



ATTOCK REFINERY LIMITED



Condensed Interim Financial Statements

For the First Quarter Ended September 30, 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 first quarter ended September 30, 2022.

FINANCIAL RESULTS

During the quarter under review the Company earned profit after tax of Rs 6,625 million from refinery operations (September 30, 2021: Rs 48 million). Non-refinery income during this quarter was Rs 678 million (September 30, 2021: Rs 416 million). Accordingly, overall profit after taxation was Rs 7,303 million with earning per share of Rs 68.50 (September 30, 2021: Rs 464 million with earning per share of Rs 4.36).

During the period under review, improvement in spreads between prices of products and crude oil continued. This development is in line with the global trend in the refining industry, mainly caused by geo-political situation. The consequent profitability has helped your Company to absorb the escalating cost of energy, finance as well as other goods and services. Taking benefit of improved financial performance, the Company decided early settlement of long-term loan. This would also help to secure new financing arrangement for refinery's upgradation plans.

REFINERY OPERATIONS

During this quarter, the Company supplied 448 thousand Metric Tons of various petroleum products while operating at 79% of the capacity (September 30, 2021: 447 thousand Metric Tons, 76% capacity). Despite multiple challenges including flash floods causing widespread devastation in the country, the management was able to ensure smooth supply of petroleum products in the market.

FUTURE OUTLOOK

The management is aware that economic situation would remain challenging during the year and the cost of doing business is expected to remain high while improvement in spreads is uncertain. Therefore, the management's focus would remain on effecting efficiencies in operations ensuring increase in revenue and costs reduction.

Approval of the new draft Refining Policy by the Government is still awaited. The policy envisages certain fiscal and tariff concessions to ensure sustainability of refining sector and enabling upgradation of plants. This would enable refineries to supply environment friendly quality fuel. The refineries have urged the Government to approve the new Refining Policy at the earliest.

Progress on studies for Continuous Catalyst Regeneration (CCR) Complex, and revamping of DHDS unit is satisfactory. However, since these projects are highly capital intensive, support of the Government in the shape of incentives is essential.

ACKNOWLEDGEMENT

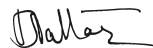
The Board would like to acknowledge support received from the Ministry of Energy and all other stakeholders. We highly appreciate our employees for their dedication. We also thank our valued customers and suppliers for their continued trust and support.

On behalf of the Board



M. Adil Khattak
Chief Executive Officer

October 25, 2022
Rawalpindi



Abdus Sattar
Director

حکومت کی طرف سے ریفائننگ پالیسی کے نئے مسودے کی منظوری کا ابھی انتظار ہے۔ پالیسی میں متعدد مالیاتی اور محصولات کی مد میں مراعات کی تجویز پیش کی ہے تاکہ ان مراعات سے ریفائنریز کے پلانٹس کی تجدید اور توسیع کے منصوبوں کو قابل عمل بنایا جاسکے۔ ان منصوبوں کے مکمل ہونے 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۔

کاتھینوس کیٹلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب اور ڈیزل ڈی ہائیڈرو ڈیسولفرائزیشن یونٹ (Diesel Dehydrodesulphurization Unit) کی تجدید کے تکنیکی مطالعہ پر پیش قدمی اطمینان بخش ہے۔ چونکہ ان تجدیدی منصوبوں کے نفاذ کے لئے بہت زیادہ سرمایہ درکار ہے اس لئے حکومت کی جانب سے مراعات کی شکل میں مدد درکار ہے۔

اظہارِ شکر

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

بورڈ کی جانب سے

عبدالستار

ڈائریکٹر

ڈائریکٹر

ایم عادل خٹک

چیف ایگزیکٹو آفیسر

۲۵ اکتوبر ۲۰۲۲

راولپنڈی

ڈائریکٹرز کی جائزہ رپورٹ

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

انک ریفاؤنڈری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ سہ ماہی کے دوران کمپنی کو ریفاؤنڈری آپریشنز سے ٹیکس ادا کرنے کے بعد ۶،۲۵ ملین روپے کا منافع ہوا (۳۰ ستمبر ۲۰۲۱: ۲۸ ملین روپے کا منافع)۔ اس مدت کے دوران غیر ریفاؤنڈری ذرائع سے ۶۷۸ ملین روپے کی آمدن ہوئی (۳۰ ستمبر ۲۰۲۱: ۴۱۶ ملین روپے کی آمدن)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۷،۳۰۳ ملین روپے کے منافع کے ساتھ فی حصص منافع ۶۸.۵۰ روپے رہا (۳۰ ستمبر ۲۰۲۱: ۴۶۴ ملین روپے کے منافع کے ساتھ فی حصص منافع ۴۳.۳۶ روپے)۔

زیر جائزہ مدت کے دوران، مصنوعات اور خام تیل کی قیمتوں کے درمیان فرق میں بہتری جاری رہی۔ یہ بہتری ریفاؤنڈنگ صنعت کے عالمی رجحان کے مطابق ہے جس کی وجہ بنیادی طور پر جغرافیائی سیاسی صورتحال ہے۔ اس کے نتیجے میں ہونے والے منافع نے آپ کی کمپنی کو توانائی، مالیاتی لاگت کے ساتھ ساتھ دیگر سامان اور خدمات کی بڑھتی ہوئی لاگت کو جذب کرنے میں مدد کی ہے۔ بہتر مالی کارکردگی کا فائدہ اٹھاتے ہوئے کمپنی نے طویل المدتی قرض کو وقت سے پہلے ادا کرنے کا فیصلہ کیا ہے جس سے ریفاؤنڈری کے تجدیدی منصوبوں کے لیے نئے مالیاتی انتظامات کو یقینی بنانے میں بھی مدد ملے گی۔

ریفاؤنڈری آپریشنز

اس سہ ماہی کے دوران ریفاؤنڈری نے ۹۷% پیداواری استعداد کے ساتھ ۴۴۸ ہزار میٹرک ٹن کی مختلف پیٹرو لیم مصنوعات فراہم کیں (۳۰ ستمبر ۲۰۲۱: ۶۷% پیداواری استعداد کے ساتھ ۴۴۷ ہزار میٹرک ٹن)۔ ملک میں بڑے پیمانے پر تباہی پھیلانے والے سیلاب سمیت متعدد چیلنجز کے باوجود انتظامیہ مارکیٹ میں پیٹرو لیم مصنوعات کی بلا تعطل فراہمی کو یقینی بنانے میں کامیاب رہی۔

