



**ATTOCK REFINERY LIMITED**



## **Condensed Interim Financial Statements**

**For the Third Quarter and Nine Months Period Ended March 31, 2022**



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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 third quarter and nine months period ended March 31, 2022.

### FINANCIAL RESULTS

During the nine months period ended March 31, 2022, the Company earned profit after tax of Rs 2,840 million from refinery operations (March 31, 2021: Loss of Rs 1,129 million). Non-refinery income during this period was Rs 947 million (March 31, 2021: Rs 120 million). Accordingly, overall profit after taxation was Rs 3,787 million with earning per share of Rs 35.52 (March 31, 2021: Loss of Rs 1,009 million with loss per share of Rs 9.46).

During this period global prices of crude oil and petroleum products remained volatile. This factor resulted in an overall inventory gain to the Company. However, there was substantial increase in overall operating cost due to increase in energy and financing costs and depreciation of Pak Rupee.

### REFINERY OPERATIONS

During the period under review, the Company supplied 1,348 thousand Metric Tons of various petroleum products while operating at about 78% of the capacity (March 31, 2021: 1,359 thousand Metric Tons, 76% capacity). Despite multiple challenges caused by uncertainty in global prices of petroleum products and supply chain management issues as well as political instability in the country, the management was able to ensure smooth supply of petroleum products.

### FUTURE OUTLOOK

Due to geo-political situation, the demand/supply and pricing of crude oil and petroleum products is expected to remain unstable. Hopefully, COVID-19 would remain under control with implementation of the recommended precautions. However, due to higher energy and interest rate, we anticipate that cost of doing business in Pakistan would remain high.

To manage increase in pricing of petroleum products in the country, the Government has frozen ex-refinery prices of some products. The resultant differential in pricing will be reimbursed to refineries through a mechanism approved by the Government. The Company's receivable on this account as at March 31, 2022 was Rs 226 million. We hope that these amounts would be paid by the Government in due course of time.

Approval of the new draft refining policy which has been prepared jointly by the Government and the Refining industry after a painstaking exercise, is still awaited. The draft Refining Policy envisages certain fiscal and tariff concessions to the refining sector which are likely to improve financial condition of the refineries enabling upgradation of plants. Recent global crisis in the petroleum sector has once again highlighted the need and importance of a sustainable local refining sector. The refineries intend to take up the matter of Refining Policy with the new Government at the earliest.

Study for Continuous Catalyst Regeneration (CCR) Complex has already been completed and progress on study for revamping of DHDS unit and proposed joint venture for Up-grading furnace oil is satisfactory. However, since these projects are highly capital intensive, support of the Government in the shape of incentives is essential for implementation of the projects.

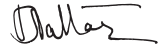
**ACKNOWLEDGEMENT**

The Board would like to acknowledge support received from the Ministry of Energy (Petroleum Division) and other stakeholders. We would also like to offer our profound thanks to the employees for their dedicated commitment. We are also grateful to our valued customers and suppliers for the trust reposed in us.

On behalf of the Board



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

April 21, 2022  
Rawalpindi

ملک میں پٹرولیم مصنوعات کی قیمتوں میں اضافے کو روکنے کے لیے حکومت نے بعض مصنوعات کی ریفائنری کے لئے قیمتیں منجمد کر دی ہیں۔ جس کے نتیجہ میں قیمتوں کا فرق حکومت کی طرف سے منظور شدہ طریقہ کار کے ذریعے ریفائنریوں کو ادا کیا جائے گا۔ اس مد میں ۳۱ مارچ ۲۰۲۲ تک کمپنی کو ۲۲۶ ملین روپے کی رقم وصول ہونی تھی۔ ہم امید کرتے ہیں کہ حکومت وقت پر یہ رقم ادا کر دے گی۔

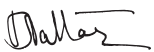
ریفائننگ پالیسی کے نئے مسودے کی منظوری کا انتظار ہے جو حکومت اور ریفائننگ انڈسٹری نے بڑی محنت کے بعد مشترکہ طور پر تیار کی ہے۔ ریفائننگ پالیسی کے مسودے میں ریفائننگ سیکٹر کے لیے متعدد مالی اور محصولات کی مد میں مراعات کی تجویز ہے جس سے ریفائنریوں کی مالی حالت بہتر ہونے کا امکان ہے جس سے پلانٹس کی اپ گریڈیشن ممکن ہوگی۔ پیٹرولیم سیکٹر میں حالیہ عالمی بحران نے ایک بار پھر پائیدار مقامی ریفائننگ سیکٹر کی ضرورت اور اہمیت کو اجاگر کیا ہے۔ ریفائنریز نئی حکومت کے ساتھ ریفائننگ پالیسی کا معاملہ جلد از جلد اٹھانے کا ارادہ رکھتی ہیں۔

کانٹینوس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کے تکنیکی مطالعہ کا کام مکمل ہو چکا ہے اور ڈیزل ڈی ہائیڈرو سلفرائزیشن 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۔ چونکہ ان تجدیدی منصوبوں کے نفاذ کے لئے بہت زیادہ سرمایہ درکار ہے اس لئے ریفائننگ پالیسی کے مسودے میں حکومت کی جانب سے مراعات کی شکل میں مدد درکار ہے۔

### اظہارِ شکر

بورڈ آف ڈائریکٹر وزارت توانائی (پٹرولیم ڈویژن) اور دیگر متعلقین کی جانب سے ملنے والی معاونت پر شکر گزار ہیں۔ ہم اپنے ملازمین کے ان کی پُر عزم جذبے کے لئے بھی تہہ دل سے شکر گزار ہیں۔ ہم اس کے علاوہ اپنے قابلِ قدر صارفین، خام تیل مہیا کرنے والے اداروں کے بھی شکر گزار ہیں۔

بورڈ کی جانب سے



عبدالکریم

ڈائریکٹر



ایم عادل تنک

چیف ایگزیکٹو آفیسر

۲۱ اپریل ۲۰۲۲

راولپنڈی

## اٹک ریفرنری لمیٹڈ

### ڈائریکٹرز کی جائزہ رپورٹ

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

اٹک ریفرنری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### مالیاتی نتائج

۳۱ مارچ ۲۰۲۲ کی نو ماہ کی اختتامی مدت کے دوران کمپنی کو ریفرنری آپریشنز سے ٹیکس ادا کرنے کے بعد ۲,۸۴۰ ملین روپے کا منافع ہوا (۳۱ مارچ ۲۰۲۱: ۱,۱۲۹ ملین روپے کا خسارہ)۔ اس مدت کے دوران غیر ریفرنری ذرائع سے ۹۴۷ ملین روپے کی آمدن ہوئی (۳۱ مارچ ۲۰۲۱: ۱۲۰ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۳,۷۸۷ ملین روپے کے منافع کے ساتھ فی حصص منافع ۵۲.۵۲ روپے رہا (۳۱ مارچ ۲۰۲۱: ۱,۰۰۹ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۹.۴۶ روپے)۔

