Annual Report

2022

Attock Refinery Limited:

Pioneer & Pacesetter

Attock Refinery Limited (ARL) is the pioneer and pacesetter in Pakistan's petroleum refining sector. Since its inception in 1922, ARL continues its operations unabated despite various hurdles and challenges. Today it has grown into a modern state-of-the-art refinery with a name plate capacity of 53,400 barrels per day (bpd).

The Refinery at Morgah started its operations with two small stills of 2,500 bpd following the first discovery of oil at Khaur by the Attock Oil Company in 1915. The Refinery was expanded in late thirties and early forties after discovery of oil in Dhulian in 1937. In 1939-40, 5,000 bpd Lummus Two-Stage-Distillation Unit, a Dubbs Thermal Cracker Unit, Wax Purification facility and the Edeleanu Solvent Extraction Unit for smoke point correction of Kerosene were added. With the addition of these units Morgah Refinery became a fully integrated refinery of high complexity producing a full range of petroleum fuels, lubricating oils, waxes, greases, solvent oil, mineral turpentine oil and various grades of bitumen.

In 1978 ARL was incorporated as a Private Limited Company and in June 1979 it was converted into a Public Limited Company.

Considering high potential for crude oil production in Meyal and Toot oilfields, in 1981 the capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity each. Due to changes in crude oil characteristics the old units of Dubbs, Edeleanu and plants for lube and wax production were closed down in 1986-88.

Another expansion and up gradation 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 7.5 MW Captive Power Plant was added. The latest Expansion/Up-gradation Project completed in November 2016 comprised:

i) Diesel Hydro Desulphurization (DHDS) unit
ii) Pre-flash unit
iii) Light Naphtha Isomerization unit and expansion of the 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 refinery continues to produce a full range of fuel products: LPG, Naphtha, PMG, HSD, Jet Fuels, FFO, Kerosene Oil, LDO, Mineral Turpentine Oil (MTT), Jute Batching Oil (JBO) and various grades of road paving asphalts. The Company is ISO 9001, ISO 14001, ISO/IEC 17025, ISO 45001 certified and is the first refinery in Pakistan to implement ISO 50001 (Energy Management System).

With a turnover of Rs. 262 billion in 2021-22, the Company's contribution to the national exchequer in the form of taxes and duties amounted to over Rs. 36 billion while foreign exchange savings of US $ 256 million were achieved through import substitution and exports. The Company not only operates on 100% indigenous crude oil thus providing a major outlet to several oilfields spread over the northern part of Pakistan but also remains the main source of petroleum products to the civil and defense sectors in 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.

The dynamics of refinery business are constantly varying and changing with new challenges emerging due to environmental concerns, pandemic issues, economic recessions, globalisation, technological breakthroughs, alternate sources of energy and government policies. The spread of COVID-19 had a meltdown effect on global crude oil and product prices and severely impacted the refinery sector in Pakistan resulting in reduced margins.

ARL is fully cognizant of its responsibility to ensure its sustainability under the current economic circumstances. In this connection, the Company has taken several initiatives and implemented different economic and technological measures. Some of these measures include production of Euro III HSD, introduction of 95 RON petrol to its product profile, supply of Low Sulphur Furnace Oil at premium pricing, purchase of certain crude oil at discounted pricing, optimizing Reformer hydrogen internal usage and rationalization of production slate. Moreover, loss making export Naphtha operation has been curtailed through maximization of petrol production and maintaining refinery optimum throughput.

The Company is now gearing up to undertake another major project at an estimated cost of US$ 500 million for setting up Continuous Catalyst Regeneration Unit (CCR) and revamp of the DHDS unit to increase production of petrol and meet Euro-V products' specifications.

It is hoped that approval of the new Pakistan Oil Refining Policy would not only enable ARL to go ahead with the aforementioned project but also attract investment in upgradation of other existing refineries as well as new green field refineries.

We at ARL not only take pride in our 100 years of glorious past but also look forward to a bright future with continued support of the government, shareholders, board of directors and our outstanding human resource working relentlessly and with dedication in pursuit of excellence in an organizational culture of openness, fairness and meritocracy aligned with our core values of Integrity & Ethics, Quality Assurance, Learning & Innovation, Teamwork, Empowerment and Social Responsibility.

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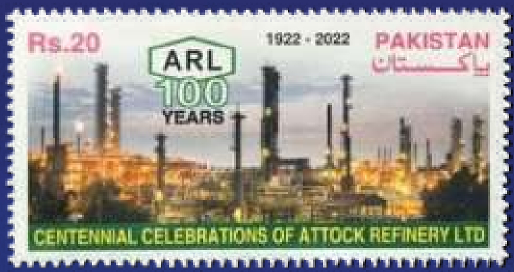
Honors & Achievements



Postage stamp issued by the Government of Pakistan on the eve of 100 years celebrations of Attock Refinery Limited

16th EFP Award on Occupational Safety, Health & Wellbeing for 2021

Certificate of Merit Best Corporate Report Awards 2020

Certificate of Merit Best Sustainability Report Awards 2020

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 100 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 and Euro III specifications;

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 and ISO 45001 certified. ARL laboratory is ISO/IEC 17025 accredited. It is the first refinery in Pakistan to implement ISO 50001 (Energy Management System).

