

# CONTENTS

## Page No.

### COMPANY INFORMATION

02

### DIRECTORS' REVIEW REPORT

03

### ڈائریکٹرز کی جائزہ رپورٹ

05

### CONDENSED INTERIM FINANCIAL INFORMATION

➡ Statement of Financial Position	06
➡ Statement of Profit or Loss	08
➡ Statement of Comprehensive Income	09
➡ Statement of Cash Flow	10
➡ Statement of Changes in Equity	11
➡ Notes to the Financial Information	12

### CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

➡ Statement of Financial Position	26
➡ Statement of Profit or Loss	28
➡ Statement of Comprehensive Income	29
➡ Statement of Cash Flow	30
➡ Statement of Changes in Equity	31
➡ Notes to the Financial Information	32

## 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](mailto:info@arl.com.pk) Website : [www.arl.com.pk](http://www.arl.com.pk)

## DIRECTORS' REVIEW REPORT

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

The Directors have pleasure in presenting a review of the financial results and operations of the Company for the first quarter ended September 30, 2018.

### FINANCIAL RESULTS

During the period under review your Company incurred loss after taxation of Rs 727 million from refinery operations compared to profit of Rs 758 million in the same period of last year. Non-refinery income during the period under review was Rs 663 million (September 30, 2017: Rs nil). The non-refinery income enabled the Company to partially off-set the loss from refinery operations and post net loss after tax of Rs 64 million (September 30, 2017: profit of Rs 758 million) resulting in loss per share of Rs 0.61 (September 30, 2017: profit of Rs 7.11 per share).

Persistent increase in crude oil prices and decline in Pak Rupee value vs US Dollar remained main negative contributors towards decrease in profitability of the Company. Due to the Pak Rupee devaluation the Company suffered heavy exchange loss of Rs 351 million during the quarter.

### REFINERY OPERATIONS

The refining throughput during the period under review was 565 thousand Tons representing capacity utilization of about 92% (September 30, 2017: 93%) while the sales volume was 559 thousand Tons (September 30, 2017: 570 thousand Tons). All units of the Refinery are operating smoothly.

### FUTURE OUTLOOK

In pursuance to the Company's commitment to provide high quality diversified environment-friendly energy resources and petrochemicals, the Company is engaged in carrying out technical studies for setting up of Continuous Catalyst Regeneration (CCR) Complex to improve specifications of Motor Gasoline. The Company has also started studies to explore possibilities for refining bottom of the barrel.

### ACKNOWLEDGEMENT

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

On behalf of the Board

**-Sd-**

**M. Adil Khattak**  
Chief Executive Officer

**-Sd-**

**Abdus Sattar**  
Director

October 12, 2018  
Rawalpindi

تحقیق اور مطالعہ جاری رکھے ہوئے ہے۔ کمپنی نے اس کے علاوہ باقی ماندہ اجزاء کو مزید نتھارنے کیلئے ریفائننگ باٹم آف دی بیرل (Refining Bottom Of The Barrel) کے امکانات کی تلاش شروع کر دی ہے۔

اظہار تشکر:

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

بورڈ کی جانب سے

-Sd-

ایم عادل عٹک

چیف ایگزیکٹو آفیسر

۱۲ اکتوبر ۲۰۱۸ء

راولپنڈی

-Sd-

عبدالستار

ڈائریکٹر

## ڈائریکٹرز کی جائزہ رپورٹ

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

ڈائریکٹرز ۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور سرگرمیوں کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران کمپنی کو ریفائنری سرگرمیوں سے ٹیکس ادا کرنے کے بعد ۷۲ ملین روپے کا خسارہ ہوا پچھلے سال اسی مدت میں ۷۵۸ ملین روپے کا منافع ہوا تھا۔ زیر جائزہ مدت کے دوران غیر ریفائنری ذرائع سے ۶۶۳ ملین روپے کی آمدن ہوئی (۳۰ ستمبر ۲۰۱۷ء: صفر) 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 ۶۴ ملین روپے کا خسارہ ہوا (۳۰ ستمبر ۲۰۱۷ء: ۷۵۸ ملین روپے کا منافع)۔ نتیجائی حصص نقصان ۰.۶۱ روپے رہا (۳۰ ستمبر ۲۰۱۷ء کو فی حصص آمدنی ۷.۱۱ روپے تھی)۔

خام تیل کی قیمتوں میں مسلسل تیزی اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی، کمپنی کے منافع میں کمی کی بنیادی وجہ بنی۔ اس سہ ماہی کے دوران پاکستانی روپے کی قدر میں بہت زیادہ کمی کی وجہ سے کمپنی کو شرح تبادلہ کی مد میں ۳۵۱ ملین روپے کا نقصان اٹھانا پڑا۔

ریفائنری کی سرگرمیاں:

زیر جائزہ مدت کے دوران ریفائنری کی پیداوار ۹۲٪ استعداد کے استعمال کے ساتھ ۵۶۵ ہزار ٹن رہی (۳۰ ستمبر ۲۰۱۷ء: ۹۳٪ تھی) جبکہ فروخت کا حجم ۵۵۹ ہزار ٹن رہا (۳۰ ستمبر ۲۰۱۷ء: ۵۷۰ ہزار ٹن تھا)۔ ریفائنری کے تمام یونٹس بہترین انداز میں کام کر رہے ہیں۔

مستقبل کا منظر نامہ:

کمپنی اعلیٰ قدر، ماحول دوست اور توانائی کے متنوع ذرائع اور پیٹروکیمیکل (Petrochemical) مہیا کرنے کے عزم کی تکمیل کیلئے پریمیر موٹر گیسولین (Premier Motor Gasoline) کے معیار میں مزید بہتری کے سلسلے میں کانٹینوس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کے تنصیب کیلئے تکنیکی

**Condensed Interim Statement of Financial Position (Unaudited)**  
As At September 30, 2018

	Note	September 30, 2018 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>			
85,293,000 (June 30, 2018: 85,293,000) ordinary shares of Rs 10 each	5	852,930	852,930
Reserves and surplus	6	26,348,281	26,412,754
Surplus on revaluation of freehold land		12,052,576	12,052,576
		<u>39,253,787</u>	<u>39,318,260</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	7	12,159,226	12,642,916
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	49,579,338	44,510,275
Accrued mark-up on long term financing	7	277,069	260,909
Current portion of long term financing	7	2,200,000	2,200,000
Unclaimed dividends		9,838	9,839
Provision for taxation		2,341,556	2,163,842
		<u>54,407,801</u>	<u>49,144,865</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>105,820,814</u>	<u>101,106,041</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

