



ATTOCK REFINERY LIMITED



Condensed Interim Financial Statements

For the Six Months Period Ended December 31, 2023

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Laith G. Pharaon

(Alternate Director Mr. Shuaib A. Malik)

Non Executive Director

Mr. Wael G. Pharaon

(Alternate Director Mr. Babar Bashir Nawaz)

Non Executive Director

Mr. Shuaib A. Malik

Chairman / Non Executive Director

Mr. Abdus Sattar

Non Executive Director

Mr. Jamil A. Khan

Non Executive Director

Mr. Shamim Ahmad Khan

Independent Non Executive Director

Mr. Tariq Iqbal Khan

Independent Non Executive Director

CHIEF EXECUTIVE OFFICER **Mr. M. Adil Khattak**

CHIEF FINANCIAL OFFICER **Syed Asad Abbas**

FCA

COMPANY SECRETARY **Mr. Saif ur Rehman Mirza**

FCA

AUDIT COMMITTEE **Mr. Shamim Ahmad Khan**

Chairman

Mr. Shuaib A. Malik

Member

Mr. Abdus Sattar

Member

Mr. Tariq Iqbal Khan

Member

Mr. Babar Bashir Nawaz

Member

AUDITORS

A.F. Ferguson & Co.

Chartered Accountants

LEGAL ADVISOR

Ali Sibtain Fazli & Associates

Legal Advisors, Advocates & Solicitors

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

REGISTERED OFFICE

The Refinery, Morgah, Rawalpindi.

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

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

DIRECTORS' REVIEW REPORT

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

On behalf of the Board of Directors of Attock Refinery Limited, we are pleased to present review of the financial results and operations of the Company for the second quarter and half year ended December 31, 2023 along with the Review Report of the Auditors thereon.

FINANCIAL RESULTS

During the period under review the Company earned profit after tax of Rs 15,876 million from refinery operations (December 31, 2022: Profit of Rs 14,444 million). Non-refinery income during this period was Rs 539 million (December 31, 2022: Rs 915 million). Accordingly, overall profit after taxation was Rs 16,415 million with earning per share of Rs 153.96 (December 31, 2022: Profit of Rs 15,359 million with earning per share of Rs 144.06).

During the period under review the refining margins remained favourable although these have reduced from previous periods. Better inventory management and operating refinery at an optimal level throughput helped the Company's profitability.

The Consolidated Financial Statements of the Company are annexed. During the period the Company made a Consolidated profit after tax of Rs 17,559 million (December 31, 2022: Rs 15,909 million) which translates into consolidated earnings per share of Rs 164.70 (December 31, 2022: Rs 149.21).

DIVIDEND

The Board has approved interim cash dividend @ 25% i.e. Rs 2.50 per share (December 31, 2022: Nil).

REFINERY OPERATIONS

During the period under review, the Company supplied 885 thousand Metric Tons of various petroleum products while operating at about 78% of the capacity (December 31, 2022: 895 thousand Metric Tons, 79% capacity). Low uplifting of furnace fuel in winter season has become a persistent problem for refineries. To address this issue, the Company has made necessary arrangements for export of its furnace fuel. In December, 2023 first consignment of low sulphur fuel oil was successfully exported.

Presently the Company is also facing problem of low uplifting of Premier Motor Gasoline (PMG) & High-Speed Diesel (HSD) by oil marketing companies. The matter is being pursued with Oil and Gas Regulatory Authority (OGRA) to take appropriate steps and resolve the issue.

FUTURE OUTLOOK

The economy and overall business climate in the country is expected to remain difficult with rising costs of doing business, high inflation and unstable refining margins. Hence, the management will continue to focus on proactively improving operational efficiencies to increase revenue and reduce costs.

The management remains committed to execute its planned up-gradation project which will enable production of Euro-V compliant PMG and HSD along with increase in production of PMG. The Government of Pakistan has announced Refining Policy for Upgradation of Existing Refineries. Incentives provided in the Policy will support and play a pivotal role in completion of the Company's upgradation project. Certain modalities of the Policy are currently under discussion with the Government and are expected to be finalized shortly.

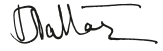
ACKNOWLEDGEMENT

The Board would like to acknowledge support received from the Ministry of Energy and all other stakeholders. We highly appreciate dedicated efforts of our employees and their commitment to achieve excellence. We also thank our valued customers and suppliers for their support and unwavering faith in our Company.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'M. Adil Khattak', written over a horizontal line.

M. Adil Khattak
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Abdus Sattar', written over a horizontal line.

Abdus Sattar
Director

February 05, 2024
Dubai, United Arab Emirates

کی کھپت میں کمی ریفاٹنز کے لیے ایک مستقل مسئلہ بن گیا ہے۔ اس مسئلے کو حل کرنے کے لیے کمپنی نے اپنے فرنس آئل کی برآمد کے لیے ضروری انتظامات کیے ہیں دسمبر ۲۰۲۳ میں کم سلفروا لے اینڈسول کی پہلی کھیپ کامیابی کے ساتھ برآمد کی گئی ہے۔ اس وقت کمپنی کو آئل مارکیٹنگ کمپنیز کی طرف سے پری میئر موٹر گیسولین (PMG) اور ہائی اسپید ڈیزل (HSD) کی مانگ میں کمی کا مسئلہ بھی درپیش ہے۔ اس معاملے کو آئل اینڈ گیس ریگولیٹری اتھارٹی (اوگر ا) کے ساتھ اٹھایا جا رہا ہے تاکہ مناسب اقدامات کیے جائیں اور اس مسئلے کو حل کیا جاسکے۔

مستقبل کا منظر نامہ

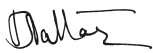
کاروبار کرنے کے بڑھتے ہوئے اخراجات، بلند افراط زر اور غیر مستحکم ریفاٹنگ مارجن کے ساتھ ملکی معیشت اور مجموعی کاروباری ماحول کے مشکل رہنے کی توقع ہے۔ لہذا، انتظامیہ آمدنی میں اضافے اور اخراجات کو کم کرنے کے لیے فعال طور پر آپریشنل افادیت کو بہتر بنانے پر توجہ مرکوز رکھے گی۔

انتظامیہ اپنے تجدیدی منصوبے کو عملی جامہ پہنانے کے لیے پرعزم ہے جس سے یورو-۵ (Euro-V) میعار کے پٹرول اور ڈیزل کی پیداوار کے ساتھ ساتھ پٹرول کی پیداوار میں اضافہ بھی ہوگا۔ حکومت پاکستان نے موجودہ ریفاٹنز کی تجدید کے لیے ریفاٹنگ پالیسی کا اعلان کیا ہے۔ پالیسی میں فراہم کردہ مراعات کمپنی کے تجدیدی منصوبوں کی تکمیل میں معاونت اور اہم کردار ادا کریں گی۔ پالیسی کے کچھ معاملات فی الحال حکومت کے ساتھ زیر بحث ہیں اور امید ہے کہ جلد ہی ان کو حتمی شکل دی جائے گی۔

