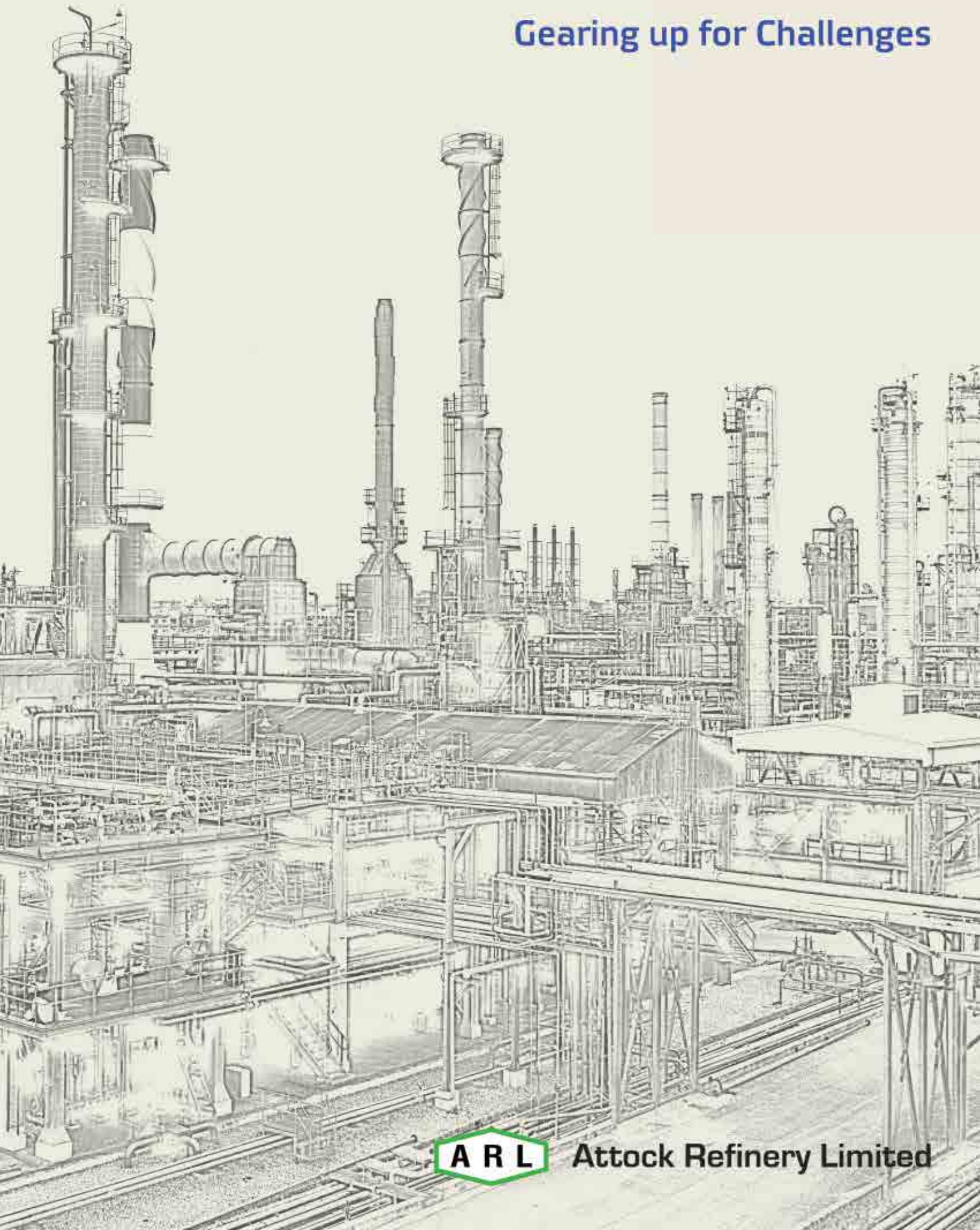


ANNUAL REPORT **2019**

Gearing up for Challenges



A R L

Attock Refinery Limited

Gearing up for Challenges



Attock Refinery Limited (ARL) is the pioneer and pacesetter in Pakistan's oil refining industry. Since its inception in 1922, the Company has stood the test of time through war and peace. Today it has grown into a modern state-of-the-art refinery with a name plate capacity of 53,400 barrels per day. Our growth story that started in 1922 continues unabated despite various hurdles and challenges.

The dynamics of refinery business in Pakistan are constantly varying and changing with new challenges due to environmental concerns, deregulation, economic recession, globalisation, technological breakthroughs, alternate sources of energy, market dynamics and government policies. ARL has been continuously moving forward to meet these challenges head on by acquiring new technologies, capacity enhancement, improving controls systems and becoming environmental friendly which is evident from its latest US\$ 251 Million investment in its refinery expansion and up-gradation project that was completed in 2016.

For ARL, the journey of challenges is never ending. During the year 2017, there was a major shift in the Government policy for power generation in the country with little or no reliance on producing electricity through Furnace Fuel Oil

(FFO). The Government notified an immediate ban on import of FFO and now is replacing FFO based power plants with Liquefied Natural Gas (LNG) power plants or alternate fuels. The Government has asked the refineries to set-up plants for upgradation of FFO to higher value products and to meanwhile export surplus FFO. ARL has stressed upon the Government for taking a holistic view of the whole situation rather than mere considering the simple comparison of cost of electricity on different fuels. FFO may seem higher priced than other fuels, but actually there are associated huge costs involved when FFO is not consumed in the country e.g. the refineries have to reduce capacity resulting in higher imports of products and disruptions of supplies, costs due to export of local crudes and impact on gas production from local oilfields etc. These are the facts which cannot be ignored. For ARL, export of FFO, being located in the North of the country, is not a viable option.

This is a major challenge and would require ARL to upgrade its FFO into high value products through modernization/expansion of its existing facilities and would require massive investments which are not economically viable under the current refining policy of the Government. On top of it, the business environment of the country during the last two years has remained very challenging and disturbing for Oil Refining Sector in general and for ARL in particular. The unprecedented devaluation of Pak Rupee against US Dollar, overall decline in sales of petroleum products especially FFO have been the major contributors adding to the economic difficulties for the refinery.

To meet these challenges, ARL has already started work on various engineering/technical studies for up-grading and modernization of its refinery which includes Front End Engineering Design (FEED) for setting up of a Continuous Catalytic Regeneration (CCR) Complex to improve refinery margins by converting surplus naphtha to motor gasoline and has also initiated study for upgradation of FFO exploring possible processing options to produce value added products.

ARL has stressed upon the Government that Refineries in Pakistan are strategic assets and their sustainability is essential for prosperity and economic development of the country and has further emphasized for finalizing the Policy for Petroleum Downstream Sector which was last revised in 1997.

Similarly, in collaboration with other oil refineries, the Company has stressed that existing refineries require structural and fiscal policy support from Government of Pakistan (GoP) in shape of price incentives during construction and loan repayment

period, if the existing refineries are to be converted into deep conversion units.

Moreover, a mechanism has to be devised by GoP to compensate refineries exposure to foreign exchange losses. ARL is continuously following up this matter with the Ministry.

In a rapidly changing economic environment, ARL has evolved and is committed to overcome above challenges and make the most of the opportunities for an optimistic future.



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Honors & Achievements



14th Best Practices
Award on OSH 2018
by EFP

Living the Global
Compact Business
Sustainability
Award 2018

16th Annual
Environment
Excellence Awards
2019 by NFEH

Certificate of Merit on
Best Sustainability
Report 2018 awarded
by ICAP & ICMA



Vision, Mission & Core Values

VISION

To be a world class and leading organization continuously providing high quality diversified environment-friendly energy resources and petrochemicals.

MISSION

We will utilize best blend of state-of-the-art technologies, high performing people, excellent business processes and synergetic organizational culture thus exceeding expectations of all stakeholders.

CORE VALUES

Our success will not be a matter of chance, but a commitment to the following enduring beliefs and values that are engrained in the way we think and take actions to pursue a climate of excellence:

Integrity & Ethics

Integrity, honesty, high ethical, legal and safety standards are a cornerstone of our business practices.

Quality

We pursue quality as a way of life. It is an attitude that affects everything we do for relentless pursuit of excellence.

Social Responsibility

We believe in respect for the community and preserving the environment for our future generations and keeping National interest paramount in all our actions.

Learning & Innovation

We embrace lifelong learning and innovation as an essential catalyst

for our future success. We believe in continuous improvement and to seize opportunities inherent in change to shape the future.

Team Work

We believe that competent and satisfied people are the Company's heart, muscle and soul. We savour flashes of genius in the organization's life by reinforcing attitude of teamwork and knowledge-sharing based on mutual respect, trust and openness.

Empowerment

We flourish under an ecosystem of shared understanding founded on the concept of empowerment, accountability and open communication in all directions.

Strategic Plan

The Company's strategic plans include enhancement of its refining capacity and production of value added and more environment friendly petroleum products to maintain and expand its market in an efficient, effective and economical manner. Projects targeting environmental and community development are also regular features of the Company's strategic plans.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PRIOR YEARS

Management believes that our business objectives and strategies are well planned and are aligned with the current challenges of minimizing Furnace Fuel Oil and maximizing gasoline production.



Company Profile

Attock Refinery Limited (ARL) was incorporated as a Private Limited Company in November, 1978 to take over the business of The Attock Oil Company Limited (AOC) relating to refining of crude oil and supplying of refined petroleum products. It was subsequently converted into a Public Limited Company in June, 1979 and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is also registered with Central Depository Company of Pakistan Limited (CDC).

Original paid-up capital of the Company was Rs 80 million which was subscribed by the holding company i.e. AOC, Government of Pakistan, investment companies and general public. The present paid-up capital of the Company is Rs 1,066.163 million.

ARL is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of more than 97 years of successful operations, ARL's plants have been gradually upgraded/replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements.

It all began in February 1922, when two small stills of 2,500 barrel per day (bpd) came on stream at Morgah following the first discovery of oil at Khaur where drilling started on January 22, 1915 and at very shallow depth of 223 feet 5,000 barrels of oil flowed. After discovery of oil in Dhulian in 1937, the Refinery was expanded in late thirties and early forties. A 5,500 bpd Lummus Two-Stage-Distillation Unit, a Dubbs Thermal Cracker Lubricating Oil Refinery, Wax Purification facility and the Edeleanu Solvent Extraction Unit for smoke-point correction of Kerosene were added.

There were subsequent discoveries of oil at Meyal and Toot (1968). Reservoir studies during the period 1970-78 further indicated high potential for crude oil production of around 20,000 bpd. In 1981, the capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/wax production, as well as Edeleanu, were closed down in 1986. Another expansion and up gradation project was completed in 1999 with the installation of a Heavy Crude Unit of 10,000 bpd and a Catalytic Reformer of 5,000 bpd. In 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned.

The latest Expansion/Up-gradation Project completed in November 2016 comprised the following:

- i) Diesel Hydro Desulphurization (DHDS) unit: This has reduced Sulphur contents in the High Speed Diesel to meet Euro II specification;
- ii) Preflash unit: This has increased refining capacity by 10,400 bpd;
- iii) Light Naphtha Isomerization unit: This has enhanced production of Premium Motor Gasoline by about 20,000 M. Tons per month;
- iv) Expansion of existing Captive power plant by 18 MW.

ARL's current nameplate capacity stands at 53,400 bpd and it possesses the capability to process lightest to heaviest (10-65 API) crudes. The Company is ISO 9001, ISO 14001, ISO/IEC 17025, OHSAS 18001 certified and is the first refinery in Pakistan to implement ISO 50001 (Energy Management System).

Accreditation & Certifications



ISO-9001: 2015
QUALITY MANAGEMENT
SYSTEM



ISO-14001 : 2015
ENVIRONMENTAL
MANAGEMENT SYSTEM



OHSAS-18001 : 2007
OCCUPATIONAL HEALTH AND
SAFETY ASSESSMENT SERIES



**ISO/IEC-17025 :
2005**
LABORATORY MANAGEMENT
SYSTEM

IMPLEMENTED AT ARL

ISO 50001

Energy Management System





Series of Firsts & Major Events

1922

First refinery of the region

1987

First to start dispensing major products through pipeline using computerized metering system

1998

First to produce low sulfur diesel – less than 0.5%

First to produce low sulfur furnace – less than 1%

1999

First to produce low lead premium gasoline direct from refinery process

First to achieve ISO 9002 certification for quality control laboratory

2001

First major industry to get ISO 9001: 2000 certification

First to produce polymer modified asphalt

2002

First major industry to get ISO 14001 certification

2006

First major industry to get OHSAS 18001 certification



2007

First in Oil and Gas sector to get ISO 17025 accreditation

2008

First HSE Conference

2009

First HR Conference

2012

First in Pakistan to declare implementation of ISO 50001 (Energy Management System)

First Plant Maintenance & Operations Conference

2013

Commencement of setting-up of ARL Up-gradation Project

2017

Preflash, ISOM, DHDS & Auxillary units commissioned

ARL Products

Liquefied Petroleum Gas (LPG)

LPG, is a flammable mixture of hydrocarbon gases used as a fuel in heating appliances and vehicles. As its' boiling point is below room temperature, LPG will evaporate quickly at normal temperatures and pressures and is usually supplied in pressurized steel vessels. ARL is producing LPG as per PSQCA Specifications.

Naphtha

Number of flammable liquid mixtures of hydrocarbons i.e. a component of natural gas condensate or a distillation product. Export of high quality color-less Naphtha by ARL is adding to the national exchequer in terms of foreign exchange inflows.

Jet Fuel

ARL is producing Jet fuel, a type of aviation fuel designed for use in aircraft powered by gas-turbine engines. It is clear to straw-colored in appearance. JP-1 is provided to PSO, Shell and JP-8 to Pakistan Air Force.

Light Diesel Oil (LDO)

Light diesel oil is a product that is burned in a furnace or boiler for the generation of heat or used in an engine for the generation of power. LDO is used for diesel engines, generally of the stationery type operating below 750 rpm.

Mineral Turpentine Tar (MTT)

ARL is producing an inexpensive petroleum-based replacement for the vegetable-based turpentine. It is commonly used as paint thinner for oil-based paint and cleaning brushes and as an organic solvent in other applications.

Furnace Fuel Oil (FFO)

ARL supplies Furnace Fuel oil which is commercial heating oil for burner; it is also used in power plants. Major portion of this fuel is supplied to Independent Power Producers (IPPs) for the production of Electricity.

Paving Grade Asphalts

A dark brown to black cementations material in which the predominating constituents are bitumen which is obtained during processing. ARL is producing two grades products 60/70 and 80/100.

Polymer Modified Bitumen (PMB)

ARL is the only refinery of Pakistan producing this special product. Bitumen is further treated with polymer which enhances consistency, reduces temperature susceptibility, improves stiffness and cohesion, increases flexibility, resilience and toughness, develops binder-aggregate adhesion. It is worth mentioning that Pakistan motorway is using latest polymer-modified bitumen produced by ARL.



Premium Motor Gasoline (PMG)

It is a transparent petroleum-derived liquid that is primarily used as a fuel in internal combustion engines. Some additives are also added in it to improve quality. ARL is a major provider of PMG around the country. During the year the Company started producing 90 RON PMG.

Kerosene Oil

It is a thin, clear liquid formed from hydrocarbons. Kerosene is the main fuel used for cooking and kerosene stoves have replaced traditional wood-based cooking appliances.

High Speed Diesel (HSD)

HSD produced by ARL is used as a fuel for high speed diesel engines like buses, lorries, generating sets, locomotives etc. Gas turbine requiring distillate fuels normally make use of HSD as fuel. After commissioning of DHDS units, ARL is supplying HSD with low sulphur contents (500 ppm) to meet Euro-II specification.

Solvent Oil

It is a mixture of liquid hydrocarbon obtained from petroleum and used as a solvent in commercial production and laboratory research. It readily dissolves all petroleum fractions, vegetable oils & fats and organic compounds of sulfur, oxygen and nitrogen. The solvent action increases with the solvent's aromatic-hydrocarbon content.

Jute Batching Oil (JBO)

JBO produced by ARL is mainly used as in the jute industry to make the jute fibers pliable. JBO is also used by processors to produce various industrial oils. ARL is the only refinery in Pakistan that produces JBO.

Residual Furnace Fuel Oil (RFO)

It is special high-viscosity residual oil requiring preheating. This fuel is specially manufactured for Attock Gen Limited (165 Mega Watt) power plant.

Cutback Asphalts

Cutback Asphalt is manufactured by blending asphalt cement with a solvent. There are two major types of Cutback Asphalt based on the relative rate of evaporation of the solvent: Rapid-Curing (RC), Medium-Curing (MC). RC Cutback Asphalt is used primarily for surface treatments and tack coat. MC Cutback Asphalt is typically used for prime coat, surface treatments and stockpile patching mixes. ARL is producing three grades i.e. RC-70, RC-250 & MC-70.



Board of Directors



MR. LAITH G. PHARAON

**Non Executive Director
(Chairman Attock Group of Companies)**

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Laith holds a graduate degree from the University of Southern California. He is also Director on the Board of various Companies in the Group.

Other Engagements

Chairman & Director

The Attock Oil Company Limited
Attock Cement Pakistan Limited
Attock Petroleum Limited

Director

Pakistan Oilfields Limited
Attock Gen Limited
National Refinery Limited



Mr. Wael G. Pharaon

Non Executive Director

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Wael holds a graduate degree. He is also Director on the Board of various Companies in the Group.

Other Engagements

Director

The Attock Oil Company Limited
Pakistan Oilfields Limited
Attock Petroleum Limited

Attock Cement Pakistan Limited
National Refinery Limited
Attock Gen Limited



Mr. Shuaib A. Malik

Chairman/ Non Executive Director & Alternate Director to Mr. Laith G. Pharaon

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around four decades. He started his career as an Executive Officer in The Attock Oil Company Limited in July 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA. Presently, he is holding the position of Group Chief Executive of the Attock Group of Companies besides being the Director on the Board of all the Companies in the Group.

Other Engagements

Chairman, Chief Executive Officer, Director & Alternate Director

Pakistan Oilfields Limited

Group Chief Executive

Chairman, Director & Alternate Director

National Refinery Limited

Director & Alternate Director

Attock Cement Pakistan Limited
Attock Gen Limited

Chief Executive Officer & Director

The Attock Oil Company Limited
Attock Petroleum Limited

Resident Director

Pharaon Investment Group Limited
(Holding) s.a.l



Mr. Abdus Sattar

Non Executive Director

Mr. Abdus Sattar has over 35 years of Financial Management experience at key positions of responsibility in various Government organizations/ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses/leakages and fixation of gas and POL prices. After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board. While working as Financial Advisor in Ministry of Petroleum he also served as Director on a number of boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about seven years. He is a fellow member of Institute of Cost and Management Accountant of Pakistan (ICMAP) and was also nominated as council member of ICMAP for the three years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended many advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad.

Other Engagements

Director

Pakistan Oilfields Limited
Attock Petroleum Limited

Attock Cement Pakistan Limited
National Refinery Limited



Mr. Jamil A. Khan
Non Executive Director

Mr. Jamil A. Khan was previously working in Pakistan Air Force in General Duty Pilot Branch and continued to serve in various operational, administration and staff positions for over sixteen years.

He joined National Refinery Limited in 2005 immediately after its privatization and is presently serving as its Chief Executive Officer. He is a graduate in aero sciences and holds a degree of Masters in Business Administration (Finance) besides qualifying the directors training program from Pakistan Institute of Corporate Governance (PICG).

Other Engagements

Chief Executive Officer

National Refinery Limited



Mr. Shamim Ahmad Khan
(Independent Non Executive Director)

After joining Civil Service of Pakistan, Mr. Shamim Ahmad Khan served in senior positions in the Government, particularly in the Ministry of Finance and retired as Secretary, Ministry of Commerce. For ten years, he worked in Corporate Law Authority, regulatory body for the corporate sector as Member and later as Chairman. He restructured it as Securities and Exchange Commission of Pakistan (SECP) and became its first Chairman. After leaving SECP in 2000, he has been serving as director of a number of listed companies. Presently, he is a non executive director of Packages, IGI Holdings Limited and Abbott Laboratories. He is also Chairman of IGI Life Insurance. Earlier he has served on the Boards of ABN AMRO/Royal Bank of Scotland, Linde Pakistan and Pakistan Reinsurance Company. He has also been associated with non government sector. For six years, he served as Member/Chairman, Certification Panel, Pakistan Center for Philanthropy and presently he is member of Board of Governors of SDPI. Mr. Khan has undertaken a number of consultancy assignments for Asian Development Bank, World Bank and DFID.

Other Engagements

Chairman & Director	Director	Member Board of Governors
IGI Life Insurance	Packages IGI Holdings Limited Abbott Laboratories	Sustainable Development Policy Institute (SDPI)



Mr. G. A. Sabri
(Independent Non Executive Director)

Mr. G.A. Sabri did his Master's in Chemical Engineering from Punjab University in 1972. He has vast experience in the petroleum sector. He has served in senior positions in the Ministry of Petroleum and Natural Resources as Director General Renewables and Energy Resources, Director General Gas, Director General Oil, Director General Petroleum Concessions, Additional Secretary Petroleum and retired as Special Secretary Petroleum in 2010.

During his service, G.A. Sabri frequently tackled, and accomplished various tasks of national importance. He facilitated the approval and commissioning of PARCO refinery, Bosicar Refinery, White Oil Pipeline Project and Attock Petroleum Ltd. He zealously worked to strengthen policies, drafting concession agreements, both onshore & offshore, rules and the new Petroleum Policy 2008 in house. He was Chairman of two public sector organisations and member of Board of Directors of almost 18 top oil and gas companies from time to time. He remains one of the foremost energy experts of Pakistan.

Other Engagements

President

Tehzib-ul-Akhlaq Trust



Mr. Babar Bashir Nawaz

Alternate Director to Mr. Wael G. Pharaon

Mr. Babar Bashir Nawaz has over 30 years of experience with the Attock Group of Companies. During this period, he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Pakistan Limited in 2002. He holds a Master's degree in Business Administration from the Quaid-e-Azam University Islamabad and at present is also a Director on the Board of all the listed companies of the Group in Pakistan. He has attended various courses, workshops and seminars in Pakistan and abroad on the business management and has substantial knowledge of the cement industry in Pakistan. Currently he is also a member of the Management Committee of the Overseas Investors Chamber of Commerce and Industry and the All Pakistan Cement Manufacturing Association.

Other Engagements

Chief Executive & Director	Director
Attock Cement Pakistan Limited	Attock Petroleum Limited
	Alternate Director
	Pakistan Oilfields Limited
	National Refinery Limited



Mr. M. Adil Khattak

Chief Executive Officer

Mr. M. Adil Khattak, Chief Executive Officer of Attock Refinery Limited (ARL) since 2005 has been associated with The Attock Oil Group for the last 43 years. Mr. Khattak has extensive experience in engineering, maintenance, human resource management, project management and marketing.

Mr. Khattak also holds the positions of Chief Executive Officer of Attock Gen Limited (AGL), Attock Hospital (Pvt.) Limited (AHL) and National Cleaner Production Centre (NCPC) as well as Chairman, Oil Companies Advisory Council (OCAC). He is Director on the Boards of Attock Information Technology Services (Pvt.) Limited (AITSL) and Petroleum Institute of Pakistan (PIP). He is also a Member on the Boards of Governors of Lahore University of Management Sciences (LUMS), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) and Sustainable Development Policy Institute (SDPI). Mr. Khattak is President of Attock Sahara Foundation (ASF), an NGO, working for the poor and needy people of Morgah and its surrounding areas.

Mr. Khattak holds a master's degree in engineering from Texas Tech University, USA and has attended many technical, financial and management programs in institutions of international repute in Pakistan, USA, Europe and Japan.

Other Engagements

Chairman	Director
Oil Companies Advisory Council	Attock Information Technology Services (Pvt.) Ltd. Petroleum Institute of Pakistan
Chief Executive Officer	Member Board of Governors
Attock Gen Limited	Lahore University of Management Sciences
Attock Hospital (Pvt) Limited	GIK Institute of Engineering and Services
National Cleaner Production Centre	Sustainable Development Policy Institute

Board Committees



Photograph of the 197th Board of Directors meeting held on July 29, 2019, in Dubai, United Arab Emirates

Audit Committee

Shamim Ahmad Khan
Chairman
(Independent Director)

Shuaib A. Malik
Member

Abdus Sattar
Member

G. A. Sabri
Member
(Independent Director)

Babar Bashir Nawaz
Member
(Alternate Director)

Responsibility

The Audit Committee's primary role is to ensure compliance with the best practices of Code of Corporate Governance, statutory laws, safeguard of Company's assets through monitoring of internal control system and fulfill other responsibilities under the Code.

HR & Remuneration Committee

G. A. Sabri
Chairman
(Independent Director)

Shuaib A. Malik
Member

Jamil A. Khan
Member

M. Adil Khattak
Member

Responsibility

The prime role of the Human Resource & Remuneration Committee is to give recommendations on matters like human resource management policies, selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO, CFO, Company Secretary and Head of Internal Audit to the Board. The Committee also considers recommendations of CEO on such matters for key management positions.

Company Information

Chief Executive Officer
M. Adil Khattak

Chief Financial Officer
Syed Asad Abbas (FCA)

Company Secretary
Saif ur Rehman Mirza (FCA)

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Ali Sibtain Fazli & Associates
Legal Advisors, Advocates & Solicitors

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi-74400.

Registered Office

The Refinery, Morgah, Rawalpindi
Tel: (051) 5487041-5
Fax: (051) 5487093
(051) 5406229
E-mail: info@arl.com.pk
Website: www.arl.com.pk



The Management

From Left to Right:

Usman Ishaq Raja
Manager (BR&A)

Salman Tariq
AGM (Maintenance)

Munir A. Temuri
AGM (TS, P&D)

Asif Saeed
AGM (C & MM)

Syed Asad Abbas
Chief Financial Officer



From Left to Right:

M. Adil Khattak
Chief Executive Officer

Ejaz H. Randhawa
DGM (Operations)

Javed Iqbal Malik
AGM (HR & A)

Saeed Uddin Faruqi
Manager (Engineering)

Anwar Saeed
Manager (HSEQ)

Saif-ur-Rehman Mirza
Company Secretary



Management Committees

Various Committees have been formulated to look after the operational and financial matters of the Company. Brief description of the role of Committees involved in strategic matters is given below:

MANAGEMENT COMMITTEE

This Committee which is constituted of all departmental heads meets fortnightly under the chairmanship of CEO to coordinate and discuss various issues.

VALUE & ETHICS COMMITTEE

The primary role of this Committee is to investigate and advise the CEO appropriate action regarding violation of ARL Core Values and related codes and policies.

SUCCESSION PLANNING AND CAREER MANAGEMENT COMMITTEE

This Committee is responsible for initiating and taking all necessary steps towards formulation and implementation of an appropriate Succession Planning and Career Management System in the Company.

ECONO-TECH. COMMITTEE

This Committee reviews all new proposals relating to Refinery operations and projects and formulates recommendations after discussing/evaluating it from technical and economic aspects.

BUDGET COMMITTEE

This Committee reviews and recommends the annual budget proposals for the approval of the Board of Directors. It also monitors the approved budget utilization.

APPRAISAL COMMITTEE

The role of this Committee is to review and propose annual increments and promotions of management staff. The Committee also proposes areas for improvement for each employee.

PRICING COMMITTEE

This Committee is responsible for determining prices of deregulated products from time to time.

CENTRAL HSE COMMITTEE

The primary role of this Committee is to set operating policy and procedures consistent with HSEQ Policy and to monitor implementation of the policy. Furthermore, this Committee provides a strategic direction, sets goals and objectives, monitors performance and provides a mechanism for dealing with safety behavior issues.

BID EVALUATION COMMITTEE

The primary responsibility of this Committee is to review cases of bids for purchase of goods and services to ensure acquisition of the most suitable resource at the optimum price.

RISK MANAGEMENT & STRATEGIC PLAN COMMITTEE

This Committee discusses and decides all matters related to risk management and strategic plan of Attock Refinery Limited.

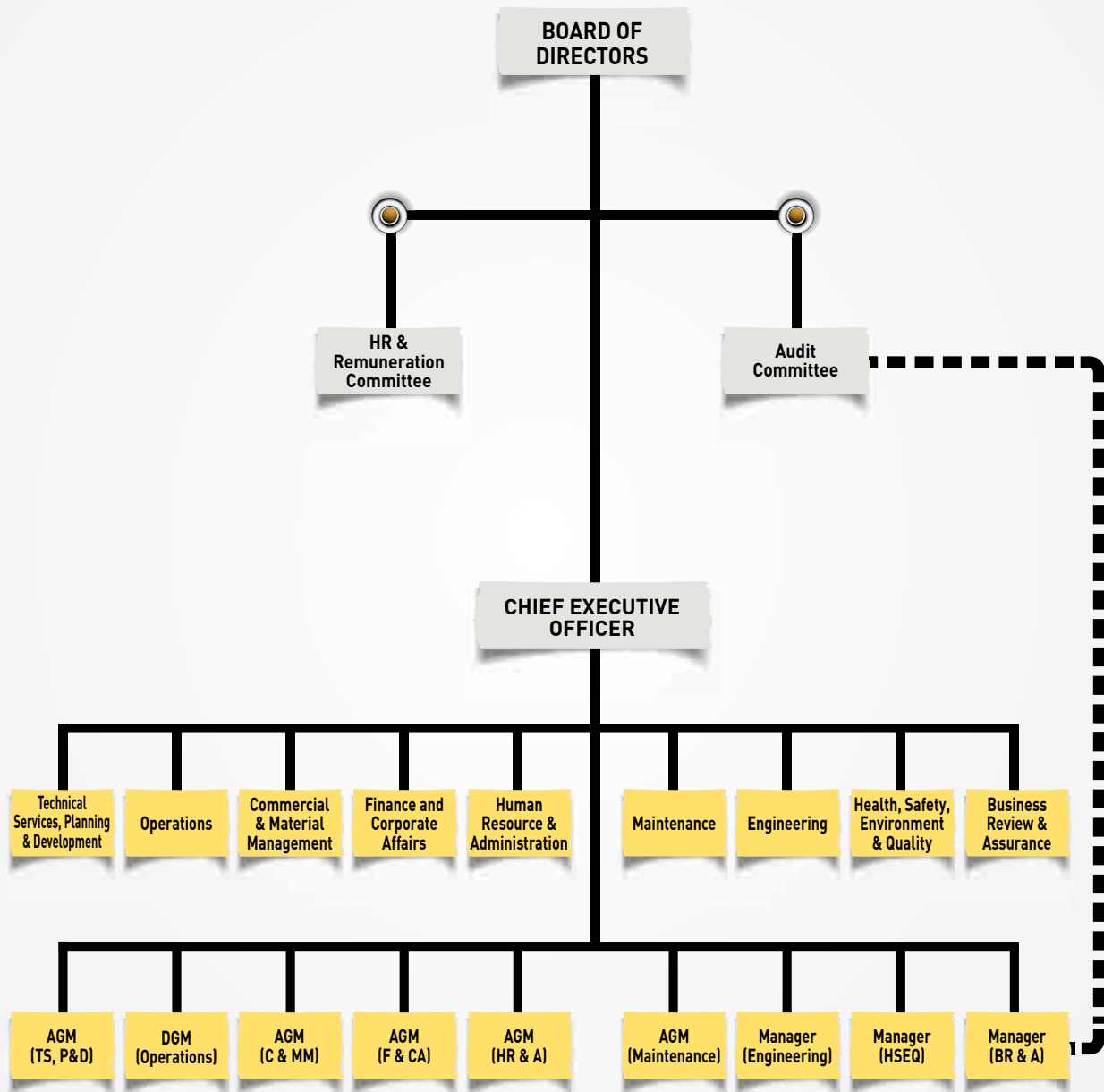
STANDING COMMITTEE FOR GENDER JUSTICE

The prime responsibility of this Committee is to safeguard rights of employees and making the work environment free of harassment. In case of any complaint, conduct proper investigation and advise CEO for appropriate action.

TRAINING STEERING & SCHOLARSHIP COMMITTEE

This Committee proposes names of staff members for outside trainings and also approves scholarships for employees' children.

Organogram



— Administrative Reporting
 Functional Reporting

Health, Safety, Environment & Quality (HSEQ) Policy

ARL is committed to provide the best quality products in the market, endeavors to protect the environment and to ensure health and safety of its employees, contractors, customers and work for continual improvements in Health, Safety, Environment and Quality (HSEQ) systems. ARL is committed to comply with all applicable Health, Safety, Environment and Quality laws and regulations. The Policy shall be used to demonstrate this commitment through:



Health

ARL seeks to conduct its activities in such a way as to promote the health of

and avoid harm to its employees, contractors, visitors and the community.



Safety

ARL ensures that every employee or contractor works under the safest possible

conditions. It is our firm belief that every effort must be made to avoid accidents, injury to people, damage to property and the environment.

ARL believes that practically all accidents are preventable by carrying out risk assessments and reducing risks identified by appropriate controls.



Environment

ARL is committed to prevent pollution by the efficient use of energy throughout its operations,

recycle and reuse of the effluent wherever possible and use of cost-effective cleaner production techniques that lead to preventive

approach for sustainable development.



Quality

ARL recognizes employees' input towards quality by emphasizing skills

development and professionalism. ARL must be customer driven, cost effective and continuously improving services, works and products to meet requirements of the market.

ARL conducts periodic audits and risk assessment of its activities, processes and products for setting and reviewing its objectives and targets to provide assurance, to improve HSEQ standards and loss control. ARL is committed to share all pertinent information related to HSEQ with all concerned parties.



Energy Policy

As a responsible corporate entity, Attock Refinery Limited (ARL) is cognizant that natural energy resources are not only scarce but also very precious and need to be optimally utilized. Ever-increasing environmental consciousness as well as market competition demands enhancement of energy efficiency and energy conservation where possible. Energy conservation positively impacts environment and goes a long way in reducing greenhouse gases and other hazardous emissions.

ARL is committed to produce quality petroleum products by employing economical energy efficient processes and equipment. It is our goal to reduce energy consumption where possible by regular monitoring and up gradation. We believe that energy efficiency and optimization is the key to sustainable development.

In our economic and development strategies, we focus on initiatives that will use energy resources more efficiently. To further enhance the energy management, ARL has set the following energy objectives:

1. Use of Robust, Scientifically Sound Technology:

This will enable the optimization of the existing resources and employing energy efficient equipment while protecting the environment.

2. Energy Management:

ARL believes in setting realistic targets pertaining to energy efficiency and conservation and review them periodically to ensure sustainable growth.

3. Responsible Development:

ARL is committed to comply with all applicable legal requirements in respect of energy efficiency, conservation and its reporting.

4. Energy Conservation Awareness:

To keep abreast with latest development in energy conservation technologies and inculcate energy conservation culture in all our activities.

Human Resource Policy

ARL Corporate policy on human resources is to attain the highest standards of professionalism throughout the organization by recognizing and revealing individual capabilities, productivity, commitment and contribution. ARL firmly believes that the continued progress and success of the Company depends upon to a great extent on its personnel – that only with a carefully selected, well trained, achievement oriented and dedicated employee force, can the Company maintain its Leadership in the Refining industry. And because the most valuable asset of the Company is its personnel, ARL has the following human resource policies:

1. Employ the best-qualified persons available, recognizing each person as an individual thus affording equal opportunity.
2. Pay just and responsible compensation in line with the industry standards, job requirements and work force.
3. Help employees to attain their maximum efficiency and effectiveness through a well-rounded training and development program.
4. Provide and maintain comfortable, peaceful and orderly working conditions.
5. Promote from within whenever possible and provide opportunities for growth and promotion to the employees.
6. Treat each employee with fairness and respect and in return expect from him service marked by dedication, devotion, commitment and loyalty.
7. Encourage each employee to improve and develop him/her self and thereby prepare him/her for positions of higher responsibility.
8. Recognize and reward efficiency, team work, discipline and dedication to duty and responsibility.
9. Exhaust all means to resolve Labor-Management differences, if any, promptly and amicably.
10. Provide a wholesome and friendly atmosphere for harmonious Labor-Management relations.





SULFIDE
HDS

Whistle Blowing Policy

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation. The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound effective and efficient internal control system and operational procedures.

All employees have signed a code of conduct and the Company takes any deviation very seriously.

The Company encourages Whistle Blowing to raise the issue directly to Chief Executive Officer provided that:-

- The Whistle Blower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his/her own end.
- The Whistle Blower understands that his/her act will cause more good than harm to the Company and he/she is doing this because of his/her loyalty with the Company and
- The Whistle Blower understands the seriousness of his/her action and is ready to assume his/her own responsibility.

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal.





Harassment at WorkPlace



Objective:

Attock Refinery Limited (ARL) is dedicated to provide a working environment that ensures that each & every employee is treated with respect & dignity and afforded with equitable conduct. The Company is committed to encourage a positive professional work atmosphere that is essential for the professional growth of its staff and it also promotes equality of opportunity. Harassment, therefore, has no place at ARL. This policy affirms ARL's zero tolerance for harassment on bases of race, color, origin, gender, religion, age or any physical attributes. The policy also assures employees the right to employment in a place of work that is free from harassment and intimidation in accordance with the spirit and theme of "Protection Against Harassment of Women at workplace Act, 2010"(the Act).

Harassment is not necessarily confined to the behavior of seniors toward juniors, it can take place between colleagues at the same level or involve staff behaving inappropriately towards more senior staff.

The Company views harassment to be among the most serious breaches of work place decorum. Consequently, appropriate disciplinary or corrective action, ranging from a warning to termination, can be expected if such a situation arises and demands for it.

It should be noted that harassment can also lead to civil and criminal claims beyond the Company's own disciplinary proceedings.

Application:

This policy applies to all employees who work in the Company; that includes Senior and Junior management employees and office staff members including internees or apprentices/trainees. The Company will not tolerate harassment whether it is by fellow Employees, junior or senior staff members.

The workplace includes:

1. All offices or other premises where business of the Company is conducted;
2. All Company-related activities performed at any other location away from the Company's premises;
3. Any social, business or other functions where the behavior or remarks may have an effect on the place of work or workplace relations.

Explanation:

Definition of Harassment:

For this policy, Harassment is defined as:

"Engaging in a course of vexatious comment or conduct against an employee in a workplace that is known or ought reasonably to be known to be unwelcomed, unsolicited, unreciprocated and usually (but not always) repeated. It is behavior that is likely to offend, humiliate or intimidate".

For harassment to occur there does not have to be an intention to offend or harass. It is the impact of the behavior on the person who is receiving it, together with the nature of the behavior, which determines whether it is harassment.

Further, 'workplace' in this context is defined to include not only the usual work environment, but also work related events, seminars, conferences, work functions and business trips.

Forms of harassment include but not limited to:

1. Verbal abuse: Unwanted comment that offends, humiliates or engenders anxiety or fear.
2. Bullying: Repeated mistreatment, verbal abuse, or conduct which is threatening, humiliating, intimidating, or that which interferes with work.
3. Sexual harassment: Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.
4. Racial/religious harassment: Any unwanted comment referring to the worker's religious affiliation or racial background that attempts to humiliate or demean a worker.
5. Age harassment: include offensive remarks about a person's age and treating that person unfavorably on basis of his/her age.
6. Stalking: is unwanted or obsessive attention which includes staring, following or monitoring.

Roles and Responsibilities:

All staff members have a personal accountability to make sure that their conduct is not in conflict with this policy.

All staff members are expected to participate in this endeavor which in turn would strengthen and promote the development of a work environment free from harassment.

The Management is responsible for:

- Discouraging and stopping employment-related harassment;
- Examining every official written complaint of harassment;

- Taking proper corrective measures to react to any substantiated allegations of harassment in the Company;
- Ensuring that all staff members of the Company are aware of the harassment predicament and as to what their individual and collective responsibilities are with respect to circumventing/ stopping harassment.

Resolution of Harassment Complaints:

The Company is committed to provide a helpful working environment to resolve harassment worries by setting up an Inquiry Committee consisting of 3 members to be constituted by the Chief Executive Officer.

Complaints:

1. Although, it is the responsibility of the Departmental Heads/Managerial Members to address the issue of Harassment however, in case of non-resolution of the complaint, any staff member of the Company with a harassment concern may bring an official complaint to the Inquiry Committee. All such complaints will be investigated promptly.
2. All records of complaints that include the meetings, discussions, dialogues, investigation results, and other related material will be kept confidential by the Committee/Company, except for where revelation is required for disciplining or any other remedial process.
3. After investigating the matter, the Committee will forward its report to the competent Authority who is the Chief Executive Officer of the Company. If it is confirmed that a harassment allegation is valid, strict disciplinary or corrective actions will be taken accordingly. However, false allegations/ complaints will result in disciplinary action against the original Complainant.

No Reprisal:

The Company is committed to ensure that no staff member, who brings forward a (genuine) harassment complaint, is subjected to any kind of reprisal. Any retaliatory action will be viewed as a disciplinable matter.

EMPLOYEES, WHO HAVE BEEN SUBJECTED TO HARASSMENT, MAY WRITE DIRECTLY TO THE CHIEF EXECUTIVE OFFICER FOR RESOLUTION OF THEIR CASES.

