-	1
Accrued liabilities and provisions - note 8.1	4,651,424	4,602,951
Due to the Government under the pricing formula	3,616,052	1,715,915
Custom duty payable to the Government	6,023,345	8,908,757
Advance payments from customers	84,302	501,777
Sales tax payable	2,503,815	1,081,535
ARL Gratuity Fund	47,535	47,535
Crude oil freight adjustable through inland freight equalisation margin	32,322	126,879
Payable to statutory authorities in respect of petroleum		
development levy and excise duty	1,535,754	2,683,235
Deposits from customers adjustable against freight		
and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	45,498,990	43,181,953

- 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 3,889.31 million (June 30, 2020: Rs 3,722.85 million).

9. SHORT TERM FINANCING

During the quarter the Company enhanced the short term financing availed from a bank from Rs 1.5 billion to Rs 3 billion out of which Rs 2.75 billion remained unutilized 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.

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.

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 has not been recognized as liability 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 for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.

**March 31,
2021
Rs '000**

**June 30,
2020
Rs '000**

1,326,706

1,326,706

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
iii) Guarantees issued by banks on behalf of the Company [other than (i) above].	-	344
iv) Claims for land compensation contested by the Company.	5,300	1,300
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 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 respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.	2,484,098	2,484,098
<p>In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants, the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.</p>		
vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016.	2,751,472	2,500,895
<p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>		
viii) 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 does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.	418,470	418,470

Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption

was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.

Commitments:

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
i) Capital expenditure	47,491	111,761
ii) Letters of credit for purchase of store items	68,961	159,418

Nine months ended March 31, 2021 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	224,730	257,142
Revaluation surplus	-	13,040,843
Written down value of disposals	(84)	(2,397)
Depreciation during the period/year	(1,955,447)	(2,596,105)
	39,345,586	41,076,387

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	(136,287)	(227,048)
Remeasurement in lease liability	-	36,132
Balance at the end of the period/year	211,938	348,225
Closing written down value	39,557,524	41,424,612

12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	979,206	622,573
Additions during the period/year	49,643	594,538
Transfer to operating assets		
- Building on freehold land	(3,596)	(20,539)
- Plant and machinery	(218,875)	(217,366)
	(222,471)	(237,905)
Balance at the end	806,378	979,206

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

The details are as under:

Civil works	242	3,838
Plant and machinery	805,136	974,368
Pipeline project	1,000	1,000
	806,378	979,206

	March 31, 2021		June 30, 2020	
	% age Holding	Rs '000	% age Holding	Rs '000
13. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
<u>Quoted</u>				
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
<u>Unquoted</u>				
Attock Gen Limited - note 13.2	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<u>13,262,915</u>		<u>13,262,915</u>
Subsidiary Company				
<u>Unquoted</u>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<u>13,264,915</u>		<u>13,264,915</u>

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 March 31, 2021, stock-in-trade includes stocks carried at net realisable value of Rs 9,162.36 million (June 30, 2020: Rs 3,326.41 million). Adjustments amounting to Rs 977.13 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 7,758.52 million (June 30, 2020: Rs 10,329.65 million) and Pakistan Oilfields Limited Rs 7.59 million (June 30, 2020: Rs 49.24 million).

	March 31, 2021 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	3,944,507	3,347,758
Attock Information Technology Services (Private) Limited	1,546	441
Attock Leisure and Management Associates (Private) Limited	37	436
Attock Gen Limited	462	980
National Refinery Limited	10,912	10,912
National Cleaner Production Centre Foundation	1,413	762
Attock Sahara Foundation	-	18
Attock Energy (Private) Limited	9	-
Capgas (Private) limited	677	-
Income accrued on bank deposits	6,114	28,066
Staff Pension Fund	14,354	14,354
Loans, deposits, prepayments and other receivables	313,361	318,589
Loss allowance	(868,556)	(737,347)
	3,424,836	2,988,463

17. CASH AND BANK BALANCES

Cash in hand (US \$ 7,393; June 30, 2020: US \$ 7,393)	3,487	2,281
With banks:		
Local currency		
Current accounts	8,009	7,932
Deposit accounts - notes 17.1 and 17.2	3,729,574	3,663,055
Saving accounts	3,936,062	4,371,869
Foreign Currency		
Saving accounts (US \$ 463,192; June 30, 2020: US \$ 463,090)	74,018	77,845
	7,751,150	8,122,982

