



ATTOCK REFINERY LIMITED



Condensed Interim Financial Statements

For the Six Months Period Ended December 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 Shakra-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 second quarter and half year ended December 31, 2022 and the Review Report of Auditors thereon.

FINANCIAL RESULTS

During the period under review the Company earned profit after tax of Rs 14,444 million from refinery operations (December 31, 2021: Profit of Rs 1,078 million). Non-refinery income during this period was Rs 915 million (December 31, 2021: Rs 608 million). Accordingly, overall profit after taxation was Rs 15,359 million with earning per share of Rs 144.06 (December 31, 2021: Profit of Rs 1,686 million with earning per share of Rs 15.82).

Spreads between prices of products and crude oil which started to improve last year maintained the same trend during the second quarter of the current year. This has helped your Company to absorb escalating costs due to elevated inflation.

The Consolidated Financial Statements of the Company are annexed. During the period the Company made a Consolidated profit after tax of Rs 15,909 million (December 31, 2021: Rs 2,360 million) which translates into consolidated earnings per share of Rs 149.21 (December 31, 2021: Rs 22.13).

REFINERY OPERATIONS

During the period under review, the Company supplied 895 thousand Metric Tons of various petroleum products while operating at about 79% of the capacity (December 31, 2021: 878 thousand Metric Tons, 78% capacity). During the month of December 2022, the Company faced challenge of reduced demand of furnace fuel oil creating ullage constraints. Due to this reason, one of its main distillation unit had to be shut down for a few days. However, during the shutdown period, necessary maintenance work was carried out. The matter was taken up with the Government and measures taken by the Government provided some relief to the Refinery.

FUTURE OUTLOOK


The management is aware of the economic challenges being faced by the country due to political instability, devastating floods, high inflation, Pak Rupee devaluation and declining foreign exchange reserves. We hope that the Government would take measures to ensure long term economic stability in the country. With the current state of macro-economic situation, the management's focus would remain on effecting efficiencies in operations leading to increase in revenue and reduction in costs.

Attock Refinery Limited, along with other refineries, continues its engagement with the Government for the approval of the draft Refining Policy. Progress on studies for Continuous Catalyst Regeneration (CCR) Complex, and revamping of DHDS unit is satisfactory. However, improvement in economic situation in the country is a pre-requisite for implementing any up-gradation project.

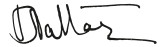
ACKNOWLEDGEMENT

The Board would like to acknowledge support received from the Ministry of Energy and all other stakeholders. We highly appreciate dedicated efforts of our employees. 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



Abdus Sattar
Director

February 27, 2023
Dubai, United Arab Emirates

کیلئے بند کرنا پڑا۔ تاہم اسی بندش کی مدت کے دوران ضروری مرمت و تبدیلی کا کام بھی کیا گیا۔ یہ معاملہ حکومت کے ساتھ اٹھایا گیا اور حکومت کے اقدامات سے ریفائنری کو کچھ مدد ملی۔

مستقبل کا منظر نامہ

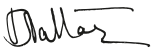
کمپنی کی انتظامیہ ملک کو درپیش معاشی مسائل سے آگاہ ہے جن کی بنیادی وجہ سیاسی عدم استحکام، تباہ کن سیلاب، افراطِ زر، پاکستانی روپے کی قدر میں کمی اور زرمبادلہ کے گرتے ہوئے ذخائر ہیں۔ ہمیں امید ہے کہ حکومت ملک میں طویل المدتی معاشی استحکام کو یقینی بنانے کے لیے اقدامات کرے گی۔ موجودہ معاشی حالات کے ساتھ انتظامیہ کی توجہ آپریشنز کی کارکردگی کو بہتر بنانے، آمدنی میں اضافہ اور اخراجات میں کمی کو یقینی بنانے پر رہے گی۔

اٹک ریفائنری لمیٹڈ دیگر ریفائنریز کے ہمراہ حکومت کے ساتھ ریفائننگ پالیسی کے مسودے کی منظوری کے لیے مصروف عمل ہے۔ کاتھینوس کیٹیلنٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب اور ڈیزل ڈی ہائیڈرو ڈیسلفرائزیشن یونٹ (Diesel Dehydrodesulphurization Unit) کی تجدید کے تکنیکی مطالعہ پر پیش قدمی اطمینان بخش ہے۔ تاہم کسی بھی تجدیدی منصوبے کو عملی جامہ پہنانے کے لئے ملک میں معاشی صورتحال میں بہتری اڈالین شرط ہے۔

اظہارِ تشکر

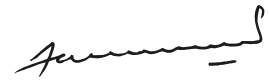
بورڈ آف ڈائریکٹرز وزارت توانائی اور دیگر اداروں کی جانب سے ملنے والی معاونت پر شکر گزار ہیں۔ ہم اپنے ملازمین کے پُر عزم جذبے کے لئے بھی تہہ دل سے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے قابلِ قدر صارفین، خام تیل مہیا کرنے والے اداروں کے بھی ممنون ہیں۔

بورڈ کی جانب سے



عبدالرحمن

ڈائریکٹر



ایم عادل تنگ

چیف ایگزیکٹو آفیسر

۲۰۲۳ فروری ۲۷

دہلی، متحدہ عرب امارات

ڈائریکٹرز کی جائزہ رپورٹ

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

انک ریفاٹری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۱ دسمبر ۲۰۲۲ کو ختم ہونے والی دوسری سہ ماہی اور ششماہی اختتامی مدت کے کمپنی کے مالیاتی نتائج، آڈیٹرز کی جائزہ رپورٹ اور آپریشنز کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ مدت کے دوران کمپنی کو ریفاٹری آپریشنز سے ٹیکس ادا کرنے کے بعد ۱۴,۴۴۴ ملین روپے کا منافع ہوا (۳۱ دسمبر ۲۰۲۱: ۱,۰۷۸ ملین روپے کا منافع)۔ اس مدت کے دوران غیر ریفاٹری ذرائع سے ۹۱۵ ملین روپے کی آمدن ہوئی (۳۱ دسمبر ۲۰۲۱: ۶۰۸ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۱۵,۳۵۹ ملین روپے کے منافع کے ساتھ فی حصص منافع ۱۴۴.۰۶ روپے رہا (۳۱ دسمبر ۲۰۲۱: ۱,۶۸۶ ملین روپے کے منافع کے ساتھ فی حصص منافع ۱۵.۸۲ روپے)۔

