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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Mr. Laith G. Pharaon**

*(Alternate Director Mr. Tariq Iqbal Khan)*

*Non Executive Director*

**Mr. Wael G. Pharaon**

*(Alternate Director Mr. Babar Bashir Nawaz)*

*Non Executive Director*

**Mr. Shuaib A. Malik**

*Chairman / Non Executive Director*

**Mr. Abdus Sattar**

*Non Executive Director*

**Mr. Sajid Nawaz**

*Non Executive Director*

**Mr. Jamil A. Khan**

*Non Executive Director*

**Mr. Shamim Ahmad Khan**

*(NIT Nominee)*

*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. Tariq Iqbal Khan**

*Chairman*

**Mr. Abdus Sattar**

*Member*

**Mr. Sajid Nawaz**

*Member*

**Mr. Shamim Ahmad Khan**

*Member*

**Mr. Babar Bashir Nawaz**

*Member*

### AUDITORS

**A.F. Ferguson & Co.**

*Chartered Accountants*

### LEGAL ADVISOR

**Ali Sibtain Fazli & Associates**

*Legal Advisors, Advocates & Solicitors*

### SHARE REGISTRAR

**THK Associates (Pvt.) Limited**

*1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400*

### REGISTERED OFFICE

**The Refinery, Morgah, Rawalpindi.**

*Tel : (051) 5487041-5*

*Fax : (051) 5487093 & 5406229*

*E-mail : info@arl.com.pk*

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## 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, 2016.

### FINANCIAL RESULTS

During the period under review, overall fluctuations in prices of crude oil and products remained favourable. Further, tax credit of Rs 1,282 million relating to purchase of plant and machinery for Balancing, Modernization and Replacement under the ARL Up-gradation Project has been recognized as per the tax law. Due to these factors, the Company was able to earn profit after tax of Rs 1,511 million from refinery operations (December 31, 2015: Rs 35 million) after absorbing heavy depreciation and related financial charges following commencement of production from the new units. Non-refinery income of Rs 1,228 million (December 31, 2015: Rs 995 million) helped the Company to further improve its profitability and to post net profit of Rs 2,739 million (December 31, 2015: Rs 1,030 million).

### ARL UP-GRADATION PROJECT

ARL Up-gradation Project comprising of Pre-flash, Isom, DHDS unit, related ancillary units and expansion of captive power plant has been completed successfully. The start-up and revamping activities relating to the ARL up-gradation project were successfully and smoothly carried out during the period under review. The Board wishes to place on record its appreciation for the un-tiring efforts of management and support of all stakeholders over accomplishment of this historical milestone.

We are pursuing the issue of restoration of additional 1.5% deemed duty on HSD with the Government. This incentive was initially committed for setting up of DHDS unit but withdrawn later.

### REFINERY OPERATIONS

Because of complex start-up and revamping activities relating to the new units, the refinery was operated at 97% capacity. The refining throughput during the half year ended was 8.273 million barrels (December 31, 2015: 7.524 million barrels) while the sales volume was 8.180 million barrels (December 31, 2015: 7.039 million barrels). All the units including newly commissioned Diesel Hydrodesulphurization (DHDS), Isom and pre-flash units were operated smoothly.

### FUTURE OUTLOOK

With the completion of ARL up-gradation project coupled with on-going R&D activity, the Company envisages to maintain smooth supply of increased volumes of value added and environmentally friendly products.

### ACKNOWLEDGEMENT

The Board, on behalf of all of the directors, shareholders and employees of the Company, would like to keep on record its sincere gratitude to respected Chairman Attock Group of Companies, Dr. Ghaith R Pharaon who breathed his last on January 06, 2017. It was his vision, guidance, trust and confidence which enabled a moderate business set up to become one of the leading business groups of the country and thereby contributing significantly towards economic development of the country. May Allah rest him in eternal peace and give fortitude and courage to his family to bear this loss (Ameen).

The Board of Directors would also like to express their gratitude for the support received from its valued customers, suppliers as well as Ministry of Petroleum & Natural Resources and other relevant organizations.

On behalf of the Board

-Sd-

**Shuaib A. Malik**  
Chairman

January 27, 2017  
Rawalpindi

## ریفائنری آپریشنز

نئے اور پرانے یونٹس کی مشکل اور پیچیدہ مربوط پیداواری سرگرمی کی وجہ سے ریفائنری کو تقریباً ۹۷ فیصد گنجائش کے ساتھ چلایا گیا۔ نصف سال کے دوران ریفائنری کی پیداوار ۸.۲۷۳ ملین بیرل رہی۔ (۳۱ دسمبر ۲۰۱۵ء کو یہ مقدار ۵.۵۲۴ ملین بیرل تھی)۔ جبکہ فروخت کا حجم ۸.۱۸۰ ملین بیرل تھا (۳۱ دسمبر ۲۰۱۵ء کو یہ ۷.۰۳۹ ملین بیرل تھا) تمام یونٹس جس میں نیا تنصیب شدہ ڈی ایچ ڈی ایس یونٹ، آئی سو میرائیزیشن یونٹ اور پری فلیش بھی شامل ہے پوری استعداد کے ساتھ کام کر رہے ہیں۔

## مستقبل کا منظر نامہ

ریفائنری کے توسیعی منصوبے کی کامیاب تکمیل اور جاری شدہ تحقیقی سرگرمی کے نتیجے میں کمپنی یہ اندازہ کرتی ہے کہ مستقبل قریب میں قدر میں اضافہ والی اور ماحول دوست مصنوعات کی فراہمی بہترین طریقے سے جاری رہے گی۔

## اظہار تشکر

بورڈ تمام ڈائریکٹرز، حصہ داران اور کمپنی ملازمین کی جانب سے چیئر مین انک گروپ آف کمپنیز جناب عزت مآب ڈاکٹر غیث آفرعون کو خراج تحسین پیش کرتا ہے جو ۶ جنوری ۲۰۱۷ء کو انتقال فرما گئے۔ یہ ان کی بصیرت، رہنمائی اور اعتماد تھا جس کی بدولت سے ایک اعتدال درجے کی کاروباری تنظیم کا شمار ملک کی صفِ اوّل کی کاروباری تنظیموں میں ہونے لگا اور اب یہ تنظیم ملک کی معاشی ترقی میں اہم کردار ادا کر رہی ہے۔ اللہ تعالیٰ مرحوم کی روح کو جو رحمت میں رکھے اور ان کے اہل خانہ کو صبر اور ہمت کے ساتھ اس نقصان کو برداشت کرنے کا حوصلہ دے (آمین)۔

بورڈ آف ڈائریکٹرز اپنے قابلِ قدر صارفین، خام تیل مہیا کرنے والے اداروں، وزارت پٹرولیم و قدرتی وسائل اور دیگر متعلقہ اداروں کی جانب سے ملنے والی معاونت پر ان تمام کا شکر گزار ہیں۔

بورڈ کی جانب سے

-Sd-

شعیب اے ملک

چیئر مین

۲۷ جنوری ۲۰۱۷ء

راولپنڈی

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

انٹک ریفائنری لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز ۳۱ دسمبر ۲۰۱۶ء 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 مدت کے دوران خام تیل اور تیل کی مصنوعات کی قیمتوں میں اتار چڑھاؤ سازگار رہا۔ علاوہ ازیں ریفائنری کے توسیعی منصوبے کے لیے خریدی گئی مشینری پر ٹیکس قانون کے تحت ۱,۲۸۲ ملین روپے کی ٹیکس بچت ہوئی نئے پلانٹس کی پیداواری سرگرمیاں شروع ہونے کے بعد پلانٹس کی بھاری فرسودگی اور متعلقہ مالیاتی اخراجات ہوئے۔ تاہم اُپر بیان کردہ سازگار عناصر کی وجہ سے ان اخراجات کو منہا کرنے کے باوجود کمپنی نے ریفائنری آپریشن سے ٹیکس ادا کرنے کے بعد ۱,۵۱۱ ملین روپے کا منافع کمایا (۳۱ دسمبر ۲۰۱۵ء کو ۳۵ ملین روپے کا منافع تھا)۔ غیر ریفائنری ذرائع سے ہونے والی ۱,۲۲۸ ملین روپے کی آمدن (۳۱ دسمبر ۲۰۱۵ء کو ۱۰۹۵ ملین روپے تھی) نے کمپنی کے مجموعی منافع کو مزید بہتر بنانے میں مدد دی اور اس طرح کمپنی نے ۲,۷۳۹ ملین روپے کا خالص منافع کمایا (۳۱ دسمبر ۲۰۱۵ء کو یہ منافع ۱,۰۳۰ ملین روپے تھا)۔

