



ATTOCK REFINERY LIMITED



Condensed Interim Financial Statements

For the First Quarter Ended September 30, 2023

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Laith G. Pharaon

(Alternate Director Mr. Mohammad Raziuddin)

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 first quarter ended September 30, 2023.

FINANCIAL RESULTS

During the quarter under review the Company earned profit after tax of Rs 11,223 million from refinery operations (September 30, 2022: Rs 6,625 million). Non-refinery income during this quarter was Rs 241 million (September 30, 2022: Rs 678 million). Accordingly, overall profit after taxation was Rs 11,464 million with earning per share of Rs 107.53 (September 30, 2022: Rs 7,303 million with earning per share of Rs 68.50).

The Consolidated Financial Statements of the Company are annexed. During the period the Company made a Consolidated profit after tax of Rs 12,301 million (September 30, 2022: Rs 7,518 million) which translates into consolidated earnings per share of Rs 115.38 (September 30, 2022: Rs 70.51).

During the period under review, improvement in spreads between prices of products and crude oil has continued. This development is in line with the global trend in the refining industry. Your Company remained steadfast in its commitment to use every opportunity for improvement in business processes and profitability. The consequent profitability has helped the Company to absorb the escalating operational costs.

REFINERY OPERATIONS

During this quarter, the Company supplied 457 thousand Metric Tons of various petroleum products while operating at 81% of the capacity (September 30, 2022: 448 thousand Metric Tons, 79% capacity). After corrective actions by the Government against the smuggling of petroleum products, the pressure on the Company's sales of HSD has reduced and the Company was able to sell normal volumes.

FUTURE OUTLOOK

The management is aware that economic situation would remain challenging in the near future and the cost of doing business is expected to remain high. Therefore, the management's focus would remain to take proactive measures to improve efficiencies in operations ensuring increase in revenue and costs reduction.

After continuous follow up with the Government, the Refining Policy for brownfield refinery projects has been finally approved. The Company is actively engaged with OGRA to fulfill certain pre-requisite conditions to become eligible for claiming fiscal incentives under the Policy. With approval of the Policy, ARL intends to undertake a major upgradation project for value addition.

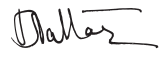
ACKNOWLEDGEMENT

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

On behalf of the Board



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

October 09, 2023
Rawalpindi

مستقبل کا منظر نامہ

انتظامیہ اس بات سے آگاہ ہے کہ مستقبل قریب میں معاشی صورتحال کٹھن رہے گی اور کاروبار کرنے کی لاگت زیادہ رہنے کی توقع ہے۔ لہذا انتظامیہ کی توجہ ریفاہنری آپریشنز کی استعداد کار کو بہتر بنانے کے لیے فعال اقدامات کرنے پر رہے گی تاکہ آمدنی میں اضافہ اور اخراجات میں کمی کو یقینی بنایا جاسکے۔

حکومت کے ساتھ مسلسل پیروی کے بعد براؤن فیلڈ ریفاہنری منصوبوں کے لیے ریفاہنگ پالیسی کی بالآخر منظوری دے دی گئی ہے۔ پالیسی کے تحت کمپنی کچھ پیشگی شرائط کو پورا کرنے کے لیے اوگرا کے ساتھ فعال طور پر مصروف عمل ہے تاکہ مالی مہمات حاصل کی جاسکیں۔ پالیسی کی منظوری کے ساتھ کمپنی اپنی قدر میں اضافے کے لیے ایک توسیعی منصوبہ شروع کرنے کا ارادہ رکھتی 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 پرمز جذبے کے لئے بھی تہہ دل سے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے قابلِ قدر صارفین، خام تیل مہیا کرنے والے اداروں کے بھی ممنون ہیں۔

بورڈ کی جانب سے

عبدالستار
ڈائریکٹر

ایم عادل تنگ
چیف ایگزیکٹو آفیسر

۲۰۲۳ اکتوبر ۰۹

راولپنڈی

ڈائریکٹرز کی جائزہ رپورٹ

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

انٹک ریفاؤنڈری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی پہلی سہ ماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ سہ ماہی کے دوران کمپنی کو ریفاؤنڈری آپریشنز سے ٹیکس ادا کرنے کے بعد ۱۱,۲۲۳ ملین روپے کا منافع ہوا (۳۰ ستمبر ۲۰۲۲: ۶,۶۲۵ ملین روپے کا منافع)۔ اس سہ ماہی کے دوران غیر ریفاؤنڈری ذرائع سے ۲۴۱ ملین روپے کی آمدن ہوئی (۳۰ ستمبر ۲۰۲۲: ۶۸۸ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۱۱,۴۶۴ ملین روپے کے منافع کے ساتھ فی حصص (۳۰ ستمبر ۲۰۲۲: ۷,۳۰۳ ملین روپے کے منافع کے ساتھ فی حصص ۱۰.۵۳ روپے رہا (۳۰ ستمبر ۲۰۲۲: ۷.۳۰۳ ملین روپے کے منافع کے ساتھ فی حصص ۶۸.۵۰ روپے)۔

کمپنی کے یکجا مالیاتی گوشوارے (Consolidated Financial Statements) منسلک ہیں۔ زیر جائزہ مدت کے دوران کمپنی نے ٹیکس ادا کرنے کے بعد ۱۲,۳۰۱ ملین روپے کا مجموعی منافع کمایا (۳۰ ستمبر ۲۰۲۲: ۵,۱۸۸ ملین روپے) جو کہ مجموعی فی حصص منافع ۱۱۵.۳۸ روپے بنتا ہے (۳۰ ستمبر ۲۰۲۲: ۴۰.۵۱ روپے)۔

زیر جائزہ مدت کے دوران مصنوعات اور خام تیل کی قیمتوں کے درمیان فرق میں بہتری جاری رہی۔ یہ تسلسل خام تیل نتھارنے والی صنعتوں کے عالمی رجحان کے مطابق ہے۔ آپ کی کمپنی کاروباری عمل اور منافع میں بہتری کے لیے ہر موقع کو استعمال کرنے کے اپنے عزم پر ثابت قدم رہی۔ اس نتیجے میں ہونے والے منافع نے کمپنی کو بڑھتی ہوئی کام کرنے کی لاگت کو جذب کرنے میں مدد کی ہے۔