مصنوعات اور خام تیل کی قیمتوں کے درمیان فرق جو کہ گزشتہ سال بہتر ہونا شروع ہوا تھا رواں سال کی دوسری سہ ماہی کے دوران بھی یہی رجحان برقرار رہا۔ اس نے آپ کی کمپنی کو افراط زر کی وجہ سے بڑھتے ہوئے اخراجات کو برداشت کرنے میں مدد کی ہے۔

کمپنی کے یکجا مالیاتی گوشوارے (Consolidated Financial Statements) منسلک ہیں۔ زیر جائزہ مدت کے دوران کمپنی نے ٹیکس ادا کرنے کے بعد ۱۵,۹۰۹ ملین روپے کا مجموعی منافع کمایا (۳۱ دسمبر ۲۰۲۱: ۲,۳۶۰ ملین روپے) جو کہ مجموعی فی حصص منافع ۱۴۹.۲۱ روپے بنتا ہے (۳۱ دسمبر ۲۰۲۱: ۲۲.۱۳ روپے)۔

ریفاٹری آپریشنز

زیر جائزہ مدت کے دوران ریفاٹری نے ۹۷% پیداواری استعداد کے ساتھ ۸۹۵ ہزار میٹرک ٹن کی مختلف پیٹرو لیم مصنوعات فراہم کیں (۳۱ دسمبر ۲۰۲۱: ۷۸% پیداواری استعداد کے ساتھ ۸۷۸ ہزار میٹرک ٹن)۔ دسمبر ۲۰۲۲ کے مہینے میں فرنس فیول آئل کی مانگ میں کمی کی وجہ سے ریفاٹری کے ذخیرہ کرنے کی گنجائش میں کمی جیسے مسائل پیدا ہوئے۔ اس کی وجہ سے کمپنی کو تیل نتھارنے والے بڑے یونٹ کو کچھ دنوں

*A. F. FERGUSON & CO.*

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Attock Refinery Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Attock Refinery Limited as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the three months ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Aftab Ahmed.

Chartered Accountants
Islamabad
Date: February 28, 2023

UDIN: RR202210610U52hDj8EW

**Condensed Interim Statement of Financial Position (Unaudited)
As At December 31, 2022**


	Note	December 31, 2022 Rs '000	June 30, 2022 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital			
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 capital			
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	39,660,394	25,367,221
Surplus on revaluation of freehold land		25,093,419	25,093,419
		<u>65,819,976</u>	<u>51,526,803</u>
NON CURRENT LIABILITIES			
Long term financing	7	-	2,504,914
Deferred taxation		441,751	-
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	67,447,281	69,643,706
Short term financing	9	-	2,500,000
Accrued mark-up on short term financing		-	31,146
Lease liability		165,399	157,404
Unpaid dividend – awaiting remittance by the authorized bank	10	559,735	-
Unclaimed dividends		12,117	9,254
Provision for taxation		5,457,839	4,161,784
		<u>73,642,371</u>	<u>78,874,260</u>
TOTAL EQUITY AND LIABILITIES		<u>139,904,098</u>	<u>132,905,977</u>
CONTINGENCIES AND COMMITMENTS	11		

	Note	December 31, 2022 Rs '000	June 30, 2022 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	35,256,870	36,476,197
Capital work-in-progress	13	1,297,382	843,218
Major spare parts and stand-by equipment		142,434	143,756
		<u>36,696,686</u>	<u>37,463,171</u>
LONG TERM INVESTMENTS	14	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS		39,359	42,247
DEFERRED TAXATION		-	3,344,128
CURRENT ASSETS			
Stores, spares and loose tools		5,330,927	4,011,455
Stock-in-trade	15	19,603,162	17,742,708
Trade debts	16	18,816,489	30,279,029
Loans, advances, deposits, prepayments and other receivables	17	2,425,578	2,004,672
Short term investment	18	10,089,094	-
Cash and bank balances	19	33,637,888	24,753,652
		<u>89,903,138</u>	<u>78,791,516</u>
TOTAL ASSETS		<u>139,904,098</u>	<u>132,905,977</u>

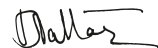
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

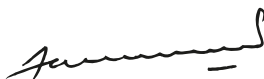
**Condensed Interim Statement of Profit or Loss (Unaudited)
For The Six Months Period Ended December 31, 2022**

	Note	Three months ended		Six months ended	
		December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Gross sales	20	111,928,360	65,841,958	228,754,117	121,635,996
Taxes, duties, levies and price differential	21	(22,099,527)	(11,754,096)	(39,801,380)	(21,881,887)
Net sales		89,828,833	54,087,862	188,952,737	99,754,109
Cost of sales	22	(78,914,664)	(52,379,342)	(168,101,842)	(98,043,984)
Gross profit		10,914,169	1,708,520	20,850,895	1,710,125
Administration expenses		271,497	219,290	618,676	419,017
Distribution cost		19,067	20,810	41,966	38,473
Other charges		872,820	113,071	1,613,699	120,463
		(1,163,384)	(353,171)	(2,274,341)	(577,953)
Other income	23	1,808,183	427,196	3,222,748	775,172
Impairment (loss)/reversal on financial assets		(22,084)	57,430	(26,864)	263,794
Operating profit		11,536,884	1,839,975	21,772,438	2,171,138
Finance costs	24	133,732	(388,288)	(213,339)	(650,986)
Profit before taxation from refinery operations		11,670,616	1,451,687	21,559,099	1,520,152
Taxation	25	(3,851,302)	(421,577)	(7,114,502)	(442,391)
Profit after taxation from refinery operations		7,819,314	1,030,110	14,444,597	1,077,761
Income from non-refinery operations less applicable charges and taxation	26	236,901	192,069	914,739	608,684
Profit after taxation		8,056,215	1,222,179	15,359,336	1,686,445
Earnings per share					
- basic and diluted (Rupees)					
Refinery operations		73.34	9.66	135.48	10.11
Non-refinery operations		2.22	1.80	8.58	5.71
		75.56	11.46	144.06	15.82

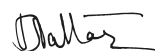
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



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 Six Months Period Ended December 31, 2022**

	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Profit after taxation	8,056,215	1,222,179	15,359,336	1,686,445
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	8,056,215	1,222,179	15,359,336	1,686,445

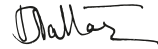
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



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 Six Months Period Ended December 31, 2022