## انٹک ریفائنری کا توسیعی منصوبہ

ریفائنری کا توسیعی منصوبہ جو کہ پری فلیش (Pre-Flash)، آئسومیرائزیشن یونٹ (Isomerization Unit)، ڈی ایچ ڈی ایس یونٹ (DHDS Unit)، متعلقہ ذیلی پلانٹس اور بجلی گھر کی توسیع پر مشتمل تھا، کامیابی سے مکمل ہو گیا ہے۔ زیر جائزہ مدت کے دوران ریفائنری کے نئے اور پرانے پلانٹس کی مربوط پیداواری سرگرمیوں کا بہترین انداز میں کامیابی سے آغاز ہو گیا ہے اس تاریخی سنگ میل کو کامیابی سے عبور کرنے پر بورڈ کمپنی مینجمنٹ کی انتھک کوششوں اور دیگر متعلقہ فریقین کی معاونت کو سراہتا ہے۔

حکومت نے ڈی ایچ ڈی ایس یونٹ لگانے کیلئے ہائی سپیڈ ڈیزل (HSD) پر اضافی ۱.۵ فیصد ڈیوٹی کی رعایت دینے کا وعدہ کیا تھا۔ تاہم ڈی ایچ ڈی ایس یونٹ کی تکمیل کے باوجود یہ رعایت ختم کر دی گئی ہے۔ ہم حکومت سے اس رعایت کی بحالی کیلئے جدوجہد کر رہے ہیں۔

*A. F. FERGUSON & CO.*

## AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### *Introduction*

We have reviewed the accompanying condensed interim balance sheet of Attock Refinery Limited as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the condensed interim financial information for the six month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for three month periods ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2016.

### *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 information 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 information as of and for the six month period ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

**-Sd-**

Chartered Accountants  
Islamabad  
Dated: January 27, 2017

Engagement partner: S. Haider Abbas

# **Condensed Interim Balance Sheet (Unaudited)** **As At December 31, 2016**

	Note	December 31, 2016 Rs' 000	June 30, 2016 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, 2016: 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>			
85,293,000 (June 30, 2015: 85,293,000) ordinary shares of Rs 10 each	5	852,930	852,930
<b>Reserves and surplus</b>	6	23,836,894	21,524,684
		<u>24,689,824</u>	<u>22,377,614</u>
<b>SURPLUS ON REVALUATION OF FREEHOLD LAND</b>		<u>10,811,949</u>	<u>10,811,949</u>
		<b>35,501,773</b>	<b>33,189,563</b>
<b>NON CURRENT LIABILITIES</b>			
<b>LONG TERM FINANCING</b>	7	19,733,232	14,613,682
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	27,837,903	23,043,629
Accrued mark-up on long term financing	7	303,642	266,556
Current portion of long term financing	7	1,650,000	550,000
Provision for taxation		3,909,106	3,955,760
		<u>33,700,651</u>	<u>27,815,945</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>88,935,656</b></u>	<u><b>75,619,190</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

	Note	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	35,024,632	12,148,054
Capital work-in-progress	11	225,261	22,733,687
Major spare parts and stand-by equipment		72,407	83,293
		<b>35,322,300</b>	<b>34,965,034</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>28,722</b>	<b>31,289</b>
<b>DEFERRED TAXATION</b>		<b>1,660,795</b>	<b>644,246</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,750,752	1,815,409
Stock-in-trade	13	7,134,335	6,707,642
Trade debts	14	10,856,272	6,889,427
Loans, advances, deposits, prepayments and other receivables	15	1,560,435	1,618,030
Cash and bank balances	16	17,357,130	9,683,198
		<b>38,658,924</b>	<b>26,713,706</b>
<b>TOTAL ASSETS</b>		<b>88,935,656</b>	<b>75,619,190</b>

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**



## Condensed Interim Profit And Loss Account (Unaudited)

### For The Six Months Period Ended December 31, 2016

	Note	Three months ended		Six months ended	
		December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
Gross sales	17	33,991,121	30,448,149	61,861,519	60,275,901
Taxes, duties, levies and price differential	18	(9,323,902)	(9,455,423)	(16,348,649)	(18,237,937)
Net sales		24,667,219	20,992,726	45,512,870	42,037,964
Cost of sales	19	(24,059,977)	(20,255,504)	(44,750,636)	(41,902,901)
Gross profit		607,242	737,222	762,234	135,063
Administrative expenses		138,506	119,616	283,014	244,961
Distribution cost		11,217	11,461	22,835	24,209
Other charges	20	21,167	10,895	29,305	10,895
		(170,890)	(141,972)	(335,154)	(280,065)
Other income	21	291,900	246,619	537,614	475,742
Operating profit		728,252	841,869	964,694	330,740
Finance cost	22	(281,265)	(46,957)	(407,908)	(183,743)
Profit before taxation from refinery operations		446,987	794,912	556,786	146,997
Provision for taxation	23	1,036,112	(273,756)	953,997	(112,456)
Profit after taxation from refinery operations		1,483,099	521,156	1,510,783	34,541
Income from non-refinery operations less applicable charges and taxation	24	27,589	(20,245)	1,227,892	995,297
Profit after taxation		1,510,688	500,911	2,738,675	1,029,838
Earnings/ (loss) per share basic and diluted (Rupees)					
Refinery operations		17.39	6.11	17.71	0.40
Non- refinery operations		0.33	(0.24)	14.40	11.67
		17.72	5.87	32.11	12.07

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

-Sd-

Chief Executive

-Sd-

Director

## Condensed Interim Statement of Comprehensive Income (Unaudited)

### For The Six Months Period Ended December 31, 2016

	Three months ended		Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
Profit after taxation	<b>1,510,688</b>	500,911	<b>2,738,675</b>	1,029,838
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income	<b><u>1,510,688</u></b>	<u>500,911</u>	<b><u>2,738,675</u></b>	<u>1,029,838</u>

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

## Condensed Interim Cash Flow Statement (Unaudited)

### For The Six Months Period Ended December 31, 2016

	Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - customers	57,883,262	57,811,479
- others	404,085	172,754
	<b>58,287,347</b>	57,984,233
Cash paid for operating costs	(39,659,579)	(41,287,464)
Cash paid to Government for duties, taxes and other levies	(16,727,420)	(16,589,240)
Income tax paid	(260,782)	(71,077)
Net cash inflows from operating activities	<b>1,639,566</b>	36,452
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(892,869)	(1,582,637)
Proceeds against disposal of operating assets	46	5,611
Long term loans and deposits	2,567	906
Income on bank deposits received	298,242	298,020
Dividends received	1,452,073	1,197,724
Net cash inflows/ (outflows) from investing activities	<b>860,059</b>	(80,376)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	6,239,507	2,550,000
Transaction cost on long term financing	(6,076)	(8,882)
Dividends paid	(424,568)	(424,577)
Finance cost	(634,603)	(792,630)
Net cash inflows from financing activities	<b>5,174,260</b>	1,323,911
<b>INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>7,673,885</b>	1,279,987
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>9,683,198</b>	10,694,590
Effect of exchange rate changes	47	1,468
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>17,357,130</b>	11,976,045

Cash and cash equivalents comprise of cash and bank balances.

