CONTENTS

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	**Central Depository Company of Pakistan Limited** *Share Registrar Department, CDC House, 99-B, Block 'B',* *S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.*	
REGISTERED OFFICE	**The Refinery, Morgah, Rawalpindi.** *Tel : (051) 5487041-5 Fax : (051) 5487093 & 5406229* *E-mail : info@arl.com.pk Website : www.arl.com.pk*	

DIRECTORS' REVIEW REPORT

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

The Directors have pleasure in presenting a review of the financial results and operations of the Company for the half year ended December 31, 2018.

FINANCIAL RESULTS

During the period under review your Company incurred loss after taxation of Rs 3,802 million from refinery operations compared to profit of Rs 165 million in the same period of last year. Non-refinery income during the period under review was Rs 832 million (December 31, 2017: Rs 1,125 million). The non-refinery income enabled the Company to partially off-set the loss from refinery operations and post net loss after tax of Rs 2,970 million (December 31, 2017: Profit of Rs 1,290 million) resulting in loss per share of Rs 27.86 (December 31, 2017: Earnings per share of Rs 12.10).

Heavy exchange loss due to sharp decline in value of Pak Rupee vs US Dollar, inventory losses due to declining trend in prices of crude oil and products and constraint on capacity utilization of the refinery due to non up-lifting of Furnace Fuel Oil (FFO) were main contributors towards the loss sustained by the Company.

REFINERY OPERATIONS

The refining throughput during the period under review was 1.135 million tons representing capacity utilization of about 93% (December 31, 2017: 92%) while the sales volume was 1.070 million tons (December 31, 2017: 1.092 million tons). All units of the refinery are operating smoothly. The Company has taken up the matter of non up-liftment of FFO with the Government. The steps implemented by the Government have provided some relief to refineries.

FUTURE OUTLOOK

In pursuance to the Company's commitment to provide high quality diversified environment-friendly energy resources, the Company is engaged in carrying out technical studies for setting up of Continuous Catalyst Regeneration (CCR) Complex to improve specifications of Motor Gasoline. The Company has also started studies to explore possibilities for refining bottom of the barrel.

We look forward to the Government for holistic view of the perennial issues faced by refineries of the country and their resolution on a long term basis including appropriate revision in the Refining Policy. This would ensure sustainable operation of the refineries enabling them to undertake upgradation projects.

ACKNOWLEDGEMENT

The Board appreciates the 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

January 21, 2019
Istanbul, Turkey

ہوئے ہے۔کمپنی نےاس کے علاوہ باقی ماندہ اجزاء کو مزید نتھارنے کیلئے ریفائننگ باٹم آف دی بیرل (Refining Bottom of the Barrel) کے امکانات کی تلاش شروع کردی ہے۔

ہم ملک کے اندر ریفائنریز کو مسلسل درپیش مسائل کی طرف حکومت کی توجہ مبذول کروانا چاہتے ہیں تا کہ اِن مسائل کا طویل المدتی حل ممکن ہو جس میں ریفائننگ پالیسی میں مناسب ترمیم بھی شامل ہے۔ اس طرح ریفائنریز کی سرگرمیاں برقرار رہنے کے ساتھ ساتھ ریفائنریز کے تجدید کے منصوبے شروع کرنا بھی ممکن ہو گا۔

اظہارِ تشکر

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

بورڈ کی جانب سے

ایم عادل خٹک
چیف ایگزیکٹو آفیسر

عبدالستار
ڈائریکٹر

۲۱ جنوری ۲۰۱۹ء
استنبول، ترکی

ڈائریکٹرز کی جائزہ رپورٹ

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

ڈائریکٹرز ۳۱ دسمبر ۲۰۱۸ء کو ختم ہونے والی ششماہی کی اختتامی مدت کے کمپنی کے مالیاتی نتائج اور آپریشنز کا جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج

زیر جائزہ مدّت کے دوران کمپنی کو ریفائنری آپریشنز سے ٹیکس ادا کرنے کے بعد ۳,۸۰۲ ملین روپے کا خسارہ ہوا۔ پچھلے سال کی اسی مدّت میں ۱۶۵ ملین روپے کا منافع ہوا تھا۔ غیر ریفائنری ذرائع سے ۸۳۲ ملین روپے کی آمدن ہوئی (۳۱ دسمبر ۲۰۱۷ء: ۱,۱۲۵ ملین روپے) ۔ غیر ریفائنری ذرائع سے ہونے والی آمدن کا ریفائنری سرگرمیوں سے ہونے والے کُل خسارے کو جزوی طور پر جذب کرنے کے باوجود کمپنی کو ۲,۹۷۰ ملین روپے کا خسارہ ہوا (۳۱ دسمبر ۲۰۱۷ء: ۱,۲۹۰ ملین روپے کا منافع)۔ نیتجتاً فی حصص نقصان ۲۷.۸۶ روپے رہا (۳۱ دسمبر ۲۰۱۷ء کو فی حصص آمدن ۱۲.۱۰ روپے تھی)۔

امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں بہت زیادہ کمی کی وجہ سے کمپنی کو شرح تبادلہ کی مدّ میں نقصان ہوا۔ خام تیل اور مصنوعات کی قیمتوں میں کمی کے رجحان کی وجہ سے تیل کے ذخیرہ کی قیمت میں کمی ہوئی۔ فرنس فیول آئل کی ملک میں کم کھپت ہونے کی وجہ سے ریفائنری کو مجبوراً کم استعداد پر چلانا پڑا۔ اِن وجوہات نے کمپنی کے منافع پر منفی اثر ڈالا۔

ریفائنری آپریشنز

زیر جائزہ مدّت کے دوران ریفائنری کی پیداوار ۹۳٪ استعداد کے استعمال کے ساتھ ۱.۱۳۵ ملین ٹن رہی (۳۱ دسمبر ۲۰۱۷ء کو استعمالِ استعداد ۹۲٪ تھی) جبکہ فروخت کا حجم ۱.۰۷۰ ملین ٹن رہا (۳۱ دسمبر ۲۰۱۷ء کو یہ ۱.۰۹۲ ملین ٹن تھا)۔ ریفائنری کے تمام یونٹس بہترین انداز میں کام کر رہے ہیں کمپنی نے حکومت کے ساتھ ملک میں فرنس فیول آئل کی کم کھپت کا مسئلہ اُٹھایا ہوا ہے حکومت کی طرف سے کیے گئے اقدامات کی وجہ سے ریفائنریز کی کچھ دادرسی ہوئی۔

مستقبل کا منظر نامہ

کمپنی اعلٰی قدرّ، ماحول دوست اور توانائی کے متنوع ذرائع مہیا کرنے کے عزم کی تکمیل کیلئے پریمیئر موٹر گیسولین (Premier Motor Gasoline) کے معیار میں مزید بہتری کے سلسلے میں کانٹینوس کیٹیلیٹک ریجنریشن کمپلیکس (Continuous Catalytic Regeneration Complex) کی تنصیب کیلئے تکنیکی تحقیق اور مطالعہ جاری رکھے

pwc

A·F·FERGUSON & CO.