	Note	September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	32,196,706	32,817,565
Capital work-in-progress	11	285,505	303,043
Major spare parts and stand-by equipment		118,435	119,151
		<u>32,600,646</u>	<u>33,239,759</u>
<b>LONG TERM INVESTMENTS</b>	12	13,264,915	13,264,915
<b>LONG TERM LOANS AND DEPOSITS</b>		43,114	42,115
<b>DEFERRED TAXATION</b>		1,746,875	1,304,152
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,180,338	2,905,748
Stock-in-trade	13	10,906,768	9,788,997
Trade debts	14	26,670,987	15,748,278
Dividend receivable from associated companies		752,922	-
Loans, advances, deposits, prepayments and other receivables	15	1,885,657	1,871,717
Short term investments		-	985,846
Cash and bank balances	16	14,768,592	21,954,514
		<u>58,165,264</u>	<u>53,255,100</u>
<b>TOTAL ASSETS</b>		<u>105,820,814</u>	<u>101,106,041</u>

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

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

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

-Sd-  
**Abdus Sattar**  
Director

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

### For The First Quarter Ended September 30, 2018

	Note	Three months ended	
		September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
Gross sales	17	57,891,400	39,598,519
Taxes, duties, levies and price differential	18	(13,433,842)	(12,198,346)
Net sales		44,457,558	27,400,173
Cost of sales	19	(45,079,834)	(26,118,164)
Gross profit/(loss)		(622,276)	1,282,009
Administrative expenses		185,742	152,650
Distribution cost		12,080	11,692
Other charges	20	-	79,331
		(197,822)	(243,673)
Other income	21	626,276	483,615
Operating profit/(loss)		(193,822)	1,521,951
Finance cost	22	(744,276)	(445,442)
Profit/(loss) before taxation from refinery operations		(938,098)	1,076,509
Taxation	23	211,192	(318,463)
Profit/(loss) after taxation from refinery operations		(726,906)	758,046
Income from non-refinery operations less applicable charges and taxation	24	662,433	-
Profit/(loss) after taxation		(64,473)	758,046
Earnings/(loss) per share - basic and diluted (Rupees)	27		
Refinery operations		(6.82)	7.11
Non-refinery operations		6.21	-
		(0.61)	7.11

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

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

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

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

**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For The First Quarter Ended September 30, 2018**

	<b>Three months ended</b>	
	<b>September 30, 2018 Rs' 000</b>	<b>September 30, 2017 Rs' 000</b>
Profit/(loss) after taxation	<b>(64,473)</b>	758,046
Other comprehensive income (net of tax)	-	-
Total comprehensive income/(loss)	<b><u>(64,473)</u></b>	<b><u>758,046</u></b>

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

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

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

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

## Condensed Interim Statement of Cash Flow (Unaudited)

### For The First Quarter Ended September 30, 2018

	Three months ended	
	September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	46,939,516	37,292,266
- Others	123,232	397,391
	<b>47,062,748</b>	37,689,657
Cash paid for operating cost	(43,454,882)	(26,188,431)
Cash paid to Government for duties, taxes and other levies	(10,821,115)	(9,096,930)
Income tax paid	(144,306)	(98,348)
Net cash (outflows)/inflows from operating activities	<b>(7,357,555)</b>	2,305,948
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(4,910)	(36,300)
Proceeds against disposal of operating assets	174	27
Long term loans and deposits	(1,000)	9
Income on bank deposits received	402,050	305,413
Net cash inflows from investing activities	<b>396,314</b>	269,149
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(550,000)	(550,000)
Transaction cost on long term financing	-	(500)
Dividends paid	(1)	-
Finance cost	(661,806)	(444,784)
Net cash outflows from financing activities	<b>(1,211,807)</b>	(995,284)
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(8,173,048)</b>	1,579,813
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>22,940,360</b>	21,630,109
Effect of exchange rate changes	1,280	308
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>14,768,592</b>	23,210,230

Cash and cash equivalents comprise of cash and bank balances.

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

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

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

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



## Condensed Interim Statement of Changes in Equity (Unaudited)

### For The First Quarter Ended September 30, 2018

	Capital reserve					Revenue reserve				
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Issue of bonus shares	Others	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs' 000									
Balance as at 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
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	758,046	-	758,046
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	758,046	-	758,046
Transfer to special reserve for expansion/modernisation - note 6.1	-	721,596	-	-	-	-	-	(721,596)	-	-
Balance as at September 30, 2017	852,930	2,767,409	10,962,934	-	5,948	3,762,775	55	9,734,236	12,052,576	40,138,863
Distribution to owners:										
Final cash dividend @ 60% related to the year ended June 30, 2017	-	-	-	-	-	-	-	(511,758)	-	(511,758)
Total comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	(179,068)	-	(179,068)
Other comprehensive loss for the period	-	-	-	-	-	-	-	(129,777)	-	(129,777)
	-	-	-	-	-	-	-	(308,845)	-	(308,845)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,734,154)	-	-	-	-	-	1,734,154	-	-
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:										
Transferred to reserve for issue of bonus shares	-	-	-	213,233	-	-	-	(213,233)	-	-
Total comprehensive loss										
Loss for the period	-	-	-	-	-	-	-	(64,473)	-	(64,473)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(64,473)	-	(64,473)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(726,906)	-	-	-	-	-	726,906	-	-
Balance as at September 30, 2018	852,930	306,349	10,962,934	213,233	5,948	3,762,775	55	11,096,987	12,052,576	39,253,787

The annexed notes 1 to 28 form an integral part of this condensed interim financial information.

**-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 Information (Unaudited) For The First Quarter Ended September 30, 2018**

### **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, United Kingdom and its ultimate parent is Bay View International Group S.A.

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

This condensed interim financial information of the Company for the three months period ended September 30, 2018 has been prepared in accordance with requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. This condensed interim financial information should be read in conjunction with the audited financial statements for the year ended June 30, 2018, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

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

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2018 except for the adoption of new and amended standards as set out below:

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

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Company's condensed interim financial information that have been applied from July 1, 2018.