زیر جائزہ مدت کے دوران خام تیل اور مصنوعات کی عالمی قیمتوں میں بہت زیادہ اتار چڑھاؤ رہا۔ جس کے نتیجے میں کمپنی کو مجموعی طور پر خام تیل اور مصنوعات کی ذخیرہ کی قیمت میں اضافہ ہونے کی وجہ سے فائدہ ہوا۔ تاہم توانائی اور مالیاتی لاگت میں اضافے اور پاکستانی روپے کی قدر میں کمی کی وجہ سے مجموعی کاروباری لاگت میں خاطر خواہ اضافہ ہوا۔

### ریفرنری آپریشنز

زیر جائزہ مدت کے دوران ریفرنری نے ۷۸٪ پیداواری استعداد کے ساتھ ۳,۳۴۸ ہزار میٹرک ٹن کی مختلف پیٹرولیم مصنوعات فراہم کیں (۳۱ مارچ ۲۰۲۱: ۷۶٪ پیداواری استعداد کے ساتھ ۳,۳۵۹ ہزار میٹرک ٹن)۔ پیٹرولیم مصنوعات کی عالمی قیمتوں میں غیر یقینی صورتحال اور بین الاقوامی مصنوعات کی فراہمی کے سلسلہ انتظام کے مسائل اور ملک میں سیاسی عدم استحکام سے پیدا ہونے والے متعدد مشکلات کے باوجود انتظامیہ نے پیٹرولیم مصنوعات کی فراہمی احسن طریقے سے جاری رکھی۔

### مستقبل کا منظر نامہ

جغرافیائی سیاسی صورتحال کی وجہ سے خام تیل اور پیٹرولیم مصنوعات کی طلب / رسد اور ان کی قیمتوں کے غیر مستحکم رہنے کا امکان ہے۔ امید ہے کہ تجویز کردہ احتیاطی تدابیر پر عمل درآمد سے کوئیڈ - ۱۹ کے حالات قابو میں رہیں گے۔ تاہم توانائی اور مالیاتی شرحوں کے بڑھنے کی وجہ سے ہم توقع کرتے ہیں کہ پاکستان میں کاروبار کرنے کی لاگت زیادہ ہی رہے گی۔



## Condensed Interim Statement of Financial Position (Unaudited)

### As At March 31, 2022

	Note	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
150,000,000 (June 30, 2021: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued, subscribed and paid-up</b>			
106,616,250 (June 30, 2021: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	19,339,279	15,552,081
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		<b>45,498,861</b>	<b>41,711,663</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	4,001,958	5,492,792
Long term lease liability		<b>169,890</b>	<b>126,399</b>
<b>CURRENT LIABILITIES</b>			
Accrued mark-up on long term financing	7	157,239	152,023
Current portion of long term financing	7	2,200,000	2,200,000
Trade and other payables	8	55,209,263	47,206,536
Short term financing	9	3,000,000	3,000,000
Accrued mark-up on short term financing		8,438	16,191
Current portion of lease liability		122,801	215,832
Unclaimed dividends		9,255	9,302
Provision for taxation		<u>4,077,499</u>	<u>3,163,835</u>
		<b>64,784,495</b>	<b>55,963,719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>114,455,204</b></u>	<u><b>103,294,573</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

	Note	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	11	36,978,131	39,092,724
Capital work-in-progress	12	864,391	862,679
Major spare parts and stand-by equipments		147,659	150,287
		<b>37,990,181</b>	<b>40,105,690</b>
<b>LONG TERM INVESTMENTS</b>	13	<b>13,264,915</b>	<b>13,264,915</b>
<b>LONG TERM LOANS AND DEPOSITS</b>		<b>36,412</b>	<b>40,091</b>
<b>DEFERRED TAXATION</b>		<b>7,951,376</b>	<b>7,775,768</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		4,263,488	3,757,215
Stock-in-trade	14	15,451,573	9,378,907
Trade debts	15	21,257,367	13,305,414
Loans, advances, deposits, prepayments and other receivables	16	3,292,067	3,615,293
Cash and bank balances	17	10,947,825	12,051,280
		<b>55,212,320</b>	<b>42,108,109</b>
<b>TOTAL ASSETS</b>		<b>114,455,204</b>	<b>103,294,573</b>

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 Nine Months Period Ended March 31, 2022**

	Note	Three months ended		Nine months ended	
		March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Gross sales	18	77,712,838	50,837,202	199,348,834	141,663,053
Taxes, duties, levies and price differential	19	(11,082,439)	(15,700,334)	(32,964,326)	(52,411,500)
Net sales		66,630,399	35,136,868	166,384,508	89,251,553
Cost of sales	20	(63,652,445)	(35,426,994)	(161,696,429)	(90,807,927)
Gross profit/(loss)		2,977,954	(290,126)	4,688,079	(1,556,374)
Administration expenses		(200,840)	(180,402)	(619,857)	(568,692)
Distribution cost		(13,930)	(12,100)	(52,403)	(33,345)
Other charges		(189,079)	-	(309,542)	-
		(403,849)	(192,502)	(981,802)	(602,037)
Other income	21	444,630	385,090	1,219,802	1,342,710
Impairment reversal/(loss) on financial assets		26,042	(40,030)	289,836	(131,210)
Operating profit/(loss)		3,044,777	(137,568)	5,215,915	(946,911)
Finance cost	22	(559,319)	(232,972)	(1,210,305)	(630,746)
Profit/(loss) before taxation from refinery operations		2,485,458	(370,540)	4,005,610	(1,577,657)
Taxation	23	(723,499)	104,394	(1,165,890)	448,710
Profit/(loss) after taxation from refinery operations		1,761,959	(266,146)	2,839,720	(1,128,947)
Income from non-refinery operations less applicable charges and taxation	24	338,794	46,267	947,478	120,295
Profit/(loss) after taxation		2,100,753	(219,879)	3,787,198	(1,008,652)
Earnings/(loss) per share					
- basic and diluted (Rupees)					
Refinery operations		16.52	(2.50)	26.63	(10.59)
Non-refinery operations		3.18	0.44	8.89	1.13
		19.70	(2.06)	35.52	(9.46)

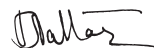
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

**Condensed Interim Statement of Profit or Loss and  
Other Comprehensive Income (Unaudited)  
For The Nine Months Period Ended March 31, 2022**

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Profit/(loss) after taxation	<b>2,100,753</b>	(219,879)	<b>3,787,198</b>	(1,008,652)
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income/(loss)	<b><u>2,100,753</u></b>	<b><u>(219,879)</u></b>	<b><u>3,787,198</u></b>	<b><u>(1,008,652)</u></b>

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 Changes in Equity (Unaudited) For The Nine Months Period Ended March 31, 2022