Accreditation & Certifications

ISO 9001: 2015
QUALITY MANAGEMENT SYSTEM

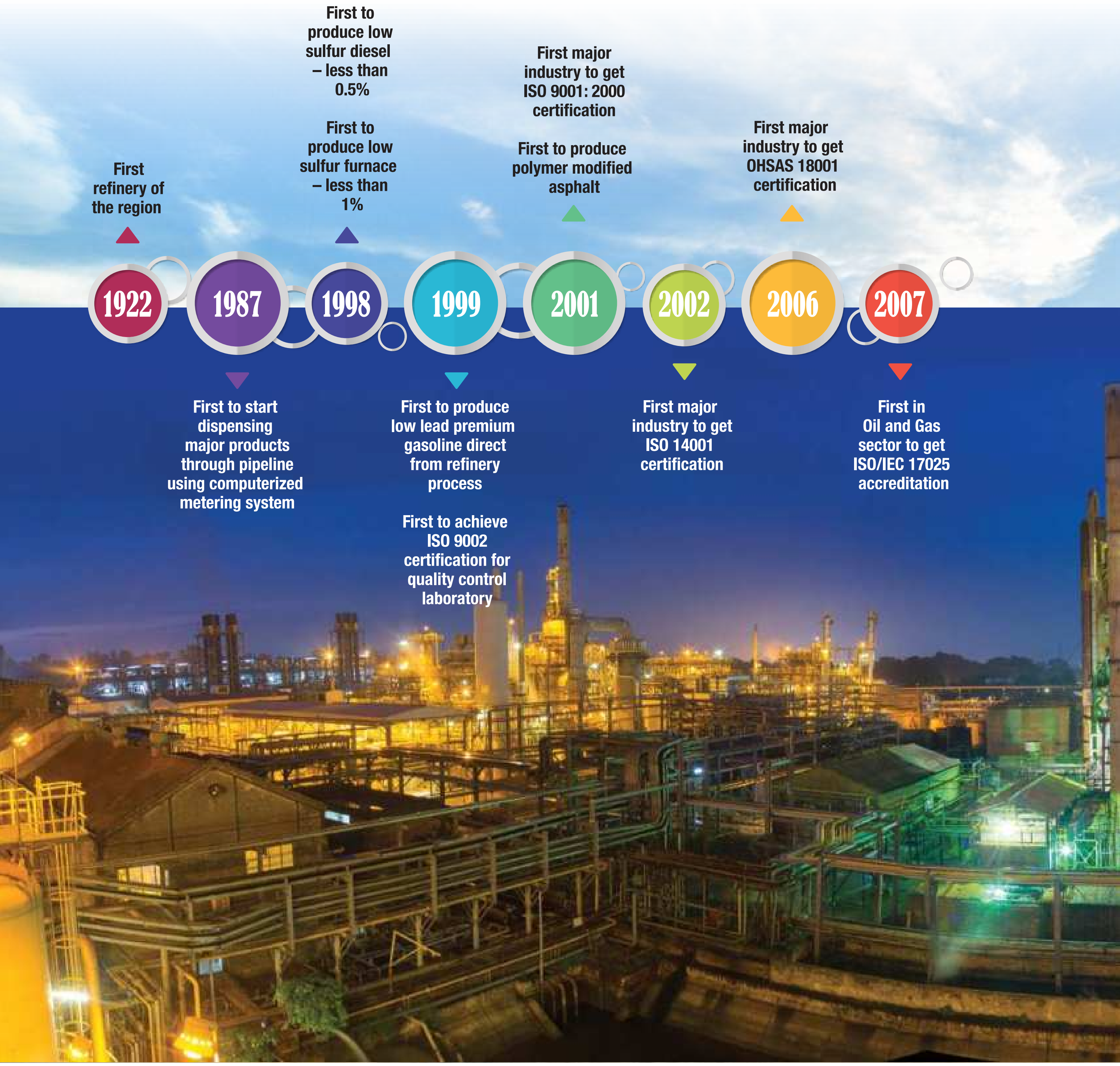
ISO 14001: 2015
ENVIRONMENTAL MANAGEMENT SYSTEM

ISO 45001: 2018
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

ISO/IEC 17025: 2017
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/IEC 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 ARL Up-gradation Project

2017
Preflash, ISOM, DHDS & Auxillary units commissioned

2020
First major successful turnaround after upgradation

2022
100 Years of Refining Operations

Organizational Overview and External Environment

PRINCIPLE BUSINESS ACTIVITIES AND MARKETS

The Company is part of a fully integrated oil group based in Pakistan. The Company is principally engaged in refining of indigeneous crude oil mainly produced from Potohar and KPK region of the country. The Company produces wide range of petroleum products which are supplied in its fed area mainly ranging from Rawalpindi/Islamabad upto Chak Pirana / Kharian and Northeren areas through leading oil marketing companies. The Company is also main source of supplies of petroleum products to armed forces.

KEY BRANDS AND PRODUCTS

The Company is engaged in refining variety of crude oil. The Company has unique capability to process lightest to heaviest crude. The Company produces wide range of petroleum products mainly including High Speed Diesel, Premier Motor Gasoline, Furnace Oil, Kerosene and Jet Fuels etc.

Portfolio of different products offered by the Company is detailed as follows:

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 Pakistan Standards and Quality Control Authority (PSQCA) & Gas Processors Association (GPA) standards and specifications.

Naphtha

A flammable liquid mixture of hydrocarbon 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 which is non hydro processed, a type of aviation fuel designed for use in aircraft powered by gas-turbine engines. It is clear and bright in appearance. JP-1 is provided to APL, PSO, Shell and JP-8 to Pakistan Air Force.

Light Diesel Oil (LDO)

LDO is a product that is burned in a furnace or boiler for generation of heat or used in an engine for generation of power. LDO is used for diesel engines, generally of stationary type operating below 750 rpm. ARL is producing LDO meeting Pakistan Standards and Quality Control Authority (PSQCA) specifications.