مستقبل کا منظر نامہ

انتظامیہ اس بات سے آگاہ ہے کہ سال کے دوران معاشی صورتحال مشکل رہے گی اور کاروباری لاگت زیادہ رہنے کی توقع ہے جبکہ خام تیل اور پیٹرو لیم مصنوعات کی قیمتوں میں فرق میں بہتری غیر یقینی ہے۔ لہذا انتظامیہ ریفاؤنڈری آپریشنز میں مزید بہتری، آمدنی میں اضافہ اور اخراجات میں کمی کو یقینی بنانے پر توجہ مرکوز رکھے گی۔


Condensed Interim Statement of Financial Position (Unaudited)

As At September 30, 2022

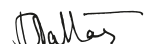
	Note	September 30, 2022 Rs '000	June 30, 2022 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
150,000,000 (June 30, 2022: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up			
106,616,250 (June 30, 2022: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	31,604,179	25,367,221
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		57,763,761	51,526,803
NON-CURRENT LIABILITIES			
Long term financing	7	-	2,504,914
Long term lease liability		-	-
CURRENT LIABILITIES			
Accrued mark-up on long term financing	7	-	170,966
Current portion of long term financing	7	-	2,200,000
Trade and other payables	8	74,417,404	69,643,706
Short term financing	9	-	2,500,000
Accrued mark-up on short term financing		3,132	31,146
Current portion of lease liability		161,352	157,404
Dividend payable		650,956	-
Unclaimed dividends		12,884	9,254
Provision for taxation		<u>6,763,870</u>	<u>4,161,784</u>
		82,009,598	78,874,260
TOTAL EQUITY AND LIABILITIES		<u>139,773,359</u>	<u>132,905,977</u>
CONTINGENCIES AND COMMITMENTS			
	10		

	Note	September 30, 2022 Rs '000	June 30, 2022 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	35,809,786	36,476,197
Capital work-in-progress	12	1,049,085	843,218
Major spare parts and stand-by equipments		143,319	143,756
		37,002,190	37,463,171
LONG TERM INVESTMENTS	13	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS		45,109	42,247
DEFERRED TAXATION		3,467,103	3,344,128
CURRENT ASSETS			
Stores, spares and loose tools		4,793,432	4,011,455
Stock-in-trade	14	23,935,755	17,742,708
Trade debts	15	25,594,500	30,279,029
Loans, advances, deposits, prepayments and other receivables	16	1,902,904	2,004,672
Cash and bank balances	17	29,767,451	24,753,652
		85,994,042	78,791,516
TOTAL ASSETS		139,773,359	132,905,977

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)

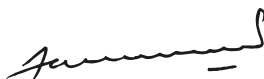
For The First Quarter Ended September 30, 2022

	Note	Three months ended	
		September 30, 2022 Rs '000	September 30, 2021 Rs '000
Gross sales	18	116,825,757	55,794,038
Taxes, duties, levies and price differential	19	(17,701,853)	(10,127,791)
Net sales		99,123,904	45,666,247
Cost of sales	20	(89,187,178)	(45,664,642)
Gross profit		9,936,726	1,605
Administration expenses		347,179	199,727
Distribution cost		22,899	17,663
Other charges		740,879	7,392
		(1,110,957)	(224,782)
Other income	21	1,414,565	347,976
Impairment (loss)/reversal on financial assets		(4,780)	206,364
Operating profit		10,235,554	331,163
Finance cost	22	(347,071)	(262,698)
Profit before taxation from refinery operations		9,888,483	68,465
Taxation	23	(3,263,200)	(20,814)
Profit after taxation from refinery operations		6,625,283	47,651
Income from non-refinery operations less applicable charges and taxation	24	677,838	416,615
Profit after taxation		7,303,121	464,266
Earnings per share - basic and diluted (Rupees)			
Refinery operations		62.14	0.45
Non-refinery operations		6.36	3.91
		68.50	4.36

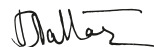
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

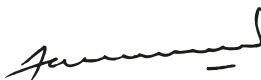
**Condensed Interim Statement of Profit or Loss and Other
Comprehensive Income (Unaudited)
For The First Quarter Ended September 30, 2022**

	Three months ended	
	September 30, 2022 Rs '000	September 30, 2021 Rs '000
Profit after taxation	7,303,121	464,266
Other comprehensive income for the period	-	-
Total comprehensive income	<u>7,303,121</u>	<u>464,266</u>

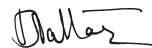
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

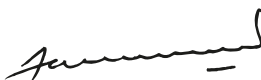
For The First Quarter Ended September 30, 2022

	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, 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	-	-	-	-	-	-	464,266	-	464,266
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
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	9,466,447	-	9,466,447
Other comprehensive loss for the period	-	-	-	-	-	-	(115,573)	-	(115,573)
	-	-	-	-	-	-	9,350,874	-	9,350,874
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	8,939,711	-	-	-	-	(8,939,711)	-	-
Loss from refinery operations transferred from unappropriated profit to special reserve for prior years- note 6.1	-	(8,950,913)	-	-	-	-	8,950,913	-	-
Balance as at June 30, 2022	1,066,163	-	10,962,934	5,948	3,762,775	55	10,635,509	25,093,419	51,526,803
Distribution to owners:									
Final cash dividend @ 100% related to the year ended June 30, 2022	-	-	-	-	-	-	(1,066,163)	-	(1,066,163)
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	7,303,121	-	7,303,121
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	7,303,121	-	7,303,121
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	6,588,833	-	-	-	-	(6,588,833)	-	-
Loss from refinery operations transferred from unappropriated profit to special reserve for prior years- note 6.1	-	(2,201,688)	-	-	-	-	2,201,688	-	-
Balance as at September 30, 2022	1,066,163	4,387,145	10,962,934	5,948	3,762,775	55	12,485,322	25,093,419	57,763,761

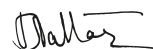
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Condensed Interim Statement of Cash Flows (Unaudited)

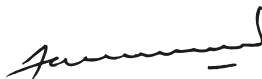
For The First Quarter Ended September 30, 2022