اظہار تشکر


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

بورڈ کی جانب سے



عبدالقدیر

ڈائریکٹر



امیر عادل تنگ

چیف ایگزیکٹو آفیسر

۵ فروری ۲۰۲۳
دہلی، متحدہ عرب امارات

انک ریفاٹری لمیٹڈ ڈائریکٹرز کی جائزہ رپورٹ

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

انک ریفاٹری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی دوسری سہ ماہی اور ششماہی اختتامی مدت کے کمپنی کے مالیاتی نتائج، آڈیٹرز کی جائزہ رپورٹ اور آپریشنز کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ مدت کے دوران کمپنی کو ریفاٹری آپریشنز سے ٹیکس ادا کرنے کے بعد ۱۵,۸۷۶ ملین روپے کا منافع ہوا (۳۱ دسمبر ۲۰۲۲: ۱۳,۴۴۴ ملین روپے کا منافع)۔ اس مدت کے دوران غیر ریفاٹری ذرائع سے ۵۳۹ ملین روپے کی آمدن ہوئی (۳۱ دسمبر ۲۰۲۲: ۹۱۵ ملین روپے)۔ اس طرح مجموعی طور پر ٹیکس ادا کرنے کے بعد ۱۶,۴۱۵ ملین روپے کے منافع کے ساتھ (۳۱ دسمبر ۲۰۲۲: ۱۵,۳۵۹ ملین روپے کے منافع کے ساتھ) نی حصص منافع ۱۵۳.۹۶ روپے رہا (۳۱ دسمبر ۲۰۲۲: ۱۴۳.۰۶ روپے)۔

زیر جائزہ مدت کے دوران ریفاٹنگ مارجنز سازگار رہے اگرچہ یہ پچھلے ادوار سے کم ہوئے ہیں۔ مصنوعات کے بہتر انتظام اور ریفاٹری کو مناسب استعداد پر چلانے کی وجہ سے کمپنی کے منافع کو بہتر کرنے میں مدد ملی ہے۔

کمپنی کے یکجا مالیاتی گوشوارے (Consolidated Financial Statements) منسلک ہیں۔ زیر جائزہ مدت کے دوران کمپنی نے ٹیکس ادا کرنے کے بعد ۱۷,۵۵۹ ملین روپے کا مجموعی منافع کمایا (۳۱ دسمبر ۲۰۲۲: ۱۵,۹۰۹ ملین روپے) جو کہ مجموعی نی حصص ۶۳.۷۰ روپے بنتا ہے (۳۱ دسمبر ۲۰۲۲: منافع ۱۴۹.۲۱ روپے)۔

منافع منقسمہ (ڈیویڈنڈ)

بورڈ نے ۲۵% یعنی ۲.۵۰ روپے فی حصص کے حساب سے عبوری نقد منافع منقسمہ کی منظوری دے دی ہے (۳۱ دسمبر ۲۰۲۳: صفر)۔

ریفاٹری آپریشنز

زیر جائزہ مدت کے دوران ریفاٹری نے ۸% پیداواری استعداد کے ساتھ ۸۸۵ ہزار میٹرک ٹن کی مختلف پیٹرولیم مصنوعات فراہم کیں (۳۱ دسمبر ۲۰۲۲: ۹% پیداواری استعداد کے ساتھ ۸۹۵ ہزار میٹرک ٹن)۔ سردیوں کے موسم میں فرنس آئل

*A. F. FERGUSON & CO.*

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Attock Refinery Limited as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of profit of loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the three months ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2023.

Scope of Review

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

Conclusion

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

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

Chartered Accountants
Islamabad
Dated: February 14, 2024


UDIN: RR202310610CY0fZN9wL

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

	Note	December 31, 2023 Rs '000	June 30, 2023 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital			
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	68,628,022	53,546,028
Surplus on revaluation of freehold land		55,160,588	55,160,588
		<u>124,854,773</u>	<u>109,772,779</u>
NON CURRENT LIABILITIES			
Deferred taxation		-	211,720
Lease liability		154,695	-
		154,695	211,720
CURRENT LIABILITIES			
Trade and other payables	7	75,607,671	56,942,838
Current portion of lease liability		166,516	-
Unpaid dividend- awaiting remittance by the authorized bank	8	1,133,464	503,762
Unclaimed dividends		15,143	11,800
Provision for taxation		13,106,813	9,317,563
		90,029,607	66,775,963
TOTAL EQUITY AND LIABILITIES		<u>215,039,075</u>	<u>176,760,462</u>
CONTINGENCIES AND COMMITMENTS		9	

		December 31, 2023 Rs '000	June 30, 2023 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	10	63,144,394	64,025,304
Capital work-in-progress	11	1,504,288	1,415,437
Major spare parts and stand-by equipment		157,267	170,258
		64,805,949	65,610,999
LONG TERM INVESTMENTS	12	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS		42,053	47,364
DEFERRED TAXATION		1,150,902	-
		79,263,819	78,923,278
CURRENT ASSETS			
Stores, spares and loose tools		5,648,173	5,749,486
Stock-in-trade	13	28,435,643	20,608,420
Trade debts	14	33,285,188	39,513,594
Loans, advances, deposits, prepayments and other receivables	15	2,762,297	2,700,538
Short term investments	16	30,101,550	14,139,114
Cash and bank balances	17	35,542,405	15,126,032
		135,775,256	97,837,184
TOTAL ASSETS		215,039,075	176,760,462

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


Syed Asad Abbas
 Chief Financial Officer


M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

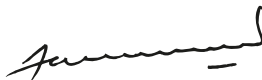
**Condensed Interim Statement of Profit or Loss (Unaudited)
For The Six Months Period Ended December 31, 2023**

	Note	Three months ended		Six months ended	
		December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Gross sales	18	129,416,173	111,928,360	270,214,404	228,754,117
Taxes, duties, levies and price differential	19	(31,385,155)	(22,099,527)	(64,334,109)	(39,801,380)
Net sales		98,031,018	89,828,833	205,880,295	188,952,737
Cost of sales	20	(93,887,159)	(78,914,664)	(184,958,717)	(168,101,842)
Gross profit		4,143,859	10,914,169	20,921,578	20,850,895
Administration expenses		349,168	271,497	665,226	618,676
Distribution cost		22,202	19,067	42,560	41,966
Other charges		553,593	872,820	1,925,765	1,613,699
		(924,963)	(1,163,384)	(2,633,551)	(2,274,341)
Other income	21	4,230,939	1,808,183	7,471,497	3,222,748
Impairment reversal/(loss) on financial assets		25,165	(22,084)	24,433	(26,864)
Operating profit		7,475,000	11,536,884	25,783,957	21,772,438
Finance income/(costs) - net	22	(4,477)	133,732	85,533	(213,339)
Profit before taxation from refinery operations		7,470,523	11,670,616	25,869,490	21,559,099
Taxation	23	(2,818,165)	(3,851,302)	(9,993,762)	(7,114,502)
Profit after taxation from refinery operations		4,652,358	7,819,314	15,875,728	14,444,597
Income from non-refinery operations less applicable charges and taxation	24	298,018	236,901	538,969	914,739
Profit for the period		4,950,376	8,056,215	16,414,697	15,359,336
Earnings per share					
- basic and diluted (Rupees)					
Refinery operations		43.64	73.34	148.91	135.48
Non-refinery operations		2.79	2.22	5.05	8.58
		46.43	75.56	153.96	144.06