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 FFO which is a 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. ARL is the only refinery in the country producing Low Sulfur Furnace Fuel Oil (LSFO). ARL is also producing Residual Furnace Fuel Oil (RFO), a special high-viscosity residual oil which requires preheating.

Penetration Grade Bitumen

Bitumen is a black or dark-colored (solid, semi-solid, viscous), amorphous, cementitious material. ARL is producing Penetration Grade Bitumen usually used as a Paving Grade Bitumen suitable for road construction and for the production of asphalt pavements with superior properties. ARL is producing 60-70 & 80-100 grade Penetration Grade Bitumen.

Premium Motor Gasoline (PMG)

It is a transparent petroleum-derived liquid that is primarily used as a fuel in reciprocating spark - ignition internal combustion engine. Some additives are also added in it to improve quality. ARL is a major producer of PMG in the country. ARL is producing environment friendly low sulfur & low benzene PMG product as per PSQCA and Ministry of Energy (Petroleum Division) Government of Pakistan advised specifications.

Kerosene Oil

It is a mixture of thin, clear combustible liquid hydrocarbons derived from crude oil distillation. It is used for burning in kerosene lamps and domestic heaters or furnaces as a fuel and also as a solvent for greases and insecticides.

High Speed Diesel (HSD)

HSD produced by ARL is used as a fuel for high speed diesel engines like buses, lorries, generators, locomotives etc. Gas turbine requiring distillate fuels normally make use of HSD as a fuel. After commissioning of DHDS unit, ARL is supplying environment friendly HSD with low sulphur contents.

Jute Batching Oil (JBO)

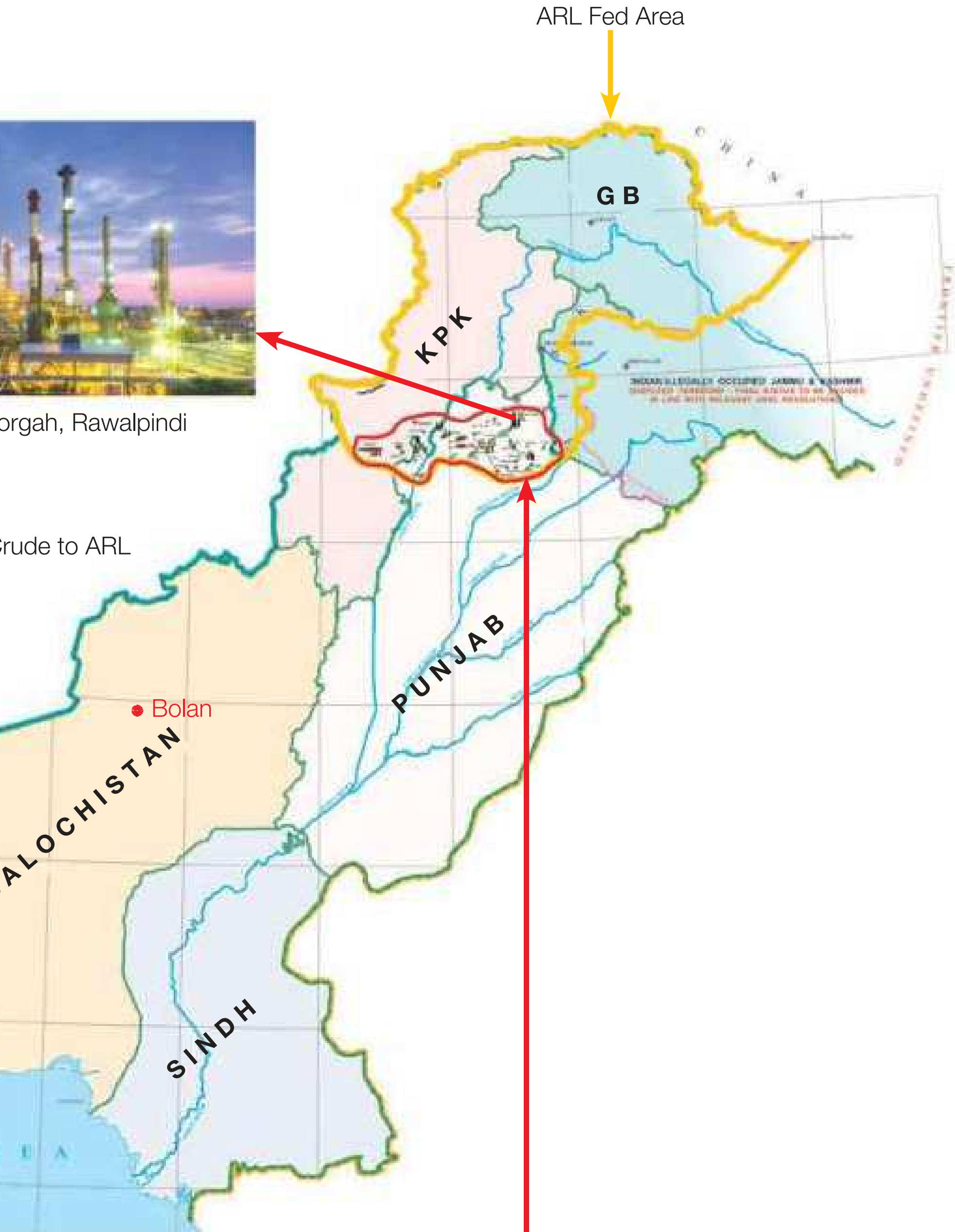
JBO produced by ARL is mainly used in the jute industry to make the jute fibers pliable. It is also used by processors to produce various industrial oils. ARL is the only refinery in Pakistan that produces JBO.

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.

