



ATTOCK REFINERY LIMITED



Condensed Interim Financial Statements

For the Third Quarter and Nine Months Period Ended March 31, 2023



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Laith G. Pharaon

Non Executive Director

(Alternate Director Mr. Mohammad Raziuddin)

Mr. Wael G. Pharaon

Non Executive Director

(Alternate Director Mr. Babar Bashir Nawaz)

Mr. Shuaib A. Malik

Chairman / Non Executive Director

Mr. Abdus Sattar

Non Executive Director

Mr. Jamil A. Khan

Non Executive Director

Mr. Shamim Ahmad Khan

Independent Non Executive Director

Mr. Tariq Iqbal Khan

Independent Non Executive Director

CHIEF EXECUTIVE OFFICER

Mr. M. Adil Khattak

CHIEF FINANCIAL OFFICER

Syed Asad Abbas

FCA

COMPANY SECRETARY

Mr. Saif ur Rehman Mirza

FCA

AUDIT COMMITTEE

Mr. Shamim Ahmad Khan

Chairman

Mr. Shuaib A. Malik

Member

Mr. Abdus Sattar

Member

Mr. Tariq Iqbal Khan

Member

Mr. Babar Bashir Nawaz

Member

AUDITORS

A.F. Ferguson & Co.

Chartered Accountants

LEGAL ADVISOR

Ali Sibtain Fazli & Associates

Legal Advisors, Advocates & Solicitors

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

REGISTERED OFFICE

The Refinery, Morgah, Rawalpindi.

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

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

DIRECTORS' REVIEW REPORT

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

On behalf of the Board of Directors of Attock Refinery Limited, we are pleased to present review of the Company's financial and operational performance along with condensed interim financial statement for the third quarter as well as financial information about nine months period ended March 31, 2023.

FINANCIAL RESULTS

During the nine months period ended March 31, 2023, the Company earned profit after tax of Rs 22,686 million from refinery operations (March 31, 2022: Profit of Rs 2,840 million). Non-refinery income during this period was Rs 1,313 million (March 31, 2022: Rs 947 million). Accordingly, overall profit after taxation was Rs 23,999 million with earning per share of Rs 225.09 (March 31, 2022: Profit of Rs 3,787 million with earning per share of Rs 35.52).

Spreads between prices of products and crude oil remained healthy during the period under review. Further, the Company's profitability was positively impacted by increase in profit on bank deposits. These factors helped your Company to absorb rising costs due to high inflation and depreciation of Pak Rupee.

The Consolidated Financial Statements of the Company are annexed. During the period the Company made a consolidated profit after tax of Rs 25,081 million (March 31, 2022: Rs 5,206 million) which translated into consolidated earnings per share of Rs 235.24 (March 31, 2022: Rs 48.83).

REFINERY OPERATIONS

During the period under review, the Company supplied 1,369 thousand Metric Tons of various petroleum products while operating at about 80% of the capacity (March 31, 2022: 1,348 thousand Metric Tons, 78% capacity). The Company is facing multiple challenges mainly due to supply chain management issues, occasional sudden depression in local demand of petroleum products as well as political and economic uncertainty in the country. Despite these challenges, the management was able to ensure smooth supply of petroleum products.

FUTURE OUTLOOK

The management is aware of the fact that reports on our economy are forecasting significant slowdown in the economy. The Company's management is prepared to minimise adverse impact by operating at an optimum capacity and continue implementing cost rationalisation efforts for achieving sustainable results.

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 of the country is a must for implementing any up-gradation project.

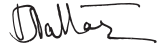
ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation of the support extended by the Ministry of Energy and other stakeholders. We would also like to express our appreciation of the dedicated efforts of employees of the Company. We are also grateful to our valued customers and suppliers for their continued support.

On behalf of the Board



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

April 27, 2023
Rawalpindi

مصنوعات کی مقامی مانگ میں وقتاً فوقتاً اچانک کمی اور اس کے ساتھ ساتھ ملک میں سیاسی و معاشی غیر یقینی صورتحال شامل ہیں۔ ان چیلنجز کے باوجود انتظامیہ نے پیٹرولیم مصنوعات کی فراہمی احسن طریقے سے جاری رکھی۔

مستقبل کا منظر نامہ

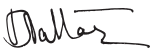
انتظامیہ اس حقیقت سے آگاہ ہے کہ مختلف اداروں کے تجزیوں کے مطابق ملکی معیشت نمایاں سُست روی کا شکار رہے گی۔ کمپنی کی انتظامیہ خراب معیشت کے منفی اثرات کو کم کرنے کے لئے کوشاں ہے۔ اس سلسلے میں انتظامیہ کی کوشش ہوگی کہ ریفائنری کو مناسب پیداواری صلاحیت پر چلایا جائے اور پیداواری لاگت کو کم کرنے کے منصوبوں پر عمل درآمد جاری رکھا جائے تاکہ پائیدار نتائج کے حصول کو ممکن بنایا جاسکے۔

انک ریفائنری لمیٹڈ دیگر ریفائنریز کے ہمراہ حکومت کے ساتھ ریفائننگ پالیسی کے مسودے کی منظوری کے لیے مصروف عمل ہے۔ کانٹینوس کیٹالیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب اور ڈیزل ڈی ہائیڈروڈیسلفرائزیشن 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 لیے ملک کی معاشی صورتحال میں بہتری ناگزیر ہے۔

اظہارِ تشکر

ہم وزارت توانائی اور دیگر اداروں کی جانب سے ملنے والی معاونت پر بہت مشکور ہیں۔ ہم کمپنی کے ملازمین کا اُن کی مخلصانہ وابستگی کے لیے بھی تہہ دل سے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے قابلِ قدر صارفین، خام تیل مہیا کرنے والے اداروں کے مسلسل تعاون کے لیے بھی ممنون ہیں۔