ریفاؤنڈری آپریشنز

زیر جائزہ سہ ماہی کے دوران ریفاؤنڈری نے ۸۱% پیداواری استعداد کے ساتھ ۴۵۷ ہزار میٹرک ٹن کی مختلف پیٹرو لیوم مصنوعات فراہم کیں (۳۰ ستمبر ۲۰۲۲: ۴۹% پیداواری استعداد کے ساتھ ۴۴۸ ہزار میٹرک ٹن)۔ پیٹرو لیوم مصنوعات کی غیر قانونی طریقے سے درآمد کے خلاف حکومت کی جانب سے اصلاحی اقدامات کے بعد کمپنی کی ڈیزل کی فروخت پر دباؤ کم ہوا ہے اور کمپنی معمول کے حجم کو فروخت کرنے میں کامیاب ہو گئی ہے۔

**Condensed Interim Statement of Financial Position (Unaudited)
As At September 30, 2023**

	Note	September 30, 2023 Rs '000	June 30, 2023 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
150,000,000 (June 30, 2023: 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, 2023: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	65,010,349	53,546,028
Surplus on revaluation of freehold land		55,160,588	55,160,588
		<u>121,237,100</u>	<u>109,772,779</u>
NON-CURRENT LIABILITIES			
Deferred taxation		56,443	211,720
CURRENT LIABILITIES			
Trade and other payables	7	75,137,145	56,942,838
Unpaid dividend – awaiting remittance by the authorized bank	9	503,762	503,762
Unclaimed dividends		11,799	11,800
Provision for taxation		14,240,746	9,317,563
		<u>89,893,452</u>	<u>66,775,963</u>
TOTAL EQUITY AND LIABILITIES		<u>211,186,995</u>	<u>176,760,462</u>
CONTINGENCIES AND COMMITMENTS	10		

	Note	September 30, 2023 Rs '000	June 30, 2023 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	63,420,689	64,025,304
Capital work-in-progress	12	1,439,389	1,415,437
Major spare parts and stand-by equipments		169,681	170,258
		<u>65,029,759</u>	<u>65,610,999</u>
LONG TERM INVESTMENTS	13	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS		44,220	47,364
CURRENT ASSETS			
Stores, spares and loose tools		5,742,329	5,749,486
Stock-in-trade	14	27,080,965	20,608,420
Trade debts	15	47,345,777	39,513,594
Loans, advances, deposits, prepayments and other receivables	16	3,285,905	2,700,538
Dividend receivable from associated company		299,318	-
Short term investment	17	27,728,754	14,139,114
Cash and bank balances	18	21,365,053	15,126,032
		<u>132,848,101</u>	<u>97,837,184</u>
TOTAL ASSETS		<u>211,186,995</u>	<u>176,760,462</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.


Syed Asad Abbas
 Chief Financial Officer



M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director


**Condensed Interim Statement of Profit or Loss (Unaudited)
For The First Quarter Ended September 30, 2023**

	Note	Three months ended	
		September 30, 2023 Rs '000	September 30, 2022 Rs '000
Gross sales	19	140,798,231	116,825,757
Taxes, duties, levies and price differential	20	(32,948,954)	(17,701,853)
Net sales		107,849,277	99,123,904
Cost of sales	21	(91,071,558)	(89,187,178)
Gross profit		16,777,719	9,936,726
Administration expenses		316,058	347,179
Distribution cost		20,358	22,899
Other charges		1,372,172	740,879
		(1,708,588)	(1,110,957)
Other income	22	3,240,558	1,414,565
Impairment loss on financial assets		(732)	(4,780)
Operating profit		18,308,957	10,235,554
Finance cost	23	90,010	(347,071)
Profit before taxation from refinery operations		18,398,967	9,888,483
Taxation	24	(7,175,597)	(3,263,200)
Profit after taxation from refinery operations		11,223,370	6,625,283
Income from non-refinery operations less applicable charges and taxation	25	240,951	677,838
Profit after taxation		11,464,321	7,303,121
Earnings per share - basic and diluted (Rupees)			
Refinery operations		105.27	62.14
Non-refinery operations		2.26	6.36
		107.53	68.50

The annexed notes 1 to 29 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 First Quarter Ended September 30, 2023**

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
Profit after taxation	11,464,321	7,303,121
Other comprehensive income for the period	-	-
Total comprehensive income	<u>11,464,321</u>	<u>7,303,121</u>

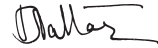
The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



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 First Quarter Ended September 30, 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		
Balance as at July 01, 2022	1,066,163	-	10,962,934	5,948	3,762,775	55	10,635,509	25,093,419	51,526,803
Distribution to owners: Final cash dividend @ 100% related to the year ended June 30, 2022	-	-	-	-	-	-	(1,066,163)	-	(1,066,163)
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	7,303,121	-	7,303,121
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	6,588,833	-	-	-	-	(6,588,833)	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - note 6.1	-	(2,201,688)	-	-	-	-	2,201,688	-	-
Balance as at September 30, 2022	1,066,163	4,387,145	10,962,934	5,948	3,762,775	55	12,485,322	25,093,419	57,763,761
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	21,922,111	-	21,922,111
Other comprehensive income for the period	-	-	-	-	-	-	19,738	30,067,169	30,086,907
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	21,941,849	30,067,169	52,009,018
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	21,275,444	-	-	-	-	(21,275,444)	-	-
Balance as at June 30, 2023	1,066,163	25,662,589	10,962,934	5,948	3,762,775	55	13,151,727	55,160,588	109,772,779
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	11,464,321	-	11,464,321
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	11,464,321	-	11,464,321
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	4,534,298	-	-	-	-	(4,534,298)	-	-
Balance as at September 30, 2023	<u>1,066,163</u>	<u>30,196,887</u>	<u>10,962,934</u>	<u>5,948</u>	<u>3,762,775</u>	<u>55</u>	<u>20,081,750</u>	<u>55,160,588</u>	<u>121,237,100</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Condensed Interim Statement of Cash Flows (Unaudited) For The First Quarter Ended September 30, 2023