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Attock Refinery Limited as at December 31, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the three months ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2018.

Scope of Review

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

Conclusion

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

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

A.F.Ferguson & Co

Chartered Accountants
Islamabad
Date: January 21, 2019

Condensed Interim Statement of Financial Position (Unaudited)

As At December 31, 2018

	Note	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
150,000,000 (June 30, 2018: 150,000,000) ordinary shares of Rs 10 each		**1,500,000**	1,500,000
Issued, subscribed and paid-up			
106,616,250 (June 30, 2018: 85,293,000) ordinary shares of Rs 10 each	5	**1,066,163**	852,930
Reserves and surplus	6	**23,229,339**	26,412,754
Surplus on revaluation of freehold land		**12,052,576**	12,052,576
		36,348,078	39,318,260
NON-CURRENT LIABILITIES			
Long term financing	7	**9,867,234**	12,642,916
CURRENT LIABILITIES			
Trade and other payables	8	**48,420,514**	44,510,275
Accrued mark-up on long term financing	7	**299,842**	260,909
Current portion of long term financing	7	**2,200,000**	2,200,000
Unclaimed dividends		**9,785**	9,839
Provision for taxation		**2,317,948**	2,163,842
		53,248,089	49,144,865
TOTAL EQUITY AND LIABILITIES		**99,463,401**	101,106,041
CONTINGENCIES AND COMMITMENTS	9		

	Note	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	10	**31,565,213**	32,817,565
Capital work-in-progress	11	**302,131**	303,043
Major spare parts and stand-by equipment		**117,888**	119,151
		31,985,232	33,239,759
LONG TERM INVESTMENTS	12	**13,264,915**	13,264,915
LONG TERM LOANS AND DEPOSITS		**39,603**	42,115
DEFERRED TAXATION		**2,948,320**	1,304,152
CURRENT ASSETS			
Stores, spares and loose tools		**3,319,358**	2,905,748
Stock-in-trade	13	**12,226,584**	9,788,997
Trade debts	14	**16,272,675**	15,748,278
Loans, advances, deposits, prepayments and other receivables	15	**2,363,538**	1,871,717
Short term investments		**-**	985,846
Cash and bank balances	16	**17,043,176**	21,954,514
		51,225,331	53,255,100
TOTAL ASSETS		**99,463,401**	101,106,041

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

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Statement of Profit or Loss (Unaudited)
For The Six Months Period Ended December 31, 2018

	Note	Three months ended December 31, 2018 Rs' 000	Three months ended December 31, 2017 Rs' 000	Six months ended December 31, 2018 Rs' 000	Six months ended December 31, 2017 Rs' 000
Gross sales	17	**54,192,967**	39,633,199	**112,084,367**	79,231,718
Taxes, duties, levies, discounts and price differential	18	**(10,139,287)**	(11,596,474)	**(23,573,129)**	(23,794,820)
Net sales		**44,053,680**	28,036,725	**88,511,238**	55,436,898
Cost of sales	19	**(45,980,197)**	(28,471,629)	**(91,060,031)**	(54,589,793)
Gross profit/(loss)		**(1,926,517)**	(434,904)	**(2,548,793)**	847,105
Administration expenses		**162,525**	165,552	**348,267**	318,202
Distribution cost		**10,858**	11,895	**22,938**	23,587
Other charges	20	**-**	(58,482)	**-**	20,849
		(173,383)	(118,965)	**(371,205)**	(362,638)
Other income	21	**726,959**	493,914	**1,353,235**	977,529
Operating profit/(loss)		**(1,372,941)**	(59,955)	**(1,566,763)**	1,461,996
Finance cost	22	**(2,677,361)**	(753,172)	**(3,421,637)**	(1,198,614)
Profit/(loss) before taxation from refinery operations		**(4,050,302)**	(813,127)	**(4,988,400)**	263,382
Taxation	23	**974,665**	220,309	**1,185,857**	(98,154)
Profit/(loss) after taxation from refinery operations		**(3,075,637)**	(592,818)	**(3,802,543)**	165,228
Income from non-refinery operations less applicable charges and taxation	24	**169,928**	1,125,318	**832,361**	1,125,318
Profit/(loss) after taxation		**(2,905,709)**	532,500	**(2,970,182)**	1,290,546
Earnings/(loss) per share - basic and diluted (Rupees)	28		(Restated)		(Restated)
Refinery operations		**(28.85)**	(5.56)	**(35.67)**	1.55
Non-refinery operations		**1.60**	10.55	**7.81**	10.55
		(27.25)	4.99	**(27.86)**	12.10

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

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Six Months Period Ended December 31, 2018

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
Profit/(loss) after taxation	**(2,905,709)**	532,500	**(2,970,182)**	1,290,546
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income/(loss)	**(2,905,709)**	532,500	**(2,970,182)**	1,290,546

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

Syyed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For The Six Months Period Ended December 31, 2018

		Capital reserve			Revenue reserve				
	Share capital	Special reserve for expansion/ modernisation	Utilised special reserve for expansion/ modernisation	Others	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
					Rs' 000				
Balance as at July 1, 2017	852,930	2,045,813	10,962,934	5,948	3,762,775	55	9,697,786	12,052,576	39,380,817
Distribution to owners:									
Final cash dividend @ 60% related to the year ended June 30, 2017	-	-	-	-	-	-	(511,758)	-	(511,758)
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	1,290,546	-	1,290,546
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,290,546	-	1,290,546
Transfer to special reserve for expansion/ modernisation - note 6.1	-	92,328	-	-	-	-	(92,328)	-	-
Balance as at December 31, 2017	852,930	2,138,141	10,962,934	5,948	3,762,775	55	10,384,246	12,052,576	40,159,605
Total comprehensive loss									
Loss for the period	-	-	-	-	-	-	(711,568)	-	(711,568)
Other comprehensive loss for the period	-	-	-	-	-	-	(129,777)	-	(129,777)
	-	-	-	-	-	-	(841,345)	-	(841,345)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,104,886)	-	-	-	-	1,104,886	-	-
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
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	**-**	**-**	**-**	**-**	**-**	**-**	**(2,970,182)**	**-**	**(2,970,182)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**	**-**	**(2,970,182)**	**-**	**(2,970,182)**
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	**-**	**(1,033,255)**	**-**	**-**	**-**	**-**	**1,033,255**	**-**	**-**
Balance as at December 31, 2018	**1,066,163**	**-**	**10,962,934**	**5,948**	**3,762,775**	**55**	**8,497,627**	**12,052,576**	**36,348,078**

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

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Condensed Interim Statement of Cash Flows (Unaudited)
For The Six Months Period Ended December 31, 2018

	Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - Customers	**111,486,348**	75,920,704
- Others	**191,660**	473,983
	111,678,008	76,394,687
Cash paid for operating costs	**(91,518,975)**	(55,132,475)
Cash paid to Government for duties, taxes and other levies	**(21,277,205)**	(19,590,287)
Income tax paid	**(424,682)**	(372,193)
Net cash (outflows)/inflows from operating activities	**(1,542,854)**	1,299,732
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(34,032)**	(92,914)
Proceeds against disposal of operating assets	**3,876**	2,137
Long term loans and deposits	**2,512**	(4,273)
Income on bank deposits received	**870,769**	621,585
Dividends received	**952,838**	1,397,753
Net cash generated from investing activities	**1,795,963**	1,924,288
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	**(3,100,000)**	(4,100,000)
Transaction cost on long term financing	**(500)**	(500)
Dividends paid	**(54)**	(509,508)
Finance cost	**(3,057,886)**	(1,213,597)
Net cash outflows from financing activities	**(6,158,440)**	(5,823,605)
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**(5,905,331)**	(2,599,585)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**22,940,360**	21,630,109
Effect of exchange rate changes	**8,147**	2,605
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**17,043,176**	19,033,129

Cash and cash equivalents comprise of cash & bank balances and short term investments.

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

Syed Asad Abbas	M. Adil Khattak	Abdus Sattar
Chief Financial Officer	Chief Executive Officer	Director

Selected Notes To and Forming Part of the Condensed Interim Financial Statements (Unaudited)
For The Six Months Period Ended December 31, 2018

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 Bay View International Group S.A.

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 financial statements for the year ended June 30, 2018.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

(c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 ‘Leases’ - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognsied. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its 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, 2018.

5. SHARE CAPITAL

The parent company Attock Oil Company Limited, held 65,049,030 (June 30, 2018: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2018: 1,432,000) ordinary shares as at December 31, 2018.

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
6. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 6.1	**-**	1,033,255
Utilised special reserve for expansion/modernisation - note 6.2	**10,962,934**	10,962,934
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	**4,800**	4,800
Capital gain on sale of building	**654**	654
Insurance and other claims realised relating to pre-incorporation period	**494**	494
	5,948	5,948
Revenue reserve		
Investment reserve - note 6.3	**3,762,775**	3,762,775
General reserve	**55**	55
Unappropriated profit	**8,497,627**	10,647,787
	12,260,457	14,410,617
	23,229,339	26,412,754

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 utilization on up-gradation and expansion projects from July 1, 1997 to December 31, 2018:

	December 31, 2018 Rs' 000	**June 30, 2018 Rs' 000**
Balance at the beginning of period/year	**1,033,255**	2,045,813
Transfer for the period/year	**(1,033,255)**	(1,012,558)
Balance at the end of period/year	**-**	1,033,255

6.2 Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The adjusted total amount of capital expenditure incurred on refinery expansion/mordernisation till December 31, 2018 is Rs 28,276 million including Rs 17,313 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.

7. LONG TERM FINANCING - secured

	December 31, 2018 Rs' 000	**June 30, 2018 Rs' 000**
From banking companies		
Syndicated Term Finance - note 7.1	**9,410,115**	11,494,985
Musharaka Finance - note 7.2	**3,079,931**	3,762,252
	12,490,046	15,257,237
Less: Unamortised transaction cost on financing:		
Balance at the beginning of the year	**153,412**	204,062
Addition during the period/year	**500**	500
Amortization for the period/year	**(30,942)**	(51,150)
Balance at the end of the period/year	**122,970**	153,412
	12,367,076	15,103,825
Current portion of long term financing	**(2,200,000)**	(2,200,000)
	10,167,076	12,903,825
Mark-up payable shown as current liability	**(299,842)**	(260,909)
	9,867,234	12,642,916

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 will be 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, 2018: nil) while its share in musharaka assets B is 54.75% (June 30, 2018: 68.72%) respectively. While the Managing Co- owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2018: 100%) while its share in Musharaka Assets B is 45.25% (June 30, 2018: 31.28%) 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 of the musharaka asset's 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 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%.

8. TRADE AND OTHER PAYABLES

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Creditors - note 8.1	**26,724,195**	24,291,759
Due to The Attock Oil Company Limited - Holding Company	**164,777**	110,497
Due to Attock Hospital (Private) Limited - Subsidiary Company	**7,614**	220
Due to Associated Companies		
Pakistan Oilfields Limited	**2,009,344**	2,478,433
Attock Sahara Foundation	**-**	754
Attock Solar (Private) Limited	**256**	970
Accrued liabilities and provisions - note 8.1	**3,945,932**	4,027,691
Due to Government under the pricing formula	**4,256,774**	4,883,264
Custom duty payable to Government	**9,461,602**	6,888,202
Advance payments from customers	**45,651**	119,274
Sales tax payable	**644,700**	168,206
ARL Gratuity Fund	**-**	102,136
Staff Pension Fund	**-**	123,877
Crude oil freight adjustable through inland freight equalisation margin	**7,917**	15,761
Payable to statutory authorities in respect of petroleum development levy and excise duty	**1,148,459**	1,295,938
Deposits from customers adjustable against freight and Government levies payable on their behalf	**376**	376
Security deposits	**2,917**	2,917
	48,420,514	44,510,275

8.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directives of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,216.27 million (June 30, 2018: Rs 3,113.17 million).

		December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
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.	**1,326,706**	1,326,706
	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 parties.		
iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	**120**	414
iv)	Claims for land compensation contested by the Company.	**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
	Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants, the Company has not acknowledged the related demand and accordingly, not provided for the same in its books of accounts. In this respect, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High 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.		

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
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 upgradation of Refineries, the Government committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive was withdrawn on April 25, 2016.	**1,510,538**	1,081,087

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

viii) 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.	**418,470**	418,470

Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (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:

i) Capital expenditure	**290,250**	129,754
ii) Letters of credit for purchase of store items	**204,090**	88,941

	Six months ended December 31, 2018 Rs' 000	Year ended June 30, 2018 Rs' 000
10. OPERATING ASSETS		
Opening written down value	**32,817,565**	35,133,344
Additions during the period/year	**36,208**	253,740
Written down value of disposals	**(119)**	(225)
Depreciation during the period/year	**(1,288,441)**	(2,569,294)
Closing written down value	**31,565,213**	32,817,565
11. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning of the year	**303,043**	142,057
Addition during period/year	**26,665**	322,186
Transfer to operating assets		
- Building on freehold land	**-**	27,653
- Plant and machinery	**27,577**	133,547
	(27,577)	(161,200)
	302,131	303,043

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Break-up of the closing balance of capital work-in progress		
Civil works	**11,095**	7,720
Plant and machinery	**290,036**	294,323
Pipeline project	**1,000**	1,000
	302,131	303,043

	December 31, 2018		June 30, 2018	
	% age Holding	Rs' 000	% age Holding	Rs' 000
12. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
Quoted				
National Refinery Limited	**25**	**8,046,635**	25	8,046,635
Attock Petroleum Limited	**21.88**	**4,463,485**	21.88	4,463,485
Unquoted				
Attock Gen Limited - note 12.1	**30**	**748,295**	30	748,295
Attock Information Technology Services (Private) Limited	**10**	**4,500**	10	4,500
		13,262,915		13,262,915
Subsidiary Company				
Unquoted				
Attock Hospital (Private) Limited	**100**	**2,000**	100	2,000
		13,264,915		13,264,915

12.1 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 December 31, 2018, stock-in-trade includes stocks carried at net realisable value of Rs 10,361.25 million (June 30, 2018: Rs 5,688.51 million). Adjustments amounting to Rs 2,830.27 million (June 30, 2018: Rs 871.36 million) have been made to closing inventory to write down stocks-in-trade to net realizable value.