بورڈ کی جانب سے



عبدالرشید

ڈائریکٹر



ایم عادل خٹک

چیف ایگزیکٹو آفیسر

۲۷ اپریل ۲۰۲۳

راولپنڈی

انٹک ریفاٹری لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

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

انٹک ریفاٹری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۱ مارچ ۲۰۲۳ کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی اختتامی مدت کے کمپنی کی مالیاتی اور آپریشنل کارکردگی کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ اسی مدت کے لئے کمپنی کے عبوری مالیاتی گوشوارے بھی منسلک ہیں۔

مالیاتی نتائج

۳۱ مارچ ۲۰۲۳ کی نو ماہ کی اختتامی مدت کے دوران کمپنی کو ریفاٹری آپریشنز سے ٹیکس ادا کرنے کے بعد ۲۲,۶۸۶ ملین روپے کا منافع ہوا (۳۱ مارچ ۲۰۲۲: ۲,۸۳۰ ملین روپے کا منافع)۔ اس مدت کے دوران غیر ریفاٹری ذرائع سے ۱,۳۱۳ ملین روپے کی آمدن ہوئی (۳۱ مارچ ۲۰۲۲: ۹۴ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۲۳,۹۹۹ ملین روپے کے منافع کے ساتھ فی حصص منافع ۲۲۵.۰۹ روپے رہا (۳۱ مارچ ۲۰۲۲: ۲,۸۷۷ ملین روپے کے منافع کے ساتھ فی حصص منافع ۳۵.۵۲ روپے)۔

زیر جائزہ مدت کے دوران مصنوعات اور خام تیل کی قیمتوں کے درمیان فرق بہتر رہا۔ مزید برآں بینک ڈپازٹ پر منافع کی شرح میں اضافے سے کمپنی کے منافع پر بھی مثبت اثر پڑا۔ ان عوامل نے آپ کی کمپنی کو پاکستانی روپے کی قدر میں کمی اور 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 ۲۵,۰۸۱ ملین روپے کا مجموعی منافع کمایا (۳۱ مارچ ۲۰۲۲: ۵,۲۰۶ ملین روپے) جو کہ مجموعی منافع ۲۳۵.۲۴ روپے بنتا ہے (۳۱ مارچ ۲۰۲۲: ۲۸.۸۳ روپے)۔

ریفاٹری آپریشنز


زیر جائزہ مدت کے دوران ریفاٹری نے ۸۰% پیداواری استعداد کے ساتھ ۱,۳۶۹ ہزار میٹرک ٹن کی مختلف پیٹرولیم مصنوعات فراہم کیں (۳۱ مارچ ۲۰۲۲: ۷۸% پیداواری استعداد کے ساتھ ۱,۳۴۸ ہزار میٹرک ٹن)۔ کمپنی کو متعدد چیلنجز کا سامنا ہے جن میں بنیادی طور پر مصنوعات کی فراہمی کے سلسلہ انتظام میں مسائل، پیٹرولیم

**Condensed Interim Statement of Financial Position (Unaudited)
As At March 31, 2023**


	Note	March 31, 2023 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	48,300,055	25,367,221
Surplus on revaluation of freehold land		25,093,419	25,093,419
		<u>74,459,637</u>	<u>51,526,803</u>
NON-CURRENT LIABILITIES			
Long term financing	7	-	2,504,914
Deferred taxation		320,404	-
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	79,973,390	69,643,706
Short term financing	9	-	2,500,000
Accrued mark-up on short term financing		-	31,146
Current portion of lease liability		-	157,404
Unpaid dividend – awaiting remittance by the authorized bank	10	559,735	-
Unclaimed dividends		11,853	9,254
Provision for taxation		7,764,104	4,161,784
		<u>88,309,082</u>	<u>78,874,260</u>
TOTAL EQUITY AND LIABILITIES		<u>163,089,123</u>	<u>132,905,977</u>
CONTINGENCIES AND COMMITMENTS	11		

	Note	March 31, 2023 Rs '000	June 30, 2022 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	34,589,368	36,476,197
Capital work-in-progress	13	1,369,867	843,218
Major spare parts and stand-by equipments		153,152	143,756
		36,112,387	37,463,171
LONG TERM INVESTMENTS	14	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS		41,410	42,247
DEFERRED TAXATION		-	3,344,128
CURRENT ASSETS			
Stores, spares and loose tools		4,823,889	4,011,455
Stock-in-trade	15	20,284,087	17,742,708
Trade debts	16	39,124,544	30,279,029
Loans, advances, deposits, prepayments and other receivables	17	2,363,688	2,004,672
Short term investment	18	16,239,554	-
Cash and bank balances	19	30,834,649	24,753,652
		113,670,411	78,791,516
TOTAL ASSETS		163,089,123	132,905,977

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 Nine Months Period Ended March 31, 2023**

	Note	Three months ended		Nine months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Gross sales	20	121,413,548	77,712,838	350,167,665	199,348,834
Taxes, duties, levies, discount and price differential	21	(26,684,070)	(11,082,439)	(66,485,450)	(32,964,326)
Net sales		94,729,478	66,630,399	283,682,215	166,384,508
Cost of sales	22	(81,235,081)	(63,652,445)	(249,336,923)	(161,696,429)
Gross profit		13,494,397	2,977,954	34,345,292	4,688,079
Administration expenses		287,136	200,840	905,812	619,857
Distribution cost		22,063	13,930	64,029	52,403
Other charges		918,744	189,079	2,532,443	309,542
		(1,227,943)	(403,849)	(3,502,284)	(981,802)
Other income	23	2,131,289	444,630	5,354,037	1,219,802
Impairment (loss)/reversal on financial assets		(60,771)	26,042	(87,635)	289,836
Operating profit		14,336,972	3,044,777	36,109,410	5,215,915
Finance cost	24	(2,041,993)	(559,319)	(2,255,332)	(1,210,305)
Profit before taxation from refinery operations		12,294,979	2,485,458	33,854,078	4,005,610
Taxation	25	(4,053,533)	(723,499)	(11,168,035)	(1,165,890)
Profit after taxation from refinery operations		8,241,446	1,761,959	22,686,043	2,839,720
Income from non-refinery operations less applicable charges and taxation	26	398,215	338,794	1,312,954	947,478
Profit after taxation		8,639,661	2,100,753	23,998,997	3,787,198
Earnings per share					
- basic and diluted (Rupees)					
Refinery operations		77.30	16.52	212.78	26.63
Non-refinery operations		3.73	3.18	12.31	8.89
		81.03	19.70	225.09	35.52