Business Process Re-Engineering, Research & Development



- 1.** Training of staff on Operator training simulator (OTS) is ongoing process to provide hand on training to new inductees. Large number of staff including Shift Engineers, Trainee Engineers, Boardmen and Field Operators were trained in Operations Department to perform independent duties.
- 2.** DHDS plant licensor, M/s UOP had, recommended Header Replacement of product condensers (HDS-EA-001) for Uniform flow distribution and better exchanger performance. Job was safely executed during refinery turnaround.
- 3.** ARL's Diesel Hydro Desulphurization (DHDS) unit was commissioned in July-2016 to produce diesel product of 500 wt. ppm Sulfur (Euro-II), with an option of achieving 50 ppm Sulfur (Euro-IV) with installation of a second reactor. The unit is licensed by M/s UOP with M/s Albemarle Catalyst. Considering current Diesel feed characteristics (low severity), M/s UOP and M/s Albemarle were consulted for producing 50 ppm sulfur diesel product with the existing configuration. Based on their inputs a test run was conducted which indicated that 50 wt. ppm sulfur product can be achieved at the present parameters. Additionally, a detailed study to meet 10 wt. ppm sulfur (with installation of 2nd reactor) would be conducted in future.
- 4.** Two small size Tanks were successfully commissioned for naphtha feed to Hydrogen Unit. It helped to enhance equipment reliability and product quality. Moreover, remote start/stop operation of naphtha feed pumps was also provided.
- 5.** Successfully managed to keep the Sour Water Unit (SWU) in operation during unexpected Stripper overhead exchanger leakage. After in-

house technical evaluation a redundant condenser was used. It helped to keep the SWU in operation while avoiding longer shutdown of upstream plants.

- 6.** Sour Water Unit (SWU) handles Hydrogen Sulphide contaminated water directly from upstream plants. SWU operating conditions keeps on fluctuating due to feed variations. To address this issue a Sour Water Buffer tank was designed and evaluated by a consultant. The tank has been successfully completed. Constant steady feed through buffer tank will ensure efficient operation of SWU and uninterrupted operation of upstream plants i.e. DHDS and ISOM during maintenance at SWU.
- 7.** ISOM plant LHT Section remained in operation at 120% of its design throughput. This has increased isomerase production and overall refinery PMG pool.

- 8.** Improved operational performance of Effluent Treatment Plant (ETP) resulted in recovery of (30,000 gallons per day) recycled water for refinery operations.

- 9.** One new tank for NMA (Octane Booster) was commissioned to increase total storage capacity.

- 10.** Dispatch of JP-8 through Railway was started to Pakistan Air Force to minimize movement of bowsers on roads due to safety concerns.

- 11.** New 3.5 kilometer long water pipeline was laid to transport water from Hummak to Soan Water Pumping Station. One new tube well was also developed and successfully commissioned at Hummak water pumping station. This will increase water availability for refinery operations.

- 12.** Maximo Enterprise Assets Management system was upgraded through in-house

efforts to the latest release of 7.6.1 with additional add-on of Oil & Gas version. In addition to this upgradation, enhancements in Process Change Management system were implemented using Maximo.

- 13.** To automate the manual disposal process of scrap and sludge, ARL IT has developed and implemented an in-house oracle based Disposal System in order to automate and monitor the disposal activity. System generated Gate Passes are also designed with barcode embedded scanning solution in order to monitor real time vehicle tracking/workflows.

- 14.** ARL-IT has upgraded the LAN infrastructure. GIG based switches and voice points inside and outside refinery have been installed to increase the efficiency and number of LAN. This infrastructure shall fulfill the future requirement of local area network for the upcoming projects and facilitate several computer users.



Corporate Social Responsibility

Since its inception in 1922, the Company's contribution towards CSR has been an important part of our core values. During these long years, we have taken exhaustive initiatives in this realm and continue to find ways and means to meaningfully contribute towards community welfare activities as enumerated below:



Attock Sahara Foundation (ASF)

- a. ASF is a registered Non-Profit Organization (NPO), sponsored by ARL. ASF has been helping and supporting the down trodden segment of community through its different welfare programs.
- b. ASF sustains itself through a well-equipped medium size Industrial Stitching Section which is the main source of income to meet its manifesto. The programmes/welfare schemes undertaken by ASF mainly include but not limited to Apprenticeship Program, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund, Collection and Distribution of Zakat and various welfare and community development projects like women skill development, capacity building and skill enhancement. During the year under review Rs 20.86 million were spent on these programmes/schemes.
- c. With the view to augment income of ASF and to provide an opportunity to the local cottage industry (mostly based on the skills imparted to poor women of the area by ASF) as well as recreation to local population, the Company organizes a grand ASF Meena Bazaar annually on its premises. This family event is whole heartedly participated by all and sundry of the surrounding communities.
- d. ASF is committed to empower and strengthen the poor women of our society by imparting different skills and creating awareness to enable them to become earning hands for their families. The programmes for this purpose include stitching, hand and machine embroidery, "adda" work, training as beautician, computer training etc.



- e. A comprehensive programme has been initiated under the umbrella of ASF for the promotion of art and practice of horticulture and to impart knowledge and training to the gardeners.
- f. During the year, ASF also conducted the awareness session on tree plantation campaign, seminar on dengue awareness, awareness session on kitchen gardening, international malaria day and sports gala for female employees. ASF also has a play group level school operating on "no profit no loss basis".

Community Welfare

The Company sponsors well maintained playgrounds for hockey, cricket and football along with other sports facilities. The Company patronizes parks in the vicinity, provides potable water and health care to the surrounding communities. The Company provides administrative support to schools and mosques in the surrounding area. The Company gives financial assistance to an NGO working for the betterment of the visually impaired. The Company arranges limited quantity of fuel to a Golf Club for promotion of Golf. The Company also pays annual grant to adjoining Union Councils of Morgah and Kotha Kalan. In collaboration with its subsidiary company, Attock Hospital (Pvt.) Limited, the Company arranged free medical camp at Morgah, Rawalpindi. The total expenditure on such activities amounted to about Rs 7 million.

Employment of Special Persons

The Company not only provides equal employment opportunities to special persons but takes an extra step to help them to earn respectable living. Emoluments to the tune of Rs 4.57 million were spent for this noble cause.



Education/Training

- a. The Company is operating an extensive management training program of 1 to 2 years for fresh graduates. The annual expenditure on these training schemes amounts to over Rs 29 million.
- b. The Company offers scholarships from class 6 to PhD level to employees' children. During the year 39 scholarships were awarded and 33 brilliant students amongst employees' children were recognized by awarding prizes. The Company incurred an annual expenditure of Rs 3.37 million.

Business Ethics and Anti-Corruption Measures

The Company has voluntarily adopted United Nations Global Compact (UNGC) principles since year 2008 in its business practices leading to fight against corruption in all its forms, including extortion and bribery.

Health, Safety, Environment and Protection Measures

In line with the Health, Safety, Environment and Quality (HSEQ) policy of the Company, following activities and programs were conducted:

- a. The water used in the production process is treated at the Effluent Treatment Plant to ensure that the effluent water leaving the refinery meets the Punjab Environmental Quality Standards (PEQS). This has also helped in conservation and recycling of water.
- b. The Company supports National Cleaner Production Centre Foundation (NCPC), an NPO which provides analytical/environmental and waste management services including bioremediation and waste incineration.
- c. The Company has taken a step forward towards achieving excellence in Environmental Management Systems by following British Safety Council 5 Star Environmental Audit Rating program guidelines for adopting best practices. The Company maintained 4 Star rating for this year also.





- d. Hazard and Operability (HAZOP) study is conducted on all process areas at regular intervals to identify and control the hazards at Process units.
- e. Waste water treatment facility recycles 4,000 litres per day of canteen waste water for use in fruit orchard through drip irrigation.
- f. The Company has installed two 19 & 09 KW on-grid solar power systems, in addition to already installed 139 KW. This initiative of ARL has not only reduced its energy cost but is also a step forward towards generation of green energy & achieving United Nation Sustainable Development Goal of Affordable and Clean energy.
- g. Safety Week, Energy Week, World Environment Day, World Safety Day, World Energy Day were observed in collaboration with NCPC and Environmental Protection Agency (EPA) during the year.



Green Environmental Initiatives

- a. The Company has established the Morgah Biodiversity Park which uses recycled water for its orchards through drip & sprinkler irrigation systems. It helps to conserve the biodiversity of the Potohar Region and provides a healthy environment, recreation and education to the visitors.
- b. Under Morgah Biodiversity project, the Company has initiated several CSR activities for the benefit of employees and local communities which include natural honey production, fruits like peach, grapes, strawberries, citrus etc. and organic vegetables.
- c. The Company plants 10,000 to 12,000 saplings each year which include about 2,000 fruits and





indigenous plants. Tree saplings are also being donated to various educational institutions and local communities to enhance the vegetation cover and improve the environmental conditions in the surrounding communities to conserve natural ecosystems for future generations.

- d. The Company planted a Citrus & Guava orchard on 10 acres in the existing vegetable/fruit orchards furnished with solar powered drip irrigation system in collaboration with the Government of Punjab.

Energy Conservation

The Company has implemented Energy Management System ISO 50001-2011 and continues with its internal program to conserve energy by creating awareness among its employees and initiatives to optimize energy consumption in the Refinery.

Industrial Relations/Workers Welfare

The Company extends maximum benefits to its employees and ensures cordial industrial relations

through the Collective Bargaining Agent (CBA). In this context the Company extends following facilities:

- a. The Company provides highly subsidized food through its dining facilities and wheat flour.
- b. The Company nominates on annual basis, four members each of Non-Management Staff along with their spouses or dependents through open ballot for performing Hajj and Umrah. The Company also nominates on annual basis, one non-Muslim worker along with spouse through open ballot for visiting their sacred places in Pakistan. The total cost incurred on this account was over Rs 5.23 million.
- c. The Company gives quarterly Good Performance and Long Service awards to its workers.
- d. The Company provides pick and drop for employees' school and college going children.

Contribution to the National Economy

- a. The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 50.51 billion while foreign exchange savings of US \$ 189 million were achieved through import substitution and exports.
- b. The Company not only operates on 100% indigenous crude oil thus providing a major outlet to more than 41 oilfields spread over the northern part of Pakistan but also remains the main source of petroleum products to the civil and defence sectors of the northern region of Pakistan. It is also a catalyst in the deployment of a large transportation fleet for crude oil and refined products movement.







Chairman's Review



I am pleased to present annual review as Chairman of the Board of Directors of Attock Refinery Limited for the year ended June 30, 2019.

The year 2018-19 was a very difficult year for petroleum sector in general and refining sector in particular. Due to slowing down of economic growth, increasing input costs, surging interest rates and massive devaluation of Pak Rupee, profitability of local refineries was badly affected.

The Board has played a pivotal role in achieving the Company's objectives and safeguarding interests of the shareholders. The Board has seven Directors including five non-executive and two independent Directors. The Directors have rich and varied experience in the fields of business, refining, finance, and regulations. During the year, five board meetings were held. The Board has fulfilled all of their mandatory responsibilities including providing strategic direction to the management and ensuring compliance with all legal and regulatory requirements by the management of the Company. The Board has constituted Audit Committee and Human Resource and Remuneration Committee. These committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on detailed review of financial statements and effectiveness of internal controls. An annual evaluation of performance of the Board, members of the Board and its Committees was carried out with the help of a formal and effective mechanism. On the basis of the feedback received through this mechanism overall role of the Board has been found to be effective.

I would like to take this opportunity to express my appreciation for the untiring efforts of our employees and express gratitude to all the stakeholders including our valued customers, crude oil suppliers, banks, suppliers and contractors for their continued cooperation and support.

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July 29, 2019
Dubai, United Arab Emirates

Shuaib A. Malik
Chairman

Directors' Report



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

On behalf of the Board of Directors we are presenting, the Company's 41st Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2019.

1 FINANCIAL RESULTS

During the financial year 2018-19 the Company suffered loss after tax of Rs 6,541 million from refinery operations (June 30, 2018: Loss of Rs 1,013 million).

Non-refinery income during the current year was Rs 1,156 million (June 30, 2018: Rs 1,592 million). Therefore, net loss for the current year was Rs 5,385 million (June 30, 2018: Profit of Rs 579 million). This resulted in loss per share of

Rs 50.51 (June 30, 2018: earning of Rs 5.43 per share).

Unfavorable fluctuation in international prices of crude oil, massive devaluation of Pak Rupee and increase in interest rates



were major contributors towards the loss. All these factors were beyond control of the Company's management. Due to massive devaluation of Pak Rupee the Company suffered exchange loss of Rs 4,740 million. Details of expenses has been provided in the financial statements. Despite all these unfavourable factors, the Company managed timely payments of all financial commitments including repayment of long term loan, financial charges, payments to crude oil suppliers, government levies and taxes etc.

2 APPROPRIATION AND DIVIDEND

2.1 Appropriation

	2019	2018
	Rs '000	
Profit/(Loss) after tax	(5,385,239)	578,978
Less: Other comprehensive loss	(25,784)	(129,777)
	(5,411,023)	449,201
Un-appropriated profit b/f	10,398,644	9,697,786
Profit available for appropriation	4,987,621	10,146,987
Appropriation:		
Amount transferred (to)/from special reserve		
for expansion/modernisaion	1,033,255	1,012,558
Final Cash Dividend paid during the year:		
For the year 2016-17 @ 60% (Rs 6.00 per share)	-	(511,758)
Bonus shares issued during the year:		
For the year 2017-18 @ 25%	(213,233)	-
Effect of changes in accounting policies		
due to adoption of IFRS 9	-	(249,143)
Un-appropriated profit c/f	5,807,643	10,398,644

2.2 Bonus Shares/Dividend

In light of loss suffered by the Company during the year, the Board of Directors have decided not to recommend any cash dividend or bonus shares for the current year (June 2018: 25% bonus shares).

3 PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE

Principal activities, development and performance of the Company's business during the financial year were as follows:

After successful commissioning of ARL upgradation project in 2016, the first complete turnaround of the Refinery Complex commenced

in June 2019 for 30 days. The turnaround required step by step detailed planning by different departments. Other than resource arrangements, crude stock management and product dispatches planning were key factors to be considered. Crude oil management for the turnaround period was planned in coordination with Ministry of Energy (Petroleum Division) and crude oil producers. Product availability estimates from ARL during turnaround period were also prepared and provided to Ministry for better planning of products import and logistics arrangements. After successful accomplishment of the tasks planned for the turnaround activity, all units of the refinery have been brought to normal operation.



During the year, the overall utilization of the refinery capacity was about 93% (June 30, 2018: 94%). Due to the Government's decision to shut-down furnace fueled power plants in country, the Company was compelled to operate the refinery at lower throughput to deal with the problem of increasing stock of furnace fuel and the declining ullage. We have briefed the Government about the repercussions of this issue in the long term and hope that appropriate remedial steps will be taken in this respect.

During the year under review, the refinery's throughput was 2.268 million Tons (June 2018: 2.279 million Tons). Major part of the

crude production from the northern region of the country was processed at the refinery.

A total of 2.272 million Tons of crude oil (June 2018: 2.271 million Tons) was received from different oil fields which was processed at various units. Your refinery has the unique capability and distinction of processing varied quality of both heavy and light crude oil produced from fields across the whole country.

All the crude processing units operated smoothly. The Company supplied 2.210 million Tons (June 2018: 2.213 million Tons) of various petroleum products during the year, meeting the standard quality specifications.



The Company remains committed to improve business processes to ensure greater safety and improved efficiency in refinery operations and to proactively pursue for improvement in products specifications. In this respect various tasks and activities were carried out. Details regarding business process re-engineering, research & development have been given in a separate section of the annual report.



4 IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT

The Company remains cognizant of its responsibility towards sustainability of healthy environment. In this connection the Company has implemented various procedures for energy management, water preservation, conservation of biodiversity and resource efficiency. All these steps reflect the Company's strong commitment to achieve the ultimate goal to control and minimize the impact on environment. Implementation of energy management Standard ISO-50001, up-gradation of effluent treatment plant and water conservation measures like drip irrigation, waste water recycling/

reuse demonstrate our continuous commitment for environment, safety, and quality. The Company's efforts in this regard have been well recognized at the relevant forums in the form of prestigious awards.

5 PRICING FORMULA

The pricing of the Company's petroleum products is carried out under the Import Parity Pricing Formula, as modified from time to time by the Government whereby the cost of crude oil is determined on import parity basis. Product prices are fixed equivalent to the import parity price calculated under prescribed parameters. Among other directives, the Pricing Formula requires refineries to transfer amount of profit above 50% of paid-up share capital as at July 1, 2002 to a Special Reserve account for expansion/modernization.

The refineries have taken up some issues with the Government relating to sudden change in specification of the products, forex losses and pricing mechanism.

6 SHARE CAPITAL

The issued, subscribed and paid-up capital of the Company as at June 30, 2019 was Rs 1,066.163 million. As per the pricing formula, the maximum profits available for distribution from refinery operations cannot exceed an amount equivalent to 50% of the paid-up capital of Rs 291.6 million as at 1st July 2002.

The Company's management has taken up this matter with the Government at various forums recommending that capping on

payment of dividend should be removed or at least should be based on existing paid-up share capital as revised from time to time.

7 PRINCIPAL RISKS AND UNCERTAINTIES

Under the present pricing formula, the Company remains exposed to the risk of adverse fluctuation in the prices of petroleum products and crude oil and currency exchange loss. Due to the Government decision of shutting-down/limited use of furnace fueled power plants, the Company is also exposed to the risks associated with the non-uplifting of furnace oil. The Company has been taking up the matter with the Government and look forward to formulation and implementation of a Refining Policy which can take care of interests of all stakeholders. Financial risks relating to the business of the Company and the details to manage these risks have been explained in detail in note 40.3 to the accounts.

8 REFINERY'S FUTURE PLANS FOR EXPANSION AND UP-GRADATION

Upcoming challenges being faced by the refinery includes handling of continuously increasing local crude oil production from northern region of the country and further improvement in product specifications.

As part of its future upgradation, ARL has planned to install a Continuous Catalyst Regeneration (CCR) Unit for further improvement of PMG pool octane, elimination of both octane boosting additives and naphtha exports. In this regard the contract for Licensor Front End Engineering Design (FEED)/

Basic Engineering Design Package (BEDP) has been awarded to M/s Honeywell UOP, USA. The work is in progress and the BEDP is expected to be completed by November, 2019.

A scoping study was initiated to evaluate the most viable option/technology for bottom-of-barrel upgradation for minimization of Furnace Oil production and maximization of value added products. The study has been awarded to M/s Honeywell UOP, USA and is expected to be completed by October, 2019.

ARL has plans to install a state-of-the-art new deep conversion green field refinery of 50,000 BPD capacity, if sustainable

of sustainable local crude, suitable quality of crude, demand supply situation of petroleum products, the prevalent/future product specifications in the country and the government policies.

9 HUMAN RESOURCE DEVELOPMENT

Human resource has always remained the most valuable asset of the Company. The Company makes sure that all employees are treated with dignity and respect. The Company also ensures maintenance of open and healthy working environment which in turn encourages the employees to put in their best effort. Various steps taken by the Company for its human resource capital development are outlined below:



enhanced supplies of local crude from north become available and the Government comes up with policies conducive to such investment.

All of the above mentioned plans are dependent upon availability

9.1 Employee Development and Training

Training and development system at ARL aims at developing a workforce which understands the organizational culture and adheres to its values and



norms in letter and spirit. In this realm, we have devised an all-encompassing training programme comprising specific on-the-job-training including use of highly advanced Operator Training Simulators (OTS). Our training matrix also exposes our employees to variety of off-the-job trainings as speakers and participants in professional conferences/workshops held in-house as well as in-country and abroad. Training plan forms a part of our performance management strategy and is formulated on the basis of training need assessment, staff career planning, succession plan and other organizational requirements.



9.2 Motivational and Encouragement Awards

With a view to encouraging staff in attaining their optimum level of performance, ARL organizes regular quarterly awards ceremonies where star performers of all departments are recognized through commemorative shields and cash awards. These performance awards were awarded in the fields of core performance, safety, and housekeeping. In addition to this, four employees along with spouses were selected through balloting for Hajj and Umrah, and one non-muslim employee with spouse was also selected through balloting for visit of his/her religious holy sites.



10 ORGANIZATIONAL DEVELOPMENT

10.1 Recruitment Job Portal

ARL management has taken the initiative for providing Online Job portal for easy access to target market for efficient recruitment process. The system will be used to build a pool of candidates and will provide online window for all the potential candidates for different positions.

10.2 HR Conference “Leveraging HR to Achieve Excellence”

In pursuance of its commitment to wholesome development of Human Capital, ARL has been providing a knowledge sharing platform to HR professionals from diversified organizations through conduct of HR Conferences for the last many years.

7th HR Conference on the theme of “Leveraging HR to Achieve Excellence” was organized on April 25, 2019 at ARL. Eminent speakers and participants from more than 30 organizations attended this prestigious event. The purpose of this conference was knowledge sharing, learning and understanding of challenges being faced by HR professionals in today’s dynamic and challenging business environment. During the conference, several papers were presented by eminent HR experts who shared their thoughts on important aspects of HR management.



10.3 CBA Agreement 2017 – 2019

Negotiations on CBA Charter of Demand were successfully concluded during the year between ARL management and CBA.

11 CORPORATE SOCIAL RESPONSIBILITY

The Company continued to carry out numerous steps and measures towards the activity of Corporate Social Responsibility (CSR). Details for CSR activity have been given in a separate section of the annual report. The Company is proud to have long history of carrying out such activities.

12 CORPORATE AWARDS AND RECOGNITIONS

12.1 Employers Federation of Pakistan (EFP)'s Award

Employers Federation of Pakistan (EFP) regularly holds competition among different industries to acknowledge the efforts made for the improvement of Occupational health safety and environment. This



year ARL won Second Prize in the Category of Oil, Gas & Energy of Employers' Federation of Pakistan (EFP) 14th Best Practices Award in Occupational Safety & Health 2018. ARL's HSE team deserves appreciation over this achievement.

12.2 United Nations Global Compact Award- 2018

This award recognizes and acknowledges global enterprises which integrate the Ten principles of United Nations Global Compact into their business philosophy and demonstrate adherence to these principles in action.

In recognition of ARL's dedication towards the ten principles of UNGC, the Company was awarded Second Prize of "Living the Global Compact Business Sustainability Award 2018", in the Large National Companies Category.

12.3 16th Annual Environment Excellence Award 2019

The Company won "16th Annual Environment Excellence Award 2019" on the platform of "National Forum for Environment and Health. This award is recognition of the tremendous work put in by ARL Health Safety & Environment team.

13 CORPORATE GOVERNANCE

The Board of Directors and the management remain committed to the principles of good corporate management practices with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the refinery operations and performance to ensure integrity, comprehensiveness and transparency of financial and non-financial information.

The Company is fully compliant with the Code of Corporate Governance and as per the requirements of the listing regulations, following specific statements are being submitted hereunder:

- i. Proper books of accounts of the Company have been maintained.
- ii. The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- iii. Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the Approved Accounting Standards as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.
- iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. There is no reported instance of any material departure from the best practices of Corporate Governance.
- viii. Significant deviations from last year's operating results, future plans and changes, if any, in pricing formula have been separately disclosed, as appropriate, in the this Report of the Directors.
- ix. All major Government levies in the normal course of business, amounting to Rs 3,446 million, payable as at June 30, 2019 have been cleared subsequent to the year end.
- x. The value of investments in employees retirement funds based on the latest unaudited accounts as at June 30, 2019 are as follows:

	Rs in million
Management Staff Pension Fund	969
Staff Provident Fund	419
General Staff Provident Fund	485
Gratuity Fund	528





- xi.** In terms of Regulation 20 of the 2017 Code, the Companies are required to ensure that all the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2021. Presently, five (5) directors of the Company meet the exemption from requirement of the Director's Training Program (DTP), while one (1) director has already completed this program. The remaining one (1) director shall obtain certification under the DTP in due course of time. Further, one alternate director and the Chief Executive Officer (CEO) of the Company have also completed the DTP.
- xii.** The Board strives to continuously improve its and Board Committees' effectiveness. The Board of Directors has developed a mechanism as required under Code of Corporate Governance, for annual evaluation to assess performance of the Board and the Committees. The Board also reviews developments in corporate governance to ensure that the Company always remains aligned with best practices.
- xiii.** The Board of Directors have formulated a Directors' Remuneration Policy its main features includes that every director including alternate directors are entitled to meeting fee as remuneration for attending meetings of the Board of Directors. No remuneration shall be paid for attending General Meeting(s) or meetings of the Committee(s) of the Board and/or any other business meetings of the Company.
- xiv.** Key operating and financial data of last 6 years is annexed.
A separate statement of compliance signed by the Chairman is separately included in this Annual Report.

14 CREDIT RATING

The Company's long term and short term rating is 'AA' (Double A) and 'A1+' (A one plus) respectively. The credit rating was conducted by The Pakistan Credit Rating Agency (PACRA). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payments of financial commitments.

15 DIRECTORS AND BOARD MEETINGS HELD DURING THE YEAR

15.1 Directors of the Company & Board's Composition

The following persons were the Directors of the Company during the year:

S. No.	Name of Directors	Designation	Gender
1.	Mr. Laith G. Pharaon	Non-Executive Director	Male
2.	Mr. Wael G. Pharaon	Non-Executive Director	Male
3.	Mr. Shuaib A. Malik (Chairman)	Non-Executive Director	Male
4.	Mr. Abdus Sattar	Non-Executive Director	Male
5.	Mr. Jamil A. Khan	Non-Executive Director	Male
6.	Mr. Shamim Ahmad Khan	Independent Director	Male
7.	Mr. G.A. Sabri	Independent Director	Male

15.2 Directors meetings held during the year

During the year under review, five meetings of the Board of Directors were held and the attendance of Directors was as under:-

Name of Directors	Total number of board meetings	Number of board meetings attended
Mr. Laith G. Pharaon	5	5*
Mr. Wael G. Pharaon	5	5*
Mr. Shuaib A. Malik (Chairman)	5	5
Mr. Abdus Sattar	5	5
Mr. Jamil A. Khan	5	5
Mr. Shamim Ahmad Khan	5	5
Mr. G. A. Sabri	5	5
Mr. M. Adil Khattak, CEO	5	5

* Overseas directors attended the meetings either in person or through alternate directors.

15.3 Meetings held outside Pakistan

During the year ended June 30, 2019, two meetings of Board of Directors were held outside Pakistan to review and approve interim/ annual financial statements of the Company.

16 BOARD COMMITTEES MEETINGS HELD DURING THE YEAR

During the year under review, detail of Board's Committees meetings held is as under:-

AUDIT COMMITTEE

Name of Directors	Total number of meetings	Number of meetings attended
Mr. Shuaib A. Malik	3	3
Mr. Abdus Sattar	4	4
Mr. Shamim Ahmad Khan	4	4
Mr. G. A. Sabri	4	4
Mr. Babar Bashir Nawaz	4	4
Mr. Tariq Iqbal Khan	1	1

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Name of Directors	Total number of meetings	Number of meetings attended
Mr. Shuaib A. Malik	1	1
Mr. G. A. Sabri	1	1
Mr. Jamil A. Khan	1	1
Mr. M. Adil Khattak	1	1



17 AUDITORS

The Auditors Messrs A.F. Ferguson & Co. Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs A.F. Ferguson & Co. Chartered Accountants as auditors for the financial year ending June 30, 2020.



18 **PATTERN OF SHAREHOLDING**

The total number of Company's shareholders as at June 30, 2019 was 6,996 as against 4,475 on June 30, 2018. The pattern of shareholding as at June 30, 2019 is included in this Annual Report. All trades in the shares of the Company, if any, carried out by the Directors, CEO, CFO and Company Secretary and their spouses and minor children are disclosed and annexed.

19 **EARNINGS/LOSS PER SHARE**

Based on the net loss for the current year the loss per share was Rs 50.51 (June 2018 earnings per share: Rs 5.43).

20 **HOLDING COMPANY**

The Attock Oil Company Limited, incorporated in England, is the Holding Company of Attock Refinery Limited.

21 **SUBSIDIARY COMPANY**

The Company has a wholly owned subsidiary company; Attock Hospital (Pvt) Limited (AHL). The accounts of AHL have been consolidated with the accounts of ARL and are annexed to these accounts.

22 **CONSOLIDATED ACCOUNTS**

The consolidated accounts of the Company and its subsidiary are annexed.

For and on behalf of the Board.

-- sd --

Abdus Sattar

Director

-- sd --

M. Adil Khattak

Chief Executive Officer

July 29, 2019

Dubai, United Arab Emirates



۲۱۔ ذیلی کمپنی (SUBSIDIARY COMPANY):

کمپنی بلا شرکت غیر ایک ذیلی کمپنی (Subsidiary Company) کی ملکیت رکھتی ہے جو "انک ہاسپٹل پرائیویٹ لمیٹڈ (AHL)" ہے۔
AHL کے اکاؤنٹس، انک ریفرنسری لمیٹڈ (ARL) کے اکاؤنٹس سے مربوط ہیں۔

۲۲۔ اشمال شدہ گوشوارے (CONSOLIDATED ACCOUNTS):

کمپنی اور اس کے ذیلی ادارے کے اشمال شدہ گوشوارے (Consolidated Accounts) کی تفصیل منسلک ہے۔

بورڈ کی جانب سے

-- sd --

ایم عادل عٹک

چیف ایگزیکٹو آفیسر

-- sd --

عبدالستار

ڈائریکٹر

۲۹ جولائی ۲۰۱۹

دبئی، متحدہ عرب امارات

۱۶۔ سال کے دوران بورڈ کمیٹیوں کے اجلاس:

زیرجائزہ سال میں بورڈ کمیٹیوں کے اجلاسوں کی تفصیل درج ذیل ہے:-

آڈٹ کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب شعیب اے ملک	۳	۳
۲۔	جناب عبدالستار	۴	۴
۳۔	جناب شمیم احمد خان	۴	۴
۴۔	جناب جی اے صابری	۴	۴
۵۔	جناب بابر بشیر نواز	۴	۴
۶۔	جناب طارق اقبال خان	۱	۱

انسانی وسائل و معاوضہ (HR&R) کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب شعیب اے ملک	۱	۱
۲۔	جناب جی اے صابری	۱	۱
۳۔	جناب جمیل اے خان	۱	۱
۴۔	جناب ایم عادل خٹک	۱	۱

۱۷۔ آڈیٹرز:

آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انھوں نے اگلے برس کے لیے اپنی خدمات کی پیش کش کی ہے۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی کی اگلے مالی سال کے لیے، جس کا اختتام ۳۰ جون ۲۰۲۰ کو ہو گا بطور آڈیٹرز تقرر کی سفارش کی ہے۔

۱۸۔ حصہ داران کی تفصیل (PATTERN OF SHAREHOLDING):

کمپنی کے کل حصہ داروں کی تعداد ۳۰ جون ۲۰۱۹ کو ۶,۹۹۶ تھی جبکہ گزشتہ برس ۳۰ جون ۲۰۱۸ کو یہ تعداد ۴,۴۷۵ تھی۔ حصہ داران کی تفصیل (Pattern of Shareholding) اس سالانہ رپورٹ کے ساتھ منسلک ہے۔ کمپنی کے حصص میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ان کے ازواج یا چھوٹے بچوں کی جانب سے کئے گئے ہر لین دین، اگر کوئی ہو، ان کی تفصیل رپورٹ کے ہمراہ منسلک ہے۔

۱۹۔ فی حصص منافع / (نقصان) {EARNINGS/ (LOSS) PER SHARE}:

خالص منافع کی بنیاد پر رواں برس کے لیے فی حصص نقصان ۵۰.۵۱ روپے ہے (۳۰ جون ۲۰۱۸: آمدن ۴۳.۵ روپے)

۲۰۔ محلوک کمپنی (HOLDING COMPANY):

"دی انک آئل کمپنی لمیٹڈ" جو انگلینڈ میں قائم کی گئی ہے، انک ریفرنسری کمپنی کی محلوک کمپنی (Holding Company) ہے۔

۱۴۔ کریڈٹ ریٹنگ:

کمپنی کی طویل المدت درجہ بندی (ریٹنگ) "AA" (ڈبل اے) جبکہ قلیل المدت درجہ بندی "A1+" (اے ون پلس) ہے۔ یہ درجہ بندی "پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA)" نے متعین کی ہے۔ اس درجہ بندی سے ظاہر ہوتا ہے کہ کمپنی کو کسی کریڈٹ رسک کا سامنا کرنے کا بہت کم امکان ہے جس کی بنیاد مالیاتی واجبات کی بروقت ادائیگی ہے۔

۱۵۔ ڈائریکٹرز اور سال کے دوران ہونے والے بورڈ کے اجلاس:

۱۵.۱۔ کمپنی کے ڈائریکٹرز اور ترتیب و تفصیل:

سال کے دوران مندرجہ ذیل افراد کمپنی کے ڈائریکٹرز تھے:

نمبر شمار	نام	مہدہ	جنس
۱۔	جناب لیث جی فرعون	نان ایگزیکٹو ڈائریکٹر	مرد
۲۔	جناب وائل جی فرعون	نان ایگزیکٹو ڈائریکٹر	مرد
۳۔	جناب شعیب اے ملک (چیئرمین)	نان ایگزیکٹو ڈائریکٹر	مرد
۴۔	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	مرد
۵۔	جناب جمیل اے خان	نان ایگزیکٹو ڈائریکٹر	مرد
۶۔	جناب شمیم احمد خان	خود مختار ڈائریکٹر	مرد
۷۔	جناب جی اے صابری	خود مختار ڈائریکٹر	مرد

۱۵.۲۔ سال کے دوران ڈائریکٹرز کے اجلاس:

زیر جائزہ سال میں بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے اور اس میں ڈائریکٹرز کی شرکت کچھ اس طرح تھی:-

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب لیث جی فرعون	۵	۵۵
۲۔	جناب وائل جی فرعون	۵	۵۵
۳۔	جناب شعیب اے ملک (چیئرمین)	۵	۵
۴۔	جناب عبدالستار	۵	۵
۵۔	جناب جمیل اے خان	۵	۵
۶۔	جناب شمیم احمد خان	۵	۵
۷۔	جناب جی اے صابری	۵	۵
۸۔	جناب ایم عادل خٹک (سی ای او)	۵	۵

* بیرون ملک مقیم ڈائریکٹرز نے اجلاس میں بذاتِ خود یا ان کی طرف سے متبادل ڈائریکٹر نے شرکت کی۔

۱۵.۳۔ پاکستان سے باہر منعقد ہونے والے اجلاس:

۳۰ جون ۲۰۱۹ کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے دو اجلاس، کمپنی کے عبوری اور سالانہ آڈٹ شدہ مالیاتی گواہیوں کی نظر ثانی کرنے اور منظوری کرنے کے لئے، ملک سے باہر منعقد ہوئے۔

- v- اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے روپہ عمل ہے جس کی مسلسل نگرانی بھی کی جاتی ہے۔
- vi- کمپنی کے قائم نہ رہنے کے حوالے سے کسی بھی قسم کا کوئی خدشہ نہیں پایا جاتا۔
- vii- کمپنی میں ”ضابطہ برائے کاروباری نظم و نسق“ میں بیان کردہ ضابطوں کی کوئی واضح خلاف ورزی سامنے نہیں آئی۔
- viii- گزشتہ برس کے انتظامی نتائج، مستقبل کے منصوبوں سے واضح انحراف اور قیمتوں کے تعین میں تبدیلی اگر کوئی ہوئی، کی نشاندہی اس ”بورڈ آف ڈائریکٹرز“ رپورٹ میں جہاں مناسب تھا، ذکر کیا گیا ہے۔
- ix- اپنی عمومی کاروباری سرگرمیوں کے لیے حکومت کو واجب الادا تمام رقوم جو ۳۰ جون ۲۰۱۹ کو واجب الادا تھیں اور جن کی مالیت ۳,۴۳۶ ملین روپے تھی، وہ سال کے اختتام کے بعد ادا کی جا چکی ہیں۔
- x- کارکنوں کے ریٹائرمنٹ فنڈ میں کی گئی سرمایہ کاری کل مالیت جو تازہ ترین غیر آڈٹ شدہ مالیاتی کھاتوں ۳۰ جون ۲۰۱۸ء کے اعداد و شمار سے مرتب کی گئی ہے، درج ذیل ہیں:-

روپے ملین میں	
۹۶۹	مینجمنٹ سٹاف پنشن فنڈ
۴۱۹	سٹاف پراویڈنٹ فنڈ
۴۸۵	جزل سٹاف پراویڈنٹ فنڈ
۵۲۸	گریجویٹ فنڈ

- xi- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۷ کے ریگولیشن نمبر ۲۰ کی شرط کو پورا کرنے کے لیے کمپنی اپنے تمام ڈائریکٹرز کو ۳۰ جون ۲۰۲۱ تک ڈائریکٹرز ٹریننگ پروگرام کی مقرر کردہ سرٹیفیکیشن کو یقینی بنائے گی۔ فی الوقت پانچ ڈائریکٹرز ایسے ہیں جو ڈائریکٹرز ٹریننگ پروگرام (DTP) سے استثنیٰ کے تقاضوں پر پورا اترتے ہیں جبکہ ایک ڈائریکٹر پہلے ہی پروگرام مکمل کر چکے ہیں باقی ایک ڈائریکٹر DTP کے تحت سرٹیفیکیشن مناسب وقت پر حاصل کر لیں گے علاوہ ازیں دو متبادل ڈائریکٹرز اور کمپنی کے چیف ایگزیکٹو آفیسر بھی DTP مکمل کر چکے ہیں۔
- xii- بورڈ اس بات کے لئے مسلسل کوشاں ہے کہ وہ اپنی اور بورڈ کمیٹیوں کی افادیت میں اضافہ کرے۔ ”ضابطہ برائے کاروباری نظم و نسق“ میں تجویز کردہ طریقہ کار کے مطابق بورڈ نے اپنی اور بورڈ کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کا انتظام کیا ہے۔ اس کے علاوہ بورڈ مسلسل کاروباری انتظام کے حوالے سے تازہ ترین پیش رفت سے خود کو آگاہ رکھتا ہے تاکہ انتظامی حوالے سے بہترین طریقہ کار اختیار کیا جاسکے۔
- xiii- بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی ایک پالیسی تشکیل دی ہے جس کی اہم خصوصیات میں شامل ہے کہ ہر ایک ڈائریکٹر بشمول متبادل ڈائریکٹر، بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کے لیے فیس بطور معاوضہ لینے کا حقدار ہوگا۔ اجلاس عام یا بورڈ کی کمیٹیوں کے اجلاس اور کمپنی کے کاروباری اجلاس میں شرکت کرنے کے لیے کوئی بھی معاوضہ نہیں دیا جائے گا۔
- xiv- کمپنی کے گزشتہ ۶ برس کے انتظامی و مالی امور سے متعلق اعداد و شمار منسلک ہیں۔
- علاوہ ازیں اس ضابطے پر عمل درآمد کا چیئر مین سے دستخط شدہ تعمیل کا بیان اس سالانہ رپورٹ کے ساتھ الگ سے شامل کیا گیا ہے۔

۱۲۔ تجارتی ایوارڈز اور اعترافات:

۱۲.۱۔ ایمپلائز فیڈریشن آف پاکستان ایوارڈ (Employees Federation of Pakistan Award):

ایمپلائز فیڈریشن آف پاکستان باقاعدگی کے ساتھ مختلف صنعتوں کے مابین پیشہ ورانہ صحت، ماحول اور کارکنان کے تحفظ کے اقدامات کے لیے مقابلوں اور ایوارڈ کا اعلان کرتی رہتی ہے۔ اس سال اے آر ایل نے پیشہ ورانہ سیفٹی اور صحت ایوارڈ ۲۰۱۸ میں EFP کے ۱۴ ویں بہترین پرفیکشن ایوارڈ برائے تیل، گیس اور توانائی کے شعبے میں دوسری پوزیشن حاصل کی ہے۔ اے آر ایل کی ایچ ایس ای ٹیم اس کامیابی پر تعریف کی مستحق ہے۔

۱۲.۲۔ یونائیٹڈ نیشنز گلوبل کمپیکٹ ایوارڈ (United Nations Global Compact Award):

یونائیٹڈ نیشنز گلوبل کمپیکٹ ایوارڈ ان عالمی کمپنیوں کو دیا جاتا ہے جو اقوام متحدہ کے گلوبل کمپیکٹ کے دس اصولوں کو اپنے کاروباری فلسفے کا حصہ بناتی ہیں اور ان اصولوں سے اپنی وابستگی ظاہر کرتی ہیں۔

UNGC کے دس اصولوں سے مطابقت کے اعتراف میں اے آر ایل نے بڑی قومی کمپنیوں کے زمرے میں "اقوام متحدہ کے گلوبل کمپیکٹ بزنس پائیداری ایوارڈ ۲۰۱۸" کا دوسرا انعام حاصل کیا۔

۱۲.۳۔ ۱۶واں سالانہ ماحولیاتی اعلیٰ ایوارڈ ۲۰۱۹ (16th Annual Environment Excellence Award 2019):

کمپنی نے ماحولیات اور صحت کے قومی فورم پر "۱۶واں سالانہ ماحولیاتی اعلیٰ ایوارڈ ۲۰۱۹" جیت لیا ہے۔ یہ ایوارڈ اے آر ایل کی صحت کے تحفظ اور ماحولیات کی ٹیم کے شاندار کام کا نتیجہ ہے۔

۱۳۔ ضابطہ برائے کاروباری نظم و نسق:

کمپنی کی انتظامیہ اور بورڈ آف ڈائریکٹرز بہترین کارپوریٹ مینجمنٹ کے اصولوں پر عمل کرنے پر یقین رکھتے ہیں اور اس کے لیے شفافیت اور افشائے حقائق پر زور دیتے ہیں۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور اس امر کے لیے کوشاں ہیں کہ ریفاہی کی سرگرمیوں اور کارکردگی کو اس طرح فروغ دیں کہ مالی و غیر مالی معاملات سے متعلق تمام معلومات کو قابل اعتماد، جامعیت اور شفافیت کے ساتھ مرتب اور پیش کیا جائے۔