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

-Sd-

Chief Executive

-Sd-

Director

## Condensed Interim Statement of Changes in Equity (Unaudited)

### For The Six Months Period Ended December 31, 2016

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs' 000							
Balance at July 1, 2015	852,930	5,948	9,455,212	3,762,775	55	7,937,279	10,811,949	32,826,148
Distribution to owners:								
Final cash dividend @ 50% related to the year ended June 30, 2015	-	-	-	-	-	(426,465)	-	(426,465)
Total comprehensive income								
Profit for the period	-	-	-	-	-	2,738,675	-	2,738,675
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Transfer to special reserve for expansion/modernisation - note 6.1	-	-	-	-	-	2,738,675	-	2,738,675
Balance at December 31, 2015	852,930	5,948	9,455,212	3,762,775	55	10,249,489	10,811,949	35,138,358
Total comprehensive loss								
Loss for the period	-	-	-	-	-	(1,922,325)	-	(1,922,325)
Other comprehensive loss for the period	-	-	-	-	-	(26,470)	-	(26,470)
Transfer to special reserve for expansion/modernisation - note 6.1	-	-	-	-	-	(1,948,795)	-	(1,948,795)
Balance as at June 30, 2016	852,930	5,948	9,455,212	3,762,775	55	8,300,694	10,811,949	33,189,563
Distribution to owners:								
Final cash dividend @ 50% related to the year ended June 30, 2016	-	-	-	-	-	(426,465)	-	(426,465)
Total comprehensive income								
Profit for the period	-	-	-	-	-	2,738,675	-	2,738,675
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Transfer to special reserve for expansion/modernisation - note 6.1	-	-	1,437,883	-	-	2,738,675	-	2,738,675
Balance at December 31, 2016	852,930	5,948	10,893,095	3,762,775	55	(1,437,883)	10,811,949	35,501,773

The annexed notes 1 to 27 form an integral part of this condensed interim financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

## Selected Notes To and Forming Part of the Condensed Interim Financial Information (Unaudited) For The Six Months Period Ended December 31, 2016

### 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

This condensed interim financial information of the Company for the six months period ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail. The condensed interim financial information should be read in conjunction with the financial statements for the year ended June 30, 2016, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

### 3. ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2016.

### 4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2016.

### 5. SHARE CAPITAL

The parent company Attock Oil Company Limited held 52,039,224 (June 30, 2016: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (June 30, 2016: 1,432,000) ordinary shares as at December 31, 2016.

### 6. RESERVES AND SURPLUS

	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
Capital reserve	5,948	5,948
Special reserve for expansion/ modernisation - note 6.1	10,893,095	9,455,212
Revenue reserve		
Investment reserve - note 6.2	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	9,175,021	8,300,694
	12,937,851	12,063,524
	23,836,894	21,524,684

#### 6.1 Special reserve for expansion/ modernisation

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. 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 Petroleum & Natural Resources (MP&NR) 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 to a Special Reserve Account which shall be available for utilisation exclusively for Up-gradation of refineries. The earlier requirement of opening and maintaining ESCROW account and transferring of the available balance of special reserve to such account has been withdrawn. Further, the deadline for completion of Isomerization complex and Diesel Hydro Desulphurization project has been extended from January 1, 2016 to June 30, 2017. Moreover, the proposal for enhancing the existing 7.5% import duty on High Speed Diesel to 9% (as deemed duty) with effect from January 1, 2016 has also been disallowed. The Company has taken up the matter of withdrawal of additional deemed duty with MP&NR for its restoration.

Following is the status of utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to December 31, 2016:

	<b>December 31, 2016 Rs' 000</b>	<b>June 30, 2016 Rs' 000</b>
Balance of Special Reserve at period/ year end	<b>10,893,095</b>	9,455,212
Less: Capital expenditure incurred till period/ year end	<b>28,829,099</b>	27,755,197
Over spent from Special Reserve	<b>(17,936,004)</b>	(18,299,985)

The amount of capital expenditure incurred over and above the available balance in the Special Reserve has been incurred from Company's own resources.

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

	<b>December 31, 2016 Rs' 000</b>	<b>June 30, 2016 Rs' 000</b>
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## **7. LONG TERM FINANCING - secured**

### **From Banking Companies**

Syndicated Term Finance - note 7.1	<b>16,518,571</b>	11,808,983
Musharaka Finance - note 7.2	<b>5,406,465</b>	3,864,555
	<b>21,925,036</b>	15,673,538
Less: Unamortised transaction cost on borrowing:		
Balance at the beginning of the period/ year	<b>243,300</b>	247,208
Addition during the period/ year	<b>6,076</b>	16,942
Amortization for the period/ year	<b>(11,214)</b>	(20,850)
Balance at the end of the period/ year	<b>238,162</b>	243,300
	<b>21,686,874</b>	15,430,238
Current portion of long term financing	<b>(1,650,000)</b>	(550,000)
	<b>20,036,874</b>	14,880,238
Mark-up payable shown as current liability	<b>(303,642)</b>	(266,556)
	<b>19,733,232</b>	14,613,682

- 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 will be payable on quarterly

basis. The tenure of this facility is 13 years including the grace period of 3 years. Upto December 31, 2016 aggregate draw down was Rs 16,575 million (June 30, 2016: Rs 11,874.48 million).

**7.2** The Company has 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 62.59% while its share in Musharaka Assets B is 69.90% respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 37.41% while its share in Musharaka Assets B is 30.10% respectively. The tenure of this facility is 13 years including the grace period of 3 years. The rental payments under this facility are calculated on the basis of 3 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto December 31, 2016 aggregate draw down was Rs 5,425 million (June 30, 2016: Rs 3,886.01 million).

**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 Attock Oil Company Limited in the Company to fall below 51%.

## **8. TRADE AND OTHER PAYABLES**

	<b>December 31, 2016 Rs' 000</b>	<b>June 30, 2016 Rs' 000</b>
Creditors - note 8.1	<b>17,098,208</b>	13,375,507
Due to The Attock Oil Company Limited - Holding Company	<b>42,236</b>	31,736
Due from Subsidiary Company		
Attock Hospital (Private) Limited	<b>503</b>	-
Due to associated company		
Pakistan Oilfields Limited	<b>1,535,600</b>	998,212
Accrued liabilities and provisions - note 8.1	<b>3,679,690</b>	3,723,906
Due to Government under the pricing formula	<b>1,751,282</b>	1,819,696
Custom duty payable to Government	<b>1,896,341</b>	958,559
Advance payments from customers	<b>28,305</b>	34,869
Sales tax payable	<b>467,683</b>	1,057,448
Workers' Profit Participation Fund	<b>101,908</b>	-
ARL Gratuity Fund	<b>26,358</b>	28,212
Staff Pension Fund	<b>186,125</b>	186,118
Crude oil freight adjustable through inland freight equalisation margin	<b>23,065</b>	36,809
Payable to statutory authorities in respect of petroleum		
development levy and excise duty	<b>988,251</b>	782,106
Deposits from customers adjustable against freight		
and Government levies payable on their behalf	<b>376</b>	376
Security deposits	<b>2,417</b>	2,417
Unclaimed dividends	<b>9,555</b>	7,658
	<b>27,837,903</b>	23,043,629

**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 Petroleum and Natural Resources (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 alongwith accumulated profits amounted to Rs 2,864.668 million (June 30, 2016: Rs 2,783.31 million).

December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
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## 9. CONTINGENCIES AND COMMITMENTS

### Contingent liabilities:

- |      |  |           |           |
|------|--|-----------|-----------|
| 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 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 775 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. | 1,410,759 | 1,409,711 |
| ii)  | Due to circular debt in the oil industry, certain payments due from/ to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made 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) | Due to delay in the completion of ARL Up-gradation Project, the Company has lodged claims against the EPCC contractor for liquidated damages. The EPCC contractor has also lodged claims for certain variation orders relating to the project. These claims have not been acknowledged by either party. The matter has not yet been settled and no claims/ counter claims have been recognized in the financial statements.  |           |           |
| iv)  | Guarantees issued by banks on behalf of the Company (other than (i) above).  | 591       | 394       |
| v)   | Claims for land compensation contested by the Company.   | 1,300     | 1,300     |
| vi)  | Price adjustment related to crude oil purchases recorded on the basis of provisional prices as referred to in note 19.1, the amount of which can not be presently quantified.  |           |           |

### Contingent asset:

Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for	195,413	-
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<b>December 31,</b>	<b>June 30,</b>
<b>2016</b>	<b>2016</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

upgradation 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.