	Capital reserve				Revenue reserve				
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Others	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance as at July 01, 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									
Loss for the period	-	-	-	-	-	-	(1,008,652)	-	(1,008,652)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(1,008,652)	-	(1,008,652)
Balance as at March 31, 2021	1,066,163	-	10,962,934	5,948	3,762,775	55	2,003,145	25,093,419	42,894,439
Total comprehensive loss - net of tax									
Loss for the period	-	-	-	-	-	-	(1,136,404)	-	(1,136,404)
Other comprehensive loss for the period	-	-	-	-	-	-	(46,372)	-	(46,372)
	-	-	-	-	-	-	(1,182,776)	-	(1,182,776)
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									
Profit for the period	-	-	-	-	-	-	3,787,198	-	3,787,198
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	3,787,198	-	3,787,198
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	2,730,370	-	-	-	-	(2,730,370)	-	-
Balance as at March 31, 2022	1,066,163	2,730,370	10,962,934	5,948	3,762,775	55	1,877,197	25,093,419	45,498,861

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 Cash Flows (Unaudited)

### For The Nine Months Period Ended March 31, 2022

		Nine months ended	
		March 31, 2022 Rs '000	March 31, 2021 Rs '000
Note			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Cash receipts from - Customers	191,263,970	140,197,209
	- Others	3,747,329	555,707
		195,011,299	140,752,916
	Cash paid for operating cost	(160,580,381)	(87,538,781)
	Cash paid to Government for duties, taxes and other levies	(34,047,414)	(53,121,977)
	Income tax paid	(592,438)	(375,902)
	Net cash outflows from operating activities	(208,934)	(283,744)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Additions to property, plant and equipment	(31,819)	(63,530)
	Proceeds against disposal of operating assets	10,536	290
	Long term loans and deposits	3,679	(16)
	Income received on bank deposits	620,679	266,493
	Dividend received from associated companies	1,134,778	141,524
	Net cash generated from investing activities	1,737,853	344,761
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Repayment of long term financing	(1,650,000)	-
	Repayment of lease liability	-	(90,528)
	Transaction cost on long term financing	(500)	(500)
	Dividend paid to Company's shareholders	(47)	(21)
	Finance cost	(970,904)	(587,913)
	Net cash outflows from financing activities	(2,621,451)	(678,962)
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		<b>(1,092,532)</b>	<b>(617,945)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>9,051,280</b>	<b>8,122,982</b>
Effect of exchange rate changes on cash and cash equivalents		(10,923)	(3,888)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>7,947,825</b>	<b>7,501,149</b>

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 Nine Months Period Ended March 31, 2022**

### **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" (IAS 34) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 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 March 31, 2022.

**March 31,  
2022  
Rs '000**

**June 30,  
2021  
Rs '000**

## **6. RESERVES AND SURPLUS**

### **Capital reserve**

Special reserve for expansion/modernisation - note 6.1

**2,730,370**

-

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

Un-appropriated profit

**1,877,197**

820,369

**5,640,027**

4,583,199

**19,339,279**

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 utilised in off setting losses of the refinery from refinery operations.
- 6.2** Represent amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till March 31, 2022 is Rs 29,165.34 million including Rs 18,202.41 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.



<b>March 31,</b>	<b>June 30,</b>
<b>2022</b>	<b>2021</b>
<b>Rs '000</b>	<b>Rs '000</b>

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

Syndicated Term Finance - note 7.1	<b>4,811,007</b>	5,942,295
Musharaka Finance - note 7.2	<b>1,574,622</b>	1,944,913
	<b>6,385,629</b>	7,887,208
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	<b>42,393</b>	67,420
Addition during the period/year	<b>500</b>	500
Amortization for the period/year	<b>(16,461)</b>	(25,527)
Balance at the end of the period/year	<b>26,432</b>	42,393
	<b>6,359,197</b>	7,844,815
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>4,159,197</b>	5,644,815
Mark-up payable shown as current liability	<b>(157,239)</b>	(152,023)
	<b>4,001,958</b>	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 25.46% (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 74.54% (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%.

	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	<b>31,473,812</b>	26,847,266
Due to The Attock Oil Company Limited - Holding Company	<b>221,987</b>	229,625
Due to Attock Hospital (Private) Limited - Subsidiary Company	-	571
Due to associated companies		
Pakistan Oilfields Limited	<b>4,686,944</b>	2,681,791
Attock Sahara Foundation	<b>360</b>	-
Accrued liabilities and provisions - note 8.1	<b>5,056,961</b>	4,787,800
Due to the Government under the pricing formula	<b>5,789,447</b>	4,058,933
Custom duty payable to the Government	<b>7,444,687</b>	5,245,223
Contract liabilities - Advance payments from customers	<b>60,162</b>	193,073
Sales tax payable	-	2,501,329
Workers' Profit Participation Fund	<b>215,758</b>	-
ARL Gratuity Fund	<b>114,277</b>	114,277
Crude oil freight adjustable through inland freight equalisation margin	<b>90,181</b>	59,958
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>51,244</b>	483,247
Deposits from customers adjustable against freight and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>3,067</b>	3,067
	<b>55,209,263</b>	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 4,187.65 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 3,000 million (June 30, 2021: Rs 3,000 million).

March 31,  
2022  
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 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. | <b>1,326,706</b> | 1,326,706 |
|----|--|------------------|-----------|

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.   | <b>5,300</b>     | 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   | <b>2,484,098</b> | 2,484,098 |

**March 31,  
2022  
Rs '000**

**June 30,  
2021  
Rs '000**

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.

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.

<b>vi)</b>	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016.	<b>3,840,080</b>	3,092,485
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The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.

<b>vii)</b>	In October 2021, the Honorable Supreme Court of Pakistan rejected Company's appeal relating to levy of sales tax on supply of Mineral Turpentine Oil during the period July 1994 to June 1996. The Company has filed a review petition with the Honorable Supreme Court of Pakistan which is currently pending for adjudication. Whilst the Company had deposited the principal amount of sales tax involved but is contesting before the Honorable Islamabad High Court the alleged levy of default surcharge and penalty for an amount of Rs 155.05 million in this matter along the coercive adjustment thereof against Company's income tax refund.		
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In addition, the Company is also contesting before the Commissioner Inland Revenue (Appeals), the short determination of refund due to the Company by an amount of Rs 501.53 million.