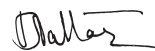
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



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 Nine Months Period Ended March 31, 2023

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Profit after taxation	8,639,661	2,100,753	23,998,997	3,787,198
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	<u>8,639,661</u>	<u>2,100,753</u>	<u>23,998,997</u>	<u>3,787,198</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 Changes in Equity (Unaudited) For The Nine Months Period Ended March 31, 2023

	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	-	-	-	-	-	-	3,787,198	-	3,787,198
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	3,787,198	-	3,787,198
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	2,730,370	-	-	-	-	(2,730,370)	-	-
Balance as at March 31, 2022	1,066,163	2,730,370	10,962,934	5,948	3,762,775	55	1,877,197	25,093,419	45,498,861
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	6,143,515	-	6,143,515
Other comprehensive loss for the period	-	-	-	-	-	-	(115,573)	-	(115,573)
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	6,027,942	-	6,027,942
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	6,220,543	-	-	-	-	(6,220,543)	-	-
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	-	-	-	-	-	-	23,998,997	-	23,998,997
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	23,998,997	-	23,998,997
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	22,576,693	-	-	-	-	(22,576,693)	-	-
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 March 31, 2023	<u>1,066,163</u>	<u>20,375,004</u>	<u>10,962,934</u>	<u>5,948</u>	<u>3,762,775</u>	<u>55</u>	<u>13,193,339</u>	<u>25,093,419</u>	<u>74,459,637</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 Nine Months Period Ended March 31, 2023

	Note	Nine months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - customers		341,405,600	191,263,970
- others		726,991	3,747,329
		342,132,591	195,011,299
Cash paid for operating cost		(251,510,274)	(160,580,381)
Cash paid to Government for duties, taxes and other levies		(61,392,572)	(34,047,414)
Income tax paid		(4,185,626)	(592,438)
Net cash inflow/(outflows) from operating activities		25,044,119	(208,934)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(683,590)	(31,819)
Proceeds against disposal of operating assets		5,586	10,536
Long term loans and deposits		837	3,679
Income received on bank deposits		4,527,136	620,679
Dividend received from associated companies		1,629,999	1,134,778
Net cash generated from investing activities		5,479,968	1,737,853
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(4,650,000)	(1,650,000)
Repayment of lease liability		(245,911)	-
Transaction cost on long term financing		(500)	(500)
Dividend paid to Company's shareholders		(503,828)	(47)
Finance costs paid		(265,638)	(970,904)
Net cash outflows from financing activities		(5,665,877)	(2,621,451)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		24,858,210	(1,092,532)
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		(37,659)	(10,923)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19.4	47,074,203	7,947,825

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 Nine Months Period Ended March 31, 2023

1. LEGAL STATUS AND OPERATIONS

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

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

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34 "Interim Financial Reporting", 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 March 31, 2023.

	March 31, 2023 Rs '000	June 30, 2022 Rs '000
6. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 6.1	20,375,004	-
Utilised special reserve for expansion/modernisation - note 6.2	10,962,934	10,962,934
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
	5,948	5,948
Revenue reserve		
Investment reserve - note 6.3	3,762,775	3,762,775
General reserve	55	55
Un-appropriated profit - net	13,193,339	10,635,509
	16,956,169	14,398,339
	48,300,055	25,367,221

- 6.1** Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy - Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilised in off setting losses of the refinery from refinery operations.
- 6.2** Represent amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till March 31, 2023 is Rs 29,556.91 million including Rs 18,593.98 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.

	March 31, 2023 Rs '000	June 30, 2022 Rs '000
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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 : Unamortized 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
	-	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 % (June 30, 2022: nil %) while its share in Musharaka Assets B is nil % (June 30, 2022: 18.48%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2022: 100 %) while its share in Musharaka Assets B is 100% (June 30, 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.

	March 31, 2023 Rs '000	June 30, 2022 Rs '000
8. TRADE AND OTHER PAYABLES		
Creditors - note 8.1	44,650,014	38,977,126
Due to The Attock Oil Company Limited - Holding Company	115,719	152,191
Due to Attock Hospital (Private) Limited - Subsidiary Company	65	-
Due to associated companies		
Pakistan Oilfields Limited	3,947,779	4,499,352
National Refinery Limited	-	565
Attock Energy (Private) Limited	313	-
Accrued liabilities and provisions - note 8.1	6,439,517	5,623,541
Due to the Government under the pricing formula	7,862,196	9,335,438
Custom duty payable to the Government	8,444,742	9,087,842
Contract liabilities - Advance payments from customers	207,297	123,847
Sales tax payable	927,900	1,317,767
Workers' Profit Participation Fund	1,819,326	82,215
ARL Gratuity Fund	-	177,435
Staff Pension Fund	-	140,709
Crude oil freight adjustable through inland freight equalisation margin	77,448	122,235
Payable to statutory authorities in respect of petroleum development levy and excise duty	5,477,631	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	<u>79,973,390</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 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 4,776.49 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.

**March 31,
2023
Rs '000**

**June 30,
2022
Rs '000**

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>	1,326,706	1,326,706
<p>ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates 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>	5,300	5,300
<p>iv) Guarantees issued by banks on behalf of the Company [other than (i)above].</p>	-	408
<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 and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In</p>	2,484,098	2,484,098

**March 31,
2023
Rs '000**

**June 30,
2022
Rs '000**

this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.

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

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.	5,904,734	4,345,274
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The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.

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.		
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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.

**March 31,
2023
Rs '000**

**June 30,
2022
Rs '000**

Whilst the Company had deposited the principal amount of sales tax involved but is contesting before the Honorable Islamabad High Court, the alleged levy of default surcharge and penalty for an amount of Rs 155.05 million in this matter along the coercive adjustment thereof against Company's income tax refunds.