GEOGRAPHICAL PRESENCE OF ARL'S BUSINESS

ARL Refining Complex, Morgah, Rawalpindi



CRUDE OILFIELDS

Punjab and KPK
- Adhi
- Balkassar
- Bhangali
- Chak Nurang
- Chanda
- Dhakni
- Dharian
- Dhodak
- Dhok Hussain
- Dhok Sultan
- Dhulian
- Dhurnal
- Fimkassar
- Ghauri
- Gurguri (Manzalai)
- Halini
- Jhandial
- Joya Mair
- Kalabagh
- Kall
- Khaur
- Makori
- Mela
- Meyal
- Minwal
- Missa Kiswal
- Nashpa
- Pariwali
- Pindori
- Rajian
- Ratana
- Sadkal
- Togh
- Tolanj
- Toot
- Turkwal

Balochistan
- Bolan

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.

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. 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.

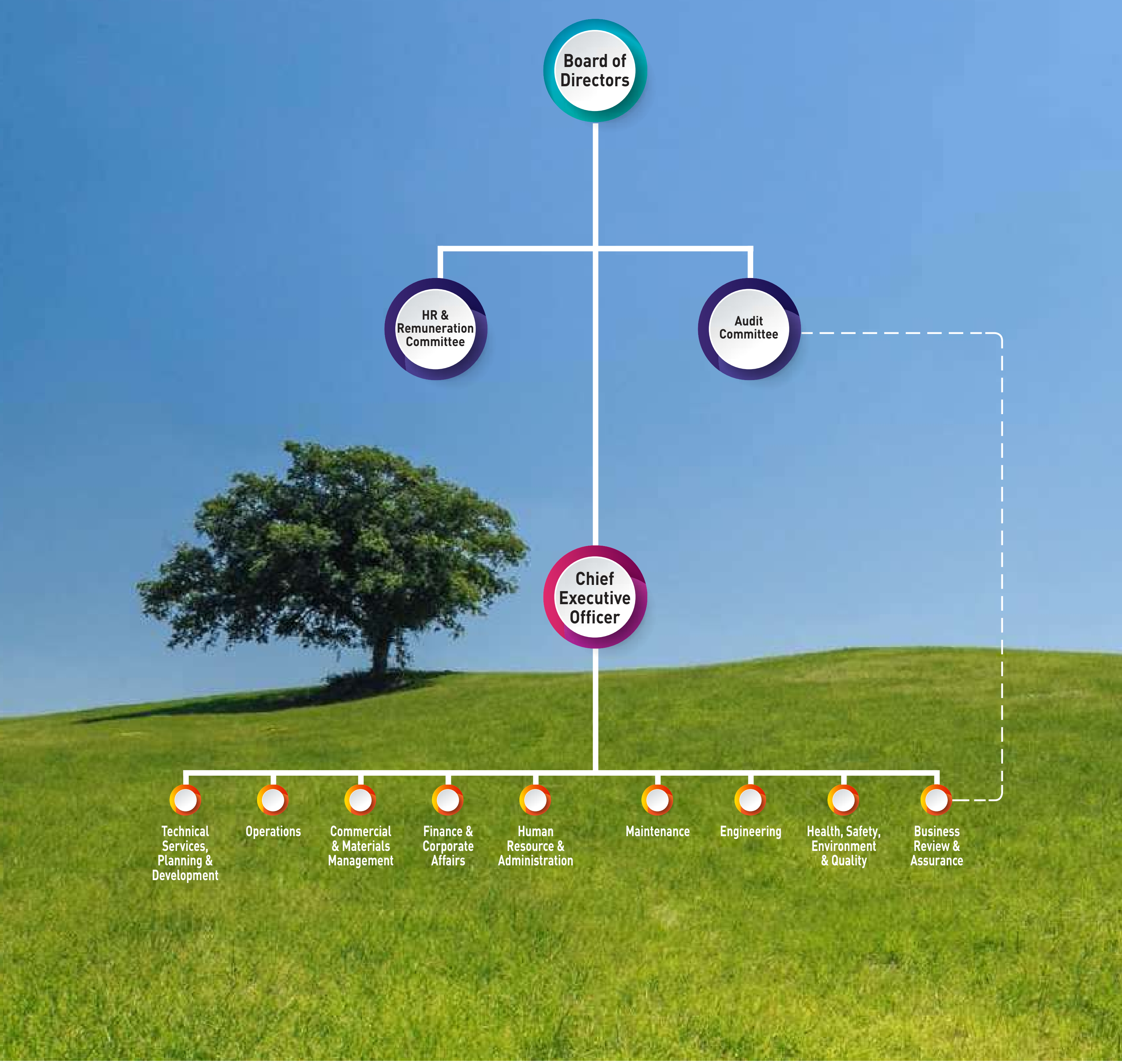
Any employee meeting with difficulties in the understanding or application of this Code should refer to his/her functional head or, if required to CEO. Director in such a situation may refer to the Board.

GROUP STRUCTURE

The Company is part of the Attock Oil Group of Companies, which has footholds in a diverse range of sectors, such as oil exploration & production, refining, oil marketing, cement, power generation and information technology. The Group, however, has major presence in the oil sector, from the upstream level to midstream to downstream level with critical technical expertise and years of experience in this area.

