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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Mr. Laith G. Pharaon**

*Non Executive Director*

*(Alternate Director Mr. Shuaib A. Malik)*

**Mr. Wael G. Pharaon**

*Non Executive Director*

*(Alternate Director Mr. Babar Bashir Nawaz)*

**Mr. Shuaib A. Malik**

*Chairman / Non Executive Director*

**Mr. Abdus Sattar**

*Non Executive Director*

**Mr. Jamil A. Khan**

*Non Executive Director*

**Mr. Shamim Ahmad Khan**

*Independent Non Executive Director*

**Mr. G. A. Sabri**

*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. G. A. Sabri**

*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 BENEVOLENT, THE MOST GRACIOUS

On behalf of the Board of Directors of Attock Refinery Limited, we are presenting a brief review of the financial results and operations of the Company for the third quarter and nine months period ended March 31, 2020.

### FINANCIAL RESULTS

In the nine months period ended March 31, 2020, the Company suffered loss after tax of Rs 2,324 million from refinery operations (March 31, 2019: Loss of Rs 4,231 million). Non-refinery income during this period was Rs 554 million (March 31, 2019: Rs 1,156 million). Accordingly, overall loss after taxation was Rs 1,770 million with loss per share of Rs 16.61 (March 31, 2019: Loss of Rs 3,075 million with loss per share of Rs 28.84). The local Refining sector had been facing severe difficulties mainly due to non-uplifting of Furnace Fuel Oil (FFO) and reduction in its price due to enforcement of revised specifications. The situation became further aggravated in the later part of the current quarter due to Covid-19 Pandemic which resulted in drastic reduction in demand of petroleum products, instability of prices and ullage issues.

### REFINERY OPERATIONS

In a bid to minimize losses and to manage ullage, the Refinery decided to operate at lower throughput. Average throughput during the nine months period was about 73% of the capacity (March 31, 2019: 95%) with throughput of 1.348 million Metric Tons (March 31, 2019: 1.723 million Metric Tons). Due to outbreak of Covid-19 Pandemic the demand for petroleum products and resultantly the oil prices have severely impacted. The disagreement on production cut among the oil producing countries has further aggravated the situation leading to extremely weak oil market. At the same time, local demand for petroleum products declined to the lowest due to lockdowns announced by the Government to control the pandemic. Consequently, facing severe ullage constraints and low demand for products in sight, the refinery's production was gradually reduced. Currently, the Refinery is operating at about 20% to 30% of its capacity. In the national interest, the management is trying its best to avoid complete shutdown of the Refinery. The Company supplied 1.305 million Metric Tons of various petroleum products. (March 31, 2019: 1.671 million Metric Tons). Despite all these challenges which were beyond the control of the management, the Company ensured maximum possible supply of petroleum products and receipt of crude oil.

### FUTURE OUTLOOK

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

The entire refining industry of the country is facing problems due to lower demand of the products and instability in pricing of crude oil and products. The Covid-19 Pandemic has further compounded the difficulties of the industry.

Earlier, the Government had constituted a working group comprising Government officials and representatives of refineries to come up with recommendations for sustainability and upgradation of the refineries. The refineries have jointly submitted their proposals to the Government. The proposals are primarily in line with the best international methodologies. Survival and future upgradation plans of refineries are dependent upon the policy measures to be taken by the Government. We hope that the Government would consider recommendations of these strategic entities of the country and take policy decisions to support refineries in their effort to successfully meet current challenges.

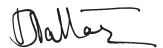
### ACKNOWLEDGEMENT

The Board appreciates continued support received from its employees, valued customers, suppliers as well as Ministry of Energy and other relevant organizations.

On behalf of the Board



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

April 23, 2020  
Rawalpindi

(۳۱ مارچ ۲۰۱۹ء: ۱۶:۱۱ ملین میٹرک ٹن)۔ تمام تر چیلنجز کے باوجود جو انتظامیہ کی دسترس سے باہر تھے، کمپنی نے پٹرولیم مصنوعات کی ممکنہ حد تک فراہمی اور خام تیل کی وصولی کو یقینی بنایا۔

### مستقبل کا منظر نامہ

کاٹینوس کیٹلیڈنگ ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب کیلئے تکنیکی مطالعہ اور فرنس فیول آئل اپ گریڈیشن (Furnace Fuel Oil Upgradation) پر پیش قدمی اطمینان بخش ہے۔ چونکہ یہ منصوبے بھاری سرمایہ کاری کے متقاضی ہیں اس لئے ان یونٹس کے قیام کیلئے مراعات کی شکل میں حکومت کا تعاون لازم ہے۔

ملک کی پوری ریفاؤنڈنگ صنعت کو مصنوعات کی طلب میں کمی، خام تیل اور مصنوعات کی قیمتوں میں عدم استحکام جیسے مسائل کا سامنا ہے۔ کوئیڈ-۱۹ (Covid-19) وبائی مرض نے صنعت کی مشکلات کو مزید گھمبیر کر دیا ہے۔

اس سے پہلے حکومت نے ریفاؤنڈنگ کے نمائندوں اور حکومتی عہدیداروں پر مشتمل ایک مشاورتی کمیٹی تشکیل دی تھی جس کا مقصد ریفاؤنڈنگ کی سرگرمیاں برقرار رکھنے اور تجدید کے سلسلے میں سفارشات مرتب کرنا تھا۔ ریفاؤنڈنگ نے حکومت کو مشترکہ طور پر تجاویز پیش کی ہیں۔ یہ تجاویز بنیادی طور پر بہترین بین الاقوامی طریقہ کار کے عین مطابق ہیں۔ ریفاؤنڈنگ کی بقا اور مستقبل میں تجدید کے منصوبوں کا انحصار حکومت کی طرف سے کیے جانے والے پالیسی اقدامات پر ہے۔ ہم امید کرتے ہیں کہ حکومت ملک کے ان کلیدی اداروں کی سفارشات پر غور کرے گی اور موجودہ بحران کو کامیابی کے ساتھ نمٹنے کے لئے ریفاؤنڈنگ کی مدد کے لئے پالیسی فیصلے کرے گی۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے ملازمین، قابل قدر صارفین، خام تیل مہیا کرنے والے اداروں، وزارت توانائی اور دیگر متعلقہ اداروں کی جانب سے ملنے والی معاونت پر ان تمام کے شکر گزار ہیں۔

بورڈ کی جانب سے

عبدالستار

عبدالستار

ڈائریکٹر

ایم عادل بخش

ایم عادل بخش

چیف ایگزیکٹو آفیسر

۲۳ اپریل ۲۰۲۰ء

راولپنڈی

## انٹک ریفاٹری لمیٹڈ

### ڈائریکٹرز کی جائزہ رپورٹ

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

ڈائریکٹرز ۳۱ مارچ ۲۰۲۰ء کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا مختصر جائزہ پیش کرتے ہیں۔

### مالیاتی نتائج

نو ماہ کی اختتامی مدت ۳۱ مارچ ۲۰۲۰ء میں کمپنی کو ریفاٹری آپریشنز سے ٹیکس ادا کرنے کے بعد ۲,۳۲۴ ملین روپے کا خسارہ ہوا (۳۱ مارچ ۲۰۱۹ء: ۴,۲۳۱ ملین روپے کا خسارہ)۔ غیر ریفاٹری ذرائع سے ہونے والی آمدن ۵۵۴ ملین روپے رہی (۳۱ مارچ ۲۰۱۹ء: ۱,۱۵۶ ملین روپے)۔ اس طرح ٹیکس ادا کرنے کے بعد مجموعی طور پر ۱,۷۷۰ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۱۶.۶۱ روپے رہا (۳۱ مارچ ۲۰۱۹ء: ۳,۰۷۵ ملین روپے کے خسارے کے ساتھ فی حصص نقصان ۲۸.۸۴ روپے)۔ مقامی ریفاٹرینگ سیکٹر کو فرنس فیول آئل (FFO) کی کھپت اور تبدیل شدہ تصریحات کی وجہ سے اس کی قیمت میں کمی جیسے بحران کی وجہ سے شدید مشکلات کا سامنا کرنا پڑ رہا تھا۔ موجودہ سہ ماہی کے آخری حصہ میں کوویڈ-۱۹ (Covid-19) کے وبائی مرض کی وجہ سے صورتحال مزید گھمبیر ہو گئی جس کے نتیجے میں پٹرولیم مصنوعات کی طلب میں زبردست کمی، قیمتوں میں عدم استحکام اور ذخیرہ کرنے کی گنجائش میں کمی جیسے مسائل پیدا ہوئے۔