#### **Commitments:**

<b>i)</b>	Capital expenditure	<b>181,976</b>	40,970
<b>ii)</b>	Letters of credit and other contracts for purchase of store items	<b>345,721</b>	34,431

Nine months ended March 31, 2022 Rs '000	Year ended June 30, 2021 Rs '000
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**11. OPERATING ASSETS**
**11.1 Owned assets**

Opening written down value	<b>38,707,929</b>	41,076,387
Additions during the period/year	<b>32,735</b>	239,071
Written down value of disposals	<b>(97)</b>	(121)
Depreciation during the period/year	<b>(1,954,367)</b>	(2,607,408)
	<b>36,786,200</b>	38,707,929

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

Balance at the beginning	<b>384,795</b>	348,225
Termination of right of use assets	<b>(120,890)</b>	-
Depreciation for the period/year	<b>(71,974)</b>	(190,500)
Remeasurement in lease liability	<b>-</b>	227,070
	<b>191,931</b>	384,795
Closing written down value	<b>36,978,131</b>	39,092,724

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

Balance at the beginning	<b>862,679</b>	979,206
Additions during the period/year	<b>28,655</b>	114,650
Transfer to operating assets	<b>-</b>	3,596
- Building on freehold land	<b>26,943</b>	227,581
- Plant and machinery	<b>(26,943)</b>	(231,177)
	<b>864,391</b>	862,679

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

The details are as under:

Civil works	<b>4,364</b>	-
Plant and machinery	<b>859,027</b>	861,679
Pipeline project	<b>1,000</b>	1,000
	<b>864,391</b>	862,679

	March 31, 2022		June 30, 2021	
	% age Holding	Rs '000	% age Holding	Rs '000
<b>13. LONG TERM INVESTMENTS - AT COST</b>				
<b>Associated Companies</b>				
<b><u>Quoted</u></b>				
National Refinery Limited - note 13.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485
<b><u>Unquoted</u></b>				
Attock Gen Limited	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<b>13,262,915</b>		<b>13,262,915</b>
<b>Subsidiary Company</b>				
<b><u>Unquoted</u></b>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<b>13,264,915</b>		<b>13,264,915</b>

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

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

As at March 31, 2022, stock-in-trade includes stocks carried at net realisable value of Rs 2,169.69 million (June 30, 2021: Rs 5,845.80 million). Adjustments amounting to Rs 587.68 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 10,036.50 million (June 30, 2021: Rs 7,833.75 million) and Pakistan Oilfields Limited Rs 13.61 million (June 30, 2021: Rs nil).

March 31, 2022 Rs '000	June 30, 2021 Rs '000
------------------------------	-----------------------------

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

Due from Subsidiary Company		
Attock Hospital (Private) Limited	1,946	-
Due from associated companies		
Attock Petroleum Limited	533,744	3,653,123
Attock Information Technology Services (Private) Limited	2,329	444
Attock Leisure and Management Associates (Private) Limited	138	50
Attock Gen Limited	2,077	1,961
National Refinery Limited	2,437	10,912
National Cleaner Production Centre Foundation	664	611
Attock Energy (Private) Limited	13	9
Capgas (Private) Limited	162	51
Income accrued on bank deposits	37,773	26,616
Staff Pension Fund	16,688	16,688
Sales tax refundable	2,375,488	-
Loans, deposits, prepayments and other receivables	355,517	231,574
Loss allowance	(36,909)	(326,746)
	<b>3,292,067</b>	<b>3,615,293</b>

**17. CASH AND BANK BALANCES**

Cash in hand (US \$ 203; June 30, 2021: US \$ 7,393)	2,783	2,321
With banks:		
Local currency		
Current accounts	8,437	8,024
Deposit accounts - notes 17.1, 17.2 and 17.3	7,130,259	6,894,581
Saving accounts	3,721,236	5,073,295
Foreign Currency		
Saving accounts (US \$ 463,940; June 30, 2021: US \$ 463,573)	85,110	73,059
	<b>10,947,825</b>	<b>12,051,280</b>

**17.1** Deposit accounts include Rs 4,130.26 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 3,000 million (June 30, 2021: Rs 3,000 million) in respect of deposits placed in 30-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.

March 31,  
2022  
Rs '000

March 31,  
2021  
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	10,947,825	7,751,150
Short term financing	(3,000,000)	(250,001)
	<u>7,947,825</u>	<u>7,501,149</u>

#### 18. GROSS SALES

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Local sales	77,065,141	50,547,637	198,240,396	140,892,787
Naphtha export sales	598,765	283,349	881,934	764,050
Reimbursement due from the Government under import parity pricing formula - note 18.1	48,932	6,216	226,504	6,216
	<u>77,712,838</u>	<u>50,837,202</u>	<u>199,348,834</u>	<u>141,663,053</u>

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

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Sales tax	3,517,564	7,344,182	15,344,711	20,422,630
Petroleum development levy	4,027,720	6,904,469	8,447,194	28,130,381
Custom duties and other levies - note 19.1	2,899,816	1,224,332	7,454,779	3,168,843
PMG RON differential - note 19.2	391,310	175,688	1,056,398	637,983
HSD price differential - note 19.3	246,029	51,663	661,244	51,663
	<u>11,082,439</u>	<u>15,700,334</u>	<u>32,964,326</u>	<u>52,411,500</u>

19.1 This includes Rs 7,454.65 million (March 31, 2021: Rs 3,168.62 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		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>20. COST OF SALES</b>				
Crude oil consumed - note 20.1	59,175,519	32,850,212	152,918,370	82,383,598
Transportation and handling charges	42,769	13,263	85,277	59,749
Salaries, wages and other benefits	273,272	249,102	831,379	774,037
Chemicals consumed	1,297,961	657,306	3,531,192	2,354,475
Fuel and power	1,977,110	1,086,440	5,375,463	2,934,052
Repairs and maintenance	90,751	127,657	267,107	279,591
Staff transport and travelling	5,566	3,989	13,264	12,186
Insurance	96,719	82,666	275,297	240,293
Cost of receptacles	4,916	4,618	13,967	14,992
Other operating costs	8,329	7,558	23,360	36,787
Security charges	6,324	6,489	20,456	19,626
Contract services	54,328	51,534	172,873	157,810
Depreciation	651,738	682,258	1,946,075	2,034,241
Cost of goods manufactured	63,685,302	35,823,092	165,474,080	91,301,437
Changes in stock	(32,857)	(396,098)	(3,777,651)	(493,510)
	<b>63,652,445</b>	<b>35,426,994</b>	<b>161,696,429</b>	<b>90,807,927</b>

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>21. OTHER INCOME</b>				
Income on bank deposits	239,378	40,282	631,837	244,541
Interest on delayed payments	104,830	134,299	375,174	588,239
Handling and service charges	21,980	6,588	61,092	33,609
Rental income	59,427	24,819	117,978	81,983
Exchange gain - (net)	-	170,974	-	367,669
Miscellaneous	19,015	8,128	33,721	26,669
	<b>444,630</b>	<b>385,090</b>	<b>1,219,802</b>	<b>1,342,710</b>
<b>22. FINANCE COST</b>				
Exchange loss - (net)	305,942	-	422,936	-
Interest on long term financing	237,474	206,925	677,149	595,310
Interest on short term financing	8,437	21,159	38,222	22,369
Bank and other charges	304	246	649	1,311
Interest on lease liability	7,162	4,642	71,349	11,756
	<b>559,319</b>	<b>232,972</b>	<b>1,210,305</b>	<b>630,746</b>