**Commitments:**
**i) ARL Up-gradation Projects**

ARL Up-gradation Projects (inclusive of foreign currency commitment of US\$ nil (June 30, 2016: US\$ 0.53 million).	-	1,185,105
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<b>ii) Other capital expenditure</b>	<b>124,413</b>	<b>34,447</b>
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<b>iii) Letters of credit for purchase of store items</b>	<b>86,228</b>	<b>18,304</b>
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<b>Six months ended</b>	<b>Year ended</b>
<b>December 31,</b>	<b>June 30,</b>
<b>2016</b>	<b>2016</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

**10. OPERATING ASSETS**

Opening written down value	<b>12,148,054</b>	11,680,749
Additions during the period/ year	<b>23,662,079</b>	619,892
Written down value of disposals	<b>(46)</b>	(198)
Depreciation during the period/ year	<b>(785,455)</b>	(152,389)
Closing written down value	<b>35,024,632</b>	12,148,054

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

Balance at the beginning	<b>22,733,687</b>	19,804,158
Addition during period/ year - note 11.1	<b>1,141,669</b>	3,360,319

Transfer to operating assets

- Building on freehold land	-	12,821
- Plant and machinery	<b>23,650,095</b>	382,366
- Furniture and fixtures	-	35,603
	<b>(23,650,095)</b>	(430,790)

Balance at the end	<b>225,261</b>	22,733,687
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**The details are as under:**

Civil works	<b>14,226</b>	16,568
ARL Up-gradation Projects	-	22,569,480
Plant and machinery	<b>210,035</b>	146,639
Pipeline project	<b>1,000</b>	1,000
	<b>225,261</b>	22,733,687

11.1 Financing cost amounting to Rs 254.83 million (June 30, 2016: Rs 1,054.34 million) has been capitalised which includes Rs 11.21 million (June 30, 2016: Rs 20.85 million) in respect of amortization of transaction cost on long term financing arranged for the purpose of ARL Up-gradation Projects.

	December 31, 2016		June 30, 2016	
	% 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	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 a valuation carried out by an external investment advisor engaged by the Company, the recoverable amount of investment in National Refinery Limited exceeded its carrying amount at June 30, 2016. The recoverable amount has been estimated based on a value in use calculation.

### 13. STOCK-IN-TRADE

As at December 31, 2016, stock-in-trade includes stocks carried at net realisable value of Rs 741 million (June 30, 2016: Rs 3,759 million). Adjustments amounting to Rs 47 million (June 30, 2016: Rs 411 million) have been made to closing inventory to write down stocks-in-trade to net realizable value.

### 14. TRADE DEBTS

All trade debts are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 5,864 million (June 30, 2016: Rs 4,347 million) and Pakistan Oilfields Limited Rs 4 million (June 30, 2016: Rs nil).

<b>December 31,</b>	<b>June 30,</b>
<b>2016</b>	<b>2016</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

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

Due from subsidiary company		
Attock Hospital (Private) Limited	-	1,179
Due from associated companies		
Attock Petroleum Limited	1,242,406	1,374,800
Attock Information Technology Services (Private) Limited	429	340
Attock Leisure and Management Associates (Private) Limited	224	8
Attock Gen Limited	303	232
National Refinery Limited	48	24
National Cleaner Production Centre Foundation	2,313	480
Attock Sahara Foundation	1,322	1,063
Income accrued on bank deposits	28,269	15,345
Workers' profit participation fund	-	56,950
Loans, deposit, prepayments and other receivables	285,121	167,609
	<b>1,560,435</b>	<b>1,618,030</b>

**16. CASH AND BANK BALANCES**

**16.1** Balances with banks include Rs 2,802.683 million (June 30, 2016: Rs 2,721.557 million) in respect of deposits placed on 90-days interest-bearing account consequent to directives of the Ministry of Petroleum and Natural Resources 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 7,000 million (June 30, 2016: Rs 1,000 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 1,411.25 million.

<b>Three months ended</b>		<b>Six months ended</b>	
<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Rs' 000</b>	<b>Rs' 000</b>	<b>Rs' 000</b>	<b>Rs' 000</b>

**17. GROSS SALES**

Local sales (excluding Naphtha export sales)	30,882,701	26,707,523	55,606,476	54,098,057
Naphtha export sales	3,108,420	3,746,192	6,255,043	6,898,438
Naphtha exports related to third party	-	(5,566)	-	(720,594)
	<b>3,108,420</b>	<b>3,740,626</b>	<b>6,255,043</b>	<b>6,177,844</b>
	<b>33,991,121</b>	<b>30,448,149</b>	<b>61,861,519</b>	<b>60,275,901</b>

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<b>18. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>5,698,410</b>	6,567,364	<b>10,158,867</b>	12,284,283
Petroleum development levy	<b>2,965,986</b>	2,519,391	<b>5,137,538</b>	4,816,146
Custom duties and other levies - note 18.1	<b>549,979</b>	259,126	<b>937,868</b>	600,786
HSD price differential payable to Government - note 18.2	-	109,542	<b>4,849</b>	536,722
PMG RON differential payable to Government - note 18.3	<b>109,527</b>	-	<b>109,527</b>	-
	<b>9,323,902</b>	9,455,423	<b>16,348,649</b>	18,237,937

**18.1** This includes Rs 937.737 million (December 31, 2015: Rs 600.647 million) recovered from customers and payable to the Government of Pakistan (GOP) on account of custom duty on PMG and HSD. GOP is yet to devise a mechanism through which the refineries are expected to operate on no gain/ loss basis on this account.

**18.2** This represents amount payable to GOP on account of differential between import parity price of HSD and import price of Pakistan State Oil Company Limited (PSO) relating to the period July 1 to July 3, 2016. After commencement of production of Euro II compliant diesel by the Company with effect from July 4, 2016, this price differential has ceased to arise.

**18.3** This represents amount payable to GOP on account of differential between price of PSO's imported 92 RON gasoline and the 87 RON gasoline being produced by the Company.

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<b>19. COST OF SALES</b>				
Crude oil consumed - note 19.1	<b>22,253,943</b>	18,296,876	<b>40,878,014</b>	39,576,040
Transportation and handling charges	<b>435,176</b>	539,933	<b>926,200</b>	962,470
Salaries, wages and other benefits	<b>232,894</b>	204,460	<b>474,982</b>	420,523
Chemicals consumed	<b>110,928</b>	66,506	<b>175,051</b>	139,504
Fuel and power	<b>676,246</b>	88,682	<b>1,141,135</b>	197,400
Repairs and maintenance	<b>107,600</b>	99,772	<b>174,874</b>	169,836
Staff transport and travelling	<b>2,768</b>	3,746	<b>6,611</b>	6,365
Insurance	<b>34,745</b>	28,219	<b>60,660</b>	62,136
Cost of receptacles	<b>3,380</b>	3,248	<b>8,148</b>	9,922
Other operating costs	<b>16,551</b>	15,661	<b>33,275</b>	32,249
Depreciation	<b>509,896</b>	31,281	<b>773,866</b>	61,963
Cost of goods manufactured	<b>24,384,127</b>	19,378,384	<b>44,652,816</b>	41,638,408
Changes in stock	<b>(324,150)</b>	877,120	<b>97,820</b>	264,493
	<b>24,059,977</b>	20,255,504	<b>44,750,636</b>	41,902,901

**19.1** Certain crude purchases have been recorded based on provisional prices notified by the Government and may require adjustment in subsequent periods.