	Share capital	Capital reserve			Revenue reserve			Surplus on revaluation of freehold land	Total
		Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Others	Investment reserve	General reserve	Un-appropriated profit		
Rs '000									
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	-	-	-	-	-	-	1,686,445	-	1,686,445
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve- note 6.1	-	1,004,861	-	-	-	-	(1,004,861)	-	-
Balance as at December 31, 2021	1,066,163	1,004,861	10,962,934	5,948	3,762,775	55	1,501,953	25,093,419	43,398,108
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	8,244,268	-	8,244,268
Other comprehensive loss for the period	-	-	-	-	-	-	(115,573)	-	(115,573)
Profit from refinery operations transferred from unappropriated profit to special reserve- note 6.1	-	7,946,052	-	-	-	-	(7,946,052)	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - 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	-	-	-	-	-	-	15,359,336	-	15,359,336
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve- note 6.1	-	14,371,697	-	-	-	-	(14,371,697)	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - note 6.1	-	(2,201,689)	-	-	-	-	2,201,689	-	-
Balance as at December 31, 2022	<u>1,066,163</u>	<u>12,170,008</u>	<u>10,962,934</u>	<u>5,948</u>	<u>3,762,775</u>	<u>55</u>	<u>12,758,674</u>	<u>25,093,419</u>	<u>65,819,976</u>

The annexed notes 1 to 30 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 Six Months Period Ended December 31, 2022

	Note	Six months ended	
		December 31, 2022 Rs '000	December 31, 2021 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - customers		240,230,922	117,184,416
- others		578,802	3,313,433
		240,809,724	120,497,849
Cash paid for operating costs		(183,070,527)	(98,522,071)
Cash paid to Government for duties, taxes and other levies		(31,593,764)	(22,879,427)
Income tax paid		(2,235,165)	(383,094)
Net cash inflow/(outflows) from operating activities		23,910,268	(1,286,743)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(590,345)	(21,805)
Proceeds against disposal of operating assets		5,418	355
Long term loans and deposits		2,888	3,018
Income received on bank deposits		2,511,756	372,226
Dividends received from associated companies		1,140,137	733,354
Net cash generated from investing activities		3,069,854	1,087,148
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(4,650,000)	(1,100,000)
Transaction cost on long term financing		(500)	(500)
Dividends paid to Company's shareholders		(503,564)	(47)
Finance costs paid		(342,471)	(486,003)
Net cash outflows from financing activities		(5,496,535)	(1,586,550)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
		21,483,587	(1,786,145)
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		(10,257)	(8,755)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19.4	43,726,982	7,256,380

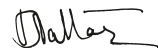
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



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 Six Months Period Ended December 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 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 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

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

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
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6. RESERVES AND SURPLUS
Capital reserve

Special reserve for expansion/modernisation - note 6.1	12,170,008	-
Utilised special reserve for expansion/modernisation - note 6.2	10,962,934	10,962,934
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
	5,948	5,948

Revenue reserve

Investment reserve - note 6.3	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit - net	12,758,674	10,635,509
	16,521,504	14,398,339
	39,660,394	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 utilized in off setting losses of the refinery from refinery operations.
- 6.2** Represent amounts utilized out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till December 31, 2022 is Rs 29,524.74 million including Rs 18,561.81 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.

December 31,
2022
Rs '000

June 30,
2022
Rs '000

7. LONG TERM FINANCING - secured
From banking companies

Syndicated Term Finance - note 7.1	-	3,686,620
Musharaka Finance - note 7.2	-	1,206,630
	-	4,893,250
Less: Unamortised transaction cost on financing:		
Balance at 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 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

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 % (2022: nil %) while its share in Musharaka Assets B is nil % (2022: 18.48%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2022: 100 %) while its share in Musharaka Assets B is 100% (2022: 81.52%) 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 were 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. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

7.4 During the period the Company has repaid entire outstanding amount of long term financing which includes principal portion of Rs 4,650 million and interest of Rs 307 million. Subsequent to the statement of financial position date, charge created against the facilities referred in note 7.1 and 7.2 respectively has been vacated.

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
8. TRADE AND OTHER PAYABLES		
Creditors - note 8.1	30,060,719	38,977,126
Due to Attock Oil Company Limited - Holding Company	118,124	152,191
Due to Associated Companies		
Pakistan Oilfields Limited	3,209,393	4,499,352
National Refinery Limited	-	565
Accrued liabilities and provisions - note 8.1	5,908,411	5,623,541
Due to Government under the pricing formula	8,565,314	9,335,438
Custom duty payable to Government	13,214,138	9,087,842
Contract liabilities - Advance payments from customers	138,113	123,847
Sales tax payable	672,441	1,317,767
Workers' Profit Participation Fund	1,158,640	82,215
ARL Gratuity Fund	-	177,435
Staff Pension Fund	-	140,709
Crude oil freight adjustable through inland freight equalisation margin	104,486	122,235
Payable to statutory authorities in respect of petroleum development levy and excise duty	4,294,059	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	<u>67,447,281</u>	<u>69,643,706</u>

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 4,611.29 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).

10. UNPAID DIVIDEND – AWAITING REMITTANCE BY THE AUTHORIZED BANK

This represents dividend payable to non-resident major shareholder company, The Attock Oil Company Limited, England for the year June 30, 2022, awaiting remittance by the authorized bank due to regulatory constraints.

December 31, 2022 Rs '000	June 30, 2022 Rs '000
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11. CONTINGENCIES AND COMMITMENTS
Contingencies:

<p>i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to 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.</p> <p>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.</p>	<p>1,326,706</p>	<p>1,326,706</p>
<p>ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.</p>		
<p>iii) Claims for land compensation contested by the Company.</p>	<p>5,300</p>	<p>5,300</p>
<p>iv) Guarantees issued by banks on behalf of the Company [other than (i) above].</p>	<p>-</p>	<p>408</p>
<p>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 22.1, the amount of which can not be presently quantified.</p>		
<p>vi) In March 2018, Mela and Nashpa Crude Oil Sale Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.</p>	<p>2,484,098</p>	<p>2,484,098</p>

December 31, 2022 Rs '000	June 30, 2022 Rs '000
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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 account. The matter is currently 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 was withdrawn on April 25, 2016.</p> | <p>5,438,491</p> | <p>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.

- 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.

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

December 31, 2022 Rs '000	June 30, 2022 Rs '000
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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 17 to financial statements.