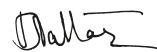
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer




Abdus Sattar
Director

**Condensed Interim Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For The Six Months Period Ended December 31, 2023**

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Profit for the period	4,950,376	8,056,215	16,414,697	15,359,336
Other comprehensive income - net of tax	-	-	-	-
Total comprehensive income for the period	4,950,376	8,056,215	16,414,697	15,359,336

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


Syed Asad Abbas
Chief Financial Officer


M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

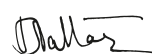
Condensed Interim Statement of Changes in Equity (Unaudited) For The Six Months Period Ended December 31, 2023

	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		
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	-	-	-	-	-	-	15,359,336	-	15,359,336
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	14,371,697	-	-	-	-	(14,371,697)	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - note 6.1	-	(2,201,689)	-	-	-	-	2,201,689	-	-
Balance as at December 31, 2022	1,066,163	12,170,008	10,962,934	5,948	3,762,775	55	12,758,674	25,093,419	65,819,976
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	13,865,896	-	13,865,896
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	-	13,492,581	-	-	-	-	(13,492,581)	-	-
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
Distribution to owners: Final cash dividend @ 125% related to the year ended June 30, 2023	-	-	-	-	-	-	(1,332,703)	-	(1,332,703)
Total comprehensive income - net of tax									
Profit for the period	-	-	-	-	-	-	16,414,697	-	16,414,697
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	4,534,298	-	-	-	-	(4,534,298)	-	-
Balance as at December 31, 2023	1,066,163	30,196,887	10,962,934	5,948	3,762,775	55	23,699,423	55,160,588	124,854,773

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


Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

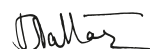
Condensed Interim Statement of Cash Flows (Unaudited) For The Six Months Period Ended December 31, 2023

	Note	Six months ended	
		December 31, 2023 Rs '000	December 31, 2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - customers		276,500,460	240,230,922
- others		834,797	578,802
		277,335,257	240,809,724
Cash paid for operating costs		(179,866,081)	(183,070,527)
Cash paid to Government for duties, taxes and other levies		(60,119,728)	(31,593,764)
Income tax paid		(7,721,575)	(2,235,165)
Net cash inflows from operating activities		29,627,873	23,910,268
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(243,871)	(590,345)
Proceeds against disposal of operating assets		4,909	5,418
Long term loans and deposits		5,311	2,888
Income received on bank deposits		7,023,871	2,511,756
Dividends received from associated companies	24	707,561	1,140,137
Net cash generated from investing activities		7,497,781	3,069,854
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(4,650,000)
Repayment of lease liability		(48,426)	-
Transaction cost on long term financing		-	(500)
Dividends paid to Company's shareholders		(699,658)	(503,564)
Bank balances under lien		5,385	-
Finance costs paid		(277)	(342,471)
Net cash outflows from financing activities		(742,976)	(5,496,535)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		36,382,678	21,483,587
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		1,516	(10,257)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		64,299,142	42,400,276

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


Syed Asad Abbas
Chief Financial Officer


M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

Selected Notes To and Forming Part of the Condensed Interim Financial Statements (Unaudited) For The Six Months Period Ended December 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 limited company on June 26, 1979. The Company is principally engaged in the refining of crude oil. The registered office and refinery complex of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited.

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

2. STATEMENT OF COMPLIANCE

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

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

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 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 December 31, 2023.

	December 31, 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
Unappropriated profit - net	23,699,423	13,151,727
	27,462,253	16,914,557
	68,628,022	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 upgradation of refineries or may also be utilised in off setting losses of the refinery from refinery operations. During the period, the Government of Pakistan has notified the "Pakistan Oil Refining Policy for Upgradation of Existing/Brownfield Refineries, 2023" (the 2023 Policy) on August 17, 2023. Under the new policy, the requirement to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into Special Reserve Account is not required. Accordingly, profit of Rs 4,534 million has been transferred to Special Reserve Account prior to notification of the 2023 Policy on August 17, 2023.
- 6.2** Represent amounts utilized out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till December 31, 2023 is Rs 29,587.64 million (June 30, 2023: Rs. 29,569.89 million) including Rs 18,624.71 million (June 30, 2023: 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.

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
7. TRADE AND OTHER PAYABLES		
Creditors - note 7.1	39,925,811	28,178,514
Due to Attock Oil Company Limited - Holding Company	70,298	89,628
Due to Associated Companies		
Pakistan Oilfields Limited	3,911,820	3,378,102
Attock Energy (Private) Limited	449	444
Accrued liabilities and provisions - note 7.1	8,014,216	7,273,880
Due to Government under the pricing formula	8,440,031	7,321,232
Custom duty payable to Government	4,845,404	3,733,028
Sales tax payable	755,343	595,418
Contract liabilities - Advance payments from customers	184,942	127,292
Payable to statutory authorities in respect of petroleum development levy and excise duty	7,882,530	6,059,249
Workers' Profit Participation Fund	1,389,763	-
ARL Gratuity Fund	-	58,953
Staff Pension Fund	-	35,979
Crude oil freight adjustable through inland freight equalisation margin	183,621	87,676
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	3,067
	<u>75,607,671</u>	<u>56,942,838</u>

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 directives of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 5,479.43 million (June 30, 2023: Rs 4,995.27 million).

8. UNPAID DIVIDEND - AWAITING REMMITANCE BY THE AUTHORIZED BANK

This represents dividend payable to non-resident major shareholder, The Attock Oil Company Limited, United Kingdom for the year ended June 30, 2022 and June 30, 2023 respectively, awaiting remittance by the authorized bank due to regulatory constraints. Subsequent to the period end, the entire amount has been remitted to the non-resident major shareholder.

December 31, 2023 Rs '000	June 30, 2023 Rs '000
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9. CONTINGENCIES AND COMMITMENTS
Contingencies:

- | | | | |
|----|---|------------------|-----------|
| i) | Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to the higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014, in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing the imports against submission of bank guarantees and restraining customs authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/claimable government levies. | 1,326,706 | 1,326,706 |
|----|---|------------------|-----------|

On November 10, 2020, the Court referred the case to Customs authorities with the instruction not to encash the bank guarantees without giving the Company appropriate remedy under the law. In June 2021, the Customs authorities have issued orders granting partial relief for Company's contention. The Company preferred an appeal before Collector of Appeals. On June 14, 2023, the Custom Appellate Tribunal (CAT) has passed order against the Company. The Company has filed reference on September 25, 2023 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 these condensed interim financial statements.

- | | | | |
|------|--|--------------|-------|
| ii) | Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been received/paid on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties. | | |
| iii) | Claims for land compensation contested by the Company. | 5,300 | 5,300 |
| iv) | Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 20.1, the amount of which can not be presently quantified. | | |

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
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.	2,484,098	2,484,098

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

	December 31, 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 15 to financial statements.