		Three months ended	
		September 30, 2022 Rs '000	September 30, 2021 Rs '000
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash receipts from - Customers	121,509,080	52,111,503
	- Others	462,232	2,837,868
		121,971,312	54,949,371
	Cash paid for operating cost	(98,982,836)	(46,158,936)
	Cash paid to Government for duties, taxes and other levies	(10,875,159)	(9,868,866)
	Income tax paid	(929,708)	(130,981)
	Net cash inflow/(outflow) from operating activities	11,183,609	(1,209,412)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Additions to property, plant and equipment	(219,997)	729
	Proceeds against disposal of operating assets	3,480	355
	Long term loans and deposits	(2,862)	981
	Income received on bank deposits	1,121,729	167,553
	Dividend received from associated companies	840,263	-
	Net cash generated from investing activities	1,742,613	169,618
CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long term financing	(4,650,000)	(550,000)
	Transaction cost on long term financing	(500)	(500)
	Dividend paid to Company's shareholders	(411,576)	(47)
	Finance cost	(339,113)	(231,173)
	Net cash outflows from financing activities	(5,401,189)	(781,720)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		7,525,033	(1,821,514)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		22,253,652	9,051,280
Effect of exchange rate changes on cash and cash equivalents		(11,234)	(6,123)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		29,767,451	7,223,643
	17.4		

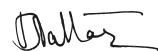
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



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, 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 company on June 26, 1979. The Company is principally engaged in the refining of crude oil. The registered office and refinery complex of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited.

The Company is a subsidiary of The Attock Oil Company Limited, England and its ultimate parent is Coral Holding Limited.

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, 2022.

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, 2022.

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, 2022.

5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2022: 65,095,630) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2022: 1,790,000) ordinary shares as at September 30, 2022.

September 30,
2022
Rs '000

June 30,
2022
Rs '000

6. RESERVES AND SURPLUS

Capital reserve

Special reserve for expansion/modernisation - note 6.1	4,387,145	-
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 - net	12,485,322	10,635,509
	16,248,152	14,398,339
	31,604,179	25,367,221

- 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 September 30, 2022 is Rs 29,352.12 million including Rs 18,389.19 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, 2022 Rs '000	June 30, 2022 Rs '000
----------------------------------	-----------------------------

7. LONG TERM FINANCING - secured
From banking companies

Syndicated Term Finance	-	3,686,620
Musharaka Finance	-	1,206,630
	-	4,893,250
Less : Unamortized transaction cost on financing:		
Balance at beginning of the year period/year	17,370	42,393
Addition during the period/year	500	500
Amortization for the period/year	(17,870)	(25,523)
Balance at end of the period/year	-	17,370
	-	4,875,880
Current portion of long term financing	-	(2,200,000)
	-	2,675,880
Mark-up payable shown as current liability	-	(170,966)
	-	2,504,914

During the period the Company has repaid entire amount of long term financing which includes principal portion of Rs 4,650 million and interest of Rs 306 million.

This facility was 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 was 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. Proceedings are underway for vacation of charge created against the assets of the Company.

September 30, 2022 Rs '000	June 30, 2022 Rs '000
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8. TRADE AND OTHER PAYABLES

Creditors - note 8.1	37,313,103	38,977,126
Due to The Attock Oil Company Limited - Holding Company	153,416	152,191
Due to associated companies		
Pakistan Oilfields Limited	4,090,549	4,499,352
National Refinery Limited	-	565
Accrued liabilities and provisions - note 8.1	5,826,820	5,623,541
Due to the Government under the pricing formula	10,403,867	9,335,438
Custom duty payable to the Government	11,399,198	9,087,842
Contract liabilities/advance payments from customers	122,642	123,847
Sales tax payable	818,576	1,317,767
Workers' Profit Participation Fund	531,468	82,215
ARL Gratuity Fund	177,435	177,435
Staff Pension Fund	140,709	140,709
Crude oil freight adjustable through inland freight equalisation margin	155,108	122,235
Payable to statutory authorities in respect of petroleum development levy and excise duty	3,281,070	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	74,417,404	69,643,706

- 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 4,450.21 million (June 30, 2022: Rs 4,297.95 million).

9. SHORT TERM FINANCING

The Company has obtained short term financing from a bank for an amount of Rs 3,000 million (June 30, 2022: 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 outstanding amount for the drawdowns made by the Company against the said facility as of reporting date was Rs nil (June 30, 2022: Rs 2,500 million).

September 30, 2022 Rs '000	June 30, 2022 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. | 1,326,706 | 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.

- | | | | |
|-----|---|--|--|
| 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. | | |
|-----|---|--|--|

	September 30, 2022 Rs '000	June 30, 2022 Rs '000
iii) Claims for land compensation contested by the Company.	5,300	5,300
iv) Guarantees issued by banks on behalf of the Company [other than (i) above].	640	408
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 20.1, the amount of which can not be presently quantified.		
vi) In March 2018, 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
<p>In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 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.</p>		
vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016.	4,861,757	4,345,274
<p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>		
viii) 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. In this respect, the Company has filed a review petition with the Honorable Supreme Court of Pakistan which is currently pending for adjudication.		

September 30,
2022
Rs '000

June 30,
2022
Rs '000

Further to the orders of the Honorable Supreme Court, the DCIR raised the sales tax demand for principal along with default surcharge and penalty and issued a refund order adjusting the cumulative prior income tax refunds of the Company against the aforesaid demand. Being aggrieved, in relation to the default surcharge and penalty, the Company has preferred an appeal before CIR(A) wherein the CIR(A) has remanded the case back to DCIR.

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 refunds.

In addition, the Company is also contesting before the Commissioner Inland Revenue (Appeals), the matter relating to short determination of refund due to the Company by an amount of Rs 501.53 million.

- ix) In November 30, 2021, the Commissioner Inland Revenue (CIR) issued order in respect of sales tax for the periods July 2018 to June 2019, alleging the Company on various issues including suppression of sales and raised a demand of Rs 8,147 million and Rs 407 million in respect of sales tax and penalty respectively. Being aggrieved the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide the appellate order dated May 31, 2022 upheld the demand of Rs 740 million and remanded the case back on other issues.

Pursuant to the aforementioned demand, on June 15, 2022, the Department recovered an amount of Rs 1,077 million (including the related penalty and default surcharge). The Company filed writ petition against the aforesaid recovery from the company's bank account before the Islamabad High Court which vide order dated September 15, 2022 (received on October 6, 2022) ordered tax authorities to reimburse the recovered amount to the Company within thirty days.

The Company has approached the tax authorities for reimbursement of said amount but the payment is currently pending. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 16 to financial statements.