Commitments:

i) Capital expenditure	518,750	73,471
ii) Letters of credit and other contracts for purchase of store items	1,358,141	455,773

Six months ended December 31, 2022 Rs '000	Year ended June 30, 2022 Rs '000
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12. OPERATING ASSETS
12.1 Owned assets

Opening written down value	36,308,937	38,707,929
Additions during the period/year	137,503	207,679
Written down value of disposals	(2,652)	(109)
Depreciation for the period/year	(1,306,875)	(2,606,562)
	35,136,913	36,308,937

12.2 Right of use assets (ROU)- Buildings

Balance at the beginning	167,260	384,795
Termination of right of use assets	-	(120,889)
Depreciation for the period/year	(47,303)	(96,646)
	119,957	167,260
Balance at the end	35,256,870	36,476,197

Six months ended December 31, 2022 Rs '000	Year ended June 30, 2022 Rs '000
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13. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	843,218	862,679
Additions during period/year	482,633	159,390
Transfer to operating assets		
- Building on freehold land	-	(4,364)
- Plant and machinery	(28,469)	(173,781)
- Furniture, fixtures and equipment	-	(706)
	(28,469)	(178,851)
Balance at the end	1,297,382	843,218

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

The details are as under:

Civil works	75	-
Plant and machinery	1,296,307	842,218
Pipeline project	1,000	1,000
	1,297,382	843,218

December 31, 2022		June 30, 2022	
% age Holding	Rs '000	% age Holding	Rs '000

14. LONG TERM INVESTMENTS - AT COST
Associated Companies
Quoted

National Refinery Limited - note 14.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485

Unquoted

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
Unquoted

Attock Hospital (Private) Limited	100	2,000	100	2,000
		13,264,915		13,264,915

14.1 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 for the year ended June 30, 2022.

15. STOCK-IN-TRADE

As at December 31, 2022, stock-in-trade includes stocks carried at net realisable value of Rs 9,908.15 million (June 30, 2022: Rs 6,637.72 million). Adjustments amounting to Rs 3,782.61 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.

16. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 9,684.20 million (June 30, 2022: Rs 15,838.27 million) and Pakistan Oilfields Limited Rs 14.79 million (June 30, 2022: Rs nil).

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
17. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	1,496	1,330
Due from associated companies		
Attock Petroleum Limited	549,461	589,563
Attock Information Technology Services (Private) Limited	1,313	838
Attock Leisure and Management Associates (Private) Limited	41	94
Attock Gen Limited	5,034	538
National Refinery Limited	2,437	-
National Cleaner Production Centre Foundation	5,017	679
Attock Sahara Foundation	61	32
Attock Energy (Private) Limited	349	39
Capgas (Private) limited	139	87
Income accrued on bank deposits	328,842	116,073
Receivable from statutory authorities in respect of petroleum development levy and excise duty	-	6,365
Sales tax forcibly recovered - note 11 (ix)	1,076,579	1,076,579
Loans, deposit, prepayments and other receivables	772,867	503,650
Loss allowance	(318,058)	(291,195)
	<u>2,425,578</u>	<u>2,004,672</u>

18. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 16.92% (June 30, 2022: nil %) per annum.

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
19. CASH AND BANK BALANCES		
Cash in hand (US \$ 2,733; June 30, 2022: US \$ 2,153)	2,473	1,822
With banks:		
Local currency		
Current accounts	8,647	9,170
Deposit accounts - notes 19.1, 19.2 and 19.3	4,554,484	11,741,314
Saving accounts	28,967,140	12,906,282
Foreign Currency		
Saving accounts (US \$ 464,417; June 30, 2022: US \$ 464,182)	105,144	95,064
	<u>33,637,888</u>	<u>24,753,652</u>

19.1 Deposit accounts include Rs 4,554.48 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.

19.2 Balances with banks include Rs nil (June 30, 2022: Rs 7,500.00 million) in respect of deposits placed in 30-days interest-bearing account.

19.3 Bank deposits include Rs 1,326.71 million (June 30, 2022: Rs 1,327.11 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	December 31, 2022 Rs '000	December 31, 2021 Rs '000
19.4 Cash and cash equivalents		
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	33,637,888	10,256,380
Short term investment	10,089,094	-
Short term financing	-	(3,000,000)
	<u>43,726,982</u>	<u>7,256,380</u>

	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
20. GROSS SALES				
Local sales	111,928,360	65,487,035	228,754,117	121,175,255
Naphtha export sales	-	177,351	-	283,169
Reimbursement due from the Government under import parity pricing formula/price differential claim - note 20.1	-	177,572	-	177,572
	<u>111,928,360</u>	<u>65,841,958</u>	<u>228,754,117</u>	<u>121,635,996</u>

20.1 This represented amount due from the Government of Pakistan on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
21. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL				
Sales tax	3,010,908	4,908,908	7,319,989	11,827,147
Petroleum development levy	13,146,345	3,614,535	19,391,253	4,419,474
Custom duties and other levies - note 21.1	4,088,426	2,559,855	8,677,273	4,554,963
PMG RON differential - note 21.2	433,388	395,653	963,552	665,088
HSD price differential - note 21.3	1,420,460	275,145	3,282,908	415,215
HSD premium differential - note 21.4	-	-	166,405	-
	22,099,527	11,754,096	39,801,380	21,881,887

21.1 This includes Rs 8,677.21 million (December 31, 2021: Rs 4,554.89 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

21.2 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.

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

21.4 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		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
22. COST OF SALES				
Crude oil consumed - note 22.1	71,649,235	51,353,788	155,861,883	93,742,851
Transportation and handling charges	210,597	28,234	214,979	42,508
Salaries, wages and other benefits	380,573	289,310	821,470	558,107
Chemicals consumed	1,892,526	1,280,171	3,768,148	2,233,231
Fuel and power	2,087,420	1,940,030	4,531,282	3,398,353
Repairs and maintenance	158,198	93,211	254,259	176,356
Staff transport and travelling	8,634	4,448	17,656	7,698
Insurance	122,280	94,469	218,388	178,578
Cost of receptacles	5,264	5,639	11,267	9,051
Other operating costs	9,052	7,598	16,758	15,031
Security Charges	8,570	7,896	19,012	14,132
Contract Services	67,267	57,624	151,158	118,545
Depreciation	645,906	645,487	1,298,067	1,294,337
Cost of goods manufactured	77,245,522	55,807,905	167,184,327	101,788,778
Changes in stocks	1,669,142	(3,428,563)	917,515	(3,744,794)
	78,914,664	52,379,342	168,101,842	98,043,984