Commitments:

i) Capital expenditure	859,809	510,007
ii) Letters of credit and other contracts for purchase of store items	2,215,464	1,345,490

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
10. OPERATING ASSETS		
10.1 Owned assets		
Opening written down value	63,953,329	36,308,937
Additions during the period/year	168,011	193,794
Revaluation surplus	-	30,067,169
Written down value of disposals	(480)	(2,653)
Depreciation for the period/year	(1,313,278)	(2,613,918)
	62,807,582	63,953,329
10.2 Right of use assets (ROU)		
Balance at the beginning	71,975	167,260
Additions during the period/year	352,100	-
Depreciation for the period/year	(87,263)	(95,285)
	336,812	71,975
Balance at the end	63,144,394	64,025,304
11. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning	1,415,437	843,218
Additions during period/year	127,166	618,981
Transfer to operating assets		
- Building on freehold land	(11,347)	-
- Plant and machinery	(24,998)	(46,762)
- Furniture, fixtures and equipment	(1,970)	-
	(38,315)	(46,762)
Balance at the end	1,504,288	1,415,437
Breakup of the closing balance of capital work-in-progress		
The details are as under:		
Civil works	5,226	11,682
Plant and machinery	1,498,062	1,402,755
Pipeline project	1,000	1,000
	1,504,288	1,415,437

	December 31, 2023		June 30, 2023	
	% age Holding	Rs '000	% age Holding	Rs '000
12. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
<u>Quoted</u>				
National Refinery Limited - note 12.1	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>

12.1 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.

13. STOCK-IN-TRADE

As at December 31, 2023, stock-in-trade includes stocks carried at net realisable value of Rs 16,604.12 million (June 30, 2023: Rs 5,335.56 million). Adjustments amounting to Rs 3,358.37 million (June 30, 2023: Rs 1,343.91 million) have been made to closing inventory to write down stock to Net Realizable Value (NRV). The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

14. TRADE DEBTS - unsecured and considered good

Trade debts include amounts receivable from associated companies Attock Petroleum Limited Rs 9,813.11 million (June 30, 2023: Rs 18,340.01 million) and Pakistan Oilfields Limited Rs nil (June 30, 2023: Rs 14.08 million).

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	1,550	1,905
Due from associated companies		
Attock Information Technology Services (Private) Limited	892	1,593
Attock Petroleum Limited	598,213	1,054,676
Attock Leisure and Management Associates (Private) Limited	103	122
Attock Gen Limited	5,164	7,790
National Cleaner Production Centre Foundation	6,198	2,844
National Refinery Limited	2,437	2,437
Attock Sahara Foundation	104	84
Caggas (Private) limited	162	126
Income accrued on bank deposits	399,361	204,091
Workers' Profit Participation Fund	-	117,495
Sales tax forcibly recovered - note 9 (vii)	1,076,579	1,076,579
Loans, deposits, prepayments and other receivables	990,454	574,149
Loss allowance	(318,920)	(343,353)
	<u>2,762,297</u>	<u>2,700,538</u>

16. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 21.25% (June 30, 2023: 21.88%) per annum.

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
17. CASH AND BANK BALANCES		
Cash in hand (US \$ 2,943 ; June 30, 2023: US \$ 3,143)	2,543	1,923
With banks:		
Local currency		
Current accounts	15,344	11,753
Short term deposit - notes 17.1 and 17.2	5,397,112	4,917,722
Saving accounts	29,995,780	10,061,561
Foreign Currency		
Saving accounts (US \$ 467,092; June 30, 2023: US \$ 465,453)	131,626	133,073
	<u>35,542,405</u>	<u>15,126,032</u>

17.1 Deposit accounts include Rs 5,397.11 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 7.1.

17.2 Bank deposits of Rs 1,326.71 million (June 30, 2023: Rs 1,326.71 million) and Rs 18.11 million (June 30, 2023: Rs 23.48 million) were under lien with bank against a bank guarantee and letter of credit issued on behalf of the Company.

	December 31, 2023 Rs '000	December 31, 2022 Rs '000
17.3 Cash and cash equivalents		
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Cash and bank balances	35,542,405	33,637,888
Short term financing	30,101,550	10,089,094
	65,643,955	43,726,982
Bank balances under lien	(1,344,813)	(1,326,706)
	64,299,142	42,400,276

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
18. GROSS SALES				
Local sales	125,709,953	111,928,360	266,508,184	228,754,117
Export sales	3,706,220	-	3,706,220	-
	129,416,173	111,928,360	270,214,404	228,754,117
19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL				
Sales tax	3,081,593	3,010,908	7,606,372	7,319,989
Petroleum development levy	22,445,346	13,146,345	44,082,595	19,391,253
Custom duties and other levies - note 19.1	4,552,119	4,088,426	9,404,681	8,677,273
PMG RON differential - note 19.2	587,927	433,388	1,325,482	963,552
HSD price differential - note 19.3	718,170	1,420,460	1,914,979	3,282,908
HSD premium differential - note 19.4	-	-	-	166,405
	31,385,155	22,099,527	64,334,109	39,801,380

19.1 This includes Rs 9,404.68 million (December 31, 2022: Rs 8,677.21 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

19.2 This represents amount payable as per Oil and Gas Regulatory Authority directives on account of differential between price of PSO's imported 92 RON PMG and 91 RON PMG sold by the Company during the period.

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

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

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
20. COST OF SALES				
Crude oil consumed - note 20.1	85,300,460	71,649,235	174,882,725	155,861,883
Transportation and handling charges	582,184	210,597	578,579	214,979
Salaries, wages and other benefits	437,314	380,573	863,112	821,470
Chemicals consumed	2,330,051	1,892,526	4,718,989	3,768,148
Fuel and power	3,081,160	2,087,420	5,910,639	4,531,282
Repairs and maintenance	188,017	158,198	303,513	254,259
Staff transport and travelling	9,951	8,634	18,150	17,656
Insurance	174,354	122,280	325,557	218,388
Cost of receptacles	10,242	5,264	21,906	11,267
Other operating costs	12,654	9,052	23,132	16,758
Security Charges	11,497	8,570	21,344	19,012
Contract Services	106,478	67,267	182,614	151,158
Depreciation	689,692	645,906	1,338,425	1,298,067
Cost of goods manufactured	92,934,054	77,245,522	189,188,685	167,184,327
Changes in stocks	953,105	1,669,142	(4,229,968)	917,515
	93,887,159	78,914,664	184,958,717	168,101,842

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

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
21. OTHER INCOME				
Income on bank deposits	4,102,721	1,544,989	7,219,141	2,724,525
Interest on delayed payments	62,898	210,858	104,148	366,975
Handling and service charges	9,386	14,266	30,881	49,825
Rental income	34,345	28,024	76,678	63,254
Miscellaneous	21,589	10,046	40,649	18,169
	4,230,939	1,808,183	7,471,497	3,222,748
22. FINANCE INCOME / (COSTS) - NET				
Exchange gain/(loss) - (net)	13,190	138,006	103,347	(119,399)
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	(17,537)	(4,047)	(17,537)	(7,995)
Bank and other charges	(130)	(227)	(277)	(378)
	(4,477)	133,732	85,533	(213,339)