14. TRADE DEBTS - unsecured and considered good

Trade debts include amounts receivable from associated companies, Attock Petroleum Limited Rs 10,847 million (June 30, 2018: Rs 10,413 million) and Pakistan Oilfields Limited Rs nil (June 30, 2018: Rs 42 million).

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

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Due from associated companies		
Attock Petroleum Limited	**1,784,174**	1,462,881
Attock Information Technology Services (Private) Limited	**620**	503
Attock Leisure and Management Associates (Private) Limited	**5**	12
Attock Gen Limited	**526**	247
National Refinery Limited	**7,703**	3,087
National Cleaner Production Centre Foundation	**4,110**	4,906
Attock Sahara Foundation	**98**	-
Income accrued on bank deposits	**96,916**	104,729
Workers' Profit Participation Fund	**-**	20,000
Loans, deposits, prepayments and other receivables	**469,386**	275,352
	2,363,538	1,871,717

16. CASH AND BANK BALANCES

16.1 Deposit accounts include Rs 3,117.48 million (June 30, 2018: Rs nil) 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. Pursuant to same directives a Term Deposit Receipt (TDR) amounting to Rs nil (June 30, 2018: Rs 3,005.07 million) was placed in 12 months interest bearing account with the terms that allowed the Company to opt for pre-mature encashment. The said TDR was encashed during the period.

16.2 Balances with banks include Rs 4,000 million (June 30, 2018: Rs 5,000 million) in respect of deposits placed on 90-days interest-bearing account.

16.3 A lien on the Company's savings account has been marked by banks to the extent of guarantees issued on behalf of the Company amounting to Rs 1,326.83 million (June 30, 2018 : Rs 1,327.10 million).

17. GROSS SALES

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
Local sales	**52,913,538**	38,748,005	**108,988,299**	77,026,228
Naphtha export sales	**1,279,429**	883,940	**3,096,068**	2,197,540
	54,192,967	39,631,945	**112,084,367**	79,223,768
Reimbursement due from the Government under import parity pricing formula - note 17.1	**-**	1,254	**-**	7,950
	54,192,967	39,633,199	**112,084,367**	79,231,718

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

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
18. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL				
Sales tax	**5,349,092**	6,840,476	**13,231,681**	14,114,269
Petroleum development levy	**3,313,202**	3,697,182	**7,278,495**	7,606,828
Custom duties and other levies - note 18.1	**1,236,051**	771,753	**2,573,527**	1,517,804
Discounts	**25,345**	32,837	**25,345**	32,837
PMG RON differential - note 18.2	**215,597**	254,226	**464,081**	523,082
	10,139,287	11,596,474	**23,573,129**	23,794,820

18.1 This includes Rs 2,411.76 million (December 31, 2017: Rs 1,517.77 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD.

18.2 This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 87/90 RON PMG sold by the Company during the period.

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
19. COST OF SALES				
Crude oil consumed - note 19.1	**43,278,023**	27,467,244	**84,678,533**	50,957,018
Transportation and handling charges	**221,644**	118,966	**387,486**	305,505
Salaries, wages and other benefits	**263,244**	260,357	**534,729**	540,047
Chemicals consumed	**1,009,959**	733,213	**2,035,418**	1,364,912
Fuel and power	**1,156,051**	818,352	**2,237,118**	1,456,716
Repairs and maintenance	**135,713**	8,444	**247,453**	83,038
Staff transport and travelling	**4,944**	3,296	**9,197**	7,968
Insurance	**88,557**	59,105	**160,113**	105,754
Cost of receptacles	**5,931**	5,265	**10,143**	15,425
Other operating costs	**20,603**	18,351	**41,263**	36,159
Depreciation	**637,345**	634,388	**1,274,345**	1,268,362
Cost of goods manufactured	**46,822,014**	30,126,981	**91,615,798**	56,140,904
Changes in stock	**(841,817)**	(1,655,352)	**(555,767)**	(1,551,111)
	45,980,197	28,471,629	**91,060,031**	54,589,793

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 (six months ended December 31, 2017: Rs 14.21 million and Rs 6.64 million) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
21. OTHER INCOME				
Income on bank deposits	**465,161**	310,543	**862,956**	619,760
Interest on delayed payments	**200,505**	120,400	**370,129**	235,278
Handling and service charges	**18,190**	23,520	**46,077**	53,900
Rental income	**27,883**	24,471	**53,027**	49,474
Miscellaneous	**15,220**	14,980	**21,046**	19,117
	726,959	493,914	**1,353,235**	977,529
22. FINANCE COST				
Exchange loss (net)	**2,069,081**	376,352	**2,422,750**	416,134
Interest on long term financing	**608,020**	376,573	**998,594**	776,533
Interest on Workers' Profit Participation Fund	**-**	-	**-**	5,673
Bank and other charges	**260**	247	**293**	274
	2,677,361	753,172	**3,421,637**	1,198,614
23. TAXATION				
Current	**226,780**	20,506	**458,311**	20,506
Deferred	**(1,201,445)**	(240,815)	**(1,644,168)**	77,648
	(974,665)	(220,309)	**(1,185,857)**	98,154
24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION				
Dividend income from associated companies	**199,916**	1,397,753	**952,838**	1,397,753
Related charges				
Workers' Profit Participation Fund	**-**	69,888	**-**	69,888
Workers' Welfare Fund	**-**	26,557	**-**	26,557
Taxation - current and deferred	**29,988**	175,990	**120,477**	175,990
	(29,988)	(272,435)	**(120,477)**	(272,435)
	169,928	1,125,318	**832,361**	1,125,318

25. OPERATING SEGMENTS

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

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
High Speed Diesel	**19,633,386**	14,862,263	**41,035,125**	29,888,435
Premier Motor Gasoline	**17,359,620**	13,545,960	**36,143,400**	27,013,697
Jet Petroleum	**5,172,249**	2,756,858	**9,816,518**	5,366,707
Furnace Fuel Oil	**7,550,840**	5,005,665	**15,805,044**	9,865,454
Naphtha	**1,575,238**	1,110,282	**3,695,023**	2,613,391
Others	**2,901,634**	2,352,171	**5,589,257**	4,484,034
	54,192,967	39,633,199	**112,084,367**	79,231,718
Duties, taxes, levies, discounts and price differential	**(10,139,287)**	(11,596,474)	**(23,573,129)**	(23,794,820)
	44,053,680	28,036,725	**88,511,238**	55,436,898

Revenue from four major customers of the Company constitutes 90% of total revenue during the six months period ended December 31, 2018 (December 31, 2017: 90%).