## 20. OTHER CHARGES

This includes Rs 29.305 million and Rs nil (six months ended December 31, 2015: Rs 7.895 million and Rs 3.000 million) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

	Three months ended		Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
<b>21. OTHER INCOME</b>				
Income on bank deposits	174,598	149,757	311,165	296,321
Interest on delayed payments	64,103	39,264	118,515	70,300
Handling and service charges	21,485	24,461	45,594	47,206
Rental income	22,317	21,694	41,770	43,310
Exchange gain (net)	2,139	-	9,671	-
Others	7,258	11,443	10,899	18,605
	<u>291,900</u>	<u>246,619</u>	<u>537,614</u>	<u>475,742</u>
<b>22. FINANCE COST</b>				
Exchange loss (net)	-	46,937	-	183,714
Interest on long term financing	280,693	-	407,321	-
Bank and other charges	572	20	587	29
	<u>281,265</u>	<u>46,957</u>	<u>407,908</u>	<u>183,743</u>
<b>23. PROVISION FOR TAXATION</b>				
Current	138,914	123,707	258,915	241,168
Deferred	(1,175,026)	150,049	(1,212,912)	(128,712)
	<u>(1,036,112)</u>	<u>273,756</u>	<u>(953,997)</u>	<u>112,456</u>
<b>24. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION</b>				
Dividend income from associated companies	-	-	1,452,073	1,197,724
Related charges				
Workers' Profit Participation Fund	-	15,316	72,604	59,886
Workers' Welfare Fund	(27,589)	4,929	-	22,757
Taxation	-	-	151,577	119,784
	<u>27,589</u>	<u>(20,245)</u>	<u>(224,181)</u>	<u>(202,427)</u>
	<u>27,589</u>	<u>(20,245)</u>	<u>1,227,892</u>	<u>995,297</u>

## 25. OPERATING SEGMENTS

The financial information has 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, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
High Speed Diesel	12,829,528	12,654,199	22,801,008	24,651,193
Premier Motor Gasoline	8,255,622	7,055,088	14,136,850	14,227,264
Jet Petroleum	2,507,917	2,292,156	4,628,011	4,584,425
Furnace Fuel Oil	5,592,478	2,932,333	10,876,685	6,632,674
Naphtha	3,434,220	3,740,626	6,580,843	6,177,844
Others	1,371,356	1,773,747	2,838,122	4,002,501
	<b>33,991,121</b>	<b>30,448,149</b>	<b>61,861,519</b>	<b>60,275,901</b>
Duties, taxes, levies and price differential	<b>(9,323,902)</b>	<b>(9,455,423)</b>	<b>(16,348,649)</b>	<b>(18,237,937)</b>
	<b>24,667,219</b>	<b>20,992,726</b>	<b>45,512,870</b>	<b>42,037,964</b>

Revenue from four major customers of the Company constitute 87% of total revenue during the six months period ended December 31, 2016 (December 31, 2015: 87%).

## 26. RELATED PARTY TRANSACTIONS

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

	Three months ended		Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
<b>Sale of goods and services to:</b>				
Associated companies	7,292,586	5,850,940	13,157,369	12,179,125
Subsidiary company	2,545	2,994	6,197	6,945
Parent company	5,937	3,424	14,255	10,619
Interest income on delayed payments from an associated company	64,103	39,264	118,515	70,300
<b>Purchase of goods and services from:</b>				
Associated companies	2,474,243	1,729,852	4,244,216	3,589,265
Subsidiary company	18,451	14,830	34,132	28,432
Parent company	42,430	54,643	69,989	365,178

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<b>Dividend paid to:</b>				
Associated company	-	-	7,160	7,160
Parent company	-	-	260,196	260,196
Key management personnel	-	-	1,312	1,142
<b>Dividend received from:</b>				
Associated companies	-	-	1,452,073	1,197,724
<b>Other related parties:</b>				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	228,230	89,189	390,462	215,109
Directors fees	741	631	2,605	2,439
Contribution to Workers' Profit Participation Fund	23,408	23,211	101,909	67,781
Contribution to employees' pension, gratuity and provident funds	19,296	14,787	34,532	29,534

## 27. DATE OF AUTHORIZATION

This condensed interim financial information was authorised for circulation to the shareholders by the Board of Directors of the Company on January 27, 2017.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

***Condensed Interim Consolidated  
Financial Information For The  
Six Months Period  
Ended December 31, 2016***



**Condensed Interim Consolidated Balance Sheet (Unaudited)**
**As At December 31, 2016**

	Note	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorised share capital</b>			
150,000,000 (June 30, 2016: 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 capital</b>			
85,293,000 (June 30, 2016: 85,293,000) ordinary shares of Rs 10 each	5	852,930	852,930
<b>Reserves and surplus</b>			
	6	31,343,446	29,036,918
		<u>32,196,376</u>	<u>29,889,848</u>
<b>SURPLUS ON REVALUATION OF FREEHOLD LAND</b>			
		10,811,949	10,811,949
		<u>43,008,325</u>	<u>40,701,797</u>
<b>NON CURRENT LIABILITIES</b>			
<b>LONG TERM FINANCING</b>			
	7	19,733,232	14,613,682
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	27,887,193	23,096,798
Accrued mark-up on long term financing	7	303,642	266,556
Current portion of long term financing	7	1,650,000	550,000
Provision for taxation		3,909,106	3,955,760
		<u>33,749,941</u>	<u>27,869,114</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>96,491,498</u>	<u>83,184,593</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

	Note	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	10	35,032,556	12,156,008
Capital work-in-progress	11	225,261	22,733,687
Major spare parts and stand-by equipment		72,407	83,293
		<b>35,330,224</b>	<b>34,972,988</b>
<b>LONG TERM INVESTMENTS</b>	12	<b>20,770,320</b>	<b>20,787,112</b>
<b>LONG TERM LOANS AND DEPOSITS</b>		<b>28,837</b>	<b>31,405</b>
<b>DEFERRED TAXATION</b>		<b>1,669,226</b>	<b>654,124</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<b>1,750,752</b>	1,815,409
Stock-in-trade	13	<b>7,135,655</b>	6,708,327
Trade debts	14	<b>10,856,524</b>	6,889,447
Loans, advances, deposits, prepayments and other receivables	15	<b>1,580,624</b>	1,636,512
Cash and bank balances	16	<b>17,369,336</b>	9,689,269
		<b>38,692,891</b>	<b>26,738,964</b>
<b>TOTAL ASSETS</b>		<b>96,491,498</b>	<b>83,184,593</b>

The annexed notes 1 - 27 form an integral part of this condensed interim consolidated financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

# **Condensed Interim Consolidated Profit and Loss Account (Unaudited)** **For The Six Months Period Ended December 31, 2016**

	Note	Three months ended		Six months ended	
		December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
Gross sales	17	33,991,121	30,448,149	61,861,519	60,275,901
Taxes, duties, levies and price differential	18	(9,323,902)	(9,455,423)	(16,348,649)	(18,237,937)
Net sales		24,667,219	20,992,726	45,512,870	42,037,964
Cost of sales	19	(24,059,977)	(20,255,504)	(44,750,636)	(41,902,901)
Gross profit		607,242	737,222	762,234	135,063
Administrative expenses		138,506	119,616	283,014	244,961
Distribution costs		11,217	11,461	22,835	24,209
Other charges	20	21,167	10,895	29,305	10,895
		(170,890)	(141,972)	(335,154)	(280,065)
Other income	21	291,900	246,619	537,614	475,742
Operating profit		728,252	841,869	964,694	330,740
Finance cost	22	(281,265)	(46,957)	(407,908)	(183,743)
Profit before taxation from refinery operations		446,987	794,912	556,786	146,997
Provision for taxation	23	1,036,112	(273,756)	953,997	(112,456)
Profit after taxation from refinery operations		1,483,099	521,156	1,510,783	34,541
Non-refinery income:					
Share in profit of associated companies	24	548,514	389,193	1,218,429	693,450
Profit after taxation		2,031,613	910,349	2,729,212	727,991
Earnings per share					
basic and diluted (Rupees)					
Refinery operations		17.39	6.11	17.71	0.40
Non-refinery operations		6.44	4.56	14.29	8.13
		23.83	10.67	32.00	8.53

The annexed notes 1 - 27 form an integral part of this condensed interim consolidated financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)**  
**For The Six Months Period Ended December 31, 2016**

	Three months ended		Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
Profit after taxation	<b>2,031,613</b>	910,349	<b>2,729,212</b>	727,991
Other comprehensive income/ (loss) for the period:				
Share of other comprehensive income/ (loss) of associated companies - net of tax	<b>4,520</b>	4,186	<b>3,781</b>	(1,037)
Total comprehensive income for the period	<b><u>2,036,133</u></b>	<u>914,535</u>	<b><u>2,732,993</u></b>	<u>726,954</u>

The annexed notes 1 - 27 form an integral part of this condensed interim consolidated financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

## Condensed Interim Consolidated Cash Flow Statement (Unaudited)

### For The Six Months Period Ended December 31, 2016

	Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from - Customers	57,953,860	57,867,930
- Others	404,085	172,754
	<b>58,357,945</b>	<b>58,040,684</b>
Cash paid for operating costs	(39,720,391)	(41,339,662)
Cash paid to Government for duties, taxes and other levies	(16,727,420)	(16,589,240)
Income tax paid	(264,093)	(73,812)
Net cash inflows from operating activities	<b>1,646,041</b>	<b>37,970</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(893,418)	(1,582,867)
Sale of property, plant and equipment	46	5,611
Long term loans and deposits	2,567	906
Income on bank deposits received	298,451	298,178
Dividends received	1,452,073	1,197,724
Net cash inflows/ (outflows) from investing activities	<b>859,719</b>	<b>(80,448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	6,239,507	2,550,000
Finance cost	(634,603)	(792,630)
Transaction cost on financing	(6,076)	(8,882)
Dividends paid	(424,568)	(424,577)
Net cash inflows from financing activities	<b>5,174,260</b>	<b>1,323,911</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>7,680,020</b>	<b>1,281,433</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>9,689,269</b>	<b>10,698,591</b>
Effect of exchange rate changes	47	1,468
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>17,369,336</b>	<b>11,981,492</b>

Cash and cash equivalents comprise of cash and bank balances.