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>23. TAXATION</b>				
Current	792,551	264,318	1,341,498	671,623
Deferred	(69,052)	(368,712)	(175,608)	(1,120,333)
	<u>723,499</u>	<u>(104,394)</u>	<u>1,165,890</u>	<u>(448,710)</u>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>				
Dividend income from associated companies	401,424	54,432	1,134,778	141,524
Related charges:				
Workers' Welfare Fund	8,029	-	22,696	-
Taxation	54,601	8,165	164,604	21,229
	<u>(62,630)</u>	<u>(8,165)</u>	<u>(187,300)</u>	<u>(21,229)</u>
	<u>338,794</u>	<u>46,267</u>	<u>947,478</u>	<u>120,295</u>
<b>25. OPERATING SEGMENT</b>				

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
High Speed Diesel	23,260,099	18,240,700	65,020,928	51,015,658
Premier Motor Gasoline	31,566,026	19,743,429	79,935,570	57,220,054
Jet Petroleum	6,075,407	3,262,145	15,769,329	7,830,351
Furnace Fuel Oil	13,496,067	6,822,604	29,048,593	17,761,657
Naphtha	598,765	283,349	881,934	764,050
Others	2,716,474	2,484,975	8,692,480	7,071,283
	<u>77,712,838</u>	<u>50,837,202</u>	<u>199,348,834</u>	<u>141,663,053</u>
Taxes, duties, levies and price differential	<u>(11,082,439)</u>	<u>(15,700,334)</u>	<u>(32,964,326)</u>	<u>(52,411,500)</u>
	<u>66,630,399</u>	<u>35,136,868</u>	<u>166,384,508</u>	<u>89,251,553</u>

Revenue from four major customers of the Company constitute 94% of total revenue during the nine months period ended March 31, 2022 (March 31, 2021: 92%).

## 26. FAIR VALUE MEASUREMENTS

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

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

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

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

## 27. RELATED PARTY TRANSACTIONS

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>Sale of goods and services to:</b>				
Associated companies	<b>22,562,475</b>	11,928,588	<b>60,047,839</b>	31,960,506
Subsidiary company	<b>5,937</b>	4,629	<b>18,180</b>	13,872
Holding company	<b>949</b>	3,501	<b>4,403</b>	16,499
Interest income on delayed payments from an associated company	<b>104,830</b>	134,299	<b>375,174</b>	588,239
<b>Purchase of goods and services from:</b>				
Associated companies	<b>7,598,663</b>	3,720,911	<b>19,276,786</b>	9,546,067
Subsidiary company	<b>20,673</b>	20,858	<b>60,154</b>	61,932
Holding company	<b>205,655</b>	151,443	<b>597,626</b>	307,088
<b>Dividend income from:</b>				
Associated companies	<b>401,424</b>	54,432	<b>1,134,778</b>	141,524
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	<b>27,665</b>	35,257	<b>89,545</b>	93,775
Honorarium/remuneration to Non-Executive Directors	<b>1,487</b>	1,354	<b>6,400</b>	6,276
Contribution to Workers' Profit Participation Fund	<b>133,727</b>	-	<b>215,758</b>	-
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>21,169</b>	22,005	<b>64,769</b>	64,718

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

The Company has taken appropriate measures to keep its human resource and assets safe and secure. Further, the Company is continuously monitoring the situation to counter the changed environment. The management believes that there is no significant financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income or expenses, as disclosed in these financial statements. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosures in these financial statements.

**28.2 Date of Authorisation**

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 21, 2022.



**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director



***Condensed Interim Consolidated  
Financial Statements  
For The Nine Months Period  
Ended March 31, 2022***


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

### As At March 31, 2022

	Note	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
150,000,000 (June 30, 2021: 150,000,000) ordinary shares of Rs 10 each		<b>1,500,000</b>	1,500,000
<b>Issued, subscribed and paid-up</b>			
106,616,250 (June 30, 2021: 106,616,250) ordinary shares of Rs 10 each	5	<b>1,066,163</b>	1,066,163
Reserves and surplus	6	<b>28,967,579</b>	23,761,583
Surplus on revaluation of freehold land		<b>25,093,419</b>	25,093,419
		<b>55,127,161</b>	49,921,165
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	<b>4,001,960</b>	5,492,792
Long term lease liability		<b>169,890</b>	126,399
Deferred grant		<b>4,758</b>	5,204
<b>CURRENT LIABILITIES</b>			
Accrued mark-up on long term financing	7	<b>157,239</b>	152,023
Current portion of long term financing	7	<b>2,200,000</b>	2,200,000
Trade and other payables	8	<b>55,226,785</b>	47,226,654
Short term financing	9	<b>3,000,000</b>	3,000,000
Accrued mark-up on short term financing		<b>8,438</b>	16,191
Current portion of lease liability		<b>122,801</b>	215,832
Unclaimed dividends		<b>9,255</b>	9,302
Provision for taxation		<b>4,077,499</b>	3,163,835
		<b>64,802,017</b>	55,983,837
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>124,105,786</b>	111,529,397
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

	Note	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	11	37,006,663	39,118,611
Capital work-in-progress	12	864,391	862,679
Major spare parts and stand-by equipments		147,659	150,287
		<b>38,018,713</b>	40,131,577
<b>LONG TERM INVESTMENTS</b>	13	23,779,393	22,199,744
<b>LONG TERM LOANS AND DEPOSITS</b>		37,049	41,031
<b>DEFERRED TAXATION</b>		6,948,169	6,963,147
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		4,263,488	3,757,215
Stock-in-trade	14	15,453,639	9,381,522
Trade debts	15	21,257,412	13,305,509
Loans, advances, deposits, prepayments and other receivables	16	3,315,439	3,644,242
Cash and bank balances	17	11,032,484	12,105,410
		<b>55,322,462</b>	42,193,898
<b>TOTAL ASSETS</b>		<b>124,105,786</b>	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 Nine Months Period Ended March 31, 2022

	Note	Three months ended		Nine months ended	
		March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Gross sales	18	77,743,477	50,866,964	199,441,351	141,742,417
Taxes, duties, levies and price differential	19	(11,082,439)	(15,700,334)	(32,964,326)	(52,411,500)
Net sales		66,661,038	35,166,630	166,477,025	89,330,917
Cost of sales	20	(63,652,445)	(35,426,995)	(161,696,429)	(90,807,928)
Gross profit/(loss)		3,008,593	(260,365)	4,780,596	(1,477,011)
Administration expenses		(222,543)	(197,814)	(672,889)	(614,120)
Distribution cost		(13,930)	(12,100)	(52,403)	(33,345)
Other charges		(189,270)	(259)	(310,388)	(707)
		(425,743)	(210,173)	(1,035,680)	(648,172)
Other income	21	445,937	385,757	1,222,927	1,344,398
Impairment reversal/(loss) on financial assets		26,042	(40,030)	289,836	(131,210)
Operating profit/(loss)		3,054,829	(124,811)	5,257,679	(911,995)
Finance cost	22	(559,319)	(232,972)	(1,210,305)	(630,746)
Profit/(loss) before taxation from refinery operations		2,495,510	(357,783)	4,047,374	(1,542,741)
Taxation	23	(725,596)	100,578	(1,178,140)	438,565
Profit/(loss) after taxation from refinery operations		1,769,914	(257,205)	2,869,234	(1,104,176)
Non-refinery income:					
Share in profit of associated companies	24	1,076,254	391,202	2,336,963	1,013,391
Profit/(loss) after taxation		2,846,168	133,997	5,206,197	(90,785)
Earnings/(loss) per share					
- basic and diluted (Rupees)					
Refinery operations		16.60	(2.42)	26.91	(10.36)
Non-refinery operations		10.10	3.67	21.92	9.51
		26.70	1.25	48.83	(0.85)