17.1 Deposit accounts include Rs 3,832.99 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.

	March 31, 2021 Rs '000	March 31, 2020 Rs '000
17.3 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	7,751,150	13,197,999
Short term financing	(250,001)	-
	7,501,149	13,197,999

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
18. GROSS SALES				
Local sales	50,547,637	48,943,060	140,892,787	148,995,444
Naphtha export sales	283,349	379,113	764,050	3,467,747
Reimbursement due from the Government under import parity pricing formula - note 18.1	6,216	-	6,216	-
	50,837,202	49,322,173	141,663,053	152,463,191

18.1 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, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
19. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL				
Sales tax	7,344,182	6,952,252	20,422,630	21,193,735
Petroleum development levy	6,904,469	5,747,134	28,130,381	17,051,826
Custom duties and other levies - note 19.1	1,224,332	1,185,615	3,168,843	3,663,938
Discounts	-	60,389	-	66,374
PMG RON differential - note 19.2	175,688	322,470	637,983	1,268,932
HSD Euro-V price differential - note 19.3	51,663	-	51,663	-
	15,700,334	14,267,860	52,411,500	43,244,805

19.1 This includes Rs 4,692.51 million (March 31, 2020: Rs 3,663.68 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

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

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

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
20. COST OF SALES				
Crude oil consumed - note 20.1	32,850,212	32,754,563	82,383,598	101,807,684
Transportation and handling charges	13,263	13,930	59,749	310,120
Salaries, wages and other benefits	249,102	263,705	774,037	811,858
Chemicals consumed	657,306	717,093	2,354,475	2,278,869
Fuel and power	1,086,440	1,068,936	2,934,052	3,021,943
Repairs and maintenance	127,657	97,782	279,591	552,317
Staff transport and travelling	3,989	7,002	12,186	17,984
Insurance	82,666	74,767	240,293	234,449
Cost of receptacles	4,618	3,482	14,992	21,033
Other operating costs	7,558	6,780	36,787	36,346
Security Charges	6,489	6,446	19,626	20,115
Contract Services	51,534	48,809	157,810	155,510
Depreciation	682,258	667,975	2,034,241	1,997,130
Cost of goods manufactured	35,823,092	35,731,270	91,301,437	111,265,358
Changes in stock	(396,098)	662,337	(493,510)	1,476,828
	35,426,994	36,393,607	90,807,927	112,742,186

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		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
21. OTHER INCOME				
Income on bank deposits	40,282	399,203	244,541	1,231,253
Interest on delayed payments	134,299	299,546	588,239	829,374
Handling and service charges	6,588	12,699	33,609	38,091
Rental income	24,819	38,983	81,983	92,296
Exchange gain - (net)	170,974	(255,268)	367,669	-
Miscellaneous	8,128	7,357	26,669	24,386
	385,090	502,520	1,342,710	2,215,400
22. FINANCE COST				
Exchange loss - (net)	-	123,197	-	123,197
Interest on long term financing	206,925	206,635	595,310	882,952
Interest on short term financing	21,159	-	22,369	-
Bank and other charges	246	217	1,311	547
Interest on lease liability	4,642	10,861	11,756	27,451
	232,972	340,910	630,746	1,034,147
23. TAXATION				
Current	264,318	263,985	671,623	828,248
Deferred	(368,712)	(678,272)	(1,120,333)	(1,704,472)
	(104,394)	(414,287)	(448,710)	(876,224)

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION				
Dividend income from associated companies	54,432	183,695	141,524	625,913
Related charges:				
Workers' Profit Participation Fund	-	-	-	-
Workers' Welfare Fund	-	-	-	-
Taxation	8,165	21,942	21,229	71,438
	(8,165)	(21,942)	(21,229)	(71,438)
	46,267	161,753	120,295	554,475

25. OPERATING SEGMENT

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

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
High Speed Diesel	18,240,700	15,614,335	51,015,658	53,378,067
Premier Motor Gasoline	19,743,429	19,244,941	57,220,054	53,610,914
Jet Petroleum	3,262,145	4,192,620	7,830,351	12,623,086
Furnace Fuel Oil	6,822,604	6,597,610	17,761,657	19,524,894
Naphtha	283,349	665,830	764,050	4,321,587
Others	2,484,975	3,006,837	7,071,283	9,004,643
	50,837,202	49,322,173	141,663,053	152,463,191
Taxes, duties, levies, discounts and price differential	(15,700,334)	(14,267,860)	(52,411,500)	(43,244,805)
	35,136,868	35,054,313	89,251,553	109,218,386

Revenue from four major customers of the Company constitute 92% of total revenue during the nine months period ended March 31, 2021 (March 31, 2020: 90%).