Company Name	Nature of Relationship	Percentage of Shareholding
Holding Company Shareholding in the Company The Attock Oil Company Limited (Incorporated in UK)	Holding Company	61.06%
Associate Shareholding in the Company Attock Petroleum Limited	Associate/Common Directorship	1.68%
Company's Shareholding in the Associate National Refinery Limited Attock Petroleum Limited Attock Gen Limited Attock Information Technology Services (Pvt.) Limited	Associate/Common Directorship	25.00% 21.88% 30.00% 10.00%
Nil shareholding in associate and vice Versa Pakistan Oilfields Limited Attock Cement Pakistan Limited Attock Leisure & Management Associates (Pvt.) Limited Attock Energy (Pvt.) Limited	Associate/Common Directorship	Nil Nil Nil Nil
Company's Shareholding in the subsidiary company Attock Hospital (Pvt.) Limited	Wholly owned Subsidiary	100.00%

ORGANOGRAM



Administrative Reporting
Functional Reporting

COMPANY'S PRODUCTS VALUE CHAIN

ARL procures crude oil from various Exploration and Production Companies including one of the Group Company namely Pakistan Oilfields Limited operating in KPK and Pothohar region of the Country. This crude oil is converted into various petroleum products through the refining process. These products are sold to oil marketing companies including one of the Group Company namely Attock Petroleum Limited for onward supply to ultimate users of the petroleum products.

PESTEL ANALYSIS

The modern business world is a challenging, highly competitive and complex place. Effective response to external environment is the critical success factor. Some of the factors that affect ARL's External Environment are as follows:

POLITICAL FACTORS

Political factors play a vital role in determining ARL's long term profitability in a volatile market. Being an oil refinery, ARL is subject to different types of political environment and political system risks. In order to achieve success in this industry, diversification of systematic risks of political environment is critical. The political factors may include:

- Change in Global demand & supply of petroleum products due to geo-political situation
- Political stability of Country in general

Response:
ARL is closely monitoring and analyzing the above factors and adopt a suitable strategy accordingly.

ECONOMIC FACTORS

The Macro environment factors and economic cycle determine the aggregate demand and aggregate investment in an economy. ARL normally uses country's economic factors and industry's economic indicators to forecast the growth trajectory of the organization. Following are few economic factors that affect ARL decision making:

- Global economic growth drives the global consumption of oil and gas.
- Significant petroleum products demand supply gap exists in Pakistan
- Volatile oil prices
- Exchange rate
- Interest rates
- Economic growth rate
- Consumer spending
- Business Cycle stage (e.g. Prosperity, recession, recovery)

Response:
Devaluation of currency, inflation factor and increase in variable costs make their impact on the profitability of the Company. Company keeps on applying cost effective measures to manage inflationary pressure.

SOCIAL FACTORS

Society's culture and way of doing things impact the culture of an organization in an environment. Shared beliefs and attitudes of the community play a great role in our success. Following social factors have an impact on our external environment:

- Demographics and skill level of the society
- Culture (gender roles, social conventions etc.)
- Attitudes (health, environmental consciousness, etc.)
- Leisure interests

Response:
Since its inception in 1922, ARL's contribution towards Corporate Social Responsibility (CSR) has been an important part of our core values. The Company provides excellent training opportunities to fresh graduates and students through its management training programs and internships. Training of employees is also a regular feature at ARL. The Company is also an equal opportunity employer and believes in gender diversity.

TECHNOLOGICAL FACTORS

Industries are changing at a rapid pace across the globe due to latest technology developments. Oil industry is also in transition stage due to shift towards sustainable energy and eco-friendly transport. Technological factors include:

- Recent technological developments in the refining industry
- Technology's impact on product offering
- Positive impact on environment
- Impact on value chain structure

Response:
ARL is committed to utilize best blend of the state-of-the-art technology to remain competitive in the market. ARL regularly performs technological analysis and case studies which involves understanding the above impacts and responding accordingly.

ENVIRONMENTAL FACTORS

ARL is committed to minimize environmental footprint throughout its operations. Following are the environmental factors considered as top priority by ARL:

- Weather
- Climate change
- Laws regulating environment pollution
- Air and water pollution regulations in oil industry
- Recycling
- Waste management
- Attitudes toward "green" or ecological products
- Attitudes toward and support for renewable energy

Response:
ARL is committed to efficient use of energy, recycle effluent wherever possible and use of cost-effective cleaner production techniques.

LEGAL FACTORS

Being a listed company and operating in a regulated sector of economy, the Company is required to ensure strict compliance with various regulatory requirement e.g. laws and regulations of Securities and Exchange Commission of Pakistan and other regulatory authorities.

Response:
ARL strongly abides by all applicable acts, listing rules and regulations. In this connection consistent efforts are put in by the management. The Company has employed various professionals to ensure strict compliance with all regulatory requirements.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Pakistan is a net importer of crude and refined petroleum products, whereby deficit is met through import after consumption of local product. The Company only refines indigenous crude and has developed a niche for itself because of its capability in refining various qualities of locally produced crude oil. The Company is the only refinery located in the northern region of the country and therefore most of the locally produced crude oil is allocated to it being the nearest refinery. Likewise the Company's products caters for demand of specific area of the northern region of the country. These factors have given an edge to the Company.

The Company continues to face various challenges due to volatility in international oil prices and fluctuation in demand of its products. These challenges are met by the Company through focus on efficiency of its operation, developing expertise of its staff and technological advancements. These efforts have led to its sustained existence and progression for more than a century and shall continue to do so in the future.

SIGNIFICANT CHANGES FROM PRIOR YEARS

Management believes that our business objectives and strategies are well planned and are aligned with the current challenges and meeting latest specifications of petroleum products.

SWOT ANALYSIS

The Company carries out a periodic SWOT analysis, based upon the information gathered from all of its stakeholders. Strategic decisions are planned and undertaken after carefully evaluating internal strengths and weaknesses while analysing external opportunities and threats.

STRENGTHS

Only Refinery in the north of the country

Being in business for the last 100 years and upgraded from time to time, the Company has diversified facilities with an experienced team. The Company has developed a niche for itself, having the ability to refine crudes of varying characteristics; i.e. Sweet, Sour, Heavy, Light, Condensates etc.