### ریفاٹری آپریشنز


خسارے کو کم کرنے اور مصنوعات کے ذخیرہ کرنے کی گنجائش کے مسئلے کو حل کرنے کی کوشش میں ریفاٹری کو اس کی استعداد سے کافی کم سطح پر چلایا گیا۔ اس طرح ریفاٹری کی اوسط پیداوار ۷۳% (۳۱ مارچ ۲۰۱۹ء: ۹۵%) استعداد کے استعمال کے ساتھ ۱.۳۴۸ ملین میٹرک ٹن رہی (۳۱ مارچ ۲۰۱۹ء: ۱.۷۲۳ ملین میٹرک ٹن)۔ کوویڈ-۱۹ (Covid-19) وبائی مرض کے پھیلاؤ کی وجہ سے پٹرولیم مصنوعات کی طلب اور اس کے نتیجے میں تیل کی قیمتوں پر منفی اثر پڑا ہے۔ تیل پیدا کرنے والے ممالک میں پیداوار میں کمی کے مسئلے پر اختلاف رائے نے صورتحال کو مزید خراب کر دیا جس کے نتیجے میں تیل کی مانگ میں انتہائی کمی ہوئی ہے۔ اسی کے ساتھ ہی، حکومت نے وبائی مرض پر قابو پانے کے اعلان کردہ لاک ڈاؤن کے باعث پٹرولیم مصنوعات کی مقامی طلب کم ترین سطح پر آگئی۔ نتیجتاً ذخیرہ کرنے کی صلاحیت میں کمی اور مصنوعات کی مکنہ کم طلب سے نمٹنے کے لئے ریفاٹری کی پیداوار آہستہ آہستہ کم کر دی گئی۔ پٹرولیم مصنوعات کی طلب میں کمی کی وجہ سے فی الحال ریفاٹری کو اپنی صلاحیت کے ۲۰% سے ۳۰% تک چلایا جا رہا ہے۔ قومی مفاد میں انتظامیہ کمپنی کو مکمل بند ہونے سے بچانے کیلئے کوشاں ہے۔ کمپنی نے ۱.۳۰۵ ملین میٹرک ٹن کی مختلف پٹرولیم مصنوعات فراہم کیں

**Condensed Interim Statement of Financial Position (Unaudited)  
As At March 31, 2020**

	Note	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
150,000,000 (June 30, 2019: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued, subscribed and paid-up</b>			
106,616,250 (June 30, 2019: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	18,768,980	20,539,355
Surplus on revaluation of freehold land		<u>12,052,576</u>	<u>12,052,576</u>
		<b>31,887,719</b>	<b>33,658,094</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	6,196,532	7,981,422
Long term lease liability	3.2	172,182	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	52,155,445	57,248,556
Accrued mark-up on long term financing	7	270,415	271,166
Current portion of long term financing	7	2,200,000	2,200,000
Current portion of lease liability	3.2	240,102	-
Unclaimed dividends		9,357	9,566
Provision for taxation		<u>2,809,216</u>	<u>2,480,850</u>
		<b>57,684,535</b>	<b>62,210,138</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>95,940,968</b></u>	<u><b>103,849,654</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	29,018,190	30,376,904
Capital work-in-progress	11	979,557	622,573
Major spare parts and stand-by equipments		140,064	145,542
		<b>30,137,811</b>	<b>31,145,019</b>
<b>LONG TERM INVESTMENTS</b>	12	<b>13,264,915</b>	<b>13,264,915</b>
<b>LONG TERM LOANS AND DEPOSITS</b>		<b>43,053</b>	<b>44,326</b>
<b>DEFERRED TAXATION</b>		<b>6,211,538</b>	<b>4,507,066</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,875,398	3,575,963
Stock-in-trade	13	9,199,886	10,018,655
Trade debts	14	17,008,264	22,411,912
Loans, advances, deposits, prepayments and other receivables	15	3,002,104	2,298,204
Cash and bank balances	16	13,197,999	16,583,594
		<b>46,283,651</b>	<b>54,888,328</b>
<b>TOTAL ASSETS</b>		<b>95,940,968</b>	<b>103,849,654</b>

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 Nine Months Period Ended March 31, 2020**

	Note	Three months ended		Nine months ended	
		March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
Gross sales	17	49,322,173	58,625,393	152,463,191	170,709,760
Taxes, duties, levies, discounts and price differential	18	(14,267,860)	(16,278,241)	(43,244,805)	(39,851,370)
Net sales		35,054,313	42,347,152	109,218,386	130,858,390
Cost of sales	19	(36,393,607)	(42,824,055)	(112,742,186)	(133,884,086)
Gross loss		(1,339,294)	(476,903)	(3,523,800)	(3,025,696)
Administrative expenses		206,474	168,833	633,023	517,100
Distribution cost		11,295	12,651	34,400	35,589
Other charges	20	-	-	-	-
		(217,769)	(181,484)	(667,423)	(552,689)
Other income	21	502,520	688,855	2,215,400	2,042,090
Impairment loss on financial assets		(69,816)	-	(191,104)	-
Operating (loss)/profit		(1,124,359)	30,468	(2,166,927)	(1,536,295)
Finance cost	22	(340,910)	(552,099)	(1,034,147)	(3,973,736)
Loss before taxation from refinery operations		(1,465,269)	(521,631)	(3,201,074)	(5,510,031)
Taxation	23	414,287	93,183	876,224	1,279,040
Loss after taxation from refinery operations		(1,050,982)	(428,448)	(2,324,850)	(4,230,991)
Income from non-refinery operations less applicable charges and taxation	24	161,753	323,505	554,475	1,155,866
Loss after taxation		(889,229)	(104,943)	(1,770,375)	(3,075,125)
(Loss)/earnings per share - basic and diluted (Rupees)					
Refinery operations		(9.86)	(4.01)	(21.81)	(39.68)
Non-refinery operations		1.52	3.03	5.20	10.84
Loss per share		(8.34)	(0.98)	(16.61)	(28.84)

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 Nine Months Period Ended March 31, 2020**

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
Loss after taxation	(889,229)	(104,943)	(1,770,375)	(3,075,125)
Other comprehensive income (net of tax)	-	-	-	-
<b>Total comprehensive Loss</b>	<b>(889,229)</b>	<b>(104,943)</b>	<b>(1,770,375)</b>	<b>(3,075,125)</b>


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 Nine Months Period Ended March 31, 2020

	Capital reserve				Revenue reserve			Surplus on revaluation of freehold land	Total
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Others	Investment reserve	General reserve	Un-appropriated profit		
Balance as at June 30, 2018	852,930	1,033,255	10,962,934	5,948	3,762,775	55	10,647,787	12,052,576	39,318,260
Effect of changes in accounting policies due to adoption of IFRS 9	-	-	-	-	-	-	(249,143)	-	(249,143)
Adjusted balance as at July 1, 2018	852,930	1,033,255	10,962,934	5,948	3,762,775	55	10,398,644	12,052,576	39,069,117
Distribution to owners: Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(3,075,125)	-	(3,075,125)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(3,075,125)	-	(3,075,125)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-
Balance as at March 31, 2019 - restated	1,066,163	-	10,962,934	5,948	3,762,775	55	8,143,541	12,052,576	35,993,992
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(2,310,114)	-	(2,310,114)
Other comprehensive loss for the period	-	-	-	-	-	-	(25,784)	-	(25,784)
	-	-	-	-	-	-	(2,335,898)	-	(2,335,898)
Balance as at June 30, 2019	1,066,163	-	10,962,934	5,948	3,762,775	55	5,807,643	12,052,576	33,658,094
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(1,770,375)	-	(1,770,375)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(1,770,375)	-	(1,770,375)
Balance as at March 31, 2020	<b>1,066,163</b>	<b>-</b>	<b>10,962,934</b>	<b>5,948</b>	<b>3,762,775</b>	<b>55</b>	<b>4,037,268</b>	<b>12,052,576</b>	<b>31,887,719</b>

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 Nine Months Period Ended March 31, 2020

	Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	157,951,588	169,289,196
- Others	191,308	248,090
	<b>158,142,896</b>	<b>169,537,286</b>
Cash paid for operating cost	<b>(115,295,223)</b>	(135,718,799)
Cash paid to Government for duties, taxes and other levies	<b>(44,176,526)</b>	(35,274,191)
Income tax paid	<b>(571,321)</b>	(620,792)
Net cash outflows from operating activities	<b>(1,900,174)</b>	(2,076,496)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<b>(588,252)</b>	(90,709)
Proceeds against disposal of operating assets	5,129	4,856
Long term loans and deposits	1,273	1,839
Income on bank deposits received	<b>1,263,061</b>	1,293,812
Dividends received	<b>625,913</b>	1,320,227
Net cash generated from investing activities	<b>1,307,124</b>	2,530,025
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	<b>(1,650,000)</b>	(3,650,000)
Transaction cost on long term financing	<b>(500)</b>	(500)
Dividends paid	<b>(208)</b>	(213)
Finance cost	<b>(1,144,092)</b>	(3,544,596)
Net cash outflows from financing activities	<b>(2,794,800)</b>	(7,195,309)
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(3,387,850)</b>	(6,741,780)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>16,583,594</b>	22,940,360
Effect of exchange rate changes on cash and cash equivalents	<b>2,255</b>	8,903
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>13,197,999</b>	16,207,483

Cash and cash equivalents comprise of cash & bank balances.