	Note	Three months ended	
		September 30, 2023 Rs '000	September 30, 2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - customers		132,974,395	121,509,080
- others		167,174	462,232
		133,141,569	121,971,312
Cash paid for operating cost		(84,110,517)	(98,982,836)
Cash paid to Government for duties, taxes and other levies		(29,137,788)	(10,875,159)
Income tax paid		(2,460,072)	(929,708)
Net cash inflow from operating activities		17,433,192	11,183,609
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(97,846)	(219,997)
Proceeds against disposal of operating assets		2,071	3,480
Long term loans and deposits		3,144	(2,862)
Income received on bank deposits		2,489,880	1,121,729
Dividend received from associated companies		-	840,263
Net cash generated from investing activities		2,397,249	1,742,613
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(4,650,000)
Transaction cost on long term financing		-	(500)
Dividend paid to Company's shareholders		(1)	(411,576)
Finance costs paid		(147)	(339,113)
Net cash outflows from financing activities		(148)	(5,401,189)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		19,830,293	7,525,033
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		27,914,948	20,926,946
Effect of exchange rate changes on cash and cash equivalents		(1,632)	(11,234)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	18.4	47,743,609	28,440,745

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

Selected Notes To and Forming Part of the Condensed Interim Financial Statements (Unaudited) For The First Quarter Ended September 30, 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, 2023.

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, 2023.

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, 2023.

5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2023: 65,095,630) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2023: 1,790,000) ordinary shares as at September 30, 2023.

September 30, 2023 Rs '000	June 30, 2023 Rs '000
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6. RESERVES AND SURPLUS
Capital reserve

Special reserve for expansion/modernisation - note 6.1	30,196,887	25,662,589
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	20,081,750	13,151,727
	23,844,580	16,914,557
	65,010,349	53,546,028

- 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 were 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. During the current period the Government of Pakistan has notified the "Pakistan Oil Refining Policy 2023". Under the new policy the requirement to transfer profit from refinery operations to Special Reserve Account is not required.
- 6.2** Represent amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till September 30, 2023 is Rs 29,569.89 million including Rs 18,606.96 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.
- 6.3** The Company has set aside gain on sale of investment as investment reserve to meet any future losses/impairment on investments.

	September 30, 2023 Rs '000	June 30, 2023 Rs '000
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7. TRADE AND OTHER PAYABLES

Creditors - note 7.1	40,146,862	28,178,514
Due to The Attock Oil Company Limited - Holding Company	90,562	89,628
Due to associated companies		
Pakistan Oilfields Limited	4,607,781	3,378,102
Attock Energy (Private) Limited	443	444
Accrued liabilities and provisions - note 7.1	7,540,074	7,273,880
Due to the Government under the pricing formula	8,840,906	7,321,232
Custom duty payable to the Government	4,793,285	3,733,028
Contract liabilities - Advance payments from customers	135,639	127,292
Sales tax payable	1,369,842	595,418
Workers' Profit Participation Fund	988,557	-
ARL Gratuity Fund	-	58,953
Staff Pension Fund	-	35,979
Crude oil freight adjustable through inland freight equalisation margin	103,690	87,676
Payable to statutory authorities in respect of petroleum development levy and excise duty	6,516,061	6,059,249
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	75,137,145	56,942,838

7.1 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 5,228.03 million (June 30, 2023: Rs 4,995.27 million).

8. SHORT TERM FINANCING

The Company has obtained short term financing from a bank for an amount of Rs 3,000 million (June 30, 2023: 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, 2023: Rs nil).

9. 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.

September 30, 2023 Rs '000	June 30, 2023 Rs '000
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10. 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>1,326,706</p> | <p>1,326,706</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 preferred an appeal before Collector of Appeals. On June 14, 2023, the Custom Appellate Tribunal (CAT) has passed order against the Company. The Company intends to file reference against the order of CAT before Honourable High Court of Sindh. Management and its legal advisors are confident that the Company has reasonable grounds to defend the case. Accordingly, no provision has been made in the financial statements.

- | | | |
|--|---------------------|--------------|
| <p>ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.</p> | | |
| <p>iii) Claims for land compensation contested by the Company.</p> | <p>5,300</p> | <p>5,300</p> |
| <p>iv) Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 21.1, the amount of which can not be presently quantified.</p> | | |

September 30, 2023 Rs '000	June 30, 2023 Rs '000
2,484,098	2,484,098

- v) 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.

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 pending for adjudication.

- vi) 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.

656,580	656,580
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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.

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.

	September 30, 2023 Rs '000	June 30, 2023 Rs '000
vii) 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.	1,076,579	1,076,579

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

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

Commitments:

i) Capital expenditure	764,271	510,007
ii) Letters of credit and other contracts for purchase of store items	1,788,336	1,345,490

	Three months ended	Year ended
	September 30,	June 30,
	2023	2023
	Rs '000	Rs '000

11. OPERATING ASSETS
11.1 Owned assets

Opening written down value	63,953,329	36,308,937
Additions during the period/year	74,472	193,794
Revaluation surplus	-	30,067,169
Written down value of disposals	(225)	(2,653)
Depreciation during the period/year	(654,871)	(2,613,918)
	63,372,705	63,953,329

11.2 Right of use assets (ROU) - Building

Balance at the beginning	71,975	167,260
Depreciation for the period/year	(23,991)	(95,285)
	47,984	71,975
Balance at the end	63,420,689	64,025,304

12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	1,415,437	843,218
Additions during the period/year	43,981	618,981
Transfer to operating assets		
- Building on freehold land	(8,091)	-
- Plant and machinery	(11,938)	(46,762)
	(20,029)	(46,762)
Balance at the end	1,439,389	1,415,437

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

The details are as under:

Civil works	3,943	11,682
Plant and machinery	1,434,446	1,402,755
Pipeline project	1,000	1,000
	1,439,389	1,415,437

	September 30, 2023		June 30, 2023	
	% age Holding	Rs '000	% age Holding	Rs '000
13. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
Quoted				
National Refinery Limited - note 13.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	21.88	4,463,485	21.88	4,463,485
Unquoted				
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				
Unquoted				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<u>13,264,915</u>		<u>13,264,915</u>

13.1 Based on valuation analysis, the recoverable amount of investment in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology carried out by an external investment advisor engaged by the company for the year ended June 30, 2023.