The annexed notes 1 - 27 form an integral part of this condensed interim consolidated financial information.

-Sd-

Chief Executive

-Sd-

Director

## Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

### For The Six Months Period Ended December 31, 2016

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Maintenance reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs' 000							
Balance as at June 30, 2015	852,930	119,708	9,930,145	183,401	4,352,380	11,361,240	10,811,949	37,611,753
Distribution to owners:								
Final cash dividend @ 50% related to the year ended June 30, 2015	-	-	-	-	-	(426,465)	-	(426,465)
Total comprehensive income								
Profit for the period	-	-	-	-	-	727,991	-	727,991
Other comprehensive loss for the period	-	-	-	-	-	(1,037)	-	(1,037)
	-	-	-	-	-	726,954	-	726,954
Transfer to special reserve for expansion/modernisation - note 6.1	-	-	-	-	-	-	-	-
Profit after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	-	12,343	-	-	(12,343)	-	-
Transfer to maintenance reserve by associated companies - note 6.2	-	-	-	4,542	-	(4,542)	-	-
Transfer to general reserve by an associated company	-	-	-	-	750,000	(750,000)	-	-
Balance as at December 31, 2015	852,930	119,708	9,942,488	187,943	5,102,380	10,894,844	10,811,949	37,912,242
Total comprehensive income								
Profit for the period	-	-	-	-	-	2,871,294	-	2,871,294
Other comprehensive loss for the period	-	-	-	-	-	(81,739)	-	(81,739)
	-	-	-	-	-	2,789,555	-	2,789,555
Transfer to special reserve for expansion/modernisation - note 6.1	-	-	-	-	-	-	-	-
Profit after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	-	465,788	-	-	(465,788)	-	-
Transfer to maintenance reserve by associated companies - note 6.2	-	-	-	2,326	-	(2,326)	-	-
Balance as at June 30, 2016	852,930	119,708	10,408,276	190,269	5,102,380	13,216,285	10,811,949	40,701,797
Distribution to owners:								
Final cash dividend @ 50% related to the year ended June 30, 2016	-	-	-	-	-	(426,465)	-	(426,465)
Total comprehensive income								
Profit for the period	-	-	-	-	-	2,729,212	-	2,729,212
Other comprehensive income for the period	-	-	-	-	-	3,781	-	3,781
	-	-	-	-	-	2,732,993	-	2,732,993
Transfer to special reserve for expansion/modernisation - note 6.1	-	-	1,437,883	-	-	(1,437,883)	-	-
Profit after tax from fuel refinery operations transferred to special reserve by associated companies - note 6.1	-	-	460,826	-	-	(460,826)	-	-
Transfer to maintenance reserve by associated companies - note 6.2	-	-	-	3,474	-	(3,474)	-	-
Transfer to general reserve by an associated company	-	-	-	-	1,000,000	(1,000,000)	-	-
Balance as at December 31, 2016	852,930	119,708	12,306,985	193,743	6,102,380	12,620,630	10,811,949	43,008,325

The annexed notes 1 - 27 form an integral part of this condensed interim consolidated financial information.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**

## **Selected Notes To and Forming Part of the Condensed Interim Consolidated Financial Information (Unaudited) For The Six Months Period Ended December 31, 2016**

### **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.

ARL 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 information, ARL and its above referred wholly owned subsidiary AHL is referred to as the Company.

### **2. BASIS OF PREPARATION**

**2.1** This condensed interim consolidated financial information of the company for the six months period ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail. The condensed interim consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended June 30, 2016, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

**2.2** The condensed interim consolidated financial information include the accounts of Attock Refinery Limited and its wholly owned subsidiary Attock Hospital (Private) Limited.

### **3. ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2016.

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

The Company's financial risk management objective and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2016.

### **5. SHARE CAPITAL**

The parent company Attock Oil Company Limited held 52,039,224 (June 30, 2016: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (June 30, 2016: 1,432,000) ordinary shares as at December 31, 2016.

<b>December 31,</b>	<b>June 30,</b>
<b>2016</b>	<b>2016</b>
<b>Rs' 000</b>	<b>Rs' 000</b>

## 6. RESERVES AND SURPLUS

Capital reserves	<b>119,708</b>	119,708
Surplus profits under the import parity pricing formula - note 6.1	<b>10,893,095</b>	9,455,212
Surplus profits of associates under the import parity pricing formula	<b>1,413,890</b>	953,064
Revenue reserves		
General reserve	<b>6,102,380</b>	5,102,380
Unappropriated profit	<b>12,620,630</b>	13,216,285
	<b>18,723,010</b>	18,318,665
Maintenance reserve - note 6.2	<b>193,743</b>	190,269
	<b>31,343,446</b>	29,036,918

### 6.1 Special reserve for expansion/ modernisation

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. 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 Petroleum & Natural Resources (MP&NR) 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 to a Special Reserve Account which shall be available for utilisation exclusively for Up-gradation of refineries. The earlier requirement of opening and maintaining ESCROW account and transferring of the available balance of special reserve to such account has been withdrawn. Further, the deadline for completion of Isomerization complex and Diesel Hydro Desulphurization project has been extended from January 1, 2016 to June 30, 2017. Moreover, the proposal for enhancing the existing 7.5% import duty on High Speed Diesel to 9% (as deemed duty) with effect from January 1, 2016 has also been disallowed. The Company has taken up the matter of withdrawal of additional deemed duty with MP&NR for its restoration.

Following is the status of utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to December 31, 2016:

	<b>December 31,</b>	<b>June 30,</b>
	<b>2016</b>	<b>2016</b>
	<b>Rs' 000</b>	<b>Rs' 000</b>
Balance of Special Reserve at period/ year end	<b>10,893,095</b>	9,455,212
Less: Capital expenditure incurred till period/ year end	<b>28,829,099</b>	27,755,197
(Over)/ under spent from Special Reserve	<b>(17,936,004)</b>	(18,299,985)

The amount of capital expenditure incurred over and above the available balance in the Special Reserve has been incurred from Company's own resources.

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



December 31,  
2016  
Rs' 000

June 30,  
2016  
Rs' 000

## 7. LONG TERM FINANCING - secured

### From banking companies

Syndicated Term Finance - note 7.1	16,518,571	11,808,983
Musharka Finance - note 7.2	5,406,465	3,864,555
	<b>21,925,036</b>	<b>15,673,538</b>
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the period/ year	243,300	247,208
Addition during the period/ year	6,076	16,942
Amortization for the period/ year	(11,214)	(20,850)
Balance at the end of the period/ year	<b>(238,162)</b>	<b>(243,300)</b>
	<b>21,686,874</b>	<b>15,430,238</b>
Current portion of long term financing	<b>(1,650,000)</b>	<b>(550,000)</b>
	<b>20,036,874</b>	<b>14,880,238</b>
Mark-up payable shown as current liability	<b>(303,642)</b>	<b>(266,556)</b>
	<b>19,733,232</b>	<b>14,613,682</b>

**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 will be payable on quarterly basis. The tenure of this facility is 13 years including the grace period of 3 years. Upto December 31, 2016 aggregate draw down was Rs 16,575 million (June 30, 2016: Rs 11,874.48 million).