22.1 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		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
23. OTHER INCOME				
Income on bank deposits	1,544,989	219,723	2,724,525	392,459
Interest on delayed payments	210,858	159,899	366,975	270,344
Interest on Workers' Profit Participation Fund	-	-	2,479	-
Handling and service charges	14,266	14,993	49,825	39,112
Rental income	28,024	25,816	63,254	58,551
Miscellaneous	10,046	6,765	15,690	14,706
	1,808,183	427,196	3,222,748	775,172
24. FINANCE COSTS				
Exchange (gain)/loss - (net)	(138,006)	75,718	119,399	116,994
Interest on long term financing	-	246,921	81,422	439,675
Interest on Workers' Profit Participation Fund	-	-	1,014	-
Interest on short term financing	-	16,582	3,131	29,785
Interest on lease liability	4,047	48,887	7,995	64,187
Bank and other charges	227	180	378	345
	(133,732)	388,288	213,339	650,986
25. TAXATION				
Current	(57,552)	319,938	3,328,623	548,947
Deferred	3,908,854	101,639	3,785,879	(106,556)
	3,851,302	421,577	7,114,502	442,391
26. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION				
Dividend income from associated companies	299,874	199,916	1,140,137	733,354
Related charges				
Workers' Profit Participation Fund	-	(26,672)	-	-
Workers' Welfare Fund	5,998	4,532	22,803	14,667
Taxation	56,975	29,987	202,595	110,003
	(62,973)	(7,847)	(225,398)	(124,670)
	236,901	192,069	914,739	608,684

27. OPERATING SEGMENTS

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		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
High Speed Diesel	43,486,636	22,437,134	82,053,234	41,760,829
Premier Motor Gasoline	46,113,393	27,209,461	92,905,955	48,369,544
Jet Petroleum	10,521,935	5,247,519	22,172,086	9,693,922
Furnace Fuel Oil	7,653,402	7,426,085	24,145,845	15,552,526
Naphtha	-	177,351	-	283,169
Others	4,152,994	3,344,408	7,476,997	5,976,006
	111,928,360	65,841,958	228,754,117	121,635,996
Taxes, duties, levies and price differential	(22,099,527)	(11,754,096)	(39,801,380)	(21,881,887)
	89,828,833	54,087,862	188,952,737	99,754,109

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

28. FAIR VALUE MEASUREMENT

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'.

29. RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Sale of goods and services to:				
Associated companies	32,524,669	19,179,363	61,348,264	37,485,364
Subsidiary company	4,569	5,912	13,352	12,243
Holding company	1,667	945	3,398	3,454
Interest income on delayed payments from an associated company	210,858	159,899	366,975	270,344
Purchase of goods and services from:				
Associated companies	7,375,552	6,397,960	16,960,263	11,678,123
Subsidiary company	28,667	18,731	57,092	39,481
Holding company	176,093	200,586	422,685	391,971
Dividend paid to:				
Associated company	-	-	17,900	-
Holding company	91,221	-	91,221	-
Key management personnel	-	-	59	-
Dividend income from:				
Associated companies	299,874	199,916	1,140,137	733,354
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	31,364	30,742	89,835	61,880
Honorarium / remuneration to Non-Executive Directors	1,873	1,465	6,419	4,913
Contribution to Workers' Profit Participation Fund	627,172	51,566	1,158,640	82,031
Contribution to Employees' Pension, Gratuity and Provident Funds	26,548	23,476	54,584	43,600

30. DATE OF AUTHORIZATION

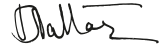
These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 27, 2023.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

***Condensed Interim Consolidated
Financial Statements for the
Six Months Period
Ended December 31, 2022***

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)
As At December 31, 2022**

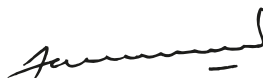
	Note	December 31, 2022 Rs '000	June 30, 2022 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital			
150,000,000 (June 30, 2022: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital			
106,616,250 (June 30, 2022: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	51,404,990	36,562,969
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		77,564,572	62,722,551
NON-CURRENT LIABILITIES			
Long term financing	7	-	2,504,914
Deferred taxation		2,299,449	-
Deferred grant		4,199	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	67,467,076	69,671,582
Short term financing	9	-	2,500,000
Accrued mark-up on short term financing		-	31,146
Lease liability		165,399	157,404
Unpaid dividend – awaiting remittance by the authorized bank	10	559,735	-
Unclaimed dividends		12,117	9,254
Provision for taxation		<u>5,457,839</u>	<u>4,161,784</u>
		73,662,166	78,902,136
TOTAL EQUITY AND LIABILITIES		<u>153,530,386</u>	<u>144,134,135</u>
CONTINGENCIES AND COMMITMENTS	11		

	Note	December 31, 2022 Rs '000	June 30, 2022 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	35,290,600	36,505,927
Capital work-in-progress	13	1,297,382	843,218
Major spare parts and stand-by equipments		142,434	143,756
		36,730,416	37,492,901
LONG TERM INVESTMENTS	14	26,737,717	26,124,703
LONG TERM LOANS AND DEPOSITS		40,012	43,281
DEFERRED TAXATION		-	1,581,557
CURRENT ASSETS			
Stores, spares and loose tools		5,330,927	4,011,455
Stock-in-trade	15	19,607,651	17,745,969
Trade debts	16	18,816,725	30,279,029
Loans, advances, deposits, prepayments and other receivables	17	2,432,070	2,016,610
Short term investment	18	10,089,094	-
Cash and bank balances	19	33,745,774	24,838,630
		90,022,241	78,891,693
TOTAL ASSETS		153,530,386	144,134,135

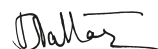
The annexed notes 1 to 30 form an integral part of these condensed interim consolidated financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer




Abdus Sattar
Director

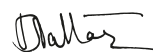
Condensed Interim Consolidated Statement of Profit or Loss (Unaudited) For The Six Months Period Ended December 31, 2022