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 Nine Months Period Ended March 31, 2020

### 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 registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited. It is principally engaged in the refining of crude oil.

The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is M/s Coral Holding Limited (a private limited company incorporated in Malta).

### 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, 2019.

### 3. SIGNIFICANT ACCOUNTING POLICIES

**3.1** The Accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the financial statements for the year ended June 30, 2019 except as disclosed in note 3.2.

#### **3.2 Changes in accounting standards, interpretations and pronouncements**

##### **3.2.1 IFRS 16 - Leases**

The Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases - Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting policies relating to Company's right of use asset and lease liability are disclosed in note 3.2.2.

The Company has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening statement of financial position on July 1, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 15.67%.

Following is the impact of IFRS 16 on these condensed interim financial statements:

	<b>March 31, 2020 Rs' 000</b>	<b>July 1, 2019 Rs' 000</b>
<b>Impact on condensed interim statement of financial position</b>		
Increase in property, plant and equipment - Right of use assets	<b>350,957</b>	539,141
Decrease in prepayments - advances, prepayments and other receivables	-	(65,446)
Increase in total assets	<b>350,957</b>	473,695
Increase in lease liabilities	<b>412,284</b>	473,695
Decrease in net assets	<b>61,327</b>	-

	<b>Nine months ended March 31, 2020 Rs' 000</b>
<b>Impact on condensed interim statement of profit or loss</b>	
Increase in finance costs - unwinding of interest on lease liabilities	27,451
Increase / (decrease) in cost of sales:	
- Naphtha expenses on right of use assets	<b>(88,862)</b>
- Depreciation on right of use assets	70,972
- Rent expense	<b>(52,357)</b>
Increase / (decrease) in administrative expenses:	
- Depreciation on right of use assets	117,212
- Rent expense	<b>(9,817)</b>
Increase / (decrease) in selling expenses:	
- Depreciation on right of use assets	-
- Rent expense	<b>(3,272)</b>
<b>Decrease in profit for the period before taxation</b>	<b>61,327</b>

### 3.2.2 Lease liability and Right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

- 3.3** IFRS 9 'Financial instruments' (IFRS 9) became effective for reporting period/year ending on June 30, 2019. SECP through S.R.O 985(I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments; Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has voluntarily opted to apply the ECL method of IFRS 9 for impairment of receivables for the preparation of these condensed interim financial statements.

#### **4. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objective and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2019.

#### **5. SHARE CAPITAL**

The parent company, The Attock Oil Company Limited held 65,049,030 (June 30, 2019: 65,049,030) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2019: 1,790,000) ordinary shares as at March 31, 2020.

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>6. RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
Special reserve for expansion/ modernisation - note 6.1	-	-
Utilised special reserve for expansion/modernisation - note 6.2	<b>10,962,934</b>	10,962,934
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	<b>4,800</b>	4,800
Capital gain on sale of building	<b>654</b>	654
Insurance and other claims realised relating to pre-incorporation period	<b>494</b>	494
	<b>5,948</b>	5,948
<b>Revenue reserve</b>		
Investment reserve - note 6.3	<b>3,762,775</b>	3,762,775
General reserve	<b>55</b>	55
Unappropriated profit	<b>4,037,268</b>	5,807,643
	<b>7,800,098</b>	9,570,473
	<b>18,768,980</b>	20,539,355

**6.1** Represents amounts retained as per the stipulations of the Government under the pricing formula and is available only for making investment in expansion or Up-gradation of the refinery or off setting any loss of the refinery. Transfer to/from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit/ loss on an annual basis.

Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy-Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilized in off setting losses of the refinery from refinery operations.

Following is the status of Special Reserve for expansion/modernization utilisation on Up-gradation and expansion projects from July 1, 1997 to March 31, 2020:

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
Balance at the beginning of period/year	-	1,033,255
Transfer for the period/year	-	(1,033,255)
Balance as at period/year	-	-

**6.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till March 31, 2020 is Rs 29,081.07 million including Rs 18,118.14 million spent over and above the available balance in the Special Reserve which have been incurred by the Company from its own resources.

**6.3** The Company has set aside gain on sale of investment as investment reserve to meet any future losses/impairment on investments.

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>7. LONG TERM FINANCING - secured</b>		
<b>From banking companies</b>		
Syndicated Term Finance - note 7.1	<b>6,579,384</b>	7,946,589
Musharka Finance - note 7.2	<b>2,153,433</b>	2,600,919
	<b>8,732,817</b>	10,547,508
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	<b>94,920</b>	153,412
Addition during the period/year	<b>500</b>	500
Amortization for the period/year	<b>(29,550)</b>	(58,992)
Balance at the end of the period/year	<b>65,870</b>	94,920
	<b>8,666,947</b>	10,452,588
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>6,466,947</b>	8,252,588
Mark-up payable shown as current liability	<b>(270,415)</b>	(271,166)
	<b>6,196,532</b>	7,981,422

**7.1** The Company entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis. The tenure of this facility is 13 years.

**7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2019: nil%) while its share in Musharaka Assets B is 30.10% (June 30, 2019: 42.80%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2019: 100%) while its share in Musharaka Assets B is 69.90% (June 30, 2019: 57.20%) respectively. The tenure of this facility is 13 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

**7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	27,391,117	31,766,400
Due to The Attock Oil Company Limited - Holding Company	164,304	124,811
Due to associated companies		
Pakistan Oilfields Limited	2,528,279	2,698,510
Attock Energy (Private) Limited	259	274
Accrued liabilities and provisions - note 8.1	4,447,267	4,204,087
Due to the Government under the pricing formula	3,465,800	3,621,492
Custom duty payable to the Government	9,980,106	11,243,750
Advance payments from customers	115,447	30,698
Sales tax payable	1,825,102	1,811,905
ARL Gratuity Fund	70,453	72,792
Crude oil freight adjustable through inland freight equalisation margin	55,572	36,665
Payable to statutory authorities in respect of petroleum development levy and excise duty	2,108,296	1,633,879
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	3,067	2,917
	<b>52,155,445</b>	<b>57,248,556</b>

**8.1** These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,578.00 million (June 30, 2019: Rs 3,375.65 million).

	March 31, 2020 Rs' 000	June 30, 2019 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 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 release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of 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. | <b>1,326,706</b> | 1,326,706 |
|---|------------------|-----------|

Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favourable decision and

**March 31,  
2020  
Rs' 000**

**June 30,  
2019  
Rs' 000**

accordingly this liability has not been recognized in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.

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 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 party.		
iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	<b>339</b>	153
iv)	Claims for land compensation contested by the Company.	<b>1,300</b>	1,300
v)	Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 19.1, the amount of which can not be presently quantified.		
vi)	In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a 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 related oil fields since 2007 and 2009 respectively. In this respect, an amount of Rs 2,484 million has been demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.	<b>2,484,098</b>	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 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.		
vii)	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	<b>2,430,465</b>	1,928,344

<b>March 31,</b>	<b>June 30,</b>
<b>2020</b>	<b>2019</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

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

<b>viii)</b> The Finance Act, 2017 introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.	<b>418,470</b>	418,470
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Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.