14. STOCK-IN-TRADE

As at September 30, 2023, stock-in-trade includes stocks carried at net realisable value of Rs 9,057.73 million (June 30, 2023: Rs 5,335.56 million). Adjustments amounting to Rs 2,299.57 million (June 30, 2023: Rs 1,343.91 million) have been made to closing inventory to write down stock to net realizable value. The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

15. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 17,013.09 million (June 30, 2023: Rs 18,340.01 million) and Pakistan Oilfields Limited Rs nil (June 30, 2023: Rs 14.08 million).

September 30, 2023 Rs '000	June 30, 2023 Rs '000
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16. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Due from Subsidiary Company		
Attock Hospital (Private) Limited	2,729	1,905
Due from associated companies		
Attock Petroleum Limited	1,076,392	1,054,676
Attock Information Technology Services (Private) Limited	851	1,593
Attock Leisure and Management Associates (Private) Limited	106	122
Attock Gen Limited	7,455	7,790
National Refinery Limited	19,725	2,437
National Cleaner Production Centre Foundation	13,540	2,844
Attock Sahara Foundation	406	84
Caggas (Private) Limited	1	126
Income accrued on bank deposits	830,631	204,091
Workers' Profit Participation Fund	-	117,495
Sales tax forcibly recovered - note 10 (vii)	1,076,579	1,076,579
Loans, deposits, prepayments and other receivables	601,575	574,149
Loss allowance	(344,085)	(343,353)
	3,285,905	2,700,538

17. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 22.75% (June 30, 2023: 21.88 %) per annum.

September 30, 2023 Rs '000	June 30, 2023 Rs '000
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18. CASH AND BANK BALANCES

Cash in hand (US \$ 4,843; June 30, 2023: US \$ 3,143)	6,740	1,923
With banks:		
Local currency		
Current accounts	694,680	11,753
Short term deposit - notes 18.1, 18.2 and 18.3	8,148,462	4,917,722
Saving accounts	12,380,959	10,061,561
Foreign Currency		
Saving accounts (US \$ 466,661; June 30, 2023: US \$ 465,453)	134,212	133,073
	21,365,053	15,126,032

18.1 Deposit accounts include Rs 5,148.46 million (June 30, 2023: Rs 4,917.72 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.

18.2 Balances with banks include Rs 3,000.00 million (June 30, 2023: Rs nil) in respect of deposits placed in 90-days interest-bearing account.

18.3 Bank deposits of Rs 1,326.71 million (June 30, 2023: Rs 1,326.71 million) and Rs 23.49 (June 30, 2023: Rs 23.48) were under lien with bank against a bank guarantee and letter of credit issued on behalf of the Company.

	September 30, 2023 Rs '000	September 30, 2022 Rs '000
18.4 Cash and cash equivalents		
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	21,365,053	29,767,451
Short term financing	27,728,754	-
	49,093,807	29,767,451
Bank balances under lien	(1,350,198)	(1,326,706)
	47,743,609	28,440,745
	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
19. GROSS SALES		
Local sales	140,798,231	116,825,757
20. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL		
Sales tax	4,524,779	4,309,081
Petroleum development levy	21,637,249	6,244,908
Custom duties and other levies - note 20.1	4,852,562	4,588,847
PMG RON differential - note 20.2	737,555	530,164
HSD price differential - note 20.3	1,196,809	1,862,448
HSD premium differential - note 20.4	-	166,405
	32,948,954	17,701,853
20.1 This includes Rs 4,852.56 million (September 30, 2022: Rs 4,588.82 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.		
20.2 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 91 RON PMG sold by the Company during the period.		
20.3 This represents amount payable as per Oil and Gas Regulatory Authority directives on account of HSD Euro-III and V price differential claim.		
20.4 HSD premium differential as notified by OGRA is the difference of Pakistan State Oil's (PSO) weighted average premium (KPC premium) and average tendered premium used in pricing of HSD.		

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
21. COST OF SALES		
Crude oil consumed - note 21.1	89,582,265	84,212,648
Transportation and handling charges	(3,605)	4,382
Salaries, wages and other benefits	425,798	440,897
Chemicals consumed	2,388,938	1,875,622
Fuel and power	2,829,479	2,443,862
Repairs and maintenance	115,496	96,061
Staff transport and travelling	8,199	9,022
Insurance	151,203	96,108
Cost of receptacles	11,664	6,003
Other operating costs	10,478	7,706
Security charges	9,847	10,442
Contract services	76,136	83,891
Depreciation	648,733	652,161
Cost of goods manufactured	96,254,631	89,938,805
Changes in stocks	(5,183,073)	(751,627)
	91,071,558	89,187,178

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

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
22. OTHER INCOME		
Income on bank deposits	3,116,420	1,179,536
Interest on delayed payments	41,250	156,117
Handling and service charges	21,495	35,559
Rental income	42,333	35,230
Miscellaneous	19,060	8,123
	3,240,558	1,414,565
23. FINANCE COST		
Exchange (gain)/loss - (net)	(90,157)	257,405
Interest on long term financing measured at amortized cost	-	81,422
Interest on Workers' Profit Participation Fund	-	1,014
Interest on short term financing measured at amortized cost	-	3,131
Interest on lease liability measured at amortized cost	-	3,948
Bank and other charges	147	151
	(90,010)	347,071

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
24. TAXATION		
Current	7,330,874	3,386,175
Deferred	(155,277)	(122,975)
	<u>7,175,597</u>	<u>3,263,200</u>
25. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION		
Dividend income from an associated company	299,318	840,263
Related charges:		
Workers' Welfare Fund	5,986	16,805
Taxation	52,381	145,620
	<u>(58,367)</u>	<u>(162,425)</u>
	<u>240,951</u>	<u>677,838</u>

26. OPERATING SEGMENT

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

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
High Speed Diesel	51,168,409	38,566,598
Premier Motor Gasoline	57,998,591	46,792,562
Jet Petroleum	12,030,403	11,650,151
Furnace Fuel Oil	14,905,950	16,492,443
Others	4,694,878	3,324,003
	<u>140,798,231</u>	<u>116,825,757</u>
Taxes, duties, levies and price differential	<u>(32,948,954)</u>	<u>(17,701,853)</u>
	<u>107,849,277</u>	<u>99,123,904</u>

Revenue from four major customers of the Company constitute 93% of total revenue during the three months period ended September 30, 2023 (September 30, 2022: 94%).