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
23. TAXATION				
Current	4,025,510	(57,552)	11,356,384	3,328,623
Deferred	(1,207,345)	3,908,854	(1,362,622)	3,785,879
	2,818,165	3,851,302	9,993,762	7,114,502
24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION				
Dividend income from associated companies	408,243	299,874	707,561	1,140,137
Related charges				
Workers' Welfare Fund	8,165	5,998	14,151	22,803
Taxation	102,060	56,975	154,441	202,595
	(110,225)	(62,973)	(168,592)	(225,398)
	298,018	236,901	538,969	914,739
25. OPERATING SEGMENTS				

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

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	Rs '000	Rs '000	Rs '000	Rs '000
High Speed Diesel	51,891,236	43,486,636	103,059,645	82,053,234
Premier Motor Gasoline	51,560,176	46,113,393	109,558,767	92,905,955
Jet Petroleum	11,331,426	10,521,935	23,361,829	22,172,086
Furnace Fuel Oil	6,613,370	7,653,402	21,519,320	24,145,845
Export sales (Furnace Fuel Oil)	3,706,220	-	3,706,220	-
Others	4,313,745	4,152,994	9,008,623	7,476,997
	129,416,173	111,928,360	270,214,404	228,754,117
Taxes, duties, levies and price differential	(31,385,155)	(22,099,527)	(64,334,109)	(39,801,380)
	98,031,018	89,828,833	205,880,295	188,952,737

Revenue from four major customers of the Company constitute 91% of total revenue during the six months period ended December 31, 2023 (December 31, 2022: 94%).

26. FAIR VALUE MEASUREMENT

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

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

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

27. RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Sale of goods and services to:				
Associated companies	31,707,618	32,524,669	74,279,217	61,348,264
Subsidiary company	8,015	4,569	15,969	13,352
Holding company	1,485	1,667	3,036	3,398
Interest income on delayed payments from an associated company	62,897	210,858	102,666	366,975
Purchase of goods and services from:				
Associated companies	9,792,783	7,375,552	19,426,192	16,960,263
Subsidiary company	28,245	28,667	55,002	57,092
Holding company	127,819	176,093	264,703	422,685
Dividend paid to:				
Associated company	22,375	-	22,375	17,900
Holding company	183,993	91,221	183,993	91,221
Key management personnel	73	-	73	59
Dividend income from:				
Associated companies	707,561	299,874	707,561	1,140,137
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	35,873	31,364	116,061	89,835

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Honorarium / remuneration to Non-Executive directors	5,484	1,873	12,267	6,419
Contribution to Workers' Profit Participation Fund	401,206	627,172	1,389,763	1,158,640
Contribution to Employees' Pension, Gratuity and Provident Funds	27,027	26,548	54,465	54,584

28. GENERAL
28.1 Short term finance facility

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. No drawdowns have been made by the Company against the said facility as of reporting date (June 30, 2023: Rs nil).

28.2 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.

28.3 Non - adjusting event after the statement of financial position date


The Board of Directors recommended interim cash dividend at the rate of Rs 2.50 per share amounting to Rs 266,541 thousand in its meeting held on February 05, 2024. These condensed interim financial statement do not include effect of this appropriation of profit.

28.4 Date of authorization

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on February 05, 2024.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director


***Condensed Interim Consolidated
Financial Statements for the
Six Months Period
Ended December 31, 2023***

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

	Note	December 31, 2023 Rs '000	June 30, 2023 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital			
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	82,527,512	66,299,443
Surplus on revaluation of freehold land		55,160,588	55,160,588
		138,754,263	122,526,194
NON-CURRENT LIABILITIES			
Deferred taxation		2,238,185	3,257,326
Lease liability		154,695	-
Deferred grant		3,529	3,864
		2,396,409	3,261,190
CURRENT LIABILITIES			
Trade and other payables	7	75,629,952	56,962,918
Current portion of lease liabilities		166,516	-
Unpaid dividend – awaiting remittance by the authorized bank	8	1,133,464	503,762
Unclaimed dividends		15,143	11,800
Provision for taxation		13,109,412	9,317,563
		90,054,487	66,796,043
TOTAL EQUITY AND LIABILITIES		<u>231,205,159</u>	<u>192,583,427</u>
CONTINGENCIES AND COMMITMENTS	9		

	Note	December 31, 2023 Rs '000	June 30, 2023 Rs '000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	10	63,189,443	64,071,071
Capital work-in-progress	11	1,504,288	1,415,437
Major spare parts and stand-by equipments		157,267	170,258
		<u>64,850,998</u>	<u>65,656,766</u>
LONG TERM INVESTMENTS	12	30,359,308	28,905,269
LONG TERM LOANS AND DEPOSITS		42,266	47,783
		<u>95,252,572</u>	<u>94,609,818</u>
CURRENT ASSETS			
Stores, spares and loose tools		5,648,172	5,749,486
Stock-in-trade	13	28,441,490	20,615,452
Trade debts	14	33,285,188	39,513,594
Loans, advances, deposits, prepayments and other receivables	15	2,777,015	2,707,257
Short term investment	16	30,101,550	14,139,114
Cash and bank balances	17	35,699,172	15,248,706
		<u>135,952,587</u>	<u>97,973,609</u>
TOTAL ASSETS		<u>231,205,159</u>	<u>192,583,427</u>

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


Syed Asad Abbas
 Chief Financial Officer



M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited) For The Six Months Period Ended December 31, 2023

	Note	Three months ended		Six months ended	
		December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Gross sales	18	129,454,685	111,970,154	270,294,355	228,834,770
Taxes, duties, levies and price differential	19	(31,385,155)	(22,099,527)	(64,334,109)	(39,801,380)
Net sales		<u>98,069,530</u>	<u>89,870,627</u>	<u>205,960,246</u>	<u>189,033,390</u>
Cost of sales	20	<u>(93,887,159)</u>	<u>(78,914,664)</u>	<u>(184,958,717)</u>	<u>(168,101,842)</u>
Gross profit		<u>4,182,371</u>	<u>10,955,963</u>	<u>21,001,529</u>	<u>20,931,548</u>
Administration expenses		369,379	291,215	707,463	659,359
Distribution cost		22,202	19,067	42,560	41,966
Other charges		554,075	873,289	1,926,825	1,614,590
		<u>(945,656)</u>	<u>(1,183,571)</u>	<u>(2,676,848)</u>	<u>(2,315,915)</u>
Other income	21	4,238,147	1,811,670	7,485,030	3,227,291
Impairment reversal/(loss) on financial assets		25,165	(22,084)	24,433	(26,864)
Operating profit		<u>7,500,027</u>	<u>11,561,978</u>	<u>25,834,144</u>	<u>21,816,060</u>
Finance income/(cost) - net	22	(4,477)	133,732	85,533	(213,339)
Profit before taxation from refinery operations		<u>7,495,550</u>	<u>11,695,710</u>	<u>25,919,677</u>	<u>21,602,721</u>
Taxation	23	<u>(2,824,521)</u>	<u>(3,857,938)</u>	<u>(10,008,227)</u>	<u>(7,127,054)</u>
Profit after taxation from refinery operations		<u>4,671,029</u>	<u>7,837,772</u>	<u>15,911,450</u>	<u>14,475,667</u>
Non-refinery income:					
Share in profit of associated companies	24	587,213	553,329	1,647,850	1,433,172
Profit for the period		<u>5,258,242</u>	<u>8,391,101</u>	<u>17,559,300</u>	<u>15,908,839</u>
Earnings per share					
- basic and diluted (Rupees)					
Refinery operations		43.81	73.51	149.24	135.77
Non-refinery operations		5.51	5.19	15.46	13.44
		<u>49.32</u>	<u>78.70</u>	<u>164.70</u>	<u>149.21</u>