**Commitments:**

<b>i)</b> Capital expenditure	<b>300,177</b>	146,131
<b>ii)</b> Letters of credit and other contracts for purchase of store items	<b>106,531</b>	708,583

<b>Nine months ended</b>	<b>Year ended</b>
<b>March 31,</b>	<b>June 30,</b>
<b>2020</b>	<b>2019</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**10. OPERATING ASSETS**

Opening written down value	<b>30,376,904</b>	32,817,565
Additions during the period/year	<b>236,745</b>	140,519
Written down value of disposals	<b>(419)</b>	(217)
Depreciation during the period/year	<b>(1,945,997)</b>	(2,580,963)
	<b>28,667,233</b>	30,376,904

Impact of adoption of IFRS 16 - Right of use assets

Balance at beginning of period/year	-	-
Right of use asset - note 3.2.1	<b>539,141</b>	-
Depreciation for the period/year	<b>(188,184)</b>	-
Balance at end of period/year	<b>350,957</b>	-
Closing written down value	<b>29,018,190</b>	30,376,904

**11. CAPITAL WORK-IN-PROGRESS**

Balance at the beginning	<b>622,573</b>	303,043
Additions during period/year	<b>575,510</b>	415,183
Transfer to operating assets		
- Building on freehold land	<b>20,539</b>	5,721
- Plant and machinery	<b>197,987</b>	89,932
	<b>(218,526)</b>	(95,653)
Balance at the end	<b>979,557</b>	622,573

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>Breakup of the closing balance of capital work-in-progress</b>		
The details are as under:		
Civil works	3,837	20,781
Plant and machinery	974,720	600,792
Pipeline project	1,000	1,000
	<b>979,557</b>	<b>622,573</b>

	March 31, 2020		June 30, 2019	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>12. LONG TERM INVESTMENTS - AT COST</b>				
<b>Associated Companies</b>				
<b><u>Quoted</u></b>				
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
<b><u>Unquoted</u></b>				
Attock Gen Limited - note 12.2	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<b>13,262,915</b>		<b>13,262,915</b>
<b>Subsidiary Company</b>				
<b><u>Unquoted</u></b>				
Attock Hospital (Private) Limited	100	2,000	100	2,000
		<b>13,264,915</b>		<b>13,264,915</b>

**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 on annual basis.

**12.2** In October 2017, the Board of Directors of the Company approved to offer 3.95% out of the Company's 30% shareholding in paid up capital of Attock Gen Limited's (AGL) to the general public including employees/officers of the Company upon listing of the shares of AGL on the Pakistan Stock Exchange Limited. However, the proposed offer has not yet been made.

### 13. STOCK-IN-TRADE

As at March 31, 2020, stock-in-trade includes stocks carried at net realisable value of Rs 4,119.73 million (June 30, 2019: Rs 7,415.14 million). Adjustments amounting to Rs 1,326.05 million (June 30, 2019: Rs 1,657.97 million) have been made to closing inventory to write down stock to net realizable value.

### 14. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 10,486.11 million (June 30, 2019: Rs 10,473.79 million) and Pakistan Oilfields Limited Rs 27.37 million (June 30, 2019: Rs nil).

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	1,952	1,052
Due from associated companies		
Attock Petroleum Limited	<b>3,035,688</b>	2,198,642
Attock Information Technology Services (Private) Limited	<b>2,006</b>	606
Attock Leisure and Management Associates (Private) Limited	<b>506</b>	134
Attock Gen Limited	<b>38,532</b>	6,901
National Refinery Limited	<b>10,912</b>	9,735
National Cleaner Production Centre Foundation	<b>7,665</b>	4,264
Attock Sahara Foundation	<b>277</b>	83
Income accrued on bank deposits	<b>99,021</b>	130,830
Staff Pension Fund	<b>4,708</b>	3,221
Loans, deposits, prepayments and other receivables	<b>381,767</b>	332,562
Loss allowance	<b>(580,930)</b>	(389,826)
	<b>3,002,104</b>	2,298,204

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>16. CASH AND BANK BALANCES</b>		
Cash in hand (US \$ 7,393; June 30, 2019: US \$ 4,228)	<b>3,829</b>	1,324
With banks:		
Local currency		
Current accounts	<b>8,500</b>	8,013
Deposit accounts - notes 16.1, 16.2 & 16.3	<b>5,560,086</b>	6,266,548
Saving accounts	<b>7,548,673</b>	10,233,733
Foreign Currency		
Saving accounts (US \$ 462,624; June 30, 2019: US \$ 462,927)	<b>76,911</b>	73,976
	<b>13,197,999</b>	16,583,594

**16.1** Deposit accounts include Rs 3,560.09 million (June 30, 2019: Rs 3,266.55 million) placed in 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.

**16.2** Balances with banks include Rs 2,000 million (June 30, 2019: Rs 3,000 million) in respect of deposits placed in 90-days interest-bearing account.

**16.3** Bank deposits include Rs 1,327.05 million (June 30, 2019: Rs 1,326.86 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>17. GROSS SALES</b>				
Local sales	<b>48,943,060</b>	55,911,605	<b>148,995,444</b>	164,899,904
Naphtha export sales	<b>379,113</b>	2,713,788	<b>3,467,747</b>	5,809,856
	<b>49,322,173</b>	58,625,393	<b>152,463,191</b>	170,709,760
<b>18. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>6,952,252</b>	7,963,726	<b>21,193,735</b>	21,195,407
Petroleum development levy	<b>5,747,134</b>	6,785,730	<b>17,051,826</b>	14,064,225
Custom duties and other levies - note 18.1	<b>1,185,615</b>	1,288,523	<b>3,663,938</b>	3,862,050
Discounts	<b>60,389</b>	-	<b>66,374</b>	25,345
PMG RON differential - note 18.2	<b>322,470</b>	240,262	<b>1,268,932</b>	704,343
	<b>14,267,860</b>	16,278,241	<b>43,244,805</b>	39,851,370

**18.1** This includes Rs 3,663.68 million (March 31, 2019: Rs 3,700.21 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

**18.2** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of differential between price of PSO's imported 92 RON PMG and 90 RON PMG sold by the Company during the period.

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>19. COST OF SALES</b>				
Crude oil consumed - note 19.1	<b>32,754,563</b>	38,801,053	<b>101,807,684</b>	123,479,586
Transportation and handling charges	<b>13,930</b>	324,327	<b>310,120</b>	711,813
Salaries, wages and other benefits	<b>270,151</b>	287,733	<b>831,973</b>	822,462
Chemicals consumed	<b>717,093</b>	1,138,620	<b>2,278,869</b>	3,174,038
Fuel and power	<b>1,068,936</b>	1,097,870	<b>3,021,943</b>	3,334,988
Repairs and maintenance	<b>146,591</b>	144,854	<b>707,827</b>	392,307
Staff transport and travelling	<b>7,002</b>	5,418	<b>17,984</b>	14,615
Insurance	<b>74,767</b>	92,579	<b>234,449</b>	252,692
Cost of receptacles	<b>3,482</b>	5,191	<b>21,033</b>	15,334
Other operating costs	<b>6,780</b>	21,457	<b>36,346</b>	62,720
Depreciation	<b>667,975</b>	638,045	<b>1,997,130</b>	1,912,390
Cost of goods manufactured	<b>35,731,270</b>	42,557,147	<b>111,265,358</b>	134,172,945
Changes in stock	<b>662,337</b>	266,908	<b>1,476,828</b>	(288,859)
	<b>36,393,607</b>	42,824,055	<b>112,742,186</b>	133,884,086

**19.1** 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.

**20. OTHER CHARGES**

This includes Rs nil (nine months period ended March 31, 2019: Rs nil) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>21. OTHER INCOME</b>				
Income on bank deposits	399,203	433,997	1,231,253	1,296,953
Interest on delayed payments	299,546	214,884	829,374	585,013
Handling and service charges	12,699	11,229	38,091	57,306
Rental income	38,983	23,344	92,296	76,371
Exchange gain - (net)	(255,268)	-	-	-
Miscellaneous	7,357	5,401	24,386	26,447
	<b>502,520</b>	<b>688,855</b>	<b>2,215,400</b>	<b>2,042,090</b>
<b>22. FINANCE COST</b>				
Exchange loss - (net)	123,197	137,049	123,197	2,559,799
Interest on long term financing	206,635	414,957	882,952	1,413,551
Bank and other charges	217	93	547	386
Interest on lease liability	10,861	-	27,451	-
	<b>340,910</b>	<b>552,099</b>	<b>1,034,147</b>	<b>3,973,736</b>
<b>23. TAXATION</b>				
Current	263,985	225,397	828,248	683,708
Deferred	(678,272)	(318,580)	(1,704,472)	(1,962,748)
	<b>(414,287)</b>	<b>(93,183)</b>	<b>(876,224)</b>	<b>(1,279,040)</b>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>				
Dividend income from associated companies	183,695	367,389	625,913	1,320,227
Related charges:				
Workers' Profit Participation Fund	-	-	-	-
Workers' Welfare Fund	-	-	-	-
Taxation	21,942	43,884	71,438	164,361
	<b>(21,942)</b>	<b>(43,884)</b>	<b>(71,438)</b>	<b>(164,361)</b>
	<b>161,753</b>	<b>323,505</b>	<b>554,475</b>	<b>1,155,866</b>

**25. OPERATING SEGMENT**

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

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
High Speed Diesel	15,614,335	21,308,921	53,378,067	62,344,046
Premier Motor Gasoline	19,244,941	17,251,289	53,610,914	53,394,689
Jet Petroleum	4,192,620	4,329,804	12,623,086	14,146,322
Furnace Fuel Oil	6,597,610	9,890,159	19,524,894	25,695,203
Naphtha	665,830	2,978,187	4,321,587	6,673,210
Others	3,006,837	2,867,033	9,004,643	8,456,290
	<b>49,322,173</b>	58,625,393	<b>152,463,191</b>	170,709,760
Taxes, duties, levies, discounts and price differential	<b>(14,267,860)</b>	(16,278,241)	<b>(43,244,805)</b>	(39,851,370)
	<b>35,054,313</b>	42,347,152	<b>109,218,386</b>	130,858,390

Revenue from four major customers of the Company constitute 90% of total revenue during the nine months period ended March 31, 2020 (March 31, 2019: 89%).