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

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

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

The Company has approached the tax authorities for reimbursement of said amount but the payment is currently pending. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 17 to financial statements.

Commitments:

i) Capital expenditure	596,528	73,471
ii) Letters of credit and other contracts for purchase of store items	1,149,585	455,773

	Nine months ended March 31, 2023 Rs '000	Year ended June 30, 2022 Rs '000
12. OPERATING ASSETS		
12.1 Owned assets		
Opening written down value	36,308,937	38,707,929
Additions during the period/year	147,545	207,679
Written down value of disposals	(2,652)	(109)
Depreciation during the period/year	(1,960,428)	(2,606,562)
	34,493,402	36,308,937
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	(71,294)	(96,646)
	95,966	167,260
Balance at the end	34,589,368	36,476,197
13. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning	843,218	862,679
Additions during the period/year	586,878	159,390
Transfer to operating assets		
- Building on freehold land	-	(4,364)
- Plant and machinery	(60,229)	(173,781)
- Furniture, fixtures and equipment	-	(706)
	(60,229)	(178,851)
Balance at the end	1,369,867	843,218
Break-up of the closing balance of capital work-in-progress		
The details are as under:		
Civil works	75	-
Plant and machinery	1,368,792	842,218
Pipeline project	1,000	1,000
	1,369,867	843,218

	March 31, 2023		June 30, 2022	
	% age Holding	Rs '000	% age Holding	Rs '000
14. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
<u>Quoted</u>				
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
<u>Unquoted</u>				
Attock Gen Limited	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<u>13,262,915</u>		<u>13,262,915</u>
Subsidiary Company				
<u>Unquoted</u>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<u>13,264,915</u>		<u>13,264,915</u>

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 March 31, 2023, stock-in-trade includes stocks carried at net realisable value of Rs 7,330.51 million (June 30, 2022: Rs 6,637.72 million). Adjustments amounting to Rs 2,456.86 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 10,638.59 million (June 30, 2022: Rs 15,838.27 million) and Pakistan Oilfields Limited Rs 38.22 million (June 30, 2022: Rs nil).

March 31, 2023 Rs '000	June 30, 2022 Rs '000
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17. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Due from Subsidiary Company		
Attock Hospital (Private) Limited	-	1,330
Due from associated companies		
Attock Petroleum Limited	809,523	589,563
Attock Information Technology Services (Private) Limited	3,075	838
Attock Leisure and Management Associates (Private) Limited	69	94
Attock Gen Limited	12,303	538
National Refinery Limited	2,437	-
National Cleaner Production Centre Foundation	10,812	679
Attock Sahara Foundation	191	32
Attock Energy (Private) Limited	-	39
Capgas (Private) Limited	158	87
Income accrued on bank deposits	138,555	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, deposits, prepayments and other receivables	688,815	503,650
Loss allowance	(378,829)	(291,195)
	<u>2,363,688</u>	<u>2,004,672</u>

18. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 20.92% (June 30, 2022: nil %) per annum.

March 31, 2023 Rs '000	June 30, 2022 Rs '000
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19. CASH AND BANK BALANCES

Cash in hand (US \$ 4,143; June 30, 2022: US \$ 2,153)	4,711	1,822
With banks:		
Local currency		
Current accounts	8,876	9,170
Deposit accounts - notes 19.1, 19.2 and 19.3	4,719,148	11,741,314
Saving accounts	25,969,925	12,906,282
Foreign Currency		
Saving accounts (US \$ 465,241; June 30, 2022: US \$ 464,182)	131,989	95,064
	<u>30,834,649</u>	<u>24,753,652</u>

19.1 Deposit accounts include Rs 4,719.15 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.

March 31,
2023
Rs '000

March 31,
2022
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	30,834,649	10,947,825
Short term investment	16,239,554	-
Short term financing	-	(3,000,000)
	47,074,203	7,947,825

Three months ended
Nine months ended

March 31,
2023
Rs '000

March 31,
2022
Rs '000

March 31,
2023
Rs '000

March 31,
2022
Rs '000

20. GROSS SALES

Local sales	121,231,158	77,065,141	349,985,275	198,240,396
Naphtha export sales	182,390	598,765	182,390	881,934
Reimbursement due from the Government under import parity pricing formula/Price differential claim - note 20.1	-	48,932	-	226,504
	121,413,548	77,712,838	350,167,665	199,348,834

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
Nine months ended

March 31,
2023
Rs '000

March 31,
2022
Rs '000

March 31,
2023
Rs '000

March 31,
2022
Rs '000

21. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL

Sales tax	3,808,509	3,517,564	11,128,498	15,344,711
Petroleum development levy	17,662,796	4,027,720	37,054,049	8,447,194
Custom duties and other levies - note 21.1	3,777,536	2,899,816	12,454,809	7,454,779
Discounts	1,376	-	1,376	-
PMG RON differential - note 21.2	383,958	391,310	1,347,510	1,056,398
HSD price differential - note 21.3	1,049,895	246,029	4,332,803	661,244
HSD premium differential - note 21.4	-	-	166,405	-
	26,684,070	11,082,439	66,485,450	32,964,326

21.1 This includes Rs 12,454.70 million (March 31, 2022: Rs 7,454.65 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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
22. COST OF SALES				
Crude oil consumed - note 22.1	77,415,742	59,175,519	233,277,625	152,918,370
Transportation and handling charges	467,391	42,769	682,370	85,277
Salaries, wages and other benefits	444,391	273,272	1,265,861	831,379
Chemicals consumed	2,201,615	1,297,961	5,969,763	3,531,192
Fuel and power	1,968,625	1,977,110	6,499,907	5,375,463
Repairs and maintenance	161,009	90,751	415,268	267,107
Staff transport and travelling	6,697	5,566	24,353	13,264
Insurance	112,383	96,719	330,771	275,297
Cost of receptacles	6,524	4,916	17,791	13,967
Other operating costs	31,714	8,329	48,472	23,360
Security charges	12,397	6,324	31,409	20,456
Contract services	73,867	54,328	225,025	172,873
Depreciation	648,295	651,738	1,946,362	1,946,075
Cost of goods manufactured	83,550,650	63,685,302	250,734,977	165,474,080
Changes in stocks	(2,315,569)	(32,857)	(1,398,054)	(3,777,651)
	81,235,081	63,652,445	249,336,923	161,696,429