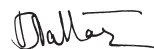
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**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

**Condensed Interim Consolidated Statement of Profit or Loss and  
Other Comprehensive Income (Unaudited)**  
For The Nine Months Period Ended March 31, 2022

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
Profit/(loss) after taxation	<b>2,846,168</b>	133,997	<b>5,206,197</b>	(90,785)
Other comprehensive (loss)/income (net of tax):				
Share of other comprehensive (loss)/income of associated companies - net of tax	-	-	(201)	207
Total comprehensive income/(loss)	<b>2,846,168</b>	133,997	<b>5,205,996</b>	(90,578)

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 Nine Months Period Ended March 31, 2022

	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	-	-	-	-	-	-	(90,785)	-	-	(90,785)
Other comprehensive income for the period	-	-	-	-	-	-	207	-	-	207
	-	-	-	-	-	-	(90,578)	-	-	(90,578)
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	841	-	-	(841)	-	-	-
Balance as at March 31, 2021	1,066,163	-	12,908,966	214,417	155,996	7,077,380	2,285,376	3,236	25,093,419	48,804,953
Total comprehensive income/(loss)-net of tax										
Profit for the period	-	-	-	-	-	-	1,158,627	-	-	1,158,627
Other comprehensive loss for the period	-	-	-	-	-	-	(41,626)	(789)	-	(42,415)
	-	-	-	-	-	-	1,117,001	(789)	-	1,116,212
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	496	-	-	(496)	-	-	-
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	-	-	-	-	-	-	5,206,197	-	-	5,206,197
Other comprehensive loss for the period	-	-	-	-	-	-	(201)	-	-	(201)
	-	-	-	-	-	-	5,205,996	-	-	5,205,996
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	2,730,370	-	-	-	-	(2,730,370)	-	-	-
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	1,014	-	-	(1,014)	-	-	-
Balance as at March 31, 2022	1,066,163	2,730,370	12,908,966	215,927	155,996	7,077,380	5,876,493	2,447	25,093,419	55,127,161

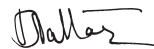
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**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

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

### For The Nine Months Period Ended March 31, 2022

		Nine months ended	
		March 31, 2022 Rs '000	March 31, 2021 Rs '000
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from - Customers		191,416,928	140,336,645
- Others		3,747,329	555,707
		195,164,257	140,892,352
Cash paid for operating cost		(160,692,973)	(87,651,169)
Cash paid to Government for duties, taxes and other levies		(34,047,414)	(53,121,977)
Income tax paid		(599,994)	(382,965)
Net cash outflows from operating activities		(176,124)	(263,759)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(37,379)	(69,765)
Proceeds against disposal of operating assets		10,536	290
Long term loans and deposits		3,981	(575)
Income received on bank deposits		623,656	268,545
Dividend received from associated companies		1,134,778	141,524
Net cash generated from investing activities		1,735,572	340,019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(1,650,000)	-
Repayment of lease liability		-	(90,528)
Transaction cost on long term financing		(500)	(500)
Dividend paid to Company's shareholders		(47)	(21)
Finance cost		(970,904)	(587,913)
Net cash outflows from financing activities		(2,621,451)	(678,962)
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		<b>(1,062,003)</b>	<b>(602,702)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>9,105,410</b>	<b>8,158,690</b>
Effect of exchange rate changes on cash and cash equivalents		(10,923)	(3,888)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>17.4</b>	<b>8,032,484</b>	<b>7,552,100</b>

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 Nine Months Period Ended March 31, 2022**

### **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" (IAS 34) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

These condensed interim 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 March 31, 2022.

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

Special reserve for expansion/modernisation - note 6.1

Utilised special reserve for expansion/modernisation - note 6.2

Utilised special reserve for expansion/modernisation of an associated company

Maintenance reserve - note 6.3

**Others**

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

Capital gain on sale of building

Insurance and other claims realised relating to pre-incorporation period

Donation received for purchase of hospital equipment

Bonus shares issued by associated companies

**Revenue reserve**

General reserve

Gain on revaluation of investment at fair value through OCI

Un-appropriated profit

**March 31,  
2022  
Rs '000**

**June 30,  
2021  
Rs '000**

**2,730,370**

-

**10,962,934**

10,962,934

**1,946,032**

1,946,032

**12,908,966**

12,908,966

**215,927**

214,913

**4,800**

4,800

**654**

654

**494**

494

**4,000**

4,000

**146,048**

146,048

**155,996**

155,996

**7,077,380**

7,077,380

**2,447**

2,447

**5,876,493**

3,401,881

**12,956,320**

10,481,708

**28,967,579**

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 utilised in off setting losses of the refinery from refinery operations.

**6.2** Represent amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till March 31, 2022 is Rs 29,165.34 million including Rs 18,202.41 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.

<b>March 31,</b>	<b>June 30,</b>
<b>2022</b>	<b>2021</b>
<b>Rs '000</b>	<b>Rs '000</b>

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

Syndicated Term Finance - note 7.1	<b>4,811,007</b>	5,942,295
Musharaka Finance - note 7.2	<b>1,574,622</b>	1,944,913
	<b>6,385,629</b>	7,887,208
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	<b>42,393</b>	67,420
Addition during the period/year	<b>500</b>	500
Amortization for the period/year	<b>(16,463)</b>	(25,527)
Balance at the end of the period/year	<b>26,430</b>	42,393
	<b>6,359,199</b>	7,844,815
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>4,159,199</b>	5,644,815
Mark-up payable shown as current liability	<b>(157,239)</b>	(152,023)
	<b>4,001,960</b>	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 25.46% (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 74.54% (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%.

	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	31,482,715	26,851,751
Due to The Attock Oil Company Limited - Holding Company	221,967	229,599
Due to associated companies		
Pakistan Oilfields Limited	4,682,298	2,678,017
Attock Sahara Foundation	360	-
Accrued liabilities and provisions - note 8.1	5,070,831	4,808,532
Due to the Government under the pricing formula	5,789,447	4,058,933
Custom duty payable to the Government	7,444,687	5,245,223
Contract liabilities - Advance payments from customers	60,162	193,073
Sales tax payable	-	2,501,329
Workers' Profit Participation Fund	215,758	-
ARL Gratuity Fund	113,472	113,329
Crude oil freight adjustable through inland freight equalisation margin	90,181	59,958
Payable to statutory authorities in respect of petroleum development levy and excise duty	51,244	483,247
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	<b>55,226,785</b>	<b>47,226,654</b>

**8.1** These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per 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 4,187.65 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 3,000 million (June 30, 2021: Rs 3,000 million).