	Note	Three months ended		Six months ended	
		December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Gross sales	20	111,970,154	65,872,305	228,834,770	121,697,874
Taxes, duties, levies and price differential	21	(22,099,527)	(11,754,096)	(39,801,380)	(21,881,887)
Net sales		89,870,627	54,118,209	189,033,390	99,815,987
Cost of sales	22	(78,914,664)	(52,379,342)	(168,101,842)	(98,043,984)
Gross profit		10,955,963	1,738,867	20,931,548	1,772,003
Administration expenses		291,215	240,182	659,359	450,346
Distribution cost		19,067	20,810	41,966	38,473
Other charges		873,289	113,264	1,614,590	121,118
		(1,183,571)	(374,256)	(2,315,915)	(609,937)
Other income	23	1,811,670	428,670	3,227,291	776,990
Impairment (loss)/reversal on financial assets		(22,084)	57,430	(26,864)	263,794
Operating profit		11,561,978	1,850,711	21,816,060	2,202,850
Finance cost	24	133,732	(388,288)	(213,339)	(650,986)
Profit before taxation from refinery operations		11,695,710	1,462,423	21,602,721	1,551,864
Taxation	25	(3,857,938)	(424,217)	(7,127,054)	(452,544)
Profit after taxation from refinery operations		7,837,772	1,038,206	14,475,667	1,099,320
Non-refinery income:					
Share in profit of associated companies	26	553,329	1,177,006	1,433,172	1,260,709
Profit after taxation		8,391,101	2,215,212	15,908,839	2,360,029
Earnings per share					
- basic and diluted (Rupees)					
Refinery operations		73.51	9.74	135.77	10.31
Non-refinery operations		5.19	11.03	13.44	11.82
		78.70	20.77	149.21	22.13

The annexed notes 1 to 30 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 and
Other Comprehensive Income (Unaudited)
For The Six Months Period Ended December 31, 2022**

	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Profit after taxation	8,391,101	2,215,212	15,908,839	2,360,029
Other comprehensive loss (net of tax):				
Share of other comprehensive loss of associated companies - net of tax	(210)	-	(655)	(201)
Total comprehensive income	<u>8,390,891</u>	<u>2,215,212</u>	<u>15,908,184</u>	<u>2,359,828</u>

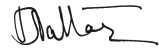
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Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer

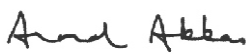


Abdus Sattar
Director

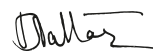
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For The Six Months Period Ended December 31, 2022

	Capital reserve					Revenue reserve			Surplus on revaluation of freehold land	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		
	Rs '000									
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	-	-	-	-	-	-	2,360,029	-	-	2,360,029
Other comprehensive loss for the period	-	-	-	-	-	-	(201)	-	-	(201)
	-	-	-	-	-	-	2,359,828	-	-	2,359,828
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	1,004,861	-	-	-	-	(1,004,861)	-	-	-
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	1,014	-	-	(1,014)	-	-	-
Balance as at December 31, 2021	1,066,163	1,004,861	12,908,966	215,927	155,996	7,077,380	4,755,834	2,447	25,093,419	52,280,993
Total comprehensive income - net of tax										
Profit for the period	-	-	-	-	-	-	10,592,209	-	-	10,592,209
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(152,572)	1,921	-	(150,651)
	-	-	-	-	-	-	10,439,637	1,921	-	10,441,558
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	7,946,052	-	-	-	-	(7,946,052)	-	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - 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	-	-	-	2,602	-	-	(2,602)	-	-	-
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	-	-	-	-	-	-	15,908,839	-	-	15,908,839
Other comprehensive loss for the period	-	-	-	-	-	-	(655)	-	-	(655)
	-	-	-	-	-	-	15,908,184	-	-	15,908,184
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	14,371,697	-	-	-	-	(14,371,697)	-	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - note 6.1	-	(2,201,689)	-	-	-	-	2,201,689	-	-	-
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	30,692	-	-	(30,692)	-	-	-
Balance as at December 31, 2022	1,066,163	12,170,008	12,908,966	249,221	210,428	7,077,380	18,784,619	4,368	25,093,419	77,564,572

The annexed notes 1 to 30 form an integral part of these condensed interim consolidated financial statements.


Syed Asad Abbas
 Chief Financial Officer

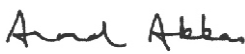

M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

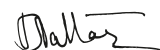
Condensed Interim Consolidated Statement of Cash Flows (Unaudited) For The Six Months Period Ended December 31, 2022

	Note	Six months ended	
		December 31, 2022 Rs '000	December 31, 2021 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - Customers		240,366,191	117,286,499
- Others		578,802	3,313,432
		240,944,993	120,599,931
Cash paid for operating cost		(183,174,863)	(98,601,496)
Cash paid to Government for duties, taxes and other levies		(31,593,765)	(22,879,427)
Income tax paid		(2,242,016)	(388,189)
Net cash inflow/(outflow) from operating activities		23,934,349	(1,269,181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(596,732)	(22,255)
Proceeds against disposal of operating assets		5,418	355
Long term loans and deposits		3,270	3,617
Income received on bank deposits		2,516,588	374,276
Dividend received from associated companies		1,140,137	733,354
Net cash generated from investing activities		3,068,681	1,089,347
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(4,650,000)	(1,100,000)
Transaction cost on long term financing		(500)	(500)
Dividend paid to Company's shareholders		(503,564)	(47)
Finance cost		(342,471)	(486,003)
Net cash outflows from financing activities		(5,496,535)	(1,586,550)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
		21,506,495	(1,766,384)
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		(10,257)	(8,755)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19.4	43,834,868	7,330,271

The annexed notes 1 to 30 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 Six Months Period Ended December 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 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", 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 December 31, 2022.

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
--	---------------------------------	-----------------------------

6. RESERVES AND SURPLUS
Capital reserve

Special reserve for expansion/modernisation - note 6.1	12,170,008	-
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	 249,221	 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	18,784,619	16,197,730
	25,866,367	23,279,478
	51,404,990	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 December 31, 2022 is Rs 29,524.74 million including Rs 18,561.81 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.

December 31,
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

- 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 % (2022: nil %) while its share in Musharaka Assets B is nil % (2022: 18.48%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2022: 100 %) while its share in Musharaka Assets B is 100% (2022: 81.52%) 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 were 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. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.
- 7.4** During the period the Company has repaid entire outstanding amount of long term financing which includes principal portion of Rs 4,650 million and interest of Rs 307 million. Subsequent to the statement of financial position date, charge created against the facilities referred in note 7.1 and 7.2 respectively has been vacated.

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
8. TRADE AND OTHER PAYABLES		
Creditors - note 8.1	30,070,008	38,982,646
Due to The Attock Oil Company Limited - Holding Company	118,114	152,174
Due to associated companies		
Pakistan Oilfields Limited	3,204,085	4,495,410
National Refinery Limited	-	565
Accrued liabilities and provisions - note 8.1	5,924,015	5,643,454
Due to the Government under the pricing formula	8,565,314	9,335,438
Custom duty payable to the Government	13,214,138	9,087,841
Contract liabilities - Advance payments from customers	138,113	123,847
Sales tax payable	672,441	1,317,767
Workers' Profit Participation Fund	1,158,640	82,215
ARL Gratuity Fund	-	180,400
Staff Pension Fund	-	143,927
Crude oil freight adjustable through inland freight equalisation margin	104,486	122,235
Payable to statutory authorities in respect of petroleum development levy and excise duty	4,294,059	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	<u>67,467,076</u>	<u>69,671,582</u>

8.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 4,611.29 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).