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


Syed Asad Abbas
 Chief Financial Officer


M. Adil Khattak
 Chief Executive Officer


Abdus Sattar
 Director

**Condensed Interim Consolidated Statement of Profit or Loss and
Other Comprehensive Income (Unaudited)
For The Six Months Period Ended December 31, 2023**

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Profit for the period	5,258,242	8,391,101	17,559,300	15,908,839
Other comprehensive income/(loss) - net of tax:				
Share of other comprehensive income/(loss) of associated companies - net of tax	2	(210)	1,472	(655)
Total comprehensive income for the period	5,258,244	8,390,891	17,560,772	15,908,184

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


Syed Asad Abbas
Chief Financial Officer


M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For The Six Months Period Ended December 31, 2023

	Capital reserve					Revenue reserve			Surplus on revaluation of freehold land	Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Gain/(loss) on revaluation of investment at fair value through OCI		
	Rs '000									
Balance as at July 01, 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							15,908,839	-		15,908,839
Profit for the period							15,908,839			15,908,839
Other comprehensive loss for the period							(655)			(655)
	-	-	-	-	-	-	15,908,184	-	-	15,908,184
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	-	14,371,697	-	-	-	-	(14,371,697)	-	-	-
Loss from refinery operations for prior years transferred from unappropriated profit to special reserve - note 6.1	-	(2,201,689)	-	-	-	-	2,201,689	-	-	-
Transferred to maintenance reserve by an associated company AGL - note 6.3	-	-	-	30,692	-	-	(30,692)	-	-	-
Balance as at December 31, 2022	1,066,163	12,170,008	12,908,966	249,221	210,428	7,077,380	18,784,619	4,368	25,093,419	77,564,572
Total comprehensive income - net of tax							14,760,934	-		14,760,934
Profit for the period							14,760,934			14,760,934
Other comprehensive income/(loss) for the period							134,248	(729)	30,067,169	30,200,688
	-	-	-	-	-	-	14,895,182	(729)	30,067,169	44,961,622
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	13,492,581	-	-	-	-	(13,492,581)	-	-	-
Transferred to maintenance reserve by an associated company AGL - note 6.3	-	-	-	2,730	-	-	(2,730)	-	-	-
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
Distribution to owners: Final cash dividend @ 125% related to the year ended June 30, 2023	-	-	-	-	-	-	(1,332,703)	-	-	(1,332,703)
Total comprehensive income - net of tax							17,559,300	-		17,559,300
Profit for the period							17,559,300			17,559,300
Other comprehensive income for the period							1,472			1,472
	-	-	-	-	-	-	17,560,772	-	-	17,560,772
Profit from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	4,534,298	-	-	-	-	(4,534,298)	-	-	-
Transferred to maintenance reserve by an associated company AGL - note 6.3	-	-	-	2,269	-	-	(2,269)	-	-	-
Balance as at December 31, 2023	1,066,163	30,196,887	12,908,966	254,220	210,428	7,077,380	31,875,992	3,639	55,160,588	138,754,263

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



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer




Abdus Sattar
Director

Condensed Interim Consolidated Statement of Cash Flows (Unaudited) For The Six Months Period Ended December 31, 2023

	Note	Six months ended	
		December 31, 2023 Rs '000	December 31, 2022 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from - customers		276,580,411	240,366,191
- others		834,113	578,802
		277,414,524	240,944,993
Cash paid for operating cost		(179,913,841)	(183,174,863)
Cash paid to Government for duties, taxes and other levies		(60,119,727)	(31,593,765)
Income tax paid		(7,730,219)	(2,242,016)
Net cash inflow from operating activities		29,650,737	23,934,349
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(246,732)	(596,732)
Proceeds against disposal of operating assets		4,909	5,418
Long term loans and deposits		5,517	3,270
Income received on bank deposits		7,037,755	2,516,588
Dividends received from associated companies		707,561	1,140,137
Net cash generated from investing activities		7,509,010	3,068,681
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(4,650,000)
Repayment of lease liability		(48,426)	-
Transaction cost on long term financing		-	(500)
Dividend paid to Company's shareholders		(699,658)	(503,564)
Bank balances under lien		5,385	-
Finance cost		(277)	(342,471)
Net cash outflows from financing activities		(742,976)	(5,496,535)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		36,416,771	21,506,495
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		1,516	(10,257)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	17.3	64,455,909	42,508,162

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


Syed Asad Abbas
Chief Financial Officer


M. Adil Khattak
Chief Executive Officer


Abdus Sattar
Director

Selected Notes To and Forming Part of the Condensed Interim Consolidated Financial Statements (Unaudited) For The Six Months Period Ended December 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, 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 December 31, 2023.

6. RESERVES AND SURPLUS

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
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	254,220	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
Unappropriated profit	31,875,992	20,184,490
	38,957,011	27,265,509
	82,527,512	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 upgradation of refineries or may also be utilised in off setting losses of the refinery from refinery operations. During the period, the Government of Pakistan has notified the "Pakistan Oil Refining Policy for Upgradation of Existing/Brownfield Refineries, 2023" (the 2023 Policy) on August 17, 2023. Under the new policy, the requirement to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into Special Reserve Account is not required. Accordingly, profit of Rs 4,534 million has been transferred to Special Reserve Account prior to notification of the 2023 Policy on August 17, 2023.
- 6.2** Represent amounts utilized out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till December 31, 2023 is Rs 29,587.64 million (June 30, 2023: Rs. 29,569.89 million) including Rs 18,624.71 million (June 30, 2023: 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.

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
7 TRADE AND OTHER PAYABLES		
Creditors - note 7.1	39,932,520	28,185,553
Due to The Attock Oil Company Limited - Holding Company	70,294	89,599
Due to associated companies		
Pakistan Oilfields Limited	3,908,975	3,375,435
Attock Energy (Private) Limited	449	444
Accrued liabilities and provisions - note 7.1	8,032,417	7,299,143
Due to the Government under the pricing formula	8,440,031	7,321,232
Custom duty payable to the Government	4,845,404	3,733,028
Contract liabilities - Advance payments from customers	184,942	127,292
Sales tax payable	755,343	595,418
Workers' Profit Participation Fund	1,389,763	-
ARL Gratuity Fund	-	51,597
Staff Pension Fund	-	33,589
Crude oil freight adjustable through inland freight equalisation margin	183,621	87,676
Payable to statutory authorities in respect of petroleum development levy and excise duty	7,882,530	6,059,249
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,287	3,287
	<u>75,629,952</u>	<u>56,962,918</u>

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 5,479.43 million (June 30, 2023: Rs 4,995.27 million).