##### **a) IFRS 9 "Financial Instruments"**

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement", which requires the Company to assess the classification of financial assets in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial assets. Accordingly, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The Company continues to initially measure financial assets at its fair value plus transaction cost upon initial recognition, except for financial assets measured at fair value through profit or loss, consistent with current practices.

Further, IFRS 9 introduces the "Expected Credit Loss (ECL) model", which replaces the "incurred loss model" of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, 'Trade debts'), as well as debt

instruments classified as financial assets carried at fair value through other comprehensive income (for example, government bonds held for liquidity purposes), since initial recognition, irrespective whether a loss event has occurred.

The Company has adopted the above mentioned requirements of the standard in respect of classification and measurement and impairment of financial assets. The aforesaid adoption does not have a material impact on the condensed interim financial information of the Company for the first quarter ended September 30, 2018.

#### b) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" (IFRS 15) replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The new standard is based on the principle that revenue is recognised when the entity satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains "control" of that good or service. Previously, under IAS 18, revenue was recorded when the entity has transferred to the buyer the "significant risks and rewards" of ownership of the goods.

The Company has adopted the above mentioned requirements of the standard in respect of revenue recognition. The aforesaid adoption does not have a material impact on the condensed interim financial information of the Company for the first quarter ended September 30, 2018.

#### 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 52,039,224 (June 30, 2018: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (June 30, 2018: 1,432,000) ordinary shares as at September 30, 2018.

September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
----------------------------------	-----------------------------

#### 6. RESERVES AND SURPLUS

##### Capital reserve

Special reserve for expansion/modernisation - note 6.1	306,349	1,033,255
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
Issue of bonus shares	213,233	-

##### Revenue reserve

Investment reserve - note 6.3	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	11,096,987	10,647,787
	14,859,817	14,410,617
	26,348,281	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 September 30, 2018:

	<b>September 30, 2018 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 from for the period/year	<b>(726,906)</b>	(1,012,558)
Balance as at period/year	<b>306,349</b>	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/modernisation till September 30, 2018 is Rs 28,262 million including Rs 17,299 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>September 30, 2018 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>11,134,407</b>	11,494,985
Musharka Finance - note 7.2	<b>3,644,237</b>	3,762,252
	<b>14,778,644</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	-	500
Amortization for the period/year	<b>(11,063)</b>	(51,150)
Balance at the end of the period/year	<b>142,349</b>	153,412
	<b>14,636,295</b>	15,103,825
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>12,436,295</b>	12,903,825
Mark-up payable shown as current liability	<b>(277,069)</b>	(260,909)
	<b>12,159,226</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 66.24% (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 33.76% (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 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 Attock Oil Company Limited in the Company to fall below 51%.

## **8. TRADE AND OTHER PAYABLES**

	<b>September 30, 2018 Rs' 000</b>	<b>June 30, 2018 Rs' 000</b>
Creditors - note 8.1	<b>26,769,468</b>	24,291,759
Due to The Attock Oil Company Limited - Holding Company	<b>97,914</b>	110,497
Due to Attock Hospital (Private) Limited - Subsidiary Company	<b>721</b>	220
Due to associated companies		
Pakistan Oilfields Limited	<b>2,586,214</b>	2,478,433
Attock Sahara Foundation	-	754
Attock Solar (Private) Limited	<b>1,329</b>	970
Accrued liabilities and provisions - note 8.1	<b>3,946,338</b>	4,027,691
Due to the Government under the pricing formula	<b>4,483,977</b>	4,883,264
Custom duty payable to Government	<b>8,160,593</b>	6,888,202
Advance payments from customers	<b>90,098</b>	119,274
Sales tax payable	<b>1,774,971</b>	168,206
ARL Gratuity Fund	<b>102,136</b>	102,136
Staff Pension Fund	<b>123,877</b>	123,877
Crude oil freight adjustable through inland freight equalisation margin	<b>29,613</b>	15,761
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>1,408,796</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>49,579,338</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 3,155.78 million (June 30, 2018: Rs 3,113.17 million).

September 30,  
2018  
Rs' 000

June 30,  
2018  
Rs' 000

## 9. CONTINGENCIES AND COMMITMENTS

### Contingencies:

<p>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.</p> <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>	<b>1,326,706</b>	1,326,706
<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.</p>		
<p>iii) Guarantees issued by banks on behalf of the Company (other than (i) above).</p>	<b>456</b>	414
<p>iv) Claims for land compensation contested by the Company.</p>	<b>1,300</b>	1,300
<p>v) Price adjustment related to crude oil purchases as referred to in note 19.1, the amount of which can not be presently quantified.</p>		
<p>vi) In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 has been 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. 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.</p>	<b>2,484,098</b>	2,484,098

September 30,  
2018  
Rs' 000

June 30,  
2018  
Rs' 000

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.

- |      |                                                                                                                                                                                                                                                                                                                                                                                   |                  |           |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|
| 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>1,295,222</b> | 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. | <b>418,470</b> | 418,470 |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------|

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

#### Commitments:

- |     |                                               |                |         |
|-----|-----------------------------------------------|----------------|---------|
| i)  | Capital expenditure                           | <b>262,009</b> | 129,754 |
| ii) | Letters of credit for purchase of store items | <b>152,910</b> | 88,941  |

Three months ended  
September 30,  
2018  
Rs' 000

Year ended  
June 30,  
2018  
Rs' 000

#### 10. OPERATING ASSETS

Opening written down value	<b>32,817,565</b>	35,133,344
Additions during the period/year	<b>23,164</b>	253,740
Written down value of disposals	<b>(10)</b>	(225)
Depreciation during the period/year	<b>(644,013)</b>	(2,569,294)
Closing written down value	<b>32,196,706</b>	32,817,565

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

	Three months ended September 30, 2018 Rs' 000	Year ended June 30, 2018 Rs' 000
Balance at the beginning	303,043	142,057
Addition during period/year	1,566	322,186
Transfer to operating assets		
- Building on freehold land	-	27,653
- Plant and machinery	19,104	133,547
	(19,104)	(161,200)
Balance at the end	285,505	303,043
<b>Breakup of the closing balance of capital work-in-progress</b>		
Civil works	7,296	7,720
Plant and machinery	277,209	294,323
Pipeline project	1,000	1,000
	285,505	303,043

	September 30, 2018		June 30, 2018	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>12. LONG TERM INVESTMENTS - AT COST</b>				
<b>Associated Companies</b>				
<b>Quoted</b>				
National Refinery Limited	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485
<b>Unquoted</b>				
Attock Gen Limited - note 12.1	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		13,262,915		13,262,915
<b>Subsidiary Company</b>				
<b>Unquoted</b>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		13,264,915		13,264,915

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

**13. STOCK-IN-TRADE**

As at September 30, 2018, stock-in-trade includes stocks carried at net realisable value of Rs 7,241.75 million (June 30, 2018: Rs 5,688.51 million). Adjustments amounting to Rs 828.86 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**

All trade debts are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 14,665.35 million (June 30, 2018: Rs 10,413 million) and Pakistan Oilfields Limited Rs nil (June 30, 2018: Rs 42 million).

