



ATTOCK REFINERY LIMITED



Condensed Interim Financial Statements

For the First Quarter Ended September 30, 2021

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Laith G. Pharaon

(Alternate Director Mr. Shuaib A. Malik)

Non Executive Director

Mr. Wael G. Pharaon

(Alternate Director Mr. Babar Bashir Nawaz)

Non Executive Director

Mr. Shuaib A. Malik

Chairman / Non Executive Director

Mr. Abdus Sattar

Non Executive Director

Mr. Jamil A. Khan

Non Executive Director

Mr. Shamim Ahmad Khan

Independent Non Executive Director

Mr. Tariq Iqbal Khan

Independent Non Executive Director

CHIEF EXECUTIVE OFFICER

Mr. M. Adil Khattak

CHIEF FINANCIAL OFFICER

Syed Asad Abbas

FCA

COMPANY SECRETARY

Mr. Saif ur Rehman Mirza

FCA

AUDIT COMMITTEE

Mr. Shamim Ahmad Khan

Chairman

Mr. Shuaib A. Malik

Member

Mr. Abdus Sattar

Member

Mr. Tariq Iqbal Khan

Member

Mr. Babar Bashir Nawaz

Member

AUDITORS

A.F. Ferguson & Co.

Chartered Accountants

LEGAL ADVISOR

Ali Sibtain Fazli & Associates

Legal Advisors, Advocates & Solicitors

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

REGISTERED OFFICE

The Refinery, Morgah, Rawalpindi.

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

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

DIRECTORS' REVIEW REPORT

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

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

FINANCIAL RESULTS

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

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

REFINERY OPERATIONS

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

FUTURE OUTLOOK

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

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

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

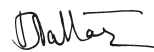
ACKNOWLEDGEMENT

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

On behalf of the Board



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

October 21, 2021
Rawalpindi

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

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

اظہارِ شکر

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

بورڈ کی جانب سے

عبدالستار
ڈائریکٹر

ایم عادل خٹک
چیف ایگزیکٹو آفیسر

۲۱ اکتوبر ۲۰۲۱ء

راولپنڈی

ڈائریکٹرز کی جائزہ رپورٹ

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

انٹک ریفائنری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۰ ستمبر ۲۰۲۱ کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ سہ ماہی کے دوران کمپنی کو ریفائنری آپریشنز سے ٹیکس ادا کرنے کے بعد ۳۸ ملین روپے کا منافع ہوا (۳۰ ستمبر ۲۰۲۰: ۵۶۲ ملین روپے کا خسارہ)۔ اس سہ ماہی کے دوران غیر ریفائنری ذرائع سے ۴۱۶ ملین روپے کی آمدن ہوئی (۳۰ ستمبر ۲۰۲۰: صفر)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۴۶۴ ملین روپے کے منافع کے ساتھ فی حصص منافع ۳۶.۳۶ روپے رہا (۳۰ ستمبر ۲۰۲۰: ۵۶۲ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۵.۲ روپے)۔

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

ریفائنری آپریشنز

زیر جائزہ مدت کے دوران کمپنی نے اپنے بڑے ریفائنری یونٹس کی مکمل بندش برائے ضروری مرمت و تبدیلی کامیابی کے ساتھ مکمل کی۔ زیر جائزہ سہ ماہی کے دوران ریفائنری نے ۶۷% پیداواری استعداد کے ساتھ ۴۴ ہزار میٹرک ٹن کی مختلف پیٹرولیم مصنوعات فراہم کیں (۳۰ ستمبر ۲۰۲۰: ۸% پیداواری استعداد کے ساتھ ۳۶۶ ہزار میٹرک ٹن)۔ کوئیڈ-۱۹ کی وجہ سے پیدا ہونے والے متعدد چیلنجز کے باوجود انتظامیہ نے پیٹرولیم مصنوعات کی فراہمی احسن طریقے سے جاری رکھی۔

مستقبل کا منظر نامہ

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

Condensed Interim Statement of Financial Position (Unaudited)