8. UNPAID DIVIDEND – awaiting remittance by the authorized bank

This represents dividend payable to non-resident major shareholder, The Attock Oil Company Limited, United Kingdom for the year ended June 30, 2022 and June 30, 2023 respectively, awaiting remittance by the authorized bank due to regulatory constraints. Subsequent to the period end, the entire amount has been remitted to the non-resident major shareholder.

December 31, 2023 Rs '000	June 30, 2023 Rs '000
---------------------------------	-----------------------------

9. 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 has filed reference on September 25, 2023 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 these condensed interim consolidated 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 received/paid 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>iii) Claims for land compensation contested by ARL.</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 20.1, the amount of which can not be presently quantified.</p> | | |

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
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.	2,484,098	2,484,098

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

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
<p>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.</p> <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 15 to consolidated financial statements.</p>	<p>1,076,579</p>	<p>1,076,579</p>
<p>viii) The Company's share in contingency of associated companies.</p>	<p>5,575,637</p>	<p>4,752,213</p>
Commitments:		
<p>i) Capital expenditure</p>	<p>859,809</p>	<p>510,007</p>
<p>ii) Letters of credit and other contracts for purchase of store items</p>	<p>2,215,464</p>	<p>1,345,490</p>
<p>iii) The Company's share of commitments of associated companies:</p>		
Capital expenditure commitments	<p>832,916</p>	<p>850,744</p>
Outstanding letters of credit	<p>2,332,123</p>	<p>2,248,242</p>

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
10. OPERATING ASSETS		
10.1 Owned assets		
Opening written down value	63,999,096	36,338,667
Additions during the period/year	170,873	215,255
Revaluation surplus	-	30,067,169
Written down value of disposals	(480)	(2,653)
Depreciation during the period/year	(1,316,858)	(2,619,342)
	62,852,631	63,999,096
10.2 Right of use assets (ROU)		
Balance at the beginning	71,975	167,260
Addition during the period/year	352,100	-
Depreciation for the period/year	(87,263)	(95,285)
	336,812	71,975
Balance at the end	63,189,443	64,071,071
11. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning	1,415,437	843,218
Additions during the period/year	127,166	618,981
Transfer to operating assets		
- Building on freehold land	(11,347)	-
- Plant and machinery	(24,998)	(46,762)
- Furniture, fixtures and equipment	(1,970)	-
	(38,315)	(46,762)
Balance at the end	1,504,288	1,415,437
Breakup of the closing balance of capital work-in-progress		
The details are as under:		
Civil works	5,226	11,682
Plant and machinery	1,498,062	1,402,755
Pipeline project	1,000	1,000
	1,504,288	1,415,437
12. 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	996,845	2,140,762
Share in other comprehensive income	1,472	104,991
Dividend received from associated companies	(707,561)	(1,629,999)
Impairment reversal on investment	1,163,283	2,164,812
Balance at the end	30,359,308	28,905,269

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

	December 31, 2023		June 30, 2023	
	% age Holding	Rs '000	% age Holding	Rs '000
Quoted				
National Refinery Limited - note 12.2	25	11,395,237	25	11,395,237
Attock Petroleum Limited	21.88	14,157,007	21.88	12,968,391
Unquoted				
Attock Gen Limited	30	4,743,312	30	4,484,293
Attock Information Technology Services (Private) Limited	10	63,752	10	57,348
		30,359,308		28,905,269

12.2 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, 2023.

13. STOCK-IN-TRADE

As at December 31, 2023, stock-in-trade includes stocks carried at net realisable value of Rs 16,604.12 million (June 30, 2023: Rs 5,335.56 million). Adjustments amounting to Rs 3,358.37 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.

14. TRADE DEBTS - unsecured and considered good

Trade debts include amounts receivable from associated companies Attock Petroleum Limited Rs 9,813.11 million (June 30, 2023: Rs 18,340.01 million) and Pakistan Oilfields Limited Rs nil (June 30, 2023: Rs 14.08 million).

	December 31, 2023 Rs '000	June 30, 2023 Rs '000
15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Due from associated companies		
Attock Petroleum Limited	602,054	1,058,206
Attock Information Technology Services (Private) Limited	892	1,593
Attock Leisure and Management Associates (Private) Limited	103	122
Attock Gen Limited	5,350	7,913
Attock Cement Pakistan Limited	12	13
National Cleaner Production Centre Foundation	6,325	2,916
Caggas (Private) Limited	248	209
National Refinery Limited	2,437	2,437
Attock Sahara Foundation	1,973	794
Staff Pension Fund	2,301	-
Staff Gratuity Fund	7,357	-
Income accrued on bank deposits	399,361	204,091
Sales tax forcibly recovered - note 9 (vii)	1,076,579	1,076,579
Workers' Profit Participation Fund	-	117,495
Loans, deposits, prepayments and other receivables	990,943	578,242
Loss allowance	(318,920)	(343,353)
	2,777,015	2,707,257

16. SHORT TERM INVESTMENT

Represents investment in 3 months Government Treasury Bill bearing markup @ 21.25% (June 30, 2023: 21.88%) per annum.

December 31, 2023	June 30, 2023
Rs '000	Rs '000

17. CASH AND BANK BALANCES

Cash in hand (US \$ 2,943; June 30, 2023: US \$ 3,143)	3,418	2,543
With banks:		
Local currency		
Current accounts	15,874	12,292
Short term deposit - notes 17.1 and 17.2	5,397,112	4,917,722
Saving accounts	30,151,142	10,183,076
Foreign Currency		
Saving accounts (US \$ 467,092; June 30, 2023: US \$ 465,453)	131,626	133,073
	<u>35,699,172</u>	<u>15,248,706</u>

17.1 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 7.1.

17.2 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.

December 31, 2023	December 31, 2022
Rs '000	Rs '000

17.3 Cash and cash equivalents

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

Cash and bank balances	35,699,172	33,745,774
Short term investment	30,101,550	10,089,094
	<u>65,800,722</u>	43,834,868
Bank balances under lien	(1,344,813)	(1,326,706)
	<u>64,455,909</u>	<u>42,508,162</u>

Three months ended
Six months ended

December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Rs '000	Rs '000	Rs '000	Rs '000

18. GROSS SALES
Company

Local sales	125,709,953	111,928,360	266,508,184	228,754,117
Export sales	3,706,220	-	3,706,220	-

Subsidiary

Local sales	38,512	41,794	79,951	80,653
	<u>129,454,685</u>	<u>111,970,154</u>	<u>270,294,355</u>	<u>228,834,770</u>

19. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL	Three months ended		Six months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rs '000	Rs '000	Rs '000	Rs '000
Sales tax	3,081,593	3,010,908	7,606,372	7,319,989
Petroleum development levy	22,445,346	13,146,345	44,082,595	19,391,253
Custom duties and other levies - note 19.1	4,552,119	4,088,426	9,404,681	8,677,273
PMG RON differential - note 19.2	587,927	433,388	1,325,482	963,552
HSD price differential - note 19.3	718,170	1,420,460	1,914,979	3,282,908
HSD premium differential - note 19.4	-	-	-	166,405
	31,385,155	22,099,527	64,334,109	39,801,380

19.1 This includes Rs 9,404.68 million (December 31, 2022: Rs 8,677.21 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

19.2 This represents amount payable as per Oil and Gas Regulatory Authority directives on account of differential between price of PSO's imported 92 RON PMG and 91 RON PMG sold by the Company during the period.