Commitments:

i) Capital expenditure	271,547	73,471
ii) Letters of credit and other contracts for purchase of store items	1,496,711	455,773

Three months ended
September 30,
2022
Rs '000

Year ended
June 30,
2022
Rs '000

11. OPERATING ASSETS

11.1 Owned assets

Opening written down value	36,308,937	38,707,929
Additions during the period/year	14,567	207,679
Written down value of disposals	(2,652)	(109)
Depreciation during the period/year	(655,014)	(2,606,562)
	<u>35,665,838</u>	<u>36,308,937</u>

11.2 Right of use assets - Building

Balance at the beginning	167,260	384,795
Termination of right of use assets	-	(120,889)
Depreciation for the period/year	(23,312)	(96,646)
	<u>143,948</u>	<u>167,260</u>
Balance at the end	<u>35,809,786</u>	<u>36,476,197</u>

12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	843,218	862,679
Additions during the period/year	207,100	159,390
Transfer to operating assets		
- Building on freehold land	-	(4,364)
- Plant and machinery	(1,233)	(173,781)
- Furniture and fixtures	-	(706)
	<u>(1,233)</u>	<u>(178,851)</u>
Balance at the end	<u>1,049,085</u>	<u>843,218</u>

Break-up of the closing balance of capital work-in-progress

The details are as under:

Civil works	75	-
Plant and machinery	1,048,010	842,218
Pipeline project	1,000	1,000
	<u>1,049,085</u>	<u>843,218</u>

	September 30, 2022		June 30, 2022	
	% 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 have been made on discounted cash flow based valuation methodology carried out by an external investment advisor engaged by the company on annual basis.

14. STOCK-IN-TRADE

As at September 30, 2022, stock-in-trade includes stocks carried at net realisable value of Rs 6,080.82 million (June 30, 2022: Rs 6,637.72 million). Adjustments amounting to Rs 1,528.33 million (June 30, 2022: Rs 1,752.79 million) have been made to closing inventory to write down stock to net realizable value. The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

15. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 11,881.54 million (June 30, 2022: Rs 15,838.27 million) and Pakistan Oilfields Limited Rs 5.56 million (June 30, 2022: Rs nil).

September 30, 2022 Rs '000	June 30, 2022 Rs '000
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16. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Due from Subsidiary Company		
Attock Hospital (Private) Limited	1,070	1,330
Due from associated companies		
Attock Petroleum Limited	380,998	589,563
Attock Information Technology Services (Private) Limited	3,042	838
Attock Leisure and Management Associates (Private) Limited	109	94
Attock Gen Limited	16,051	538
National Refinery Limited	2,437	-
National Cleaner Production Centre Foundation	6,440	679
Attock Sahara Foundation	32	32
Attock Energy (Private) Limited	70	39
Capgas (Private) Limited	169	87
Income accrued on bank deposits	173,881	116,073
Receivable from statutory authorities in respect of petroleum development levy and excise duty	-	6,365
Sales tax forcibly recovered - note 10 (ix)	1,076,579	1,076,579
Loans, deposits, prepayments and other receivables	538,000	503,650
Loss allowance	(295,974)	(291,195)
	1,902,904	2,004,672

17. CASH AND BANK BALANCES

Cash in hand (US \$ 3,033; June 30, 2022: US \$ 2,153)	3,957	1,822
With banks:		
Local currency		
Current accounts	8,543	9,170
Deposit accounts - notes 17.1, 17.2 and 17.3	9,393,519	11,741,314
Saving accounts	20,255,385	12,906,282
Foreign Currency		
Saving accounts (US \$ 464,201; June 30, 2022: US \$ 464,182)	106,047	95,064
	29,767,451	24,753,652

17.1 Deposit accounts include Rs 4,393.52 million (June 30, 2022: Rs 4,241.31 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 5,000 million (June 30, 2022: Rs 7,500 million) in respect of deposits placed in 30-days interest-bearing account.

17.3 Bank deposits include Rs 1,327.35 million (June 30, 2022: Rs 1,327.11 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

17.4 CASH AND CASH EQUIVALENTS

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

	September 30, 2021 Rs '000	September 30, 2021 Rs '000
Cash and bank balances	29,767,451	9,223,643
Short term financing	-	(2,000,000)
	29,767,451	7,223,643

18. GROSS SALES

	Three months ended	
	September 30, 2022 Rs '000	September 30, 2021 Rs '000
Local sales	116,825,757	55,688,220
Naphtha export sales	-	105,818
	116,825,757	55,794,038

19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL

Sales tax	4,309,081	6,918,239
Petroleum development levy	6,244,908	804,939
Custom duties and other levies - note 19.1	4,588,847	1,995,108
PMG RON differential - note 19.2	530,164	269,435
HSD price differential - note 19.3	1,862,448	140,070
HSD premium differential - note 19.4	166,405	-
	17,701,853	10,127,791

19.1 This includes Rs 4,588.82 million (September 30, 2021: Rs 1,995.09 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.

19.4 HSD premium differential as notified by OGRA is the difference of Pakistan State Oil's (PSO) weighted average premium (KPC premium) and average tendered premium used in pricing of HSD.

20. COST OF SALES

	Three months ended	
	September 30, 2022 Rs '000	September 30, 2021 Rs '000
Crude oil consumed - note 20.1	84,212,648	42,389,063
Transportation and handling charges	4,382	14,274
Salaries, wages and other benefits	440,897	268,797
Chemicals consumed	1,875,622	953,060
Fuel and power	2,443,862	1,458,323
Repairs and maintenance	96,061	83,145
Staff transport and travelling	9,022	3,250
Insurance	96,108	84,109
Cost of receptacles	6,003	3,412
Other operating costs	7,706	7,433
Security charges	10,442	6,236
Contract services	83,891	60,921
Depreciation	652,161	648,850
Cost of goods manufactured	89,938,805	45,980,873
Changes in stocks	(751,627)	(316,231)
	89,187,178	45,664,642