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

	September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
Due from associated companies		
Attock Petroleum Limited	1,583,917	1,462,881
Attock Information Technology Services (Private) Limited	552	503
Attock Leisure and Management Associates (Private) Limited	14	12
Attock Gen Limited	2,769	247
National Refinery Limited	6,883	3,087
National Cleaner Production Centre Foundation	8,147	4,906
Attock Sahara Foundation	400	-
Income accrued on bank deposits	100,474	104,729
Workers' Profit Participation Fund	-	20,000
Loans, deposit, prepayments and other receivables	182,501	275,352
	<u>1,885,657</u>	<u>1,871,717</u>

**16. CASH AND BANK BALANCES**

**16.1** Deposit accounts include Rs 3,068 million (June 30, 2018: Rs 3,005 million) placed in 90 days interest-bearing account consequent to directives of the Ministry of Energy (Petroleum Division) on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 8.1.

**16.2** Balances with banks include Rs 5,965 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 1,327.16 million (June 30, 2018: Rs 1,327.12 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

**17. GROSS SALES**

	Three months ended September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
Local sales	56,074,761	38,278,223
Naphtha export sales	1,816,639	1,313,600
Reimbursement due from the Government under import parity pricing formula - note 17.1	-	6,696
	<u>57,891,400</u>	<u>39,598,519</u>

**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	
	September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
<b>18. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>		
Sales tax	7,882,589	7,273,793
Petroleum development levy	3,965,293	3,909,646
Custom duties and other levies - note 18.1	1,337,476	746,051
PMG RON differential - note 18.2	248,484	268,856
	<b>13,433,842</b>	<b>12,198,346</b>

**18.1** This includes Rs 1,272.39 million (September 30, 2017: Rs 746.02 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD. OGRA has approved the mechanism for recovery of regulatory duty/custom duty on November 16, 2017. The mechanism is yet to be implemented.

**18.2** This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 87/90 RON PMG sold by the Company during the period.

	Three months ended	
	September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
<b>19. COST OF SALES</b>		
Crude oil consumed - note 19.1	41,400,510	23,489,774
Transportation and handling charges	165,842	186,539
Salaries, wages and other benefits	271,485	279,690
Chemicals consumed	1,025,459	631,699
Fuel and power	1,081,067	638,364
Repairs and maintenance	111,740	74,594
Staff transport and travelling	4,253	4,672
Insurance	71,556	46,649
Cost of receptacles	4,212	10,160
Other operating costs	20,660	17,808
Depreciation	637,000	633,974
Cost of goods manufactured	<b>44,793,784</b>	<b>26,013,923</b>
Changes in stock	<b>286,050</b>	<b>104,241</b>
	<b>45,079,834</b>	<b>26,118,164</b>

**19.1** Certain crude purchases have been recorded based on provisional prices notified by the Government and may require adjustment in subsequent period.

## **20. OTHER CHARGES**

This includes Rs nil (three months ended September 30, 2017: Rs 57.79 million and Rs 21.54 million) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended	
	September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
<b>21. OTHER INCOME</b>		
Income on bank deposits	397,795	309,217
Interest on delayed payments	169,624	114,878
Handling and service charges	27,887	30,380
Rental income	25,144	25,003
Miscellaneous	5,826	4,137
	<b>626,276</b>	<b>483,615</b>
<b>22. FINANCE COST</b>		
Exchange loss - (net)	353,669	39,782
Interest on long term financing	390,574	399,960
Interest on Workers' Profit Participation Fund	-	5,673
Bank and other charges	33	27
	<b>744,276</b>	<b>445,442</b>
<b>23. TAXATION</b>		
Current	231,531	-
Deferred	(442,723)	318,463
	<b>(211,192)</b>	<b>318,463</b>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>		
Dividend income from associated companies	752,922	-
Related charges	-	-
Workers' Profit Participation Fund	-	-
Workers' Welfare Fund	-	-
Taxation - current and deferred	90,489	-
	<b>(90,489)</b>	<b>-</b>
	<b>662,433</b>	<b>-</b>
<b>25. OPERATING SEGMENT</b>		

The financial information has been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company are as follows:

	Three months ended	
	September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
High Speed Diesel	21,401,739	15,026,172
Premier Motor Gasoline	18,783,780	13,467,737
Jet Petroleum	4,644,269	2,609,849
Furnace Fuel Oil	8,254,204	4,859,789
Naphtha	2,119,785	1,503,109
Others	2,687,623	2,131,863
	<b>57,891,400</b>	<b>39,598,519</b>
Taxes, duties, levies and price differential	<b>(13,433,842)</b>	<b>(12,198,346)</b>
	<b>44,457,558</b>	<b>27,400,173</b>

Revenue from four major customers of the Company constitute 84% of total revenue during the three months period ended September 30, 2018 (September 30, 2017: 84%).

**26. RELATED PARTY TRANSACTIONS**

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

	<b>Three months ended</b>	
	<b>September 30, 2018 Rs' 000</b>	<b>September 30, 2017 Rs' 000</b>
<b>Sale of goods and services to:</b>		
Associated companies	<b>14,745,416</b>	9,310,085
Subsidiary company	<b>4,455</b>	4,686
Holding company	<b>10,598</b>	7,818
Interest income on delayed payments from an associated company	<b>169,624</b>	114,878
<b>Purchase of goods and services from:</b>		
Associated companies	<b>4,869,241</b>	2,820,613
Subsidiary company	<b>22,725</b>	16,513
Holding company	<b>108,596</b>	29,479
<b>Dividend income from:</b>		
Associated companies	<b>752,922</b>	-
<b>Other related parties:</b>		
Remuneration of Chief Executive and key management personnel including benefits and perquisites*	<b>60,244</b>	31,696
Honorarium/remuneration to Non-Executive Directors	<b>2,976</b>	1,880
Contribution to Workers' Profit Participation Fund	-	57,792
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>19,380</b>	18,582

\* Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.