**26. FAIR VALUE MEASUREMENTS**

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

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

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

Valuation of the freehold land owned by the Company was valued by independent valuer to determine the fair value of the land as at June 30, 2017. 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 during the period were as follows:

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>Sale of goods and services to:</b>				
Associated companies	<b>11,856,741</b>	13,191,605	<b>39,970,937</b>	41,213,623
Subsidiary company	<b>6,642</b>	4,129	<b>18,824</b>	11,464
Holding company	<b>6,434</b>	8,011	<b>23,984</b>	26,571
Interest income on delayed payments from an associated company	<b>299,546</b>	214,884	<b>829,374</b>	585,013
<b>Purchase of goods and services from:</b>				
Associated companies	<b>3,838,536</b>	4,450,982	<b>11,774,604</b>	14,567,972
Subsidiary company	<b>20,723</b>	20,327	<b>68,191</b>	65,167
Holding company	<b>114,050</b>	125,663	<b>326,021</b>	411,491
<b>Dividend income from:</b>				
Associated companies	<b>183,695</b>	367,389	<b>625,913</b>	1,320,227
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive and key management personnel	<b>64,699</b>	39,883	<b>172,062</b>	146,898
Honorarium/remuneration to Non-Executive Directors	<b>1,304</b>	1,171	<b>5,807</b>	5,262
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>19,564</b>	21,072	<b>60,549</b>	63,521

**28. GENERAL****28.1 Impact of COVID-19**

Management is assessing the developing situation arising out of COVID-19 Pandemic which has resulted in significant decrease in demand of petroleum products and instability in prices which has negatively affected Company's financial position and profitability. Considering lower demand and ullage constraint the Company is currently operating at about 20% to 30% of its capacity. The impact of this currently evolving situation shall be reflected in the financial statements for the year ending June 30, 2020.

**28.2 Date of Authorisation**

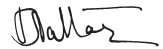
These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 23, 2020.



**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

***Condensed Interim Consolidated  
Financial Statements  
For The Nine Months Period  
Ended March 31, 2020***

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)  
As At March 31, 2020**

	Note	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised</b>			
150,000,000 (June 30, 2019: 150,000,000) ordinary shares of Rs 10 each		<u>1,500,000</u>	<u>1,500,000</u>
<b>Issued, subscribed and paid-up</b>			
106,616,250 (June 30, 2019: 106,616,250) ordinary shares of Rs 10 each	5	1,066,163	1,066,163
Reserves and surplus	6	25,492,872	27,380,808
Surplus on revaluation of freehold land		12,052,576	12,052,576
		<u>38,611,611</u>	<u>40,499,547</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	6,196,532	7,981,422
Long term lease liability	3.2	172,182	-
Deferred grant		5,640	4,960
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	52,176,246	57,285,622
Accrued mark-up on long term financing	7	270,415	271,166
Current portion of long term financing	7	2,200,000	2,200,000
Current portion of lease liability	3.2	240,102	-
Unclaimed dividends		9,357	9,566
Provision for taxation		2,809,216	2,480,850
		<u>57,705,336</u>	<u>62,247,204</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>102,691,301</u>	<u>110,733,133</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	29,039,673	30,398,193
Capital work-in-progress	11	979,557	622,573
Major spare parts and stand-by equipments		140,064	145,542
		<b>30,159,294</b>	<b>31,166,308</b>
<b>LONG TERM INVESTMENTS</b>	12	<b>20,552,370</b>	<b>20,709,543</b>
<b>LONG TERM LOANS AND DEPOSITS</b>		<b>43,503</b>	<b>44,490</b>
<b>DEFERRED TAXATION</b>		<b>5,596,173</b>	<b>3,871,802</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,875,398	3,575,963
Stock-in-trade	13	9,202,422	10,020,227
Trade debts	14	17,008,291	22,411,940
Loans, advances, deposits, prepayments and other receivables	15	3,016,140	2,310,169
Cash and bank balances	16	13,237,710	16,622,691
		<b>46,339,961</b>	<b>54,940,990</b>
<b>TOTAL ASSETS</b>		<b>102,691,301</b>	<b>110,733,133</b>

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 Nine Months Period Ended March 31, 2020**

	Note	Three months ended		Nine months ended	
		March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)
Gross sales	17	49,343,052	58,646,044	152,530,968	170,770,918
Taxes, duties, levies, discounts and price differential	18	(14,267,860)	(16,278,241)	(43,244,805)	(39,851,370)
Net sales		35,075,192	42,367,803	109,286,163	130,919,548
Cost of sales	19	(36,393,607)	(42,824,055)	(112,742,186)	(133,884,086)
Gross loss		(1,318,415)	(456,252)	(3,456,023)	(2,964,538)
Administrative expenses		225,930	182,030	676,173	552,752
Distribution cost		11,295	12,651	34,400	35,589
Other charges	20	48	114	586	580
		(237,273)	(194,795)	(711,159)	(588,921)
Other income	21	503,959	689,656	2,219,400	2,048,219
Impairment loss on financial assets		(69,816)	-	(191,104)	-
Operating (loss)/ profit		(1,121,545)	38,609	(2,138,886)	(1,505,240)
Finance cost	22	(340,910)	(552,099)	(1,034,147)	(3,973,736)
Loss before taxation from refinery operations		(1,462,455)	(513,490)	(3,173,033)	(5,478,976)
Taxation	23	413,475	90,954	867,771	1,270,131
Loss after taxation from refinery operations		(1,048,980)	(422,536)	(2,305,262)	(4,208,845)
Non-refinery income:					
Share in (loss)/profit of associated companies	24	(19,424)	208,970	417,091	1,181,949
Loss after taxation		(1,068,404)	(213,566)	(1,888,171)	(3,026,896)
(Loss)/earnings per share - basic and diluted (Rupees)					
Refinery operations		(9.93)	(3.96)	(21.62)	(39.48)
Non-refinery operations		(0.18)	1.96	3.91	11.09
Loss per share		(10.11)	(2.00)	(17.71)	(28.39)

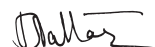
The annexed notes 1 to 28 form an integral part of these condensed interim consolidated financial statements.



**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 Nine Months Period Ended March 31, 2020**

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
Loss after taxation	(1,068,404)	(213,566)	(1,888,171)	(3,026,896)
Other comprehensive income/(loss) (net of tax):				
Share of other comprehensive profit of associated companies - net of tax	-	700	235	-
Fair value adjustment of investments classified as fair value through other comprehensive income	-	-	-	(108)
<b>Total comprehensive loss</b>	<b>(1,068,404)</b>	<b>(212,866)</b>	<b>(1,887,936)</b>	<b>(3,027,004)</b>

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 Nine Months Period Ended March 31, 2020