کمپنی پوری طرح "ضابطہ برائے کاروباری نظم و نسق" پر عمل پیرا ہے اور قواعد و ضوابط کے مطابق درج ذیل مخصوص نکات پیش ہیں۔

- i۔ کمپنی کے حسابداری کے باقاعدہ کھاتے مرتب کیے جاتے ہیں۔
- ii۔ انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمدورفت اور کاروباری سرمائے میں ہونے والی تبدیلیاں۔
- iii۔ مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں جو منظور شدہ حسابداری کے معیارات سے مطابقت رکھتے ہیں جن کا پاکستان میں اطلاق ہوتا ہے۔ گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

iv۔ پاکستان میں لاگو "انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز" کو مالیاتی گوشواروں کی تیاری کے لیے بروئے کار لایا جاتا ہے۔ اگر کہیں ان کے سفارش کردہ ضوابط سے انحراف کیا جاتا ہے تو واضح طور پر اس کی بھی نشاندہی اور وضاحت کی جاتی ہے۔

۹.۲۔ تحریک و ترغیب اور حوصلہ افزائی کے اعزازات:

کارکنان کی بہترین صلاحیتوں سے کام لینے کو یقینی بنانے کے لئے انک ریفرنسز میں ہر سہ ماہی کے اختتام پر تقریبات کا اہتمام کیا جاتا ہے جس میں ہر شعبے کے بہترین کارکنان کو شیلڈ اور نقد انعامات سے نوازا جاتا ہے۔ کارکردگی کے یہ اعزازات بنیادی کارکردگی، تحفظ، دفتری صفائی ستھرائی اور ادارے کی بہتری جیسے شعبوں میں دیئے جاتے ہیں۔ اس کے علاوہ قرعہ اندازی کے ذریعے چار ملازمین کو شریک حیات کے ساتھ عمرے اور حج کے لیے چنا گیا جبکہ ایک غیر مسلم ملازم کو بھی شریک حیات کے ساتھ ان کے مذہبی مقدس مقامات کی زیارتوں کے لیے چنا گیا۔

۱۰۔ ادارہ جاتی ترقی:

۱۰.۱۔ کمپنی ویب سائٹ پر ملازمتوں کے مواقع کی اطلاع:

اے آرایل انتظامیہ نے ملازمین کی بھرتی کے عمل کو تیز کرنے کے لیے کمپنی کی ویب سائٹ پر بھی آن لائن ملازمتوں کے مواقع فراہم کئے ہیں تاکہ مطلوبہ مارکیٹ تک آسان رسائی حاصل ہو سکے۔ موجودہ سسٹم پر امیدواروں کو مختلف اسامیوں کے لیے اپنی درخواست / خدمات پیش کرنے میں آسانی ہوگی۔

۱۰.۲۔ ایچ آر (HR) کانفرنس:

اے آرایل افرادی قوت کی مجموعی ترقی کے عزم کا اعادہ کرتے ہوئے پچھلے کئی سالوں سے ایچ آر (HR) کانفرنس منعقد کر کے اپنے علم میں دوسروں کو شریک کرنے کا پلیٹ فارم مہیا کرتی ہے جس میں مختلف شعبہ جات کے اداروں کے افراد قوت کے ماہرین کو مدعو کیا جاتا ہے۔

۲۵ اپریل ۲۰۱۹ کو بہترین نتائج کا حصول اور افرادی قوت کی ترجیحی تربیت (Leveraging HR to achieve Excellence) کے موضوع پر ایچ آر (HR) کانفرنس منعقد ہوئی۔ جس میں صنعتوں اور تعلیمی شعبے سے تعلق رکھنے والی ۳۰ سے زائد تنظیموں کے مقررین اور شرکاء بھی موجود تھے۔ اس کانفرنس کا مقصد ایک دوسرے کو اپنے علم میں شریک کرنا اور کاروبار کے موجودہ چیلنج سے بھرپور اور متحرک ماحول میں افرادی وسائل کے ماہرین کو درپیش چیلنجز کو بہتر طریقے سے سمجھنا تھا۔ اس کانفرنس کے دوران افرادی وسائل کے ماہرین کی طرف سے مختلف انتظامی پہلوؤں پر مقالے پیش کیے گئے اور خیالات کا تبادلہ بھی کیا گیا۔

۱۰.۳۔ سی بی اے (CBA) معاہدہ ۱۹-۲۰۱۷:

اس سال کے دوران اے آرایل کی انتظامیہ اور سی بی اے کے درمیان سی بی اے چارٹر آف ڈیمانڈ (CBA Charter of Demand) پر مذاکرات کامیابی سے مکمل ہو گئے ہیں۔

۱۱۔ تجارتی اور سماجی ذمہ داری:

کمپنی نے اپنی تجارتی و سماجی ذمہ داری (Corporate Social Responsibility) (CSR) کو پورا کرنے کے لئے مزید کئی اقدامات جاری رکھے ہوئے ہیں۔ ان سرگرمیوں کی تفصیلات بھی سالانہ رپورٹ کے ایک الگ حصے میں درج ہیں۔ کمپنی کو ان ذمہ داریوں کو نبھانے کی اپنی طویل تاریخ پر فخر ہے۔

۸۔ ریفاٹری کی وسعت اور تجدید کے منصوبے:

ریفاٹری کو جن چیلنجوں کا سامنا ہے، ان میں ملک کے شمال میں خام تیل کی پیداوار میں مسلسل اضافہ اور پیداواری تصریحات میں مزید بہتری شامل ہیں۔

پی ایم جی پُول اوکٹین (PMG Pool Octane) کی تصریحات کو مزید بہتر بنانے کے لئے اضافی اوکٹین (Octane) بڑھانے اور نیفٹھا ایکسپورٹ (Naphtha Export) کو ختم کرنے کے لیے کاتھینوس کیٹلیٹک ریفاورمر (CCR) (Continuous Catalytic Reformer) لگانے کا منصوبہ اے آر ایل کے وسعت کے منصوبوں میں شامل ہے۔ اس سلسلہ میں لائسنس فرنٹ اینڈ انجینئرنگ ڈیزائن (Front End Engineering Design) (FEED) / بیسک انجینئرنگ ڈیزائن پیکیج (BEDP) (Basic Engineering Design Package) کا ٹھیکہ میسرز ہنی ویل یو او پی، یو ایس اے (M/s Honeywell UOP, USA) کو دے دیا گیا ہے اس پر کام جاری ہے اور بیسک انجینئرنگ ڈیزائن پیکیج (BEDP) نومبر ۲۰۱۹ تک مکمل ہو جائے گا۔

فرنس فیول آئل کی پیداوار کو کم کرنے کیلئے اور قدر میں اضافہ والی مصنوعات میں اضافہ کے سلسلہ میں باٹم آف بیرل (Bottom of Barrel) کی ٹیکنالوجی کے چناؤ کی غرض سے ایک اسکوپنگ اسٹڈی (Scoping Study) شروع کی گئی ہے۔ یہ کام میسرز ہنی ویل یو او پی، یو ایس اے (M/s Honeywell UOP, USA) کو دیا گیا ہے جو کہ اکتوبر ۲۰۱۹ تک مکمل ہو جائے گا۔

اے آر ایل کا منصوبہ ہے کہ ایک اعلیٰ قسم کی ڈیپ کنورژن (Deep Conversion) گرین فیلڈ ریفاٹری کی تنصیب کی جائے جس کی گنجائش ۵۰,۰۰۰ بیرل فی دن ہو۔ تاہم اس کا انحصار شمال سے خام تیل کی مسلسل فراہمی اور حکومت کی سرمایہ کاری کے لیے سازگار پالیسیوں کے اعلان پر ہے۔

مندرجہ بالا تمام منصوبوں کا انحصار مقامی خام تیل کی پائیدار دستیابی، خام تیل کے مناسب معیار، پٹرولیم مصنوعات کی طلب و رسد کی صورت حال، ملک میں موجودہ / مستقبل کی مصنوعات کی تصریحات کی دستیابی اور حکومت کی پالیسیوں پر ہے۔

۹۔ انسانی وسائل کی ترقی:

کمپنی انسانی وسائل کو اپنا سب سے قیمتی اثاثہ تصور کرتی ہے اور اس کے لیے پُر عزم ہے کہ تمام کارکنان کو یکساں عزت اور احترام دیا جائے اور ایسا ماحول تشکیل دیا جائے جہاں ہر کارکن کی خدمات کو تسلیم کیا جائے اور اس کی حوصلہ افزائی کی جائے۔ اپنے انسانی وسائل کو ترقی دینے کے لیے کمپنی نے جو اقدامات کیے ہیں، ان کا خلاصہ پیش کیا جا رہا ہے:-

۹.۱ ملازمین کی ترقی اور تربیت:

اے آر ایل میں ملازمین کی ترقی و تربیت کمپنی کے اس مقصد کو اجاگر کرتی ہے کہ ایک ایسی افرادی قوت تیار کی جائے جو ادارے کی ثقافت اور ماحول کو سمجھتے ہوں اور معیار اور اقدار پر عمل پیرا ہوں۔ اس دائرہ کار میں اے آر ایل نے ایک ایسا تربیتی پروگرام ترتیب دیا ہے جو کہ فرائض کی ادائیگی کے ساتھ ساتھ تربیت جس کے اندر اعلیٰ درجے کا آپریٹر ٹریننگ سیمولٹر (OTS) کا استعمال بھی شامل ہے۔ اس کے علاوہ ہماری تربیت کے طریقہ کار کے تحت ہمارے ملازمین ملک کے اندر اور ملک کے باہر تربیتی پروگرامز اور کانفرنسز میں بطور اسپیکر اور شرکاء حصہ لیتے ہیں۔ تربیتی منصوبہ ہماری کارکردگی کی انتظامی حکمت عملی کا ایک حصہ ہے اور اس میں تربیتی ضرورت کے جائزے، عملے کے پیشہ دارانہ منصوبے، ماتحت عملے کی تیاری اور دیگر تنظیمی ضروریات کو مد نظر رکھا جاتا ہے۔

۴۔ کمپنی کے کاروبار کے ماحول پر اثرات:

کمپنی صحت مند ماحول کو برقرار رکھنے کی ذمہ داری سے مکمل طور پر آگاہ ہے۔ کمپنی نے توانائی کے انتظام، پانی کے تحفظ، حیاتیاتی تنوع اور وسائل کی استعداد کے تحفظ کے لیے کئی ضابطے / طریقے کار لاگو کیے ہیں تاکہ ماحول پر مرتب ہونے والے منفی اثرات پر قابو پانے اور کم کرنے کے حتمی مقصد کو حاصل کیا جاسکے۔ یہ تمام اقدامات ماحول کی آلودگی پر قابو پانے اور اثرات کم کرنے کے سلسلہ میں کمپنی کے مضبوط عزم کا اعادہ کرتے ہیں۔ توانائی کے انتظام کے معیار ISO-5000 پر عمل درآمد، پانی کی صفائی کے پلانٹ کی تجدید اور پانی کے تحفظ کے اقدامات جیسے پانی کے قطروں سے آبپاشی، گندے پانی کو دوبارہ قابل استعمال بنانا وغیرہ سے ماحول کے تحفظ کے لیے ہمارے مسلسل عزم کا اظہار ہوتا ہے۔ اس ضمن میں کمپنی کی کوششوں کے اعتراف میں متعلقہ فورمز پر معتبر ایوارڈ دیے گئے ہیں۔

۵۔ قیمتوں کے تعین کا طریقہ:

کمپنی کی پٹرولیم مصنوعات کی قیمتوں کا تعین ”درآمدی قیمت سے برابری کا فارمولہ“ (Import Parity Pricing Formula) اور حکومت کی طرف سے اس میں کی گئی وقتاً فوقتاً ترامیم کی بنیاد پر کیا جاتا ہے۔ اس فارمولے کے تحت خام تیل کی قیمت کا تعین درآمدی قیمت کی بنیاد پر کیا جاتا ہے۔ تیار کردہ مصنوعات کی قیمت درآمدی قیمت کے مقررہ ضابطوں کے تحت مقرر کی جاتی ہیں۔ حکومت کی دیگر ہدایات کے ساتھ ساتھ ریفرنسز یکم جولائی ۲۰۰۲ء تک کے سرمایہ حصص سے ۵۰ فیصد سے زیادہ منافع کو ریفرنسز کے توسیع و جدت کے لیے ”سپیشل ریزرو اکاؤنٹ“ میں منتقل کریں گی۔

ریفرنسز نے مصنوعات کی تصریحات میں ہونے والی اچانک تبدیلی، شرح مبادلہ کی مد میں نقصانات اور قیمتوں کے تعین کے نظام سے متعلق حکومت کے ساتھ بعض مسائل اٹھائے ہیں۔

۶۔ سرمایہ حصص (Share Capital):

کمپنی کے ۳۰ جون ۲۰۱۹ء تک جاری کردہ، وصول کردہ اور ادا شدہ سرمایہ کا حصہ ۱,۰۶۶.۱۶۳ ملین روپے تھا۔ قیمتوں کے تعین کے فارمولے کے مطابق ریفرنسز آپریشنز سے زیادہ سے زیادہ دستیاب منافع کی رقم یکم جولائی ۲۰۰۲ء تک ادا شدہ سرمایہ ۲۹۱.۶ ملین روپے کے ۵۰ فیصد کے مساوی رقم سے زیادہ تقسیم نہیں ہو سکتی۔

کمپنی کی انتظامیہ نے یہ معاملہ کئی سطحوں پر حکومت کے سامنے پیش کیا اور یہ سفارش کی کہ منافع میں حصہ کی ادائیگی پر حد کی پابندی ختم کی جانی چاہیے یا کم از کم اسے موجودہ ادا شدہ سرمایہ کے حصے کی بنیاد پر مقرر کیا جانا چاہیے جس میں وقتاً فوقتاً نظر ثانی کی جاتی ہے۔

۷۔ اہم خطرات اور غیر یقینی عوامل:

قیمتوں کے حالیہ تعین کے فارمولے کے تحت کمپنی پٹرولیم مصنوعات، خام تیل کی قیمتوں کے منفی اتار چڑھاؤ اور شرح مبادلہ کی مد میں نقصان کے خطرے سے دوچار ہے۔ حکومت کا ملک میں فرنس آئل سے چلنے والے کارخانوں کو بند کرنے کا یا فرنس آئل کے استعمال کو محدود کرنے کے فیصلہ نے کمپنی کو فرنس آئل کی فروخت نہ ہونے کے ممکنہ خدشات سے دوچار کیا ہے۔ کمپنی نے حکومت کے سامنے یہ معاملہ اٹھایا ہے اور ایک ایسی ریفرنسنگ پالیسی کی تیاری اور اس پر عملدرآمد پر زور دیا ہے جو تمام شراکت داروں کے مفاد کا خیال رکھ سکے۔ کمپنی کے کاروبار سے منسلک مالیاتی خطرات اور ان خطرات پر قابو پانے سے متعلق تفصیلات کو اکاؤنٹس کے نوٹ ۴۰.۳ میں تفصیل سے بیان کیا گیا ہے۔

۲.۲۔ بونس حصص / منافع کا تصرف:

دوران سال کمپنی کو خسارہ ہونے کی وجہ سے بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ حالیہ سال کیلئے نقد منافع یا بونس شیئرز کیلئے سفارش نہ کی جائے (جون ۲۰۱۸: ۲۵% فیصد بونس حصص)۔

۳۔ اہم سرگرمیاں، ترقی و کارکردگی:

موجودہ مالی سال کے دوران کمپنی کی اہم کاروباری سرگرمیاں، ترقی اور کارکردگی مندرجہ ذیل تھیں:

۲۰۱۶ میں کمپنی کے توسیعی منصوبے کی کامیاب شروعات کے بعد ریفاٹری کمپلیکس کی پہلی مکمل بندش برائے ضروری مرمت و تہدیلی ۳۰ دن کیلئے جون ۲۰۱۹ میں شروع ہوئی۔ ریفاٹری بندش کیلئے کمپنی کے مختلف شعبوں کی جانب سے قدم بہ قدم تفصیلی منصوبہ بندی کی ضرورت تھی۔ وسائل کے انتظام کے علاوہ خام تیل کا ذخیرہ اور مصنوعات کی ترسیل بہت اہم عوامل تھے۔ جن کے لیے ریفاٹری کی بندش کے دوران خام تیل کی ترسیل کی منصوبہ بندی وزارت توانائی (پیٹرولیم ڈویژن) اور خام تیل مہیا کرنے والے اداروں کی باہمی مشاورت کے ذریعے کی گئی۔ دوران بندش پیٹرولیم مصنوعات کی دستیابی کے تخمینے بنائے گئے اور وزارت توانائی کو مہیا کیے گئے تاکہ مصنوعات کی برآمد کے انتظامات کی بہتر منصوبہ بندی کی جا سکے۔ ریفاٹری بندش سے متعلق تمام مقاصد کے کامیاب حصول کے بعد ریفاٹری کے تمام یونٹس اپنے معمول کی سرگرمی کیلئے تیار ہو گئے ہیں۔

اس سال کے دوران، ریفاٹری کی استعداد کا مجموعی استعمال تقریباً ۹۳ فیصد تھا (۳۰ جون ۲۰۱۸: ۹۴ فیصد)۔ حکومت کانٹک میں فرنس آئل سے چلنے والے بجلی کے پلانٹس کو بند کرنے کے فیصلہ کی وجہ سے کمپنی کو فرنس آئل کے اسٹاک میں اضافے اور ذخیرہ کرنے کی گنجائش میں کمی جیسے معاملہ سے نمٹنے کیلئے ریفاٹری کو مجبوراً کم پیداواری سطح پر چلانا پڑا۔ کمپنی نے حکومت کو اس ضمن میں جنم لینے والے ممکنہ طویل المدتی مسائل سے آگاہ کر دیا ہے اور اُمید ہے حکومت اس سلسلہ میں مناسب دادرسی کے اقدامات کرے گی۔

زیر جائزہ سال کے دوران ریفاٹری کی پیداوار ۲.۲۶۸ ملین ٹن رہی (جون ۲۰۱۸: ۲.۲۷۹ ملین ٹن)۔ ملک کے شمالی علاقے سے نکالے جانے والے تمام خام تیل کا بڑا حصہ، جس میں بعض تیل کے کنوؤں کی اضافی پیداوار بھی شامل رہی، اس ریفاٹری پر صاف کیا گیا ہے۔

مجموعی طور پر ۲.۲۷۲ ملین ٹن خام تیل (جون ۲۰۱۸: ۲.۲۷۱ ملین ٹن) مختلف کنوؤں سے حاصل کر کے منتھارا اور صاف کیا گیا۔ آپ کی کمپنی کو یہ منفرد مقام حاصل ہے کہ یہ پورے ملک سے آنے والے ہلکے اور بھاری دونوں اقسام کے خام تیل کو منتھارا اور صاف کر سکتی ہے۔

خام تیل کو منتھارنے والے تمام یونٹس بالکل درست حالت میں کام کر رہے ہیں۔ کمپنی نے اس سال ۲.۲۱۰ ملین ٹن (جون ۲۰۱۸: ۲.۲۱۳ ملین ٹن) مختلف پیٹرولیم مصنوعات فراہم کیں جو سب کی سب طے کردہ معیارات کی تصریحات کے عین مطابق تھیں۔

کمپنی ریفاٹری آپریشنز میں زیادہ سے زیادہ تحفظ اور بہتر کارکردگی کو یقینی بنانے اور مصنوعات کی تصریحات میں بہتری لانے کے لیے کاروباری طریقہ ہائے کار کو بہتر بنانے کے لیے ہمیشہ عملی طور پر پُر عزم رہتی ہے۔ اس سلسلے میں مختلف کام اور سرگرمیاں انجام دی گئی تھیں۔ کاروباری عمل کی ری انجینئرنگ، تحقیق اور ترقی کے سلسلے میں تفصیلات سالانہ رپورٹ کے ایک علیحدہ حصے میں دی گئی ہیں۔

ڈائریکٹرز کی رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی ۴۱ ویں سالانہ رپورٹ جو ۳۰ جون ۲۰۱۹ کو اختتام پذیر ہونے والے مالی سال کے لیے آؤٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ پر مشتمل ہے پیش کر رہے ہیں۔

۱۔ مالیاتی نتائج:

مالی سال ۱۹-۲۰۱۸ کے دوران کمپنی کو ریفرنسری سرگرمیوں سے ۶,۵۴۱ ملین روپے کا نقصان ہوا (۳۰ جون ۲۰۱۸: ۱,۰۱۳ ملین روپے کا نقصان) جبکہ غیر ریفرنسری ذرائع سے ہونے والی آمدن ۱,۱۵۶ ملین روپے رہی (۳۰ جون ۲۰۱۸: ۱,۵۹۲ ملین روپے) اس طرح موجودہ سال کیلئے خالص خسارہ ۵,۳۸۵ ملین روپے رہا (۳۰ جون ۲۰۱۸: ۵,۷۹۷ ملین روپے منافع) نتیجتاً فی حصص نقصان ۵۰.۵۱ روپے رہا (۳۰ جون ۲۰۱۸: ۵.۴۳ روپے فی حصص آمدن)۔

خام مال کی بین الاقوامی قیمتوں میں ناسازگار اتار چڑھاؤ، پاکستانی روپے کی قدر میں بڑے پیمانے پر کمی اور شرح سود میں اضافہ خسارے کے بڑے عوامل تھے یہ سارے عوامل کمپنی انتظامیہ کے اختیار میں نہ تھے۔ بڑے پیمانے پر پاکستانی روپے کی قدر میں غیر معمولی کمی کی وجہ سے کمپنی کو شرح تبادلہ کی مد میں ۴,۷۴۰ ملین روپے کا نقصان ہوا۔ اخراجات کی تفصیل مالیاتی گوشواروں میں مہیا کر دی گئی ہے۔ ان تمام ناموافق عوامل کے باوجود، کمپنی نے طویل المدتی قرض کی اقساط، خام تیل کے سپلائرز کی ادائیگیاں اور حکومتی ٹیکس وغیرہ کی ادائیگی سمیت تمام مالی ادائیگیوں کو بروقت پورا کیا۔

۲۔ اختصام اور منافع کا تصرف:

۲.۱۔ اختصام:

۲۰۱۸	۲۰۱۹	
روپے (ہزار میں)		
۵۷۸,۹۷۸	(۵,۳۸۵,۲۳۹)	ٹیکس کی ادائیگی کے بعد منافع
(۱۲۹,۷۷۷)	(۲۵,۷۸۴)	منفی: دیگر جامع نقصان
۴۴۹,۲۰۱	(۵,۴۱۱,۰۴۳)	
۹,۶۹۷,۷۸۶	۱۰,۳۹۸,۶۴۴	غیر منقسم منافع (پچھلے سال کا)
۱۰,۱۴۶,۹۸۷	۴,۹۸۷,۶۰۱	دستیاب منافع برائے اختصام
		اختصام:
۱,۰۱۲,۵۵۸	۱,۰۳۳,۲۵۵	توسیع / جدت پسندی کے لیے خصوصی مختص شدہ فنڈ (کو) سے منتقل شدہ رقم
		دوران سال اور شدہ نقد منافع:
(۵۱۱,۷۵۸)	-	برائے سال ۱۷-۲۰۱۶ شرح ۶۰٪ (۶ روپے فی حصص)
		دوران سال بونس حصص کا اجراء:
-	(۲۱۳,۲۳۳)	برائے سال ۱۸-۲۰۱۷ شرح ۲۵٪
(۲۴۹,۱۴۳)	-	IFRS 9 کو اپنانے کی وجہ سے اکاؤنٹنگ پالیسیز میں تبدیلی کے اثرات
۱۰,۳۹۸,۶۴۴	۵,۸۰۷,۶۴۴	غیر منقسم منافع

Financial Statistical Summary

Attock Refinery Limited

Rupees in million

	2019	2018	2017	2016	2015	2014
TRADING RESULTS						
Sales (Net of Govt. Levies)	176,754.54	129,588.62	101,386.94	66,564.92	128,905.43	175,067.85
Reimbursement from/(to) Government	-	7.95	24.85	-	-	-
Turnover	176,754.54	129,596.57	101,411.79	66,564.92	128,905.43	175,067.85
Cost of sales	180,815.67	130,675.23	97,078.92	67,466.75	128,352.37	174,930.91
Gross (loss)/profit	(4,061.13)	(1,078.66)	4,332.87	(901.83)	553.06	136.94
Administration and distribution cost	740.48	695.28	644.07	571.08	539.04	469.43
Other income	2,779.99	1,977.48	1,434.22	927.38	1,349.64	1,764.18
Non-Refinery income	1,155.87	1,591.54	1,714.33	1,519.74	1,409.45	1,847.12
Operating (loss)/profit	(865.76)	1,795.08	6,837.35	974.21	2,773.11	3,278.81
Finance cost and other charges	6,770.21	2,819.03	1,465.80	162.68	397.06	104.61
(Loss)/profit before tax	(7,635.97)	(1,023.95)	5,371.55	811.53	2,376.05	3,174.20
Taxation	(2,250.73)	(1,602.93)	(42.11)	(4.82)	561.81	630.81
(Loss)/profit after tax	(5,385.24)	578.98	5,413.66	816.35	1,814.24	2,543.39
Dividend	-	-	(511.76)	(426.47)	(426.47)	-
Transfer from/(to) special reserves	1,033.26	1,012.56	(3,553.53)	-	(259.00)	(550.48)
STATEMENT OF FINANCIAL POSITION SUMMARY						
Paid-up Capital	1,066.16	852.93	852.93	852.93	852.93	852.93
Reserves	22,193.29	28,767.54	30,227.19	24,399.35	25,445.05	25,551.55
Unappropriated Profit brought forward	10,398.64	9,697.79	8,300.70	7,937.28	6,528.17	4,753.55
Shareholders' funds	33,658.09	39,318.26	39,380.82	33,189.56	32,826.15	31,158.03
Financing facilities (Long term including current portion)	10,181.42	14,842.92	19,872.17	15,163.68	11,658.99	480.69
Property, plant & equipment (less depreciation)	31,145.02	33,239.76	35,356.80	34,965.03	31,571.32	16,858.66
Net current assets	(7,321.81)	4,110.24	7,902.64	(1,102.24)	(1,397.99)	1,260.78
CASH FLOW SUMMARY						
Cash flows from operating activities	2,304.92	7,353.16	7,156.81	(2,727.70)	399.96	1,438.58
Cash flows from investing activities	2,596.49	2,491.91	1,963.22	(172.69)	(11,832.72)	(1,453.25)
Cash flows from financing activities	(11,275.19)	(8,542.68)	2,826.74	1,887.58	10,859.03	276.64
Increase/(decrease) in cash and cash equivalents	(6,373.77)	1,302.39	11,946.77	(1,012.81)	(573.72)	261.97
PROFITABILITY RATIOS						
Gross profit ratio %	(2.30)	(0.83)	4.27	(1.35)	0.43	0.08
Net profit ratio %	(3.05)	0.45	5.34	1.23	1.41	1.45
EBITDA margin to sales %	(1.70)	2.55	8.78	1.71	2.07	2.00
Operating leverage ratio Time	(23.87)	(3.21)	11.32	1.26	0.96	(0.17)
Return on equity %	(16.00)	1.47	13.75	2.46	5.53	8.16
Return on capital employed %	(10.99)	1.02	10.06	1.76	4.77	8.71
LIQUIDITY RATIOS						
Current ratio Time	0.88	1.08	1.23	0.96	0.96	1.04
Quick/acid test ratio Time	0.66	0.82	1.00	0.65	0.72	0.69
Cash to current liabilities Time	0.27	0.45	0.63	0.35	0.29	0.31
Cash flow from operations to sales Time	0.01	0.06	0.07	(0.04)	-	0.01
ACTIVITY/TURNOVER RATIOS						
Inventory turnover ratio Time	18.26	16.86	15.63	10.16	14.16	15.02
No. of days in inventory Days	20	22	23	36	26	24
Debtor turnover ratio Time	11.25	12.05	14.16	8.41	11.63	14.31
No. of days in receivables Days	32	30	26	44	31	26
Creditor turnover ratio Time	5.55	5.75	5.88	3.64	5.87	8.36
No. of days in payables Days	66	63	62	101	62	44
Total assets turnover ratio Time	1.70	1.35	1.11	0.88	1.60	2.59
Fixed assets turnover ratio Time	5.68	3.78	2.87	1.90	4.08	10.38
Operating cycle	(14)	(11)	(13)	(21)	(5)	6

		2019	2018	2017	2016	2015	2014
INVESTMENT / MARKET RATIO							
Earnings/(loss) per share (EPS)	Rs	(50.51)	5.43	63.47	9.57	21.27	29.82
(on shares outstanding at 30 th June)							
Dividend	%	-	-	60	50	50	-
Cash dividend per share	Rs	-	-	6.00	5.00	5.00	-
Bonus share issue	%	-	25	-	-	-	-
Bonus share issue	Rs	-	213.23	-	-	-	-
Price earning ratio*	Time	(1.53)	31.71	6.03	29.27	10.74	7.12
Price to book ratio	Time	0.08	0.18	0.36	0.32	0.24	0.27
Dividend yield ratio	%	-	-	1.57	1.78	2.19	-
Dividend cover ratio	Time	-	-	10.58	1.91	4.25	-
Dividend payout ratio	%	-	-	9.45	52.25	23.51	-
Break-up value (Rs per share) without surplus							
on revaluation of freehold land	Rs	202.65	319.67	320.40	262.36	258.10	238.54
Break-up value (Rs per share) with surplus on							
revaluation of freehold land	Rs	315.69	460.98	461.71	389.12	384.86	365.31
Break-up value (Rs per share) with investment							
in related party	Rs	315.69	460.98	461.71	389.12	384.86	365.31
Highest market value per share during the year	Rs	235.52	430.88	508.16	288.77	235.11	272.81
Lowest market value per share during the year	Rs	74.17	187.05	294.14	188.67	146.48	173.85
Market value per share at 30 th June	Rs	77.27	215.31	382.58	280.14	228.45	212.29
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Time	0.30	0.38	0.50	0.46	0.36	0.02
Debt to equity ratio	%	23 : 77	27 : 73	34 : 66	31 : 69	26 : 74	2 : 98
Weighted average cost of debt	%	7.07	5.54	5.41	6.77	7.61	7.81
Interest cover ratio	Time	(2.97)	0.48	5.42	-	-	-

* The price earning ratio is without the effect of bonus issue.

RATIO ANALYSIS



PROFITABILITY RATIOS

There was a decline in profitability ratios of the company due to unfavourable fluctuations in international prices of Petroleum Products as well as decline in Refinery's throughput during the year.



LIQUIDITY RATIOS

There was a slight decline in liquidity ratios of the Company due to continuous increase in the prices of crude oil and devaluation of Pak Rupee.



ACTIVITY/TURNOVER RATIOS

There was a slight improvement in certain areas like Assets and Inventory turnover ratios, but overall the turnover ratios have deteriorated indicating prevailing Economic conditions.



INVESTMENT/MARKET RATIOS

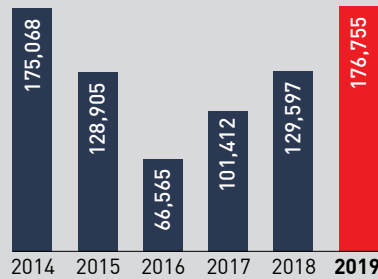
A decline in overall profitability of the company resulted in reduction in Market/Investment Ratios. Substantial exchange loss due to devaluation of Pak Rupees added to the aggrieved situation.

Financial Highlights

Attock Refinery Limited

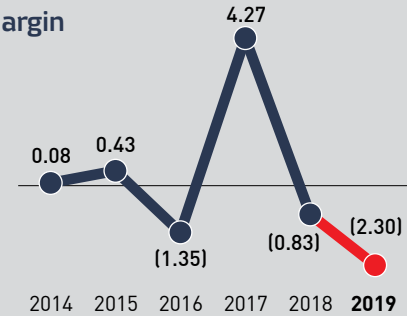
Net Sales

(Rs in million)



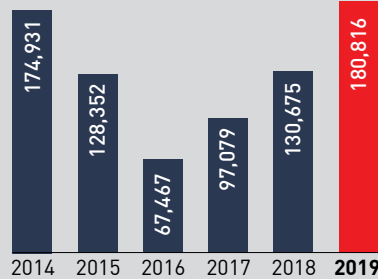
Gross Profit Margin

(In Percentage)



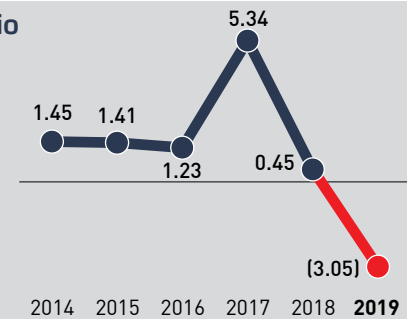
Cost of Sales

(Rs in million)



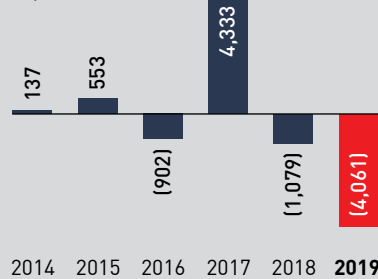
Net Profit Ratio

(In Percentage)



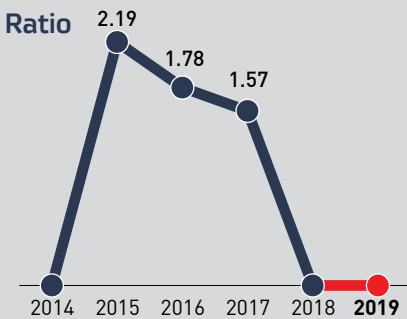
Gross Profit/(Loss)

(Rs in million)



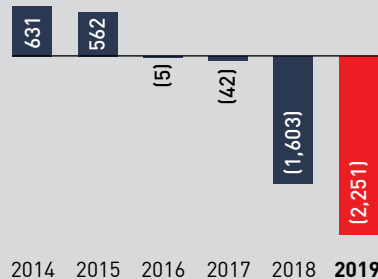
Dividend Yield Ratio

(In Percentage)



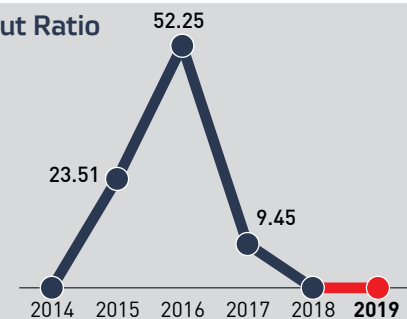
Provision for Taxation

(Rs in million)



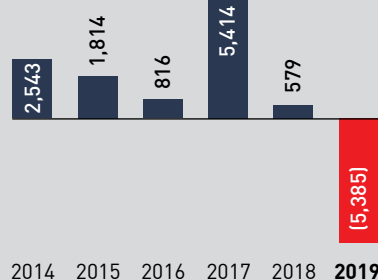
Dividend Payout Ratio

(In Percentage)



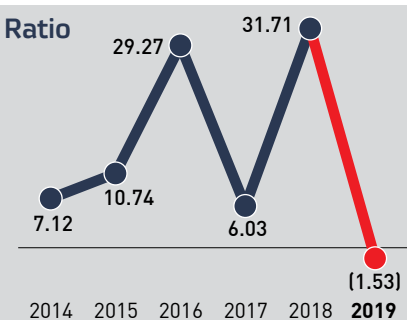
Profit/(loss) after Tax

(Rs in million)



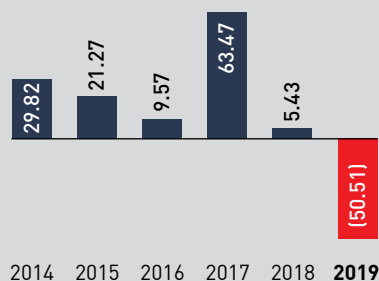
Price Earnings Ratio

(In Percentage)



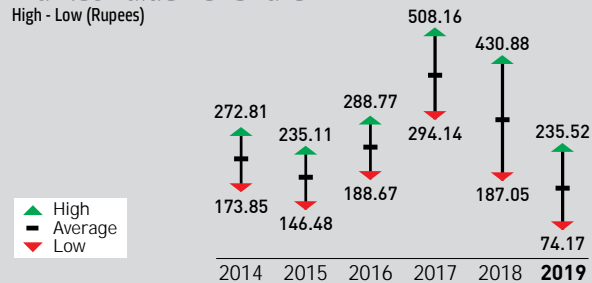
Earnings/(loss) Per Share

(Rupees)



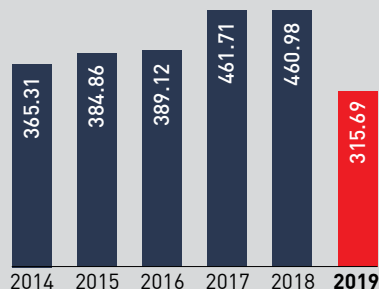
Market Value Per Share

High - Low (Rupees)



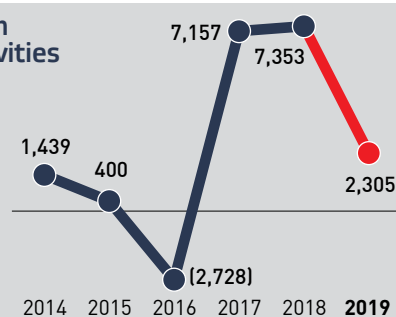
Break-Up Value

(Rs per share)



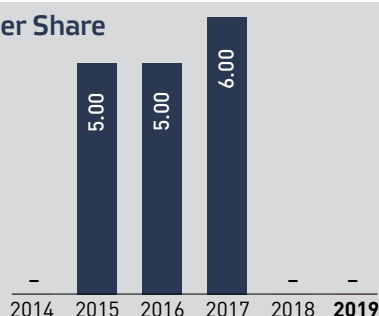
Cash Flow from Operating Activities

(Rs in million)



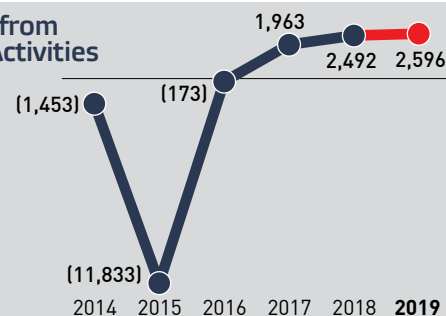
Cash Dividend per Share

(Rupees)



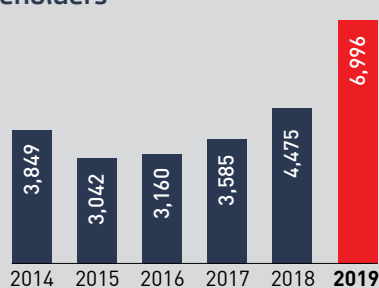
Cash Flow from Investing Activities

(Rs in million)



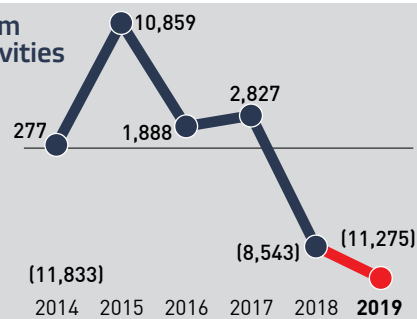
Number of Shareholders

(Numbers)



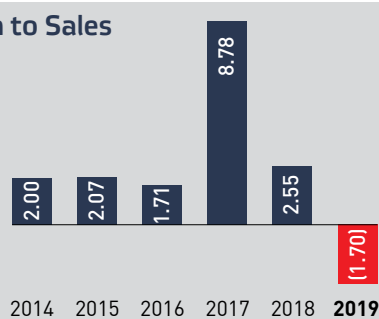
Cash Flow from Financing Activities

(Rs in million)



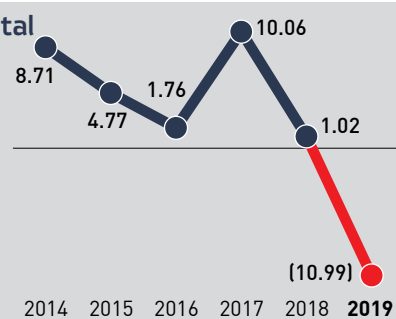
EBITDA - Margin to Sales

(In Percentage)



Return on Capital Employed

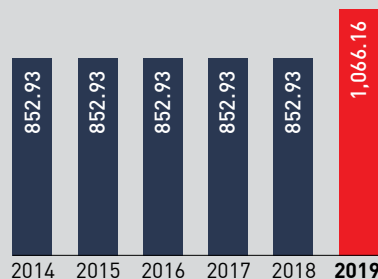
(In Percentage)



Financial Highlights - Attock Refinery Limited

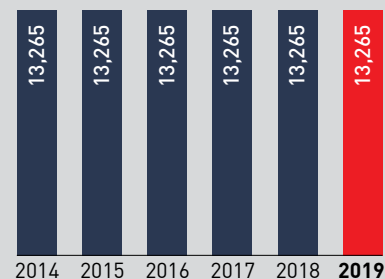
Paid up Capital

(Rs in million)



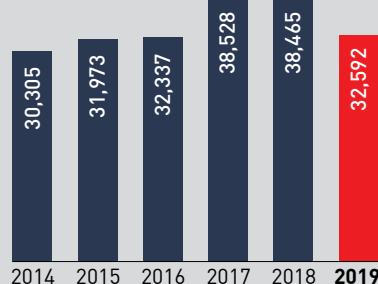
Long Term Investments

(Rs in million)



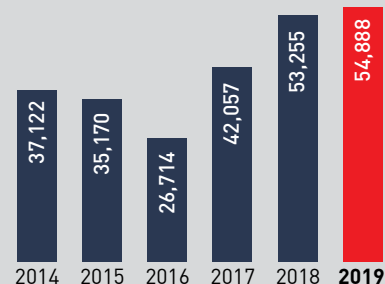
Reserves

(Rs in million)



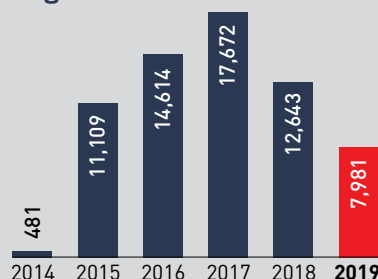
Current Assets

(Rs in million)



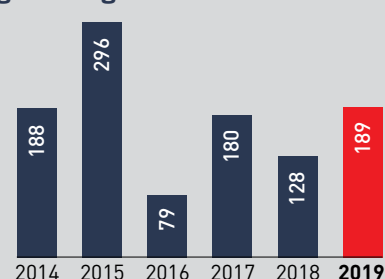
Long Term Financing

(Rs in million)



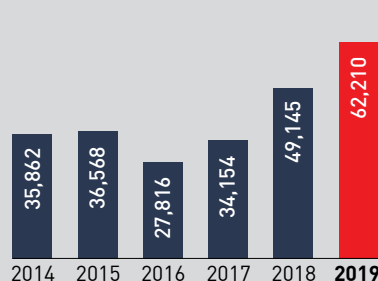
Foreign Exchange Saving

(US\$ in million)



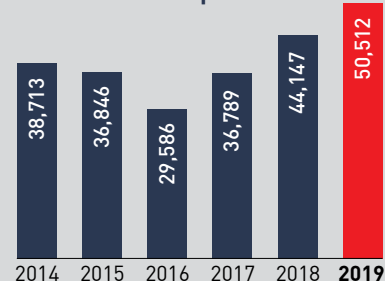
Current Liabilities

(Rs in million)



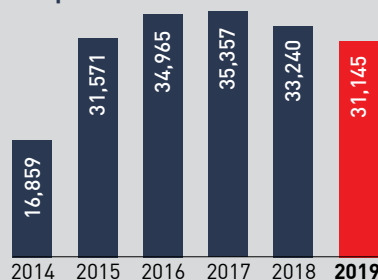
Contribution to National Exchequer

(Rs in million)



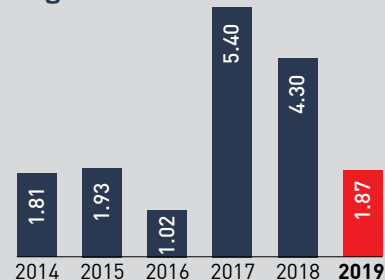
Fixed Assets less Depreciation

(Rs in million)



Gross Refinery Margin

(US\$ per Barrel)



Share Price Sensitivity Analysis



The Shares of Attock Refinery Limited have been historically viewed as a safe and stable investment, though the recent market recession and weak position of National Economy had a negative influence on the price of the company's shares.