10. UNPAID DIVIDEND – AWAITING REMITTANCE BY THE AUTHORIZED BANK

This represents dividend payable to non-resident major shareholder company, The Attock Oil Company Limited, England for the year June 30, 2022, awaiting remittance by the authorized bank due to regulatory constraints.

December 31, 2022 Rs '000	June 30, 2022 Rs '000
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11. CONTINGENCIES AND COMMITMENTS
Contingencies:

<p>i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to 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.</p> <p>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.</p>	<p>1,326,706</p>	<p>1,326,706</p>
<p>ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.</p>		
<p>iii) Claims for land compensation contested by ARL.</p>	<p>5,300</p>	<p>5,300</p>
<p>iv) Guarantees issued by banks on behalf of the Company [other than (i) above].</p>	<p>-</p>	<p>408</p>
<p>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 22.1, the amount of which can not be presently quantified.</p>		
<p>vi) In March 2018, Mela and Nashpa Crude Oil Sale Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.</p>		

December 31, 2022 Rs '000	June 30, 2022 Rs '000
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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 account. The matter is currently 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 was withdrawn on April 25, 2016.</p> | <p>2,484,098</p> | <p>2,484,098</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.

- 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.

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

December 31, 2022 Rs '000	June 30, 2022 Rs '000
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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 17 to consolidated financial statements.

x) The Company's share in contingency of associated companies.	3,511,413	3,570,805
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Commitments:

i) Capital expenditure	518,750	73,471
ii) Letters of credit and other contracts for purchase of store items	1,358,141	455,773
iii) The Company's share of commitments of associated companies:		
Capital expenditure commitments	990,939	533,088
Outstanding letters of credit	1,966,842	2,153,197

Six months ended December 31, 2022 Rs '000	Year ended June 30, 2022 Rs '000
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12. OPERATING ASSETS
12.1 Owned assets

Opening written down value	36,338,667	38,733,816
Additions during the period/year	143,888	215,573
Written down value of disposals	(2,652)	(109)
Depreciation during the period/year	(1,309,260)	(2,610,613)
	35,170,643	36,338,667

12.2 Right of use assets (ROU) - Building

Balance at the beginning	167,260	384,795
Termination of right of use asset	-	(120,889)
Depreciation for the period/year	(47,303)	(96,646)
	119,957	167,260
Balance at the end	35,290,600	36,505,927

	Six months ended December 31, 2022 Rs '000	Year ended June 30, 2022 Rs '000
13. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning	843,218	862,679
Additions during the period/year	482,633	159,390
Transfer to operating assets		
- Building on freehold land	-	4,364
- Plant and machinery	28,469	173,781
- Furniture, fixtures and equipment	-	706
	(28,469)	(178,851)
Balance at the end	1,297,382	843,218

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

The details are as under:

Civil works	75	-
Plant and machinery	1,296,307	842,218
Pipeline project	1,000	1,000
	1,297,382	843,218

14. LONG TERM INVESTMENTS
Investment in associated companies:

Balance at the beginning	26,124,703	22,199,744
Share of profit after tax of associated companies	82,872	7,061,150
Share in other comprehensive loss	(655)	(19,588)
Dividend received from associated companies	(1,140,137)	(1,134,778)
Impairment reversal/(loss) on investment	1,670,934	(1,981,825)
Balance at the end of the period/year	26,737,717	26,124,703

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

	December 31, 2022		June 30, 2022	
	% age Holding	Rs '000	% age Holding	Rs '000
Quoted				
National Refinery Limited - note 14.2	25	10,535,595	25	10,535,595
Attock Petroleum Limited	21.88	11,969,866	21.88	11,459,007
Unquoted				
Attock Gen Limited	30	4,180,755	30	4,082,551
Attock Information Technology Services (Private) Limited	10	51,501	10	47,550
		26,737,717		26,124,703

14.2 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 for the year ended June 30, 2022.

15. STOCK-IN-TRADE

As at December 31, 2022, stock-in-trade includes stocks carried at net realisable value of Rs 9,908.15 million (June 30, 2022: Rs 6,637.72 million). Adjustments amounting to Rs 3,782.61 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.

16. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 9,684.20 million (June 30, 2022: Rs 15,838.27 million) and Pakistan Oilfields Limited Rs 14.79 million (June 30, 2022: Rs nil).

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

	December 31, 2022 Rs '000	June 30, 2022 Rs '000
Due from associated companies		
Attock Petroleum Limited	552,459	592,347
Attock Information Technology Services (Private) Limited	1,313	838
Attock Leisure and Management Associates (Private) Limited	41	94
Attock Gen Limited	5,177	689
Attock Cement Pakistan Limited	69	7
National Cleaner Production Centre Foundation	5,041	689
Capgas (Private) Limited	231	182
National Refinery Limited	2,437	-
Attock Energy (Private) Limited	349	39
Attock Sahara Foundation	902	267
Income accrued on bank deposits	328,842	116,073
Sales tax forcibly recovered - note 11 (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	776,688	513,636
Loss allowance	(318,058)	(291,195)
	<u>2,432,070</u>	<u>2,016,610</u>

18 SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 16.92% (June 30, 2022: nil %) per annum.

December 31,	June 30,
2022	2022
Rs '000	Rs '000

19. CASH AND BANK BALANCES

Cash in hand (US \$ 2,733; June 30, 2022: US \$ 2,153)	2,956	2,106
With banks:		
Local currency		
Current accounts	9,250	9,272
Deposit accounts - note 19.1, 19.2 and 19.3	4,554,484	11,666,114
Saving accounts	29,073,940	12,990,874
Payorder in hand	-	75,200
Foreign Currency		
Saving accounts (US \$ 464,417; June 30, 2022: US \$ 464,182)	105,144	95,064
	<u>33,745,774</u>	<u>24,838,630</u>

19.1 Deposit accounts include Rs 4,554.48 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.

19.2 Balances with banks include Rs nil (June 30, 2022: Rs 7,500.00 million) in respect of deposits placed in 30-days interest-bearing account.