	Capital reserve				Revenue reserve		Surplus on revaluation of freehold land	Fair value gain on available for sale of investment	Gain/(less) on revaluation of investment at fair value through OCI	Total	
	Share capital	Special reserve for expansion/modernisation	Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve					Un-appropriated profit
	<b>Rs' 000</b>										
Balance as at June 30, 2018	852,930	1,033,255	12,908,966	201,625	119,708	6,852,380	15,606,528	12,052,576	108	-	49,628,076
Effect of changes in accounting policies due to adoption of IFRS 9	-	-	-	-	-	-	(524,973)	-	(108)	3,753	(521,328)
Adjusted balance as at July 1, 2018	852,930	1,033,255	12,908,966	201,625	119,708	6,852,380	15,081,555	12,052,576	-	3,753	49,106,748
Distribution to owners:											
Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-	-	-
Bonus shares issued by an associated company	-	-	-	-	36,288	-	(36,288)	-	-	-	-
Total comprehensive loss											
Loss for the period	-	-	-	-	-	-	(3,026,896)	-	-	-	(3,026,896)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	(108)	-	(108)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-	-	-
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	1,712	-	-	(1,712)	-	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	225,000	(225,000)	-	-	-	-
Balance at March 31, 2019 - restated	1,066,163	-	12,908,966	203,337	155,996	7,077,380	12,611,681	12,052,576	(108)	3,753	46,079,744
Total comprehensive income/(loss)											
Loss for the period	-	-	-	-	-	-	(5,585,360)	-	-	-	(5,585,360)
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	5,471	-	108	(416)	5,163
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	2,303	-	-	(2,303)	-	-	-	-
Balance as at June 30, 2019	1,066,163	-	12,908,966	205,640	155,996	7,077,380	7,029,489	12,052,576	-	3,337	40,499,547
Total comprehensive income/(loss)											
Loss for the period	-	-	-	-	-	-	(1,888,171)	-	-	-	(1,888,171)
Other comprehensive income for the period	-	-	-	-	-	-	235	-	-	-	235
Transferred to maintenance reserve by an associated company - note 6.3	-	-	-	1,865	-	-	(1,865)	-	-	-	-
Balance as at March 31, 2020	1,066,163	-	12,908,966	207,505	155,996	7,077,380	5,139,688	12,052,576	-	3,337	38,611,611

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 Nine Months Period Ended March 31, 2020

	Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	158,086,523	169,413,639
- Others	191,307	248,090
	<b>158,277,830</b>	169,661,729
Cash paid for operating cost	<b>(115,423,246)</b>	(135,820,403)
Cash paid to Government for duties, taxes and other levies	<b>(44,176,526)</b>	(35,274,191)
Income tax paid	<b>(578,720)</b>	(627,261)
Net cash outflows from operating activities	<b>(1,900,662)</b>	(2,060,126)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	<b>(590,544)</b>	(100,488)
Proceeds against disposal of operating assets	5,129	4,856
Long term loans and deposits	987	1,839
Income on bank deposits received	1,265,221	1,299,290
Dividends received	625,913	1,320,227
Net cash generated from investing activities	<b>1,306,706</b>	2,525,724
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	<b>(1,650,000)</b>	(3,650,000)
Transaction cost on long term financing	(500)	(500)
Dividends paid	(208)	(213)
Grant received for purchase of operating assets	1,520	-
Finance cost	<b>(1,144,092)</b>	(3,544,595)
Net cash outflows from financing activities	<b>(2,793,280)</b>	(7,195,308)
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(3,387,236)</b>	(6,729,710)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>16,622,691</b>	22,958,032
Effect of exchange rate changes on cash and cash equivalents	2,255	8,904
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>13,237,710</b>	16,237,226

Cash and cash equivalents comprise of cash & bank balances.


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 Nine Months Period Ended March 31, 2020

### 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 registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on Pakistan Stock Exchange Limited. It is principally engaged in the refining of crude oil.

The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is M/s Coral Holding Limited (a private limited company incorporated in Malta).

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 Company.

### 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 financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended June 30, 2019.

**2.2** The 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

**3.1** The Accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended June 30, 2019 except as disclosed in note 3.2.

#### **3.2 Changes in accounting standards, interpretations and pronouncements**

##### **3.2.1 IFRS 16 - Leases**

The Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases - Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a

right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting policies relating to Company's right of use asset and lease liability are disclosed in note 3.2.2.

The Company has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening consolidated statement of financial position on July 1, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 15.67%.

Following is the impact of IFRS 16 on these condensed interim consolidated financial statements:

	<b>March 31, 2020 Rs' 000</b>	<b>July 1, 2019 Rs' 000</b>
<b>Impact on condensed interim consolidated statement of financial position</b>		
Increase in property, plant and equipment - Right of use assets	<b>350,957</b>	539,141
Decrease in prepayments - advances, prepayments and other receivables	-	(65,446)
Increase in total assets	<b>350,957</b>	473,695
Increase in lease liabilities	<b>412,284</b>	473,695
Decrease in net assets	<b>61,327</b>	-
		<b>Nine months ended March 31, 2020 Rs' 000</b>
<b>Impact on condensed interim consolidated statement of profit or loss</b>		
Increase in finance costs - unwinding of interest on lease liabilities		<b>27,451</b>
Increase / (decrease) in cost of sales:		
- Naphtha expenses on right of use assets		<b>(88,862)</b>
- Depreciation on right of use assets		<b>70,972</b>
- Rent expense		<b>(52,357)</b>
Increase / (decrease) in administrative expenses:		
- Depreciation on right of use assets		<b>117,212</b>
- Rent expense		<b>(9,817)</b>
Increase / (decrease) in selling expenses:		
- Depreciation on right of use assets		-
- Rent expense		<b>(3,272)</b>
<b>Decrease in profit for the period before taxation</b>		<b>61,327</b>

### 3.2.2 Lease liability and Right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

- 3.3** IFRS 9 'Financial instruments' (IFRS 9) became effective for reporting period / year ending on June 30, 2019. SECP through S.R.O 985(I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments; Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has voluntarily opted to apply the ECL method of IFRS 9 for impairment of receivables for the preparation of these condensed interim consolidated financial statements.

## 4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended June 30, 2019.

**5. SHARE CAPITAL**

The parent company, The Attock Oil Company Limited held 65,049,030 (June 30, 2019: 65,049,030) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2019: 1,790,000) ordinary shares as at March 31, 2020.

**6. RESERVES AND SURPLUS**

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>Capital reserve</b>		
Special reserve for expansion/modernisation - note 6.1	-	-
Special reserve for expansion/modernisation of an associated company	-	-
	-	-
Utilised special reserve - note 6.2	<b>10,962,934</b>	10,962,934
Utilised special reserve by an associated company	<b>1,946,032</b>	1,946,032
	<b>12,908,966</b>	12,908,966
Maintenance reserve - note 6.3	<b>207,505</b>	205,640
<b>Others</b>		
Liabilities taken over from The Attock Oil Company Limited no longer required	<b>4,800</b>	4,800
Capital gain on sale of building	<b>654</b>	654
Insurance and other claims realised relating to pre-incorporation period	<b>494</b>	494
Donation received for purchase of hospital equipment	<b>4,000</b>	4,000
Bonus shares issued by associated companies	<b>146,048</b>	146,048
	<b>155,996</b>	155,996
<b>Revenue reserve</b>		
General reserve	<b>7,077,380</b>	7,077,380
Transfer of investment	<b>3,337</b>	3,337
Unappropriated profit	<b>5,139,688</b>	7,029,489
	<b>12,220,405</b>	14,110,206
	<b>25,492,872</b>	27,380,808

**6.1** Represents amounts retained as per the stipulations of the Government under the pricing formula and is available only for making investment in expansion or Up-gradation of the refinery or off setting any loss of the refinery. Transfer to/from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit/loss on an annual basis.

Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy-Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilized in off setting losses of the refinery from refinery operations.

Following is the status of Special Reserve for expansion/modernization utilisation on Up-gradation and expansion projects from July 1, 1997 to March 31, 2020:

	<b>March 31, 2020 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
Balance at the beginning of period/year	-	1,033,255
Transfer for the period/year	-	(1,033,255)
Balance as at period/ year	-	-

**6.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till March 31, 2020 is Rs 29,081.07 million including Rs 18,118.14 million spent over and above the available balance in the Special Reserve which have been incurred by the Company from its own resources.

**6.3** Represents amount retained by Attock Gen Limited to pay for major maintenance expenses in terms of the Power Purchase Agreement.

<b>March 31, 2020 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
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## 7. LONG TERM FINANCING - secured

### From banking companies

Syndicated Term Finance - note 7.1	<b>6,579,384</b>	7,946,589
Musharka Finance - note 7.2	<b>2,153,433</b>	2,600,919
	<b>8,732,817</b>	10,547,508
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	<b>94,920</b>	153,412
Addition during the period/ year	<b>500</b>	500
Amortization for the period/ year	<b>(29,550)</b>	(58,992)
Balance at the end of the period/ year	<b>65,870</b>	94,920
	<b>8,666,947</b>	10,452,588
Current portion of long term financing	<b>(2,200,000)</b>	(2,200,000)
	<b>6,466,947</b>	8,252,588
Mark-up payable shown as current liability	<b>(270,415)</b>	(271,166)
	<b>6,196,532</b>	7,981,422

**7.1** The Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 months KIBOR plus 1.70% which is payable on quarterly basis. The tenure of this facility is 13 years.