Three months ended	
September 30, 2018 Rs' 000	September 30, 2017 Rs' 000

**27. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED**

Profit/(loss) after taxation from refinery operations	(726,906)	758,046
Income from non-refinery operations less applicable charges and taxation	662,433	-
	<u>(64,473)</u>	<u>758,046</u>

Weighted average number of fully paid ordinary shares ('000)	<u>106,616</u>	<u>106,616</u>
--------------------------------------------------------------	----------------	----------------

**Earnings/(loss) per share - Basic and diluted (Rs)**

Refinery operations	(6.82)	7.11
Non-refinery operations	6.21	-
	<u>(0.61)</u>	<u>7.11</u>

The weighted average number of ordinary shares as at September 30, 2018 and the comparative period have been increased to reflect the bonus shares approved by the shareholders in the Annual General Meeting held on September 25, 2018. Such bonus shares will be issued subsequent to September 30, 2018.

**28. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for circulation to the shareholders by the Board of Directors of the Company on October 12, 2018.

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

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

-Sd-  
**Abdus Sattar**  
Director



***Condensed Interim Consolidated  
Financial Information For The  
First Quarter  
Ended September 30, 2018***

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
**As At September 30, 2018**

	Note	September 30, 2018 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>			
85,293,000 (June 30, 2018: 85,293,000) ordinary shares of Rs 10 each	5	852,930	852,930
Reserves and surplus	6	36,512,435	36,722,462
Surplus on revaluation of freehold land		12,052,576	12,052,576
Fair value (loss)/gain on available for sale investment classified as fair value through other comprehensive income		(121)	108
		<u>49,417,820</u>	<u>49,628,076</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	7	12,159,226	12,642,916
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	49,626,177	44,552,948
Accrued mark-up on long term financing	7	277,069	260,909
Current portion of long term financing	7	2,200,000	2,200,000
Unclaimed dividends		9,838	9,839
Provision for taxation		2,341,556	2,163,842
		<u>54,454,640</u>	<u>49,187,538</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>116,031,686</b></u>	<u><b>111,458,530</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	32,210,007	32,829,945
Capital work-in-progress	11	285,505	303,043
Major spare parts and stand-by equipment		118,435	119,151
		<u>32,613,947</u>	<u>33,252,139</u>
<b>LONG TERM INVESTMENTS</b>	12	24,654,110	24,830,227
<b>LONG TERM LOANS AND DEPOSITS</b>			
		43,115	42,115
<b>DEFERRED TAXATION</b>			
		507,651	43,494
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,180,338	2,905,748
Stock-in-trade	13	10,908,342	9,789,826
Trade debts	14	26,671,254	15,748,306
Dividend receivable from associated companies		752,922	-
Loans, advances, deposits, prepayments and other receivables	15	1,901,056	1,888,643
Short term investments		-	985,846
Cash and bank balances	16	14,798,951	21,972,186
		<u>58,212,863</u>	<u>53,290,555</u>
<b>TOTAL ASSETS</b>		<u><b>116,031,686</b></u>	<u><b>111,458,530</b></u>

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

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

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

-Sd-  
**Abdus Sattar**  
 Director



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

### For The First Quarter Ended September 30, 2018

	Note	Three months ended	
		September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
Gross sales	17	57,891,400	39,598,519
Taxes, duties, levies and price differential	18	(13,433,842)	(12,198,346)
Net sales		44,457,558	27,400,173
Cost of sales	19	(45,079,834)	(26,118,164)
Gross profit/(loss)		(622,276)	1,282,009
Administrative expenses		185,742	152,650
Distribution cost		12,080	11,692
Other charges	20	-	79,331
		(197,822)	(243,673)
Other income	21	626,276	483,615
Operating profit/(loss)		(193,822)	1,521,951
Finance cost	22	(744,276)	(445,442)
Profit/(loss) before taxation from refinery operations		(938,098)	1,076,509
Taxation	23	211,192	(318,463)
Profit/(loss) after taxation from refinery operations		(726,906)	758,046
Non-refinery income:			
Share in profit of associated companies	24	517,579	464,266
Profit/(loss) after taxation		(209,327)	1,222,312
Earnings/(loss) per share - basic and diluted (Rupees)	27		
Refinery operations		(6.82)	7.11
Non-refinery operations		4.85	4.35
		(1.97)	11.46

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

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

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

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

**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)**  
**For The First Quarter Ended September 30, 2018**

	<b>Three months ended</b>	
	<b>September 30, 2018 Rs' 000</b>	<b>September 30, 2017 Rs' 000</b>
Profit/(loss) after taxation	<b>(209,327)</b>	1,222,312
Other comprehensive income (net of tax):		
Share of other comprehensive profit/(loss) of associated companies - net of tax	<b>(700)</b>	74
Fair value adjustment on investments classified as fair value through other comprehensive income	<b>(229)</b>	-
Total comprehensive income/(loss)	<b><u>(210,256)</u></b>	<b><u>1,222,386</u></b>

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

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

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

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

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

### For The First Quarter Ended September 30, 2018

	Three months ended	
	September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	46,985,772	37,326,714
- Others	123,232	397,391
	<b>47,109,004</b>	37,724,105
Cash paid for operating cost	(43,484,968)	(26,215,848)
Cash paid to Government for duties, taxes and other levies	(10,821,115)	(9,096,930)
Income tax paid	(146,417)	(100,195)
Net cash (outflows)/inflows from operating activities	<b>(7,343,496)</b>	2,311,132
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(6,282)	(37,452)
Proceeds against disposal of operating assets	174	27
Long term loans and deposits	(1,000)	9
Income on bank deposits received	402,050	305,413
Net cash inflows from investing activities	<b>394,942</b>	267,997
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(550,000)	(550,000)
Transaction cost on long term financing	-	(500)
Dividends paid	(1)	-
Finance cost	(661,806)	(444,784)
Net cash outflows from financing activities	<b>(1,211,807)</b>	(995,284)
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(8,160,361)</b>	1,583,845
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>22,958,032</b>	21,650,017
Effect of exchange rate changes	1,280	308
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>14,798,951</b>	23,234,170

Cash and cash equivalents comprise of cash and bank balances.