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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
23. OTHER INCOME				
Income on bank deposits	1,825,092	239,378	4,549,617	631,837
Interest on delayed payments	249,321	104,830	616,296	375,174
Interest on Workers' Profit Participation Fund	-	-	2,479	-
Handling and service charges	19,393	21,980	69,218	61,092
Rental income	29,011	59,427	92,265	117,978
Miscellaneous	8,472	19,015	24,162	33,721
	2,131,289	444,630	5,354,037	1,219,802

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
24. FINANCE COSTS				
Exchange loss - (net)	2,038,315	305,942	2,157,714	422,936
Interest on long term financing	-	237,474	81,422	677,149
Interest on Workers' Profit Participation Fund	-	-	1,014	-
Interest on short term financing	-	8,437	3,131	38,222
Interest on lease liability	3,483	7,162	11,478	71,349
Bank and other charges	195	304	573	649
	2,041,993	559,319	2,255,332	1,210,305
25. TAXATION				
Current	4,174,879	792,551	7,503,502	1,341,498
Deferred	(121,346)	(69,052)	3,664,533	(175,608)
	4,053,533	723,499	11,168,035	1,165,890
26. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION				
Dividend income from associated companies	489,862	401,424	1,629,999	1,134,778
Related charges:				
Workers' Welfare Fund	9,797	8,029	32,600	22,696
Taxation	81,850	54,601	284,445	164,604
	(91,647)	(62,630)	(317,045)	(187,300)
	398,215	338,794	1,312,954	947,478

27. OPERATING SEGMENT

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

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
High Speed Diesel	44,689,700	23,260,099	126,742,934	65,020,928
Premier Motor Gasoline	49,254,070	31,566,026	142,160,025	79,935,570
Jet Petroleum	10,951,643	6,075,407	33,123,729	15,769,329
Furnace Fuel Oil	11,982,401	13,496,067	36,128,246	29,048,593
Naphtha	182,390	598,765	182,390	881,934
Others	4,353,344	2,716,474	11,830,341	8,692,480
	121,413,548	77,712,838	350,167,665	199,348,834
Taxes, duties, levies, discounts and price differential	(26,684,070)	(11,082,439)	(66,485,450)	(32,964,326)
	94,729,478	66,630,399	283,682,215	166,384,508

Revenue from four major customers of the Company constitute 94% of total revenue during the nine months period ended March 31, 2023 (March 31, 2022: 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 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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Sale of goods and services to:				
Associated companies	34,092,198	22,562,475	95,440,462	60,047,839
Subsidiary company	5,820	5,937	19,172	18,180
Holding company	1,694	949	5,092	4,403
Interest income on delayed payments from an associated company	249,321	104,830	616,296	375,174
Purchase of goods and services from:				
Associated companies	8,365,556	7,598,663	25,325,819	19,276,786
Subsidiary company	24,751	20,673	81,843	60,154
Holding company	437,469	205,655	860,154	597,626
Dividend paid to:				
Associated company	-	-	17,900	-
Holding company	-	-	91,221	-
Key management personnel	-	-	59	-

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Dividend income from:				
Associated companies	489,862	401,424	1,629,999	1,134,778
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	32,731	27,665	122,566	89,545
Honorarium/remuneration to Non-Executive Directors	2,234	1,487	8,653	6,400
Contribution to Workers' Profit Participation Fund	660,686	133,727	1,819,326	215,758
Contribution to Employees' Pension, Gratuity and Provident Funds	27,254	21,169	81,838	64,769

30. DATE OF AUTHORISATION

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



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director


***Condensed Interim Consolidated
Financial Statements
For The Nine Months Period
Ended March 31, 2023***

Condensed Interim Consolidated Statement of Financial Position (Unaudited) As At March 31, 2023

	Note	March 31, 2023 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	60,576,950	36,562,969
Surplus on revaluation of freehold land		<u>25,093,419</u>	<u>25,093,419</u>
		86,736,532	62,722,551
NON-CURRENT LIABILITIES			
Long term financing	7	-	2,504,914
Deferred taxation		2,292,840	-
Deferred grant		4,032	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	79,991,259	69,671,582
Short term financing	9	-	2,500,000
Accrued mark-up on short term financing		-	31,146
Current portion of lease liability		-	157,404
Unpaid dividend – awaiting remittance by the authorized bank	10	559,735	-
Unclaimed dividends		11,853	9,254
Provision for taxation		<u>7,764,104</u>	<u>4,161,784</u>
		88,326,951	78,902,136
TOTAL EQUITY AND LIABILITIES		<u>177,360,355</u>	<u>144,134,135</u>
CONTINGENCIES AND COMMITMENTS	11		

	Note	March 31, 2023 Rs '000	June 30, 2022 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	34,624,599	36,505,927
Capital work-in-progress	13	1,369,867	843,218
Major spare parts and stand-by equipments		153,152	143,756
		<u>36,147,618</u>	<u>37,492,901</u>
LONG TERM INVESTMENTS	14	27,373,398	26,124,703
LONG TERM LOANS AND DEPOSITS		41,941	43,281
DEFERRED TAXATION		-	1,581,557
CURRENT ASSETS			
Stores, spares and loose tools		4,823,889	4,011,455
Stock-in-trade	15	20,293,023	17,745,969
Trade debts	16	39,124,780	30,279,029
Loans, advances, deposits, prepayments and other receivables	17	2,380,182	2,016,610
Short term investment	18	16,239,554	-
Cash and bank balances	19	30,935,970	24,838,630
		<u>113,797,398</u>	<u>78,891,693</u>
TOTAL ASSETS		<u>177,360,355</u>	<u>144,134,135</u>