27. 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 (unadjusted) in active market for identical assets/liabilities.
- Level 2:
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3:
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Level 2 fair value of land has been derived 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 and a slight change in the estimated price per square foot of the land would result in a significant change in the fair value of the freehold land.

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, 2023. 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'.

28. RELATED PARTY TRANSACTIONS

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

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
Sale of goods and services to:		
Associated companies	42,571,599	28,823,595
Subsidiary company	7,954	8,783
Holding company	1,551	1,731
Interest income on delayed payments from an associated company	39,769	156,117
Purchase of goods and services from:		
Associated companies	9,633,409	9,584,711
Subsidiary company	26,757	28,425
Holding company	136,884	246,592
Dividend paid:		
Associated company	-	17,900
Key management personnel	-	59
Dividend received:		
Associated companies	-	840,263
Other related parties:		
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	80,188	58,471
Honorarium/remuneration to Non-Executive Directors	6,783	4,546
Contribution to Workers' Profit Participation Fund	988,557	531,468
Contribution to Employees' Pension, Gratuity and Provident Funds	27,438	28,036

29. GENERAL

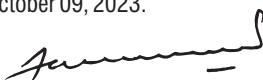
29.1 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

29.2 Date of Authorisation

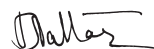
These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 09, 2023.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director

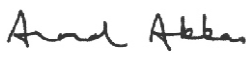
***Condensed Interim Consolidated
Financial Statements For The
First Quarter
Ended September 30, 2023***

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)
As At September 30, 2023**


	Note	September 30, 2023 Rs '000	June 30, 2023 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
150,000,000 (June 30, 2023: 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, 2023: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	78,601,971	66,299,443
Surplus on revaluation of freehold land		<u>55,160,588</u>	<u>55,160,588</u>
		134,828,722	122,526,194
NON-CURRENT LIABILITIES			
Deferred taxation		3,372,269	3,257,326
Deferred grant		3,697	3,864
CURRENT LIABILITIES			
Trade and other payables	7	75,160,961	56,962,918
Unpaid dividend – awaiting remittance by the authorized bank	9	503,762	503,762
Unclaimed dividends		11,799	11,800
Provision for taxation		<u>14,242,335</u>	<u>9,317,563</u>
		89,918,857	66,796,043
TOTAL EQUITY AND LIABILITIES		<u>228,123,545</u>	<u>192,583,427</u>
CONTINGENCIES AND COMMITMENTS	10		

	Note	September 30, 2023 Rs '000	June 30, 2023 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	11	63,464,902	64,071,071
Capital work-in-progress	12	1,439,389	1,415,437
Major spare parts and stand-by equipments		169,681	170,258
		65,073,972	65,656,766
LONG TERM INVESTMENTS	13	29,996,768	28,905,269
LONG TERM LOANS AND DEPOSITS		44,518	47,783
CURRENT ASSETS			
Stores, spares and loose tools		5,742,330	5,749,486
Stock-in-trade	14	27,084,904	20,615,452
Trade debts	15	47,345,777	39,513,594
Loans, advances, deposits, prepayments and other receivables	16	3,305,481	2,707,257
Dividend receivable from associated company		299,318	-
Short term investment	17	27,728,754	14,139,114
Cash and bank balances	18	21,501,723	15,248,706
		133,008,287	97,973,609
TOTAL ASSETS		228,123,545	192,583,427

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.


Syed Asad Abbas
 Chief Financial Officer


M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

**Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For The First Quarter Ended September 30, 2023**

	Note	Three months ended	
		September 30, 2023 Rs '000	September 30, 2022 Rs '000
Gross sales	19	140,839,670	116,864,616
Taxes, duties, levies and price differential	20	(32,948,954)	(17,701,853)
Net sales		107,890,716	99,162,763
Cost of sales	21	(91,071,558)	(89,187,178)
Gross profit		16,819,158	9,975,585
Administration expenses		338,084	368,144
Distribution cost		20,358	22,899
Other charges		1,372,750	741,301
		(1,731,192)	(1,132,344)
Other income	22	3,246,883	1,415,621
Impairment loss on financial assets		(732)	(4,780)
Operating profit		18,334,117	10,254,082
Finance cost	23	90,010	(347,071)
Profit before taxation from refinery operations		18,424,127	9,907,011
Taxation	24	(7,183,706)	(3,269,116)
Profit after taxation from refinery operations		11,240,421	6,637,895
Non-refinery income:			
Share in profit of associated companies	25	1,060,637	879,843
Profit after taxation		12,301,058	7,517,738
Earnings per share - basic and diluted (Rupees)			
Refinery operations		105.43	62.26
Non-refinery operations		9.95	8.25
		115.38	70.51

The annexed notes 1 to 29 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 First Quarter Ended September 30, 2023

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
Profit after taxation	12,301,058	7,517,738
Other comprehensive income/(loss) (net of tax):		
Share of other comprehensive income/(loss) of associated companies - net of tax	1,470	(445)
Total comprehensive income	<u>12,302,528</u>	<u>7,517,293</u>

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.