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

-Sd-

**Syed Asad Abbas**  
Chief Financial Officer

-Sd-

**M. Adil Khattak**  
Chief Executive Officer

-Sd-

**Abdus Sattar**  
Director

## Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

### For The First Quarter Ended September 30, 2018

	Capital reserve					Revenue reserve			Surplus on revaluation of freehold land	Fair value gain on available for sale investment	Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Issue of bonus Shares	Maintenance reserve	Others	General reserve	Un-appropriated profit			
	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
Total comprehensive income											
Profit for the period	-	-	-	-	-	-	-	1,222,312	-	-	1,222,312
Other comprehensive income for the period	-	-	-	-	-	-	-	74	-	-	74
	-	-	-	-	-	-	-	1,222,386	-	-	1,222,386
Transfer to special reserve for expansion/modernisation - note 6.1	-	721,596	-	-	-	-	-	(721,596)	-	-	-
Profit after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	188,879	-	-	-	-	-	(188,879)	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	-	750,000	(750,000)	-	-	-
Balance as at September 30, 2017	852,930	2,956,288	12,908,966	-	196,679	119,708	6,852,380	14,190,639	12,052,576	-	50,130,166
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	-	-	-	-	-	-	-	166,436	-	-	166,436
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(156,876)	-	108	(156,768)
	-	-	-	-	-	-	-	9,560	-	108	9,668
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,734,154)	-	-	-	-	-	1,734,154	-	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	(188,879)	-	-	-	-	-	188,879	-	-	-
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.3	-	-	-	-	4,946	-	-	(4,946)	-	-	-
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 share @ 25% related to the year ended June 30, 2018	-	-	-	213,233	-	-	-	(213,233)	-	-	-
Total comprehensive loss											
Loss for the period	-	-	-	-	-	-	-	(209,327)	-	-	(209,327)
Other comprehensive loss for the period	-	-	-	-	-	-	-	(700)	-	(229)	(929)
	-	-	-	-	-	-	-	(210,027)	-	(229)	(210,256)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(726,906)	-	-	-	-	-	726,906	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	-	225,000	(225,000)	-	-	-
Balance as at September 30, 2018	852,930	306,349	12,908,966	213,233	201,625	119,708	7,077,380	15,685,174	12,052,576	(121)	49,417,820

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

**-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 Information (Unaudited) For The First Quarter Ended September 30, 2018**

### **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, United Kingdom 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 information, ARL and its above referred wholly owned subsidiary AHL is referred to as the Company.

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

**2.1** This condensed interim consolidated financial information of the Company for the three months period ended September 30, 2018 has been prepared in accordance with requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. This condensed interim consolidated financial information should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2018, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

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

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

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the audited consolidated financial statements for the year ended June 30, 2018.

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

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Company's condensed interim consolidated financial information that have been applied from July 1, 2018.

**a) IFRS 9 "Financial Instruments"**

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement", which requires the Company to assess the classification of financial assets in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial assets. Accordingly, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The Company continues to initially measure financial assets at its fair value plus transaction cost upon initial recognition, except for financial assets measured at fair value through profit or loss, consistent with current practices.

Further, IFRS 9 introduces the "Expected Credit Loss (ECL) model", which replaces the "incurred loss model" of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, 'Trade debts'), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income (for example, government bonds held for liquidity purposes), since initial recognition, irrespective whether a loss event has occurred.

The Company has adopted the above mentioned requirements of the standard in respect of classification and measurement and impairment of financial assets. The aforesaid adoption does not have a material impact on the condensed interim financial information of the Company for the first quarter ended September 30, 2018.

**b) IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 "Revenue from Contracts with Customers" (IFRS 15) replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The new standard is based on the principle that revenue is recognised when the entity satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains "control" of that good or service. Previously, under IAS 18, revenue was recorded when the entity has transferred to the buyer the "significant risks and rewards" of ownership of the goods.

The Company has adopted the above mentioned requirements of the standard in respect of revenue recognition. The aforesaid adoption does not have a material impact on the condensed interim consolidated financial information of the Company for the first quarter ended September 30, 2018.

**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 52,039,224 (June 30, 2018: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (June 30, 2018: 1,432,000) ordinary shares as at September 30, 2018.

September 30,  
2018  
Rs' 000

June 30,  
2018  
Rs' 000

## 6. RESERVES AND SURPLUS

### Capital reserve

Special reserve for expansion/modernisation - note 6.1

Special reserve for expansion/modernisation by an associated company

306,349

1,033,255

-

-

306,349

1,033,255

Utilised special reserve - note 6.2

Utilised special reserve by an associated company

10,962,934

10,962,934

1,946,032

1,946,032

12,908,966

12,908,966

Issue of bonus shares

213,233

-

Maintenance reserve -note 6.3

201,625

201,625

### Others

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

4,800

4,800

Capital gain on sale of building

654

654

Insurance and other claims realised relating to  
pre-incorporation period

494

494

Donation received for purchase of hospital equipment

4,000

4,000

Bonus share issued by associated companies

109,760

109,760

119,708

119,708

### Revenue reserve

General reserve

7,077,380

6,852,380

Unappropriated profit

15,685,174

15,606,528

22,762,554

22,458,908

36,512,435

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 September 30, 2018:

September 30,  
2018  
Rs' 000

June 30,  
2018  
Rs' 000

Balance at the beginning of period/year

1,033,255

2,045,813

Transfer from for the period/year

(726,906)

(1,012,558)

Balance as at period/year

306,349

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/modernisation till September 30, 2018 is Rs 28,262 million including Rs 17,299 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 PowerPurchase Agreement.

September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
----------------------------------	-----------------------------

## 7. LONG TERM FINANCING - secured

### From banking companies

Syndicated Term Finance - note 7.1

**11,134,407**

11,494,985

Musharka Finance - note 7.2

**3,644,237**

3,762,252

**14,778,644**

15,257,237

Less: Unamortized transaction cost on financing:

Balance at the beginning of the year

**153,412**

204,062

Addition during the period/year

-

500

Amortization for the period/year

**(11,063)**

(51,150)

Balance at the end of the period/year

**142,349**

153,412

**14,636,295**

15,103,825

Current portion of long term financing

**(2,200,000)**

(2,200,000)

**12,436,295**

12,903,825

Mark-up payable shown as current liability

**(277,069)**

(260,909)

**12,159,226**

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 66.24% (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 33.76% (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 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 Attock Oil Company Limited in the Company to fall below 51%.