**7.2** The Company has 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 62.59% while its share in Musharaka Assets B is 69.90% respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 37.41% while its share in Musharaka Assets B is 30.10% respectively. The tenure of this facility is 13 years including the grace period of 3 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. Upto December 31, 2016 aggregate draw down was Rs 5,425 million (June 30, 2016: Rs 3,886.01 million).

**7.3** The facilities referred in note 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 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 Attock Oil Company Limited in the Company to fall below 51%.

	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
<b>8. TRADE AND OTHER PAYABLES</b>		
Creditors - note 8.1	17,101,586	13,379,122
Due to the Attock Oil Company Limited - Holding Company	42,231	31,714
Due to associated company Pakistan Oilfields Limited	1,533,875	996,504
Accrued liabilities and provisions - note 8.1	3,688,997	3,736,428
Due to the Government under the pricing formula	1,751,282	1,819,696
Custom duty payable to Government	1,896,341	958,559
Advance payments from customers	28,305	34,869
Sales tax payable	467,683	1,057,448
Workers' profit participation fund	101,908	-
ARL Gratuity Fund	45,352	47,207
Staff Pension Fund	205,749	205,665
Crude oil freight adjustable through inland freight equalisation margin	23,065	36,809
Payable to statutory authorities in respect of petroleum development levy and excise duty	988,251	782,106
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	2,637	2,637
Unclaimed dividends	9,555	7,658
	<b>27,887,193</b>	<b>23,096,798</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 Petroleum and Natural Resources (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 alongwith accumulated profits amounted to Rs 2,864.67 million (June 30, 2016: Rs 2,783.31 million).

	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
--	---------------------------------	-----------------------------

## 9. CONTINGENCIES AND COMMITMENTS

### Contingent liabilities:

- |    |   |                  |           |
|----|---|------------------|-----------|
| 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 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 775 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 | <b>1,410,759</b> | 1,409,711 |
|----|---|------------------|-----------|

December 31,  
2016  
Rs' 000

June 30,  
2016  
Rs' 000

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 payments due from/ to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made 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) Due to delay in the completion of ARL Up-gradation Project, the Company has lodged claims against the EPCC contractor for liquidated damages. The EPCC contractor has also lodged claims for certain variation orders relating to the project. These claims have not been acknowledged by either party. The matter has not yet been settled and no claims/ counter claims have been recognized in the financial statements.

iv) Guarantees issued by banks on behalf of the Company (other than (i) above).

591

394

v) Claims for land compensation contested by ARL.

1,300

1,300

vi) Price adjustment related to crude oil purchases recorded on the basis of provisional prices as referred to in note 19.1, the amount of which can not be presently quantified.

vii) The Company's share in tax contingency of associated companies.

755,159

799,792

#### Contingent asset:

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 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.

195,413

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

#### Commitments:

i) ARL Up-gradation Projects

ARL Up-gradation Projects (inclusive of foreign currency commitment of US\$ nil (June 30, 2016: US\$ 0.53 million).

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1,185,105

	December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
ii) Capital expenditure (other than (i) above)	124,413	34,447
iii) Letters of credit for purchase of store items	86,228	18,304
iv) The unutilised letter of credit facility available to the Company at the period/ year end was Rs 15,656.88 million.		
v) The Company's share of commitments of associated companies.		
Capital expenditure commitments	2,163,498	4,137,970
Outstanding letters of credit	2,575,113	3,277,985
Others	386,926	355,626

Six months ended December 31, 2016 Rs' 000	Year ended June 30, 2016 Rs' 000
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#### 10. OPERATING ASSETS

Opening written down value	12,156,008	11,686,366
Additions during the period/ year	23,662,628	623,277
Written down value of disposals	(46)	(293)
Depreciation during the period/ year	(786,034)	(153,342)
Closing written down value	35,032,556	12,156,008

#### 11. CAPITAL WORK-IN-PROGRESS

Balance at the beginning	22,733,687	19,804,158
Addition during the period/ year - note 11.1	1,141,669	3,360,319
Transfer to operating assets		
-Buildings on freehold land	-	(12,820)
-Plant and machinery	(23,650,095)	(382,367)
-Furniture and fixtures	-	(35,603)
	(23,650,095)	(430,790)
Balance at the end	225,261	22,733,687

##### The details are as under:

Civil works	14,226	16,568
ARL Up-gradation Projects	-	22,569,480
Plant and machinery	210,035	146,639
Pipeline project	1,000	1,000
	225,261	22,733,687

**11.1** Financing cost amounting to Rs 254.83 million (June 30, 2016: Rs 1,054.34 million) has been capitalised which includes Rs 11.21 million (June 30, 2016: Rs 20.85 million) in respect of amortization of transaction cost on long term financing arranged for the purpose of ARL Up-gradation Projects.

Six months ended December 31, 2016 Rs' 000	Year ended June 30, 2016 Rs' 000
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## 12. LONG TERM INVESTMENTS

Investment in associated companies		
Balance as at July 1	20,787,112	18,055,282
Share of profit after tax of associated companies	2,028,167	3,481,633
Share in other comprehensive income/ (loss)	3,781	(51,868)
Dividend received from associated companies	(1,452,073)	(1,769,204)
Impairment (loss)/ reversal of loss on investment	(596,667)	1,071,269
	<u>20,770,320</u>	<u>20,787,112</u>

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

	December 31, 2016		June 30, 2016	
	% age Holding	Rs' 000	% age Holding	Rs' 000
<b><u>Quoted</u></b>				
National Refinery Limited	25	11,753,285	25	11,753,285
Attock Petroleum Limited	21.88	6,706,073	21.88	6,487,462
<b><u>Unquoted</u></b>				
Attock Gen Limited	30	2,292,445	30	2,529,635
Attock Information Technology Services (Private) Limited	10	18,517	10	16,730
		<u>20,770,320</u>		<u>20,787,112</u>

## 13. STOCK-IN-TRADE

As at December 31, 2016, stock-in-trade includes stocks carried at net realisable value of Rs 741 million (June 30, 2016: Rs 3,759 million). Adjustments amounting to Rs 47 million (June 30, 2016: Rs 411 million) have been made to closing inventory to write down stocks-in-trade to net realizable value.

## 14. TRADE DEBTS

All trade debts are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 5,864 million (June 30, 2016: Rs 4,347 million) and Pakistan Oilfields Limited Rs 4 million (June 30, 2016: Rs nil).

December 31, 2016 Rs' 000	June 30, 2016 Rs' 000
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# **15. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Due from associated companies

Attock Petroleum Limited	1,242,901	1,375,131
Attock Information Technology Services (Private) Limited	429	340
Attock Leisure and Management Associates (Private) Limited	224	8
Attock Gen Limited	386	265
Attock Cement Pakistan Limited	1	1
National Cleaner Production Centre Foundation	2,321	503
Cappgas (Private) Limited	57	37
National Refinery Limited	48	24
Attock Sahara Foundation	1,322	1,062
Income accrued on bank deposits	28,269	15,346
Workers' profit participation fund	-	56,950
Loans, deposits, prepayments and other receivables	304,666	186,845
	<b>1,580,624</b>	<b>1,636,512</b>

# **16. CASH AND BANK BALANCES**

**16.1** Balances with banks include Rs 2,802.683 million (June 30, 2016: Rs 2,721.557 million) in respect of deposits placed on 90-days interest-bearing account consequent to directives of the Ministry of Petroleum and Natural Resources 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 7,000 million (June 30, 2016: Rs 1,000 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 1,411.35 million.