- 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, 2022 Rs '000	September 30, 2021 Rs '000
21. OTHER INCOME		
Income on bank deposits	1,179,536	172,736
Interest on delayed payments	156,117	110,445
Interest on Workers' Profit Participation Fund	2,479	-
Handling and service charges	35,559	24,119
Rental income	35,230	32,735
Miscellaneous	5,644	7,941
	1,414,565	347,976
22. FINANCE COST		
Exchange loss - (net)	257,405	41,276
Interest on long term financing measured at amortized cost	81,422	192,754
Interest on Workers' Profit Participation Fund	1,014	-
Interest on short term financing measured at amortized cost	3,131	13,203
Interest on lease liability measured at amortized cost	3,948	15,300
Bank and other charges	151	165
	347,071	262,698
23. TAXATION		
Current	3,386,175	229,009
Deferred	(122,975)	(208,195)
	3,263,200	20,814
24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION		
Dividend income from an associated company	840,263	533,438
Related charges:		
Workers' Profit Participation Fund	-	26,672
Workers' Welfare Fund	16,805	10,135
Taxation	145,620	80,016
	(162,425)	(116,823)
	677,838	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, 2022 Rs '000	September 30, 2021 Rs '000
High Speed Diesel	38,566,598	19,323,695
Premier Motor Gasoline	46,792,562	21,160,083
Jet Petroleum	11,650,151	4,446,403
Furnace Fuel Oil	16,492,443	8,126,441
Naphtha	-	105,818
Others	3,324,003	2,631,598
	116,825,757	55,794,038
Taxes, duties, levies and price differential	(17,701,853)	(10,127,791)
	99,123,904	45,666,247

Revenue from four major customers of the Company constitute 94% of total revenue during the three months period ended September 30, 2022 (September 30, 2021: 94%).

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, 2022 Rs '000	September 30, 2021 Rs '000
Sale of goods and services to:		
Associated companies	28,823,595	18,289,477
Subsidiary company	8,783	6,331
Holding company	1,731	2,509
Interest income on delayed payments from an associated company	156,117	110,445
Purchase of goods and services from:		
Associated companies	9,584,711	5,296,686
Subsidiary company	28,425	20,750
Holding company	246,592	191,385
Dividend paid to:		
Associated company	17,900	-
Key management personnel	59	-
Dividend income from:		
Associated companies	840,263	533,438
Other related parties:		
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	58,471	31,138
Honorarium/remuneration to Non-Executive Directors	4,546	3,448
Contribution to Workers' Profit Participation Fund	531,468	30,465
Contribution to Employees' Pension, Gratuity and Provident Funds	28,036	20,124

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

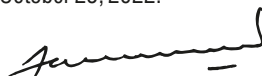
The spread of Covid-19 as a pandemic and consequently imposition of lock down by the Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. However, as a result of steps taken by the Authorities, the businesses have substantially resumed with corresponding positive impact on demand of petroleum products. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

28.2 Date of Authorisation

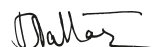
These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 25, 2022.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

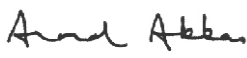
***Condensed Interim Consolidated
Financial Statements For The
First Quarter
Ended September 30, 2022***

Condensed Interim Consolidated Statement of Financial Position (Unaudited) **As At September 30, 2022**

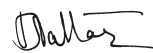
	Note	September 30, 2022 Rs '000	June 30, 2022 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
150,000,000 (June 30, 2022: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up			
106,616,250 (June 30, 2022: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	43,014,099	36,562,969
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		69,173,681	62,722,551
NON-CURRENT LIABILITIES			
Long term financing	7	-	2,504,914
Long term lease liability		-	-
Deferred grant		4,367	4,534
CURRENT LIABILITIES			
Accrued mark-up on long term financing	7	-	170,966
Current portion of long term financing	7	-	2,200,000
Trade and other payables	8	74,441,106	69,671,582
Short term financing	9	-	2,500,000
Accrued mark-up on short term financing		3,132	31,146
Current portion of lease liability		161,352	157,404
Dividend payable		650,956	-
Unclaimed dividends		12,884	9,254
Provision for taxation		6,763,870	4,161,784
		<u>82,033,300</u>	<u>78,902,136</u>
TOTAL EQUITY AND LIABILITIES		<u>151,211,348</u>	<u>144,134,135</u>
CONTINGENCIES AND COMMITMENTS			
	10		

	Note	September 30, 2022 Rs '000	June 30, 2022 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	35,839,151	36,505,927
Capital work-in-progress	12	1,049,085	843,218
Major spare parts and stand-by equipments		143,319	143,756
		37,031,555	37,492,901
LONG TERM INVESTMENTS	13	26,359,676	26,124,703
LONG TERM LOANS AND DEPOSITS		46,504	43,281
DEFERRED TAXATION		1,671,207	1,581,557
CURRENT ASSETS			
Stores, spares and loose tools		4,793,432	4,011,455
Stock-in-trade	14	23,940,919	17,745,969
Trade debts	15	25,594,500	30,279,029
Loans, advances, deposits, prepayments and other receivables	16	1,914,293	2,016,610
Cash and bank balances	17	29,859,262	24,838,630
		86,102,406	78,891,693
TOTAL ASSETS		151,211,348	144,134,135

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, 2022

	Note	Three months ended	
		September 30, 2022 Rs '000	September 30, 2021 Rs '000
Gross sales	18	116,864,616	55,825,569
Taxes, duties, levies and price differential	19	(17,701,853)	(10,127,791)
Net sales		99,162,763	45,697,778
Cost of sales	20	(89,187,178)	(45,664,642)
Gross profit		9,975,585	33,136
Administration expenses		368,144	210,164
Distribution cost		22,899	17,663
Other charges		741,301	7,854
		(1,132,344)	(235,681)
Other income	21	1,415,621	348,320
Impairment (loss)/reversal on financial assets		(4,780)	206,364
Operating profit		10,254,082	352,139
Finance cost	22	(347,071)	(262,698)
Profit before taxation from refinery operations		9,907,011	89,441
Taxation	23	(3,269,116)	(28,327)
Profit after taxation from refinery operations		6,637,895	61,114
Non-refinery income:			
Share in profit of associated companies	24	879,843	83,703
Profit after taxation		7,517,738	144,817
Earnings per share - basic and diluted (Rupees)			
Refinery operations		62.26	0.57
Non-refinery operations		8.25	0.79
		70.51	1.36

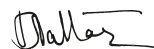
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Syed Asad Abbas
Chief Financial Officer



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, 2022

	Three months ended	
	September 30, 2022 Rs '000	September 30, 2021 Rs '000
Profit after taxation	7,517,738	144,817
Other comprehensive loss (net of tax):		
Share of other comprehensive loss of associated companies - net of tax	(445)	(201)
Total comprehensive income	<u>7,517,293</u>	<u>144,616</u>

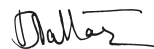
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Syed Asad Abbas
Chief Financial Officer