Strategically important because of its proximity to the northern oilfields and the fact that it's the only refinery processing 100% of indigenous crude thus ensuring that oil and gas from these fields flows uninterrupted. The Company is an important source of supplies to the Armed Forces, IPPs, airports and general public.

WEAKNESSES

Depletion of crude oil reservoirs in the northern region.

Considerable distance from the port thus impacting logistics.

Adverse price movement and foreign exchange fluctuations.

OPPORTUNITIES

Room for further upgradation for value addition.

Future discoveries in northern region shall give the Refinery a distinct edge over its competitors

THREATS

Reduction in market share if products specifications are not improved.

Loss of production if adequate source of supplies of crude oil is not maintained.

Calendar of Major Events

27-Aug-2021	Received Merit Certificate on Best Corporate Award 2020 by ICMAP/ICAP.
27-Aug-2021	Received Merit Certificate on Best Sustainability Report Award 2020 by ICMAP/ICAP.
22-Sep-2021	Annual General Meeting of shareholders.
18-Oct-2021	Energy Week was celebrated at ARL, with the World Energy Day (18^{th} – 22^{nd} October, 2021).
21-Dec-2021	7^{th} Health, Safety & Environment (Virtual) Conference – 2021
28-Apr-2022	Safety Week was celebrated at ARL, in-line with the World Safety Day (25^{th} – 29^{th} April, 2022).
21-May-2022	Received 16^{th} EFP Award on Occupational Safety, Health & Wellbeing for 2021.
06-Jun-2022	World Environment Day was celebrated.

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

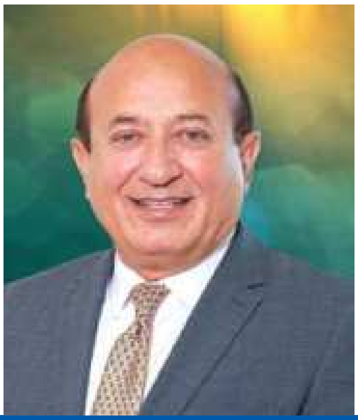
Director
Pakistan Oilfields Limited
Attock Gen Limited
National Refinery Limited

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
Attock Cement Pakistan Limited
Pakistan Oilfields Limited
National Refinery Limited
Attock Petroleum 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, one of the largest conglomerates in the Country having diversified interests in Oil & Gas, Power Generation, Cement, Information Technology, Renewable Energy, Medical Services and Real Estate Development etc. for more than four decades. He 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 became the youngest Chief Executive of the Group Holding Company, "The Attock Oil Company Limited" on September 01, 1995. With his hard work, dedication, business acumen and professional abilities, he eventually rose to the highest management position in the Group and was appointed as Group Chief Executive of "Attock Group of Companies" in July 2006.

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.

He has exhaustive experience and in depth knowledge related to various aspects of upstream, midstream and downstream petroleum business and it was due to his visionary leadership that the Attock Group was able to grow leaps and bounds and diversify into various trades and industries.

In addition to holding the position of Group Chief Executive of the Attock Group of Companies, presently, he is serving as Chairman & Chief Executive of Pakistan Oilfields Limited, Chairman of National Refinery Limited and Chief Executive Officer of The Attock Oil Company Limited and Attock Petroleum Limited besides being the Director on the Board of all the Companies in the Group including listed and unlisted public/private limited Companies.

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 Representative
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 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. Presently, he is on the Board of Pakistan Oilfields Limited, Attock Cement Pakistan Limited, Attock Petroleum Limited and National Refinery Limited and a visiting faculty member of a number of reputed universities and professional institutions.

Other Engagements

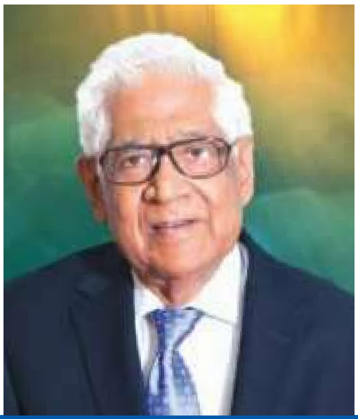
Director
Pakistan Oilfields Limited
Attock Cement Pakistan Limited
Attock Petroleum Limited
National Refinery Limited

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, administrative and staff positions for over sixteen years. He joined National Refinery Limited in 2005 immediately after its privatization. After serving as Deputy Managing Director of the Company for more than a decade, the Board of Directors appointed him as Chief Executive Officer of the Company effective November 3, 2018. After completing his tenure of three years he has been reappointed as Company's Chief Executive with effect from November 03, 2021. He has also served as a member on the Board of Directors of National Refinery Limited as an alternate director. 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

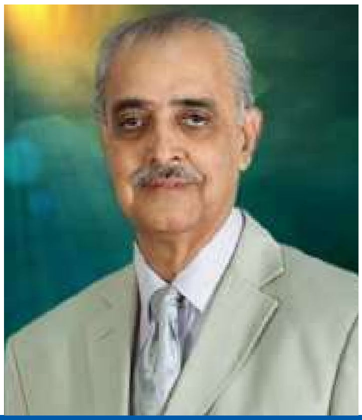
After joining Civil Service of Pakistan, Mr. Shamim Ahmad Khan served in senior positions in the Government, particularly in the Ministry of Finance and retired as Secretary, Ministry of Commerce. For ten years, he worked in Corporate Law Authority, regulatory body for the corporate sector as a Member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

Other Engagements

Chairman & Director
IGI Life Insurance
IGI General Insurance

Director
IGI Holdings Limited
Pakistan Oilfields Limited
Attock Cement Pakistan Limited
National Refinery Limited
Karandaaz