As At September 30, 2021

| | Note | September 30, 2021 Rs '000 | June 30, 2021 Rs '000 |
|---|------|----------------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | | |
| Authorised | | | |
| 150,000,000 (June 30, 2021: 150,000,000) ordinary shares of Rs 10 each | | <u>1,500,000</u> | <u>1,500,000</u> |
| Issued, subscribed and paid-up | | | |
| 106,616,250 (June 30, 2021: 106,616,250) ordinary shares of Rs 10 each | 5 | 1,066,163 | 1,066,163 |
| Reserves and surplus | 6 | 16,016,347 | 15,552,081 |
| Surplus on revaluation of freehold land | | <u>25,093,419</u> | <u>25,093,419</u> |
| | | <u>42,175,929</u> | <u>41,711,663</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 7 | 4,964,665 | 5,492,792 |
| Long term lease liability | | <u>129,570</u> | <u>126,399</u> |
| CURRENT LIABILITIES | | | |
| Accrued mark-up on long term financing | 7 | 142,740 | 152,023 |
| Current portion of long term financing | 7 | 2,200,000 | 2,200,000 |
| Trade and other payables | 8 | 47,722,671 | 47,206,536 |
| Short term financing | 9 | 2,000,000 | 3,000,000 |
| Accrued mark-up on short term financing | | 13,203 | 16,191 |
| Current portion of lease liability | | 107,072 | 215,832 |
| Unclaimed dividends | | 9,255 | 9,302 |
| Provision for taxation | | <u>3,341,879</u> | <u>3,163,835</u> |
| | | <u>55,536,820</u> | <u>55,963,719</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>102,806,984</u> | <u>103,294,573</u> |
| CONTINGENCIES AND COMMITMENTS | 10 | | |

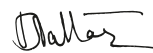
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

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

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


Syed Asad Abbas
 Chief Financial Officer


M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

Condensed Interim Statement of Profit or Loss (Unaudited)

For The First Quarter Ended September 30, 2021

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

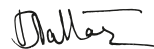
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

**Condensed Interim Statement of Profit or Loss and Other
Comprehensive Income (Unaudited)
For The First Quarter Ended September 30, 2021**

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

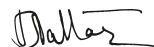
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

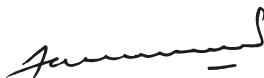
For The First Quarter Ended September 30, 2021

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

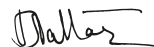
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Condensed Interim Statement of Cash Flows (Unaudited)

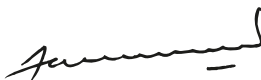
For The First Quarter Ended September 30, 2021

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

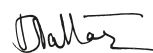
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Selected Notes To and Forming Part of the Condensed Interim Financial Statements (Unaudited) For The First Quarter Ended September 30, 2021

1. LEGAL STATUS AND OPERATIONS

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. FINANCIAL RISK MANAGEMENT

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

5. SHARE CAPITAL

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

September 30,
2021
Rs '000

June 30,
2021
Rs '000

6. RESERVES AND SURPLUS

Capital reserve

Special reserve for expansion/modernisation - note 6.1

11,202

-

Utilised special reserve for expansion/modernisation - note 6.2

10,962,934

10,962,934

Others

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

4,800

4,800

Capital gain on sale of building

654

654

Insurance and other claims realised relating to
pre-incorporation period

494

494

5,948

5,948

Revenue reserve

Investment reserve - note 6.3

3,762,775

3,762,775

General reserve

55

55

Unappropriated profit

1,273,433

820,369

5,036,263

4,583,199

16,016,347

15,552,081

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

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

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

September 30,
2021
Rs '000

June 30,
2021
Rs '000

7. LONG TERM FINANCING - secured

From banking companies

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

- 7.1** The Company entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis.
- 7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2021: nil %) while its share in Musharaka Assets B is 30.42% (June 30, 2021: 35.37%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2021: 100%) while its share in Musharaka Assets B is 69.58% (June 30, 2021: 64.63%) respectively. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.
- 7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

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

8. TRADE AND OTHER PAYABLES

| | | |
|---|-------------------|-------------------|
| Creditors - note 8.1 | 26,996,950 | 26,847,266 |
| Due to The Attock Oil Company Limited - Holding Company | 218,758 | 229,625 |
| Due to Attock Hospital (Private) Limited - Subsidiary Company | - | 571 |
| Due to an associated company Pakistan Oilfields Limited | 2,823,245 | 2,681,791 |
| Accrued liabilities and provisions - note 8.1 | 4,785,476 | 4,787,800 |
| Due to the Government under the pricing formula | 4,513,252 | 4,058,933 |
| Custom duty payable to the Government | 5,771,377 | 5,245,223 |
| Advance payments from customers | 128,290 | 193,073 |
| Sales tax payable | 1,779,316 | 2,501,329 |
| Workers' Profit Participation Fund | 30,465 | - |
| ARL Gratuity Fund | 114,277 | 114,277 |
| Crude oil freight adjustable through inland freight equalisation margin | 67,714 | 59,958 |
| Payable to statutory authorities in respect of petroleum development levy and excise duty | 490,108 | 483,247 |
| Deposits from customers adjustable against freight and Government levies payable on their behalf | 376 | 376 |
| Security deposits | 3,067 | 3,067 |
| | 47,722,671 | 47,206,536 |

8.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directives of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 4,015.43 million (June 30, 2021: Rs 3,950.27 million).