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 Nine Months Period Ended March 31, 2023**

	Note	Three months ended		Nine months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Gross sales	20	121,449,429	77,743,477	350,284,199	199,441,351
Taxes, duties, levies, discounts and price differential	21	(26,684,070)	(11,082,439)	(66,485,450)	(32,964,326)
Net sales		94,765,359	66,661,038	283,798,749	166,477,025
Cost of sales	22	(81,235,081)	(63,652,445)	(249,336,923)	(161,696,429)
Gross profit		13,530,278	3,008,593	34,461,826	4,780,596
Administration expenses		309,611	222,543	968,970	672,889
Distribution cost		22,063	13,930	64,029	52,403
Other charges		919,034	189,270	2,533,624	310,388
		(1,250,708)	(425,743)	(3,566,623)	(1,035,680)
Other income	23	2,133,646	445,937	5,360,937	1,222,927
Impairment (loss)/reversal on financial assets		(60,771)	26,042	(87,635)	289,836
Operating profit		14,352,445	3,054,829	36,168,505	5,257,679
Finance cost	24	(2,041,993)	(559,319)	(2,255,332)	(1,210,305)
Profit before taxation from refinery operations		12,310,452	2,495,510	33,913,173	4,047,374
Taxation	25	(4,057,775)	(725,596)	(11,184,829)	(1,178,140)
Profit after taxation from refinery operations		8,252,677	1,769,914	22,728,344	2,869,234
Non-refinery income: Share in profit of associated companies	26	919,283	1,076,254	2,352,455	2,336,963
Profit after taxation		9,171,960	2,846,168	25,080,799	5,206,197
Earnings per share - basic and diluted (Rupees)					
Refinery operations		77.41	16.60	213.18	26.91
Non-refinery operations		8.62	10.10	22.06	21.92
		86.03	26.70	235.24	48.83

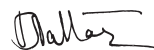
The annexed notes 1 to 30 form an integral part of these condensed interim consolidated financial statements.



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 Nine Months Period Ended March 31, 2023

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Profit after taxation	9,171,960	2,846,168	25,080,799	5,206,197
Other comprehensive loss (net of tax):				
Share of other comprehensive loss of associated companies - net of tax	-	-	(655)	(201)
Total comprehensive income	9,171,960	2,846,168	25,080,144	5,205,996

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 Changes in Equity (Unaudited) For The Nine Months Period Ended March 31, 2023

	Capital reserve					Revenue reserve				Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Gain on revaluation of investment at fair value through OCI	Surplus on revaluation of freehold land	
	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							5,206,197			5,206,197
Other comprehensive loss for the period							(201)			(201)
							5,205,996			5,205,996
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1		2,730,370					(2,730,370)			
Transferred to maintenance reserve by an associated company - note 6.3				1,014			(1,014)			
Balance as at March 31, 2022	1,066,163	2,730,370	12,908,966	215,927	155,996	7,077,380	5,876,493	2,447	25,093,419	55,127,161
Total comprehensive income - net of tax										
Profit for the period							7,746,041			7,746,041
Other comprehensive (loss)/ income for the period							(152,572)	1,921		(150,651)
							7,593,469	1,921		7,595,390
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1		6,220,543					(6,220,543)			
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							25,080,799			25,080,799
Other comprehensive loss for the period							(655)			(655)
							25,080,144			25,080,144
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1		22,576,693					(22,576,693)			
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 March 31, 2023	1,066,163	20,375,004	12,908,966	249,221	210,428	7,077,380	19,751,583	4,368	25,093,419	86,736,532

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 Nine Months Period Ended March 31, 2023

	Note	Nine months ended	
		March 31, 2023 Rs '000	March 31, 2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - customers		341,601,797	191,416,928
- others		726,991	3,747,329
		342,328,788	195,164,257
Cash paid for operating cost		(251,676,635)	(160,692,973)
Cash paid to Government for duties, taxes and other levies		(61,392,573)	(34,047,414)
Income tax paid		(4,195,140)	(599,994)
Net cash inflow/(outflow) from operating activities		25,064,440	(176,124)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(692,904)	(37,379)
Proceeds against disposal of operating assets		5,586	10,536
Long term loans and deposits		1,341	3,981
Income received on bank deposits		4,531,968	623,656
Dividend received from associated companies		1,629,999	1,134,778
Net cash generated from investing activities		5,475,990	1,735,572
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(4,650,000)	(1,650,000)
Repayment of lease liability		(245,911)	-
Transaction cost on long term financing		(500)	(500)
Dividend paid to Company's shareholders		(503,828)	(47)
Finance cost		(265,638)	(970,904)
Net cash outflows from financing activities		(5,665,877)	(2,621,451)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		24,874,553	(1,062,003)
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		(37,659)	(10,923)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19.4	47,175,524	8,032,484

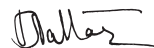
The annexed notes 1 to 30 form an integral part of these condensed interim consolidated financial statements.



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 Nine Months Period Ended March 31, 2023

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 March 31, 2023.

6. RESERVES AND SURPLUS
Capital reserve

	March 31, 2023 Rs '000	June 30, 2022 Rs '000
Special reserve for expansion/modernisation - note 6.1	20,375,004	-
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	19,751,583	16,197,730
	26,833,331	23,279,478
	60,576,950	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 March 31, 2023 is Rs 29,556.91 million including Rs 18,593.98 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.

	March 31, 2023	June 30, 2022
	Rs '000	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: 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 % (June 30, 2022: nil %) while its share in Musharaka Assets B is nil % (June 30, 2022: 18.48%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2022: 100 %) while its share in Musharaka Assets B is 100% (June 30, 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.