26. FAIR VALUE MEASUREMENT

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

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

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

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2017. The revaluation surplus was credited to 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		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
Sale of goods and services to:				
Associated companies	**13,276,602**	9,897,306	**28,022,018**	19,207,391
Subsidiary company	**2,880**	2,747	**7,335**	7,433
Holding company	**7,962**	6,037	**18,560**	13,855
Interest income on delayed payments from an associated company	**200,505**	120,400	**370,129**	235,278
Purchase of goods and services from:				
Associated companies	**5,247,749**	3,770,333	**10,116,990**	6,590,946
Subsidiary company	**22,115**	18,985	**44,840**	35,498
Holding company	**177,232**	450,399	**285,828**	479,878
Dividend paid to:				
Associated company	**-**	8,592	**-**	8,592
Holding company	**-**	312,235	**-**	312,235
Key management personnel	**-**	1,421	**-**	1,421
Dividend received from:				
Associated companies	**199,916**	1,397,753	**952,838**	1,397,753
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites*	**46,771**	64,149	**107,015**	95,845
Honorarium/remuneration to Non-Executive directors	**1,115**	753	**4,091**	2,633
Contribution to Workers' Profit Participation Fund	**-**	26,308	**-**	84,100
Contribution to Employees' Pension, Gratuity and Provident Funds	**23,069**	18,033	**42,449**	36,615

* Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.

28. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share - basic and diluted for the three months and six months period ended December 31, 2017 respectively have been restated taking into consideration the corresponding effect of bonus shares issued during the six months period ended December 31, 2018.

29. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on January 21, 2019.

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Consolidated Financial Statements For The Six Months Period Ended December 31, 2018

Condensed Interim Consolidated Statement of Financial Position (Unaudited)
As At December 31, 2018

	Note	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
150,000,000 (June 30, 2018: 150,000,000) ordinary shares of Rs 10 each		**1,500,000**	1,500,000
Issued, subscribed and paid-up			
106,616,250 (June 30, 2018: 85,293,000) ordinary shares of Rs 10 each	5	**1,066,163**	852,930
Reserves and surplus	6	**33,695,199**	36,722,462
Surplus on revaluation of freehold land		**12,052,576**	12,052,576
Fair value gain on available for sale investment classified as fair value through other comprehensive income		**-**	108
		46,813,938	49,628,076
NON-CURRENT LIABILITIES			
Long term financing	7	**9,867,234**	12,642,916
CURRENT LIABILITIES			
Trade and other payables	8	**48,450,288**	44,552,948
Accrued mark-up on long term financing	7	**299,842**	260,909
Current portion of long term financing	7	**2,200,000**	2,200,000
Unclaimed dividends		**9,785**	9,839
Provision for taxation		**2,317,948**	2,163,842
		53,277,863	49,187,538
TOTAL EQUITY AND LIABILITIES		**109,959,035**	111,458,530
CONTINGENCIES AND COMMITMENTS	9		

	Note	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	10	**31,578,717**	32,829,945
Capital work-in-progress	11	**302,131**	303,043
Major spare parts and stand-by equipment		**117,888**	119,151
		31,998,736	33,252,139
LONG TERM INVESTMENTS	12	**24,976,293**	24,830,227
LONG TERM LOANS AND DEPOSITS		**39,603**	42,115
DEFERRED TAXATION		**1,681,350**	43,494
CURRENT ASSETS			
Stores, spares and loose tools		**3,319,358**	2,905,748
Stock-in-trade	13	**12,228,657**	9,789,826
Trade debts	14	**16,273,070**	15,748,306
Loans, advances, deposits, prepayments and other receivables	15	**2,378,269**	1,888,643
Short term investments		**-**	985,846
Cash and bank balances	16	**17,063,699**	21,972,186
		51,263,053	53,290,555
TOTAL ASSETS		**109,959,035**	111,458,530

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

Syed Asad Abbas	M. Adil Khattak	Abdus Sattar
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For The Six Months Period Ended December 31, 2018

	Note	Three months ended December 31, 2018 Rs' 000	Three months ended December 31, 2017 Rs' 000	Six months ended December 31, 2018 Rs' 000	Six months ended December 31, 2017 Rs' 000
Gross sales	17	**54,192,967**	39,633,199	**112,084,367**	79,231,718
Taxes, duties, levies, discounts and price differential	18	**(10,139,287)**	(11,596,474)	**(23,573,129)**	(23,794,820)
Net sales		**44,053,680**	28,036,725	**88,511,238**	55,436,898
Cost of sales	19	**(45,980,197)**	(28,471,629)	**(91,060,031)**	(54,589,793)
Gross profit/(loss)		**(1,926,517)**	(434,904)	**(2,548,793)**	847,105
Administrative expenses		**162,525**	165,552	**348,267**	318,202
Distribution cost		**10,858**	11,895	**22,938**	23,587
Other charges	20	**-**	(58,482)	**-**	20,849
		(173,383)	(118,965)	**(371,205)**	(362,638)
Other income	21	**726,959**	493,914	**1,353,235**	977,529
Operating profit/(loss)		**(1,372,941)**	(59,955)	**(1,566,763)**	1,461,996
Finance cost	22	**(2,677,361)**	(753,172)	**(3,421,637)**	(1,198,614)
Profit/(loss) before taxation from refinery operations		**(4,050,302)**	(813,127)	**(4,988,400)**	263,382
Taxation	23	**974,665**	220,309	**1,185,857**	(98,154)
Profit/(loss) after taxation from refinery operations		**(3,075,637)**	(592,818)	**(3,802,543)**	165,228
Non-refinery income: Share in profit of associated companies	24	**471,634**	747,057	**989,213**	1,211,323
Profit/(loss) after taxation		**(2,604,003)**	154,239	**(2,813,330)**	1,376,551
Earnings/(loss) per share - basic and diluted (Rupees)	28		(Restated)		(Restated)
Refinery operations		**(28.85)**	(5.56)	**(35.67)**	1.55
Non-refinery operations		**4.43**	7.01	**9.28**	11.36
		(24.42)	1.45	**(26.39)**	12.91

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

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For The Six Months Period Ended December 31, 2018

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
Profit/(loss) after taxation	**(2,604,003)**	154,239	**(2,813,330)**	1,376,551
Other comprehensive income (net of tax):				
Share of other comprehensive profit/(loss) of associated companies - net of tax	**-**	-	**(700)**	74
Fair value adjustment on investments classified as fair value through other comprehensive income	**121**	-	**(108)**	-
Total comprehensive income/(loss)	**(2,603,882)**	154,239	**(2,814,138)**	1,376,625