Three months ended		Six months ended	
December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000

# **17. GROSS SALES**

Local sales (excluding Naphtha export sales)	30,882,701	26,707,523	55,606,476	54,098,057
Naphtha export sales	3,108,420	3,746,192	6,255,043	6,898,438
Naphtha exports related to third party	-	(5,566)	-	(720,594)
	<b>3,108,420</b>	<b>3,740,626</b>	<b>6,255,043</b>	<b>6,177,844</b>
	<b>33,991,121</b>	<b>30,448,149</b>	<b>61,861,519</b>	<b>60,275,901</b>

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2016 Rs' 000	2015 Rs' 000	2016 Rs' 000	2015 Rs' 000
<b>18. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>				
Sales tax	<b>5,698,410</b>	6,567,364	<b>10,158,867</b>	12,284,283
Petroleum development levy	<b>2,965,986</b>	2,519,391	<b>5,137,538</b>	4,816,146
Custom duties and other levies - note 18.1	<b>549,979</b>	259,126	<b>937,868</b>	600,786
HSD price differential payable to Government - note 18.2	-	109,542	<b>4,849</b>	536,722
PMG RON differential payable to Government - note 18.3	<b>109,527</b>	-	<b>109,527</b>	-
	<b><u>9,323,902</u></b>	<u>9,455,423</u>	<b><u>16,348,649</u></b>	<u>18,237,937</u>

**18.1** This includes Rs 937.737 million (December 31, 2015: Rs 532.063 million) recovered from customers and payable to the Government of Pakistan (GOP) on account of custom duty on PMG and HSD. GOP is yet to devise a mechanism through which the refineries are expected to operate on no gain/ loss basis on this account.

**18.2** This represents amount payable to GOP on account of differential between import parity price of HSD and import price of Pakistan State Oil Company Limited (PSO). After commencement of production of Euro II compliant diesel, this price differential will not be applicable with effect from July 4, 2016.

**18.3** This represents amount payable to GOP on account of differential between price of PSO's imported 92 RON gasoline and the 87 RON gasoline being produced by the Company.

	Three months ended		Six months ended	
	December 31,	December 31,	December 31,	December 31,
	2016 Rs' 000	2015 Rs' 000	2016 Rs' 000	2015 Rs' 000
<b>19. COST OF SALES</b>				
Crude oil consumed - note 19.1	<b>22,253,943</b>	18,296,876	<b>40,878,014</b>	39,576,040
Transportation and handling charges	<b>435,176</b>	539,933	<b>926,200</b>	962,470
Salaries, wages and other benefits	<b>232,894</b>	204,460	<b>474,982</b>	420,523
Chemicals consumed	<b>110,928</b>	66,506	<b>175,051</b>	139,504
Fuel and power	<b>676,246</b>	88,682	<b>1,141,135</b>	197,400
Repairs and maintenance	<b>107,600</b>	99,772	<b>174,874</b>	169,836
Staff transport and travelling	<b>2,768</b>	3,746	<b>6,611</b>	6,365
Insurance	<b>34,745</b>	28,219	<b>60,660</b>	62,136
Cost of receptacles	<b>3,380</b>	3,248	<b>8,148</b>	9,922
Other operating costs	<b>16,551</b>	15,661	<b>33,275</b>	32,249
Depreciation	<b>509,896</b>	31,281	<b>773,866</b>	61,963
Cost of goods manufactured	<b>24,384,127</b>	19,378,384	<b>44,652,816</b>	41,638,408
Changes in stock	<b>(324,150)</b>	877,120	<b>97,820</b>	264,493
	<b><u>24,059,977</u></b>	<u>20,255,504</u>	<b><u>44,750,636</u></b>	<u>41,902,901</u>

**19.1** Certain crude purchases have been recorded based on provisional prices notified by the Government and may require adjustment in subsequent periods.

**20. OTHER CHARGES**

This includes Rs 29.305 million and Rs nil (six months ended December 31, 2015: Rs 7.895 million and Rs 3.000 million) payable to Workers' Profit Participation Fund and Workers' Welfare Fund respectively related to refinery income.

**21. OTHER INCOME**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31, 2016 Rs' 000</b>	<b>December 31, 2015 Rs' 000</b>	<b>December 31, 2016 Rs' 000</b>	<b>December 31, 2015 Rs' 000</b>
Income on bank deposits	174,598	149,757	311,165	296,321
Interest on delayed payments	64,103	39,264	118,515	70,300
Handling and service charges	21,485	24,461	45,594	47,206
Rental income	22,317	21,694	41,770	43,310
Exchange gain (net)	2,139	-	9,671	-
Others	7,258	11,443	10,899	18,605
	<b>291,900</b>	<b>246,619</b>	<b>537,614</b>	<b>475,742</b>

**22. FINANCE COST**

Exchange loss (net)	-	46,937	-	183,714
Interest on long term financing	280,693	-	407,321	-
Bank and other charges	572	20	587	29
	<b>281,265</b>	<b>46,957</b>	<b>407,908</b>	<b>183,743</b>

**23. PROVISION FOR TAXATION**

Current	138,914	123,707	258,915	241,168
Deferred	(1,175,026)	150,049	(1,212,912)	(128,712)
	<b>(1,036,112)</b>	<b>273,756</b>	<b>(953,997)</b>	<b>112,456</b>

**24. NON-REFINERY INCOME**

Share of profit of associated companies (net of impairment loss/ reversal of impairment loss)	513,290	408,923	1,431,500	894,659
Related charges				
Workers' Profit Participation fund	-	15,316	72,604	59,886
Workers' Welfare fund	(27,589)	4,929	-	22,757
Taxation	-	-	151,577	119,784
	<b>27,589</b>	<b>(20,245)</b>	<b>(224,181)</b>	<b>(202,427)</b>
	<b>540,879</b>	<b>388,678</b>	<b>1,207,319</b>	<b>692,232</b>
Profit after taxation from Attock Hospital (Private) Limited (wholly owned subsidiary)	7,635	515	11,110	1,218
	<b>548,514</b>	<b>389,193</b>	<b>1,218,429</b>	<b>693,450</b>



**25. OPERATING SEGMENT**

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

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31, 2016 Rs' 000</b>	<b>December 31, 2015 Rs' 000</b>	<b>December 31, 2016 Rs' 000</b>	<b>December 31, 2015 Rs' 000</b>
High Speed Diesel	12,829,528	12,654,199	22,801,008	24,651,193
Premier Motor Gasoline	8,255,622	7,055,088	14,136,850	14,227,264
Jet Petroleum	2,507,917	2,292,156	4,628,011	4,584,425
Furnace Fuel Oil	5,592,478	2,932,333	10,876,685	6,632,674
Naphtha	3,434,220	3,740,626	6,580,843	6,177,844
Others	1,371,356	1,773,747	2,838,122	4,002,501
	<b>33,991,121</b>	<b>30,448,149</b>	<b>61,861,519</b>	<b>60,275,901</b>
Duties, taxes, levies and price differential	<b>(9,323,902)</b>	<b>(9,455,423)</b>	<b>(16,348,649)</b>	<b>(18,237,937)</b>
	<b>24,667,219</b>	<b>20,992,726</b>	<b>45,512,870</b>	<b>42,037,964</b>

Revenue from four major customers of the Company constitute 87% of total revenue during the six months period ended December 31, 2016 (December 31, 2015: 87%).

**26. RELATED PARTY TRANSACTIONS**

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

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>December 31, 2016 Rs' 000</b>	<b>December 31, 2015 Rs' 000</b>	<b>December 31, 2016 Rs' 000</b>	<b>December 31, 2015 Rs' 000</b>
<b>Sale of goods and services to:</b>				
Associated companies	7,297,349	5,854,272	13,166,458	12,185,599
Parent company	5,937	3,424	14,255	10,619
Interest income on delayed payments from an associated company	64,103	39,264	118,515	70,300
<b>Purchase of goods and services from:</b>				
Associated companies	2,474,243	1,729,852	4,244,216	3,589,265
Parent company	42,430	54,643	69,989	365,178
<b>Dividend paid to:</b>				
Associated companies	-	-	7,160	7,160
Parent company	-	-	260,196	260,196
Key management personnel	-	-	1,312	1,142
<b>Dividend received from:</b>				
Associated companies	-	-	1,452,073	1,197,724

	Three months ended		Six months ended	
	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000	December 31, 2016 Rs' 000	December 31, 2015 Rs' 000
<b>Other related parties:</b>				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	<b>232,444</b>	93,453	<b>401,087</b>	226,504
Directors Fees	<b>741</b>	631	<b>2,605</b>	2,439
Contribution to Workers' Profit Participation Fund	<b>23,408</b>	23,211	<b>101,909</b>	67,781
Contribution to employees' pension, gratuity and provident funds	<b>20,360</b>	15,544	<b>36,317</b>	31,048

## 27. DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorised for circulation to the shareholders by the Board of Directors of the Company on January 27, 2017.

**-Sd-**  
**Chief Executive**

**-Sd-**  
**Director**