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, 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	
Balance as at July 01, 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 - 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
Total comprehensive income - net of tax										
Profit for the period	-	-	-	-	-	-	12,807,421	-	-	12,807,421
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(152,572)	1,921	-	(150,651)
	-	-	-	-	-	-	12,654,849	1,921	-	12,656,770
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	8,939,711	-	-	-	-	(8,939,711)	-	-	-
Loss from refinery operations transferred from unappropriated profit to special reserve for prior years - note 6.1	-	(8,950,913)	-	-	-	-	8,950,913	-	-	-
Profit after tax from fuel refinery operations of NRL transferred to special reserve	-	1,463,042	-	-	-	-	(1,463,042)	-	-	-
Accumulated loss of fuel refinery operations of NRL offset against special reserve	-	(1,463,042)	-	-	-	-	1,463,042	-	-	-
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	3,616	-	-	(3,616)	-	-	-
Balance as at June 30, 2022	1,066,163	-	12,908,966	218,529	155,996	7,077,380	16,197,730	4,368	25,093,419	62,722,551
Distribution to owners:										
Final cash dividend @ 100% related to the year ended June 30, 2022	-	-	-	-	-	-	(1,066,163)	-	-	(1,066,163)
Bonus shares issued by an associated company	-	-	-	-	54,432	-	(54,432)	-	-	-
Total comprehensive income-net of tax										
Profit for the period	-	-	-	-	-	-	7,517,738	-	-	7,517,738
Other comprehensive loss for the period	-	-	-	-	-	-	(445)	-	-	(445)
	-	-	-	-	-	-	7,517,293	-	-	7,517,293
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	6,588,833	-	-	-	-	(6,588,833)	-	-	-
Loss from refinery operations transferred from unappropriated profit to special reserve for prior years- note 6.1	-	(2,201,688)	-	-	-	-	2,201,688	-	-	-
Balance as at September 30, 2022	1,066,163	4,387,145	12,908,966	218,529	210,428	7,077,380	18,207,283	4,368	25,093,419	69,173,681

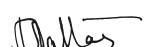
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer




Abdus Sattar
Director

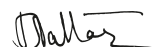
Condensed Interim Consolidated Statement of Cash Flows (Unaudited) **For The First Quarter Ended September 30, 2022**

	Three months ended	
	September 30, 2022 Rs '000	September 30, 2021 Rs '000
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - Customers	121,573,218	52,161,225
- Others	462,232	2,837,868
	122,035,450	54,999,093
Cash paid for operating cost	(99,036,520)	(46,199,153)
Cash paid to Government for duties, taxes and other levies	(10,875,159)	(9,868,866)
Income tax paid	(932,180)	(133,254)
Net cash inflow/(outflow) from operating activities	11,191,591	(1,202,180)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(220,785)	660
Proceeds against disposal of operating assets	3,480	355
Long term loans and deposits	(3,223)	1,037
Income received on bank deposits	1,121,729	167,553
Dividend received from associated companies	840,263	-
Net cash generated from investing activities	1,741,464	169,605
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(4,650,000)	(550,000)
Transaction cost on long term financing	(500)	(500)
Dividend paid to Company's shareholders	(411,576)	(47)
Finance cost	(339,113)	(231,173)
Net cash outflows from financing activities	(5,401,189)	(781,720)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		
	7,531,866	(1,814,295)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
	22,338,630	9,105,410
Effect of exchange rate changes on cash and cash equivalents	(11,234)	(6,123)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	17.4	29,859,262
		7,284,992

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, 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 company on June 26, 1979. The Company is principally engaged in the refining of crude oil. The registered office and refinery complex of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited.

The Company is a subsidiary of The Attock Oil Company Limited, England and its ultimate parent is Coral Holding Limited.

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 Group.

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, 2022.

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, 2022.

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, 2022.

5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2022: 65,095,630) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2022: 1,790,000) ordinary shares as at September 30, 2022.

September 30, 2022 Rs '000	June 30, 2022 Rs '000
----------------------------------	-----------------------------

6. RESERVES AND SURPLUS

Capital reserve

Special reserve for expansion/modernisation - note 6.1	4,387,145	-
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	218,529	218,529
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	200,480	146,048
	210,428	155,996

Revenue reserve

General reserve - note 6.4	7,077,380	7,077,380
Gain on revaluation of investment at fair value through OCI	4,368	4,368
Un-appropriated profit - net	18,207,283	16,197,730
	25,289,031	23,279,478
	43,014,099	36,562,969

- 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 September 30, 2022 is Rs 29,352.12 million including Rs 18,389.19 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.
- 6.4** This mainly represents the Company's share of the general reserve created by NRL.

**September 30,
2022
Rs '000**
**June 30,
2022
Rs '000**
7. LONG TERM FINANCING - secured
From banking companies

Syndicated Term Finance	-	3,686,620
Musharaka Finance	-	1,206,630
	-	4,893,250
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/year	17,370	42,393
Addition during the period/year	500	500
Amortization for the period/year	(17,870)	(25,523)
Balance at the end of the period/year	-	17,370
	-	4,875,880
Current portion of long term financing	-	(2,200,000)
	-	2,675,880
Mark-up payable shown as current liability	-	(170,966)
	-	2,504,914

During the period the Company has repaid entire amount of long term financing which includes principal portion of Rs 4,650 million and interest of Rs 306 million.

This facility was 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 was 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. Proceedings are underway for vacation of charge created against the assets of the Company.

**September 30,
2022
Rs '000**
**June 30,
2022
Rs '000**
8. TRADE AND OTHER PAYABLES

Creditors - note 8.1	37,320,352	38,982,646
Due to The Attock Oil Company Limited - Holding Company	153,374	152,174
Due to associated companies		
Pakistan Oilfields Limited	4,084,840	4,495,410
National Refinery Limited	-	565
Accrued liabilities and provisions - note 8.1	5,842,479	5,643,454
Due to the Government under the pricing formula	10,403,867	9,335,438
Custom duty payable to the Government	11,399,198	9,087,841
Contract liabilities/advance payments from customers	122,642	123,847
Sales tax payable	818,576	1,317,767
Workers' Profit Participation Fund	531,468	82,215
ARL Gratuity Fund	180,598	180,400
Staff Pension Fund	143,871	143,927
Crude oil freight adjustable through inland freight equalisation margin	155,108	122,235
Payable to statutory authorities in respect of petroleum development levy and excise duty	3,281,070	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	74,441,106	69,671,582

- 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 4,450.21 million (June 30, 2022: Rs 4,297.95 million).