**7.2** The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (June 30, 2019: nil%) while its share in Musharaka Assets B is 30.10% (June 30, 2019: 42.80%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2019: 100%) while its share in Musharaka Assets B is 69.90% (June 30, 2019: 57.20%) respectively. The tenure of this facility is 13 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

**7.3** The facilities referred to in notes 7.1 and 7.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.

	<b>March 31, 2020 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	<b>27,393,584</b>	31,769,084
Due to The Attock Oil Company Limited - Holding Company	<b>164,299</b>	124,749
Due to associated companies		
Pakistan Oilfields Limited	<b>2,524,616</b>	2,694,883
Attock Energy (Private) Limited	<b>259</b>	274
Accrued liabilities and provisions - note 8.1	<b>4,468,230</b>	4,227,546
Due to the Government under the pricing formula	<b>3,465,800</b>	3,621,492
Custom duty payable to the Government	<b>9,980,106</b>	11,243,750
Advance payments from customers	<b>115,447</b>	30,698
Sales tax payable	<b>1,825,102</b>	1,811,905
ARL Gratuity Fund	<b>71,272</b>	78,649
Staff Pension Fund	<b>-</b>	8,535
Crude oil freight adjustable through inland freight equalisation margin	<b>55,572</b>	36,665
Payable to statutory authorities in respect of petroleum development levy and excise duty	<b>2,108,296</b>	1,633,879
Deposits from customers adjustable against freight and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>3,287</b>	3,137
	<b><u>52,176,246</u></b>	<b><u>57,285,622</u></b>

**8.1** These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,578.00 million (June 30, 2019: Rs 3,375.65 million).

	<b>March 31, 2020 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
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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 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 release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of	<b>1,326,706</b>	1,326,706
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March 31,  
2020  
Rs' 000

June 30,  
2019  
Rs' 000

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.

Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.

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 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 party.		
iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	339	153
iv)	Claims for land compensation contested by ARL.	1,300	1,300
v)	Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 19.1, the amount of which can not be presently quantified.		
vi)	In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a 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 related oil fields since 2007 and 2009 respectively. In this respect, an amount of Rs 2,484 million has been demanded from the Company as alleged arrears of crude oil price for certain period 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 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of accounts. The matter is pending for adjudication.

	<b>March 31, 2020 Rs' 000</b>	<b>June 30, 2019 Rs' 000</b>
<b>vii)</b> Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	<b>2,430,465</b>	1,928,344
<p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>		
<b>viii)</b> The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares.	<b>418,470</b>	418,470
<p>Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.</p>		
<b>ix)</b> The Company's share in tax contingency of associated companies.	<b>1,897,651</b>	1,085,336
<b>x)</b> The Company is defendant in a case filed on November 16, 2018 in the District Consumer Court, Rawalpindi, wherein the complainant is pursuing the recovery on account of alleged malpractice and professional misconduct by one of the Company's doctors. The case is pending before the aforementioned forum. The Company, based on the advice of its legal counsel, is of the view that there is no likelihood of any liability in this case.	<b>550</b>	550
<b>Commitments:</b>		
<b>i)</b> Capital expenditure	<b>300,177</b>	146,131
<b>ii)</b> Letters of credit for purchase of store items	<b>106,531</b>	708,583
<b>iii)</b> The Company's share of commitments of associated companies:		
Capital expenditure commitments	<b>1,154,156</b>	1,698,534
Outstanding letters of credit	<b>3,150</b>	3,632

	Nine months ended March 31, 2020 Rs' 000	Year ended June 30, 2019 Rs' 000
<b>10. OPERATING ASSETS</b>		
Opening written down value	<b>30,398,193</b>	32,829,945
Additions during the period/year	<b>239,037</b>	151,788
Written down value of disposals	<b>(418)</b>	(217)
Depreciation during the period/year	<b>(1,948,096)</b>	(2,583,323)
	<b>28,688,716</b>	30,398,193
Impact of adoption of IFRS 16 - Right of use assets		
Balance at beginning of period / year	-	-
Right of use asset - note 3.2.1	<b>539,141</b>	-
Depreciation for the period / year	<b>(188,184)</b>	-
Balance at end of period/ year	<b>350,957</b>	-
Closing written down value	<b>29,039,673</b>	30,398,193
<b>11. CAPITAL WORK-IN-PROGRESS</b>		
Balance at the beginning	<b>622,573</b>	303,043
Additions during the period/year	<b>575,510</b>	415,183
Transfer to operating assets		
- Buildings on freehold land	<b>20,539</b>	5,721
- Plant and machinery	<b>197,987</b>	89,932
	<b>(218,526)</b>	(95,653)
Balance at the end	<b>979,557</b>	622,573
<b>Breakup of the closing balance of capital work-in-progress</b>		
The details are as under:		
Civil works	<b>3,837</b>	20,781
Plant and machinery	<b>974,720</b>	600,792
Pipeline project	<b>1,000</b>	1,000
	<b>979,557</b>	622,573
<b>12. LONG TERM INVESTMENTS</b>		
<b>Investment in associated companies</b>		
Balance as at July 1	<b>20,709,543</b>	24,830,227
Share of profit/(loss) after tax of associated companies	<b>(1,563,745)</b>	(642,406)
Share in other comprehensive income	<b>235</b>	28,252
Dividend received from associated companies	<b>(625,913)</b>	(1,320,227)
Impairment reversal/(loss) on investment	<b>2,032,250</b>	(1,913,702)
Effect of change in accounting policies due to IFRS 9	-	(272,601)
	<b>20,552,370</b>	20,709,543

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

	March 31, 2020		June 30, 2019	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b>Quoted</b>				
National Refinery Limited - note 12.2	25	10,535,595	25	10,535,595
Attock Petroleum Limited	21.88	7,359,905	21.88	7,472,257
<b>Unquoted</b>				
Attock Gen Limited - note 12.3	30	2,623,307	30	2,672,526
Attock Information Technology Services (Private) Limited	10	33,563	10	29,165
		<u>20,552,370</u>		<u>20,709,543</u>

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 on annual basis.

12.3 In October 2017, the Board of Directors of the Company approved to offer 3.95% out of the Company's 30% shareholding in paid up capital of Attock Gen Limited's (AGL) to the general public including employees/officers of the Company upon listing of the shares of AGL on the Pakistan Stock Exchange Limited. However, the proposed offer has not yet been made.

### 13. STOCK-IN-TRADE

As at March 31, 2020, stock-in-trade includes stocks carried at net realisable value of Rs 4,119.73 million (June 30, 2019: Rs 7,415.14 million). Adjustments amounting to Rs 1,326.05 million (June 30, 2019: Rs 1,657.97 million) have been made to closing inventory to write down stock to net realizable value.

### 14. TRADE DEBTS - unsecured and considered good

Trade debts includes amounts receivable from associated companies Attock Petroleum Limited Rs 10,486.11 million (June 30, 2019: Rs 10,473.79 million) and Pakistan Oilfields Limited Rs 27.37 million (June 30, 2019: Rs nil).

	March 31, 2020 Rs' 000	June 30, 2019 Rs' 000
<b>15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Due from associated companies		
Attock Petroleum Limited	<b>3,038,206</b>	2,200,250
Attock Information Technology Services (Private) Limited	<b>2,006</b>	606
Attock Leisure and Management Associates (Private) Limited	<b>506</b>	134
Attock Gen Limited	<b>38,587</b>	6,983
Attock Cement Pakistan Limited	<b>10</b>	-
National Cleaner Production Centre Foundation	<b>7,672</b>	4,310
Capgas (Private) Limited	<b>78</b>	27
National Refinery Limited	<b>10,912</b>	9,735
Attock Sahara Foundation	<b>452</b>	108
Staff Pension Fund	<b>3,151</b>	-
Income accrued on bank deposits	<b>100,021</b>	130,830
Loans, deposits, prepayments and other receivables	<b>395,469</b>	347,012
Loss allowance	<b>(580,930)</b>	(389,826)
	<b><u>3,016,140</u></b>	<b><u>2,310,169</u></b>

**16. CASH AND BANK BALANCES**

Cash in hand (US \$ 7,393; June 30, 2019: US \$ 4,228)	<b>4,132</b>	1,660
With banks:		
Local currency		
Current accounts	<b>9,313</b>	8,425
Deposit accounts - note 16.1, 16.2 & 16.3	<b>5,560,086</b>	6,266,548
Saving accounts	<b>7,587,268</b>	10,272,082
Foreign Currency		
Saving accounts (US \$ 462,624; June 30, 2019: US \$ 462,927)	<b>76,911</b>	73,976
	<b><u>13,237,710</u></b>	<b><u>16,622,691</u></b>

**16.1** Deposit accounts include Rs 3,560.09 million (June 30, 2019: Rs 3,266.55 million) placed in 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.