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

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

20. COST OF SALES	Three months ended		Six months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rs '000	Rs '000	Rs '000	Rs '000
Crude oil consumed - note 20.1	85,300,460	71,649,235	174,882,725	155,861,883
Transportation and handling charges	582,184	210,597	578,579	214,979
Salaries, wages and other benefits	437,314	380,573	863,112	821,470
Chemicals consumed	2,330,051	1,892,526	4,718,989	3,768,148
Fuel and power	3,081,160	2,087,420	5,910,639	4,531,282
Repairs and maintenance	188,017	158,198	303,513	254,259
Staff transport and travelling	9,951	8,634	18,150	17,656
Insurance	174,354	122,280	325,557	218,388
Cost of receptacles	10,242	5,264	21,906	11,267
Other operating costs	12,654	9,052	23,132	16,758
Security charges	11,497	8,570	21,344	19,012
Contract services	106,478	67,267	182,614	151,158
Depreciation	689,692	645,906	1,338,425	1,298,067
Cost of goods manufactured	92,934,054	77,245,522	189,188,685	167,184,327
Changes in stocks	953,105	1,669,142	(4,229,968)	917,515
	93,887,159	78,914,664	184,958,717	168,101,842

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

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
21. OTHER INCOME				
Income on bank deposits	4,110,103	1,548,620	7,233,024	2,729,356
Interest on delayed payments	62,898	210,858	104,148	366,975
Handling and service charges	9,386	14,266	30,881	49,825
Rental income	34,004	27,713	75,994	62,631
Miscellaneous	21,756	10,213	40,983	18,504
	4,238,147	1,811,670	7,485,030	3,227,291
22. FINANCE INCOME/(COST) - NET				
Exchange gain/(loss) - (net)	13,190	138,006	103,347	(119,399)
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	(17,537)	(4,047)	(17,537)	(7,995)
Bank and other charges	(130)	(227)	(277)	(378)
	(4,477)	133,732	85,533	(213,339)
23. TAXATION				
Current	4,031,947	(50,895)	11,371,054	3,341,284
Deferred	(1,207,426)	3,908,833	(1,362,827)	3,785,770
	2,824,521	3,857,938	10,008,227	7,127,054
24. NON-REFINERY INCOME				
Share in profit of associated companies [net of impairment (loss)/reversal]	770,781	678,125	2,160,128	1,753,806
Related charges:				
Workers' Welfare Fund	8,165	5,998	14,151	22,803
Taxation - current and deferred	175,403	118,798	498,127	297,831
	(183,568)	(124,796)	(512,278)	(320,634)
	587,213	553,329	1,647,850	1,433,172

25. OPERATING SEGMENT

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

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
High Speed Diesel	51,891,236	43,486,636	103,059,645	82,053,234
Premier Motor Gasoline	51,560,176	46,113,393	109,558,767	92,905,955
Jet Petroleum	11,331,426	10,521,935	23,361,829	22,172,086
Furnace Fuel Oil	6,613,370	7,653,402	21,519,320	24,145,845
Export sales (Furnace Fuel Oil)	3,706,220	-	3,706,220	-
Others	4,352,257	4,194,788	9,088,574	7,557,650
	129,454,685	111,970,154	270,294,355	228,834,770
Taxes, duties, levies, discounts and price differential	(31,385,155)	(22,099,527)	(64,334,109)	(39,801,380)
	98,069,530	89,870,627	205,960,246	189,033,390

Revenue from four major customers of the Company constitute 91% of total revenue during the six months period ended December 31, 2023 (December 31, 2022: 94%).

26. FAIR VALUE MEASUREMENTS

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

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

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

27. RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Sale of goods and services to:				
Associated companies	31,716,787	32,536,360	74,298,023	61,370,878
Holding company	1,485	1,667	3,036	3,398
Interest income on delayed payments from an associated company	62,897	210,858	102,666	366,975

	Three months ended		Six months ended	
	December 31, 2023 Rs '000	December 31, 2022 Rs '000	December 31, 2023 Rs '000	December 31, 2022 Rs '000
Purchase of goods and services from:				
Associated companies	<u>9,792,994</u>	<u>7,375,739</u>	<u>19,426,588</u>	<u>16,960,621</u>
Holding company	<u>127,819</u>	<u>176,093</u>	<u>264,703</u>	<u>422,685</u>
Dividend paid to:				
Associated companies	<u>22,375</u>	<u>-</u>	<u>22,375</u>	<u>17,900</u>
Holding company	<u>183,993</u>	<u>91,221</u>	<u>183,993</u>	<u>91,221</u>
Key management personnel	<u>73</u>	<u>-</u>	<u>73</u>	<u>59</u>
Dividend received:				
Associated companies	<u>707,561</u>	<u>299,874</u>	<u>707,561</u>	<u>1,140,137</u>
Other related parties:				
Remuneration including benefits and perquisites of Chief Executive Officer and key management personnel	<u>36,026</u>	<u>32,404</u>	<u>118,718</u>	<u>92,358</u>
Honorarium/remuneration to Non-Executive Directors	<u>5,484</u>	<u>1,873</u>	<u>12,267</u>	<u>6,419</u>
Contribution to Workers' Profit Participation Fund	<u>401,206</u>	<u>627,172</u>	<u>1,389,763</u>	<u>1,158,640</u>
Contribution to Employees' Pension, Gratuity and Provident Funds	<u>28,010</u>	<u>27,547</u>	<u>56,464</u>	<u>56,700</u>

28. GENERAL

28.1 Short term finance facility

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. No drawdowns have been made by the Company against the said facility as of reporting date (June 30, 2023: Rs Nil).

28.2 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.

28.3 Non - adjusting event after the statement of financial position date

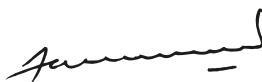
The Board of Directors recommended interim cash dividend at the rate of Rs 2.50 per share amounting to Rs 266,541 thousand in its meeting held on February 05, 2024. These condensed interim consolidated financial statement do not include effect of this appropriation of profit.

28.4 Date of Authorisation

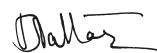
These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 05, 2024.



Syed Asad Abbas
Chief Financial Officer



M. Adil Khattak
Chief Executive Officer



Abdus Sattar
Director



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