26. FAIR VALUE MEASUREMENTS

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

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

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

Valuation of the freehold land owned by the Company was valued by independent valuer to determine the fair value of the land as at June 30, 2020. The revaluation surplus was credited to statement of profit or loss and other comprehensive income and is shown as 'surplus on revaluation of freehold land'.

27. RELATED PARTY TRANSACTIONS

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

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Sale of goods and services to:				
Associated companies	11,928,588	11,856,741	31,960,506	39,970,937
Subsidiary company	4,629	6,642	13,872	18,824
Holding company	3,501	6,434	16,499	23,984
Interest income on delayed payments from an associated company	134,300	299,546	88,240	829,374
Purchase of goods and services from:				
Associated companies	3,720,911	3,838,536	9,546,067	11,774,604
Subsidiary company	20,858	20,723	61,932	68,191
Holding company	151,443	114,050	307,088	326,021
Dividend income from:				
Associated companies	54,432	183,695	141,524	625,913
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	35,257	27,699	93,775	78,525
Honorarium/remuneration to Non-Executive Directors	1,354	1,304	6,276	5,807
Contribution to Employees' Pension, Gratuity and Provident Funds	22,005	19,564	64,718	60,549

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 petroluem products and lower product margins. 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 April 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 Nine Months Period
Ended March 31, 2021***

Condensed Interim Consolidated Statement of Financial Position (Unaudited)
As At March 31, 2021

	Note	March 31, 2021 Rs '000	June 30, 2020 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
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>
Issued, subscribed and paid-up			
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	22,645,371	22,735,949
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		<u>48,804,953</u>	<u>48,895,531</u>
NON-CURRENT LIABILITIES			
Long term financing	7	6,031,024	7,614,194
Long term lease liabilities		26,959	106,741
Deferred grant		5,371	5,873
CURRENT LIABILITIES			
Accrued mark-up on long term financing	7	147,107	204,519
Current portion of long term financing	7	1,650,000	-
Trade and other payables	8	45,520,874	43,207,620
Short term financing	9	250,001	-
Accrued mark-up on short term financing		21,159	-
Current portion of lease liabilities		215,909	214,899
Unclaimed dividends		9,335	9,355
Provision for taxation		<u>3,069,392</u>	<u>2,752,443</u>
		<u>50,883,777</u>	<u>46,388,836</u>
TOTAL EQUITY AND LIABILITIES		<u>105,752,084</u>	<u>103,011,175</u>
CONTINGENCIES AND COMMITMENTS	10		

	Note	March 31, 2021 Rs '000	June 30, 2020 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	39,582,802	41,446,237
Capital work-in-progress	12	806,378	979,206
Major spare parts and stand-by equipments		<u>150,562</u>	<u>138,935</u>
		<u>40,539,742</u>	<u>42,564,378</u>
LONG TERM INVESTMENTS	13	19,541,061	18,520,569
LONG TERM LOANS AND DEPOSITS		41,200	40,626
DEFERRED TAXATION		7,391,181	6,398,137
CURRENT ASSETS			
Stores, spares and loose tools		3,910,662	4,431,073
Stock-in-trade	14	9,309,278	7,166,651
Trade debts	15	13,776,906	12,728,517
Loans, advances, deposits, prepayments and other receivables	16	3,439,953	3,002,534
Cash and bank balances	17	7,802,101	8,158,690
		<u>38,238,900</u>	<u>35,487,465</u>
TOTAL ASSETS		<u>105,752,084</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 Nine Months Period Ended March 31, 2021