Syed Asad Abbas
 Chief Financial Officer



M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For The First Quarter Ended September 30, 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/(loss) on revaluation of investment at fair value through OCI		Surplus on revaluation of freehold land
Balance as at July 01, 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)
Total comprehensive income - net of tax										
Profit for the period	-	-	-	-	-	-	7,517,738	-	-	7,517,738
Other comprehensive loss for the period	-	-	-	-	-	-	(445)	-	-	(445)
Bonus shares issued by an associated company	-	-	-	-	54,432	-	(54,432)	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	6,588,833	-	-	-	-	(6,588,833)	-	-	-
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 September 30, 2022	1,066,163	4,387,144	12,908,966	218,529	210,428	7,077,380	18,207,284	4,368	25,093,419	69,173,681
Total comprehensive income - net of tax										
Profit for the period	-	-	-	-	-	-	23,152,035	-	-	23,152,035
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	134,038	(729)	30,067,169	30,200,478
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	23,286,073	(729)	30,067,169	53,352,513
Transferred to maintenance reserve by an associated company AGL-note 6.3	-	-	-	33,422	-	-	(33,422)	-	-	-
Balance as at June 30, 2023	1,066,163	25,662,589	12,908,966	251,951	210,428	7,077,380	20,184,490	3,639	55,160,588	122,526,194
Total comprehensive income-net of tax										
Profit for the period	-	-	-	-	-	-	12,301,058	-	-	12,301,058
Other comprehensive income for the period	-	-	-	-	-	-	1,470	-	-	1,470
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	-	-	-	-	-	12,302,528	-	-	12,302,528
Balance as at September 30, 2023	1,066,163	30,196,887	12,908,966	251,951	210,428	7,077,380	27,952,720	3,639	55,160,588	134,828,722

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.


Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

Condensed Interim Consolidated Statement of Cash Flows (Unaudited) For The First Quarter Ended September 30, 2023

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - Customers	133,015,834	121,573,218
- Others	166,832	462,232
	133,182,666	122,035,450
Cash paid for operating cost	(84,134,335)	(99,036,520)
Cash paid to Government for duties, taxes and other levies	(29,137,788)	(10,875,159)
Income tax paid	(2,463,287)	(932,180)
Net cash inflow from operating activities	17,447,256	11,191,591
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(98,035)	(220,785)
Proceeds against disposal of operating assets	2,071	3,480
Long term loans and deposits	3,265	(3,223)
Income received on bank deposits	2,489,880	1,121,729
Dividend received from associated companies	-	840,263
Net cash generated from investing activities	2,397,181	1,741,464
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(4,650,000)
Transaction cost on long term financing	-	(500)
Dividend paid to Company's shareholders	(1)	(411,576)
Finance cost	(147)	(339,113)
Net cash outflows from financing activities	(148)	(5,401,189)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	19,844,289	7,531,866
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	28,037,622	21,011,924
Effect of exchange rate changes on cash and cash equivalents	(1,632)	(11,234)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	47,880,279	28,532,556
	18.4	

The annexed notes 1 to 29 form an integral part of these condensed interim consolidated financial statements.


Syed Asad Abbas
Chief Financial Officer


M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

Selected Notes To and Forming Part of the Condensed Interim Consolidated Financial Statements (Unaudited) For The First Quarter Ended September 30, 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, 2023.

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, 2023.

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, 2023.

5. SHARE CAPITAL

The parent company, The Attock Oil Company Limited held 65,095,630 (June 30, 2023: 65,095,630) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2023: 1,790,000) ordinary shares as at September 30, 2023.

	September 30,	June 30,
	2023	2023
	Rs '000	Rs '000

6. RESERVES AND SURPLUS
Capital reserve

Special reserve for expansion/modernisation - note 6.1	30,196,887	25,662,589
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	251,951	251,951
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	200,480
	210,428	210,428
Revenue reserve		
General reserve - note 6.4	7,077,380	7,077,380
Gain on revaluation of investment at fair value through OCI	3,639	3,639
Un-appropriated profit - net	27,952,720	20,184,490
	35,033,739	27,265,509
	78,601,971	66,299,443

- 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 were 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. During the current period the Government of Pakistan has notified the "Pakistan Oil Refining Policy 2023". Under the new policy the requirement to transfer profit from refinery operations to Special Reserve Account is not required.
- 6.2** Represent amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till September 30, 2023 is Rs 29,569.89 million including Rs 18,606.96 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.
- 6.3** Represents amount retained by Attock Gen Limited for the purposes of major maintenance expenses as per the terms of the Power Purchase Agreement.
- 6.4** This mainly represents the Company's share of the general reserve created by NRL.

September 30,
2023
Rs '000

June 30,
2023
Rs '000

7. TRADE AND OTHER PAYABLES

Creditors - note 7.1	40,153,317	28,185,553
Due to The Attock Oil Company Limited - Holding Company	90,542	89,599
Due to associated companies		
Pakistan Oilfields Limited	4,604,466	3,375,435
Attock Energy (Private) Limited	443	444
Accrued liabilities and provisions - note 7.1	7,560,550	7,299,143
Due to the Government under the pricing formula	8,840,906	7,321,232
Custom duty payable to the Government	4,793,285	3,733,028
Contract liabilities - Advance payments from customers	135,639	127,292
Sales tax payable	1,369,842	595,418
Workers' Profit Participation Fund	988,557	-
ARL Gratuity Fund	-	51,597
Staff Pension Fund	-	33,589
Crude oil freight adjustable through inland freight equalisation margin	103,690	87,676
Payable to statutory authorities in respect of petroleum development levy and excise duty	6,516,061	6,059,249
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	75,160,961	56,962,918

7.1 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 5,228.03 million (June 30, 2023: Rs 4,995.27 million).

8. SHORT TERM FINANCING

The Company has obtained short term financing from a bank for an amount of Rs 3,000 million (June 30, 2023: 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, 2023: Rs nil).

9. 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.