	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>10. CONTINGENCIES AND COMMITMENTS</b>		

### 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
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**March 31,  
2022  
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.

- |      |   |                  |           |
|------|---|------------------|-----------|
| 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 ARL.  | <b>5,300</b>     | 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. | <b>2,484,098</b> | 2,484,098 |

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

	March 31, 2022 Rs '000	June 30, 2021 Rs '000
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.		
<b>vi)</b> Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016.	<b>3,840,080</b>	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.		
<b>vii)</b> In October 2021, the Honorable Supreme Court of Pakistan rejected Company's appeal relating to levy of sales tax on supply of Mineral Turpentine Oil during the period July 1994 to June 1996. The Company has filed a review petition with the Honorable Supreme Court of Pakistan which is currently pending for adjudication. Whilst the Company had deposited the principal amount of sales tax involved but is contesting before the Honorable Islamabad High Court the alleged levy of default surcharge and penalty for an amount of Rs 155.05 million in this matter along the coercive adjustment thereof against Company's income tax refund.		
In addition, the Company is also contesting before the Commissioner Inland Revenue (Appeals), the short determination of refund due to the Company by an amount of Rs 501.53 million.		
<b>viii)</b> The Company's share in contingency of associated companies.	<b>2,925,403</b>	2,324,842
<b>Commitments:</b>		
<b>i)</b> Capital expenditure	<b>181,976</b>	40,970
<b>ii)</b> Letters of credit and other contracts for purchase of store items	<b>345,721</b>	34,431
<b>iii)</b> The Company's share of commitments of associated companies:		
Capital expenditure commitments	<b>430,624</b>	381,141
Outstanding letters of credit	<b>2,838,675</b>	1,790,581

Nine months ended  
March 31,  
2022  
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	38,295	246,915
Written down value of disposals	(97)	(121)
Depreciation during the period/year	(1,957,282)	(2,610,990)
	<u>36,814,732</u>	<u>38,733,816</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	(71,974)	(190,500)
Remeasurement in lease liability	-	227,070
	<u>191,931</u>	<u>384,795</u>
Closing written down value	<u>37,006,663</u>	<u>39,118,611</u>

## 12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	862,679	979,206
Additions during the period/year	28,655	114,650
Transfer to operating assets		
- Building on freehold land	-	3,596
- Plant and machinery	26,943	227,581
	<u>(26,943)</u>	<u>(231,177)</u>
	<u>864,391</u>	<u>862,679</u>

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

The details are as under:

Civil works	4,364	-
Plant and machinery	859,027	861,679
Pipeline project	1,000	1,000
	<u>864,391</u>	<u>862,679</u>

## 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	4,056,437	2,200,192
Share in other comprehensive loss	(201)	(4,116)
Dividend received from associated companies	(1,134,778)	(141,524)
Impairment (loss)/reversal on investment	(1,341,809)	1,625,412
Effect of change in accounting policies due to IFRS 9	-	(789)
Balance at the end of the period/year	<u>23,779,393</u>	<u>22,199,744</u>

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

	<b>March 31, 2022</b>		<b>June 30, 2021</b>	
	<b>% age Holding</b>	<b>Rs '000</b>	<b>% age Holding</b>	<b>Rs '000</b>
<b>Quoted</b>				
National Refinery Limited - note 13.2	<b>25</b>	<b>9,835,888</b>	25	10,459,427
Attock Petroleum Limited	<b>21.88</b>	<b>9,925,801</b>	21.88	8,347,683
<b>Unquoted</b>				
Attock Gen Limited	<b>30</b>	<b>3,971,982</b>	30	3,351,893
Attock Information Technology Services (Private) Limited	<b>10</b>	<b>45,722</b>	10	40,741
		<b>23,779,393</b>		<b>22,199,744</b>

**13.2 Based on valuation analysis, the recoverable amount of investment in NRL exceeds its carrying amount.**

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

**14. STOCK-IN-TRADE**

As at March 31, 2022, stock-in-trade includes stocks carried at net realisable value of Rs 2,169.69 million (June 30, 2021: Rs 5,845.80 million). Adjustments amounting to Rs 587.68 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 10,036.50 million (June 30, 2021: Rs 7,833.75 million) and Pakistan Oilfields Limited Rs 13.61 million (June 30, 2021: Rs nil).

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

	<b>March 31, 2022 Rs '000</b>	<b>June 30, 2021 Rs '000</b>
Due from associated companies		
Attock Petroleum Limited	<b>535,471</b>	3,654,893
Attock Information Technology Services (Private) Limited	<b>2,329</b>	444
Attock Leisure and Management Associates (Private) Limited	<b>138</b>	50
Attock Gen Limited	<b>2,152</b>	2,047
Attock Cement Pakistan Limited	<b>4</b>	-
National Cleaner Production Centre Foundation	<b>665</b>	613
Capgas (Private) Limited	<b>193</b>	212
National Refinery Limited	<b>2,437</b>	10,912
Attock Energy (Private) Limited	<b>13</b>	9
Attock Sahara Foundation	<b>112</b>	466
Staff Pension Fund	<b>31,274</b>	30,632
Income accrued on bank deposits	<b>38,323</b>	26,615
Sales tax refundable	<b>2,375,488</b>	-
Loans, deposits, prepayments and other receivables	<b>363,749</b>	244,095
Loss allowance	<b>(36,909)</b>	(326,746)
	<b>3,315,439</b>	<b>3,644,242</b>

	March 31, 2022 Rs '000	June 30, 2021 Rs '000
<b>17. CASH AND BANK BALANCES</b>		
Cash in hand (US \$ 203; June 30, 2021: US \$ 7,393)	2,983	2,521
With banks:		
Local currency		
Current accounts	9,499	8,934
Deposit accounts - note 17.1, 17.2 and 17.3	7,130,259	6,894,581
Saving accounts	3,804,633	5,126,315
Foreign Currency		
Saving accounts (US \$ 463,940; June 30, 2021: US \$ 463,573)	85,110	73,059
	<b>11,032,484</b>	<b>12,105,410</b>

**17.1** Deposit accounts include Rs 4,130.26 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.

**7.2** Balances with banks include Rs 3,000 million (June 30, 2021: Rs 3,000 million) in respect of deposits placed in 30-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.