9. SHORT TERM FINANCING

The Company has obtained short term financing from a bank for an amount of Rs 3,000 million (June 30, 2022: 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 outstanding amount for the drawdowns made by the Company against the said facility as of reporting date was Rs nil (June 30, 2022: Rs 2,500 million).

September 30, 2022 Rs '000	June 30, 2022 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.	1,326,706	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.			
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.	5,300	5,300
iv)	Guarantees issued by banks on behalf of the Company [other than (i) above.]	640	408

	September 30, 2022 Rs '000	June 30, 2022 Rs '000
v) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 20.1, the amount of which can not be presently quantified.		
vi) In March 2018, 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
<p>In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 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.</p>		
vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016.	4,861,757	4,345,274
<p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>		
viii) 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. In this respect, the Company has filed a review petition with the Honorable Supreme Court of Pakistan which is currently pending for adjudication.		

September 30,
2022
Rs '000

June 30,
2022
Rs '000

Further to the orders of the Honorable Supreme Court, the DCIR raised the sales tax demand for principal along with default surcharge and penalty and issued a refund order adjusting the cumulative prior income tax refunds of the Company against the aforesaid demand. Being aggrieved, in relation to the default surcharge and penalty, the Company has preferred an appeal before CIR(A) wherein the CIR(A) has remanded the case back to DCIR.

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 refunds.

In addition, the Company is also contesting before the Commissioner Inland Revenue (Appeals), the matter relating to short determination of refund due to the Company by an amount of Rs 501.53 million.

- ix) In November 30, 2021, the Commissioner Inland Revenue (CIR) issued order in respect of sales tax for the periods July 2018 to June 2019, alleging the Company on various issues including suppression of sales and raised a demand of Rs 8,147 million and Rs 407 million in respect of sales tax and penalty respectively. Being aggrieved the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide the appellate order dated May 31, 2022 upheld the demand of Rs 740 million and remanded the case back on other issues.

Pursuant to the aforementioned demand, on June 15, 2022, the Department recovered an amount of Rs 1,077 million (including the related penalty and default surcharge). The Company filed writ petition against the aforesaid recovery from the company's bank account before the Islamabad High Court which vide order dated September 15, 2022 (received on October 6, 2022) ordered tax authorities to reimburse the recovered amount to the Company within thirty days.

The Company has approached the tax authorities for reimbursement of said amount but the payment is currently pending. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 16 to consolidated financial statements.

- | | | |
|--|------------------|-----------|
| x) The Company's share in contingency of associated companies. | 3,564,971 | 3,570,805 |
|--|------------------|-----------|

Commitments:

- | | | |
|---|------------------|-----------|
| i) Capital expenditure | 271,547 | 73,471 |
| ii) Letters of credit and other contracts for purchase of store items | 1,496,711 | 455,773 |
| iii) The Company's share of commitments of associated companies: | | |
| Capital expenditure commitments | 609,725 | 533,088 |
| Outstanding letters of credit | 73,803 | 2,153,197 |

Three months ended
September 30,
2022
Rs '000

Year ended
June 30,
2022
Rs '000

11. OPERATING ASSETS

11.1 Owned assets

Opening written down value	36,338,667	38,733,816
Additions during the period/year	15,356	215,573
Written down value of disposals	(2,652)	(109)
Depreciation during the period/year	(656,168)	(2,610,613)
	35,695,203	36,338,667

11.2 Right of use assets - Building

Balance at the beginning	167,260	384,795
Termination of right of use assets	-	(120,889)
Depreciation for the period/year	(23,312)	(96,646)
	143,948	167,260
Balance at the end	35,839,151	36,505,927

12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	843,218	862,679
Additions during the period/year	207,100	159,390
Transfer to operating assets		
- Building on freehold land	-	4,364
- Plant and machinery	1,233	173,781
- Furniture and fixtures	-	706
	(1,233)	(178,851)
Balance at the end	1,049,085	843,218

Break-up of the closing balance of capital work-in-progress

The details are as under:

Civil works	75	-
Plant and machinery	1,048,010	842,218
Pipeline project	1,000	1,000
	1,049,085	843,218

13. LONG TERM INVESTMENTS

Investment in associated companies:

Balance at the beginning	26,124,703	22,199,744
Share of (loss)/profit after tax of associated companies	(22,160)	7,061,150
Share in other comprehensive loss	(445)	(19,588)
Dividend received from associated companies	(840,263)	(1,134,778)
Impairment reversal/(loss) on investment	1,097,841	(1,981,825)
Balance at the end of the period/year	26,359,676	26,124,703

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

	September 30, 2022		June 30, 2022	
	% age Holding	Rs '000	% age Holding	Rs '000
Quoted				
National Refinery Limited - note 13.2	25	10,535,595	25	10,535,595
Attock Petroleum Limited	21.88	11,680,188	21.88	11,459,007
Unquoted				
Attock Gen Limited	30	4,094,405	30	4,082,551
Attock Information Technology Services (Private) Limited	10	49,488	10	47,550
		26,359,676		26,124,703

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 have been made on discounted cash flow based valuation methodology carried out by an external investment advisor engaged by the company on annual basis.

14. STOCK-IN-TRADE

As at September 30, 2022, stock-in-trade includes stocks carried at net realisable value of Rs 6,080.82 million (June 30, 2022: Rs 6,637.72 million). Adjustments amounting to Rs 1,528.33 million (June 30, 2022: Rs 1,752.79 million) have been made to closing inventory to write down stock to net realizable value. The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

15. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 11,881.54 million (June 30, 2022: Rs 15,838.27 million) and Pakistan Oilfields Limited Rs 5.56 million (June 30, 2022: Rs nil).

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

	September 30, 2022 Rs '000	June 30, 2022 Rs '000
Due from associated companies		
Attock Petroleum Limited	384,485	592,347
Attock Information Technology Services (Private) Limited	3,042	838
Attock Leisure and Management Associates (Private) Limited	109	94
Attock Gen Limited	16,246	689
Attock Cement Pakistan Limited	83	7
National Cleaner Production Centre Foundation	6,778	689
Cargis (Private) Limited	302	182
National Refinery Limited	2,437	-
Attock Energy (Private) Limited	70	39
Attock Sahara Foundation	434	267
Income accrued on bank deposits	175,080	116,073
Sales tax forcibly recovered - note 10 (ix)	1,076,579	1,076,579
Receivable from statutory authorities in respect of petroleum development levy and excise duty	-	6,365
Loans, deposits, prepayments and other receivables	544,622	513,636
Loss allowance	(295,974)	(291,195)
	1,914,293	2,016,610

September 30, 2022 Rs '000	June 30, 2022 Rs '000
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17. CASH AND BANK BALANCES

Cash in hand (US \$ 3,033; June 30, 2022: US \$ 2,153)	4,272	2,106
With banks:		
Local currency		
Current accounts	8,827	9,272
Deposit accounts - note 17.1, 17.2 and 17.3	9,393,519	11,666,114
Saving accounts	20,346,597	12,990,874
Payorder in hand	-	75,200
Foreign Currency		
Saving accounts (US \$ 464,201; June 30, 2022: US \$ 464,182)	106,047	95,064
	29,859,262	24,838,630

17.1 Deposit accounts include Rs 4,393.52 million (June 30, 2022: Rs 4,241.31 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 5,000 million (June 30, 2022: Rs 7,500 million) in respect of deposits placed in 30-days interest-bearing account.