	Note	Three months ended		Nine months ended	
		March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Gross sales	18	50,866,964	49,343,052	141,742,417	152,530,968
Taxes, duties, levies, discounts and price differential	19	(15,700,334)	(14,267,860)	(52,411,500)	(43,244,805)
Net sales		35,166,630	35,075,192	89,330,917	109,286,163
Cost of sales	20	(35,426,995)	(36,393,607)	(90,807,928)	(112,742,186)
Gross loss		(260,365)	(1,318,415)	(1,477,011)	(3,456,023)
Administration expenses		(197,814)	(225,229)	(614,120)	(675,472)
Distribution cost		(12,100)	(11,295)	(33,345)	(34,400)
Other charges		(259)	(48)	(707)	(586)
		(210,173)	(236,572)	(648,172)	(710,458)
Other income	21	385,757	503,258	1,344,398	2,218,699
Impairment loss on financial assets		(40,030)	(69,816)	(131,210)	(191,104)
Operating loss		(124,811)	(1,121,545)	(911,995)	(2,138,886)
Finance cost	22	(232,972)	(340,910)	(630,746)	(1,034,147)
Loss before taxation from refinery operations		(357,783)	(1,462,455)	(1,542,741)	(3,173,033)
Taxation	23	100,578	413,475	438,565	867,771
Loss after taxation from refinery operations		(257,205)	(1,048,980)	(1,104,176)	(2,305,262)
Non-refinery income:					
Share in profit/(loss) of associated companies	24	391,202	(19,424)	1,013,391	417,091
Profit/(loss) after taxation		133,997	(1,068,404)	(90,785)	(1,888,171)
(Loss)/earnings per share - basic and diluted (Rupees)					
Refinery operations		(2.42)	(9.84)	(10.36)	(21.62)
Non-refinery operations		3.67	(0.18)	9.51	3.91
Profit/(loss) per share		1.25	(10.02)	(0.85)	(17.71)

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 Nine Months Period Ended March 31, 2021

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Profit/(loss) after taxation	133,997	(1,068,404)	(90,785)	(1,888,171)
Other comprehensive income/(loss) (net of tax):				
Share of other comprehensive income/(loss) of associated companies - net of tax	-	-	207	235
Total comprehensive profit/(loss)	133,997	(1,068,404)	(90,578)	(1,887,936)

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 Nine Months Period Ended March 31, 2021

	Capital reserve					Revenue reserve				Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Gain/(loss) on revaluation of investment at fair value through OCI	Surplus on revaluation of freehold land	
	Rs '000									
Balance as at July 01, 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	-	-	-	-	-	-	(1,888,171)	-	-	(1,888,171)
Other comprehensive income for the period	-	-	-	-	-	-	235	-	-	235
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	1,865	-	-	(1,887,936)	-	-	(1,887,936)
Balance as at March 31, 2020	1,066,163	-	12,908,966	207,505	155,996	7,077,380	5,139,688	3,337	12,052,576	38,611,611
Total comprehensive income/(loss)										
Loss for the period	-	-	-	-	-	-	(2,797,156)	-	-	(2,797,156)
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	40,334	(101)	13,040,843	13,081,076
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	-	-	-	(2,756,822)	(101)	13,040,843	10,283,920
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	-	-	-	-	-	-	(90,785)	-	-	(90,785)
Other comprehensive income for the period	-	-	-	-	-	-	207	-	-	207
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	-	-	-	(90,578)	-	-	(90,578)
Balance as at March 31, 2021	1,066,163	-	12,908,966	214,417	155,996	7,077,380	2,285,376	3,236	25,093,419	48,804,953

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 Nine Months Period Ended March 31, 2021

		Nine months ended	
		March 31, 2021 Rs '000	March 31, 2020 Rs '000
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash receipts from - Customers	140,336,645	158,086,523
	- Others	555,707	191,307
		140,892,352	158,277,830
	Cash paid for operating cost	(87,651,169)	(115,423,246)
	Cash paid to Government for duties, taxes and other levies	(53,121,977)	(44,176,526)
	Income tax paid	(382,965)	(578,720)
	Net cash outflows from operating activities	(263,759)	(1,900,662)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Additions to property, plant and equipment	(69,765)	(590,544)
	Proceeds against disposal of operating assets	290	5,129
	Long term loans and deposits	(575)	987
	Income received on bank deposits	268,545	1,265,221
	Dividend received from associated companies	141,524	625,913
	Net cash generated from investing activities	340,019	1,306,706
CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long term financing	-	(1,650,000)
	Repayment of lease liability	(90,528)	-
	Transaction cost on long term financing	(500)	(500)
	Dividend paid to Company's shareholders	(21)	(208)
	Grant received for purchase of operating assets	-	1,520
	Finance cost	(587,913)	(1,144,092)
	Net cash outflows from financing activities	(678,962)	(2,793,280)
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		(602,702)	(3,387,236)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		8,158,690	16,622,691
Effect of exchange rate changes on cash and cash equivalents		(3,888)	2,255
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		7,552,100	13,237,710
17.3			

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 Nine Months Period Ended March 31, 2021

1. LEGAL STATUS AND OPERATIONS

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

These condensed interim consolidated financial statements do not include all the information required for full consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended June 30, 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 audited 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 March 31, 2021.