	March 31, 2023 Rs '000	June 30, 2022 Rs '000
8. TRADE AND OTHER PAYABLES		
Creditors - note 8.1	44,655,095	38,982,646
Due to The Attock Oil Company Limited - Holding Company	115,711	152,174
Due to associated companies		
Pakistan Oilfields Limited	3,944,103	4,495,410
National Refinery Limited	-	565
Attock Energy (Private) Limited	313	-
Accrued liabilities and provisions - note 8.1	6,455,834	5,643,454
Due to the Government under the pricing formula	7,862,196	9,335,438
Custom duty payable to the Government	8,444,742	9,087,841
Contract liabilities - Advance payments from customers	207,297	123,847
Sales tax payable	927,900	1,317,767
Workers' Profit Participation Fund	1,819,326	82,215
ARL Gratuity Fund	-	180,400
Staff Pension Fund	-	143,927
Crude oil freight adjustable through inland freight equalisation margin	77,448	122,235
Payable to statutory authorities in respect of petroleum development levy and excise duty	5,477,631	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	79,991,259	69,671,582

8.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per 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 4,776.49 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.

**March 31,
2023
Rs '000**

**June 30,
2022
Rs '000**

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>	1,326,706	1,326,706
<p>ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates 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>	5,300	5,300
<p>iv) Guarantees issued by banks on behalf of the Company [other than (i)above].</p>	-	408
<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 and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were</p>	2,484,098	2,484,098

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Rs '000**

**June 30,
2022
Rs '000**

prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.

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

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.	5,904,734	4,345,274
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The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.

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.		
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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.

March 31,
2023
Rs '000

June 30,
2022
Rs '000

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

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

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

The Company has approached the tax authorities for reimbursement of said amount but the payment is currently pending. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 17 to consolidated financial statements.

- | | | |
|--|------------------|-----------|
| x) The Company's share in contingency of associated companies. | 4,762,926 | 3,570,805 |
|--|------------------|-----------|

Commitments:

- | | | |
|---|------------------|-----------|
| i) Capital expenditure | 596,528 | 73,471 |
| ii) Letters of credit and other contracts for purchase of store items | 1,149,585 | 455,773 |
| iii) The Company's share of commitments of associated companies: | | |
| Capital expenditure commitments | 874,320 | 533,088 |
| Outstanding letters of credit | 2,009,989 | 2,153,197 |

	Nine months ended March 31, 2023 Rs '000	Year ended June 30, 2022 Rs '000
12. OPERATING ASSETS		
12.1 Owned assets		
Opening written down value	36,338,667	38,733,816
Additions during the period/year	156,858	215,573
Written down value of disposals	(2,652)	(109)
Depreciation during the period/year	(1,964,240)	(2,610,613)
	<u>34,528,633</u>	<u>36,338,667</u>
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	(71,294)	(96,646)
	<u>95,966</u>	<u>167,260</u>
Balance at the end	<u>34,624,599</u>	<u>36,505,927</u>
13. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning	843,218	862,679
Additions during the period/year	586,878	159,390
Transfer to operating assets		
- Building on freehold land	-	4,364
- Plant and machinery	60,229	173,781
- Furniture, fixtures and equipment	-	706
	<u>(60,229)</u>	<u>(178,851)</u>
Balance at the end	<u>1,369,867</u>	<u>843,218</u>
Break-up of the closing balance of capital work-in-progress		
The details are as under:		
Civil works	75	-
Plant and machinery	1,368,792	842,218
Pipeline project	1,000	1,000
	<u>1,369,867</u>	<u>843,218</u>
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	1,073,498	7,061,150
Share in other comprehensive loss	(655)	(19,588)
Dividend received from associated companies	(1,629,999)	(1,134,778)
Impairment reversal/(loss) on investment	1,805,851	(1,981,825)
Balance at the end of the period/year	<u>27,373,398</u>	<u>26,124,703</u>

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

	March 31, 2023		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	12,520,858	21.88	11,459,007
Unquoted				
Attock Gen Limited	30	4,262,961	30	4,082,551
Attock Information Technology Services (Private) Limited	10	53,984	10	47,550
		27,373,398		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 March 31, 2023, stock-in-trade includes stocks carried at net realisable value of Rs 7,330.51 million (June 30, 2022: Rs 6,637.72 million). Adjustments amounting to Rs 2,456.86 million (June 30, 2022: Rs 1,752.79 million) have been made to closing inventory to write down stock to net realizable value. The NRW 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 10,638.59 million (June 30, 2022: Rs 15,838.27 million) and Pakistan Oilfields Limited Rs 38.22 million (June 30, 2022: Rs nil).

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

	March 31, 2023 Rs '000	June 30, 2022 Rs '000
Due from associated companies		
Attock Petroleum Limited	813,425	592,347
Attock Information Technology Services (Private) Limited	3,075	838
Attock Leisure and Management Associates (Private) Limited	69	94
Attock Gen Limited	12,532	689
Attock Cement Pakistan Limited	78	7
National Cleaner Production Centre Foundation	10,858	689
Capgas (Private) Limited	259	182
National Refinery Limited	2,437	-
Attock Energy (Private) Limited	-	39
Attock Sahara Foundation	1,272	267
Income accrued on bank deposits	141,055	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	697,372	513,636
Loss allowance	(378,829)	(291,195)
	2,380,182	2,016,610

18. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 20.92% (June 30, 2022: nil %) per annum.