17.3 Bank deposits include Rs 1,327.35 million (June 30, 2022: Rs 1,327.11 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

September 30, 2022 Rs '000	September 30, 2021 Rs '000
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17.4 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	29,859,262	9,284,992
Short term financing	-	(2,000,000)
	29,859,262	7,284,992

Three months ended

September 30, 2022 Rs '000	September 30, 2021 Rs '000
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18. GROSS SALES
Company

Local sales	116,825,757	55,688,220
Naphtha export sales	-	105,818

Subsidiary

Local sales	38,859	31,531
	116,864,616	55,825,569

Three months ended

September 30, 2022 Rs '000	September 30, 2021 Rs '000
4,309,081	6,918,239
6,244,908	804,939
4,588,847	1,995,108
530,164	269,435
1,862,448	140,070
166,405	-
17,701,853	10,127,791

19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL

Sales tax	4,309,081	6,918,239
Petroleum development levy	6,244,908	804,939
Custom duties and other levies - note 19.1	4,588,847	1,995,108
PMG RON differential - note 19.2	530,164	269,435
HSD price differential - note 19.3	1,862,448	140,070
HSD premium differential - note 19.4	166,405	-

19.1 This includes Rs 4,588.82 million (September 30, 2021: Rs 1,995.09 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.

19.4 HSD premium differential as notified by OGRA is the difference of Pakistan State Oil's (PSO) weighted average premium (KPC premium) and average tendered premium used in pricing of HSD.

Three months ended

September 30, 2022 Rs '000	September 30, 2021 Rs '000
84,212,648	42,389,063
4,382	14,274
440,897	268,797
1,875,622	953,060
2,443,862	1,458,323
96,061	83,145
9,022	3,250
96,108	84,109
6,003	3,412
7,706	7,433
10,442	6,236
83,891	60,921
652,161	648,850
89,938,805	45,980,873
(751,627)	(316,231)
89,187,178	45,664,642

20. COST OF SALES

Crude oil consumed - note 20.1	84,212,648	42,389,063
Transportation and handling charges	4,382	14,274
Salaries, wages and other benefits	440,897	268,797
Chemicals consumed	1,875,622	953,060
Fuel and power	2,443,862	1,458,323
Repairs and maintenance	96,061	83,145
Staff transport and travelling	9,022	3,250
Insurance	96,108	84,109
Cost of receptacles	6,003	3,412
Other operating costs	7,706	7,433
Security charges	10,442	6,236
Contract services	83,891	60,921
Depreciation	652,161	648,850
Cost of goods manufactured	89,938,805	45,980,873
Changes in stocks	(751,627)	(316,231)
	<u>89,187,178</u>	<u>45,664,642</u>

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, 2022 Rs '000	September 30, 2021 Rs '000
21. OTHER INCOME		
Income on bank deposits	1,180,736	173,196
Interest on delayed payments	156,117	110,445
Interest on Workers' Profit Participation Fund	2,479	-
Handling and service charges	35,559	24,119
Rental income	34,918	32,452
Miscellaneous	5,812	8,108
	1,415,621	348,320
22. FINANCE COST		
Exchange loss - (net)	257,405	41,276
Interest on long term financing measured at amortized cost	81,422	192,754
Interest on Workers' Profit Participation Fund	1,014	-
Interest on short term financing measured at amortized cost	3,131	13,203
Interest on lease liability measured at amortized cost	3,948	15,300
Bank and other charges	151	165
	347,071	262,698
23. TAXATION		
Current	3,392,179	235,581
Deferred	(123,063)	(207,254)
	3,269,116	28,327
24. NON-REFINERY INCOME		
Share in profit of associated companies [net of impairment reversal/(loss)]	1,075,681	121,186
Related charges:		
Workers' Profit Participation Fund	-	26,672
Workers' Welfare Fund	16,805	10,135
Taxation - current and deferred	179,033	676
	(195,838)	(37,483)
	879,843	83,703
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, 2022 Rs '000	September 30, 2021 Rs '000
High Speed Diesel	38,566,598	19,323,695
Premier Motor Gasoline	46,792,562	21,160,083
Jet Petroleum	11,650,151	4,446,403
Furnace Fuel Oil	16,492,443	8,126,441
Naphtha	-	105,818
Others	3,362,862	2,663,129
	116,864,616	55,825,569
Taxes, duties, levies and price differential	(17,701,853)	(10,127,791)
	99,162,763	45,697,778

Revenue from four major customers of the Company constitute 94% of total revenue during the three months period ended September 30, 2022 (September 30, 2021: 94%).

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, 2022 Rs '000	September 30, 2021 Rs '000
Sale of goods and services to:		
Associated companies	28,834,518	18,299,280
Holding company	1,731	2,509
Interest income on delayed payments from an associated company	156,117	110,445
Purchase of goods and services from:		
Associated companies	9,584,882	5,296,872
Holding company	246,592	191,385
Dividend paid to:		
Associated company	17,900	-
Key management personnel	59	-
Dividend income from:		
Associated companies	840,263	533,438
Other related parties:		
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	59,954	32,321
Honorarium/remuneration to Non-Executive Directors	4,546	3,448
Contribution to Workers' Profit Participation Fund	531,468	30,465
Contribution to Employees' Pension, Gratuity and Provident Funds	29,153	21,083

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

The spread of Covid-19 as a pandemic and consequently imposition of lock down by the Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. However, as a result of steps taken by the Authorities, the businesses have substantially resumed with corresponding positive impact on demand of petroleum products. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

28.2 Date of Authorisation

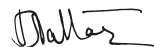
These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 25, 2022.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director



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