	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>17.4 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	11,032,484	7,802,101
Short term financing	(3,000,000)	(250,001)
	<b>8,032,484</b>	<b>7,552,100</b>

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>18. GROSS SALES</b>				
<b>Company</b>				
Local sales	77,065,141	50,547,637	198,240,396	140,892,787
Naphtha export sales	598,765	283,349	881,934	764,050
Reimbursement due from the Government under import parity pricing formula - note 18.1	48,932	6,216	226,504	6,216
<b>Subsidiary</b>				
Local sales	30,639	29,762	92,517	79,364
	<b>77,743,477</b>	<b>50,866,964</b>	<b>199,441,351</b>	<b>141,742,417</b>

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>				
Sales tax	3,517,564	7,344,182	15,344,711	20,422,630
Petroleum development levy	4,027,720	6,904,469	8,447,194	28,130,381
Custom duties and other levies - note 19.1	2,899,816	1,224,332	7,454,779	3,168,843
PMG RON differential - note 19.2	391,310	175,688	1,056,398	637,983
HSD price differential - note 19.3	246,029	51,663	661,244	51,663
	<b>11,082,439</b>	<b>15,700,334</b>	<b>32,964,326</b>	<b>52,411,500</b>

**19.1** This includes Rs 7,454.65 million (March 31, 2021: Rs 3,168.62 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		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>20. COST OF SALES</b>				
Crude oil consumed - note 20.1	59,175,519	32,850,212	152,918,370	82,383,598
Transportation and handling charges	42,769	13,263	85,277	59,749
Salaries, wages and other benefits	273,272	249,103	831,379	774,038
Chemicals consumed	1,297,961	657,306	3,531,192	2,354,475
Fuel and power	1,977,110	1,086,440	5,375,463	2,934,052
Repairs and maintenance	90,751	127,657	267,107	279,591
Staff transport and travelling	5,566	3,989	13,264	12,186
Insurance	96,719	82,666	275,297	240,293
Cost of receptacles	4,916	4,618	13,967	14,992
Other operating costs	8,329	7,558	23,360	36,787
Security charges	6,324	6,489	20,456	19,626
Contract services	54,328	51,534	172,873	157,810
Depreciation	651,738	682,258	1,946,075	2,034,241
Cost of goods manufactured	<b>63,685,302</b>	<b>35,823,093</b>	<b>165,474,080</b>	<b>91,301,438</b>
Changes in stock	<b>(32,857)</b>	<b>(396,098)</b>	<b>(3,777,651)</b>	<b>(493,510)</b>
	<b>63,652,445</b>	<b>35,426,995</b>	<b>161,696,429</b>	<b>90,807,928</b>

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
<b>21. OTHER INCOME</b>				
Income on bank deposits	240,856	41,039	635,364	246,498
Interest on delayed payments	104,830	134,299	375,174	588,239
Handling and service charges	21,980	6,588	61,092	33,609
Rental income	59,145	24,561	117,130	81,211
Exchange gain - (net)	-	170,974	-	367,669
Miscellaneous	19,126	8,296	34,167	27,172
	<b>445,937</b>	<b>385,757</b>	<b>1,222,927</b>	<b>1,344,398</b>
<b>22. FINANCE COST</b>				
Exchange loss - (net)	305,942	-	422,936	-
Interest on long term financing	237,474	206,925	677,149	595,310
Interest on short term financing	8,437	21,159	38,222	22,369
Bank and other charges	304	246	649	1,311
Interest on lease liability	7,162	4,642	71,349	11,756
	<b>559,319</b>	<b>232,972</b>	<b>1,210,305</b>	<b>630,746</b>
<b>23. TAXATION</b>				
Current	795,274	267,997	1,353,527	681,668
Deferred	(69,678)	(368,575)	(175,387)	(1,120,233)
	<b>725,596</b>	<b>(100,578)</b>	<b>1,178,140</b>	<b>(438,565)</b>
<b>24. NON-REFINERY INCOME</b>				
Share in profit of associated companies [net of impairment reversal/(loss)]	1,253,133	449,925	2,714,628	1,161,809
Related charges:				
Workers' Welfare Fund	8,029	-	22,696	-
Taxation - current and deferred	168,850	58,723	354,969	148,418
	<b>(176,879)</b>	<b>(58,723)</b>	<b>(377,665)</b>	<b>(148,418)</b>
	<b>1,076,254</b>	<b>391,202</b>	<b>2,336,963</b>	<b>1,013,391</b>
<b>25. OPERATING SEGMENT</b>				

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

	Three months ended		Nine months ended	
	March 31, 2022 Rs '000	March 31, 2021 Rs '000	March 31, 2022 Rs '000	March 31, 2021 Rs '000
High Speed Diesel	23,260,099	18,240,700	65,020,928	51,015,658
Premier Motor Gasoline	31,566,026	19,743,429	79,935,570	57,220,054
Jet Petroleum	6,075,407	3,262,145	15,769,329	7,830,351
Furnace Fuel Oil	13,496,067	6,822,604	29,048,593	17,761,657
Naphtha	598,765	283,349	881,934	764,050
Others	2,747,113	2,514,737	8,784,997	7,150,647
	<b>77,743,477</b>	<b>50,866,964</b>	<b>199,441,351</b>	<b>141,742,417</b>
Taxes, duties, levies and price differential	(11,082,439)	(15,700,334)	(32,964,326)	(52,411,500)
	<b>66,661,038</b>	<b>35,166,630</b>	<b>166,477,025</b>	<b>89,330,917</b>

Revenue from four major customers of the Company constitute 94% of total revenue during the nine months period ended March 31, 2022 (March 31, 2021: 92%).

## 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:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March 31, 2022 Rs '000</b>	<b>March 31, 2021 Rs '000</b>	<b>March 31, 2022 Rs '000</b>	<b>March 31, 2021 Rs '000</b>
<b>Sale of goods and services to:</b>				
Associated companies	<b>22,570,862</b>	11,938,179	<b>60,073,447</b>	31,985,750
Holding company	<b>949</b>	3,501	<b>4,403</b>	16,499
Interest income on delayed payments from an associated company	<b>104,830</b>	134,299	<b>375,174</b>	588,239
<b>Purchase of goods and services from:</b>				
Associated companies	<b>7,598,848</b>	3,721,188	<b>19,277,374</b>	9,546,805
Holding company	<b>205,655</b>	151,443	<b>597,626</b>	307,088
<b>Dividend income from:</b>				
Associated companies	<b>401,424</b>	54,432	<b>1,134,778</b>	141,524
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	<b>28,626</b>	35,257	<b>92,716</b>	93,775
Honorarium/remuneration to Non-Executive Directors	<b>1,487</b>	1,354	<b>6,400</b>	6,276
Contribution to Workers' Profit Participation Fund	<b>133,727</b>	-	<b>215,758</b>	-
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>22,173</b>	23,109	<b>67,856</b>	67,958



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

The Company has taken appropriate measures to keep its human resource and assets safe and secure. Further, the Company is continuously monitoring the situation to counter the changed environment. The management believes that there is no significant financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income or expenses, as disclosed in these consolidated financial statements. The management has evaluated and concluded that there are no material implications of COVID-19 that require specific disclosures in these consolidated financial statements.

**28.2 Date of Authorisation**

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 21, 2022.



**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director



## **ATTOCK REFINERY LIMITED**

Refinery P.O. Morgah, Rawalpindi, Pakistan.

Tel: +92 (51) 5487041-5 Fax: +92 (51) 5487093 & 5406229

Website: [www.arl.com.pk](http://www.arl.com.pk)