**16.2** Balances with banks include Rs 2,000 million (June 30, 2019: Rs 3,000 million) in respect of deposits placed in 90-days interest-bearing account.

**16.3** Bank deposits include Rs 1,327.05 million (June 30, 2019: Rs 1,326.86 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)
<b>17. GROSS SALES</b>				
<b>Company</b>				
Local sales	<b>48,943,060</b>	55,911,605	<b>148,995,444</b>	164,899,904
Naphtha export sales	<b>379,113</b>	2,713,788	<b>3,467,747</b>	5,809,856
<b>Subsidiary</b>				
Local sales	<b>20,879</b>	20,651	<b>67,777</b>	61,158
	<b>49,343,052</b>	58,646,044	<b>152,530,968</b>	170,770,918
<b>18. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>6,952,252</b>	7,963,726	<b>21,193,735</b>	21,195,407
Petroleum development levy	<b>5,747,134</b>	6,785,730	<b>17,051,826</b>	14,064,225
Custom duties and other levies - note 18.1	<b>1,185,615</b>	1,288,523	<b>3,663,938</b>	3,862,050
Discounts	<b>60,389</b>	-	<b>66,374</b>	25,345
PMG RON differential - note 18.2	<b>322,470</b>	240,262	<b>1,268,932</b>	704,343
	<b>14,267,860</b>	16,278,241	<b>43,244,805</b>	39,851,370

**18.1** This includes Rs 3,663.68 million (March 31, 2019: Rs 3,700.21 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

**18.2** This represents amount payable as per Oil and Gas Regulatory Authority directives on account of differential between price of PSO's imported 92 RON PMG and 90 RON PMG sold by the Company during the period.

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>19. COST OF SALES</b>				
Crude oil consumed - note 19.1	<b>32,754,563</b>	38,801,053	<b>101,807,684</b>	123,479,586
Transportation and handling charges	<b>13,930</b>	324,327	<b>310,120</b>	711,813
Salaries, wages and other benefits	<b>270,151</b>	287,733	<b>831,973</b>	822,462
Chemicals consumed	<b>717,093</b>	1,138,620	<b>2,278,869</b>	3,174,038
Fuel and power	<b>1,068,936</b>	1,097,870	<b>3,021,943</b>	3,334,988
Repairs and maintenance	<b>146,591</b>	144,854	<b>707,827</b>	392,307
Staff transport and travelling	<b>7,002</b>	5,418	<b>17,984</b>	14,615
Insurance	<b>74,767</b>	92,579	<b>234,449</b>	252,692
Cost of receptacles	<b>3,482</b>	5,191	<b>21,033</b>	15,334
Other operating costs	<b>6,780</b>	21,457	<b>36,346</b>	62,720
Depreciation	<b>667,975</b>	638,045	<b>1,997,130</b>	1,912,390
Cost of goods manufactured	<b>35,731,270</b>	42,557,147	<b>111,265,358</b>	134,172,945
Changes in stock	<b>662,337</b>	266,908	<b>1,476,828</b>	(288,859)
	<b>36,393,607</b>	42,824,055	<b>112,742,186</b>	133,884,086

19.1 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.

**20. OTHER CHARGES**

This includes Rs nil (nine months period ended March 31, 2019: Rs nil) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

**21. OTHER INCOME**

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)
Income on bank deposits	400,203	434,798	1,234,413	1,303,082
Interest on delayed payments	299,546	214,884	829,374	585,013
Handling and service charges	12,699	11,229	38,091	57,306
Rental income	38,983	23,344	92,296	76,371
Exchange gain - (net)	(255,268)	-	-	-
Miscellaneous	7,796	5,401	25,226	26,447
	<b>503,959</b>	<b>689,656</b>	<b>2,219,400</b>	<b>2,048,219</b>

**22. FINANCE COST**

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
Exchange loss - (net)	123,197	137,049	123,197	2,559,799
Interest on long term financing	206,635	414,957	882,952	1,413,551
Bank and other charges	217	93	547	386
Interest on lease liability	10,861	-	27,451	-
	<b>340,910</b>	<b>552,099</b>	<b>1,034,147</b>	<b>3,973,736</b>

**23. TAXATION**

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)
Current	264,672	227,014	836,576	691,949
Deferred	(678,147)	(317,968)	(1,704,347)	(1,962,080)
	<b>(413,475)</b>	<b>(90,954)</b>	<b>(867,771)</b>	<b>(1,270,131)</b>

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)
<b>24. NON-REFINERY INCOME</b>				
Share in profit of associated companies (net of impairment reversal/(loss))	<b>(31,519)</b>	232,032	<b>468,505</b>	1,331,744
Related charges:				
Workers' Profit Participation Fund	-	-	-	-
Workers' Welfare Fund	-	-	-	-
Taxation - current and deferred	<b>(12,095)</b>	23,062	<b>51,414</b>	149,795
	<b>12,095</b>	(23,062)	<b>(51,414)</b>	(149,795)
	<b>(19,424)</b>	208,970	<b>417,091</b>	1,181,949

**25. OPERATING SEGMENT**

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

	Three months ended		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000 (Restated)
High Speed Diesel	<b>15,614,335</b>	21,308,921	<b>53,378,067</b>	62,344,046
Premier Motor Gasoline	<b>19,244,941</b>	17,251,289	<b>53,610,914</b>	53,394,689
Jet Petroleum	<b>4,192,620</b>	4,329,804	<b>12,623,086</b>	14,146,322
Furnace Fuel Oil	<b>6,597,610</b>	9,890,159	<b>19,524,894</b>	25,695,203
Naphtha	<b>665,830</b>	2,978,187	<b>4,321,587</b>	6,673,210
Others	<b>3,027,716</b>	2,887,684	<b>9,072,420</b>	8,517,448
	<b>49,343,052</b>	58,646,044	<b>152,530,968</b>	170,770,918
Taxes, duties, levies, discounts and price differential	<b>(14,267,860)</b>	(16,278,241)	<b>(43,244,805)</b>	(39,851,370)
	<b>35,075,192</b>	42,367,803	<b>109,286,163</b>	130,919,548

Revenue from four major customers of the Company constitute 90% of total revenue during the nine months period ended March 31, 2020 (March 31, 2019: 89%).

**26. FAIR VALUE MEASUREMENTS**

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

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

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

Valuation of the freehold land owned by the Company was valued by independent valuer to determine the fair value of the land as at June 30, 2017. 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		Nine months ended	
	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000	March 31, 2020 Rs' 000	March 31, 2019 Rs' 000
<b>Sale of goods and services to:</b>				
Associated companies	<b>11,862,798</b>	13,197,622	<b>39,991,851</b>	41,230,621
Holding company	<b>6,434</b>	8,011	<b>23,984</b>	26,571
Interest income on delayed payments from an associated company	<b>299,546</b>	214,884	<b>829,374</b>	585,013
<b>Purchase of goods and services from:</b>				
Associated companies	<b>3,838,721</b>	4,450,982	<b>11,775,045</b>	14,567,972
Holding company	<b>114,050</b>	125,663	<b>326,021</b>	411,491
<b>Dividend income from:</b>				
Associated companies	<b>183,695</b>	367,389	<b>625,913</b>	1,320,227
<b>Other related parties:</b>				
Remuneration including benefits and perquisites of Chief Executive and key management personnel	<b>64,699</b>	39,883	<b>172,062</b>	146,898
Honorarium/remuneration to Non-Executive Directors	<b>1,304</b>	1,171	<b>5,807</b>	5,262
Contribution to Employees' Pension, Gratuity and Provident Funds	<b>20,543</b>	22,125	<b>63,571</b>	66,616

**28. GENERAL**
**28.1 Impact of COVID-19**

Management is assessing the developing situation arising out of COVID-19 Pandemic which has resulted in significant decrease in demand of petroleum products and instability in prices which has negatively affected Company's financial position and profitability. Considering lower demand and ullage constraint the Company is currently operating at about 20% to 30% of its capacity. The impact of this currently evolving situation shall be reflected in the financial statements for the year ending June 30, 2020.

**28.2 Date of Authorisation**

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 23, 2020.



**Syed Asad Abbas**  
Chief Financial Officer



**M. Adil Khattak**  
Chief Executive Officer



**Abdus Sattar**  
Director