September 30, 2023 Rs '000	June 30, 2023 Rs '000
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10. 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 preferred an appeal before Collector of Appeals. On June 14, 2023, the Custom Appellate Tribunal (CAT) has passed order against the Company. The Company intends to file reference against the order of CAT before Honourable High Court of Sindh. Management and its legal advisors are confident that the Company has reasonable grounds to defend the case. Accordingly, no provision has been made in the consolidated financial statements.</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 consolidated financial statements as these have not been acknowledged as debt by either parties.</p> | <p>5,300</p> | <p>5,300</p> |
| <p>iii) Claims for land compensation contested by ARL.</p> | <p>5,300</p> | <p>5,300</p> |
| <p>vi) 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 21.1, the amount of which can not be presently quantified.</p> | | |

	September 30, 2023 Rs '000	June 30, 2023 Rs '000
<p>v) 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>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 pending for adjudication.</p>	<p>2,484,098</p>	<p>2,484,098</p>
<p>vi) 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>656,580</p>	<p>656,580</p>

	September 30, 2023 Rs '000	June 30, 2023 Rs '000
vii) 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.	1,076,579	1,076,579
<p>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.</p> <p>The Company has approached the tax authorities for reimbursement of said amount but the payment is currently pending. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 16 to consolidated financial statements.</p>		
viii) The Company's share in contingency of associated companies.	6,385,877	4,752,213
Commitments:		
i) Capital expenditure	764,271	510,007
ii) Letters of credit and other contracts for purchase of store items	1,788,336	1,345,490
iii) The Company's share of commitments of associated companies:		
Capital expenditure commitments	924,938	850,744
Outstanding letters of credit	2,193,405	2,248,242

Three months ended September 30, 2023 Rs '000	Year ended June 30, 2023 Rs '000
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11. OPERATING ASSETS
11.1 Owned assets

Opening written down value	63,999,096	36,338,667
Additions during the period/year	74,661	215,255
Revaluation surplus	-	30,067,169
Written down value of disposals	(225)	(2,653)
Depreciation during the period/year	(656,614)	(2,619,342)
	<u>63,416,918</u>	<u>63,999,096</u>

11.2 Right of use assets (ROU) - Building

Balance at the beginning	71,975	167,260
Depreciation for the period/year	(23,991)	(95,285)
	<u>47,984</u>	<u>71,975</u>
Balance at the end	<u>63,464,902</u>	<u>64,071,071</u>

12. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	1,415,437	843,218
Additions during the period/year	43,981	618,981
Transfer to operating assets		
- Building on freehold land	8,091	-
- Plant and machinery	11,938	46,762
	<u>(20,029)</u>	<u>(46,762)</u>
Balance at the end	<u>1,439,389</u>	<u>1,415,437</u>

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

The details are as under:

Civil works	3,943	11,682
Plant and machinery	1,434,446	1,402,755
Pipeline project	1,000	1,000
	<u>1,439,389</u>	<u>1,415,437</u>

13. LONG TERM INVESTMENTS
Investment in associated companies:

Balance at the beginning	28,905,269	26,124,703
Share of profit after tax of associated companies	2,190,023	2,140,762
Share in other comprehensive income	1,470	104,991
Dividend received from associated companies	(299,318)	(1,629,999)
Impairment (loss)/reversal on investment	(800,676)	2,164,812
Balance at the end	<u>29,996,768</u>	<u>28,905,269</u>

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

	September 30, 2023		June 30, 2023	
	% age Holding	Rs '000	% age Holding	Rs '000
Quoted				
National Refinery Limited - note 13.2	25	11,395,237	25	11,395,237
Attock Petroleum Limited	21.88	14,022,429	21.88	12,968,391
Unquoted				
Attock Gen Limited	30	4,518,056	30	4,484,293
Attock Information Technology Services (Private) Limited	10	61,046	10	57,348
		29,996,768		28,905,269

13.2 Based on valuation analysis, the recoverable amount of investment in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations are made on discounted cash flow based valuation methodology carried out by an external investment advisor engaged by the Company for the year ended June 30, 2023.

14. STOCK-IN-TRADE

As at September 30, 2023, stock-in-trade includes stocks carried at net realisable value of Rs 9,057.73 million (June 30, 2023: Rs 5,335.56 million). Adjustments amounting to Rs 2,299.57 million (June 30, 2023: Rs 1,343.91 million) have been made to closing inventory to write down stock to net realizable value. The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

15. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 17,013.09 million (June 30, 2023: Rs 18,340.01 million) and Pakistan Oilfields Limited Rs nil (June 30, 2023: Rs 14.08 million).

	September 30, 2023 Rs '000	June 30, 2023 Rs '000
16. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Due from associated companies		
Attock Petroleum Limited	1,080,686	1,058,206
Attock Information Technology Services (Private) Limited	851	1,593
Attock Leisure and Management Associates (Private) Limited	106	122
Attock Gen Limited	7,572	7,913
Attock Cement Pakistan Limited	6	13
National Cleaner Production Centre Foundation	13,635	2,916
Capgas (Private) Limited	245	209
National Refinery Limited	19,725	2,437
Attock Sahara Foundation	1,293	794
Staff Pension Fund	2,130	-
Staff Gratuity Fund	7,506	-
Income accrued on bank deposits	837,131	204,091
Sales tax forcibly recovered - note 10 (vii)	1,076,579	1,076,579
Workers' Profit Participation Fund	-	117,495
Loans, deposits, prepayments and other receivables	602,101	578,242
Loss allowance	(344,085)	(343,353)
	3,305,481	2,707,257

17. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 22.75% (June 30, 2023: 21.88 %) per annum.

September 30, 2023 Rs '000	June 30, 2023 Rs '000
----------------------------------	-----------------------------

18. CASH AND BANK BALANCES

Cash in hand (US \$ 4,843; June 30, 2023: US \$ 3,143)	7,987	2,543
With banks:		
Local currency		
Current accounts	695,003	12,292
Short term deposit - note 18.1, 18.2 and 18.3	8,148,462	4,917,722
Saving accounts	12,516,059	10,183,076
Foreign Currency		
Saving accounts (US \$ 466,661; June 30, 2023: US \$ 465,453)	134,212	133,073
	<u>21,501,723</u>	<u>15,248,706</u>

18.1 Deposit accounts include Rs 5,148.46 million (June 30, 2023: Rs 4,917.72 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.