19.3 Bank deposits include Rs 1,326.71 million (June 30, 2022: Rs 1,327.11 million) were under lien with bank against a bank guarantee issued on behalf of the Company

December 31,	December 31,
2022	2021
Rs '000	Rs '000

19.4 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	33,745,774	10,330,271
Short term investment	10,089,094	-
Short term financing	-	(3,000,000)
	<u>43,834,868</u>	<u>7,330,271</u>

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
20. GROSS SALES				
Company				
Local sales	111,928,360	65,487,035	228,754,117	121,175,255
Naphtha export sales	-	177,351	-	283,169
Reimbursement due from the Government under import parity pricing formula - note 20.1	-	177,572	-	177,572
Subsidiary				
Local sales	41,794	30,347	80,653	61,878
	111,970,154	65,872,305	228,834,770	121,697,874

20.1 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		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
21. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL				
Sales tax	3,010,908	4,908,908	7,319,989	11,827,147
Petroleum development levy	13,146,345	3,614,535	19,391,253	4,419,474
Custom duties and other levies - note 21.1	4,088,426	2,559,855	8,677,273	4,554,963
PMG RON differential - note 21.2	433,388	395,653	963,552	665,088
HSD price differential - note 21.3	1,420,460	275,145	3,282,908	415,215
HSD premium differential - note 21.4	-	-	166,405	-
	22,099,527	11,754,096	39,801,380	21,881,887

21.1 This includes Rs 8,677.21 million (December 31, 2021: Rs 4,554.89 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

21.2 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.

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

21.4 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		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
22. COST OF SALES				
Crude oil consumed - note 22.1	71,649,235	51,353,788	155,861,883	93,742,851
Transportation and handling charges	210,597	28,234	214,979	42,508
Salaries, wages and other benefits	380,573	289,310	821,470	558,107
Chemicals consumed	1,892,526	1,280,171	3,768,148	2,233,231
Fuel and power	2,087,420	1,940,030	4,531,282	3,398,353
Repairs and maintenance	158,198	93,211	254,259	176,356
Staff transport and travelling	8,634	4,448	17,656	7,698
Insurance	122,280	94,469	218,388	178,578
Cost of receptacles	5,264	5,639	11,267	9,051
Other operating costs	9,052	7,598	16,758	15,031
Security charges	8,570	7,896	19,012	14,132
Contract services	67,267	57,624	151,158	118,545
Depreciation	645,906	645,487	1,298,067	1,294,337
Cost of goods manufactured	77,245,522	55,807,905	167,184,327	101,788,778
Changes in stocks	1,669,142	(3,428,563)	917,515	(3,744,794)
	78,914,664	52,379,342	168,101,842	98,043,984

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

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
	Rs '000	Rs '000	Rs '000	Rs '000
23. OTHER INCOME				
Income on bank deposits	1,548,620	221,312	2,729,356	394,508
Interest on delayed payments	210,858	159,899	366,975	270,344
Interest on Workers' Profit Participation Fund	-	-	2,479	-
Handling and service charges	14,266	14,993	49,825	39,112
Rental income	27,713	25,533	62,631	57,985
Miscellaneous	10,213	6,933	16,025	15,041
	1,811,670	428,670	3,227,291	776,990

24. FINANCE COSTS

Exchange (gain)/loss - (net)	(138,006)	75,718	119,399	116,994
Interest on long term financing	-	246,921	81,422	439,675
Interest on Workers' Profit Participation Fund	-	-	1,014	-
Interest on short term financing	-	16,582	3,131	29,785
Interest on lease liability	4,047	48,887	7,995	64,187
Bank and other charges	227	180	378	345
	(133,732)	388,288	213,339	650,986

	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
25. TAXATION				
Current	(50,895)	322,672	3,341,284	558,253
Deferred	3,908,833	101,545	3,785,770	(105,709)
	3,857,938	424,217	7,127,054	452,544
26. NON-REFINERY INCOME				
Share in profit of associated companies [net of impairment reversal/(loss)]	678,125	1,340,309	1,753,806	1,461,495
Related charges:				
Workers' Profit Participation Fund	-	(26,672)	-	-
Workers' Welfare Fund	5,998	4,532	22,803	14,667
Taxation - current and deferred	118,798	185,443	297,831	186,119
	(124,796)	(163,303)	(320,634)	(200,786)
	553,329	1,177,006	1,433,172	1,260,709

27. 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		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
High Speed Diesel	43,486,636	22,437,134	82,053,234	41,760,829
Premier Motor Gasoline	46,113,393	27,209,461	92,905,955	48,369,544
Jet Petroleum	10,521,935	5,247,519	22,172,086	9,693,922
Furnace Fuel Oil	7,653,402	7,426,085	24,145,845	15,552,526
Naphtha	-	177,351	-	283,169
Others	4,194,788	3,374,755	7,557,650	6,037,884
	111,970,154	65,872,305	228,834,770	121,697,874
Taxes, duties, levies and price differential	(22,099,527)	(11,754,096)	(39,801,380)	(21,881,887)
	89,870,627	54,118,209	189,033,390	99,815,987

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

28. 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'.

29. RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Sale of goods and services to:				
Associated companies	32,536,360	19,203,305	61,370,878	37,502,585
Holding company	1,667	945	3,398	3,454
Interest income on delayed payments from an associated company	210,858	159,899	366,975	270,344
Purchase of goods and services from:				
Associated companies	7,375,739	6,381,654	16,960,621	11,678,526
Holding company	176,093	200,586	422,685	391,971
Dividend paid to:				
Associated company	-	-	17,900	-
Holding company	91,221	-	91,221	-
Key management personnel	-	-	59	-
Dividend income from:				
Associated companies	299,874	199,916	1,140,137	733,354


	Three months ended		Six months ended	
	December 31, 2022 Rs '000	December 31, 2021 Rs '000	December 31, 2022 Rs '000	December 31, 2021 Rs '000
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	<u>32,404</u>	<u>31,769</u>	<u>92,358</u>	<u>64,090</u>
Honorarium/remuneration to Non-Executive Directors	<u>1,873</u>	<u>1,465</u>	<u>6,419</u>	<u>4,913</u>
Contribution to Workers' Profit Participation Fund	<u>627,172</u>	<u>51,566</u>	<u>1,158,640</u>	<u>82,031</u>
Contribution to Employees' Pension, Gratuity and Provident Funds	<u>27,547</u>	<u>24,600</u>	<u>56,700</u>	<u>45,683</u>

30. DATE OF AUTHORISATION

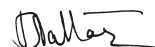
These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 27, 2023.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director



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