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

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For The Six Months Period Ended December 31, 2018

		Capital reserve				Revenue reserve				
	Share capital	Special reserve for expansion/ modernisation	Utilised special reserve for expansion/ modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Fair value gain on available for sale investment	Total
	Rs' 000									
Balance as at July 1, 2017	852,930	2,045,813	12,908,966	196,679	119,708	6,102,380	14,628,728	12,052,576	-	48,907,780
Distribution to owners:										
Final cash dividend @ 60% related to the year ended June 30, 2017	-	-	-	-	-	-	(511,758)	-	-	(511,758)
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	1,376,551	-	-	1,376,551
Other comprehensive income for the period	-	-	-	-	-	-	74	-	-	74
	-	-	-	-	-	-	1,376,625	-	-	1,376,625
Transfer to special reserve for expansion/ modernisation - note 6.1	-	92,328	-	-	-	-	(92,328)	-	-	-
Profit after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	61,529	-	-	-	-	(61,529)	-	-	-
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.3	-	-	-	2,371	-	-	(2,371)	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	750,000	(750,000)	-	-	-
Balance as at December 31, 2017	852,930	2,199,670	12,908,966	199,050	119,708	6,852,380	14,587,367	12,052,576	-	49,772,647
Total comprehensive income/(loss)										
Profit for the period	-	-	-	-	-	-	12,197	-	-	12,197
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	(156,876)	-	108	(156,768)
	-	-	-	-	-	-	(144,679)	-	108	(144,571)
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	-	(1,104,886)	-	-	-	-	1,104,886	-	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	(61,529)	-	-	-	-	61,529	-	-	-
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.3	-	-	-	2,575	-	-	(2,575)	-	-	-
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
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	**-**	**-**	**-**	**-**	**-**	**-**	**(2,813,330)**	**-**	**-**	**(2,813,330)**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(700)**	**-**	**(108)**	**(808)**
	-	**-**	**-**	**-**	**-**	**-**	**(2,814,030)**	**-**	**(108)**	**(2,814,138)**
Loss from refinery operations transferred from unappropriated profit to special reserve - note 6.1	**-**	**(1,033,255)**	**-**	**-**	**-**	**-**	**1,033,255**	**-**	**-**	**-**
Interest income earned on maintenance reserve bank account transferred to maintenance reserve - note 6.2	**-**	**-**	**-**	**1,712**	**-**	**-**	**(1,712)**	**-**	**-**	**-**
Transfer to general reserve by an associated company	**-**	**-**	**-**	**-**	**-**	**225,000**	**(225,000)**	**-**	**-**	**-**
Bonus shares issued by an associated company	**-**	**-**	**-**	**-**	**36,288**	**-**	**(36,288)**			
Balance as at December 31, 2018	**1,066,163**	**-**	**12,908,966**	**203,337**	**155,996**	**7,077,380**	**13,349,520**	**12,052,576**	**-**	**46,813,938**

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

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)
For The Six Months Period Ended December 31, 2018

	Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - Customers	**111,562,081**	75,990,358
- Others	**191,660**	473,983
	111,753,741	76,464,341
Cash paid for operating cost	**(91,591,322)**	(55,199,852)
Cash paid to Government for duties, taxes and other levies	**(21,277,205)**	(19,590,287)
Income tax paid	**(428,461)**	(375,923)
Net cash (outflows)/inflows from operating activities	**(1,543,247)**	1,298,279
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(36,115)**	(94,874)
Proceeds against disposal of operating assets	**3,876**	2,137
Long term loans and deposits	**2,512**	(4,273)
Income on bank deposits received	**876,096**	622,014
Dividends received	**952,838**	1,397,753
Net cash generated from investing activities	**1,799,207**	1,922,757
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	**(3,100,000)**	(4,100,000)
Transaction cost on long term financing	**(500)**	(500)
Dividends paid	**(54)**	(509,508)
Finance cost	**(3,057,886)**	(1,213,597)
Net cash outflows from financing activities	**(6,158,440)**	(5,823,605)
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**(5,902,480)**	(2,602,569)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**22,958,032**	21,650,017
Effect of exchange rate changes	**8,147**	2,605
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**17,063,699**	19,050,053

Cash and cash equivalents comprise of cash & bank balances and short term investments.

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

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director

Selected Notes To and Forming Part of the Condensed Interim Consolidated Financial Statements (Unaudited)

For The Six Months Period Ended December 31, 2018

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 Bay View International Group S.A.

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 consolidated financial statements for the year ended June 30, 2018.

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. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further, IFRS 9 introduces the "Expected Credit Loss (ECL) model", which replaces the "incurred loss model" of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, 'Trade debts'), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income (for example, government bonds held for liquidity purposes), since initial recognition, irrespective whether a loss event has occurred.

The changes laid down by these standards do not have any significant impact on these consolidated financial statements of the Company.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's consolidated financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the consolidated financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognsied. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its 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, 2018.

5. SHARE CAPITAL

The parent company Attock Oil Company Limited held 65,049,030 (June 30, 2018: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,790,000 (June 30, 2018: 1,432,000) ordinary shares as at December 31, 2018.

6. RESERVES AND SURPLUS

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Capital reserve		
Special reserve for expansion/modernisation - note 6.1	**-**	1,033,255
Special reserve for expansion/modernisation by an associated company	**-**	-
	-	1,033,255
Utilised special reserve - note 6.2	**10,962,934**	10,962,934
Utilised special reserve by an associated company	**1,946,032**	1,946,032
	12,908,966	12,908,966
Maintenance reserve - note 6.3	**203,337**	201,625
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	**4,800**	4,800
Capital gain on sale of building	**654**	654
Insurance and other claims realised relating to pre-incorporation period	**494**	494
Donation received for purchase of hospital equipment	**4,000**	4,000
Bonus share issued by associated companies	**146,048**	109,760
	155,996	119,708
Revenue reserve		
General reserve	**7,077,380**	6,852,380
Unappropriated profit	**13,349,520**	15,606,528
	20,426,900	22,458,908
	33,695,199	36,722,462

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 utilsation on Up-gradation and expansion projects from July 1, 1997 to December 31, 2018:

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Balance at the beginning of year	**1,033,255**	2,045,813
Transfer for the period/year	**(1,033,255)**	(1,012,558)
Balance as at period/ year	**-**	1,033,255

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/mordernisation till December 31, 2018 is Rs 28,276 million including Rs 17,313 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.