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

**March 31,
2021
Rs '000**

**June 30,
2020
Rs '000**

-	-
10,962,934	10,962,934
1,946,032	1,946,032
12,908,966	12,908,966
214,417	213,576
4,800	4,800
654	654
494	494
4,000	4,000
146,048	146,048
155,996	155,996
7,077,380	7,077,380
3,236	3,236
2,285,376	2,376,795
9,365,992	9,457,411
22,645,371	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 March 31, 2021 is Rs 29,101.88 million including Rs 18,138.95 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.

March 31,	June 30,
2021	2020
Rs '000	Rs '000

7. LONG TERM FINANCING - secured
From banking companies

Syndicated Term Finance - note 7.1	5,934,533	5,941,485
Musharaka Finance - note 7.2	1,942,373	1,944,648
	7,876,906	7,886,133
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	67,419	94,920
Addition during the period/ year	500	500
Amortization for the period/ year	(19,144)	(28,000)
Balance at the end of the period/ year	48,775	67,420
	7,828,131	7,818,713
Current portion of long term financing	(1,650,000)	-
	6,178,131	7,818,713
Mark-up payable shown as current liability	(147,107)	(204,519)
	6,031,024	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.

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
8. TRADE AND OTHER PAYABLES		
Creditors - note 8.1	24,528,235	21,240,821
Unearned revenue	-	331,943
Due to The Attock Oil Company Limited - Holding Company	175,463	148,115
Due to associated companies		
Pakistan Oilfields Limited	2,302,722	1,790,324
Attock Energy (Private) Limited	-	1
Accrued liabilities and provisions - note 8.1	4,670,243	4,629,589
Due to the Government under the pricing formula	3,616,052	1,715,915
Custom duty payable to the Government	6,023,345	8,908,757
Advance payments from customers	84,302	501,777
Sales tax payable	2,503,815	1,081,535
ARL Gratuity Fund	44,958	45,066
Crude oil freight adjustable through inland freight equalisation margin	32,322	126,879
Payable to statutory authorities in respect of petroleum development levy and excise duty	1,535,754	2,683,235
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	45,520,874	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 3,889.31 million (June 30, 2020: Rs 3,722.85 million).

9. SHORT TERM FINANCING

During the quarter the Company enhanced the short term financing availed from a bank from Rs 1.5 billion to Rs 3 billion out of which Rs 2.75 billion remained unutilized 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.

	March 31, 2021 Rs '000	June 30, 2020 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 | 1,326,706 | 1,326,706 |
|---|------------------|-----------|

**March 31,
2021
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.	5,300	1,300
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 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.	2,484,098	2,484,098

In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.		
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.	2,751,472	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.		
viii) 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.	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.		
ix) The Company's share in contingency of associated companies.	2,162,532	2,122,458
Commitments:		
i) Capital expenditure	47,491	111,761
ii) Letters of credit for purchase of store items	68,961	159,418
iii) The Company's share of commitments of associated companies:		
Capital expenditure commitments	339,845	555,162
Outstanding letters of credit	1,274,005	508,836

	Nine months ended March 31, 2021 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	230,964	260,379
Revaluation surplus	-	13,040,843
Written down value of disposals	(85)	(2,397)
Depreciation during the period/year	(1,958,027)	(2,599,006)
	39,370,864	41,098,012

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	(136,287)	(227,048)
Remeasurement in lease liability	-	36,132
Balance at the end of the period/year	211,938	348,225
Closing written down value	39,582,802	41,446,237

12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	979,206	622,573
Additions during the period/year	49,643	594,538
Transfer to operating assets		
- Buildings on freehold land	(3,596)	(20,539)
- Plant and machinery	(218,875)	(217,366)
	(222,471)	(237,905)
Balance at the end	806,378	979,206

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

The details are as under:

Civil works	242	3,838
Plant and machinery	805,136	974,368
Pipeline project	1,000	1,000
	806,378	979,206