The Share price varied from a minimum of Rs 74.17 per share to a maximum of Rs 235.52 per share during the year.

The company's impetus towards sustained growth along with signs of stability in macroeconomics factors, may lead to a stable Share price in future. Alternatively, this can be further affected by the following factors:

Exchange Losses

The company is required to pay a proportion of Crude Price in US dollars payable at the exchange rate prevailing at the time of payment. There is a time lag between the receipt of Crude and the actual payment. This result in substantial exchange losses because of consistent fall in value of Pak Rupee.

Inventory Gains/Losses

Ideally, the downstream industries and especially the Refineries should not be affected by the variation in oil prices, as their profits are dependent upon the Refining Margins. However, the variation in oil prices affects the prices of inventories and hence affects the profitability of the Company. Downward trend leads to inventory losses while an increasing trend positively impacts the profitability.

Sales Volume

Operating in an industry where margins are fixed, the profitability of the Company is highly dependent on sales volume which ultimately also affects the share price. Increase in economic activity will lead to increased sales and ultimately reflected on the net profit and share price of the Company.

Government Policies

Government Policies impact the whole business arena adversely or otherwise. Any positive or negative decision by the Government would impact the Company's financial performance.

Analysis of Financial Statements

Attock Refinery Limited

ANALYSIS OF FINANCIAL POSITION

Share capital and Reserve:

Equity showed a downward trend as the Company suffered loss during the year mainly due to exchange loss as a result of substantial devaluation of Pak Rupees against US Dollar. Moreover, unfavourable fluctuation in the international prices of crude oil and products also worsened the position.

Long term financing:

During the year long term financing has decreased from Rs 12,643 million to Rs 7,981 million. Scheduled payments of Rs 2,200 million and prepayment of Rs 3,000 million have been made relating to Expansion/Up-gradation Project.

Current liabilities:

Trade and other payables have increased during the year due to increase in prices of crude oil and substantial devaluation of Pak Rupee against US Dollar.

Property, plant and equipment:

Property, plant and equipment have witnessed a downward trend due to decrease in operating assets as a result of depreciation charge for the year being Rs 2.6 billion approximately. Property, plant and equipment represent 30% of Company's Statement of Financial Position.

Current assets:

Current Assets have increased by 3% from Rs 53,255 million to Rs 54,888 million during the current financial year, mainly due to increase in stock in trade and trade debtors as a result of increase in prices of crude oil and products.

ANALYSIS OF PROFIT OR LOSS

Revenue:

During the current year, net sales revenue has increased by 36% from Rs 129,597 million to Rs 176,755 million. This increase reflects upward trend in international prices of Petroleum Products by 36% which prevailed during the year.

Cost of Sales:

During the period under review, cost of sales increased by 38% from Rs 130,675 million to Rs 180,816 million. This increase mainly reflects upward trend in prices of crude oil by 36% in international market.

Administration, distribution & other costs:

Administrative, distribution and other cost increased by 26% from Rs 589 million in 2018 to Rs 746 million in 2019. This was mainly due to normal escalation and reversal of WWF for prior years in 2018.

The cumulative impact of adoption of IFRS 9 using the modified retrospective approach for measurement, classification & impairment resulted in increased losses in total of Rs. 390 million out of which Rs. 141 million pertains to current year.

Finance cost:

Finance cost has increased as the company has to bear huge exchange loss of more than Rs 4 billion as a result of massive devaluation of Pak rupee against US Dollar.

Other Income:

Other income increased by 46% from Rs 1,977 million to Rs 2,880 million, which can be mainly attributed to increase in Income from bank deposits.

Taxation:

Provision for taxation represents 0.5% minimum turnover tax under the Income Tax Ordinance 2001. This was higher than the normal tax liability.

Non-refinery income:

Non-refinery income decreased from Rs 1,592 million to Rs 1,156 million due to decrease in dividend Income from associated companies during the year as compared to the last year.

ANALYSIS OF CASH FLOWS STATEMENT

Operating activities:

There was a net cash inflow of Rs 2,305 million during the year. The main reason was unfavorable fluctuation in prices of crude oil and petroleum products.

Investing activities:

Cash flow from investing activities has slightly improved due to increased income received on bank deposits as a result of higher negotiated rates of returns which was partially offset by reduced dividend income from associated companies.

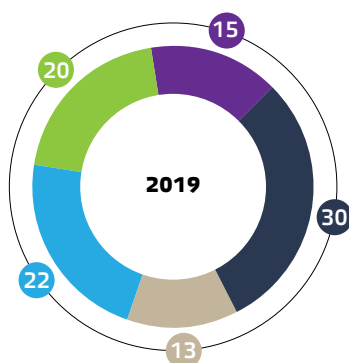
Financing activities:

Cash outflow from financing activities has increased during the current Financial Year due to substantial increase in exchange loss of Rs 3 Billion as a result of devaluation of Pak Rupees.

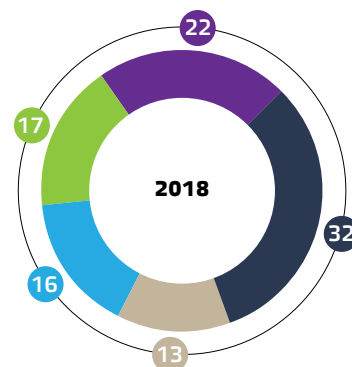
Composition of Statement of Financial Position

Attock Refinery Limited

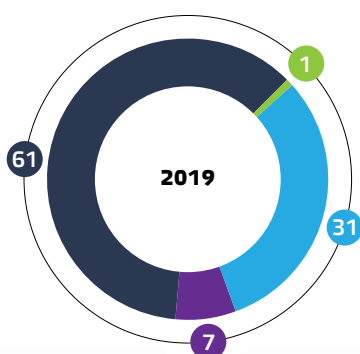
FIXED ASSETS AND CURRENT ASSETS



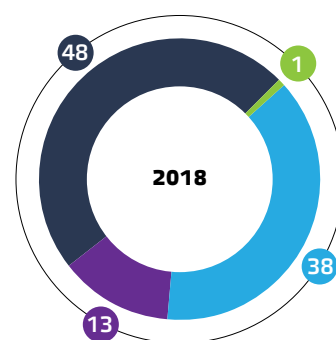
- Property, Plant & Equipment
- Long Term Investments
- Trade debts
- Stock-in-trade and others
- Cash and bank balances



EQUITIES AND LIABILITIES



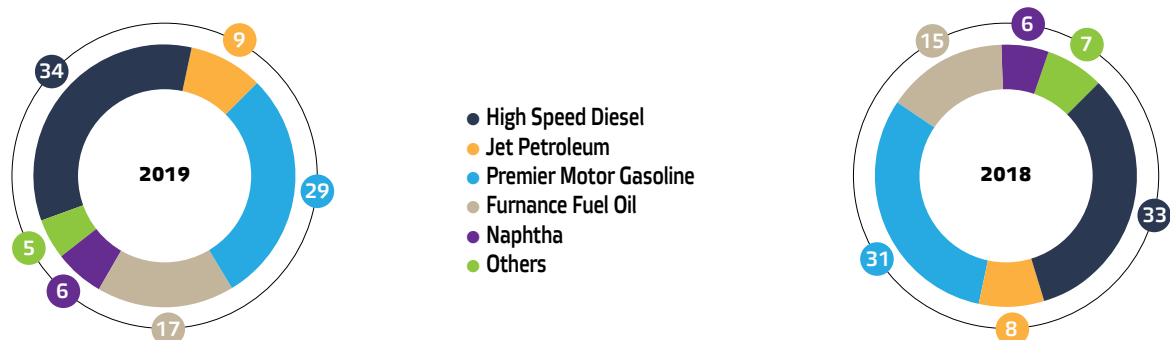
- Issued, subscribed and paid-up capital
- Reserves and surplus
- Long term financing
- Current liabilities and provisions



Segmental Review of Business Performance

Attock Refinery Limited

ARL's financial statements have been prepared on the basis of a single reportable segment. Total sales revenue is broadly divided into following categories:



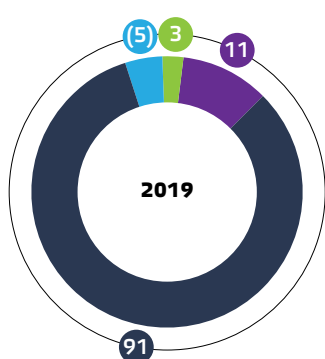
Statement of Charity Account

	2018-19 Rs '000
Community welfare	6,740
Employment of Special Persons	4,567
Education and training	32,407
Industrial Relations/Workers Welfare	5,235
	48,949

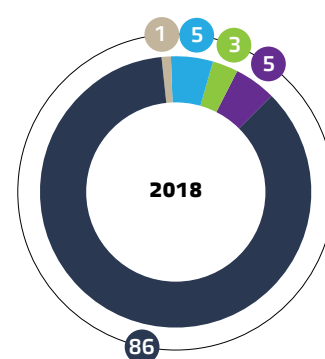
Statement of Value Addition

Attock Refinery Limited

	2018-19		2017-18	
	Rs '000	%	Rs '000	%
Gross revenue and other income	235,412,004		183,227,607	
Cost of sales and operating expenses	(177,549,253)		(127,309,562)	
Total value added	57,862,751		55,918,045	
Distribution				
Employee remuneration:	1,571,785	2.72	1,503,524	2.69
Government as:				
Company taxation	(2,086,366)	(3.61)	(1,374,892)	(2.46)
Sales tax, duties and levies	54,557,248	94.29	49,833,990	89.12
WPPF & WWF	-	-	(118,688)	(0.21)
Shareholders as:				
Dividends	-	-	-	-
Bonus Shares	-	-	213,233	0.38
Society as:				
Donation	684	-	540	-
Providers of Finance as:				
Financial charges	6,623,676	11.45	2,925,299	5.23
Retained in Business:				
Depreciation	2,580,963	4.46	2,569,294	4.59
Net earnings	(5,385,239)	(9.31)	365,745	0.66
	57,862,751	100.00	55,918,045	100.00



- Government
- Shareholder
- Retained in business
- Employee remuneration
- Provider to finance
- Society



Vertical Analysis

	2019		2018	
	Rs in million	%	Rs in million	%
STATEMENT OF FINANCIAL POSITION				
Equity and reserves	33,658.09	32.41	39,318.26	38.89
Long term financing	7,981.42	7.69	12,642.92	12.50
Total current liabilities	62,210.13	59.90	49,144.86	48.61
	103,849.64	100.00	101,106.04	100.00
Property, plant and equipment	31,145.02	29.99	33,239.76	32.88
Long term investments	13,264.92	12.77	13,264.92	13.12
Non-current assets	4,551.38	4.38	1,346.26	1.33
Stores, spares and loose tools	3,575.96	3.44	2,905.75	2.87
Stock-in-trade	10,018.66	9.65	9,789.00	9.68
Trade debts	22,411.91	21.58	15,748.28	15.58
Loans, advances, deposits, prepayments and other receivables	2,298.20	2.21	1,871.72	1.85
Short term investment	-	-	985.84	0.98
Cash and bank balances	16,583.59	15.98	21,954.51	21.71
	103,849.64	100.00	101,106.04	100.00
STATEMENT OF PROFIT OR LOSS				
Net Sales	176,754.54	100.00	129,596.57	100.00
Cost of sales	(180,815.67)	(102.30)	(130,675.23)	(100.83)
Gross (loss)/profit	(4,061.13)	(2.30)	(1,078.66)	(0.83)
Administration expenses	688.46	0.39	645.12	0.50
Distribution cost	52.02	0.03	50.16	0.04
Other charges	5.85	-	(106.27)	(0.08)
	(746.33)	(0.42)	(589.01)	(0.46)
Other income	2,779.99	1.57	1,977.48	1.53
Impairment loss on financial asset	(140.68)	(5.06)	-	-
Operating (loss)/profit	(2,168.15)	(6.21)	309.81	0.24
Finance cost	(6,623.68)	(3.75)	(2,925.30)	(2.26)
(Loss)/profit before taxation from refinery operations	(8,791.83)	(9.96)	(2,615.49)	(2.02)
Taxation	2,250.73	1.27	1,602.93	1.24
(Loss)/profit after taxation from refinery operations	(6,541.10)	(8.69)	(1,012.56)	(0.78)
Income from non-refinery operations less applicable charges and taxation	1,155.86	0.65	1,591.54	1.23
(Loss)/profit for the year	(5,385.24)	(8.04)	578.98	0.45

2017		2016		2015		2014	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
39,380.81	43.17	33,189.56	43.89	32,826.15	40.78	31,158.04	46.16
17,672.17	19.38	14,613.68	19.33	11,108.99	13.80	480.69	0.71
34,153.92	37.45	27,815.95	36.78	36,568.27	45.42	35,861.58	53.13
91,206.90	100.00	75,619.19	100.00	80,503.41	100.00	67,500.31	100.00
35,356.80	38.77	34,965.03	46.24	31,571.32	39.22	16,858.66	24.98
13,264.92	14.54	13,264.92	17.54	13,264.92	16.48	13,264.92	19.65
528.63	0.58	675.54	0.89	496.89	0.62	254.36	0.38
2,193.27	2.40	1,815.41	2.40	2,008.56	2.49	786.54	1.17
5,712.34	6.26	6,707.64	8.87	6,574.13	8.17	11,555.71	17.11
10,678.54	11.71	6,889.43	9.11	14,417.78	17.91	13,239.27	19.61
1,842.29	2.02	1,618.02	2.14	1,475.22	1.83	273.93	0.41
-	-	-	-	-	-	-	-
21,630.11	23.72	9,683.20	12.81	10,694.59	13.28	11,266.92	16.69
91,206.90	100.00	75,619.19	100.00	80,503.41	100.00	67,500.31	100.00
101,411.79	100.00	66,564.92	100.00	128,905.43	100.00	175,067.85	100.00
(97,078.92)	(95.73)	(67,466.75)	(101.35)	(128,352.37)	(99.57)	(174,930.91)	(99.92)
4,332.87	4.27	(901.83)	(1.35)	553.06	0.43	136.94	0.08
595.02	0.59	520.54	0.78	492.55	0.38	425.89	0.24
49.05	0.05	50.54	0.08	46.48	0.04	43.53	0.02
202.66	0.20	5.80	0.01	81.94	0.06	102.86	0.06
(846.73)	(0.84)	(576.88)	(0.87)	(620.97)	(0.48)	(572.28)	(0.32)
1,434.22	1.41	927.38	1.39	1,349.64	1.05	1,764.18	1.01
-	-	-	-	-	-	-	-
4,920.36	4.84	(551.33)	(0.83)	1,281.73	1.00	1,328.84	0.77
(1,263.14)	(1.25)	(156.88)	(0.25)	(315.12)	(0.25)	(1.75)	-
3,657.22	3.59	(708.21)	(1.08)	966.61	0.75	1,327.09	0.77
42.11	0.04	4.82	0.01	(561.81)	(0.44)	(630.81)	(0.36)
3,699.33	3.63	(703.39)	(1.07)	404.80	0.31	696.28	0.41
1,714.33	1.69	1,519.74	2.28	1,409.46	1.09	1,847.13	1.06
5,413.66	5.32	816.35	1.21	1,814.26	1.40	2,543.41	1.47

Horizontal Analysis

	2019		2018	
	Increase/(Decrease) from last year		Increase/(Decrease) from last year	
	Rs in million	%	Rs in million	%
STATEMENT OF FINANCIAL POSITION				
Equity and reserves	33,658.09	(14.40)	39,318.26	(0.16)
Long term financing	7,981.42	(36.87)	12,642.92	(28.46)
Total current liabilities	62,210.13	26.59	49,144.86	43.89
	103,849.64	2.71	101,106.04	10.85
Property, plant and equipment	31,145.02	(6.30)	33,239.76	(5.99)
Long term investments	13,264.92	-	13,264.92	-
Non-current assets	4,551.38	238.08	1,346.26	154.67
Stores, spares and loose tools	3,575.96	23.06	2,905.75	32.48
Stock-in-trade	10,018.66	2.35	9,789.00	71.37
Trade debts	22,411.91	42.31	15,748.28	47.48
Loans, advances, deposits, prepayments and other receivables	2,298.20	22.79	1,871.72	1.60
Short term investment	-	(100.00)	985.84	100.00
Cash and bank balances	16,583.59	(24.46)	21,954.51	1.50
	103,849.64	2.71	101,106.04	10.85
STATEMENT OF PROFIT OR LOSS				
Net Sales	176,754.54	36.39	129,596.57	27.79
Cost of sales	(180,815.67)	38.37	(130,675.23)	34.61
Gross (loss)/profit	(4,061.13)	276.50	(1,078.66)	(124.89)
Administration expenses	688.46	6.72	645.12	8.42
Distribution cost	52.02	3.71	50.16	2.26
Other charges	5.85	(105.50)	(106.27)	(152.44)
	(746.33)	26.71	(589.01)	(30.44)
Other income	2,779.99	40.58	1,977.48	37.88
Impairment loss on financial asset	(140.68)	(100.00)	-	-
Operating (loss)/profit	(2,168.15)	(799.83)	309.81	(93.70)
Finance cost	(6,623.68)	126.43	(2,925.30)	131.59
(Loss)/profit before taxation from refinery operations	(8,791.83)	236.14	(2,615.49)	(171.52)
Taxation	2,250.73	40.41	1,602.93	3,706.53
(Loss)/profit after taxation from refinery operations	(6,541.10)	546.00	(1,012.56)	(127.37)
Income from non-refinery operations less applicable charges and taxation	1,155.86	(27.37)	1,591.54	(7.16)
(Loss)/profit for the year	(5,385.24)	(1,030.13)	578.98	(89.31)

2017 Increase/(Decrease) from last year		2016 Increase/(Decrease) from last year		2015 Increase/(Decrease) from last year		2014 Increase/(Decrease) from last year	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
39,380.81	18.65	33,189.56	1.11	32,826.15	5.35	31,158.04	100.00
17,672.17	20.93	14,613.68	31.55	11,108.99	2,211.05	480.69	100.00
34,153.92	22.79	27,815.95	(23.93)	36,568.27	1.97	35,861.58	100.00
91,206.90	20.61	75,619.19	(6.07)	80,503.41	19.26	67,500.31	100.00
35,356.80	1.12	34,965.03	10.75	31,571.32	87.27	16,858.66	100.00
13,264.92	-	13,264.92	-	13,264.92	-	13,264.92	100.00
528.63	(21.75)	675.54	35.96	496.89	95.35	254.36	100.00
2,193.27	20.81	1,815.41	(9.62)	2,008.56	155.37	786.54	100.00
5,712.34	(14.84)	6,707.64	2.03	6,574.13	(43.11)	11,555.71	100.00
10,678.54	55.00	6,889.43	(52.22)	14,417.78	8.90	13,239.27	100.00
1,842.29	13.86	1,618.02	9.68	1,475.22	438.54	273.93	100.00
-	-	-	-	-	-	-	-
21,630.11	123.38	9,683.20	(9.46)	10,694.59	(5.08)	11,266.92	100.00
91,206.90	20.61	75,619.19	(6.07)	80,503.41	19.26	67,500.31	100.00
101,411.79	52.35	66,564.92	(48.36)	128,905.43	(26.37)	175,067.85	100.00
(97,078.92)	43.89	(67,466.75)	(47.44)	(128,352.37)	(26.63)	(174,930.91)	100.00
4,332.87	580.45	(901.83)	(263.06)	553.06	303.86	136.94	100.00
595.02	14.31	520.54	5.68	492.55	15.65	425.89	100.00
49.05	(2.95)	50.54	8.73	46.48	6.78	43.53	100.00
202.66	3,394.14	5.80	(92.92)	81.94	(20.34)	102.86	100.00
(846.73)	46.78	(576.88)	(7.10)	(620.97)	8.51	(572.28)	100.00
1,434.22	54.65	927.38	(31.29)	1,349.64	(23.50)	1,764.18	100.00
-	-	-	-	-	-	-	100.00
4,920.36	992.45	(551.33)	(143.02)	1,281.73	(3.55)	1,328.84	100.00
(1,263.14)	705.16	(156.88)	(50.22)	(315.12)	17,906.86	(1.75)	100.00
3,657.22	616.40	(708.21)	(173.27)	966.61	(27.16)	1,327.09	100.00
42.11	773.65	4.82	100.86	(561.81)	(10.94)	(630.81)	100.00
3,699.33	625.93	(703.39)	(273.77)	404.80	(41.86)	696.28	100.00
1,714.33	12.80	1,519.74	7.82	1,409.46	(23.69)	1,847.13	100.00
5,413.66	563.15	816.35	(55.01)	1,814.26	(28.67)	2,543.41	100.00

Statement of Contribution & Value Addition

	2019 Rs in million	2018 Rs in million
Value Addition and Distributions		
Employees as Remuneration	1,572	1,504
Government as Taxes	49,462	43,295
Foreign Exchange Savings US\$ 189 million		
Contribution to National Exchequer		
Government Levies on Petroleum Products	49,462	43,295
Income Tax Paid	781	672
Import/Export Duties	269	180
	50,512	44,147

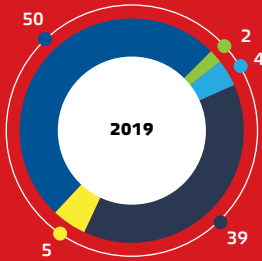


Financial Highlights

Attock Hospital (Pvt.) Limited

Equities & Liabilities

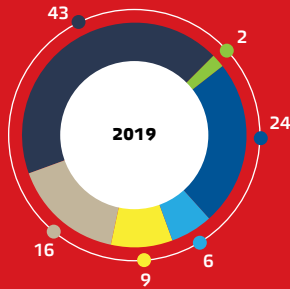
(In Percentage)



- Paid-up capital
- Capital reserve
- Accumulated profit
- Deferred grant
- Trade and other payables

Fixed Assets & Current Assets

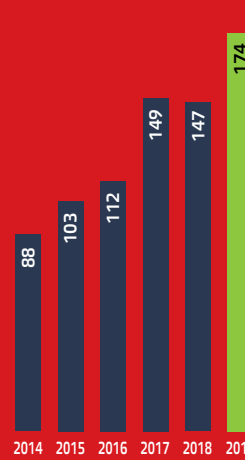
(In Percentage)



- Stock of medicines and consumable items
- Property, plant and equipment
- Trade debts
- Deferred taxation
- Income tax refundable
- Cash and bank balances

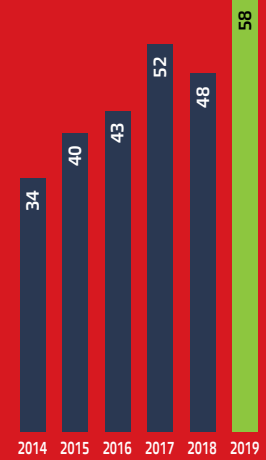
Total Revenue including Other Income

(Rs in million)



Revenue from Private Patients

(Rs in million)



Pattern of Shareholding

As at June 30, 2019

Corporate Universal Identification Number: 0006538

Form-34

Number of Shareholders	From	Shareholding To	Total Shares Held
1168	1	100	61,974
2018	101	500	604,121
1176	501	1000	948,249
1831	1001	5000	4,183,752
350	5001	10000	2,585,770
143	10001	15000	1,804,029
83	15001	20000	1,463,756
38	20001	25000	886,532
32	25001	30000	896,608
17	30001	35000	552,350
13	35001	40000	495,362
16	40001	45000	681,625
14	45001	50000	684,500
6	50001	55000	315,515
3	55001	60000	172,225
3	60001	65000	187,200
4	65001	70000	275,500
5	70001	75000	368,500
3	75001	80000	229,600
2	80001	85000	165,075
2	85001	90000	180,000
6	90001	95000	557,791
4	95001	100000	399,600
1	100001	105000	102,250
1	110001	115000	110,525
1	120001	125000	125,000
2	125001	130000	255,130
1	130001	135000	133,750
1	135001	140000	137,500
2	140001	145000	282,050
1	145001	150000	150,000
1	150001	155000	151,000
1	155001	160000	159,500
1	160001	165000	164,500
1	170001	175000	173,000
2	175001	180000	357,500
1	180001	185000	181,900
1	185001	190000	189,000
2	190001	195000	381,062
2	195001	200000	396,875
4	200001	205000	810,880
1	205001	210000	209,425
1	230001	235000	230,875
1	235001	240000	235,500
2	245001	250000	500,000
1	255001	260000	256,250
1	265001	270000	268,750
1	275001	280000	277,340
1	295001	300000	300,000

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
1	300001	305000	301,300
2	305001	310000	615,386
1	320001	325000	322,125
1	365001	370000	366,000
1	385001	390000	385,448
1	395001	400000	400,000
2	430001	435000	865,042
1	465001	470000	468,827
1	470001	475000	475,000
2	545001	550000	1,099,500
1	555001	560000	556,250
1	560001	565000	560,625
1	595001	600000	600,000
1	600001	605000	603,325
1	770001	775000	770,071
1	1085001	1090000	1,085,750
1	1785001	1790000	1,790,000
1	1995001	2000000	2,000,000
1	3060001	3065000	3,063,375
1	9075001	9080000	9,075,500
1	55970001	55975000	55,973,530
6,996			106,616,250

Categories of Shareholders

As at June 30, 2019

Category No.	Categories	Number of shares held	%age
1	Directors/Chief Executive Officer and their spouse and minor children	341,138	0.32
2	Associated Companies, Undertakings and Related Parties	66,839,030	62.69
3	NIT and ICP	770,196	0.72
4	Banks, Development Financial Institutions and Non-Banking Financial Institutions	4,658,315	4.38
5	Insurance Companies	2,179,110	2.04
6	Modarabas and Mutual Funds	743,114	0.70
7	Shareholders Holding 10%	65,049,030	61.01
8	General Public		
	A. Local	23,424,807	21.97
	B. Foreign	50,182	0.05
9	Others		
	Executives	74	-
	Trusts/Funds	788,750	0.74
	Joint Stock Companies/Others	6,084,409	5.71
	Foreign Investors	399,175	0.37
	Charitable Trusts	337,950	0.31

Detail of Categories of Shareholders

As at June 30, 2019

Category No.	Categories	Number of shares held	Category-wise No. of folios/CDC	Category-wise shares held	%age
1	Individuals		6,777	23,474,989	22.02
2	Investment Companies		3	61,250	0.06
3	Joint Stock Companies		114	2,569,334	2.41
4	Directors, Chief Executive Officer and their Spouse and minor Children		8	341,138	0.32
	Mr. Laith G. Pharaon	1			
	Mr. Wael G. Pharaon	1			
	Mr. Shuaib A. Malik	335,276			
	Mr. Abdus Sattar	1			
	Mr. Jamil A. Khan	1			
	Mr. M. Adil Khattak	5,858			
5	Executives		3	74	-
6	Associated Companies, Undertakings and Related Parties		3	66,839,030	62.69
	The Attock Oil Company Limited	65,049,030			
	Attock Petroleum Limited	1,790,000			
7	Public Sector Companies and Corporations		-	-	-
8	Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modarabas & Pension Funds		58	7,693,423	7.22
9	Mutual Funds		16	1,469,512	1.38
	Prudential Stocks Fund Limited (03360)	10,500			
	MC FSL Trustee JS - Income Fund	41,000			
	CDC - Trustee NIT-Equity Market Opportunity Fund	468,827			
	CDC - Trustee NAFA Stock Fund	2,000			
	CDC - Trustee AKD Index Tracker Fund	9,273			
	CDC - Trustee KSE Meezan Index Fund	92,091			
	CDC - Trustee First Capital Mutual Fund	3,125			
	CDC - Trustee NIT Income Fund - MT	1,000			
	CDC - Trustee National Investment (Unit) Trust	770,071			
	CDC - Trustee NAFA Islamic Stock Fund	69,200			
	CDC - Trustee First Habib Income Fund - MT	300			
	CDC - Trustee Meezan Dedicated Equity Fund	1,000			
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	500			
	CDC - Trustee NAFA Islamic Pension Fund Equity Account	375			
	CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	125			
	M/s National Bank of Pakistan	125			
10	Foreign Investors		4	399,175	0.37
11	Co-operative Societies		-	-	-
12	Charitable Trusts		7	337,950	0.31
13	Others		3	3,430,375	3.22
	Total		6,996	106,616,250	100.00



Shareholders holding five percent or more voting interest in the listed company

Total paid-up Capital of the Company	106,616,250 shares
5% of the paid-up Capital of the Company	5,330,813 shares

Name of Shareholder	Description	No. of shares held	%age
The Attock Oil Company Limited	Falls in Category # 6	65,049,030	61.01

Trade in shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Minor Children

Name	Designation	No. of shares purchased	No. of shares sold
Mr. Shuaib A. Malik	Chairman & Director	4,300	-

Code of Conduct

INTRODUCTION

At Attock Refinery Limited we are committed to conduct business in an honest, ethical, transparent and legal manner. Our actions are governed by the values and principles that we share. The Company wants to be seen as a role model in the corporate community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of the Company's affairs with the outside world. All directors and employees have to be familiar with their obligations in this regard and have to conduct accordingly.

This Code of conduct in general is in accordance with Company's core values, goals and objectives that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to.

1. INTEGRITY & ETHICS

"Integrity, honesty, high ethical, legal and safety standards are cornerstones of our business practices".

i) Respect, Honesty and Integrity

Directors and employees are expected to exercise honesty, objectivity and due diligence in performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

ii) Compliance with Laws, Rules and Regulations

The Company is committed to comply and take all reasonable actions for compliance, with all applicable laws, rules and regulations of the State or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

iii) Full and Fair Disclosure

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to any governmental authorities in the applicable jurisdiction and in all other public communications made by the Company.

iv) Prevent Conflict of Interest

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Also, no employee will perform any kind of work (involving monetary benefit directly or otherwise) for a third party without proper approval of CEO.

Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board and will be disclosed to the shareholders.

v) Trading in Company's shares

Trading by directors and employees in the Company's shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.

vi) Inside information

Directors and employees may become aware of information about the Company that has not been made public. The use of such non-public or "inside" information about the Company other than in the normal performance of one's work, profession or position is unethical and may also be a violation of law.

Directors and employees becoming aware of information which might be price sensitive with respect to the Company's shares have to make sure that such information is treated strictly



confidentially and not disclosed to any colleagues or to third parties other than on a strict need-to know basis.

Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the CFO.

vii) Media relations and disclosures

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in quarterly and annual reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of "insider trading" on the stock market.

viii) Corporate Opportunities

Directors and Employees are expected not to:

- a) take personal use of opportunities that are discovered through the use of Company's property, information or position.
- b) use Company's property, information, or position for personal gains.

Directors and employees are expected to put aside their personal interests in favor of the Company's interests.

ix) Competition and Fair Dealing

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code.

Bribes, kickbacks and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company.

The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the Company's book of accounts.

x) Protect Health, Safety and Security

The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws.

Code of Conduct

Employees and directors should avoid violence and threatening behavior and report to work in fair condition to perform their duties.

xi) Record Keeping

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books. No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason.

Records must always be retained or destroyed according to the Company's record retention policies.

xii) Protection of Privacy and Confidentiality

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the Company's assets (processes, data, designs, etc.) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during or after employment with the Company to recover the damages and losses sustained.

xiii) Protection and Proper use of Company's Assets/Data

Each director and employee is expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All of the Company's assets should be used for legitimate business purposes only.

The use, directly or indirectly, of Company's funds for political contributions to any organization or to any candidate for public office is strictly prohibited.

Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

xiv) Gift Receiving

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company.

However, this does not preclude giving or receiving gifts or entertainment which are customary and proper in the circumstances, provided that no obligation could be, or be perceived to be, expected in connection with the gifts or entertainment.

xv) Internet use/Information Technology

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit and remain the property of the Company. Disclosure or dissemination of confidential or proprietary information regarding the Company, its products, or its customers outside the official communication structures is strictly prohibited.

xvi) Compliance with Business Travel Policies

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from Management.

2. QUALITY

"We pursue quality as a way of life. It is an attitude that affects everything we do for relentless pursuit of excellence."

ARL recognizes employees' input towards quality by emphasizing skills development and professionalism.



It will be responsibility of all of us to ensure that ARL must be customer driven, cost effective and continuously improving services, works and products to meet requirements of the market.

3. SOCIAL RESPONSIBILITY

"We believe in respect for the community and preserving the environment for our future generations and keeping national interests paramount in all our actions."

ARL encourages the spirit of volunteerism in its employees for activities of environmental protection and Social and Community development to fulfill ARL's commitment for its Corporate Social Responsibility.

ARL is committed to prevent pollution by efficient use of energy throughout its operations, recycle and reuse the effluent where it is possible and use cost effective cleaner production techniques that lead to preventive approach for sustainable development.

4. LEARNING AND INNOVATION

"We embrace lifelong learning and innovation as an essential catalyst for our future success. We believe in continuous improvement and to seize opportunities inherent in change to shape the future".

All employees of ARL will strive to keep themselves abreast with the new developments in their

respective areas and will not hesitate to take initiatives that could bring improvement in the way of our working. All efforts in this respect should eventually translate into improved efficiencies and minimization of wastages at all levels.

The Company encourages and facilitates its employees in the activities of knowledge sharing, research and development and promoting the change management culture.

5. TEAM WORK

"We believe that competent and satisfied people are the Company's heart, muscle and soul. We savor flashes of genius in organization's life by reinforcing attitude of team work and knowledge sharing based on mutual respect, trust and openness."

We will all make our utmost efforts to foster team work in our respective areas of operation and will give special attention to the following aspects:

i) Equal Employment Opportunity

The Company believes in providing equal opportunity to everyone around. The Company policies in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable. No harassment or discrimination of any kind will be tolerated. Directors and employees must comply with standards/laws with regard to child labor and forced labor.



ii) Employee Retention

High quality employee's attraction and retention is very important. The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee-training programs are arranged regularly.

iii) Work Environment

All employees are to be treated with respect. The Company is highly committed to provide its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation, or personal behavior not conducive to a productive work climate. In response, the Company expects consummate employee allegiance to the Company and due diligence in his/her job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

6. EMPOWERMENT

"We flourish under an ecosystem of shared understanding founded on the concept of empowerment, accountability and open communication in all directions."

i) Communication

All communications, whether internal or external, should be accurate, forthright and wherever

required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue.

ii) Delegation of Authority and Accountability

The guidelines in respect of delegation of authority i.e. "Limits of Authority" will be implemented in letter and spirit. All employees are expected to follow these limits and ensure maximum decentralization of decision making in their respective areas. The Company also expects that with such a level of empowered culture the employees will understand that they will be responsible for their decisions and would be fully accountable for that.

7. COMPLIANCE

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code.

Any employee meeting with difficulties in the understanding or application of this Code should refer to his/her functional head or, if required to CEO. Director in such a situation may refer to the Board.

Other Corporate Governance

Decisions taken by the Board and Delegated to Management

The Board of Directors ensures that the management upholds the vision and mission set by the shareholders of the Company. To achieve this objective, policies and objectives are set by the Board in such a manner that implementation by the management results in benefit to the Company. The Board is involved in top-level strategic decisions having long-term implications including major investments, capital financing, capital expenditure, disposal of fixed assets, approval of budgets, approval of financial statements, future projects, acquisitions and dividend declarations etc.

Operational level decisions, having short-term implications, are delegated by the Board to the management including short term investments, sale/purchase contracts, implementation of policies, treasury, taxation and stock management and Board has given them the responsibility of day to day running of the Company.

Board Annual Evaluation

Code of Corporate Governance has been adopted by the Board in its true spirit. The performance of Board and its Committees effectively shapes the overall performance of the Company hence remains crucial. Performance of the Board and Committees can be improved by promoting best practices and professional corporate culture. As required by the Code of Corporate Governance, performance of the Board and its Committees is internally evaluated through a mechanism developed and approved by the Board of Directors to evaluate the efficacy of the Board and its Committees on an annual basis. During the year, the Board and its Committees were evaluated using this mechanism to further improve the effectiveness of the Board. Developments in corporate governance are constantly reviewed and implemented to align the Board with principles of good corporate governance.

Board's Performance Evaluation by External Consultant

The Board's performance was carried out internally and no external consultant was engaged.

Security Clearance of Foreign Directors

Foreign Directors elected on the Board of Attock Refinery Limited requires security clearance from Ministry of Interior through Securities and Exchange Commission of Pakistan (SECP). All legal formalities and requirements have been met and fulfilled in this regard.

Formal Orientation for Directors at Induction

When a new member is taken on board it is ensured that he is provided with a detailed orientation of the Company. Orientation is mainly focused on Company's vision, strategies, core competencies, organisational structure, related parties, major risks (both external and internal) including legal and regulatory risks and role and responsibility of the directors as per regulatory laws applicable in Pakistan along with an overview of the strategic plans, marketing analysis, forecasts, budget and business plan.

Directors' Training Programme

The Company ensures that it congregates requirements of Securities and Exchange Commission of Pakistan (SECP) and meets the terms of criteria of Directors' Training Programme (DTP) by attaining certification. Most of the directors of ARL meets the exemption requirement of the directors training program. While, one director has already completed this programme and the remaining one director shall obtain certification under the DTP in due course of time.

Investor Grievance Handling

Investor satisfaction is the prime focus of the Company to retain long lasting relationship with its prestigious investors. The Company's existing and potential investors are allowed access to information regarding Company's operations in addition to details of investments, dividend distribution or circulation of regulatory publications. Investor Grievances are managed centrally by Corporate Affairs Section of the Company. The Section has an effective Investor Grievance redressal mechanism in place to handle investor's queries and complaints promptly and effectively. The Company's grievance handling is supported by a review mechanism to minimize recurrence of similar issues in future. Investors' queries and complaints are dealt with courtesy at all the times. Investors have facility to call on the contact number provided for the purpose on the Company's website.

The Company has maintained an investor's relations section on the website. An email ID is designated for the investor's queries and complaints.

Feedback/complaint forms are available on website where investors can lodge their complaints at any time. Complaints are addressed by designated employees without any delay. The Corporate Affairs Section has maintained a record of complaints mentioning status of pending complaints and their resolution.

Safety of Records of the Company

To ensure prompt and accurate retrieval of records, protection of vital information in the event of disaster and to ensure compliance with legal and regulatory requirements, the Company has an established procedure for preservation of records holding significant value, in line with good governance practices and administrative requirements. Records include books of accounts, documents pertaining to secretarial, legal, taxation and other matters etc. Key records are archived in a manner to protect them from physical deterioration, accidental fire and natural calamities. Documents in physical forms are stored at specifically designated record rooms with proper safety features. Financial data and other records in the ERP system are periodically backed up at various servers and protected under secure access protocols. Paperless environment is also being promoted and an e-record management system is being put in place to safeguard the records of the Company along with optimizing storage spaces.