9. SHORT TERM FINANCING

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

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

10. CONTINGENCIES AND COMMITMENTS
Contingencies:

| | | |
|---|-----------|-----------|
| i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to the higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014, in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing the imports | 1,326,706 | 1,326,706 |
|---|-----------|-----------|

**September 30,
2021
Rs '000**

**June 30,
2021
Rs '000**

against submission of bank guarantees and restraining customs authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/claimable government levies.

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

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

- | | | | |
|------|--|------------------|-----------|
| ii) | Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties. | | |
| iii) | Claims for land compensation contested by the Company. | 5,300 | 5,300 |
| iv) | Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 20.1, the amount of which can not be presently quantified. | | |
| v) | In March 2018, Mela and Nashpa Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs. 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA. | 2,484,098 | 2,484,098 |

September 30,
2021
Rs '000

June 30,
2021
Rs '000

In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2012 to 2018. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.

- | | | | |
|-----|---|------------------|-----------|
| vi) | Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016. | 3,309,536 | 3,092,485 |
|-----|---|------------------|-----------|

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

- | | | | |
|------|--|----------------|---------|
| vii) | The Finance Act, 2017 introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. | 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:

- | | | | |
|-----|---|---------------|--------|
| i) | Capital expenditure | 38,655 | 40,970 |
| ii) | Letters of credit and other contracts for purchase of store items | 39,688 | 34,431 |

Three months ended
September 30,
2021
Rs '000

Year ended
June 30,
2021
Rs '000

11. OPERATING ASSETS

11.1 Owned assets

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

11.2 Right of use assets (ROU)

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

12. CAPITAL WORK-IN-PROGRESS

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

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

The details are as under:

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

| | September 30, 2021 | | June 30, 2021 | |
|--|--------------------|-------------------|---------------|-------------------|
| | % 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 | 30 | 748,295 | 30 | 748,295 |
| Attock Information Technology Services (Private) Limited | 10 | 4,500 | 10 | 4,500 |
| | | 13,262,915 | | 13,262,915 |
| Subsidiary Company | | | | |
| <u>Unquoted</u> | | | | |
| Attock Hospital (Private) Limited | 100 | 2,000 | 100 | 2,000 |
| | | 13,264,915 | | 13,264,915 |

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

14. STOCK-IN-TRADE

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

15. TRADE DEBTS - unsecured and considered good

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

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

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

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

17. CASH AND BANK BALANCES

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

17.1 Deposit accounts include Rs 3,959.66 million (June 30, 2021: Rs 3,894.58 million) placed in a 90-days interest-bearing account consequent to directives of the Ministry of Energy - Petroleum Division on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 8.1.

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

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

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

17.4 CASH AND CASH EQUIVALENTS

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

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

18. GROSS SALES

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

19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL

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

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

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

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

20. COST OF SALES

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

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

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

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

26. FAIR VALUE MEASUREMENTS

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

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

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

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

27. RELATED PARTY TRANSACTIONS

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

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

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

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

28.2 Reclassification

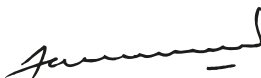
Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.

28.3 Date of Authorisation

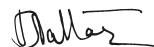
These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 21, 2021.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director


***Condensed Interim Consolidated
Financial Statements For The
First Quarter
Ended September 30, 2021***

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

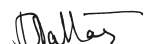
| | Note | September 30, 2021 Rs '000 | June 30, 2021 Rs '000 |
|---|------|----------------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | | |
| Authorised | | | |
| 150,000,000 (June 30, 2021: 150,000,000) ordinary shares of Rs 10 each | | <u>1,500,000</u> | <u>1,500,000</u> |
| Issued, subscribed and paid-up | | | |
| 106,616,250 (June 30, 2021: 106,616,250) ordinary shares of Rs 10 each | 5 | 1,066,163 | 1,066,163 |
| Reserves and surplus | 6 | 23,906,199 | 23,761,583 |
| Surplus on revaluation of freehold land | | <u>25,093,419</u> | <u>25,093,419</u> |
| | | 50,065,781 | 49,921,165 |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 7 | 4,964,665 | 5,492,792 |
| Long term lease liability | | 129,570 | 126,399 |
| Deferred grant | | 5,036 | 5,204 |
| CURRENT LIABILITIES | | | |
| Accrued mark-up on long term financing | 7 | 142,740 | 152,023 |
| Current portion of long term financing | 7 | 2,200,000 | 2,200,000 |
| Trade and other payables | 8 | 47,730,896 | 47,226,654 |
| Short term financing | 9 | 2,000,000 | 3,000,000 |
| Accrued mark-up on short term financing | | 13,203 | 16,191 |
| Current portion of lease liability | | 107,072 | 215,832 |
| Unclaimed dividends | | 9,255 | 9,302 |
| Provision for taxation | | <u>3,341,879</u> | <u>3,163,835</u> |
| | | 55,545,045 | 55,983,837 |
| TOTAL EQUITY AND LIABILITIES | | | |
| | | <u>110,710,097</u> | <u>111,529,397</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | | |

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

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


Syed Asad Abbas
 Chief Financial Officer


M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)

For The First Quarter Ended September 30, 2021

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

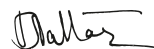
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

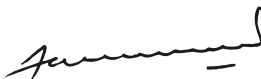
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For The First Quarter Ended September 30, 2021

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

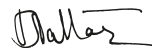
The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

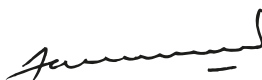
For The First Quarter Ended September 30, 2021

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

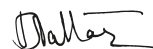
The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer




Abdus Sattar
Director

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

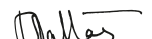
For The First Quarter Ended September 30, 2021

| | | Three months ended | |
|--|--|----------------------------------|----------------------------------|
| | | September 30, 2021 Rs '000 | September 30, 2020 Rs '000 |
| Note | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| | Cash receipts from - Customers | 52,161,225 | 44,478,305 |
| | - Others | 2,837,868 | 117,159 |
| | | 54,999,093 | 44,595,464 |
| | Cash paid for operating cost | (46,199,153) | (29,060,218) |
| | Cash paid to Government for duties, taxes and other levies | (9,868,866) | (18,142,226) |
| | Income tax paid | (133,254) | (112,864) |
| | Net cash outflows from operating activities | (1,202,180) | (2,719,844) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | Additions to property, plant and equipment | 660 | (42,384) |
| | Proceeds against disposal of operating assets | 355 | 6 |
| | Long term loans and deposits | 1,037 | (941) |
| | Income received on bank deposits | 167,553 | 102,600 |
| | Net cash generated from investing activities | 169,605 | 59,281 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| | Repayment of long term financing | (550,000) | - |
| | Repayment of lease liability | - | (30,176) |
| | Transaction cost on long term financing | (500) | (500) |
| | Dividend paid to Company's shareholders | (47) | - |
| | Finance cost | (231,173) | (241,839) |
| | Net cash outflows from financing activities | (781,720) | (272,515) |
| DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD | | (1,814,295) | (2,933,078) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | | 9,105,410 | 8,158,690 |
| Effect of exchange rate changes on cash and cash equivalents | | (6,123) | (1,176) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 17.4 | 7,284,992 | 5,224,436 |

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


Syed Asad Abbas
 Chief Financial Officer


M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

Selected Notes To and Forming Part of the Condensed Interim Consolidated Financial Statements (Unaudited) For The First Quarter Ended September 30, 2021

1. LEGAL STATUS AND OPERATIONS

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. FINANCIAL RISK MANAGEMENT

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

5. SHARE CAPITAL

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

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

6. RESERVES AND SURPLUS

Capital reserve

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

Revenue reserve

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

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

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

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

September 30,
2021
Rs '000

June 30,
2021
Rs '000

7. LONG TERM FINANCING - secured

From banking companies

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

- 7.1** The Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis.
- 7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2021: nil %) while its share in Musharaka Assets B is 30.42% (June 30, 2021: 35.37%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2021: 100%) while its share in Musharaka Assets B is 69.58% (June 30, 2021: 64.63%) respectively. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.
- 7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

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

8. TRADE AND OTHER PAYABLES

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

8.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 4,015.43 million (June 30, 2021: Rs 3,950.27 million).

9. SHORT TERM FINANCING

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

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

10. CONTINGENCIES AND COMMITMENTS
Contingencies:

| | | |
|---|------------------|-----------|
| i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to the higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014, in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing the imports against submission of bank guarantees and restraining customs | 1,326,706 | 1,326,706 |
|---|------------------|-----------|

September 30,
2021
Rs '000

June 30,
2021
Rs '000

authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/ claimable government levies.