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	1,384,713	(440,818)
Share in other comprehensive income	207	7,918
Dividend received from associated companies	(141,524)	(625,913)
Impairment reversal/(loss) on investment	(222,904)	(1,130,060)
Effect of change in accounting policies due to IFRS 9	-	(101)
	19,541,061	18,520,569

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

	March 31, 2021		June 30, 2020	
	% age Holding	Rs '000	% age Holding	Rs '000
Quoted				
National Refinery Limited - note 13.2	25	8,396,490	25	8,396,490
Attock Petroleum Limited	21.88	8,071,585	21.88	7,399,825
Unquoted				
Attock Gen Limited - note 13.3	30	3,033,448	30	2,689,167
Attock Information Technology Services (Private) Limited	10	39,538	10	35,087
		19,541,061		18,520,569

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 March 31, 2021, stock-in-trade includes stocks carried at net realisable value of Rs 9,162.36 million (June 30, 2020: Rs 3,326.41 million). Adjustments amounting to Rs 977.13 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 7,758.52 million (June 30, 2020: Rs 10,329.65 million) and Pakistan Oilfields Limited Rs 7.59 million (June 30, 2020: Rs 49.24 million).

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

	March 31, 2021 Rs '000	June 30, 2020 Rs '000
Due from associated companies		
Attock Petroleum Limited	3,946,759	3,348,960
Attock Information Technology Services (Private) Limited	1,546	441
Attock Leisure and Management Associates (Private) Limited	37	436
Attock Gen Limited	585	1,048
Attock Cement Pakistan Limited	2	-
National Cleaner Production Centre Foundation	1,420	764
Capgas (Private) Limited	765	48
National Refinery Limited	10,912	10,912
Attock Energy (Private) Limited	9	-
Attock Sahara Foundation	210	313
Staff Pension Fund	13,690	13,978
Income accrued on bank deposits	6,489	28,536
Loans, deposits, prepayments and other receivables	326,085	334,445
Loss allowance	(868,556)	(737,347)
	3,439,953	3,002,534

March 31,	June 30,
2021	2020
Rs '000	Rs '000

17. CASH AND BANK BALANCES

Cash in hand (US \$ 7,393; June 30, 2020: US \$ 7,393)	3,761	2,397
With banks:		
Local currency		
Current accounts	8,861	11,831
Deposit accounts - note 17.1 and 17.2	3,729,574	3,663,055
Saving accounts	3,985,887	4,403,562
Foreign Currency		
Saving accounts (US \$ 463,192; June 30, 2020: US \$ 463,090)	74,018	77,845
	7,802,101	8,158,690

17.1 Deposit accounts include Rs 3,832.99 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.

March 31,	March 31,
2021	2020
Rs '000	Rs '000

17.3 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	7,802,101	13,237,710
Short term financing	(250,001)	-
	7,552,100	13,237,710

Three months ended
Nine months ended

March 31,	March 31,	March 31,	March 31,
2021	2020	2021	2020
Rs '000	Rs '000	Rs '000	Rs '000

18. GROSS SALES
Company

Local sales	50,547,637	48,943,060	140,892,787	148,995,444
Naphtha export sales	283,349	379,113	764,050	3,467,747
Reimbursement due from the Government under import parity pricing formula - note 18.1	6,216	-	6,216	-

Subsidiary

Local sales	29,762	20,879	79,364	67,777
	50,866,964	49,343,052	141,742,417	152,530,968

18.1 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.

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

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Sales tax	7,344,182	6,952,252	20,422,630	21,193,735
Petroleum development levy	6,904,469	5,747,134	28,130,381	17,051,826
Custom duties and other levies - note 19.1	1,224,332	1,185,615	3,168,843	3,663,938
Discounts	-	60,389	-	66,374
PMG RON differential - note 19.2	175,688	322,470	637,983	1,268,932
HSD Euro-V price differential - note 19.3	51,663	-	51,663	-
	15,700,334	14,267,860	52,411,500	43,244,805

19.1 This includes Rs 4,692.51 million (March 31, 2020: Rs 3,663.68 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