Role of Chairman & Chief Executive

The Chairman heads the Board of Directors and is appointed by the Board from amongst the Non-Executive directors. Heading the meetings, defining agendas and signing the minutes are the primary responsibilities of the Chairman and making sure that the duties of the Board of Directors are met. He also manages conflict of interests arising, if any, and makes recommendations to improve performance and effectiveness of the Board. The Chairman, at the start of the term of Directors, intimates them regarding their roles, responsibilities, duties and powers to help them manage the affairs of the Company effectively.

The CEO manages the Company and is responsible for all of its operations. The CEO designs and proposes strategies and implements decisions of the Board. The CEO reports to the Board regarding the Company's performance and profitability along with suggesting improvements to enhance shareholders' wealth.

The Board of Directors has clearly defined and segregated the roles and responsibilities of the Chairman and the CEO.

Audit Committee and Internal Control Framework

The Board of Directors of the Company has formed a Board Audit Committee as required under the Code of Corporate Governance (the Code). The Committee comprises of the following members:

Name	Designation
Mr. Shamim Ahmad Khan	Chairman (Independent Director)
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member
Mr. G. A. Sabri	Member (Independent Director)
Mr. Babar Bashir Nawaz	Member (Alternate Director)

The Audit Committee met 04 times during the year ended June 30, 2019. The meetings of the Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The agenda of the meetings included discussions on financial matters of the Company along with review of other matters as per the Terms of Reference (TOR) of the Committee. Head of Internal Audit Department, being the Secretary to the Committee, arranged all the Committee meetings. In addition to the Committee members, the meetings were also attended by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary. The Committee also met with the External Auditors separately in the absence of Head of Internal Audit and CFO to get feedback on the overall control and governance framework within the Company. The Internal Control Framework is a major part of overall governance structure. It is fundamental to the successful operation and day-to-day running of a business. The scope of internal control is very broad. It encompasses all controls incorporated into the strategic, governance and management processes, covering the Company's entire range of activities and operations and not just those directly related to financial operations and reporting. Internal control as a process designed to provide reasonable assurance regarding the achievement of objectives in relation to the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Internal auditors play an important role in evaluating the effectiveness of control systems and have a significant monitoring role because of authority and independency in the organization. The Head of Internal Audit has direct access to the Committee. Audit observations along with compliance status are regularly presented to the Committee. The role of Internal Audit department includes review of systems within the Company at appropriate intervals to determine whether they are effectively designed and carrying out the functions in accordance with management instructions, policies and procedures and in a manner that is in agreement with Company's objectives and high standard of administrative practices.

Conflict of Interest Management

A formal Code of Conduct is in place governing the actual or perceived conflict of interest relating to the Board members of the Company. Under the guidelines of Code of Conduct every director is required to disclose about his interest in any contract, agreement or appointment etc. These disclosures are circulated to the Board and it is ensured that interested director does not participate in decision making and voting on the subject. The effect to the above facts is recorded in minutes of meeting, if any. Any such conflict of interests are recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.

Calendar of Major Events

16-Jul-18	Extra-Ordinary General Meeting was held for the Election of Directors.
07-Aug-18	Received Best Sustainability Report Award 2017.
20-Oct-18	Free medical camp was arranged by the Company at Morgah, Rawalpindi.
07-Jan-19	Received Living the Global Compact Business Sustainability Award 2018.
25-Apr-19	7 th HR Conference on the theme of "Leveraging HR to Achieve Excellence" was organized.
26-Apr-19	Received Best Practices Award on Occupational Safety and Health 2018.
28-May-19	Dispatch of JP-8 through Railway to Pakistan Air Force was started.
20-Jun-19	Annual Turnaround of Refinery Operations.

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of Company: **Attock Refinery Limited**
Year ended: **June 30, 2019**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Gender	Number
Male	7
Female	Nil

SECP vide circular No. 03 of 2019 (circular) dated February 25, 2019, has relaxed the date for compliance of the requirement relating to composition of the Board of directors (Board), as contained in Regulation 7 of the Code of Corporate Governance Regulations, 2017 (2017 Code). The Company will appoint a female director in due course of time as to comply the aforementioned regulation.

2. The composition of the Board as at June 30, 2019 is as follows:

Category	Names
Independent Directors	Mr. Shamim Ahmad Khan Mr. G.A. Sabri
Other Non-executive Directors	Mr. Laith G. Pharaon (Alternate Director: Mr. Shuaib A. Malik) Mr. Wael G. Pharaon (Alternate Director: Mr. Babar Bashir Nawaz) Mr. Shuaib A. Malik
	Mr. Abdus Sattar
	Mr. Jamil A. Khan
Executive Directors	-

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of Companies Act 2017 (the Act) and these Regulations.
7. Meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 20 of the 2017 Code, companies are required to ensure that all directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2021. Presently, five (5) directors of the Company meet the exemption requirement of the Directors' Training Program (DTP), while one (1) director has already completed this program. The remaining one (1) director shall obtain certification under the DTP in due course of time. Further, one alternate director and the Chief Executive Officer (CEO) of the Company have also completed DTP.

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Committees	Composition/Name
Audit Committee	Mr. Shamim Ahmad Khan (Chairman) Members Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. G.A. Sabri Mr. Babar Bashir Nawaz (Alternate Director to Mr. Wael G. Pharaon)
HR & Remuneration Committee	Mr. G.A. Sabri (Chairman) Members Mr. Shuaib A. Malik Mr. Jamil A. Khan Mr. M. Adil Khattak

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Committees	Frequency of meetings
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2019.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2019.

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

-- sd --

(SHUAIB A. MALIK)
Chairman

July 29, 2019

Independent Auditor's Review Report

To the members of Attock Refinery Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Attock Refinery Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

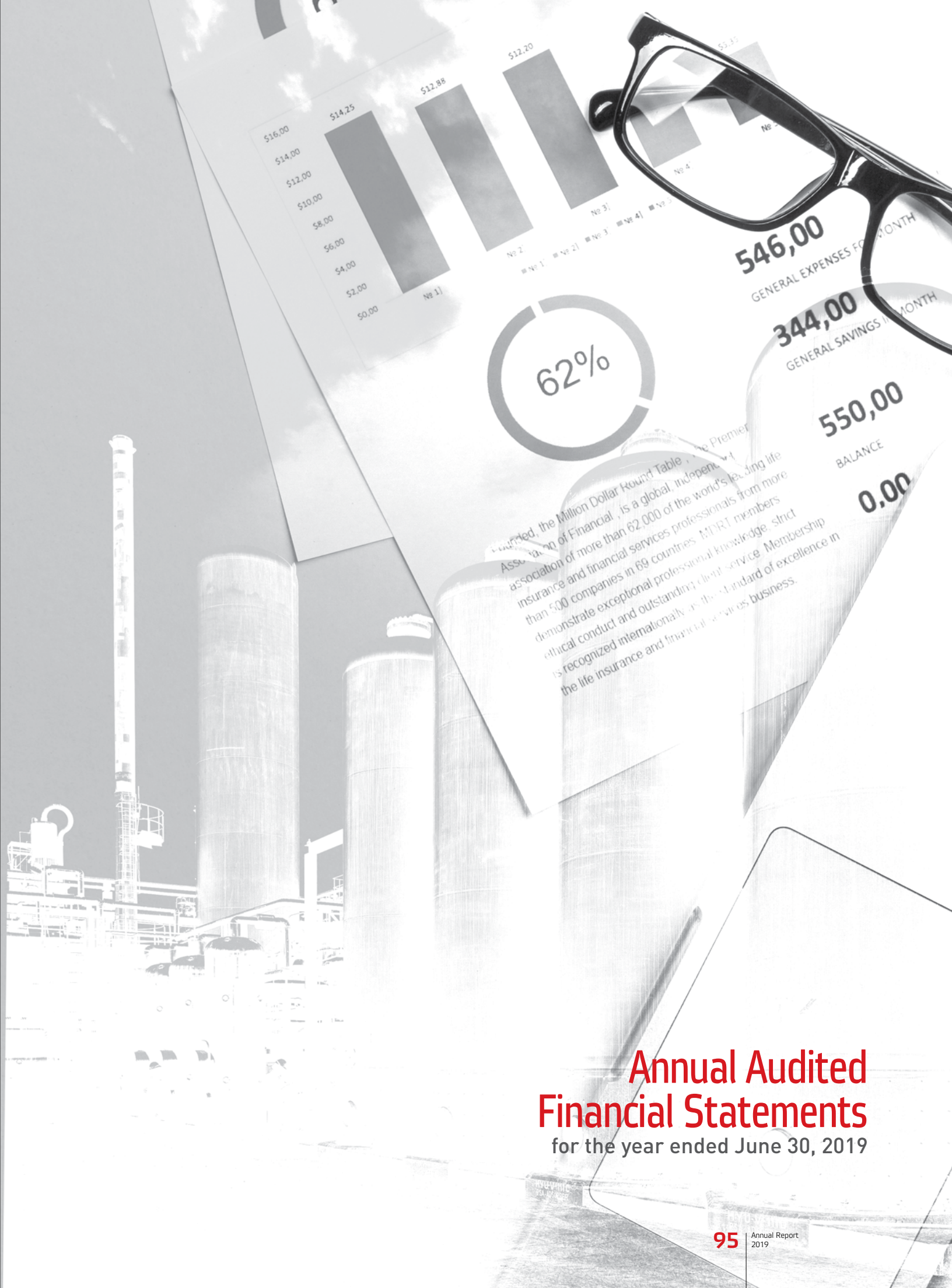
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

-- sd --

Chartered Accountants

Islamabad

Date: July 29, 2019



Founded, the Million Dollar Round Table, the Premier Association of Financial, is a global, independent insurance and financial services professionals from more than 62,000 of the world's leading life insurance companies in 69 countries. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. Membership is recognized internationally as the standard of excellence in the life insurance and financial services business.

546,00
GENERAL EXPENSES FOR MONTH

344,00
GENERAL SAVINGS FOR MONTH

550,00
BALANCE

0.00

Annual Audited Financial Statements

for the year ended June 30, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Attock Refinery Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Attock Refinery Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p data-bbox="224 449 532 482">Applicability of IFRS 9</p> <p data-bbox="224 484 730 548">(Refer notes 6.1 and 21 to the financial statements)</p> <p data-bbox="224 568 730 791">IFRS 9 'Financial Instruments' is effective for the Company for the first time during the current year and replaces the financial instruments standard IAS 39 'Financial Instruments: Recognition and Measurement'.</p> <p data-bbox="224 811 730 1163">In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p> <p data-bbox="224 1183 730 1566">In accordance with IFRS 9, the measurement of ECL reflect a range of unbiased and probability-weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of ECLs in accordance with IFRS 9 is therefore complex and involves a number of judgemental assumptions.</p> <p data-bbox="224 1586 730 1809">The Company has adopted IFRS 9 using the allowed modified retrospective approach and recognized expected credit loss of Rs 249.14 million in opening retained earnings as at July 1, 2018 and Rs 140.68 million for year ended June 30, 2019.</p> <p data-bbox="224 1829 730 1955">We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.</p>	<p data-bbox="781 568 1367 670">We reviewed and understood the requirements of the IFRS 9. Our audit procedures included the following:</p> <ul data-bbox="781 703 1367 1278" style="list-style-type: none"> <li data-bbox="781 703 1367 836">- Considered the management's process to assess the impact of adoption of IFRS 9 on the Company's financial statements. <li data-bbox="781 869 1367 1112">- Reviewed the appropriateness of the assumptions used (future and historical), the methodology and policies applied to assess the ECL in respect of financial assets of the Company. Reviewed the working of management for expected credit losses. <li data-bbox="781 1145 1367 1278">- We reviewed and assessed the impact and disclosures made in the financial statements with regard to the effect of adoption of IFRS 9.

S. Key audit matters
No.

How the matter was addressed in our audit

2. Review of recoverability of deferred tax asset

(Refer note 17 of the financial statements)

Under International Accounting Standard 12, Income Taxes, the Company is required to review recoverability of the deferred tax assets recognised in the statement of financial position at each reporting period.

Recognition of deferred tax asset position involved managements' estimate of the future available taxable profits of the Company based on an approved business plan. This estimation is inherently uncertain and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses as to determine the availability of future profits against which tax deductions represented by the deferred tax assets can be offset.

As at June 30, 2019, the Company carries a net deferred tax asset of Rs 4,507 million in its statement of financial position after derecognizing deferred tax asset to the extent of Rs176.70 million.

We considered this as key audit matter due to significant value of deferred tax asset and assumptions used by management in this area.

Our procedures in relation to this matter included:

- Evaluated the appropriateness of components of management's computation including consideration of un-used tax losses, tax credit on investments, minimum tax and alternative corporate tax for which deferred tax assets were recognized.
- Analysed the requirements of the Income Tax Ordinance, 2001, in relation to above and considering the factors including aging analysis, expiry periods of relevant deferred tax assets and tax rates enacted.
- Assessed the reasonableness of cash flow and taxable profits projections, challenging and performing audit procedures on assumptions such as growth rate, production patterns, future revenue and costs, comparing the assumptions to historical results, considering approved budget comparing the current year's results with prior year forecast and considering other relevant information to assess the quality of Company's forecasting process in determining the projections.
- Tested mathematical accuracy of projections along consideration of use of appropriate tax rate as applicable on temporary differences.
- Assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures made in the financial statements.

S.No. Key audit matters	How the matter was addressed in our audit
<p>3. Investment in associated company (Refer note 15 to the financial statements)</p> <p>The Company has investment in its associated company National Refinery Limited (NRL). As at June 30, 2019, the carrying amount of investment in above referred associated company amounted to Rs 8,047 million which carrying value is higher by Rs 5,779 million in relation to the quoted market value of such shares. The Company carries out impairment assessment of the value of investment where there are indicators of impairment.</p> <p>The Company has assessed the recoverable amount of the investment in associated company based on the higher of the value-in-use ("VIU") and fair value. VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.</p> <p>We considered this as a key audit matter due to significant management judgement involved in the estimation of VIU.</p>	<p>Our procedures in relation to assessment of recoverable amount of investment in associated company included:</p> <ul style="list-style-type: none"> - Assessed the appropriateness of management's accounting for investment in associated company. - Considered management's process for identifying the existence of impairment indicators in respect of investment in associated company. - Evaluated the independent external investment advisor's competence, capabilities and objectivity. - Assessed the valuation methodology used by the independent external investment advisor. - Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence. - Assessed and tested mathematical accuracy of cash flows projection. - Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions.

Information Other than the Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

-- Sd --

Chartered Accountants
Islamabad
Date: August 23, 2019

Statement of Financial Position

As at June 30, 2019

	Note	June 30, 2019 Rs '000	June 30, 2018 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised share capital	8	1,500,000	1,500,000
Issued, subscribed and paid-up capital	8	1,066,163	852,930
Reserves and surplus	9	20,539,355	26,412,754
Surplus on revaluation of freehold land	13	12,052,576	12,052,576
		33,658,094	39,318,260
NON CURRENT LIABILITIES			
Long term financing	10	7,981,422	12,642,916
CURRENT LIABILITIES			
Trade and other payables	11	57,248,556	44,510,275
Accrued mark-up on long term financing	10	271,166	260,909
Current portion of long term financing	10	2,200,000	2,200,000
Unclaimed dividends		9,566	9,839
Provision for taxation		2,480,850	2,163,842
		62,210,138	49,144,865
TOTAL EQUITY AND LIABILITIES			
		103,849,654	101,106,041
CONTINGENCIES AND COMMITMENTS			
	12		

	Note	June 30, 2019 Rs '000	June 30, 2018 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	13	30,376,904	32,817,565
Capital work-in-progress	14	622,573	303,043
Major spare parts and stand-by equipments		145,542	119,151
		31,145,019	33,239,759
LONG TERM INVESTMENTS	15	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	16	44,326	42,115
DEFERRED TAXATION	17	4,507,066	1,304,152
CURRENT ASSETS			
Stores, spares and loose tools	18	3,575,963	2,905,748
Stock-in-trade	19	10,018,655	9,788,997
Trade debts	20	22,411,912	15,748,278
Loans, advances, deposits, prepayments and other receivables	21	2,298,204	1,871,717
Short term investment	22	-	985,846
Cash and bank balances	23	16,583,594	21,954,514
		54,888,328	53,255,100
TOTAL ASSETS		103,849,654	101,106,041

The annexed notes 1 to 46 form an integral part of these financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Statement of Profit or Loss

For the year ended June 30, 2019

	Note	2019 Rs '000	2018 Rs '000
Gross sales	24	231,311,790	179,430,555
Taxes, duties, levies, discounts and price differential	25	(54,557,248)	(49,833,990)
Net sales		176,754,542	129,596,565
Cost of sales	26	(180,815,670)	(130,675,227)
Gross loss		(4,061,128)	(1,078,662)
Administration expenses	27	688,462	645,120
Distribution cost	28	52,019	50,156
Other charges	29	5,851	(106,271)
		(746,332)	(589,005)
Other income	30	2,779,987	1,977,477
Impairment loss on financial asset	21.3	(140,683)	-
Operating (loss)/profit		(2,168,156)	309,810
Finance cost	31	(6,623,676)	(2,925,299)
Loss before taxation from refinery operations		(8,791,832)	(2,615,489)
Taxation	32	2,250,727	1,602,931
Loss after taxation from refinery operations		(6,541,105)	(1,012,558)
Income from non-refinery operations less			
applicable charges and taxation	33	1,155,866	1,591,536
(Loss)/Profit for the year		(5,385,239)	578,978
(Loss)/Earnings per share - basic and diluted (Rupees)			(Restated)
Refinery operations		(61.35)	(9.50)
Non-refinery operations		10.84	14.93
	34	(50.51)	5.43

The annexed notes 1 to 46 form an integral part of these financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2019

	Note	2019 Rs '000	2018 Rs '000
(Loss)/Profit for the year		(5,385,239)	578,978
Other comprehensive (loss)/income for the year			
Items that will not be reclassified to statement of profit or loss :			
Remeasurement loss on staff retirement benefit plans	35	(44,517)	(168,758)
Related deferred tax credit		12,910	47,252
Effect of change in rate of tax		5,823	(8,271)
Other comprehensive loss for the year - net of tax		(25,784)	(129,777)
Total comprehensive (loss)/income for the year		(5,411,023)	449,201

The annexed notes 1 to 46 form an integral part of these financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Statement of Changes in Equity

For the year ended June 30, 2019

	Share capital	Special reserve for expansion/modernisation	Capital reserve Utilised special reserve for expansion/modernisation	Others	Investment reserve	Revenue 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 - net of tax									
Profit for the year	-	-	-	-	-	-	578,978	-	578,978
Other comprehensive loss for the year	-	-	-	-	-	-	(129,777)	-	(129,777)
	-	-	-	-	-	-	449,201	-	449,201
Loss from refinery operations transferred from unappropriated profit to Special Reserve - note 9.1	-	(1,012,558)	-	-	-	-	1,012,558	-	-
Balance as at June 30, 2018	852,930	1,033,255	10,962,934	5,948	3,762,775	55	10,647,787	12,052,576	39,318,260
Effect of changes in accounting policies due to adoption of IFRS 9 - note 6.1	-	-	-	-	-	-	(249,143)	-	(249,143)
Adjusted balance as at July 1, 2018	852,930	1,033,255	10,962,934	5,948	3,762,775	55	10,398,644	12,052,576	39,069,117
Distribution to owners:									
Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-
Total comprehensive loss - net of tax									
Loss for the year	-	-	-	-	-	-	(5,385,239)	-	(5,385,239)
Other comprehensive loss for the year	-	-	-	-	-	-	(25,784)	-	(25,784)
	-	-	-	-	-	-	(5,411,023)	-	(5,411,023)
Loss from refinery operations transferred from unappropriated profit to Special Reserve - note 9.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-
Balance as at June 30, 2019	1,066,163	-	10,962,934	5,948	3,762,775	55	5,807,643	12,052,576	33,658,094

The annexed notes 1 to 46 form an integral part of these financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Statement of Cash Flows

For the year ended June 30, 2019

	Note	2019 Rs '000	2018 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from			
- customers		224,559,581	174,378,760
- others		307,130	793,213
		224,866,711	175,171,973
Cash paid for operating costs		(172,319,147)	(123,851,464)
Cash paid to Government for duties, taxes and levies		(49,461,833)	(43,294,913)
Income tax paid		(780,806)	(672,432)
Net cash inflow from operating activities		2,304,925	7,353,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(486,439)	(452,480)
Proceeds against disposal of operating assets		6,901	7,987
Long term loans and deposits		(2,211)	(7,472)
Income received on bank deposits		1,758,016	1,124,301
Dividends received from associated companies		1,320,227	1,819,574
Net cash inflow from investing activities		2,596,494	2,491,910
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(5,200,000)	(5,200,000)
Transaction cost on long term financing		(500)	(500)
Finance cost		(6,074,413)	(2,831,366)
Dividends paid to the Company's shareholders		(273)	(510,818)
Net cash outflow from financing activities		(11,275,186)	(8,542,684)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(6,373,767)	1,302,390
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		22,940,360	21,630,109
Effects of exchange rate changes on cash and cash equivalents		17,001	7,861
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	43	16,583,594	22,940,360

The annexed notes 1 to 46 form an integral part of these financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

1. LEGAL STATUS AND OPERATIONS

Attock Refinery Limited (the Company) was incorporated in Pakistan on November 8, 1978 as a private limited company and was converted into a public company on June 26, 1979. The 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 subsidiary of The Attock Oil Company Limited, United Kingdom and its ultimate parent is Bay View International Group S.A.

2. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

The financial position and performance of the Company was affected by the following events and transactions during the year:

- i) Due to devaluation of Pak Rupee during the year the Company has suffered a net exchange loss of Rs 4,740.18 million in respect of its purchases and liabilities denominated in US Dollars as also referred to in note 31.
- ii) During the year, the Company adopted International Financial Reporting Standard 9 "Financial Instruments" which resulted in recognition of a cumulative charge of Rs 390 million in respect of the carrying amount of other receivables. In this respect, Rs 249.14 million pertained to the related opening balance which has been accounted for in the statement of changes in equity.
- iii) Consequent to the decision of the Government to shut down furnace fueled power plants in the country, there was a reduction in capacity utilization of the refinery during the month of November 2018. In view of the foregoing, the Company was compelled to operate the refinery at lower through-put to deal with the problem of increasing stock of furnace fuel and the declining ullage.
- iv) Other significant transactions and events have been adequately described in these financial statements. For detailed performance review of the Company, refer Directors' Report.

3. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

4.1 IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" became applicable to the Company from July 1, 2018. For related changes in accounting policies and impact on the Company's financial statements refer note 6 to these financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020

		Effective date (annual reporting periods beginning on or after)
IAS 12	Income Taxes (Amendments)	January 1, 2019
IAS 19	Employee benefits (Amendments)	January 1, 2019
IAS 23	Borrowing Costs (Amendments)	January 1, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRS 3	Business combinations (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 1, 2019

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures. The management is in the process of assessing the impact of changes laid down by IFRS 16 and its effect on its financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards
 IFRS 14 Regulatory Deferral Accounts
 IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived of by SECP:

IFRIC 4 Determining whether an arrangement contains lease
 IFRIC 12 Service concession arrangements

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

These financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 5.7, certain financial instruments which are carried at their fair values and staff retirement gratuity and pension plans which are carried at present value of defined benefit obligation net of fair value of plan assets.

5.2 Dividend and revenue reserves appropriation

Dividend and movement in revenue reserves are recognised in the financial statements in the period in which these are approved.

5.3 Employee retirement benefits

The main features of the retirement benefit schemes operated by the Company for its employees are as follows:

(i) Defined benefit plans

The Company operates approved pension fund for its management staff and approved gratuity fund for its management and non-management staff. The investments of pension and gratuity funds are made through approved trust funds. Gratuity is deductible from pension. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 35 to the financial statements. The obligation at the date of statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to statement of profit or loss for the year.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Actuarial gains and losses (remeasurement gains/losses) on employees' retirement benefit plans are recognised immediately in other comprehensive income and past service cost is recognized in statement of profit or loss when they occur.

Calculation of gratuity and pension obligations require assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

(ii) Defined contribution plans

The Company operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Company and the employee to the fund at the rate of 10% of basic salary.

5.4 Employee compensated absences

The Company also provides for compensated absences for all employees in accordance with the rules of the Company.

5.5 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in statement of profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

Deferred income tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, un-used tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are substantially expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Investment tax credits are considered not substantially different from other tax credits. Accordingly in such situations tax credits are deducted from current tax amount to the extent of tax credit availed while recognising deferred tax credit for the unused investment tax credit.

5.6 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

5.7 Property, plant and equipment and capital work-in-progress

a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount. Capital work-in-progress and major spare parts and standby equipment are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) Revaluation

Increase in the carrying amount arising on revaluation of freehold land are recognised in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of freehold land. To the extent that the increase reverses a decrease previously recognised in statement of profit and loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

c) Depreciation

Depreciation on operating assets is calculated using the straight-line method to allocate their cost over their estimated useful life at the rates specified in note 13.

d) Repairs and maintenance

Maintenance and normal repairs, including minor alterations, are charged to income as and when incurred. Renewals and improvements are capitalised and the assets so replaced, if any, are retired.

e) Gains and losses on disposal

Gains and losses arising on disposal of assets are included in income currently.

5.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

5.9 Investments

5.9.1 Investment in subsidiaries

Investment in subsidiary is initially recognised at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognised in the statement of profit or loss.

The profits or losses of subsidiaries are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the subsidiaries. Gains and losses on disposal of investment are included in other income. When the disposal on investment in subsidiary results in loss of control such that it becomes an associate, the retained investment is carried at cost.

5.9.2 Investment in associates

Investments in associates and jointly controlled entities are initially recognised at cost. At subsequent reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment losses are subsequently reversed, the carrying amounts of these investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss. The profits and losses of associates and jointly controlled entities are carried forward in their financial statements and are not dealt within these financial statements except to the extent of dividend declared by the associates and jointly controlled entities. Gains and losses on disposal of investments are included in the statement of profit or loss.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

5.10 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are stated at invoice value plus other charges incidental thereto.

5.11 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value.

Cost in relation to crude oil is determined on a First-in-First-Out (FIFO) basis. In relation to semi-finished and finished products, cost represents the cost of crude oil and an appropriate portion of manufacturing overheads.

Net realisable value represents selling prices in the ordinary course of business less costs necessary to be incurred for its sale.

5.12 Revenue recognition

The Company recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could effect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Company expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Company generates revenue by supplying refined petroleum products to the customers, including export of Naphtha product.

- i) Revenue from sales is recognised on delivery of products ex-refinery to the customers with the exception that Naphtha export sales are recognised on the basis of products shipped to customers.

The Company is operating under the import parity pricing formula, as modified from time to time, whereby it is charged the cost of crude on 'import parity' basis and is allowed to charge product prices equivalent to the 'import parity' price, calculated under prescribed parameters.

- ii) Income from crude desalter operations, rental income, scrap sales, insurance commission, handling and service income are recognized on accrual basis.

- iii) Dividend income is recognised when the right to receive dividend is established.

- iv) Income on bank deposits and short term investments are recognised using the effective yield method.

5.13 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional currency.

5.14 Foreign currency transactions and balances

Transactions in foreign currencies are converted into Pakistani Rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the statement of financial position date. Exchange differences are dealt with through the statement of profit or loss.

5.15 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

(i) Financial assets

Classification

Effective July 1, 2018, the Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) fair value through profit or loss;
- c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the statement of profit or loss.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Effective July 1, 2018, the Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Short term investments
- Cash and bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

(iii) Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

5.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

5.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Basic and diluted EPS relating to Refinery and Non-refinery operations is also calculated in line with the manner described above by dividing the profit or loss attributable to ordinary shareholders from Refinery and Non-refinery operations respectively.

5.18 Finance income

Finance income comprises interest income on funds invested, dividend income, gain on disposal of available-for-sale financial assets and changes in fair value of investments held for trading. Interest income is recognised as it accrues in the statement of profit or loss, using effective interest method. Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established.

5.19 Finance cost

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through the statement of profit or loss and impairment losses recognised on financial assets.

5.20 Contingent Liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.21 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis or realise the asset and settle the liability simultaneously.

5.22 Borrowings and their costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs on the borrowing to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a transaction cost on borrowing and amortised over the period of the facility to which it relates.

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

5.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

5.24 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts. The Company was required to revise its impairment methodology under IFRS 9 for trade debts. The impact of change is disclosed in note 6.

5.25 Loans, advances, deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. The Company assesses on a forward looking basis the expected credit losses associated with the advances, deposits and other receivables. The Company applies the general approach for calculating a lifetime expected credit losses for its loans, advances, deposits and other receivables recognized. The life time expected credit loss is determined at least annually. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

5.26 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and investments

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that are highly liquid, readily convertible to known amounts of cash with insignificant risk of changes in value and have original maturity period of less than three month from the date of acquisition.

5.27 Trade and other payables

Liabilities for trade and other payables, including payable to related parties, are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.28 Contract liabilities

Under IFRS 15 "Revenue from Contracts with Customers", obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer is presented as contract liability. The contract liabilities of the Company comprises of advance payments from customers for supply of petroleum products as described in note 11.2.

5.29 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such obligation.

6. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Company's financial statements that have been applied w.e.f July 1, 2018 are as follows:

6.1 Financial Instruments

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39).

IFRS 9 introduces new requirements for i) the classification and measurement of financial assets and financial liabilities ii) impairment for financial assets.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's financial statements are described below:

i) Classification and measurement of financial assets and financial liabilities

The new standard requires the Company to assess the classification of financial assets on its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial assets.

IFRS 9 no longer has an "Available-for-sale" classification for financial assets. The new standard has different requirements for debt or equity financial assets.

Debt instruments should be classified and measured either at:

- Amortized cost, where the effective interest rate method will apply;
- Fair value through other comprehensive income, with subsequent recycling to the profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Investments in equity instruments, other than those to which consolidation or equity accounting apply, should be classified and measured either at:

- Fair value through other comprehensive income, with no subsequent recycling to the profit or loss upon disposal of the financial asset; or

- Fair value through profit or loss.

Application of IFRS 9 had no impact on financial liability of the company.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 as at July 1, 2018 is as follows:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original Rs'000	New Rs'000	Difference Rs'000
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	15,748,278	15,748,278	-
Loans advances, deposits, prepayments and other receivables	Loans and receivables	Amortised cost	1,871,717	1,622,574	(249,143)
Cash and bank balances	Loans and receivables	Amortised cost	21,954,514	21,954,514	-
Non-current financial assets					
Long term loans and deposits	Held to maturity	Amortised cost	42,115	42,115	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	44,510,275	44,510,275	-
Non Current financial liability					
Long term Financing	Amortised cost	Amortised cost	12,642,916	12,642,916	-

Impairment of financial assets

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 and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred. For trade receivables and other receivables, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

6.2 Revenue from Contracts with Customers

Effective July 1, 2018, the Company has applied IFRS 15 "Revenue from Contracts with Customers" for determining its revenue recognition policy. IFRS 15 "Revenue from Contracts with Customers" (IFRS 15) replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. IFRS 15 is applicable on the Company with effect from July 1, 2018. IFRS 15 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred in acquiring a contract with a customer.

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IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 permits either a full retrospective or a modified retrospective approach for adoption.

The application of IFRS 15 has no material impact on the financial statements of the Company.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- i) Surplus on revaluation of freehold land - note 13.1
- ii) Contingencies - note 12
- iii) Estimated useful life of operating assets - note 13
- iv) Deferred taxation - note 17
- v) Provision for taxation - note 32
- vi) Provision for employees' defined benefit plans - note 35
- vii) Estimated expected credit losses note - 21.3

8. SHARE CAPITAL

8.1 Authorised share capital

	2019 Number of shares	2018		2019 Rs '000	2018 Rs '000
	150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000	1,500,000

8.2 Issued, subscribed and paid up capital

	2019 Number of shares	2018		2019 Rs '000	2018 Rs '000
			Ordinary shares of Rupees 10 each		
	8,000,000	8,000,000	Fully paid in cash	80,000	80,000
	98,616,250	77,293,000	Shares issued as fully paid bonus shares	986,163	772,930
	106,616,250	85,293,000		1,066,163	852,930

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

	2019 Rs '000	2018 Rs '000
9. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 9.1	-	1,033,255
Utilised special reserve for expansion/modernisation - note 9.2	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 9.3	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	5,807,643	10,647,787
	9,570,473	14,410,617
	20,539,355	26,412,754

- 9.1** 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 June 30, 2019:

	2019 Rs '000	2018 Rs '000
Balance as at beginning of the year	1,033,255	2,045,813
Transfer for the year	(1,033,255)	(1,012,558)
Balance as at end of the year	-	1,033,255

- 9.2** Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till June 30, 2019 is Rs 28,576.67 million including Rs 17,613.74 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

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

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	2019 Rs '000	2018 Rs '000
10. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 10.1	7,946,589	11,494,985
Musharaka Finance - note 10.2	2,600,919	3,762,252
	10,547,508	15,257,237
Less: Unamortized transaction cost on financing:		
Balance as at beginning of the year	153,412	204,062
Addition during the year	500	500
Amortization for the year	(58,992)	(51,150)
Balance as at end of the year	94,920	153,412
	10,452,588	15,103,825
Current portion of long term financing	(2,200,000)	(2,200,000)
	8,252,588	12,903,825
Mark-up payable shown as current liability	(271,166)	(260,909)
	7,981,422	12,642,916

- 10.1** 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 Project. The facility carries a mark-up of 3 month KIBOR plus 1.70% which is payable on quarterly basis. The tenure of this facility is 13 years.
- 10.2** 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 share in Musharaka Assets A is nil (2018: nil) while its share in Musharaka Assets B is 42.80% (2018: 68.72%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2018: 100%) while its share in Musharaka Assets B is 57.20% (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 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.
- 10.3** The facilities referred to in notes 10.1 and 10.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/ Investment Agent, permit the collective shareholding of The Attock Oil Company Limited in the Company to fall below 51%.
- 10.4** During the year the Company, in addition to the scheduled quarterly principal payments, also repaid an amount of Rs 3,000 million (2018 : Rs 3,000 million) in respect of facilities referred to in note 10.1 and 10.2.

	2019 Rs '000	2018 Rs '000
11. TRADE AND OTHER PAYABLES		
Creditors - note 11.1	31,766,400	24,291,759
Due to The Attock Oil Company Limited - Holding Company	124,811	110,497
Due to Attock Hospital (Private) Limited - Subsidiary Company	-	220
Due to associated companies		
Pakistan Oilfields Limited	2,698,510	2,478,433
Attock Sahara Foundation	-	754
Attock Solar (Private) Limited	274	970
Accrued liabilities and provisions - note 11.1	4,204,087	4,027,691
Due to the Government under pricing formula	3,621,492	4,883,264
Custom duty payable to the Government	11,243,750	6,888,202
Sales tax payable	1,811,905	168,206
Payable to statutory authorities in respect of petroleum development levy and excise duty	1,633,879	1,295,938
Advance payments from customers - note 11.2	30,698	119,274
ARL Gratuity Fund	72,792	102,136
Staff Pension Fund	-	123,877
Crude oil freight adjustable through inland freight equalisation margin	36,665	15,761
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	2,917	2,917
	57,248,556	44,510,275

11.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of 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 3,375.65 million (2018: Rs 3,113.17 million).

11.2 Advance payments from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note 5.12 is satisfied.

	2019 Rs '000	2018 Rs '000
Opening balance	119,274	101,336
Revenue recognized during the year	(2,150,096)	(1,773,493)
Advance received during the year	2,061,520	1,791,431
Closing balance	30,698	119,274

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For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
12. CONTINGENCIES AND COMMITMENTS		
Contingencies:		
<p>i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to 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.</p> <p>Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this has not been recognized as liability in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.</p>	1,326,706	1,326,706
<p>ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.</p>		
<p>iii) Guarantees issued by banks on behalf of the Company [other than (i) above]</p>	153	414
<p>iv) Claims for land compensation contested by the Company</p>	1,300	1,300
<p>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 26.1, the amount of which can not be presently quantified.</p>		
<p>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 respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.</p>	2,484,098	2,484,098

		2019 Rs '000	2018 Rs '000
	In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of account. The matter is pending for adjudication.		
vii)	<p>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 had been withdrawn on April 25, 2016.</p> <p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>	1,928,344	1,081,087
viii)	<p>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.</p> <p>Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.</p>	418,470	418,470
Commitments:			
i)	Capital expenditure	146,131	129,754
ii)	Letters of credit and other contracts for purchase of store items	708,583	88,941

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13. OPERATING ASSETS

	Freehold land (note 13.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
	Rs '000						
As at July 1, 2017							
Cost or valuation	12,106,798	213,755	29,074,562	74,583	157,269	151,523	41,778,490
Accumulated depreciation	-	(109,385)	(6,307,771)	(53,186)	(79,511)	(95,293)	(6,645,146)
Net book value	12,106,798	104,370	22,766,791	21,397	77,758	56,230	35,133,344
Year ended June 30, 2018							
Opening net book value	12,106,798	104,370	22,766,791	21,397	77,758	56,230	35,133,344
Additions	-	27,653	174,356	9,019	9,803	32,909	253,740
Disposals							
Cost	-	-	-	(2,413)	(2,232)	(13,012)	(17,657)
Accumulated depreciation	-	-	-	2,405	2,056	12,971	17,432
	-	-	-	(8)	(176)	(41)	(225)
Depreciation charge	-	(9,771)	(2,519,379)	(7,656)	(11,508)	(20,980)	(2,569,294)
Closing net book value	12,106,798	122,252	20,421,768	22,752	75,877	68,118	32,817,565
As at June 30, 2018							
Cost or valuation	12,106,798	241,408	29,248,918	81,189	164,840	171,420	42,014,573
Accumulated depreciation	-	(119,156)	(8,827,150)	(58,437)	(88,963)	(103,302)	(9,197,008)
Net book value	12,106,798	122,252	20,421,768	22,752	75,877	68,118	32,817,565
Year ended June 30, 2019							
Opening net book value	12,106,798	122,252	20,421,768	22,752	75,877	68,118	32,817,565
Additions	-	5,438	94,080	8,596	4,184	28,221	140,519
Disposals							
Cost	-	-	(12,775)	(4,290)	(3,736)	(9,107)	(29,908)
Accumulated depreciation	-	-	12,717	4,289	3,578	9,107	29,691
	-	-	(58)	(1)	(158)	-	(217)
Depreciation charge	-	(11,020)	(2,526,514)	(8,075)	(11,906)	(23,448)	(2,580,963)
Closing net book value	12,106,798	116,670	17,989,276	23,272	67,997	72,891	30,376,904
As at June 30, 2019							
Cost or valuation	12,106,798	246,846	29,330,223	85,495	165,288	190,534	42,125,184
Accumulated depreciation	-	(130,176)	(11,340,947)	(62,223)	(97,291)	(117,643)	(11,748,280)
Net book value	12,106,798	116,670	17,989,276	23,272	67,997	72,891	30,376,904
Annual rate of depreciation (%)	-	5	10	20	10	20	

- 13.1** Freehold land was revalued in May 2017 and the revaluation surplus of Rs 1,240.63 million was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of freehold land. Had the freehold land been stated on the historical cost basis, the carrying amount of land would have been Rs 54.22 million (2018: Rs 54.22 million)
- 13.2** Forced sale value of freehold land based on valuation conducted in May 2017 was Rs 9,685.44 million.

13.3 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area (In acres)
Morgah Rawalpindi	Refinery processing plants, office and staff colony	398.44
Chak Shahpur, Morgah, Rawalpindi	Water wells	44.96
Humak (adjacent DHA II), Islamabad	Water wells	7.34

	2019 Rs '000	2018 Rs '000
13.4 The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 26	2,552,192	2,542,227
Administration expenses - note 27	27,964	26,301
Distribution cost - note 28	807	766
	2,580,963	2,569,294
14. CAPITAL WORK-IN-PROGRESS		
Balance as at beginning of the year	303,043	142,057
Additions during the year	415,183	322,186
Transfer to operating assets		
- Buildings on freehold land	5,721	27,653
- Plant and machinery	89,932	133,547
	(95,653)	(161,200)
Balance as at end of the year	622,573	303,043
Breakup of the closing balance of capital work-in-progress		
Civil works	20,781	7,720
Plant and machinery	600,792	294,323
Pipeline project	1,000	1,000
	622,573	303,043

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	2019		2018	
	% age holding	Rs '000	% age holding	Rs '000
15. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
Quoted				
National Refinery Limited (NRL) - note 15.1	25	8,046,635	25	8,046,635
19,991,640 (2018: 19,991,640) fully paid ordinary shares including 3,331,940 (2018: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2019: Rs 2,268 million (June 30, 2018: Rs 8,856 million)				
Attock Petroleum Limited (APL)	21.88	4,463,485	21.88	4,463,485
21,772,966 (2018: 18,144,138) fully paid ordinary shares including 11,272,886 (2018: 7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2019: Rs 6,282 million (June 30, 2018: Rs 10,705 million)				
		12,510,120		12,510,120
Unquoted				
Attock Gen Limited (AGL) note - 15.2	30	748,295	30	748,295
7,482,957 (2018: 7,482,957) fully paid ordinary shares of Rs 100 each				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
450,000 (2018: 450,000) fully paid ordinary shares of Rs 10 each				
		752,795		752,795
Subsidiary Company				
Unquoted				
Attock Hospital (Private) Limited	100	2,000	100	2,000
200,000 (2018: 200,000) fully paid ordinary shares of Rs 10 each				
		13,264,915		13,264,915

All associated and subsidiary companies are incorporated in Pakistan.

- 15.1** Based on a valuation analysis carried out by an external investment advisor engaged by the Company, the recoverable amount of investment in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes average gross profit margin of 3.84% (2018: 5.32%), terminal growth rate of 3% (2018: 3%) and capital asset pricing model based discount rate of 21.16% (2018: 15.13%).
- 15.2** 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 (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.