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

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

| | | |
|--|-------------------------|------------------|
| <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 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.</p> | | |
| <p>iii) Claims for land compensation contested by ARL.</p> | <p>5,300</p> | <p>5,300</p> |
| <p>iv) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 20.1, the amount of which can not be presently quantified.</p> | | |
| <p>v) In March 2018, Mela and Nashpa Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs. 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.</p> | <p>2,484,098</p> | <p>2,484,098</p> |

September 30,
2021
Rs '000

June 30,
2021
Rs '000

In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2012 to 2018. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.

| | | | |
|------------|---|------------------|-----------|
| vi) | Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016. | 3,309,536 | 3,092,485 |
|------------|---|------------------|-----------|

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

| | | | |
|-------------|--|----------------|---------|
| vii) | The Finance Act, 2017 introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. | 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.

| | | | |
|--------------|---|------------------|-----------|
| viii) | The Company's share in contingency of associated companies. | 3,188,626 | 2,324,842 |
|--------------|---|------------------|-----------|

Commitments:

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

Three months ended
September 30,
2021
Rs '000

Year ended
June 30,
2021
Rs '000

11. OPERATING ASSETS

11.1 Owned assets

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

11.2 Right of use assets (ROU)

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

12. CAPITAL WORK-IN-PROGRESS

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

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

The details are as under:

| | | |
|---------------------|----------------|----------------|
| Civil works | 27 | - |
| Plant and machinery | 848,035 | 861,679 |
| Pipeline project | 1,000 | 1,000 |
| | 849,062 | 862,679 |

13. LONG TERM INVESTMENTS

Investment in associated companies

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

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

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

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

14. STOCK-IN-TRADE

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

15. TRADE DEBTS - unsecured and considered good

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

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

Due from associated companies

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

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

17. CASH AND BANK BALANCES

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

17.1 Deposit accounts include Rs 3,959.66 million (June 30, 2021: Rs 3,894.58 million) placed in a 90-days interest-bearing account consequent to directives of the Ministry of Energy - Petroleum Division on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 8.1.

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

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

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

17.4 CASH AND CASH EQUIVALENTS

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

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

Three months ended

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

18. GROSS SALES
Company

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

Subsidiary

| | | |
|-------------|-------------------|-------------------|
| Local sales | 31,531 | 23,422 |
| | 55,825,569 | 47,119,988 |

Three months ended

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

19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL

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

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

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

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

Three months ended

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

20. COST OF SALES

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

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

| | Three months ended | |
|--|----------------------------------|----------------------------------|
| | September 30, 2021 Rs '000 | September 30, 2020 Rs '000 |
| 21. OTHER INCOME | | |
| Income on bank deposits | 173,196 | 84,890 |
| Interest on delayed payments | 110,445 | 261,349 |
| Handling and service charges | 24,119 | 18,506 |
| Rental income | 32,452 | 26,472 |
| Exchange gain - (net) | - | 53,500 |
| Miscellaneous | 8,108 | 6,176 |
| | 348,320 | 450,893 |
| 22. FINANCE COST | | |
| Exchange loss - (net) | 41,276 | - |
| Interest on long term financing | 192,754 | 193,401 |
| Interest on short term financing | 13,203 | - |
| Bank and other charges | 165 | 134 |
| Interest on lease liability | 15,300 | 3,191 |
| | 262,698 | 196,726 |
| 23. TAXATION | | |
| Current | 235,581 | 217,975 |
| Deferred | (207,254) | (435,419) |
| | 28,327 | (217,444) |
| 24. NON-REFINERY INCOME | | |
| Share in profit of associated companies [net of impairment reversal/(loss)] | 121,186 | 482,007 |
| Related charges: | | |
| Workers' Profit Participation Fund | 26,672 | - |
| Workers' Welfare Fund | 10,135 | - |
| Taxation - current and deferred | 676 | 61,733 |
| | (37,483) | (61,733) |
| | 83,703 | 420,274 |
| 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 | |
|--|----------------------------------|----------------------------------|
| | September 30, 2021 Rs '000 | September 30, 2020 Rs '000 |
| High Speed Diesel | 19,323,695 | 16,384,415 |
| Premier Motor Gasoline | 21,160,083 | 19,512,499 |
| Jet Petroleum | 4,446,403 | 2,188,248 |
| Furnace Fuel Oil | 8,126,441 | 5,826,787 |
| Naphtha | 105,818 | 480,701 |
| Others | 2,663,129 | 2,727,338 |
| | 55,825,569 | 47,119,988 |
| Taxes, duties, levies and price differential | (10,127,791) | (18,668,191) |
| | 45,697,778 | 28,451,797 |

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

26. FAIR VALUE MEASUREMENTS

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

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

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

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

27. RELATED PARTY TRANSACTIONS

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

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

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

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

28.2 Reclassification

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

28.3 Date of Authorisation


These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 21, 2021.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director



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