Member Board of Governors
Sustainable Development Policy Institute (SDPI)



Mr. Tariq Iqbal Khan
Independent Non Executive Director

Mr. Tariq Iqbal Khan is a fellow member of Institute of Chartered Accountants of Pakistan, with diversified experience of more than 40 years. He was pivotal in founding Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the Central Board of Revenue, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He served on prominent national level committees like Committee for formulation of Takeover law. CLA Committee for review of Securities & Exchange Ordinance 1969, Committee for formulation of CDC law & regulations and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the charge of Chairman & MD of ICP, for almost 5 years. He has served on Boards of the top companies like CDC, Faysal Bank Limited, Bank Al-Habib Limited, GSK, ICI, Siemens and Packages etc. He has remained Chairman of Attock Refinery Limited, Sui Northern Gas Pipelines Limited, K.P. Energy Board and KPOGCL. Presently he is a member on the Boards of National Refinery Limited, Packages Limited, Silk Bank Limited, Interloop Limited and Pakistan Oilfields Limited. Presently he is also serving as Chairman of Packaged Converters Limited and Audit Oversight Board.

Other Engagements

Chairman
Audit Oversight Board

Director
National Refinery Limited
Pakistan Oilfields Limited
Packages Limited
Silk Bank Limited

Mr. Babar Bashir Nawaz
Alternate Director to Mr. Wael G. Pharaon

Mr. Babar Bashir Nawaz has an illustrious career span of over 40 years with the Attock Group of Companies. During this period he has held various positions in Finance, Marketing, Personnel & General Management, before being appointed as the Chief Executive Officer of Attock Cement Pakistan Limited in 2002. Mr. Bashir holds a postgraduate degree in Business Administration from the Quaid-e-Azam University, Islamabad. At present, he is serving as a Director on the Boards of all the listed companies of the Attock Group in Pakistan. Being a seasoned professional, he has attended various courses, workshops and seminars in Pakistan and abroad on the business management and carries enormous knowledge of the cement industry in Pakistan. Currently, he is the Vice Chairman of All Pakistan Cement Manufacturers Association (APCMA).

Other Engagements

Chief Executive & Director
Attock Cement Pakistan Limited

Alternate Director
Attock Petroleum Limited
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 46 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) and National Cleaner Production Centre (NCPC). He is alternate Director of Attock Petroleum Limited, Director of Attock Hospital (Pvt) Limited (AHL) 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 Vice Chairman of Oil Companies Advisory Council (OCAC) and President of Attock Sahara Foundation (ASF) an NPO, 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

Alternate Director
Attock Petroleum Limited

Chief Executive Officer
Attock Gen Limited
National Cleaner Production Centre

Director
Attock Hospital (Pvt) Limited
Petroleum Institute of Pakistan

Member Board of Governors
Lahore University of Management Sciences
GIK Institute of Engineering Sciences and Technology
Sustainable Development Policy Institute

Vice Chairman
Oil Companies Advisory Council (OCAC)

President
Attock Sahara Foundation

Board Committees

Audit Committee

Mr. Shamim Ahmad Khan
Chairman
(Independent Director)

Mr. Shuaib A. Malik
Member

Mr. Abdus Sattar
Member

Mr. Tariq Iqbal Khan
Member

Mr. Babar Bashir Nawaz
Member
(Alternate Director to Mr. Wael G. Pharaon)

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

Mr. Tariq Iqbal Khan
Chairman
(Independent Director)

Mr. Shuaib A. Malik
Member

Mr. Jamil A. Khan
Member

Mr. M. Adil Khattak
Member

Responsibility

The prime role of the Human Resource & Remuneration (HR&R) 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

Mr. M. Adil Khattak
Chief Executive Officer

Syed Asad Abbas (FCA)
Chief Financial Officer

Mr. Saif ur Rehman Mirza (FCA)
Company Secretary

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
Habib Metropolitan 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

01 **Sardar Lall Khan**
Manager (HR&A)

02 **Saif-ur-Rehman Mirza**
Company Secretary

03 **Munir A. Temuri**
AGM (Operations)

04 **Khalid Mehmood**
SM (TS, P&D)

05 **Salman Tariq**
AGM (Maintenance)

06 **Syed Asad Abbas**
Chief Financial Officer

07 **M. Adil Khattak**
Chief Executive Officer

08 **Asif Saeed**
AGM (C&MM)

09 **Saleem Anwar**
AGM

10 **Anwer Saeed**
Manager (HSEQ)

11 **Saeed Uddin Faruqi**
Manager (Engineering)

12 **Usman Ishaq Raja**
Manager (BR&A)

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.

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 its implementation. 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.

Information Technology Committee
This committee has overall responsibility for governance of Information Technology in the Company.

بسم الله الرحمن الرحيم

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, 2022.

Economies all over the world are experiencing commodity super-cycle as a result of geo political situation which has led to high inflation and low growth in global as well as in domestic market. Due to the gap in supply and demand of petroleum products, the refining margins have improved considerably all over the world including Pakistan.

Higher refining margins enabled the Company to post the ever highest net profit after tax in its history amounting to Rs 9,931 million (June 30, 2021: Loss of Rs 2,145 million). This translated into earning per share of Rs 93.14 (June 30, 2021: Loss of Rs 20.12 per share). Achievement of this milestone has been especially gratifying since this coincided with the completion of 100 years operations by ARL (February 2022).