	2019 Rs '000	2018 Rs '000
16. LONG TERM LOANS AND DEPOSITS		
Loans - secured and considered good - note 16.1		
Employees	75,092	65,716
Executives	5,458	7,888
	80,550	73,604
Amounts due within next twelve months shown under current assets - note 21	(49,514)	(44,479)
	31,036	29,125
Security deposits	13,290	12,990
	44,326	42,115

- 16.1** These are interest free loans for miscellaneous purposes and are recoverable in 24, 36, and 60 equal monthly installments depending on case to case basis. These loans are secured against outstanding provident fund balance or a third party guarantee. Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive Officer. The maximum amount due from executives of the Company at the end of any month during the year was Rs 5.46 million (2018: Rs 7.89 million).

	2019 Rs '000	2018 Rs '000
17. DEFERRED TAXATION		
The balance of deferred tax is in respect of following major temporary differences:		
Accelerated tax depreciation	(1,860,012)	(1,787,485)
Minimum tax - note 17.2	1,902,584	1,244,201
Unused tax losses	4,004,840	1,531,518
Alternative corporate tax in excess of minimum tax	102,684	102,684
Remeasurement loss on staff retirement benefit plans	181,782	163,049
Provisions	175,188	50,185
	4,507,066	1,304,152

17.1 Movement of deferred tax asset		
Balance as at beginning of the year	1,304,152	493,985
Tax charge recognised in statement of profit or loss	3,184,181	771,186
Tax charge recognised in other comprehensive income	18,733	38,981
Balance as at end of the year	4,507,066	1,304,152

- 17.2** The deferred tax asset recognised in the financial statements represents the management's best estimate of the potential benefit which is expected to be realized in the future years in the form of reduced tax liability as the Company would be able to set off the tax liability in those years against minimum tax and unused tax loss against the taxable profits of future years. Based on management's assessment of future available taxable profits, the carrying amount of deferred tax asset was reduced by an amount of Rs 176.70 million in respect of minimum tax expiring in 2020.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
18. STORES, SPARES AND LOOSE TOOLS		
Stores (including items in transit amounting to Rs 438.41 million; 2018: Rs 537.31 million)	2,763,814	2,196,757
Spares	963,039	854,077
Loose tools	911	864
	3,727,764	3,051,698
Less: Provision for slow moving items - note 18.1	151,801	145,950
	3,575,963	2,905,748
18.1 Movement in provision for slow moving items		
Balance at July 1	145,950	133,533
Provision for the year	5,851	12,417
Balance at June 30	151,801	145,950
19. STOCK-IN-TRADE		
Crude oil	2,394,892	1,981,197
Semi-finished products	1,602,259	1,434,159
Finished products - note 19.2	6,021,504	6,373,641
	10,018,655	9,788,997

19.1 Stock-in-trade include stocks carried at net realisable value of Rs 7,415.14 million (2018: Rs 5,688.51 million). Adjustments amounting to Rs 1,657.97 million (2018: Rs 871.36 million) have been made to closing inventory to write down stocks to their net realisable value.

	2019 Rs '000	2018 Rs '000
19.2 This includes naphtha stock held by third parties		
At National Refinery Limited	1,089,701	625,357
In transit	153,162	46,671
	1,242,863	672,028

20. TRADE DEBTS - unsecured and considered good

20.1 Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,473.79 million (2018: Rs 10,413.07 million) and Pakistan Oilfields Limited Rs nil (2018: Rs 42.02 million).

Age analysis of trade debts from associated companies, past due but not impaired.

	2019 Rs '000	2018 Rs '000
0 to 6 months	5,156,315	3,649,697
6 to 12 months	5,017,391	3,074,531
Above 12 months	300,085	-
	10,473,791	6,724,228

20.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs 17,563.93 million (2018: Rs 12,921.54 million).

	2019 Rs '000	2018 Rs '000
21. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Current portion of long term loans - secured - note 16		
Employees	44,854	37,723
Executives	4,660	6,756
	49,514	44,479
Advances		
Suppliers	51,307	50,078
Employees	5,586	4,644
	56,893	54,722
	106,407	99,201
Deposits and prepayments		
Trade deposits	286	286
Short term prepayments	204,825	151,446
	205,111	151,732
Other receivables - considered good		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	1,052	-
Due from associated companies		
Attock Information Technology Services (Private) Limited	606	503
Attock Petroleum Limited	2,198,642	1,462,881
Attock Leisure and Management Associates (Private) Limited	134	12
Attock Gen Limited	6,901	247
National Cleaner Production Centre Foundation	4,264	4,906
National Refinery Limited	9,735	3,087
Attock Sahara Foundation	83	-
Income accrued on bank deposits	130,830	104,729
Staff Pension Fund	3,221	-
Workers' Profit Participation Fund - note 21.2	-	20,000
Other receivables	21,044	24,419
	2,376,512	1,620,784
Loss allowance - note 21.3	(389,826)	-
	2,298,204	1,871,717
21.1 Workers' Profit Participation Fund		
Balance receivable/(payable) as at beginning of the year	20,000	(83,663)
Interest on fund utilised in Company's business	221	(5,673)
Amount (received)/paid to the fund	(20,221)	109,336
Balance receivable as at end of the year	-	20,000

21.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 2,253.30 million (2018: Rs 1,471.64 million)

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Age analysis of associated companies, past due but not impaired.

	2019 Rs '000	2018 Rs '000
0 to 6 months	776,571	468,064
6 to 12 months	270	204,705
Above 12 months	1,475,403	798,867
	2,252,244	1,471,636

21.3 Movement in loss allowance

Balance at the beginning of the year under IAS 39	-	-
Effect of change in accounting policy due to adoption of IFRS 9 - note 6.1	249,143	-
Balance as at beginning of the year under IFRS 9	249,143	-
Impairment loss on financial asset	140,683	-
Balance as at end of the year	389,826	-

22. SHORT TERM INVESTMENT

This represented investment in 3 months Government Treasury Bills bearing markup @ 6.24% per annum as at June 30, 2018.

	2019 Rs '000	2018 Rs '000
23. CASH AND BANK BALANCES		
Cash in hand (includes US \$ 4,228 ; 2018: US \$ 2,298)	1,324	1,200
With banks:		
Local currency		
Current accounts	8,013	27,959
Deposit accounts - note 23.1, 23.2 and 23.3	6,266,548	8,005,069
Savings accounts	10,233,733	13,862,915
Foreign currency		
Savings accounts (US \$ 462,927; 2018: US \$ 472,578)	73,976	57,371
	16,583,594	21,954,514

23.1 Deposit accounts include Rs 3,266.55 million (2018: Rs nil) placed in 90 days interest-bearing account consequent to directives of the Ministry on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 11.1. Pursuant to same directives a Term Deposit Receipt (TDR) amounting to Rs nil (2018: Rs 3,005 million) was initially placed in 12 months interest bearing account with the term that allowed the Company to opt for pre-mature encashment. The said TDR was encashed during the year.

23.2 Balances with banks include Rs 3,000 million (2018: Rs 5,000 million) in respect of deposits placed in 90-days interest-bearing account.

23.3 Bank deposits of Rs 1,326.86 million (2018: Rs 1,327.12 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

23.4 Balances with banks include Rs 2.92 million (2018: Rs 2.92 million) in respect of security deposits received from customers etc.

23.5 Interest/mark-up earned on balances with banks ranged between 4.5% to 13.75% (2018: 4.00% to 7.50%) with weighted average rate of 9.06% (2018: 6.06%) per annum.

	2019 Rs '000	2018 Rs '000
24. GROSS SALES		
Local sales	221,475,115	172,373,033
Naphtha export sales	9,836,675	7,049,572
Reimbursement due from the Government under import parity pricing formula - note 24.1	-	7,950
	231,311,790	179,430,555

24.1 This represents amount due from the Government of Pakistan on account of shortfall in ex-refinery prices of Kerosine oil under the import parity pricing formula.

	2019 Rs '000	2018 Rs '000
25. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL		
Sales tax	28,557,842	29,675,049
Petroleum development levy	19,736,809	15,488,407
Custom duties and other levies - note 25.1	5,332,283	3,569,384
Discounts	25,345	50,201
PMG RON differential - note 25.2	904,969	1,050,949
	54,557,248	49,833,990

25.1 This includes Rs 4,193.91 million (2018: Rs 3,569.22 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD.

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

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
26. COST OF SALES		
Opening stock of semi-finished products	1,434,159	791,726
Crude oil consumed - note 26.1	166,189,437	122,516,323
Transportation and handling charges	1,105,424	836,153
Salaries, wages and other benefits - note 26.2	1,153,030	1,084,525
Printing and stationery	4,947	4,030
Chemicals consumed	4,027,850	3,072,736
Fuel and power	4,489,999	3,209,026
Rent, rates and taxes	73,164	65,125
Telephone	2,273	2,065
Professional charges for technical services	8,611	6,482
Insurance	350,794	267,759
Repairs and maintenance (including stores and spares consumed Rs 231.01 million; 2018: Rs 194.44 million)	621,842	501,571
Staff transport and traveling	19,310	16,689
Cost of receptacles	23,123	21,879
Research and development	9,637	6,682
Depreciation - note 13.4	2,552,192	2,542,227
	182,065,792	134,944,998
Closing stock of semi-finished products	(1,602,259)	(1,434,159)
	180,463,533	133,510,839
Opening stock of finished products	6,373,641	3,538,029
Closing stock of finished products	(6,021,504)	(6,373,641)
	352,137	(2,835,612)
	180,815,670	130,675,227
26.1 Crude oil consumed		
Stock as at beginning of the year	1,981,197	1,382,589
Purchases	166,603,132	123,114,931
	168,584,329	124,497,520
Stock as at end of the year	(2,394,892)	(1,981,197)
	166,189,437	122,516,323

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.

- 26.2** Salaries, wages and other benefits under cost of sales, administration expenses and distribution cost include the Company's contribution to the Pension and Gratuity Fund Rs 67.10 million (2018: Rs 38.64 million) and to the Provident Fund Rs 38.50 million (2018: Rs 34.17 million).

	2019 Rs '000	2018 Rs '000
27. ADMINISTRATION EXPENSES		
Salaries, wages and other benefits - note 26.2	381,237	384,665
Board meeting fee	7,778	5,927
Transport, traveling and entertainment	25,380	19,987
Telephone	2,432	2,561
Electricity, gas and water	16,434	12,185
Printing and stationery	5,979	5,553
Auditor's remuneration - note 27.1	6,904	5,640
Legal and professional charges	15,571	12,938
Repairs and maintenance	116,780	117,059
Subscription	47,714	23,541
Publicity	5,623	6,064
Scholarship scheme	3,366	3,415
Rent, rates and taxes	19,430	16,379
Insurance	2,774	827
Donations - note 27.2 & 27.3	684	540
Training expenses	2,412	1,538
Depreciation - note 13.4	27,964	26,301
	688,462	645,120
27.1 Auditor's remuneration		
Annual audit	1,938	1,805
Review of half yearly financial information, audit of consolidated financial statements, employee funds and special certifications	1,452	1,272
Tax services	2,188	2,043
Out of pocket expenses	1,326	520
	6,904	5,640
27.2 Donation equal to/in excess of Rs 0.5 million includes donation made to Pakistan Foundation for Fighting Blindness Rs 0.54 million (2018: Rs 0.54 million).		
27.3 No director or his spouse had any interest in the donee institutions.		
	2019 Rs '000	2018 Rs '000
28. DISTRIBUTION COST		
Salaries, wages and other benefits - note 26.2	35,299	32,032
Transport, travelling and entertainment	523	642
Telephone	270	312
Electricity, gas and water	2,771	2,294
Printing and stationery	99	64
Repairs and maintenance including packing and other stores consumed	7,769	10,041
Rent, rates and taxes	4,456	4,005
Legal and professional charges	25	-
Depreciation - note 13.4	807	766
	52,019	50,156

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
29. OTHER CHARGES		
Provision for slow moving store items	5,851	12,417
Reversal of Workers' welfare fund for prior years	-	(118,688)
	5,851	(106,271)
30. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,784,117	1,198,793
Interest on delayed payments	784,571	517,453
	2,568,688	1,716,246
Income from non-financial assets		
Income from crude desalter operations - note 30.1	3,843	422
Insurance agency commission	1,339	1,671
Rental income	101,457	104,653
Sale of scrap	13,229	31,158
Profit on disposal of operating assets	6,685	7,761
Calibration charges	5,433	3,799
Handling and service charges	72,226	102,112
Penalties from carriage contractors	234	94
Miscellaneous - note 30.2	6,853	9,561
	211,299	261,231
	2,779,987	1,977,477
30.1 Income from crude desalter operations		
Income	74,551	73,779
Less: Operating costs		
Salaries, wages and other benefits	2,219	2,302
Chemical consumed	2,755	2,859
Fuel and power	44,035	45,684
Repairs and maintenance	21,699	22,512
	70,708	73,357
	3,843	422

30.2 This mainly includes income on account of laboratory services provided to different entities.

	2019 Rs '000	2018 Rs '000
31. FINANCE COST		
Exchange loss (net) - note 31.1	4,740,183	1,396,027
Interest on long term financing	1,882,912	1,523,002
Interest on Worker Profit Participation Fund	-	5,673
Bank and other charges	581	597
	6,623,676	2,925,299

31.1 This is net of exchange gain of Rs 76.31 million (2018: Rs 25.27 million) on realization of Naphtha export proceeds.

	2019 Rs '000	2018 Rs '000
32. TAXATION		
Current tax		
For the year - note 32.1	933,454	239,773
Prior years - note 32.2	-	(1,071,518)
	933,454	(831,745)
Deferred tax	(3,184,181)	(771,186)
	(2,250,727)	(1,602,931)

32.1 This is net of tax credit on investment amounting to Rs nil (2018: Rs 444.07 million) under the provisions of the Income Tax Ordinance, 2001.

32.2 It relates to the provision for income tax recorded by the Company for certain tax years which had been partially written back in view of favourable judgments of tax appellate authorities including those passed in Company's own matter or in such matters as are being contested by the Company.

	2019 Rs '000	2018 Rs '000
32.3 Relationship between tax expense and accounting loss (refinery operations)		
Accounting loss before taxation	(8,791,832)	(2,615,489)
Tax at applicable tax rate of 29% (2018: 30%)	(2,549,631)	(784,647)
Prior year adjustment	-	(1,071,518)
Tax effect of income taxable at special rates	199,105	100,240
Effect of lower tax rate for deferred taxation	-	130,774
Effect of impairment loss on financial asset	(72,251)	-
Effect of change in tax rate	(5,528)	(126,432)
Deferred tax asset derecognized on minimum tax	176,704	154,371
Others	874	(5,719)
	(2,250,727)	(1,602,931)

32.4 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:

	Provision for taxation Rs '000	Tax assessed Rs '000	Excess/(deficit) Rs '000
2018	911,876	937,052	(25,176)
2017	870,969	769,327	101,642
2016	345,969	370,868	(24,899)

32.4.1 "Tax assessed" represents liability assessed or deemed to be assessed by Tax Authorities. Further, for prior tax years the Tax Authorities and Company are contesting their respective view points at various fora. After due consideration of related matters, adequate tax provision is being maintained in respect of the matters pending at various assessment/appellate fora and same shall be subject to final adjustment upon culmination of related proceedings.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
33. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION		
Dividend income from associated companies		
National Refinery Limited	199,916	449,812
Attock Petroleum Limited	671,333	771,126
Attock Gen Limited	448,978	598,637
	1,320,227	1,819,575
Less: Taxation - current	(164,361)	(228,039)
	1,155,866	1,591,536
33.1 Relationship between tax expense and accounting income (non-refinery operations)		
Accounting profit before taxation	1,320,227	1,819,575
Tax at applicable tax rate of 29% (2018: 30%)	396,068	545,873
Tax effect of income taxable at special rates	(231,707)	(317,834)
	164,361	228,039
	2019 Rs '000	2018 Rs '000 (Restated)
34. (LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED		
Loss after taxation from refinery operations	(6,541,105)	(1,012,558)
Income from non-refinery operations less applicable charges and taxation	1,155,866	1,591,536
	(5,385,239)	578,978
Weighted average number of fully paid ordinary shares ('000)	106,616	106,616
(Loss)/Earnings per share - Basic and diluted (Rs)		
Refinery operations	(61.35)	(9.50)
Non-refinery operations	10.84	14.93
	(50.51)	5.43

Earnings per share - basic and diluted for the year ended June 30, 2018 respectively have been restated taking into consideration the corresponding effect of bonus shares issued during the year ended June 30, 2019.

35. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2019 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2019	2018	2019	2018
		Rs '000		Rs '000	
a)	The amounts recognised in the statement of financial position:				
	Present value of defined benefit obligations	965,622	977,257	600,976	544,016
	Fair value of plan assets	(968,843)	(853,381)	(528,184)	(441,880)
	Net liability	(3,221)	123,876	72,792	102,136
b)	The amounts recognised in the statement of profit or loss:				
	Current service cost	21,515	18,232	18,922	15,907
	Past service cost	-	-	7,183	-
	Net interest cost	10,679	412	8,805	4,079
		32,194	18,644	34,910	19,986
c)	Movement in the present value of defined benefit obligation:				
	Present value of defined benefit obligation as at beginning of the year	977,257	850,975	544,016	515,263
	Current service cost	21,515	18,232	18,922	15,907
	Past service cost	-	-	7,183	-
	Interest cost	87,852	65,848	46,076	38,145
	Benefits paid	(46,440)	(45,280)	(79,266)	(65,506)
	Remeasurement (gain)/loss on defined benefit obligation	(74,562)	87,482	64,045	40,207
	Present value of defined benefit obligation as at end of the year	965,622	977,257	600,976	544,016
d)	Movement in the fair value of plan assets:				
	Fair value of plan assets as at beginning of the year	853,381	845,439	441,880	460,740
	Expected return on plan assets	77,173	65,436	37,271	34,066
	Contributions	139,634	16,183	128,428	25,253
	Benefits paid	(46,440)	(45,280)	(79,266)	(65,507)
	Remeasurement gain on plan assets	(54,905)	(28,397)	(129)	(12,672)
	Fair value of plan assets as at end of the year	968,843	853,381	528,184	441,880
	Actual return on plan assets	22,268	37,038	37,142	21,394

The Company expects to contribute Rs 59 million during the year ending June 30, 2020 to its defined benefit pension and gratuity plans (2019: Rs 58 million).

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Funded pension		Funded gratuity	
	2019	2018	2019	2018
	Rs '000		Rs '000	
e) Plan assets comprise of:				
Investment in equity securities	99,740	150,139	5	9
Investment in mutual funds	21,572	129,882	5,351	64,449
Debt instruments	942,052	689,275	520,581	392,635
Deposits with banks	62,471	28,237	37,880	27,659
Share of asset of related parties	(156,992)	(144,152)	(35,633)	(42,872)
	968,843	853,381	528,184	441,880

- f) The expected return on plan assets is based on the market expectations and depend upon the asset portfolio of the Funds, at the beginning of the year, for returns over the entire life of the related obligations.

	Funded pension		Funded gratuity	
	2019	2018	2019	2018
	Rs '000		Rs '000	
g) Remeasurement recognised in OCI:				
Remeasurement (loss)/gain on obligation				
(Loss)/gain due to change in:				
Financial assumptions	74,939	26,916	4,931	5,826
Experience adjustments	(377)	(114,398)	(68,976)	(46,033)
	74,562	(87,482)	(64,045)	(40,207)
Remeasurement (loss) on plan assets	(54,905)	(28,397)	(129)	(12,672)
	19,657	(115,879)	(64,174)	(52,879)

h) Principal actuarial assumptions used in the actuarial valuation are as follows:				
Discount rate	14.00%	9.00%	14.00%	9.00%
Expected return on plan assets	14.00%	9.00%	14.00%	9.00%
Future salary increases	12.75%	8.00%	12.75%	8.00%
Future pension increases	7.50%	3.50%	N/A	N/A
Demographic assumptions				
Rates of employee turnover				
Management	Low	Low	Low	Low
Non-management	Nil	Nil	Nil	Nil
Mortality rates (pre-retirement)	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year
Mortality rates (post retirement)	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	N/A	N/A

- i) There is no significant risk associated with the plan assets, as significant component thereof comprises of fixed interest rate bearing TDR's and saving accounts with financial institutions having satisfactory credit ratings.

j) **Sensitivity Analysis:**

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in respective assumptions by one percent.

	Effect of 1 percent increase Rs '000	Effect of 1 percent decrease Rs '000
Discount rate	1,440,447	1,717,197
Future salary growth	1,626,629	1,511,784
Pension increase	1,057,635	885,733

If the life expectancy increases/decreases by 1 year, the impact on defined benefit obligation would be Rs 8.648 million.

The above sensitivity analysis are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

k) Projected benefit payments from fund are as follows:

	Pension Rs '000	Gratuity
FY 2020	24,637	137,639
FY 2021	54,318	154,735
FY 2022	60,925	86,918
FY 2023	68,397	114,722
FY 2024	80,249	121,405
FY 2025-29	589,427	301,403

l) The weighted average number of years of defined benefit obligation is given below:

	Pension Years	Gratuity
Plan duration		
June 30, 2019	10.72	3.76
June 30, 2018	11.54	4.15

m) The Company contributes to the gratuity and pension funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

36. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2019 are as follows:

	2019 Rs '000	2018 Rs '000
Staff provident fund		
Size of the fund	450,857	447,885
Cost of investments made	418,543	379,081
Fair value of investments made	442,738	442,914
%age of investments made	98%	99%

	2019		2018	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	29,979	7%	27,108	7%
Mutual funds	9,131	2%	54,834	14%
Bank deposits	31,384	8%	36,997	10%
Term deposits	348,049	83%	260,142	69%
	418,543	100%	379,081	100%

	2019 Rs '000	2018 Rs '000
General staff provident fund		
Size of the fund	500,266	551,092
Cost of investments made	485,215	504,023
Fair value of investments made	495,447	541,739
%age of investments made	99%	98%

	2019		2018	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,954	5%	20,311	4%
Mutual funds	13,023	3%	79,270	16%
Bank deposits	34,800	7%	30,609	6%
Term deposits	413,438	85%	373,833	74%
	485,215	100%	504,023	100%

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

37. 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:

	2019 Rs '000	2018 Rs '000
High speed diesel	85,264,010	66,499,887
Motor gasoline	71,268,866	60,005,438
Furnace fuel oil	33,822,241	22,097,005
Jet petroleum	18,369,168	12,565,554
Naphtha	11,015,370	7,993,626
Others	11,572,135	10,269,045
	231,311,790	179,430,555
Less: Taxes, duties levies, discounts and price differential	54,557,248	49,833,990
	176,754,542	129,596,565

Revenue from four major customers of the Company constitute 88% (2018: 89%) of total revenue during the year.

38. RELATED PARTY TRANSACTIONS

38.1 The Attock Oil Company Limited holds 61.01% (2018: 61.01%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive Officer, Directors and Executives is disclosed in note 39 to the financial statements.

	2019 Rs '000	2018 Rs '000
Associated Companies		
Pakistan Oilfields Limited		
Purchase of crude oil	19,028,394	15,071,353
Purchase of gas	13,671	3,779
Purchase of services	7,573	6,470
Sale of petroleum products	213,494	116,936
Sale of services	20,673	17,691
Attock Petroleum Limited		
Sales of petroleum products	52,834,584	43,912,012
Sales of services	58,268	86,656
Purchase of petroleum products	9,904	2,289
Purchases of services	168,582	132,569
Dividend paid	-	8,592
Dividend received	671,333	771,126
Interest income on delayed payments	784,571	517,453
National Refinery Limited		
Purchases of services	123,746	104,620
Sales of services	-	126
Dividend received	199,916	449,812

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
Attock Cement Pakistan Limited		
Purchase of services	360	302
Attock Gen Limited		
Sales of petroleum products	1,636	1,232
Land lease income	24,188	26,399
Storage tank lease income	18,371	18,881
Dividend received	448,977	598,637
Income from other services and facilities provided to AGL	33,974	19,287
National Cleaner Production Centre Foundation		
Purchase of services	3,892	5,629
Sale of services	21,888	20,352
Sale of petroleum products	268	94
Attock Information Technology Services (Private) Limited		
Purchase of services	52,632	48,156
Sales of petroleum products	441	265
Sale of services	5,357	4,376
Attock Leisure and Management Associates (Private) Limited		
Sale of services	183	50
Attock Sahara Foundation		
Purchase of services	11,805	11,961
Sales of services	1,011	956
Attock Solar (Private) Limited		
Purchase of goods	831	2,136
Sales of services	392	567
Holding Company		
Attock Oil Company Limited		
Purchases of crude oil	501,560	401,879
Purchases of services	109,532	398,316
Sales of services	34,623	25,461
Dividend paid	-	312,235
Subsidiary Company		
The Attock Hospital (Private) Limited		
Purchase of services	87,263	75,288
Sale of services	15,075	13,431
Sale of petroleum products	345	156
Other related parties		
Remuneration of Chief Executive Officer and key management personnel including benefits and perquisites	184,100	165,240
Dividend paid to Chief Executive Officer and key management personnel	-	1,364
Directors Fees	7,778	5,927

	2019 Rs '000	2018 Rs '000
Contribution to staff retirement benefit plans		
Staff Pension Fund	139,634	16,183
Staff Gratuity Fund	128,427	25,253
Staff Provident Fund	38,497	34,168

38.2 Following are the related parties with whom the Company had entered into transactions or have arrangement/ agreement in place.

Sr. No.	Company Name	Basis of association	Aggregate % of shareholding
1	The Attock Oil Company Limited (Incorporated in UK - Pakistan Branch Office)	Holding Company	61.01%
2	National Refinery Limited	Associated Company	25.00%
3	Attock Petroleum Limited	Associated Company	21.88%
4	Attock Gen Limited	Associated Company	30.00%
5	Attock Information Technology Services (Private) Limited	Associated Company	10.00%
6	Pakistan Oilfields Limited	Associated Company	Nil
7	Attock Cement Pakistan Limited	Associated Company	Nil
8	National Cleaner Production Centre Foundation	Associated Company	Nil
9	Attock Leisure & Management Associates (Private) Limited	Associated Company	Nil
10	Attock Solar (Private) Limited	Associated Company	Nil
11	Attock Hospital (Private) Limited	Wholly owned Subsidiary	100.00%

38.3 Associated Companies incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

Name of undertaking	The Attock Oil Company Limited
Registered address	4, Swan Street, Manchester, England, M4 5JN
Country of incorporation	United Kingdom
Basis of association	Parent company
Aggregate %age of shareholding	61.01%
Chief Executive Officer	Shuaib A. Malik
Operational status	Private Limited Company
Auditor's opinion on latest available financial statements	Unqualified opinion

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for remuneration, including benefits and perquisites, are as follows:

	Chief Executive Officer		Executives	
	2019 Rs '000	2018 Rs '000	2019 Rs '000	2018 Rs '000
Managerial remuneration/honorarium	9,273	8,951	65,430	57,400
Bonus	3,609	4,375	21,260	24,609
Company's contribution to Provident, Pension and Gratuity Funds	-	-	14,908	13,097
Housing and utilities	6,792	6,324	55,169	46,663
Leave passage	1,250	1,250	6,854	6,516
	20,924	20,900	163,621	148,285
Less: charged to Attock Gen Limited	-	3,945	-	-
	20,924	16,955	163,621	148,285
No. of person(s)	1	1	26	24

39.1 In addition to above, the Chief Executive Officer and 19 (2018: 19) executives were provided with limited use of the Company's cars. The Chief Executive Officer and all executives were provided with medical facilities. Limited residential telephone facility was also provided to the Chief Executive Officer and 4 (2018: 4) executives. Gratuity and pension is payable to the Chief Executive Officer in accordance with the terms of employment while contributions for executives in respect of gratuity and pension are based on actuarial valuation. Leave passage is paid to Chief Executive Officer and all executives in accordance with the terms of employment.

39.2 In addition, meeting fee based on actual attendance was paid to 5 (2018: 5) non-executive directors Rs 5.29 million (2018: Rs 3.75 million), Chief Executive Officer Rs 1.06 million (2018: Rs 0.77 million) and 2 (2018: 2) alternate directors Rs 1.43 million (2018: Rs 1.40 million) of the Company.

	2019 Rs '000	2018 Rs '000
40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT		
40.1 Financial assets and liabilities		
Financial assets classified as amortised cost:		
Maturity upto one year		
Trade debts	22,411,912	15,748,278
Loans, advances, deposits & other receivables	2,042,072	1,670,193
Short term investments	-	985,846
Cash and bank balances		
Foreign currency - US \$	74,652	57,371
Local currency	16,508,942	21,897,143
Maturity after one year		
Long term loans and deposits	44,326	42,115
	41,081,904	40,400,946

	2019 Rs '000	2018 Rs '000
Financial liabilities classified as amortised cost:		
Maturity upto one year		
Trade and other payables	38,906,832	31,155,391
Unclaimed dividends	9,566	9,839
Long term financing	2,200,000	2,200,000
Accrued mark-up on long term financing	271,166	260,909
Maturity after one year		
Long term financing	7,981,422	12,642,916
	49,368,986	46,269,055

40.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2019 Rs '000	2018 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	7,712,750	2,829,141
Counterparties without external credit rating			
Due from associated companies		10,473,791	10,455,088
Others *		4,225,371	2,464,049
		22,411,912	15,748,278
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		2,086,398	1,712,308
Short term investments			
Counterparties with external credit rating	A 1+	-	985,846
Bank balances			
Counterparties with external credit rating	A 1+	16,047,791	21,196,360
	A 1	534,479	756,954
		16,582,270	21,953,314

* These balances represent receivable from oil marketing companies and defence agencies.

40.3 Financial risk management

40.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risk is primarily attributable to its trade debts and balances at banks. Credit sales are essentially to oil marketing companies and reputable foreign customers. The Company maintains balances with banks having satisfactory credit rating. Due to the high credit worthiness of counter parties the credit risk is considered minimal.

At June 30, 2019, trade debts of Rs 10,473.79 million (2018: Rs 6,724.23 million) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2019 Rs '000	2018 Rs '000
0 to 6 months	5,156,315	3,649,697
6 to 12 months	5,017,391	3,074,531
Above 12 months	300,085	-
	10,473,791	6,724,228

Based on past experience, the management believes that no impairment allowance is necessary in respect of trade debts.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains lines of credit as mentioned in note 11 to the financial statements.

The table below analysis the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount Rs '000	Contractual cash flows Rs '000	Less than 1 Year Rs '000	Above 1 year Rs '000
At June 30, 2019				
Long term financing	10,452,588	10,452,588	2,200,000	8,252,588
Accrued Interest	271,166	271,166	271,166	-
Trade and other payables	38,906,832	38,906,832	38,906,832	-
At June 30, 2018				
Long term financing	15,103,825	15,103,825	2,200,000	12,903,825
Accrued Interest	260,909	260,909	260,909	-
Trade and other payables	31,155,391	31,155,391	31,155,391	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) **Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 75 million (2018: Rs 57 million) and financial liabilities include Rs 4,502 million (2018: Rs 3,275 million) which were subject to currency risk.

	2019	2018
Rupees per USD		
Average rate	136.39	109.98
Reporting date rate	160.30	121.60

Sensitivity analysis

At June 30, 2019, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, profit after tax for the year would have been Rs 314 million (2018: Rs 225 million) lower/higher.

ii) **Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 16,574 million (2018: Rs 22,911 million) and Rs 13,557 million (2018: Rs 17,956 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

At June 30, 2019, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 21 million (2018: Rs 35 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

iii) **Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

40.3.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

As mentioned in note - 9.1, the Company is subject to pricing formula whereby profits after tax from refinery operations in excess of 50% of the paid up capital as of July 1, 2002 are transferred to special reserve and can only be utilized to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

40.4 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair value.

41. FAIR VALUE HIERARCHY

Fair value of land

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'.

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

	2019 Rs '000	2018 Rs '000
42. CASH GENERATED FROM OPERATIONS		
Loss before taxation	(8,791,832)	(2,615,489)
Adjustments for:		
Depreciation	2,580,963	2,569,294
Gain on disposal of property, plant and equipment	(6,685)	(7,761)
Provision for slow moving, obsolete and in transit stores	5,851	12,417
Workers Profit Participation Fund	-	(118,688)
Interest income	(1,784,117)	(1,204,466)
Finance cost (net)	6,623,676	2,925,299
Effect of exchange rate changes	(17,001)	(7,861)
Interest on delayed payments	(784,571)	(517,453)
Impairment losses on financial asset	140,683	-
	(2,033,033)	1,035,292
Working capital changes		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(676,066)	(724,890)
Stock-in-trade	(229,658)	(4,076,653)
Trade debts	(6,752,210)	(5,051,795)
Loans, advances, deposits, prepayments and other receivables	(25,641)	582,517
	(7,683,575)	(9,270,821)
Increase in current liabilities:		
Trade and other payables	12,782,339	16,359,115
Cash generated from operations		
Payments of WPPF and WWF	20,000	(97,990)
Income taxes paid	(780,806)	(672,432)
	(760,806)	(770,422)
Net cash generated from operating activities	2,304,925	7,353,164

	2019 Rs '000	2018 Rs '000
43. CASH AND CASH EQUIVALENTS		
Cash and bank balances	16,583,594	21,954,514
Short term investments - treasury bills	-	985,846
	16,583,594	22,940,360

44. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

Description	Explanation	
i) Loans and advances obtained as per islamic mode	Disclosed in note 10	
ii) Deposits	Non-interest bearing	
iii) Segment revenue	Disclosed in note 37	
iv) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:	
	1. Meezan Bank Limited	
	2. Al-Baraka Bank (Pakistan) Limited	
	3. Dubai Islamic Bank	
		Rs '000
	As at June 30, 2019	
v) Bank balances	Placed under interest arrangement	16,047,790
	Placed under Shariah permissible arrangement	534,480
		16,582,270
	For the year ended June 30, 2019	
vi) Income on bank deposits including income accrued as at reporting date	Placed under interest arrangement	1,734,296
	Placed under Shariah permissible arrangement	49,821
		1,784,117
	For the year ended June 30, 2019	
vii) Interest paid including accrued as at reporting date	Under interest arrangement	1,418,603
	Under Shariah permissible arrangement	464,309
		1,882,912
viii) All sources of other income	Disclosed in note 30.2	
ix) Dividend income	Disclosed in note 33	
x) Exchange gain	Earned from actual currency	

Disclosures other than above are not applicable to the Company.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

45. GENERAL

45.1 Capacity and production

Against the designed annual refining capacity of US barrels 18.690 million (2018: 18.690 million) the actual throughput during the year was US barrels 17.467 million (2018: 17.552 million).

	2019	2018
45.2 Number of employees		
Number of employees at June 30		
Permanent	576	621
Contract	367	296
	943	917
This includes 616 (2018: 617) number of factory employees.		
Average number of employees for the year		
Permanent	597	590
Contract	349	323
	946	913

This includes 628 (2018: 620) number of factory employees.

45.3 Unavailed credit facilities

The Company has entered into an arrangement with banks for obtaining Letter of Credit facility to import chemical, spare parts and other materials upto a maximum of Rs 3,228 million (2018: Rs 3,228 million). The facility is secured against lien on shipping documents. The unavailed facility at June 30, 2019 was Rs 1,134.72 million (2018: Rs 1,784.95 million). These facilities will expire on various dates after June 30, 2019.

45.4 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

46. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on July 29, 2019.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Annual Audited Consolidated Financial Statements

for the year ended June 30, 2019

Independent Auditor's Report**To the members of Attock Refinery Limited****Report on the Audit of Consolidated Financial Statements****Opinion**

We have audited the annexed consolidated financial statements of Attock Refinery Limited (the Group), and its subsidiary, Attock Hospital (Private) Limited which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the group as at June 30, 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Applicability of IFRS 9 (Refer notes 6.1, 16 and 22 to the consolidated financial statements)</p> <p>IFRS 9 'Financial Instruments' is effective for the Group for the first time during the current year and replaces the financial instruments standard IAS 39 'Financial Instruments: Recognition and Measurement'.</p> <p>In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p> <p>In accordance with IFRS 9, the measurement of ECL reflect a range of unbiased and probability-weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of ECLs in accordance with IFRS 9 is therefore complex and involves a number of judgemental assumptions.</p> <p>The Group has adopted IFRS 9 using the allowed modified retrospective approach and recognized expected credit loss of Rs 524.97 million in opening retained earnings as at July 1, 2018 and Rs 140.68 million for year ended June 30, 2019.</p> <p>We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.</p>	<p>We reviewed and understood the requirements of the IFRS 9. Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Considered the management's process to assess the impact of adoption of IFRS 9 on the Group's financial statements. - Reviewed the appropriateness of the assumptions used (future and historical), the methodology and policies applied to assess the ECL in respect of financial assets of the Group. Reviewed the working of management for expected credit losses. - We reviewed and assessed the impact and disclosures made in the financial statements with regard to the effect of adoption of IFRS 9.

S. Key audit matters
No.

How the matter was addressed in our audit

2. Investment in associated companies

(Refer note 16 to the financial statements)

The Group has investment in its associated companies; National Refinery Limited (NRL) and Attock Petroleum Limited (APL). As at June 30, 2019, the carrying amount of investments in above referred associated companies amounted to Rs 10,536 million and Rs 7,472 million respectively which carrying values are higher by Rs 8,268 million and Rs 1,190 million respectively in relation to the quoted market value of their respective shares. The Group carries out impairment assessment of the value of investment where there are indicators of impairment.

The Group has assessed the recoverable amounts of the investments in associated companies based on the higher of the value-in-use ("VIU") and fair value. The VIU of NRL and APL are based on valuation analysis carried out by an independent external investment advisor and by the management's expert in respective cases. The VIU analysis are based on a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.

We considered this as a key audit matter due to significant management judgement involved in the estimation of VIU.