September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
----------------------------------	-----------------------------

**8. TRADE AND OTHER PAYABLES**

Creditors - note 8.1	26,771,435	24,294,232
Due to the Attock Oil Company Limited - Holding Company	97,909	110,475
Due to associated companies		
Pakistan Oilfields Limited	2,582,981	2,475,616
Attock Sahara Foundation	-	754
Attock Solar (Private) Limited	1,329	970
Accrued liabilities and provisions - note 8.1	3,972,445	4,048,226
Due to the Government under the pricing formula	4,483,977	4,883,264
Custom duty payable to Government	8,160,593	6,888,202
Advance payments from customers	90,098	119,274
Sales tax payable	1,774,971	168,206
ARL Gratuity Fund	109,694	109,694
Staff Pension Fund	138,823	138,823
Crude oil freight adjustable through inland freight equalisation margin	29,613	15,761
Payable to statutory authorities in respect of petroleum development levy and excise duty	1,408,796	1,295,938
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,137	3,137
	<b>49,626,177</b>	<b>44,552,948</b>

**8.1** These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,155.78 million (June 30, 2018: Rs 3,113.17 million).

September 30, 2018 Rs' 000	June 30, 2018 Rs' 000
----------------------------------	-----------------------------

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

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

**September 30,  
2018  
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>456</b>	414
iv) Claims for land compensation contested by ARL.	<b>1,300</b>	1,300
v) Price adjustment related to crude oil purchases recorded on the basis of provisional prices as referred to in note 19.1, the amount of which cannot be presently quantified.		
vi) In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 has been 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. 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.

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>1,295,222</b>	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.

September 30,  
2018  
Rs' 000

June 30,  
2018  
Rs' 000

- 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 tax contingency of associated companies.

1,590,943

1,474,866

**Commitments:**

- i) Capital expenditure

262,009

129,754

- ii) Letters of credit for purchase of store items

152,910

88,941

- iii) The Company's share of commitments of associated companies.

Capital expenditure commitments  
Outstanding letters of credit  
Others

1,163,070  
4,538,028  
498,130

1,796,604  
4,559,627  
506,929

Three months ended  
September 30,  
2018  
Rs' 000

Year ended  
June 30,  
2018  
Rs' 000

**10. OPERATING ASSETS**

Opening written down value  
Additions during the period/year  
Written down value of disposals  
Depreciation during the period/year  
Closing written down value

32,829,945  
24,537  
(10)  
(644,465)  
32,210,007

35,140,631  
260,363  
(225)  
(2,570,824)  
32,829,945

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

Balance at the beginning  
Addition during the period/year  
Transfer to operating assets  
- Buildings on freehold land  
- Plant and machinery

303,043  
1,566

142,057  
322,186

19,104

27,653  
133,547

(19,104)

(161,200)

Balance at the end

285,505

303,043

	Three months ended September 30, 2018 Rs' 000	Year ended June 30, 2018 Rs' 000
<b>Breakup of the closing balance of capital work-in-progress</b>		
Civil works	7,296	7,720
Plant and machinery	277,209	294,323
Pipeline project	1,000	1,000
	<b>285,505</b>	<b>303,043</b>

## 12. LONG TERM INVESTMENTS

Investment in associated companies		
Balance as at July 1	24,830,227	23,939,539
Share of profit after tax of associated companies	311,192	2,552,958
Share in other comprehensive income/(loss)	(929)	(21,115)
Dividend received from associated companies	(752,922)	(1,819,575)
Impairment reversal on investment	266,542	178,420
	<b>24,654,110</b>	<b>24,830,227</b>

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

	September 30, 2018		June 30, 2018	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>Quoted</b>				
National Refinery Limited	25	14,793,812	25	14,793,813
Attock Petroleum Limited	21.88	7,233,826	21.88	7,345,605
<b>Unquoted</b>				
Attock Gen Limited - note 12.2	30	2,601,190	30	2,666,574
Attock Information Technology Services (Private) Limited	10	25,282	10	24,235
		<b>24,654,110</b>		<b>24,830,227</b>

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

## 13. STOCK-IN-TRADE

As at September 30, 2018, stock-in-trade includes stocks carried at net realisable value of Rs 7,241.75 million (June 30, 2018: Rs 5,688.51 million). Adjustments amounting to Rs 828.86 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

All trade debts are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 14,665.35 million (June 30, 2018: Rs 10,413 million) and Pakistan Oilfields Limited Rs nil (June 30, 2018: Rs 42 million).

<b>September 30,</b>	<b>June 30,</b>
<b>2018</b>	<b>2018</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

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

Due from associated companies

Attock Petroleum Limited	<b>1,584,726</b>	1,463,364
Attock Information Technology Services (Private) Limited	<b>552</b>	503
Attock Leisure and Management Associates (Private) Limited	<b>14</b>	12
Attock Gen Limited	<b>2,821</b>	398
Attock Cement Pakistan Limited	<b>1</b>	5
National Cleaner Production Centre Foundation	<b>8,163</b>	4,946
Capgas (Private) Limited	<b>157</b>	111
National Refinery Limited	<b>6,883</b>	3,087
Attock Sahara Foundation	<b>401</b>	-
Income accrued on bank deposits	<b>100,634</b>	104,729
Workers' Profit Participation Fund	<b>-</b>	20,000
Loans, deposits, prepayments and other receivables	<b>196,704</b>	291,488
	<b>1,901,056</b>	1,888,643

**16. CASH AND BANK BALANCES**

**16.1** Deposit accounts include Rs 3,068 million (June 30, 2018: Rs 3,005 million) placed in 90 days interest-bearing account consequent to directives of the Ministry of Energy (Petroleum Division) on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 8.1.