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
7. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 7.1	**9,410,115**	11,494,985
Musharka Finance - note 7.2	**3,079,931**	3,762,252
	12,490,046	15,257,237
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	**153,412**	204,062
Addition during the period/ year	**500**	500
Amortization for the period/ year	**(30,942)**	(51,150)
Balance at the end of the period/ year	**122,970**	153,412
	12,367,076	15,103,825
Current portion of long term financing	**(2,200,000)**	(2,200,000)
	10,167,076	12,903,825
Mark-up payable shown as current liability	**(299,842)**	(260,909)
	9,867,234	12,642,916

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, 2018: nil%) while its share in Musharaka Assets B is 54.75% (June 30, 2018: 68.72%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (June 30, 2018: 100%) while its share in Musharaka Assets B is 45.25% (June 30, 2018: 31.28%) 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 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%.

8. TRADE AND OTHER PAYABLES

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Creditors - note 8.1	**26,726,373**	24,294,232
Due to The Attock Oil Company Limited - Holding Company	**164,750**	110,475
Due to associated companies		
Pakistan Oilfields Limited	**2,005,372**	2,475,616
Attock Sahara Foundation	**-**	754
Attock Solar (Private) Limited	**256**	970
Accrued liabilities and provisions - note 8.1	**3,966,245**	4,048,226
Due to Government under the pricing formula	**4,256,774**	4,883,264
Custom duty payable to Government	**9,461,602**	6,888,202
Advance payments from customers	**45,651**	119,274
Sales tax payable	**644,700**	168,206
ARL Gratuity Fund	**5,403**	109,694
Staff Pension Fund	**13,273**	138,823
Crude oil freight adjustable through inland freight equalisation margin	**7,917**	15,761
Payable to statutory authorities in respect of petroleum development levy and excise duty	**1,148,459**	1,295,938
Deposits from customers adjustable against freight and Government levies payable on their behalf	**376**	376
Security deposits	**3,137**	3,137
	48,450,288	44,552,948

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 3,216.27 million (June 30, 2018: Rs 3,113.17 million).

9. CONTINGENCIES AND COMMITMENTS

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
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.	**1,326,706**	1,326,706

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.

		December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
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 parties.		
iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	**120**	414
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. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants, the Company has not acknowledged the related demand and accordingly, not provided for the same in its books of accounts. In this respect, 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.	**2,484,098**	2,484,098
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. 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.	**1,510,538**	1,081,087

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
viii) 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.	**418,470**	418,470

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.

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
ix) The Company's share in tax contingency of associated companies.	**1,144,110**	1,474,866
Commitments:		
i) Capital expenditure	**290,250**	129,754
ii) Letters of credit for purchase of store items	**204,090**	88,941
iii) The Company's share of commitments of associated companies:		
Capital expenditure commitments	**1,280,411**	1,796,604
Outstanding letters of credit	**3,029,868**	4,559,627
Others	**491,471**	506,929

	Six months ended December 31, 2018 Rs' 000	Year ended June 30, 2018 Rs' 000
10. OPERATING ASSETS		
Opening written down value	**32,829,945**	35,140,631
Additions during the period/year	**38,291**	260,363
Written down value of disposals	**(119)**	(225)
Depreciation during the period/year	**(1,289,400)**	(2,570,824)
Closing written down value	**31,578,717**	32,829,945
11. CAPITAL WORK-IN-PROGRESS		
Balance at the beginning of the year	**303,043**	142,057
Addition during the period/year	**26,665**	322,186
Transfer to operating assets		
- Buildings on freehold land	**-**	27,653
- Plant and machinery	**27,577**	133,547
	(27,577)	(161,200)
Balance at the end	**302,131**	303,043
Break-up of the closing balance of capital work-in-progress		
Civil works	**11,095**	7,720
Plant and machinery	**290,036**	294,323
Pipeline project	**1,000**	1,000
	302,131	303,043

	Six months ended December 31, 2018 Rs' 000	Year ended June 30, 2018 Rs' 000
12. LONG TERM INVESTMENTS		
Investment in associated companies		
Balance as at July 1	**24,830,227**	23,939,539
Share of profit/(loss) after tax of associated companies	**(64,540)**	2,552,958
Share in other comprehensive loss	**(808)**	(21,115)
Dividend received from associated companies	**(952,838)**	(1,819,575)
Impairment reversal on investment	**1,164,252**	178,420
	24,976,293	24,830,227

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

	December 31, 2018		June 30, 2018	
	% age Holding	Rs' 000	% age Holding	Rs' 000
Quoted				
National Refinery Limited	**25**	**14,793,813**	25	14,793,813
Attock Petroleum Limited	**21.88**	**7,354,884**	21.88	7,345,605
Unquoted				
Attock Gen Limited - note 12.2	**30**	**2,801,007**	30	2,666,574
Attock Information Technology Services (Private) Limited	**10**	**26,589**	10	24,235
		24,976,293		24,830,227

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 December 31, 2018, stock-in-trade includes stocks carried at net realisable value of Rs 10,361.25 million (June 30, 2018: Rs 5,688.51 million). Adjustments amounting to Rs 2,830.27 million (June 30, 2018: Rs 871.36 million) have been made to closing inventory to write down stock to net realizable value.

14. TRADE DEBTS - unsecured and considered good

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,847 million (June 30, 2018: Rs 10,413 million) and Pakistan Oilfields Limited Rs nil (June 30, 2018: Rs 42 million).

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

	December 31, 2018 Rs' 000	June 30, 2018 Rs' 000
Due from associated companies		
Attock Petroleum Limited	**1,785,301**	1,463,364
Attock Information Technology Services (Private) Limited	**620**	503
Attock Leisure and Management Associates (Private) Limited	**5**	12
Attock Gen Limited	**719**	398
Attock Cement Pakistan Limited	**4**	5
National Cleaner Production Centre Foundation	**4,114**	4,946
Capgas (Private) Limited	**157**	111
National Refinery Limited	**7,703**	3,087
Attock Sahara Foundation	**98**	-
Income accrued on bank deposits	**96,916**	104,729
Workers' Profit Participation Fund	**-**	20,000
Loans, deposits, prepayments and other receivables	**482,632**	291,488
	2,378,269	1,888,643

16. CASH AND BANK BALANCES

16.1 Deposit accounts include Rs 3,117.48 million (June 30, 2018: Rs nil) 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. Pursuant to same directives a Term Deposit Receipt (TDR) amounting to Rs nil (June 30, 2018: Rs 3,005.07 million) was placed in 12 months interest bearing account with the terms that allowed the Company to opt for pre-mature encashment. The said TDR was encashed during the period.

16.2 Balances with banks include Rs 4,000 million (June 30, 2018: Rs 5,000 million) in respect of deposits placed on 90-days interest-bearing account.

16.3 A lien on the Company's savings account has been marked by banks to the extent of guarantees issued on behalf of the Company amounting to Rs 1,326.83 million (June 30, 2018 : Rs 1,327.10 million).