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

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

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Crude oil consumed - note 20.1	32,850,212	32,754,563	82,383,598	101,807,684
Transportation and handling charges	13,263	13,930	59,749	310,120
Salaries, wages and other benefits	249,103	263,705	774,038	811,858
Chemicals consumed	657,306	717,093	2,354,475	2,278,869
Fuel and power	1,086,440	1,068,936	2,934,052	3,021,943
Repairs and maintenance	127,657	97,782	279,591	552,317
Staff transport and travelling	3,989	7,002	12,186	17,984
Insurance	82,666	74,767	240,293	234,449
Cost of receptacles	4,618	3,482	14,992	21,033
Other operating costs	7,558	6,780	36,787	36,346
Security Charges	6,489	6,446	19,626	20,115
Contract Services	51,534	48,809	157,810	155,510
Depreciation	682,258	667,975	2,034,241	1,997,130
Cost of goods manufactured	35,823,093	35,731,270	91,301,438	111,265,358
Changes in stock	(396,098)	662,337	(493,510)	1,476,828
	35,426,995	36,393,607	90,807,928	112,742,186

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 (COA) and may require adjustment in subsequent periods.

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
21. OTHER INCOME				
Income on bank deposits	41,039	400,203	246,498	1,234,413
Interest on delayed payments	134,299	299,546	588,239	829,374
Handling and service charges	6,588	12,699	33,609	38,091
Rental income	24,561	38,282	81,211	91,595
Exchange gain - (net)	170,974	(255,268)	367,669	-
Miscellaneous	8,296	7,796	27,172	25,226
	385,757	503,258	1,344,398	2,218,699
22. FINANCE COST				
Exchange loss - (net)	-	123,197	-	123,197
Interest on long term financing	206,925	206,635	595,310	882,952
Interest on short term financing	21,159	-	22,369	-
Bank and other charges	246	217	1,311	547
Interest on lease liability	4,642	10,861	11,756	27,451
	232,972	340,910	630,746	1,034,147
23. TAXATION				
Current	267,997	264,672	681,668	836,576
Deferred	(368,575)	(678,147)	(1,120,233)	(1,704,347)
	(100,578)	(413,475)	(438,565)	(867,771)
24. NON-REFINERY INCOME				
Share in profit/(loss) of associated companies [net of impairment reversal/(loss)]	449,925	(31,519)	1,161,809	468,505
Related charges:				
Workers' Profit Participation Fund	-	-	-	-
Workers' Welfare Fund	-	-	-	-
Taxation - current and deferred	58,723	(12,095)	148,418	51,414
	(58,723)	12,095	(148,418)	(51,414)
	391,202	(19,424)	1,013,391	417,091

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:

	Three months ended		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
High Speed Diesel	18,240,700	15,614,335	51,015,658	53,378,067
Premier Motor Gasoline	19,743,429	19,244,941	57,220,054	53,610,914
Jet Petroleum	3,262,145	4,192,620	7,830,351	12,623,086
Furnace Fuel Oil	6,822,604	6,597,610	17,761,657	19,524,894
Naphtha	283,349	665,830	764,050	4,321,587
Others	2,514,737	3,027,716	7,150,647	9,072,420
	50,866,964	49,343,052	141,742,417	152,530,968
Taxes, duties, levies, discounts and price differential	(15,700,334)	(14,267,860)	(52,411,500)	(43,244,805)
	35,166,630	35,075,192	89,330,917	109,286,163

Revenue from four major customers of the Company constitute 92% of total revenue during the nine months period ended March 31, 2021 (March 31, 2020: 90%).

26. FAIR VALUE MEASUREMENTS

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

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

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

Valuation of the freehold land owned by the Company was valued by independent valuer to determine the fair value of the land as at June 30, 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		Nine months ended	
	March 31, 2021 Rs '000	March 31, 2020 Rs '000	March 31, 2021 Rs '000	March 31, 2020 Rs '000
Sale of goods and services to:				
Associated companies	11,938,179	11,862,798	31,985,750	39,991,851
Holding company	3,501	6,434	16,499	23,984
Interest income on delayed payments from an associated company	134,300	299,546	588,240	829,374
Purchase of goods and services from:				
Associated companies	3,721,188	3,838,721	9,546,805	11,775,045
Holding company	151,443	114,050	307,088	326,021
Dividend income from:				
Associated companies	54,432	183,695	141,524	625,913
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	35,257	27,699	93,775	78,525
Honorarium/remuneration to Non-Executive Directors	1,354	1,304	6,276	5,807
Contribution to Employees' Pension, Gratuity and Provident Funds	23,109	20,543	67,958	63,571

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. 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 April 26, 2021.

-Sd-

Syed Asad Abbas
Chief Financial Officer

-Sd-

M. Adil Khattak
Chief Executive Officer

-Sd-

Abdus Sattar
Director