**16.2** Balances with banks include Rs 5,965 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 1,327.16 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**

<b>September 30,</b>	<b>September 30,</b>
<b>2018</b>	<b>2017</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**17. GROSS SALES**

Local sales	<b>56,074,761</b>	38,278,223
Naphtha export sales	<b>1,816,639</b>	1,313,600
Reimbursement due from the Government under import parity pricing formula - note 17.1	<b>-</b>	6,696
	<b>57,891,400</b>	39,598,519

**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**

September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
7,882,589	7,273,793
3,965,293	3,909,646
1,337,476	746,051
248,484	268,856
<u>13,433,842</u>	<u>12,198,346</u>

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

Sales tax	<b>7,882,589</b>	7,273,793
Petroleum development levy	<b>3,965,293</b>	3,909,646
Custom duties and other levies - note 18.1	<b>1,337,476</b>	746,051
PMG RON differential - note 18.2	<b>248,484</b>	268,856

**18.1** This includes Rs 1,272.39 million (September 30, 2017: Rs 746.02 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD. OGRA has approved the mechanism for recovery of regulatory duty/custom duty on November 16, 2017. The mechanism is yet to be implemented.

**18.2** This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 87/90 RON PMG sold by the Company during the period.

**Three months ended**

September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
41,400,510	23,489,774
165,842	186,539
271,485	279,690
1,025,459	631,699
1,081,067	638,364
111,740	74,594
4,253	4,672
71,556	46,649
4,212	10,160
20,660	17,808
637,000	633,974
44,793,784	26,013,923
286,050	104,241
45,079,834	26,118,164

## 19. COST OF SALES

Crude oil consumed - note 19.1	41,400,510	23,489,774
Transportation and handling charges	165,842	186,539
Salaries, wages and other benefits	271,485	279,690
Chemicals consumed	1,025,459	631,699
Fuel and power	1,081,067	638,364
Repairs and maintenance	111,740	74,594
Staff transport and travelling	4,253	4,672
Insurance	71,556	46,649
Cost of receptacles	4,212	10,160
Other operating costs	20,660	17,808
Depreciation	637,000	633,974
Cost of goods manufactured	44,793,784	26,013,923
Changes in stock	286,050	104,241
	45,079,834	26,118,164

19.1 Certain crude purchases have been recorded based on provisional prices notified by the Government and may require adjustment in subsequent periods.

## 20. OTHER CHARGES

This includes Rs nil (three months ended September 30, 2017: Rs 57.79 million and Rs 21.54 million) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

**Three months ended**

September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
----------------------------------	----------------------------------

**21. OTHER INCOME**

Income on bank deposits	397,795	309,217
Interest on delayed payments	169,624	114,878
Handling and service charges	27,887	30,380
Rental income	25,144	25,003
Others	5,826	4,137
	<b>626,276</b>	<b>483,615</b>

**22. FINANCE COST**

Exchange loss - (net)	353,669	39,782
Interest on long term financing	390,574	399,960
Interest on Workers' Profit Participation Fund	-	5,673
Bank and other charges	33	27
	<b>744,276</b>	<b>445,442</b>

**23. TAXATION**

Current	231,531	-
Deferred	(442,723)	318,463
	<b>(211,192)</b>	<b>318,463</b>

**24. NON-REFINERY INCOME**

Share of profit of associated companies (net of impairment reversal of impairment loss)	577,734	490,689
Related charges		
Workers' Profit Participation Fund	-	-
Workers' Welfare Fund	-	-
Taxation - current and deferred	68,975	28,623
	<b>(68,975)</b>	<b>(28,623)</b>
	<b>508,759</b>	<b>462,066</b>
Profit after taxation from Attock Hospital (Private) Limited (wholly owned subsidiary)	8,820	2,200
	<b>517,579</b>	<b>464,266</b>

**25. OPERATING SEGMENT**

The financial information has been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company are as follows:

	<b>Three months ended</b>	
	<b>September 30, 2018 Rs' 000</b>	<b>September 30, 2017 Rs' 000</b>
High Speed Diesel	21,401,739	15,026,172
Premier Motor Gasoline	18,783,780	13,467,737
Jet Petroleum	4,644,269	2,609,849
Furnace Fuel Oil	8,254,204	4,859,789
Naphtha	2,119,785	1,503,109
Others	2,687,623	2,131,863
	<b>57,891,400</b>	<b>39,598,519</b>
Taxes, duties, levies and price differential	<b>(13,433,842)</b>	<b>(12,198,346)</b>
	<b>44,457,558</b>	<b>27,400,173</b>

Revenue from four major customers of the Company constitute 84% of total revenue during the three months period ended September 30, 2018 (September 30, 2017: 84%).

## 26. RELATED PARTY TRANSACTIONS

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

	<b>Three months ended</b>	
	<b>September 30, 2018 Rs' 000</b>	<b>September 30, 2017 Rs' 000</b>
<b>Sale of goods and services to:</b>		
Associated companies	14,751,212	9,315,345
Holding company	10,598	7,818
Interest income on delayed payments from an associated company	169,624	114,878
<b>Purchase of goods and services from:</b>		
Associated companies	4,869,287	2,820,711
Holding company	108,596	29,479
<b>Dividend income from:</b>		
Associated companies	752,922	-
<b>Other related parties:</b>		
Remuneration of Chief Executive and key management personnel including benefits and perquisites*	60,244	31,696
Honorarium/remuneration to Non-Executive Directors	2,976	1,880
Contribution to Workers' Profit Participation Fund	-	57,792
Contribution to Employees' Pension, Gratuity and Provident Funds	20,334	19,433

\* Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.



**Three months ended**

September 30, 2018 Rs' 000	September 30, 2017 Rs' 000
----------------------------------	----------------------------------

**27. EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED**

Profit/(loss) after taxation from refinery operations	<b>(726,906)</b>	758,046
Income from non-refinery operations less applicable charges and taxation	<b>517,579</b>	464,266
	<b>(209,327)</b>	1,222,312
Weighted average number of fully paid ordinary shares ('000)	<b>106,616</b>	106,616
<b>Earnings/(loss) per share - Basic and diluted (Rs)</b>		
Refinery operations	<b>(6.82)</b>	7.11
Non-refinery operations	<b>4.85</b>	4.35
	<b>(1.97)</b>	11.46

The weighted average number of ordinary shares as at September 30, 2018 and the comparative period have been increased to reflect the bonus shares approved by the shareholders in the Annual General Meeting held on September 25, 2018. Such bonus shares will be issued subsequent to September 30, 2018.

**28. DATE OF AUTHORISATION**

This condensed interim consolidated financial information was authorised for circulation to the shareholders by the Board of Directors of the Company on October 12, 2018.

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

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

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