18.2 Balances with banks include Rs 3,000.00 million (June 30, 2023: Rs nil) in respect of deposits placed in 90-days interest-bearing account.

18.3 Bank deposits of Rs 1,326.71 million (June 30, 2023: Rs 1,326.71 million) and Rs 23.49 (June 30, 2023: Rs 23.48) were under lien with bank against a bank guarantee and letter of credit issued on behalf of the Company.

September 30, 2023 Rs '000	September 30, 2022 Rs '000
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18.4 Cash and cash equivalents

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

Cash and bank balances	21,501,723	29,859,262
Short term financing	27,728,754	-
	<u>49,230,477</u>	<u>29,859,262</u>
Bank balances under lien	(1,350,198)	(1,326,706)
	<u>47,880,279</u>	<u>28,532,556</u>

Three months ended

September 30, 2023 Rs '000	September 30, 2022 Rs '000
----------------------------------	----------------------------------

19. GROSS SALES
Company

Local sales

140,798,231	116,825,757
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Subsidiary

Local sales

41,439	38,859
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<u>140,839,670</u>	<u>116,864,616</u>
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	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
20. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL		
Sales tax	4,524,779	4,309,081
Petroleum development levy	21,637,249	6,244,908
Custom duties and other levies - note 20.1	4,852,562	4,588,847
PMG RON differential - note 20.2	737,555	530,164
HSD price differential - note 20.3	1,196,809	1,862,448
HSD premium differential - note 20.4	-	166,405
	32,948,954	17,701,853

- 20.1** This includes Rs 4,852.56 million (September 30, 2022: Rs 4,588.82 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.
- 20.2** 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 91 RON PMG sold by the Company during the period.
- 20.3** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of HSD Euro-III and V price differential claim.
- 20.4** HSD premium differential as notified by OGRA is the difference of Pakistan State Oil's (PSO) weighted average premium (KPC premium) and average tendered premium used in pricing of HSD.

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
21. COST OF SALES		
Crude oil consumed - note 21.1	89,582,265	84,212,648
Transportation and handling charges	(3,605)	4,382
Salaries, wages and other benefits	425,798	440,897
Chemicals consumed	2,388,938	1,875,622
Fuel and power	2,829,479	2,443,862
Repairs and maintenance	115,496	96,061
Staff transport and travelling	8,199	9,022
Insurance	151,203	96,108
Cost of receptacles	11,664	6,003
Other operating costs	10,478	7,706
Security charges	9,847	10,442
Contract services	76,136	83,891
Depreciation	648,733	652,161
Cost of goods manufactured	96,254,631	89,938,805
Changes in stocks	(5,183,073)	(751,627)
	91,071,558	89,187,178

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

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
22. OTHER INCOME		
Income on bank deposits	3,122,921	1,180,736
Interest on delayed payments	41,250	156,117
Handling and service charges	21,495	35,559
Rental income	41,990	34,918
Miscellaneous	19,227	8,291
	3,246,883	1,415,621
23. FINANCE COST		
Exchange (gain)/loss - (net)	(90,157)	257,405
Interest on long term financing measured at amortized cost	-	81,422
Interest on Workers' Profit Participation Fund	-	1,014
Interest on short term financing measured at amortized cost	-	3,131
Interest on lease liability measured at amortized cost	-	3,948
Bank and other charges	147	151
	(90,010)	347,071
24. TAXATION		
Current	7,339,107	3,392,179
Deferred	(155,401)	(123,063)
	7,183,706	3,269,116
25. NON-REFINERY INCOME		
Share in profit of associated companies [net of impairment (loss)/reversal]	1,389,347	1,075,681
Related charges:		
Workers' Welfare Fund	5,986	16,805
Taxation - current and deferred	322,724	179,033
	(328,710)	(195,838)
	1,060,637	879,843
26. OPERATING SEGMENT		

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

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
High Speed Diesel	51,168,409	38,566,598
Premier Motor Gasoline	57,998,591	46,792,562
Jet Petroleum	12,030,403	11,650,151
Furnace Fuel Oil	14,905,950	16,492,443
Others	4,736,317	3,362,862
	140,839,670	116,864,616
Taxes, duties, levies and price differential	(32,948,954)	(17,701,853)
	107,890,716	99,162,763

Revenue from four major customers of the Company constitute 93% of total revenue during the three months period ended September 30, 2023 (September 30, 2022: 94%).

27. 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 (unadjusted) in active market for identical assets/liabilities.
- Level 2:
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3:
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Level 2 fair value of land has been derived 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 and a slight change in the estimated price per square foot of the land would result in a significant change in the fair value of the freehold land.

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, 2023. 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'.

28. RELATED PARTY TRANSACTIONS

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

	Three months ended	
	September 30, 2023 Rs '000	September 30, 2022 Rs '000
Sale of goods and services to:		
Associated companies	<u>42,581,236</u>	<u>28,834,518</u>
Holding company	<u>1,551</u>	<u>1,731</u>
Interest income on delayed payments from an associated company	<u>39,769</u>	<u>156,117</u>
Purchase of goods and services from:		
Associated companies	<u>9,633,594</u>	<u>9,584,882</u>
Holding company	<u>136,884</u>	<u>246,592</u>
Dividend paid:		
Associated company	<u>-</u>	<u>17,900</u>
Key management personnel	<u>-</u>	<u>59</u>
Dividend received:		
Associated companies	<u>-</u>	<u>840,263</u>

Three months ended

	September 30, 2023 Rs '000	September 30, 2022 Rs '000
Other related parties:		
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	82,692	59,954
Honorarium/remuneration to Non-Executive Directors	6,783	4,546
Contribution to Workers' Profit Participation Fund	988,557	531,468
Contribution to Employees' Pension, Gratuity and Provident Funds	28,454	29,153

29. GENERAL

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

29.2 Date of Authorisation

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on October 09, 2023.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director



ATTOCK REFINERY LIMITED

**Refinery P.O. Morgah, Rawalpindi, Pakistan.
Tel: +92 (51) 5487041-5 Fax: +92 (51) 5487093 & 5406229
Website: www.arl.com.pk**