Our procedures in relation to assessment of recoverable amount of investment in associated companies included:

- Assessed the appropriateness of management's accounting for investment in associated companies.
- Considered management's process for identifying the existence of impairment indicators in respect of investment in associated companies.
- Evaluated the independent external investment advisor's competence, capabilities and objectivity.
- Assessed the valuation methodology used by the independent external investment advisor.
- Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence.
- Assessed and tested mathematical accuracy of cash flows projection.
- Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

-- Sd --

Chartered Accountants
Islamabad
Date: August 23, 2019

Consolidated Statement of Financial Position

As at June 30, 2019

	Note	June 30, 2019 Rs '000	June 30, 2018 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised	8	1,500,000	1,500,000
Issued, subscribed and paid-up	8	1,066,163	852,930
Reserves and surplus	9	27,380,808	36,722,462
Surplus on revaluation of freehold land	14	12,052,576	12,052,576
Fair value gain on available for sale investment		-	108
		40,499,547	49,628,076
NON CURRENT LIABILITIES			
Long term financing	10	7,981,422	12,642,916
Deferred grant	11	4,960	-
CURRENT LIABILITIES			
Trade and other payables	12	57,285,622	44,552,948
Accrued mark-up on long term financing	10	271,166	260,909
Current portion of long term financing	10	2,200,000	2,200,000
Unclaimed dividends		9,566	9,839
Provision for taxation		2,480,850	2,163,842
		62,247,204	49,187,538
TOTAL EQUITY AND LIABILITIES			
		110,733,133	111,458,530
CONTINGENCIES AND COMMITMENTS			
	13		

	Note	June 30, 2019 Rs '000	June 30, 2018 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	14	30,398,193	32,829,945
Capital work-in-progress	15	622,573	303,043
Major spares parts and stand-by equipment		145,542	119,151
		31,166,308	33,252,139
LONG TERM INVESTMENTS	16	20,709,543	24,830,227
LONG TERM LOANS AND DEPOSITS	17	44,490	42,115
DEFERRED TAXATION	18	3,871,802	43,494
CURRENT ASSETS			
Stores, spares and loose tools	19	3,575,963	2,905,748
Stock-in-trade	20	10,020,227	9,789,826
Trade debts	21	22,411,940	15,748,306
Loans, advances, deposits, prepayments and other receivables	22	2,310,169	1,888,643
Short term investment	23	-	985,846
Cash and bank balances	24	16,622,691	21,972,186
		54,940,990	53,290,555
TOTAL ASSETS		110,733,133	111,458,530

The annexed notes 1 to 48 form integral part of these consolidated financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Consolidated Statement of Profit or Loss

For the year ended June 30, 2019

	Note	2019 Rs '000	2018 Rs '000 (Restated)
Gross sales	25	231,395,851	179,501,046
Taxes, duties, levies, discounts and price differential	26	(54,557,248)	(49,833,990)
Net sales		176,838,603	129,667,056
Cost of sales	27	(180,815,670)	(130,675,227)
Gross loss		(3,977,067)	(1,008,171)
Administration expenses	28	738,603	696,359
Distribution cost	29	52,019	50,156
Other charges	30	6,614	(105,901)
		(797,236)	(640,614)
Other income	31	2,782,176	1,978,355
Impairment loss on financial asset	22.3	(140,683)	-
Operating (loss)/profit		(2,132,810)	329,570
Finance cost	32	(6,623,676)	(2,925,299)
Loss before taxation from refinery operations		(8,756,486)	(2,595,729)
Taxation	33	2,240,405	1,593,206
Loss after taxation from refinery operations		(6,516,081)	(1,002,523)
(Loss)/Profit after taxation from non-refinery operations			
Impairment (loss)/reversal on investment in associated company	16	(1,913,702)	178,420
Share in (loss)/profit of associated companies	35	(182,473)	2,212,851
		(2,096,175)	2,391,271
(Loss)/Profit for the year		(8,612,256)	1,388,748
(Loss)/Earnings per share - basic and diluted (Rupees)			(Restated)
Refinery operations		(61.12)	(9.40)
Non-refinery operations		(19.66)	22.43
	36	(80.78)	13.03

The annexed notes 1 to 48 form integral part of these consolidated financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2019

	Note	2019 Rs '000	2018 Rs '000
(Loss)/Profit for the year		(8,612,256)	1,388,748
Other comprehensive (loss)/income for the year			
Items that will not be reclassified to statement of profit or loss :			
Remeasurement loss on staff retirement benefit plans	37	(42,099)	(174,749)
Related deferred tax credit		12,209	48,749
Effect of change in tax rate		7,109	(9,579)
Share of other comprehensive profit/(loss) of associated companies - net of tax		28,252	(21,223)
		5,471	(156,802)
Items that will be reclassified to statement of profit or loss			
Fair value adjustment on available for sale investments		-	108
Change in fair value of long term investment		(416)	-
Total comprehensive (loss)/income for the year		(8,607,201)	1,232,054

The annexed notes 1 to 48 form integral part of these consolidated financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2019

	Share capital	Special reserve for expansion/modernisation	Capital reserve Utilised special reserve for expansion/modernisation	Maintenance reserve	Others	General reserve	Revenue reserve Un-appropriated profit	Surplus on revaluation of freehold land	Fair value gain on available for sale investment	Gain/(loss) on revaluation of investment at fair value through OCI	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 - net of tax											
Profit for the year	-	-	-	-	-	-	1,388,748	-	-	-	1,388,748
Other comprehensive (loss)/income for the year	-	-	-	-	-	-	(156,802)	-	108	-	(156,694)
	-	-	-	-	-	-	1,231,946	-	108	-	1,232,054
Loss from refinery operations transferred from											
un-appropriated profit to Special Reserve - note 9.1	-	(1,012,558)	-	-	-	-	1,012,558	-	-	-	-
Transfer to maintenance reserve by an associated company - note 9.3	-	-	-	4,946	-	-	(4,946)	-	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	750,000	(750,000)	-	-	-	-
Balance as at June 30, 2018	852,930	1,033,255	12,908,966	201,625	119,708	6,852,380	15,606,528	12,052,576	108	-	49,628,076
Effect of changes in accounting policies due to adoption of IFRS 9 - note 6.1	-	-	-	-	-	-	(524,973)	-	(108)	3,753	(521,328)
Adjusted balance as at July 1, 2018	852,930	1,033,255	12,908,966	201,625	119,708	6,852,380	15,081,555	12,052,576	-	3,753	49,106,748
Distribution to owners:											
Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-	-	-
Bonus share issued by an associated company	-	-	-	-	36,288	-	(36,288)	-	-	-	-
Total comprehensive loss - net of tax											
Loss for the year	-	-	-	-	-	-	(8,612,256)	-	-	-	(8,612,256)
Other comprehensive (loss)/income for the year	-	-	-	-	-	-	5,471	-	-	(416)	5,055
	-	-	-	-	-	-	(8,606,785)	-	-	(416)	(8,607,201)
Loss from refinery operations transferred from											
un-appropriated profit to Special Reserve - note 9.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-	-	-
Transfer to maintenance reserve by an associated company - note 9.3	-	-	-	4,015	-	-	(4,015)	-	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	225,000	(225,000)	-	-	-	-
Balance as at June 30, 2019	1,066,163	-	12,908,966	205,640	155,996	7,077,380	7,029,489	12,052,576	-	3,337	40,499,547

The annexed notes 1 to 48 form integral part of these consolidated financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Consolidated Statement of Cash Flows

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from		
– customers	224,729,280	174,524,466
– others	307,130	793,213
	225,036,410	175,317,679
Cash paid for operating costs	(172,454,141)	(123,985,695)
Cash paid to Government for duties, taxes and levies	(49,461,833)	(43,294,913)
Income tax paid	(789,802)	(680,397)
Net cash inflow from operating activities	2,330,634	7,356,674
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(497,708)	(459,103)
Sale of operating assets	6,901	7,987
Long term loans and deposits	(2,375)	(7,472)
Income received on bank deposits	1,759,990	1,125,178
Dividends received from the associated companies	1,320,227	1,819,574
Net cash inflow from investing activities	2,587,035	2,486,164
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(5,200,000)	(5,200,000)
Grant received for purchase of operating assets	5,175	-
Transaction cost on long term financing	(500)	(500)
Finance cost	(6,074,413)	(2,831,366)
Dividends paid to the Shareholders of the Company	(273)	(510,818)
Net cash out flows from financing activities	(11,270,011)	(8,542,684)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		
DURING THE YEAR	(6,352,342)	1,300,154
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	22,958,032	21,650,017
Effect of exchange rate changes	17,001	7,861
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	16,622,691	22,958,032

The annexed notes 1 to 48 form integral part of these consolidated financial statements.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

1. LEGAL STATUS AND OPERATIONS

Attock Refinery Limited (the Company) was incorporated in Pakistan on November 8, 1978 as a private limited company and was converted into a public company on June 26, 1979. The registered office of the Company is situated at Morgah, Rawalpindi. Its shares are quoted on the Pakistan Stock Exchange. It is principally engaged in the refining of crude oil.

The Company is subsidiary of The Attock Oil Company Limited, United Kingdom 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 consolidated financial statements, the Company and its above referred wholly owned subsidiary AHL is referred to as the Group.

2. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE GROUP'S FINANCIAL POSITION AND PERFORMANCE

The consolidated financial position and performance of the Group was affected by the following events and transactions during the year:

- i) Due to devaluation of Pak Rupee during the year the Company has suffered a net exchange loss of Rs 4,740.18 million in respect of its purchases and liabilities denominated in US Dollars as also referred to in note 32.
- ii) During the year, the Group adopted International Financial Reporting Standard 9 "Financial Instruments" which resulted in recognition of a cumulative charge of Rs 390 million in respect of the carrying amount of other receivables. In this respect, Rs 249.14 million pertained to the related opening balance which has been accounted for in the statement of changes in equity.
- iii) Consequent to the decision of the Government to shut down furnace fueled power plants in the country, there was a reduction in capacity utilization of the Company during the month of November 2018. In view of the foregoing, the Company was compelled to operate the refinery at lower through-put to deal with the problem of increasing stock of furnace fuel and the declining ullage.
- iv) Other significant transactions and events have been adequately described in these consolidated financial statements. For detail performance review of the Company, refer Directors' Report.

3. STATEMENT OF COMPLIANCE

These are consolidated financial statements of the Group and consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

4.1 IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" became applicable to the Group from July 1, 2018. For related changes in accounting policies and impact on the Group's financial statements refer note 6 to these consolidated financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 12	Income Taxes (Amendments)	January 1, 2019
IAS 19	Employee benefits (Amendments)	January 1, 2019
IAS 23	Borrowing Costs (Amendments)	January 1, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRS 3	Business combinations (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 1, 2019

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the consolidated financial statements other than the impact on presentation/disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 16 on its consolidated financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 14 Regulatory Deferral Accounts
- IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived of by SECP:

- IFRIC 4 Determining whether an arrangement contains lease
- IFRIC 12 Service concession arrangements

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 5.8, certain financial instruments which are carried at their fair values and staff retirement gratuity and pension plans which are carried at present value of defined benefit obligation net of fair value of plan assets.

5.2 Basis of consolidation

a) Subsidiary

Subsidiary is an entity over which the Company has the control and power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights or otherwise has power to elect and appoint more than one half of its directors. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-company balances and transactions have been eliminated for consolidated purposes.

b) Associates

Associates are all entities over which the Company has significant influence but not control. Investment in associated companies is accounted for using the equity method. Under this method the investments are stated

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

at cost plus the Company's share in undistributed earnings and losses after acquisition, less any impairment in the value of individual investments.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to consolidated statement of profit or loss where applicable.

The Company's share of post-acquisition profit is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in consolidated statement of profit or loss and other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence if the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount adjacent to share of profit/(loss) of associates in the consolidated statement of profit or loss.

5.3 Dividend and revenue reserves appropriation

Dividend and movement in revenue reserves are recognised in the consolidated financial statements in the period in which these are approved.

5.4 Employee retirement benefits

The main features of the retirement benefit schemes operated by the Group for its employees are as follows:

(i) Defined benefit plans

The Group operates approved pension fund for its management staff and approved gratuity fund for its management and non-management staff. The investments of Pension and gratuity funds are made through approved trust funds. Gratuity is deductible from pension. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 37 to the consolidated financial statements. The obligation at the consolidated statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to consolidated statement of profit or loss for the year.

Actuarial gains and losses (remeasurement gains/losses) on employees' retirement benefit plans are recognised immediately in other comprehensive income and past service cost is recognized in consolidated statement of profit or loss when they occur.

Calculation of gratuity and pension requires assumptions to be made of future outcomes which mainly includes increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

(ii) Defined contribution plans

The Group operates an approved contributory provident fund for all employees. Equal monthly contribution is made both by the Company and the employee to the fund at the rate of 10% of basic salary.

5.5 Employee compensated absences

The Company also provides for compensated absences for all employees in accordance with the rules of the Company.

5.6 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax

Deferred income tax is accounted for using the consolidated statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, un-used tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are substantially expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

Investment tax credits are considered not substantially different from other tax credits. Accordingly in such situations tax credits are deducted from current tax amount to the extent of tax credit availed while recognising deferred tax credit for the unused investment tax credit.

5.7 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

5.8 Property, plant and equipment and capital work-in-progress

a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) Revaluation

Increase in the carrying amount arising on revaluation of freehold land are recognised in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of freehold land. To the extent that the increase reverses a decrease previously recognised in consolidated statement of profit or loss, the increase is first recognised in consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to consolidated statement of profit or loss.

c) Depreciation

Depreciation on operating assets is calculated using the straight-line method to allocate their cost over their estimated useful life at the rates specified in note 14.

d) Repairs and maintenance

Maintenance and normal repairs, including minor alterations, are charged to income as and when incurred. Renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

e) Gains and losses on disposal

Gains and losses on deletion of assets are included in income currently.

5.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/amortisation are reviewed for impairment at each consolidated statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the consolidated statement of profit or loss.

5.10 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are stated at invoice value plus other charges paid thereto.

5.11 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value.

Stock of medicine and consumable items are valued on the basis of moving average cost less allowance for obsolete items.

Cost in relation to crude oil is determined on a First-in-First-Out (FIFO) basis. In relation to semi-finished and finished products, cost represents the cost of crude oil and an appropriate portion of manufacturing overheads.

Net realisable value represents selling prices in the ordinary course of business less costs necessary to be incurred for its sale.

5.12 Revenue recognition

The Group recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could effect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Company expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Company generates revenue by supplying refined petroleum products to the customers, including export of Naphtha.

- i) Revenue from sales is recognised on delivery of products ex-refinery to the customers with the exception that Naphtha export sales are recognised on the basis of products shipped to customers.

The Company is operating under the import parity pricing formula, as modified from time to time, whereby it is charged the cost of crude on 'import parity' basis and is allowed to charge product prices equivalent to the 'import parity' price, calculated under prescribed parameters.

- ii) Income from crude desalter operations, rental income, scrap sales, insurance commission, handling, service income, medical treatment and supplies are recognized on accrual basis.
- iii) Dividend income is recognised when the right to receive dividend is established.
- iv) Income on bank deposits and short term investments are recognised using the effective yield method.
- v) Income on investment in associated companies is recognised using the equity method. Under this method, the Company's share of post-acquisition profit or loss of the associated company is recognised in the profit and loss and its share of post-acquisition movements in reserve is recognised in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment.

5.13 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. The consolidated financial statements are presented in Pakistani Rupees, which is the Company's functional currency.

5.14 Foreign currency transactions and balances

Transactions in foreign currencies are converted into Rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the consolidated statement of financial position date. Exchange differences are dealt with through the consolidated statement of profit or loss.

5.15 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the consolidated statement of profit or loss.

(i) Financial assets

Classification

Effective July 1, 2018, the Group classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) fair value through profit or loss;
- c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in consolidated statement of profit or loss and other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

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For the year ended June 30, 2019

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

(c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Effective July 1, 2018, the Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Short term investments
- Cash and bank balances

Simplified approach for trade debts

The Group recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Group recognizes an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Write-off

The Group write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Group classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Group has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the consolidated statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

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De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

(iii) Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position, if the Group has a legally enforceable right to set off the recognized amounts, and the Group either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

5.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

5.17 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Group applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts. The Group was required to revise its impairment methodology under IFRS 9 for trade debts. The impact of change is disclosed in note 6.

5.18 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Basic and diluted EPS relating to Refinery and Non-refinery operations is also calculated in line with the manner described above by dividing the profit or loss attributable to ordinary shareholders from Refinery and Non-refinery operations respectively.

5.19 Finance income

Finance income comprises interest income on funds placed, dividend income, gain on disposal of assets carried at FVTOCI financial assets and changes in fair value of investments held for trading. Interest income is recognised as it accrues in the consolidated statement of profit or loss, using effective interest method.

5.20 Deferred grant

Grants related to operating assets are accounted for by setting up the grants as deferred grant. These grants are recognised as income on a systematic basis over the useful life of the related asset.

5.21 Contingent Liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.22 Trade and other payables

Liabilities for trade and other payables, including payable to related parties, are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

5.23 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and investments that are highly liquid, readily convertible to known amounts of cash with insignificant risk of changes in value and have original maturity period of less than three month from the date of acquisition.

5.24 Borrowings and their costs

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through the consolidated statement of profit or loss and impairment losses recognised on financial assets.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of related loan facilities are recognised as transaction costs on the borrowing to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred

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until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a transaction cost on borrowing and amortised over the period of the facility to which it relates.

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

5.25 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

5.26 Contract liabilities

Under IFRS 15 "Revenue from Contracts with Customers", obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer is presented as contract liability. The contract liabilities of the Group comprises of advance payments from customers for supply of petroleum products as described in note 12.2.

6. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Group's financial statements that have been applied w.e.f July 1, 2018 are as follows:

6.1 Financial Instruments

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39).

IFRS 9 introduces new requirements for i) the classification and measurement of financial assets and financial liabilities ii) impairment for financial assets.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Group has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Group's financial statements are described below:

i) Classification and measurement of financial assets and financial liabilities

The new standard requires the Group to assess the classification of financial assets on its consolidated statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Group has for a specific class of financial assets.

IFRS 9 no longer has an "Available-for-sale" classification for financial assets. The new standard has different requirements for debt or equity financial assets.

Debt instruments should be classified and measured either at:

- Amortized cost, where the effective interest rate method will apply;
- Fair value through other comprehensive income, with subsequent recycling to the profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Investments in equity instruments, other than those to which consolidation or equity accounting apply, should be classified and measured either at:

- Fair value through other comprehensive income, with no subsequent recycling to the profit or loss upon disposal of the financial asset; or
- Fair value through profit or loss.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 as at July 1, 2018 is as follows:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original Rs'000	New Rs'000	Difference Rs'000
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	15,748,306	15,748,306	-
Loans advances, deposits, prepayments and other receivables	Loans and receivables	Amortised cost	1,888,643	1,639,500	(249,143)
Cash and bank balances	Loans and receivables	Amortised cost	21,972,186	21,972,186	-
Non-current financial assets					
Long term loans and deposits	Held to maturity	Amortised cost	42,115	42,115	-
Current financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	44,552,948	44,552,948	-
Non Current financial liability					
Long term Financing	Amortised cost	Amortised cost	12,642,916	12,642,916	-

Impairment of financial assets

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 Group to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred. For trade receivables and other receivable, the Group applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

6.2 Revenue from Contracts with Customers

Effective July 1, 2018, the Group has applied IFRS 15 "Revenue from Contracts with Customers" for determining its revenue recognition policy. IFRS 15 "Revenue from Contracts with Customers" (IFRS 15) replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. IFRS 15 is applicable on the Group

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with effect from July 1, 2018. IFRS 15 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred in acquiring a contract with a customer.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 permits either a full retrospective or a modified retrospective approach for adoption.

The application of IFRS 15 has no material impact on the financial statements of the Group.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are as follows:

- i) Contingencies - note 13
- ii) Surplus on revaluation of freehold land - note 14.1
- iii) Estimated useful life of operating assets - note 14
- iv) Estimate of recoverable amount of investment in an associated company - note 16
- v) Deferred taxation - note 18
- vi) Estimated expected credit losses note - 22.3
- vii) Provision for taxation - note 33
- viii) Provision for employees' defined benefit plans - note 37

8. SHARE CAPITAL

8.1 Authorised share capital

2019 Number of shares	2018 Number of shares		2019 Rs '000	2018 Rs '000
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000	1,500,000

8.2 Issued, subscribed and paid up capital

2019 Number of shares	2018 Number of shares	Ordinary shares of Rupees 10 each	2019 Rs '000	2018 Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
98,616,250	77,293,000		986,163	772,930
106,616,250	85,293,000		1,066,163	852,930

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

	2019 Rs '000	2018 Rs '000
9. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 9.1	-	1,033,255
Utilised special reserve for expansion/modernisation - note 9.2	10,962,934	10,962,934
Utilised special reserve for expansion/modernisation of associated company	1,946,032	1,946,032
	12,908,966	12,908,966
Maintenance reserve - note 9.3	205,640	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 shares issued by associated companies	146,048	109,760
	155,996	119,708
Revenue reserve		
General reserve	7,077,380	6,852,380
Transfer of investment	3,337	-
Unappropriated profit	7,029,489	15,606,528
	14,110,206	22,458,908
	27,380,808	36,722,462

- 9.1** 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.

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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 utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to June 30, 2019:

	2019 Rs '000	2018 Rs '000
Balance as at beginning of the year	1,033,255	2,045,813
Transfer for the year	(1,033,255)	(1,012,558)
Balance as at end of the year	-	1,033,255

9.2 Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/modernisation till June 30, 2019 is Rs 28,576.67 million including Rs 17,613.74 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

9.3 Represents amount retained by Attock Gen Limited for the purposes of major maintenance expenses as per the terms of the Power Purchase Agreement.

	2019 Rs '000	2018 Rs '000
10. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 10.1	7,946,589	11,494,985
Musharaka Finance - note 10.2	2,600,919	3,762,252
	10,547,508	15,257,237
Less: Unamortized transaction cost on financing:		
Balance as at July 1	153,412	204,062
Addition during the year	500	500
Amortization for the year	(58,992)	(51,150)
Balance as at June 30	94,920	153,412
	10,452,588	15,103,825
Current portion of long term financing	(2,200,000)	(2,200,000)
	8,252,588	12,903,825
Mark-up payable shown as current liability	(271,166)	(260,909)
	7,981,422	12,642,916

10.1 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 month KIBOR plus 1.70% which will be payable on quarterly basis. The tenure of this facility is 13 years.

10.2 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 share in Musharaka Assets A is nil (2018: nil) while its share in Musharaka Assets B is 42.80% (2018: 68.72%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2018: 100%) while its share in Musharaka Assets B is 57.20% (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 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

- 10.3** The facilities referred to in notes 10.1 and 10.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/ Investment Agent, permit the collective shareholding of Attock Oil Company Limited in the Company to fall below 51%.
- 10.4** During the year the Company, in addition to the scheduled quarterly principal payments, also repaid an amount of Rs 3,000 million in respect of facilities referred to in note 10.1 and 10.2

	2019 Rs '000	2018 Rs '000
11 DEFERRED GRANT		
As at July 1		
Cost	-	-
Accumulated amortization	-	-
Net book value	-	-
Opening book value	-	-
Grant received	5,175	-
Deletions		
Cost	-	-
Accumulated amortization	-	-
	-	-
Amortization charge for the year	(215)	-
	4,960	-
As at June 30		
Cost	5,175	-
Accumulated amortization	(215)	-
Net book value	4,960	-

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	2019 Rs '000	2018 Rs '000
12. TRADE AND OTHER PAYABLES		
Creditors - note 12.1	31,769,084	24,294,232
Due to The Attock Oil Company Limited - Holding Company	124,749	110,475
Due to associated companies		
Pakistan Oilfields Limited	2,694,883	2,475,616
Attock Sahara Foundation	-	754
Attock Solar (Private) Limited	274	970
Accrued liabilities and provisions - note 12.1	4,227,546	4,048,226
Due to the Government under pricing formula	3,621,492	4,883,264
Custom duty payable to Government	11,243,750	6,888,202
Advance payments from customers - note 12.2	30,698	119,274
Sales tax payable	1,811,905	168,206
ARL Gratuity Fund	78,649	109,694
Staff Pension Fund	8,535	138,823
Crude oil freight adjustable through inland freight equalisation margin	36,665	15,761
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Payable to statutory authorities in respect of petroleum development levy and excise duty	1,633,879	1,295,938
Security deposits	3,137	3,137
	57,285,622	44,552,948

12.1 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 3,375.65 million (2018: Rs 3,113.17 million).

12.2 Advance payments from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note 5.12 is satisfied.

	2019 Rs '000	2018 Rs '000
Opening balance	119,274	101,336
Revenue recognized during the year	(2,150,096)	(1,773,493)
Advance received during the year	2,061,520	1,791,431
Closing balance	30,698	119,274

	2019 Rs '000	2018 Rs '000
13. 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. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this has not been recognized as liability in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.	1,326,706	1,326,706
ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.		
iii) Guarantees issued by banks on behalf of the Company [other than (i) above]	153	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 27.1, the amount of which cannot be presently quantified.		
vi) In March 2019, 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 respective fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.	2,484,098	2,484,098

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		2019 Rs '000	2018 Rs '000
	In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of account. The matter is pending for adjudication.		
vii)	<p>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.</p> <p>The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.</p>	1,928,344	1,081,087
viii)	<p>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 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.</p> <p>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.</p>	418,470	418,470
ix)	The Company's share in tax contingency of associated companies	1,256,295	1,474,866
x)	The Company is defendant in a case filed on November 16, 2018 in the District Consumer Court, Rawalpindi, wherein the complainant is pursuing the recovery on account of alleged malpractice and professional misconduct by one of the Company's doctors. The case is pending before the aforementioned forum. The Company, based on the advice of its legal counsel, is of the view that there is no likelihood of any liability in this case.	550	-
Commitments:			
i)	Capital expenditure	146,131	129,754
ii)	Letters of credit and other contracts for purchase of store items	708,583	88,941

	2019 Rs '000	2018 Rs '000
iii) The Company's share of commitments of associated companies.		
Capital expenditures commitments	1,698,534	1,796,604
Outstanding letters of credit	3,632	4,559,627
Others	511,845	506,929

14. OPERATING ASSETS

	Freehold land (note 14.1)	Buildings on freehold land	Plant and machinery	Computer equipment Rs '000	Furniture, fixtures and equipment	Vehicles	Total
As at July 1, 2017							
Cost or valuation	12,106,798	213,755	29,091,506	75,934	160,142	151,523	41,799,658
Accumulated depreciation	-	(109,385)	(6,318,573)	(54,199)	(81,576)	(95,294)	(6,659,027)
Net book value	12,106,798	104,370	22,772,933	21,735	78,566	56,229	35,140,631
Year ended June 30, 2018							
Opening net book value	12,106,798	104,370	22,772,933	21,735	78,566	56,229	35,140,631
Additions	-	27,653	179,913	9,428	10,460	32,909	260,363
Disposals							
Cost	-	-	(274)	(2,709)	(2,235)	(13,012)	(18,230)
Depreciation	-	-	274	2,701	2,059	12,971	18,005
	-	-	-	(8)	(176)	(41)	(225)
Depreciation charge	-	(9,771)	(2,520,510)	(7,858)	(11,705)	(20,980)	(2,570,824)
Closing net book value	12,106,798	122,252	20,432,336	23,297	77,145	68,117	32,829,945
As at June 30, 2018							
Cost or valuation	12,106,798	241,408	29,271,145	82,653	168,367	171,420	42,041,791
Accumulated depreciation	-	(119,156)	(8,838,809)	(59,356)	(91,222)	(103,303)	(9,211,846)
Net book value	12,106,798	122,252	20,432,336	23,297	77,145	68,117	32,829,945
Year ended June 30, 2019							
Opening net book value	12,106,798	122,252	20,432,336	23,297	77,145	68,117	32,829,945
Additions	-	5,438	103,761	9,110	5,258	28,221	151,788
Disposals							
Cost	-	-	(12,775)	(4,290)	(3,736)	(9,107)	(29,908)
Depreciation	-	-	12,717	4,289	3,578	9,107	29,691
	-	-	(58)	(1)	(158)	-	(217)
Depreciation charge	-	(11,020)	(2,528,418)	(8,255)	(12,182)	(23,448)	(2,583,323)
Closing net book value	12,106,798	116,670	18,007,621	24,151	70,063	72,890	30,398,193
As at June 30, 2019							
Cost or valuation	12,106,798	246,846	29,362,131	87,473	169,889	190,534	42,163,671
Accumulated depreciation	-	(130,176)	(11,354,510)	(63,322)	(99,826)	(117,644)	(11,765,478)
Net book value	12,106,798	116,670	18,007,621	24,151	70,063	72,890	30,398,193
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

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- 14.1** Freehold land was revalued in May 2017 and the revaluation surplus of Rs 1,240.63 million was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of freehold land. Had the freehold land been stated on the historical cost basis, the carrying amount of land would have been Rs 54.22 million (2018: Rs 54.22 million).
- 14.2** Forced sale value of freehold land based on valuation conducted in May 2017 was Rs 9,685.44 million.
- 14.3** Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area (In acres)
Morgah Rawalpindi	Refinery processing plants, office and staff colony	398.44
Chak Shahpur, Morgah, Rawalpindi	Water wells	44.96
Humak (adjacent DHA II), Islamabad	Water wells	7.34

	2019 Rs '000	2018 Rs '000
14.4 The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 27	2,552,192	2,542,227
Administration expenses - note 28	30,324	27,831
Distribution cost - note 29	807	766
	2,583,323	2,570,824
15. CAPITAL WORK-IN-PROGRESS		
Balance as at beginning of the year	303,043	142,057
Additions during the year	415,183	322,186
Transfer to operating assets		
Buildings on freehold land	5,721	27,653
Plant and machinery	89,932	133,547
	(95,653)	(161,200)
Balance as at end of the year	622,573	303,043
Breakup of the closing balance of capital work-in-progress		
Civil works	20,781	7,720
Plant and machinery	600,792	294,323
Pipeline project	1,000	1,000
	622,573	303,043
16. LONG TERM INVESTMENTS		
Balance as at beginning of the year	24,830,227	23,939,539
Share of (loss)/profit after tax of associated companies	(642,406)	2,552,958
Share in other comprehensive income/(loss)	28,252	(21,115)
Dividend received from associated companies	(1,320,227)	(1,819,575)
Impairment (charge)/reversal on investment	(1,913,702)	178,420
Effect of changes in accounting policies due to IFRS 9	(272,601)	-
Balance as at end of the year	20,709,543	24,830,227

		2019		2018	
		% age holding	Rs '000	% age holding	Rs '000
16.1	Investment in associated companies				
	Associated companies				
	Quoted				
	National Refinery Limited - note 16.4	25	10,535,595	25	14,793,813
	19,991,640 (2018: 19,991,640) fully paid ordinary shares including 3,331,940 (2018: 3,331,940) bonus shares of Rs 10 each				
	Market value as at June 30, 2019: Rs 2,268 million (June 30, 2018: Rs 8,856 million)				
	Attock Petroleum Limited - note 16.5	21.88	7,472,257	21.88	7,345,605
	21,772,966 (2018: 18,144,138) fully paid ordinary shares including 11,272,886 (2018: 7,644,058) bonus shares of Rs 10 each				
	Market value as at June 30, 2019: Rs 6,282 million (June 30, 2018: Rs 10,705 million)				
	Unquoted				
	Attock Gen Limited	30	2,672,526	30	2,666,574
	7,482,957 (2018: 7,482,957) fully paid ordinary shares of Rs 100 each - note 16.2				
	Attock Information Technology Services (Private) Limited	10	29,165	10	24,235
	450,000 (2018: 450,000) fully paid ordinary shares of Rs 10 each				
			20,709,543		24,830,227

All associated companies are incorporated in Pakistan. Although ARL has less than 20 percent shareholding in Attock Information Technology Services (Private) Limited, this company has been treated as associate since ARL has representation on its Board of Directors.

16.2 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 (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.

16.3 The tables below provide summarised financial information for associated companies that are material to the Company. The information disclosed reflects the amounts presented in the audited financial statements of the relevant associates. Adjustments made by the reporting entity when using the equity method, including fair value adjustments have been reflected in these consolidated financial statements.

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	National Refinery Limited		Attock Petroleum Limited		Attock Gen Limited		Attock Information Technology Services (Pvt) Limited	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rs '000		Rs '000		Rs '000		Rs '000	
Summarised statement of financial position								
Current assets	37,489,001	27,547,962	37,102,945	38,148,564	12,498,330	12,798,393	233,280	216,946
Non- current assets	38,678,349	38,266,309	8,732,778	7,346,360	7,051,665	7,527,911	86,019	46,546
Current liabilities	(42,000,571)	(22,206,011)	(26,682,984)	(26,802,124)	(10,641,577)	(11,437,725)	(21,281)	(18,146)
Non- current liabilities	(293,310)	(356,723)	(792,993)	(911,540)	-	-	(6,364)	(2,991)
Net assets	33,873,469	43,251,537	18,359,746	17,781,260	8,908,418	8,888,579	291,654	242,355
Reconciliation to carrying amounts:								
Net assets as at July 1	43,251,537	43,339,880	17,781,260	15,731,325	8,888,579	7,947,984	242,355	204,866
Effect of changes in accounting policies due to adoption of IFRS 9 - note 6.1	13,346	-	(380,109)	-	(642,986)	-	-	-
(Loss)/profit for the year	(8,692,427)	1,770,684	4,030,019	5,583,113	2,147,324	2,950,743	49,300	37,487
Other comprehensive income/(loss)	100,679	(59,779)	(2,496)	(8,058)	12,093	(14,693)	-	-
Dividends paid	(799,666)	(1,799,248)	(3,068,928)	(3,525,120)	(1,496,591)	(1,995,455)	-	-
Net assets as at June 30	33,873,469	43,251,537	18,359,746	17,781,260	8,908,419	8,888,579	291,655	242,353
Company's percentage shareholding in the associate	25%	25%	21.88%	21.88%	30.00%	30.00%	10.00%	10.00%
Company's share in net assets	8,468,368	10,812,884	4,016,230	3,889,686	2,672,526	2,666,574	29,165	24,235
Excess of purchase consideration over carrying amount at the date acquisition	6,371,654	6,371,654	3,455,919	3,455,919	-	-	-	-
Proportionate share in carrying value of net assets before impairment	14,840,022	17,184,538	7,472,149	7,345,605	2,672,526	2,666,574	29,165	24,235
Impairment	(4,304,427)	(2,390,725)	-	-	-	-	-	-
Carrying amount of investment	10,535,595	14,793,813	7,472,149	7,345,605	2,672,526	2,666,574	29,165	24,235
Summarised statement of profit or loss and other comprehensive income								
Net revenue	160,906,197	136,984,940	223,054,352	177,344,437	13,204,988	13,204,988	126,892	111,615
(Loss)/profit for the year	(8,692,427)	1,770,684	4,030,019	5,583,113	2,147,324	2,950,743	49,300	37,487
Other comprehensive income/(loss)	100,679	(59,779)	(2,005)	(8,058)	12,093	(14,693)	-	-
Total comprehensive (loss)/income	(8,591,748)	1,710,905	4,028,014	5,575,055	2,159,417	2,936,050	49,300	37,487

During the year, dividend received from National Refinery Limited was Rs 200 million (2018: Rs 450 million), Attock Petroleum Limited was Rs 671 million (2018: Rs 771 million) and Attock Gen Limited was Rs 449 million (2018: Rs 599 million).

- 16.4** The carrying value of investment in National Refinery Limited at June 30, 2019 is net of impairment loss of Rs 4,304.43 million (2018: Rs 2,390.72 million) The carrying value is based on valuation analysis carried out by an external investment advisor engaged by ARL. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes average gross profit margin of 3.84% (2018: 5.32%), terminal growth rate of 3% (2018: 3%) and weighted average cost of capital model based discount rate of 21.16% (2018: 15.13%).

- 16.5** Based on a valuation analysis carried out by the Group, the recoverable amount of investment in Attock Petroleum Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 5.35%, a terminal growth rate of 4% and a capital asset pricing model based discount rate of 18.53%.

	2019 Rs '000	2018 Rs '000
17. LONG TERM LOANS AND DEPOSITS		
Loans to employees - considered good - note 17.1		
Employees	75,481	65,729
Executives	5,458	7,888
	80,939	73,617
Amounts due within next twelve months shown under current assets - note 22	(49,739)	(44,492)
	31,200	29,125
Security deposits	13,290	12,990
	44,490	42,115

- 17.1** These are interest free loans for miscellaneous purposes and are recoverable in 24, 36, and 60 equal monthly installments depending on case to case basis. These loans are secured against outstanding provident fund balance or a third party guarantee. Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive Officer. The maximum amount due from executives of the Company at the end of any month during the year was Rs 5.46 million (2018: Rs 7.89 million).

	2019 Rs '000	2018 Rs '000
18. DEFERRED TAXATION		
Temporary differences between accounting and tax base of non-current assets and investment in associated companies	(2,505,338)	(3,056,182)
Unused tax losses and minimum taxes	6,010,108	2,878,403
Deferred grant	1,438	-
Remeasurement loss on staff retirement benefit plans	190,406	171,088
Provisions	175,188	50,185
	3,871,802	43,494
18.1 Movement of deferred tax asset		
Balance as at beginning of the year	43,494	(652,945)
Tax charge recognised in profit or loss	3,808,475	659,117
Tax charge related to subsidiary accounted for separately	515	(1,848)
	3,808,990	657,269
Tax charge recognised in other comprehensive income	19,318	39,170
Balance as at end of the year	3,871,802	43,494

- 18.2** The deferred tax asset recognised in the consolidated financial statements represents the management's best estimate of the potential benefit which is expected to be realized in the future years in the form of reduced tax liability as the Company would be able to set off the tax liability in those years against minimum tax and unused

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For the year ended June 30, 2019

tax loss against the taxable profits of future years. Based on management's assessment of future available taxable profits, the carrying amount of deferred tax asset was reduced by an amount of Rs 176.70 million in respect of minimum tax expiring in 2020.

	2019 Rs '000	2018 Rs '000
19. STORES, SPARES AND LOOSE TOOLS		
Stores (including items in transit for an amount of Rs 438.41 million; 2018: Rs 537.31 million)	2,763,814	2,196,757
Spares	963,039	854,077
Loose tools	911	864
	3,727,764	3,051,698
Less: Provision for slow moving items - note 19.1	151,801	145,950
	3,575,963	2,905,748
19.1 Movement in provision for slow moving items		
Balances as at beginning of the year	145,950	133,533
Provision for the year	5,851	12,417
Balances as at end of the year	151,801	145,950
20. STOCK-IN-TRADE		
Crude oil	2,394,892	1,981,197
Semi-finished products	1,602,259	1,434,159
Finished products - note 20.1	6,021,504	6,373,641
Medical supplies	1,572	829
	10,020,227	9,789,826

20.1 Stock-in-trade include stocks carried at net realisable value of Rs 7,415.14 million (2018: Rs 5,688.51 million). Adjustments amounting to Rs 1,657.97 million (2018: Rs 871.36 million) have been made to closing inventory to write down stocks to their net realisable value.

	2019 Rs '000	2018 Rs '000
20.2 Naphtha stock held by third parties		
At National Refinery Limited	1,089,701	625,357
In transit	153,162	46,671
	1,242,863	672,028

21. TRADE DEBTS - unsecured and considered good

21.1 Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,473.79 million (2018: Rs 10,413.07 million) and Pakistan Oilfields Limited Rs nil (2018: Rs 42.02 million).

Age analysis of trade debts from associated companies, past due but not impaired.

	2019 Rs '000	2018 Rs '000
0 to 6 months	5,156,315	3,649,697
6 to 12 months	5,017,391	3,074,531
Above 12 months	300,085	-
	10,473,791	6,724,228

- 21.2** The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 17,563.93 million (2018: Rs 12,921.54 million).

	2019 Rs '000	2018 Rs '000
22. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
LOANS AND ADVANCES - considered good		
Current portion of long term loans to employees - note 17		
Employees	45,079	37,736
Executives	4,660	6,756
	49,739	44,492
Advances		
Suppliers	51,307	50,078
Employees	5,586	4,702
	56,893	54,780
	106,632	99,272
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	204,850	151,471
	205,136	151,757
OTHER RECEIVABLES - considered good		
Due from associated companies		
Attock Information Technology Services (Private) Limited	606	503
Attock Petroleum Limited	2,200,250	1,463,364
Attock Leisure and Management Associates (Private) Limited	134	12
Attock Gen Limited	6,983	398
Attock Cement Pakistan Limited	-	5
National Cleaner Production Centre Foundation	4,310	4,946
Capgas (Private) Limited	27	111
National Refinery Limited	9,735	3,087
Attock Sahara Foundation	108	-
Income accrued on bank deposits	130,830	104,729
Workers' Profit Participation Fund - note 22.1	-	20,000
Income tax refundable	14,200	16,040
Other receivables	21,044	24,419
	2,388,227	1,637,614
Loss allowance - note 22.3	(389,826)	-
	2,310,169	1,888,643

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	2019 Rs '000	2018 Rs '000
22.1 Workers' Profit Participation Fund		
Balance as at beginning of the year	20,000	(83,663)
Interest on fund utilised in Company's business	221	(5,673)
Amount (received)/paid to the fund	(20,221)	109,336
Balance as at end of the year	-	20,000

22.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 2,268.00 million (2018: Rs 1,481.94 million)

Age analysis of other receivables from associated companies, past due but not impaired.

	2019 Rs '000	2018 Rs '000
0 to 6 months	779,984	468,114
6 to 12 months	270	204,705
Above 12 months	1,475,499	798,892
	2,255,753	1,471,711

22.3 Movement in loss allowance		
Balance at the beginning of the year under IAS 39	-	-
Effect of change in accounting policy due to adoption of IFRS 9 - note 6 .1	249,143	-
Balance as at beginning of the year under IFRS 9	249,143	-
Impairment loss on financial asset	140,683	-
Balance as at end of the year	389,826	-

23. SHORT TERM INVESTMENT

This represented investment in 3 months Government Treasury Bills bearing mark-up @ 6.24% per annum as at June 30, 2018.

	2019 Rs '000	2018 Rs '000
24. CASH AND BANK BALANCES		
Cash in hand (includes US \$ 4,228 ; 2018: US \$ 2,298)	1,660	1,472
With banks:		
Local Currency		
Current accounts	8,425	28,267
Deposit accounts - note 24.1, 24.2 and 24.3	6,266,548	8,015,069
Savings accounts	10,272,082	13,870,007
Foreign Currency		
Savings accounts (US \$ 462,927; 2018: US \$ 472,578)	73,976	57,371
	16,622,691	21,972,186

24.1 Deposit accounts include Rs 3,266.55 million (2018: Rs nil) placed in 90 days interest-bearing account consequent to directives of the Ministry on account of amounts withheld alongwith related interest earned thereon net of withholding tax as referred to in note 12.1. Pursuant to same directives a Term Deposit Receipt (TDR) amounting to Rs nil (2018: Rs 3,005 million) was initially placed in 12 months interest bearing account with the term that allowed the Company to opt for pre-mature encashment. The said TDR was encashed during the year.

- 24.2** Balances with banks include Rs 3,000 million (2018: Rs 5,010 million) in respect of deposits placed in 90-days interest-bearing account.
- 24.3** Bank deposits of Rs 1,326.86 million (2018: Rs 1,327.12 million) were under lien with bank against a bank guarantee issued on behalf of the Company.
- 24.4** Balances with banks include Rs 3.14 million (2018: Rs 3.14 million) in respect of security deposits received from customers etc.
- 24.5** Interest/mark-up earned on balances with banks ranged between 4.5% to 13.75% (2018: 4.00% to 7.50%) with weighted average rate of 9.06% (2018: 6.06%) per annum.

	2019 Rs '000	2018 Rs '000 (Restated)
25. GROSS SALES		
- Company		
Local sales	221,475,115	172,373,033
Naphtha export sales	9,836,675	7,049,572
Reimbursement due from the Government under import parity pricing formula - note 25.1	-	7,950
- Subsidiary		
Local sales	84,061	70,491
	231,395,851	179,501,046

- 25.1** 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.

	2019 Rs '000	2018 Rs '000
26. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL		
Sales tax	28,557,842	29,675,049
Petroleum development levy	19,736,809	15,488,407
Custom duties and other levies - note 26.1	5,332,283	3,569,384
Discounts	25,345	50,201
PMG RON differential - note 26.2	904,969	1,050,949
	54,557,248	49,833,990

- 26.1** This includes Rs 4,193.91 million (2018: Rs 3,569.22 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of custom duty on PMG and HSD.
- 26.2** This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 90 RON PMG sold by the Company during the year.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
27. COST OF SALES		
Opening stock of semi-finished products	1,434,159	791,726
Crude oil consumed - note 27.1	166,189,437	122,516,323
Transportation and handling charges	1,105,424	836,153
Salaries, wages and other benefits - note 27.2	1,153,030	1,084,525
Printing and stationery	4,947	4,030
Chemicals consumed	4,027,850	3,072,736
Fuel and power	4,489,999	3,209,026
Rent, rates and taxes	73,164	65,125
Telephone	2,273	2,065
Professional charges for technical services	8,611	6,482
Insurance	350,794	267,759
Repairs and maintenance (including stores and spares consumed Rs 231.01 million; 2018: Rs 194.44 million)	621,842	501,571
Staff transport and traveling	19,310	16,689
Cost of receptacles	23,123	21,879
Research and development	9,637	6,682
Depreciation - note 14.4	2,552,192	2,542,227
	182,065,792	134,944,998
Closing stock of semi-finished products	(1,602,259)	(1,434,159)
	180,463,533	133,510,839
Opening stock of finished products	6,373,641	3,538,029
Closing stock of finished products	(6,021,504)	(6,373,641)
	352,137	(2,835,612)
	180,815,670	130,675,227
27.1 Crude oil consumed		
Stock as at beginning of the year	1,981,197	1,382,589
Purchases	166,603,132	123,114,931
	168,584,329	124,497,520
Stock as at end of the year	(2,394,892)	(1,981,197)
	166,189,437	122,516,323

- 27.2** Salaries, wages and other benefits under cost of sales, administration expenses and distribution cost include the Company's contribution to the Pension and Gratuity Fund Rs 71.86 million (2018: Rs 38.64 million) and to the Provident Fund Rs 40.24 million (2018: Rs 34.17 million).