	March 31, 2023	June 30, 2022
	Rs '000	Rs '000

19. CASH AND BANK BALANCES

Cash in hand (US \$ 4,143; June 30, 2022: US \$ 2,153)	5,067	2,106
With banks:		
Local currency		
Current accounts	9,437	9,272
Deposit accounts - note 19.1, 19.2 and 19.3	4,719,148	11,666,114
Saving accounts	26,070,329	12,990,874
Payorder in hand	-	75,200
Foreign Currency		
Saving accounts (US \$ 465,241; June 30, 2022: US \$ 464,182)	131,989	95,064
	30,935,970	24,838,630

19.1 Deposit accounts include Rs 4,719.15 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.

	March 31, 2023	March 31, 2022
	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	30,935,970	11,032,484
Short term investment	16,239,554	-
Short term financing	-	(3,000,000)
	47,175,524	8,032,484

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
20. GROSS SALES				
Company				
Local sales	121,231,158	77,065,141	349,985,275	198,240,396
Naphtha export sales	182,390	598,765	182,390	881,934
Reimbursement due from the Government under import parity pricing formula - note 20.1	-	48,932	-	226,504
Subsidiary				
Local sales	35,881	30,639	116,534	92,517
	121,449,429	77,743,477	350,284,199	199,441,351

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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
21. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL				
Sales tax	3,808,509	3,517,564	11,128,498	15,344,711
Petroleum development levy	17,662,796	4,027,720	37,054,049	8,447,194
Custom duties and other levies - note 21.1	3,777,536	2,899,816	12,454,809	7,454,779
Discounts	1,376	-	1,376	-
PMG RON differential - note 21.2	383,958	391,310	1,347,510	1,056,398
HSD price differential - note 21.3	1,049,895	246,029	4,332,803	661,244
HSD premium differential - note 21.4	-	-	166,405	-
	26,684,070	11,082,439	66,485,450	32,964,326

21.1 This includes Rs 12,454.70 million (March 31, 2022: Rs 7,454.65 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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
22. COST OF SALES				
Crude oil consumed - note 22.1	77,415,742	59,175,519	233,277,625	152,918,370
Transportation and handling charges	467,391	42,769	682,370	85,277
Salaries, wages and other benefits	444,391	273,272	1,265,861	831,379
Chemicals consumed	2,201,615	1,297,961	5,969,763	3,531,192
Fuel and power	1,968,625	1,977,110	6,499,907	5,375,463
Repairs and maintenance	161,009	90,751	415,268	267,107
Staff transport and travelling	6,697	5,566	24,353	13,264
Insurance	112,383	96,719	330,771	275,297
Cost of receptacles	6,524	4,916	17,791	13,967
Other operating costs	31,714	8,329	48,472	23,360
Security charges	12,397	6,324	31,409	20,456
Contract services	73,867	54,328	225,025	172,873
Depreciation	648,295	651,738	1,946,362	1,946,075
Cost of goods manufactured	83,550,650	63,685,302	250,734,977	165,474,080
Changes in stocks	(2,315,569)	(32,857)	(1,398,054)	(3,777,651)
	81,235,081	63,652,445	249,336,923	161,696,429

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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
23. OTHER INCOME				
Income on bank deposits	1,827,593	240,856	4,556,949	635,364
Interest on delayed payments	249,321	104,830	616,296	375,174
Interest on Workers' Profit Participation Fund	-	-	2,479	-
Handling and service charges	19,393	21,980	69,218	61,092
Rental income	28,700	59,145	91,331	117,130
Miscellaneous	8,639	19,126	24,664	34,167
	2,133,646	445,937	5,360,937	1,222,927

24. FINANCE COSTS				
Exchange loss - (net)	2,038,315	305,942	2,157,714	422,936
Interest on long term financing	-	237,474	81,422	677,149
Interest on Workers' Profit Participation Fund	-	-	1,014	-
Interest on short term financing	-	8,437	3,131	38,222
Interest on lease liability	3,483	7,162	11,478	71,349
Bank and other charges	195	304	573	649
	2,041,993	559,319	2,255,332	1,210,305

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
25. TAXATION				
Current	4,178,997	795,274	7,520,281	1,353,527
Deferred	(121,222)	(69,678)	3,664,548	(175,387)
	4,057,775	725,596	11,184,829	1,178,140
26. NON-REFINERY INCOME				
Share in profit of associated companies [net of impairment reversal/(loss)]	1,125,543	1,253,133	2,879,349	2,714,628
Related charges:				
Workers' Welfare Fund	9,797	8,029	32,600	22,696
Taxation - current and deferred	196,463	168,850	494,294	354,969
	(206,260)	(176,879)	(526,894)	(377,665)
	919,283	1,076,254	2,352,455	2,336,963

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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
High Speed Diesel	44,689,700	23,260,099	126,742,934	65,020,928
Premier Motor Gasoline	49,254,070	31,566,026	142,160,025	79,935,570
Jet Petroleum	10,951,643	6,075,407	33,123,729	15,769,329
Furnace Fuel Oil	11,982,401	13,496,067	36,128,246	29,048,593
Naphtha	182,390	598,765	182,390	881,934
Others	4,389,225	2,747,113	11,946,875	8,784,997
	121,449,429	77,743,477	350,284,199	199,441,351
Taxes, duties, levies, discounts and price differential	(26,684,070)	(11,082,439)	(66,485,450)	(32,964,326)
	94,765,359	66,661,038	283,798,749	166,477,025

Revenue from four major customers of the Company constitute 94% of total revenue during the nine months period ended March 31, 2023 (March 31, 2022: 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		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Sale of goods and services to:				
Associated companies	34,101,162	22,570,862	95,472,040	60,073,447
Holding company	1,694	949	5,092	4,403
Interest income on delayed payments from an associated company	249,321	104,830	616,296	375,174
Purchase of goods and services from:				
Associated companies	8,365,779	7,598,848	25,326,400	19,277,374
Holding company	437,469	205,655	860,154	597,626
Dividend paid to:				
Associated company	-	-	17,900	-
Holding company	-	-	91,221	-
Key management personnel	-	-	59	-
Dividend income from:				
Associated companies	489,862	401,424	1,629,999	1,134,778

	Three months ended		Nine months ended	
	March 31, 2023 Rs '000	March 31, 2022 Rs '000	March 31, 2023 Rs '000	March 31, 2022 Rs '000
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	33,826	28,626	126,184	92,716
Honorarium/remuneration to Non-Executive Directors	2,234	1,487	8,653	6,400
Contribution to Workers' Profit Participation Fund	660,686	133,727	1,819,326	215,758
Contribution to Employees' Pension, Gratuity and Provident Funds	28,397	22,173	85,097	67,856

30. DATE OF AUTHORISATION

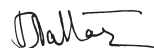
These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 27, 2023.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director



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