17. GROSS SALES

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
Local sales	**52,913,538**	38,748,005	**108,988,299**	77,026,228
Naphtha export sales	**1,279,429**	883,940	**3,096,068**	2,197,540
	54,192,967	39,631,945	**112,084,367**	79,223,768
Reimbursement due from the Government under import parity pricing formula - note 17.1	**-**	1,254	**-**	7,950
	54,192,967	39,633,199	**112,084,367**	79,231,718

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

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
18. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL				
Sales tax	**5,349,092**	6,840,476	**13,231,681**	14,114,269
Petroleum development levy	**3,313,202**	3,697,182	**7,278,495**	7,606,828
Custom duties and other levies - note 18.1	**1,236,051**	771,753	**2,573,527**	1,517,804
Discounts	**25,345**	32,837	**25,345**	32,837
PMG RON differential - note 18.2	**215,597**	254,226	**464,081**	523,082
	10,139,287	11,596,474	**23,573,129**	23,794,820

18.1 This includes Rs 2,411.76 million (December 31, 2017: Rs 1,517.77 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD.

18.2 This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 87/90 RON PMG sold by the Company during the period.

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
19. COST OF SALES				
Crude oil consumed - note 19.1	**43,278,023**	27,467,244	**84,678,533**	50,957,018
Transportation and handling charges	**221,644**	118,966	**387,486**	305,505
Salaries, wages and other benefits	**263,244**	260,357	**534,729**	540,047
Chemicals consumed	**1,009,959**	733,213	**2,035,418**	1,364,912
Fuel and power	**1,156,051**	818,352	**2,237,118**	1,456,716
Repairs and maintenance	**135,713**	8,444	**247,453**	83,038
Staff transport and travelling	**4,944**	3,296	**9,197**	7,968
Insurance	**88,557**	59,105	**160,113**	105,754
Cost of receptacles	**5,931**	5,265	**10,143**	15,425
Other operating costs	**20,603**	18,351	**41,263**	36,159
Depreciation	**637,345**	634,388	**1,274,345**	1,268,362
Cost of goods manufactured	**46,822,014**	30,126,981	**91,615,798**	56,140,904
Changes in stock	**(841,817)**	(1,655,352)	**(555,767)**	(1,551,111)
	45,980,197	28,471,629	**91,060,031**	54,589,793

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 (six months ended December 31, 2017: Rs 14.21 million and Rs 6.64 million) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
21. OTHER INCOME				
Income on bank deposits	**465,161**	310,543	**862,956**	619,760
Interest on delayed payments	**200,505**	120,400	**370,129**	235,278
Handling and service charges	**18,190**	23,520	**46,077**	53,900
Rental income	**27,883**	24,471	**53,027**	49,474
Others	**15,220**	14,980	**21,046**	19,117
	726,959	493,914	**1,353,235**	977,529
22. FINANCE COST				
Exchange loss (net)	**2,069,081**	376,352	**2,422,750**	416,134
Interest on long term financing	**608,020**	376,573	**998,594**	776,533
Interest on Workers' Profit Participation Fund	**-**	-	**-**	5,673
Bank and other charges	**260**	247	**293**	274
	2,677,361	753,172	**3,421,637**	1,198,614
23. TAXATION				
Current	**226,780**	20,506	**458,311**	20,506
Deferred	**(1,201,445)**	(240,815)	**(1,644,168)**	77,648
	(974,665)	(220,309)	**(1,185,857)**	98,154
24. NON-REFINERY INCOME				
Share of profit of associated companies (net of reversal of impairment loss)	**521,978**	992,564	**1,099,712**	1,483,253
Related charges				
Workers' Profit Participation Fund	**-**	69,888	**-**	69,888
Workers' Welfare Fund	**-**	26,557	**-**	26,557
Taxation - current and deferred	**57,758**	152,408	**126,733**	181,031
	(57,758)	(248,853)	**(126,733)**	(277,476)
	464,220	743,711	**972,979**	1,205,777
Profit after taxation from Attock Hospital (Private) Limited (wholly owned subsidiary)	**7,414**	3,346	**16,234**	5,546
	471,634	747,057	**989,213**	1,211,323

25. OPERATING SEGMENT

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

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	**December 31, 2017 Rs' 000**	**December 31, 2018 Rs' 000**	**December 31, 2017 Rs' 000**
High Speed Diesel	**19,633,386**	14,862,263	**41,035,125**	29,888,435
Premier Motor Gasoline	**17,359,620**	13,545,960	**36,143,400**	27,013,697
Jet Petroleum	**5,172,249**	2,756,858	**9,816,518**	5,366,707
Furnace Fuel Oil	**7,550,840**	5,005,665	**15,805,044**	9,865,454
Naphtha	**1,575,238**	1,110,282	**3,695,023**	2,613,391
Others	**2,901,634**	2,352,171	**5,589,257**	4,484,034
	54,192,967	39,633,199	**112,084,367**	79,231,718
Taxes, duties, levies, discounts and price differential	**(10,139,287)**	(11,596,474)	**(23,573,129)**	(23,794,820)
	44,053,680	28,036,725	**88,511,238**	55,436,898

Revenue from four major customers of the Company constitute 90% of total revenue during the six months period ended December 31, 2018 (December 31, 2017: 90%).

26. FAIR VALUE MEASUREMENT

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

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

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

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2017. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'.

27. RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	**December 31, 2017 Rs' 000**	**December 31, 2018 Rs' 000**	**December 31, 2017 Rs' 000**
Sale of goods and services to:				
Associated companies	**13,281,787**	9,902,442	**28,032,999**	19,217,787
Holding company	**7,962**	6,037	**18,560**	13,855
Interest income on delayed payments from an associated company	**200,505**	120,400	**370,129**	235,278
Purchase of goods and services from:				
Associated companies	**5,247,703**	3,770,235	**10,116,990**	6,590,946
Holding company	**177,232**	450,399	**285,828**	479,878

	Three months ended		Six months ended	
	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000	December 31, 2018 Rs' 000	December 31, 2017 Rs' 000
Dividend paid to:				
Associated companies	-	8,592	-	8,592
Holding company	-	312,235	-	312,235
Key management personnel	-	1,421	-	1,421
Dividend income from:				
Associated companies	**199,916**	1,397,753	**952,838**	1,397,753
Other related parties:				
Remuneration of Chief Executive and key management personnel including benefits and perquisites*	**46,771**	64,149	**107,015**	95,845
Honorarium/remuneration to Non-Executive Directors	**1,115**	753	**4,091**	2,633
Contribution to Workers' Profit Participation Fund	-	26,308	-	84,100
Contribution to Employees' Pension, Gratuity and Provident Funds	**24,157**	19,005	**44,491**	38,438

* Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.

28. EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share - basic and diluted for the three months and six months period ended December 31, 2017 respectively have been restated taking into consideration the corresponding effect of bonus shares issued during the six months period ended December 31, 2018.

29. 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 January 21, 2019.

Syed Asad Abbas	**M. Adil Khattak**	**Abdus Sattar**
Chief Financial Officer	Chief Executive Officer	Director