	2019 Rs '000	2018 Rs '000 (Restated)
28. ADMINISTRATION EXPENSES		
Salaries, wages and other benefits - note 27.2	406,899	416,346
Board meeting fee	7,778	5,927
Transport, traveling and entertainment	25,798	20,430
Telephone	2,533	2,641
Electricity, gas and water	23,844	18,789
Printing and stationery	6,852	6,355
Auditor's remuneration - note 28.1	7,104	5,804
Legal and professional charges	15,724	13,010
Repairs and maintenance	128,894	126,149
Subscription	47,714	23,541
Publicity	5,623	6,064
Scholarship scheme	3,366	3,415
Rent, rates and taxes	20,280	17,152
Insurance	2,774	827
Donations - note 28.2 and 28.3	684	540
Training expenses	2,412	1,538
Depreciation - note 14.4	30,324	27,831
	738,603	696,359
28.1 Auditor's remuneration		
Annual audit	2,138	1,969
Review of half yearly financial information, audit of consolidated financial statements, employee funds and special certifications	1,452	1,272
Tax services	2,188	2,043
Out of pocket expenses	1,326	520
	7,104	5,804
28.2 Donation equal to/in excess of Rs 0.5 million includes donation made to Pakistan Foundation for Fighting Blindness Rs 0.54 million (2018: Rs 0.54 million).		
28.3 No director or his spouse had any interest in the donee institutions.		
	2019 Rs '000	2018 Rs '000
29. DISTRIBUTION COST		
Salaries, wages and other benefits - note 27.2	35,299	32,032
Transport, traveling and entertainment	523	642
Telephone	270	312
Electricity, gas, fuel and water	2,771	2,294
Printing and stationery	99	64
Repairs and maintenance including packing and other stores consumed	7,769	10,041
Rent, rates and taxes	4,456	4,005
Legal and professional charges	25	-
Depreciation - note 14.4	807	766
	52,019	50,156

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000 (Restated)
30. OTHER CHARGES		
Provision for slow moving store items	5,851	12,417
Workers' Welfare Fund	763	370
Reversal of Workers' welfare fund for prior years	-	(118,688)
	6,614	(105,901)
31. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,786,091	1,199,671
Interest on delayed payments	784,571	517,453
	2,570,662	1,717,124
Income from non-financial assets		
Income from crude desalter operations - note 31.1	3,843	422
Insurance agency commission	1,339	1,671
Rental income	101,457	104,653
Sale of scrap	13,229	31,158
Amortization of deferred grant	215	-
Profit on disposal of operating assets	6,685	7,761
Calibration charges	5,433	3,799
Handling and service charges	72,226	102,112
Penalties from carriage contractors	234	94
Miscellaneous - note 31.2	6,853	9,561
	211,514	261,231
	2,782,176	1,978,355
	2019 Rs '000	2018 Rs '000
31.1 Income from crude desalter operations		
Income	74,551	73,779
Less: Operating costs		
Salaries, wages and other benefits	2,219	2,302
Chemicals consumed	2,755	2,859
Fuel and power	44,035	45,684
Repairs and maintenance	21,699	22,512
	70,708	73,357
	3,843	422

31.2 This mainly includes income on account of laboratory services provided to different entities.

	2019 Rs '000	2018 Rs '000
32. FINANCE COST		
Exchange loss (net) - note 32.1	4,740,183	1,396,027
Interest on long term financing	1,882,912	1,523,002
Interest on Workers' Profit Participation Fund	-	5,673
Bank and other charges	581	597
	6,623,676	2,925,299

32.1 This is net of exchange gain of Rs 76.31 million (2018: Rs 25.27 million) on realization of Naphtha export proceeds.

	2019 Rs '000	2018 Rs '000 (Restated)
33. TAXATION		
Current		
For the year - note 33.1	944,291	247,650
Prior years - note 33.2	-	(1,071,518)
	944,291	(823,868)
Deferred tax	(3,184,696)	(769,338)
	(2,240,405)	(1,593,206)

33.1 This is net of tax credit on investment amounting to Rs nil (2018: Rs 444.07 million) under the provisions of the Income Tax Ordinance, 2001.

33.2 Provision for income tax recorded by the Company for certain tax years has been partially written back in view of favourable judgments of tax appellate authorities including those passed in Company's own matter or in such matters as are being contested by the Company.

	2019 Rs '000	2018 Rs '000 (Restated)
33.3 Relationship between tax expense and accounting loss (refinery operations)		
Accounting loss before taxation	(8,756,486)	(2,595,729)
Tax at applicable tax rate of 29% (2018: 30%)	(2,539,381)	(778,719)
Prior year adjustment	-	(1,071,518)
Tax effect of income taxable at special rates	199,105	102,684
Effect of impairment loss on financial asset	(72,251)	-
Effect of lower tax rate for deferred taxation	-	130,774
Effect of change in tax rate	(5,457)	(126,489)
Deferred tax asset derecognized on minimum tax	176,704	155,831
Others	875	(5,769)
	(2,240,405)	(1,593,206)

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

- 33.4** The Group computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available which can be analysed as follows:

Tax year	Provision for taxation	Tax assessed	Excess/(deficit)
2018	919,753	944,929	(25,176)
2017	878,205	776,439	101,766
2016	351,370	376,269	[24,899]

“Tax assessed” represents liability assessed or deemed to be assessed by Tax Authorities. Further, for prior tax years the Tax Authorities and Company are contesting their respective view points at various fora. After due consideration of related matters, adequate tax provision is being maintained in respect of the matters pending at various assessment/appellate fora and same shall be subject to final adjustment upon culmination of related proceedings.

34. INTEREST IN SUBSIDIARY

The Company holds 100% shares in the subsidiary. The principal activities of the subsidiary are provision of medical services to the employees of the Group Companies as well as private patients. The Company was incorporated in Pakistan and its principal place of business is Morgah, Rawalpindi in Pakistan. There are no significant restrictions on Company’s ability to use assets, or settle liabilities of Attock Hospital (Private) Limited.

- 34.1** Following is the summarised financial information of the subsidiary. The amounts disclosed are before inter-company eliminations:

	2019 Rs '000	2018 Rs '000
Summarised statement of financial position		
Current assets	60,624	38,518
Non-current assets	29,630	19,457
Current liabilities	(45,026)	(45,732)
Net assets	45,228	12,243
Summarised statement of profit or loss and other comprehensive income		
Revenue	171,324	145,779
Expenses and taxation	148,491	136,622
Profit for the year	25,023	10,035
Other comprehensive loss	3,003	(5,802)
Total comprehensive income for the year	28,026	4,233
Summarised statement of cash flows		
Cash flow from operating activities	25,545	3,510
Cash flow from investing activities	(9,296)	(5,746)
Cash flow from financing activities	5,175	-
	21,424	(2,236)

35. SHARE IN PROFIT OF ASSOCIATED COMPANIES

Share in profits of associated companies is based on the audited financial statements of the associated companies for the year ended June 30, 2019 and has been reflected net of taxation, applicable charges in respect of Workers' Profit Participation Fund and Workers' Welfare Fund. Taxation is based on presumptive tax rate applicable to dividend income from associated companies.

	2019 Rs '000	2018 Rs '000 (Restated)
36. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED		
Loss after taxation from refinery operations	(6,516,081)	(1,002,523)
(Loss)/Profit after taxation from non-refinery operations	(2,096,175)	2,391,271
	(8,612,256)	1,388,748
Weighted average number of fully paid ordinary shares ('000)	106,616	106,616
(Loss)/Earnings per share - Basic and diluted (Rs)		
Refinery operations	(61.12)	(9.40)
Non-refinery operations	(19.66)	22.43
	(80.78)	13.03

Earnings per share - basic and diluted for the year ended June 30, 2018 respectively have been restated taking into consideration the corresponding effect of bonus shares issued during the year ended June 30, 2019.

37. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2019 using the projected unit credit method. Details of the defined benefit plans are:

	Funded pension		Funded gratuity	
	2019 Rs '000	2018	2019 Rs '000	2018
a) The amounts recognised in the statement of financial position:				
Present value of defined benefit obligations	1,046,939	1,060,600	623,819	566,829
Fair value of plan assets	(1,038,404)	(921,777)	(545,172)	(457,135)
Net liability	8,535	138,823	78,647	109,694
b) The amounts recognised in the statement of profit or loss:				
Current service cost	23,055	19,568	27,353	16,955
Net interest cost	11,967	1,731	9,481	5,109
	35,022	21,299	36,834	22,064

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

		Funded pension		Funded gratuity	
		2019	2018	2019	2018
		Rs '000		Rs '000	
c)	Movement in the present value of defined benefit obligation:				
	Present value of defined benefit obligation as at July 1	1,060,600	928,339	566,829	533,771
	Current service cost	23,055	19,568	27,353	16,955
	Interest cost	95,325	71,826	48,054	39,542
	Benefits paid	(50,451)	(49,179)	(82,381)	(65,711)
	Remeasurement (gain)/loss of defined benefit obligation	(81,590)	90,046	63,964	42,272
	Present value of defined benefit obligation as at June 30	1,046,939	1,060,600	623,819	566,829
d)	Movement in the fair value of plan assets:				
	Fair value of plan assets as at July 1	921,777	905,145	457,135	465,890
	Expected return on plan assets	83,358	70,095	38,573	34,433
	Contributions	143,209	25,810	132,080	34,859
	Benefits paid	(50,451)	(49,179)	(82,381)	(65,711)
	Remeasurement gain/(loss) of plan assets	(59,489)	(30,094)	(235)	(12,336)
	Fair value of plan assets as at June 30	1,038,404	921,777	545,172	457,135
	Actual return on plan assets	23,869	40,001	38,338	22,097

The Company expects to contribute Rs 64 million during the year ending June 30, 2020 to its defined benefit pension and gratuity plans (2019: Rs 62 million).

		Funded pension		Funded gratuity	
		2019	2018	2019	2018
		Rs '000		Rs '000	
e)	Plan assets comprise of:				
	Investment in equity securities	199,480	300,278	10	17
	Investment in mutual funds	43,144	259,765	10,702	128,899
	Deposits with banks	124,943	56,474	75,760	55,319
	Debt instruments	1,884,104	1,378,551	1,041,163	785,269
	Share of asset of related parties	(1,213,267)	(1,073,291)	(582,463)	(512,369)
		1,038,404	921,777	545,172	457,135

f) The expected return on plan assets is based on the market expectations and depend upon the asset portfolio of the Funds, at the beginning of the year, for returns over the entire life of the related obligations.

		Funded pension		Funded gratuity	
		2019	2018	2019	2018
		Rs '000		Rs '000	
g)	Remeasurement recognised in OCI:				
	Remeasurement (loss)/gain on obligation				
	(Loss)/gain due to change in:				
	Financial assumptions	81,077	28,884	5,225	6,169
	Experience adjustments	513	(118,930)	(69,189)	(48,442)
		81,590	(90,046)	(63,964)	(42,273)
	Remeasurement loss on plan assets	(59,489)	(30,094)	(235)	(12,336)
		22,101	(120,140)	(64,199)	(54,609)
h)	Principal actuarial assumptions used in the actuarial valuation are as follows:				
	Discount rate	14.00%	9.00%	14.00%	9.00%
	Expected return on plan assets	14.00%	9.00%	14.00%	9.00%
	Future salary increases	12.75%	8.00%	12.75%	8.00%
	Future pension increases	7.50%	3.50%	N/A	N/A
	Demographic assumptions				
	Rates of employee turnover				
	Management	Low	Low	Low	Low
	Non-management	Nil	Nil	Nil	Nil
	Mortality rates (pre-retirement)	SLIC (2001	SLIC (2001	SLIC (2001	SLIC (2001
		-05)-1 year	-05)-1 year	-05)-1 year	-05)-1 year
	Mortality rates (post retirement)	SLIC (2001	SLIC (2001	N/A	N/A
		-05)-1 year	-05)-1 year		

i) There is no significant risk associated with the plan assets, as significant component thereof comprises of fixed interest rate bearing TDR's and saving accounts with financial institutions having satisfactory credit ratings.

j) **Sensitivity Analysis:**

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in respective assumptions by one percent.

	Effect of 1 percent increase Rs '000	Effect of 1 percent decrease Rs '000
Discount rate	1,534,882	1,812,639
Future salary growth	1,734,386	1,621,674
Pension increase	1,146,722	1,000,637

If the life expectancy increases/decreases by 1 year, the impact on defined benefit obligation would be Rs 9.50 million.

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The above sensitivity analysis are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

k) Projected benefit payments from fund are as follows:

	Pension Rs '000	Gratuity
FY 2020	26,794	140,641
FY 2021	59,426	159,190
FY 2022	66,924	91,960
FY 2023	74,819	120,375
FY 2024	87,119	127,228
FY 2025-29	638,368	336,356

l) The weighted average number of years of defined benefit obligation is given below:

	Pension Years	Gratuity
Plan Duration		
June 30, 2019	10.72	3.76
June 30, 2018	11.54	4.15

m) The Company contributes to the gratuity and pension funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

38. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2019 are as follows:

	2019 Rs '000	2018 Rs '000
Staff provident fund		
Size of the fund	480,605	475,194
Cost of investments made	445,798	402,195
Fair value of investments made	471,568	469,920
%age of investments made	98%	99%

	2019		2018	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	31,931	7%	28,761	7%
Mutual Funds	9,726	2%	58,177	14%
Bank deposits	56,092	13%	55,115	14%
Term deposits	348,049	78%	260,142	65%
	445,798	100%	402,195	100%

	2019 Rs '000	2018 Rs '000
General Staff Provident Fund		
Size of the fund	515,292	564,537
Cost of investments made	499,341	516,200
Fair value of investments made	509,871	554,956
%age of investments made	98%	98%

	2019		2018	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	24,651	5%	20,806	4%
Mutual Funds	13,402	2%	81,085	16%
Bank deposits	47,850	10%	40,476	8%
Term deposits	413,438	83%	373,833	72%
	499,341	100%	516,200	100%

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

39. OPERATING SEGMENTS

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

	2019 Rs '000	2018 Rs '000 (Restated)
High Speed Diesel	85,264,010	66,499,887
Motor Gasoline	71,268,866	60,005,438
Furnace Fuel Oil	33,822,241	22,097,005
Jet petroleum	18,369,168	12,565,554
Naphtha	11,015,370	7,993,626
Others	11,656,196	10,339,536
	231,395,851	179,501,046
Less: Taxes, duties levies, discounts and price differential	54,557,248	49,833,990
	176,838,603	129,667,056

Revenue from four major customers of the Company constitute 88% [2018: 89%] of total revenue during the year.

40. RELATED PARTY TRANSACTIONS

The Attock Oil Company Limited holds 61.01% [2018: 61.01%] shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive Officer, Directors and Executives is disclosed in note 41 to the financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	19,028,394	15,071,353
Purchase of gas	13,671	3,779
Purchase of services	7,573	6,470
Sale of petroleum products	213,494	116,936
Sale of services	33,258	29,100
Attock Petroleum Limited		
Sale of petroleum products	52,834,584	43,912,012
Sale of services	67,454	94,770
Purchase of petroleum products	9,904	2,289
Purchase of services	168,582	132,569
Dividend paid	-	8,592
Dividend received	671,333	771,126
Interest income on delayed payments	784,571	517,453
National Refinery Limited		
Purchase of services	123,746	104,620
Sale of services	-	126
Dividend received	199,916	449,812
Attock Cement Pakistan Limited		
Purchase of services	360	302
Sale of services	14	12
Attock Gen Limited		
Sale of petroleum products	1,636	1,232
Land lease income	24,188	26,399
Storage tank lease income	18,371	18,881
Dividend received	448,977	598,637
Income from other services and facilities provided to AGL	11,781	20,380
National Cleaner Production Centre Foundation		
Purchase of services	4,161	5,914
Sale of services	21,991	20,442
Sale of petroleum products	268	94
Attock Information Technology Services (Private) Limited		
Purchase of services	52,632	48,156
Sales of petroleum products	441	265
Sale of services	5,357	4,376
Capgas (Private) Limited		
Sale of services	613	590
Attock Leisure & Management Associates (Private) Limited		
Sales of services	183	50

	2019 Rs '000	2018 Rs '000
Attock Sahara Foundation		
Purchase of services	11,805	11,961
Sales of services	1,869	1,697
Attock Solar (Private) Limited		
Purchase of goods	831	2,136
Sales of services	392	567
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	501,560	401,879
Purchase of services	109,532	398,316
Sale of services	34,784	25,537
Dividend paid	-	312,235
Other related parties		
Remuneration of Chief Executive Officer and key management personnel including benefits and perquisites	184,100	165,241
Dividend paid to Chief Executive Officer and key management personnel	-	1,364
Directors Fees	7,778	5,927
Contribution to staff retirement benefits plans		
Staff Pension Fund	143,210	25,810
Staff Gratuity Fund	132,080	34,859
Staff Provident Fund	40,235	35,699

40.1 Following are the related parties with whom the Company had entered into transactions or have arrangement/ agreement in place.

Sr. No.	Company Name	Basis of association	Aggregate % of shareholding
1	The Attock Oil Company Limited (Incorporated in UK - Pakistan Branch Office)	Holding Company	61.01%
2	National Refinery Limited	Associated Company	25.00%
3	Attock Petroleum Limited	Associated Company	21.88%
4	Attock Gen Limited	Associated Company	30.00%
5	Attock Information Technology Services (Private) Limited	Associated Company	10.00%
6	Pakistan Oilfields Limited	Associated Company	Nil
7	Attock Cement Pakistan Limited	Associated Company	Nil
8	National Cleaner Production Centre Foundation	Associated Company	Nil
9	Attock Leisure & Management Associates (Private) Limited	Associated Company	Nil
10	Attock Solar (Private) Limited	Associated Company	Nil
11	Attock Hospital (Private) Limited	Wholly owned Subsidiary	100.00%

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- 40.2** Associated Companies incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

Name of undertaking	The Attock Oil Company Limited
Registered Address	4, Swan Street Manchester, England, M4 5JN
Country of Incorporation	United Kingdom
Basis of association	Parent Company
Aggregate %age of Shareholding	61.01%
Chief Executive Officer	Shuaib A. Malik
Operational status	Private Limited Company
Auditor's opinion on latest available financial statements	Unqualified Opinion

41. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for remuneration, including benefits and perquisites, were as follows:

	Chief Executive Officer		Executives	
	2019 Rs '000	2018 Rs '000	2019 Rs '000	2018 Rs '000
Managerial remuneration/honorarium	9,273	8,951	65,430	57,400
Bonus	3,609	4,375	21,260	24,609
Company's contribution to Provident, Pension and Gratuity Funds	-	-	14,908	13,097
Housing and utilities	6,792	6,324	55,169	46,663
Leave passage	1,250	1,250	6,854	6,516
	20,924	20,900	163,621	148,285
Less: charged to Attock Gen Limited	-	3,945	-	-
	20,924	16,955	163,621	148,285
No. of person(s)	1	1	26	24

- 41.1** In addition to above, the Chief Executive Officer and 19 (2018: 19) executives were provided with limited use of the Company's cars. The Chief Executive Officer and all executives were provided with medical facilities. Limited residential telephone facility was also provided to the Chief Executive Officer and 4 (2018: 4) executives. Gratuity and pension is payable to the Chief Executive Officer in accordance with the terms of employment while contributions for executives in respect of gratuity and pension are based on actuarial valuation. Leave passage is paid to Chief Executive Officer and all executives in accordance with the terms of employment.
- 41.2** In addition, meeting fee based on actual attendance was paid to 5 (2018: 5) non-executive directors Rs 5.29 million (2018: Rs 3.75 million), Chief Executive Officer Rs 1.06 million (2018: Rs 0.77 million) and 2 (2018: 2) alternate directors Rs 1.43 million (2018: Rs 1.40 million) of the Company. No remuneration was paid to Chief Executive Officer and Directors of the subsidiary.
- 41.3** In terms of the definition of executive specified per the provision of the Companies Act 2017, there were no employees of the subsidiary to be reported in the category of executives.

42. FINANCIAL INSTRUMENTS

42.1 Financial assets and liabilities

	2019 Rs '000	2018 Rs '000
Financial assets:		
Amortised cost		
Maturity upto one year		
Trade debts	22,411,940	15,748,306
Loans, advances, deposits & other receivables	2,054,012	1,687,094
Short term investments	-	985,846
Cash and bank balances		
Foreign currency - US \$	74,652	57,371
Local currency	16,548,039	21,914,815
Maturity after one year		
Long term loans and deposits	44,490	42,115
	41,133,133	40,435,547
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	38,943,897	31,198,064
Unclaimed dividends	9,566	9,839
Long term borrowings	2,200,000	2,200,000
Accrued mark-up on long term financing	271,166	260,909
Maturity after one year		
Long term borrowings	7,981,422	12,642,916
	49,406,051	46,311,728

42.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

	Rating	2019 Rs '000	2018 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	7,712,750	2,829,141
Counterparties without external credit rating			
Due from associated companies		10,473,791	10,455,088
Others *		4,225,399	2,464,077
		22,411,940	15,748,306
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		2,098,502	1,729,209
Short term investments			
Counterparties with external credit rating	A 1+	-	985,846
Bank balances			
Counterparties with external credit rating	A 1+	16,085,686	20,227,914
	A 1	535,345	756,954
		16,621,031	20,984,868

* These balances represent receivable from oil marketing companies and defence agencies.

42.3 Financial risk management

42.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's credit risk is primarily attributable to its trade debts and placements with banks. The sales are essentially to oil marketing companies and reputable foreign customers. The Company's placements are with banks having satisfactory credit rating. Due to the high credit worthiness of counter parties the credit risk is considered minimal.

At June 30, 2019, trade debts of Rs 10,477.30 million (2018: Rs 6,726.01 million) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2019 Rs '000	2018 Rs '000
0 to 6 months	5,159,728	3,651,382
6 to 12 months	5,017,391	3,074,531
Above 12 months	300,181	94
	10,477,300	6,726,007

Based on past experience, the management believes that no impairment allowance is necessary in respect of bad debts.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains lines of credit as mentioned in note 12 to the consolidated financial statements.

The table below analysis the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount Rs '000	Contractual cash flows Rs '000	Less than 1 Year Rs '000	Above 1 year Rs '000
At June 30, 2019				
Long term financing	10,452,588	10,452,588	2,200,000	8,252,588
Accrued Interest	271,166	271,166	271,166	-
Trade and other payables	38,943,897	38,943,897	38,943,897	-
At June 30, 2018				
Long term financing	15,103,825	15,103,825	2,200,000	12,903,825
Accrued Interest	260,909	260,909	260,909	-
Trade and other payables	31,198,064	31,198,064	31,198,064	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 75 million (2018: Rs 57 million) and financial liabilities include Rs 4,502 million (2018: Rs 3,275 million) which were subject to currency risk.

	2019	2018
Rupees per USD		
Average rate	136.39	109.98
Reporting date mid point rate	160.30	121.60

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

Sensitivity analysis

At June 30, 2019, if the currency had weakened/strengthened by 10% against US dollar with all other variables held constant, profit after tax for the year would have been Rs 314 million (2018: Rs 225 million) lower/higher.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 16,574 million (2018: Rs 22,911 million) and Rs 13,557 million (2018: Rs 17,956 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

At June 30, 2019, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 22 million (2018: Rs 35 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

42.3.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year and the company is not subject to externally imposed capital requirement.

As mentioned in note - 9.1, the Company is subject to pricing formula whereby profits after tax from refinery operations in excess of 50% of the paid up capital as of July 1, 2002 are transferred to special reserve and can only be utilized to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

42.4 Fair value of financial assets and liabilities

The carrying values of financial assets and liabilities approximate their fair value.

43. FAIR VALUE HIERARCHY

Fair value of land

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'.

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

	2019 Rs '000	2018 Rs '000
44. CASH GENERATED FROM OPERATIONS		
(Loss)/profit before taxation	(11,312,594)	135,649
Adjustments for:		
Depreciation	2,583,323	2,570,824
Gain on disposal of property, plant and equipment	(6,685)	(7,761)
Provision for slow moving, obsolete and in transit stores	5,851	12,417
Workers Profit Participation Fund	-	-
Workers' Welfare Fund	763	(118,318)
Amortization of deferred grant	(215)	-
Interest income	(1,786,091)	(1,199,671)
Finance cost (net)	6,623,676	2,925,299
Effect of exchange rate changes	(17,001)	(7,861)
Interest on delayed payments	(784,571)	(517,453)
Share of loss/(profit) in associates	642,406	(2,552,958)
Impairment reversal on investment in associated company	1,913,702	(178,420)
Impairment loss on financial asset	140,683	-
	(1,996,753)	1,061,747
Working capital changes		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(676,066)	(724,890)
Stock-in-trade	(230,401)	(4,076,349)
Trade debts	(6,752,210)	(5,051,790)
Loans, advances, deposits, prepayments and other receivables	(22,519)	582,406
	(7,681,196)	(9,270,623)
Increase/(decrease) in current liabilities:		
Trade and other payables	12,778,385	16,349,611
Cash generated from operations		
Payments of WPPF and WWF	20,000	(103,663)
Income taxes paid	(789,802)	(680,398)
	(769,802)	(784,061)
Net cash from operating activities	2,330,634	7,356,674

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2019

	2019 Rs '000	2018 Rs '000
45. CASH AND CASH EQUIVALENTS		
Cash and bank balances	16,622,691	21,962,186
Short term investments	-	995,846
	16,622,691	22,958,032

46. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 29 of 2016 dated September 5, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation	
i) Loans and advances	Non-interest bearing	
ii) Deposits	Non-interest bearing	
iii) Segment revenue	Disclosed in note 39	
iv) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:	
	1. Meezan Bank Limited	
	2. AlBaraka Bank (Pakistan) Limited	
	3. Dubai Islamic Bank	
		Rs '000
	As at June 30, 2019	
v) Bank balances	Placed under interest arrangement	16,064,882
	Placed under Shariah permissible arrangement	534,480
		16,599,362
	For the year ended June 30, 2019	
vi) Income on bank deposits including	Placed under interest arrangement	1,803,854
income accrued as at reporting date	Placed under Shariah permissible arrangement	49,821
		1,853,675
	For the year ended June 30, 2019	
vii) Interest paid including accrued as at	Placed under interest arrangement	1,418,603
reporting date	Placed under Shariah permissible arrangement	464,309
		1,882,912
viii) All sources of other income	Disclosed in note 31.2	
ix) Exchange gain	Earned from actual currency	

Disclosures other than above are not applicable to the Company.

47. GENERAL

47.1 Capacity and production

Against the designed annual refining capacity of US barrels 18.690 million (2018: 18.690 million) the actual throughput during the year was US barrels 17.467 million (2018: 17.552 million).

	2019	2018
47.2 Number of employees		
Number of employees at June 30		
Permanent	612	654
Contract	398	325
	1,010	979
This includes 616 (2018: 617) number of factory employees.		
Average number of employees for the year		
Permanent	631	623
Contract	380	353
	1,011	976

This includes 628 (2018: 620) number of factory employees.

47.3 Unavailed credit facilities

The Company has entered into an arrangement with banks for obtaining Letter of Credit facility to import chemical, spare parts and other materials upto a maximum of Rs 3,228 million (2018: Rs 3,228 million). The facility is secured against lien on shipping documents. The unavailed facility at June 30, 2019 was Rs 1,134.72 million (2018: Rs 1,784.95 million). These facilities will expire on various dates after June 30, 2019.

47.4 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

48. DATE OF AUTHORISATION

These consolidated financial statements have been authorised for issue by the Board of Directors of the Company on July 29, 2019.

-- Sd --

Syed Asad Abbas
Chief Financial Officer

-- Sd --

M. Adil Khattak
Chief Executive Officer

-- Sd --

Abdus Sattar
Director

Notice of Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting of the Company will be held at **Attock House, Morgah, Rawalpindi, on Tuesday, September 17, 2019 at 11:30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Fortieth (40th) Annual General Meeting held on September 25, 2018.
2. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2019.
3. To appoint auditors for the year ending on June 30, 2020 and fix their remuneration.
4. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

-- Sd --

Registered Office:
The Refinery,
Morgah, Rawalpindi
August 27, 2019

Saif-ur-Rehman Mirza
Company Secretary

NOTES:

- i. A member may appoint a proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
- ii. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- iii. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

FOR APPOINTING PROXIES:

- i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxies shall produce their original CNIC or original passport at the time of meeting.
- v. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

COMPUTERIZED NATIONAL IDENTITY CARD NUMBER / NATIONAL TAX NUMBER

In compliance with regulatory directives issued from time to time, members who have not yet provided their Computerized National Identity Card (CNIC) Numbers and/or National Tax Numbers (NTN), as the case may be, are requested to kindly provide copies of their valid CNIC and/or NTN certificates at the earliest as follows:

- The shareholders who hold Company's shares in physical form are requested to submit the above information to the Share Registrar of the Company.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant Participant/CDC Investor Account Service.

DEDUCTION OF INCOME TAX FOR FILER AND NON-FILER:

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment, if any, effective July 1, 2019 are as follows:

1.	Rate of tax deduction for persons appearing in Active Taxpayer List (ATL)	15%
2.	Rate of tax deduction for persons not appearing in Active Taxpayer List (ATL)	30%

In case of Joint account, each holder is to be treated individually as appearing in ATL or not appearing in ATL and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The CNIC/NTN number is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued and updated by the Federal Board of Revenue (FBR) in a timely manner.

EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 11, 2019 to September 17, 2019 (both days inclusive). Transfers received in order at the office of Share Registrar M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan at the close of business on September 10, 2019 will be treated in time for the purpose of Annual General Meeting.

TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The SECP vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of Annual General Meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of Annual General Meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.arl.com.pk to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

CONSENT FOR VIDEO CONFERENCE FACILITY:

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

"The Company Secretary, Attock Refinery Limited, Refinery Post Office, Morgah, Rawalpindi."

CHANGE OF ADDRESS:

Members are requested to promptly notify any change of address to the Company's Share Registrar.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

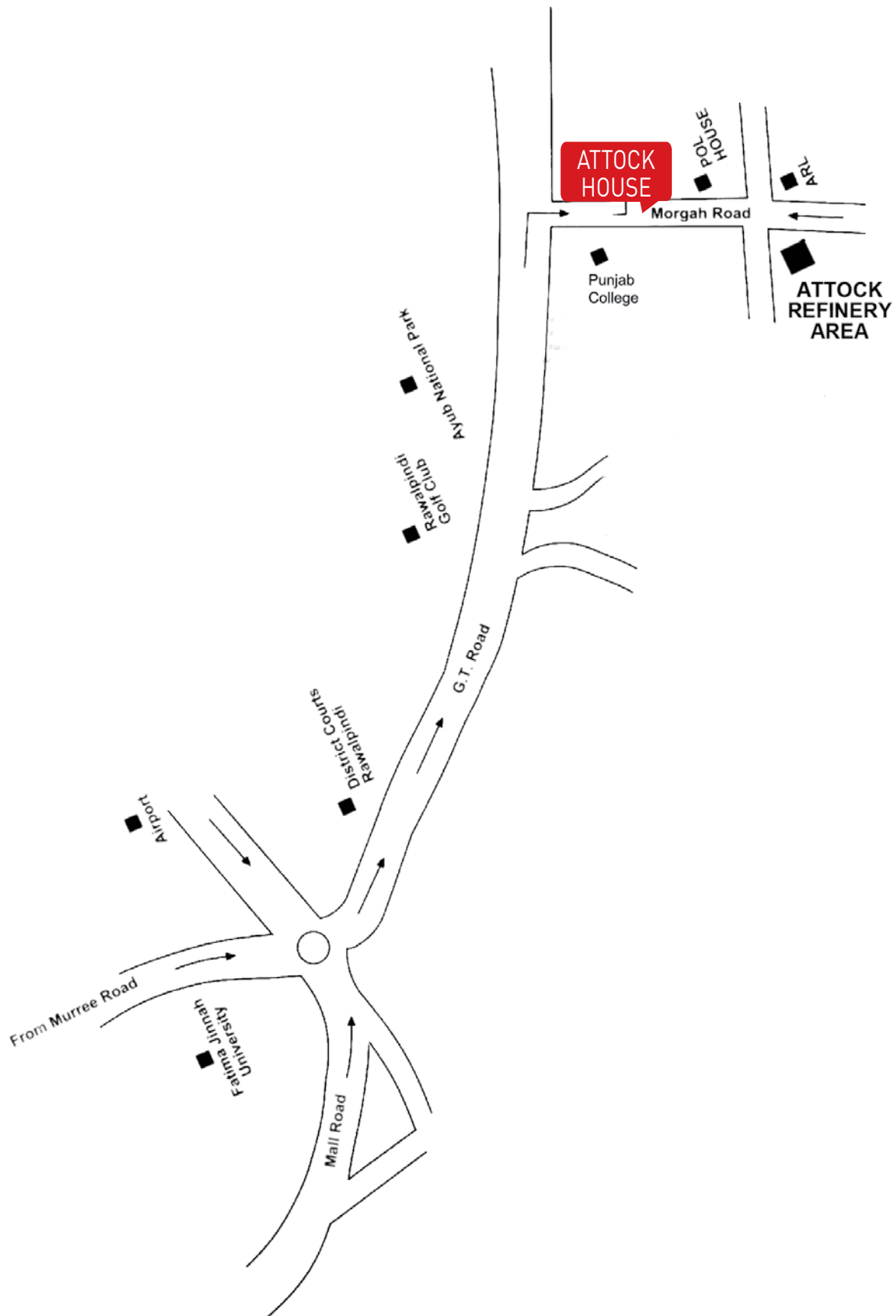
The audited financial statements of the Company for the year ended June 30, 2019 have been made available on the Company's website www.arl.com.pk in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE (MANDATORY):

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividend directly into their bank account, shareholders are requested to fill in E-Dividend Form available on company's website i.e. www.arl.com.pk and send the duly signed Form along with a copy of CNIC to the Share Registrar of the Company, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan, in case of physical shares. In case shares are held in CDC then E-Dividend Form must be submitted directly to shareholder's broker/participant/CDC account services.

In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same.

AGM Location Map



Glossary

AGL

Attock Gen Limited

AGM

Annual General Meeting

AHL

Attock Hospital (Pvt.) Limited

AOC

Attock Oil Company Limited

APL

Attock Petroleum Limited

ASF

Attock Sahara Foundation

AITSL

Attock Information Technology Services (Pvt.) Limited

BPD

Barrels Per Day

BR&A

Business Review and Assurance

CBA

Collective Bargaining Agent

CCG

Code of Corporate Governance

CDC

Central Depository Company of Pakistan Limited

CSR

Corporate Social Responsibility

DHDS

Diesel Hydro De-Sulphurization

EPS

Earning Per Share

FFO

Furnace Fuel Oil

GRM

Gross Refiner's Margin

HBU

Howe Baker Unit

HOBC

High Octane Blending Component

HR&A

Human Resource and Administration

HSD

High Speed Diesel

HSEQ

Health Safety Environment and Quality

HSFO

High Sulfur Furnace Fuel Oil

IAS

International Accounting Standards

ICAP

Institute of Chartered Accountants of Pakistan

ICMAP

Institute of Cost and Management Accountants of Pakistan

IFEM

Inland Freight Equalisation Margin

IFRS

International Financial Reporting Standards

IPP

Independent Power Producer

ISO

International Organization for Standardization

JBO

Jute Batching Oil

JP's

Jet Petroleum

LDO

Light Diesel Oil

LPG

Liquefied Petroleum Gas

LSFO

Low Sulfur Furnace Fuel Oil

LSRN

Light Straight Run Naphtha

MTT

Mineral Turpentine Tar

NCPC

National Cleaner Production Centre

NRL

National Refinery Limited

OGRA

Oil and Gas Regulatory Authority

OHSAS

Occupational Health and Safety Management System

OMCs

Oil Marketing Companies

PACRA

The Pakistan Credit Rating Agency Limited

PICG

Pakistan Institute of Corporate Governance

PMB

Polymer Modified Bitumen

PMG

Premium Motor Gasoline

POL

Pakistan Oilfields Limited

PSO

Pakistan State Oil Company Limited

PSQCA

Pakistan Standard Quality Control Authority

RFO

Residual Fuel Oil

SECP

Securities and Exchange Commission of Pakistan

UNGC

United Nations Global Compact

UOP

Universal Oil Products

WPPF

Workers Profit Participation Fund

WWF

Workers Welfare Fund

Form of Proxy

Attock Refinery Limited

41st Annual General Meeting

I / We _____
of _____
being member(s) of Attock Refinery Limited holding _____
ordinary shares hereby appoint Mr. / Mrs. / Miss _____
of _____ or failing him / her
_____ of
_____ as my / our proxy in my / our
absence to attend and vote for me/us and on my/our behalf, at the 41st Annual General Meeting of the
Company to be held on Tuesday, September 17, 2019 at 11:30 a.m. at Attock House, Morgah, Rawalpindi and at
any adjournment thereof.

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on
Fifty Rupees
Revenue Stamp

The Signature should agree
with the specimen registered
with the Company

Dated this _____ day of _____ 2019

Signature of Shareholder _____

Signature of Proxy _____

1. WITNESS:

Signature _____
Name _____
Address _____

CNIC No. or - -

Passport No. _____

2. WITNESS:

Signature _____
Name _____
Address _____

CNIC No. or - -

Passport No. _____

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office, P.O. Refinery, Morgah, Rawalpindi-46600, Pakistan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities:
In addition to the above the following requirements have to be met:

- i. Attested copies of CNIC or the passport of the shareholders and the proxy shall be provided with the proxy form.
- ii. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- iii. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary,
ATTOCK REFINERY LIMITED
P.O. Refinery, Morgah,
Rawalpindi - 46600,
Pakistan.

۴۱ واں سالانہ اجلاس عام

میں / ہم / سکنہ ----- بحیثیت ممبر انک ریفرنسز لمیٹڈ کے -----
 عمومی حصص کا مالک ہوں۔ جناب / مسز / محترمہ ----- سکنہ ----- یا اُن کی عدم حاضری کی وجہ سے جناب / مسز /
 محترمہ ----- سکنہ ----- کو کمپنی کے ۴۱ ویں سالانہ اجلاس عام جو کہ بروز منگل، ۱۷ ستمبر ۲۰۱۹ء کو ۱۱ بجے صبح،
 انک ہاؤس مورگاہ، راولپنڈی میں منعقد ہوگا یا اس کے کسی بھی التوائی اجلاس کیلئے میرے / ہمارے نیابت دار کے طور پر مقرر کرتا / کرتے ہیں کہ وہ میری / ہماری غیر موجودگی میں میری / ہماری جانب سے
 شرکت کریں اور رائے دہندگی کا استعمال کریں۔

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	پارٹیشنٹ آئی ڈی	اکاؤنٹ نمبر

پچاس روپے کے
رسیدی ٹکٹ کے
پر دستخط

دستخط کمپنی میں محفوظ نمونے کے مطابق ہونے چاہیے

حصہ دار کے دستخط

نیابت دار کے دستخط _____

تاریخ: دن _____ ماه _____ ۲۰۱۹ء

۱- گواه:	۲- گواه:
دستخط	دستخط
نام	نام
پتہ	پتہ

شناختی کارڈ نمبر	شناختی کارڈ نمبر
یا	یا
پاسپورٹ نمبر	پاسپورٹ نمبر

ضروری امور:

۱. بضابطہ مکمل شدہ اور دستخط کردہ نیابت داری فارم اجلاس کے انعقاد سے کم از کم ۲۸ گھنٹے قبل کپنی کے رجسٹرڈ دفتر پوسٹ آفس ریفرنسز، ہموگاہ راولپنڈی۔ ۱۹۶۰۰
۲. پاکستان میں جمع کرنا ضروری ہے۔
۳. اگر ایک ممبر ایک سے زیادہ نیابت دار مقرر کرتا ہے تو کپنی میں ایک سے زیادہ نیابت داری کی دستاویزات جمع کرواتا ہے تو ایسی تمام دستاویزات غیر مؤثر ہو جائیں گی۔
۴. سی ڈی اے کاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے:
- مندرجہ بالا کے علاوہ درج ذیل تقاضے بھی پورے کرنا ہوں گے۔
- (i) نیابت داری فارم کے ساتھ حصہ داران اور نیابت دار کا شناختی کارڈ یا پاسپورٹ کی تصدیق کا پی فراہم کرنا ہوں گی۔
- (ii) اجلاس کے وقت نیابت دار اپنا اصل شناختی کارڈ یا پاسپورٹ فراہم کرے گا۔
- (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختص نامہ کے ساتھ نمونے کے دستخط (اگر پہنچائی مہیا نہیں کیا گیا) کپنی کے نیابت داری فارم کے ساتھ پیش کرنا ہوں گے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary,
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P.O. Refinery, Morgah,
Rawalpindi - 46600,
Pakistan.