The draft Refining Policy which was prepared after hectic efforts and valuable inputs by Refineries Working Group, still awaits Government's formal approval. Local refineries need up-gradation but quantum of the required investment is huge. In case of our Company, the investment would be in the range of US$ 500 million. This kind of investment cannot be materialized without the Government's support and conducive investment environment. Despite multiple challenges being faced by Pakistan's economy, the Company successfully managed uninterrupted supply of quality petroleum products to the market.

The Company continues to face challenging business environment in the light of massive currency devaluation and very high financing & inflation rate. The Board monitors the whole situation very closely and guides the management to overcome these challenges.

The members of the Board have rich and vast experience. Committees of the Board have provided excellent support in fulfilling Board's mandatory responsibilities including ensuring compliance by the Company with all legal and regulatory requirements and effectiveness of internal controls. Based on an evaluation, the overall role performed by the Board and its Committees have been found satisfactory and effective.

I would like to appreciate members of the Board for their able guidance, support received from all stakeholders including Ministry of Energy and for the committed efforts of our employees.

August 16, 2022
Rawalpindi

Shuaib A. Malik
Chairman

بسم الله الرحمن الرحيم

Directors' Report

On behalf of the Board of Directors, we are presenting the Company's 44th Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2022.

1 Financial Results

During the financial year 2021-22 the Company earned profit after tax of Rs 9,097 million from refinery operations (June 30, 2021: Loss of Rs 2,265 million). Non-refinery income during the current year was Rs 834 million (June 30, 2021: Rs 120 million). Resultantly, net profit for the current year was Rs 9,931 million (June 30, 2021: Loss of Rs 2,145 million). This resulted in earning per share of Rs 93.14 (June 30, 2021: Loss per share of Rs 20.12 per share).

Increase in refineries' margin all over the world including Pakistan has enabled the Company to post ever-highest profit in its history. However, the Company is facing challenges posed by higher inflation rate, currency devaluation, increased financial cost as well as higher taxation. Despite these challenges, the management of the Company took timely proactive measures and successfully supplied committed quantities of refined products and also ensured payments to crude oil suppliers and the Government levies, taxes.

Financial results and appropriations for the year ended June 30, 2022 have been summarized as follows:

	Rs in million
Profit after taxation	9,931
Less: Other comprehensive loss for the year	116
Add: Unappropriated profit as at June 30, 2021	820
Unappropriated profit as at June 30, 2022	10,635
Subsequent Effects:	
Cash dividend for the year 2021-22 @ 100% per share	
of Rs 10/- each	1,066
	9,569

2 Dividend

The Board has recommended cash dividend @ of 100% i.e. Rs 10 per share (June 30, 2021: Nil) subject to approval by shareholders in Annual General Meeting of the Company.

3 100 Years of Refining Operations

The Company, on February 11, 2022, celebrated its 100 years of a successful era of consistent and robust growth. To commemorate this historical occasion a ceremony was held. Mr. Shuaib A. Malik, Group Chief Executive of Attock Group of Companies was Chief Guest. On this occasion supplements were published in leading newspapers of the country. A postal stamp has also been issued by Pakistan Postal Office to mark the 100th anniversary of the Company.

It has been a long journey of starting refining operations on a very small scale and the Refinery went through a series of successful up-gradation and expansion programmes. This could not have been possible without support of our shareholders and all other stakeholders as well as dedicated commitment of successive managements.

4 Principal Activities, Development and Performance

During the year, the refinery operated at around 79% of its capacity (June 30, 2021: 77%). The decision was taken after studying refinery's economics in order to determine optimal throughput level to ensure minimum losses while enabling the Company to meet its supply commitments.

During the year under review, the refinery's throughput was 1.911 million Tons (June 30, 2021: 1.868 million Tons). Major part of the crude production from the northern region of the country was processed at the refinery.

A total of 1.904 million Tons of crude oil (June 30, 2021: 1.853 million Tons) was received from different oilfields which was processed at various units.

Tree Planted on the Inauguration of the Refinery in 1922

All the crude processing units operated smoothly. The Company supplied 1.802 million Tons (June 30, 2021: 1.795 million Tons) of various petroleum products during the year fully meeting standard quality specifications.

Details regarding business process re-engineering, research and development have been given in a separate section of the annual report.

5 Impact of the Company's Business on Environment

The Company is aware of its responsibility towards environment. All efforts are made to ensure 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 minimize adverse impact on environment, on sustainable basis. Implementation of energy management Standard ISO-50001, use of effluent treatment plant and water conservation measures like drip irrigation, waste water recycling/ reuse demonstrate our continuous commitment to environment, safety and quality. The Company's efforts in this regard have been well appreciated at the relevant forums and recognized in the form of awards.

6 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 under which the cost of crude oil is determined on import parity basis. Product prices are fixed fortnightly, equivalent to the import parity price calculated under prescribed parameters. Among other directives, the Pricing Formula requires the Company to transfer an 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 sought certain revisions in the pricing formula along with other incentives which are hopefully expected to be approved along with approval of the Refining Policy.

7 Share Capital

The issued, subscribed and paid-up capital of the Company as at June 30, 2022 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 July 1, 2002.

8 Principal Risks and Uncertainties

Under the present pricing formula, the Company remains exposed to the risk of adverse fluctuation in the international prices of petroleum products and crude oil. However, these risks have been mitigated to some extent with introduction of fortnightly pricing and application of actual exchange rate in Motor Sprit and High Speed Diesel pricing. The Company is also exposed to the risks associated with the non-uplifting of furnace oil. The Company has taken up this matter with the Government and has made suggestions for addressing this issue. The Company is keenly looking forward to formal approval of the Refining Policy which is bound to strengthen financial position of refineries, enabling these to undertake much needed upgradation. Financial risks relating to the business of the Company and the details of measurers for mitigating these risks have been explained in detail in note 39 to the financial statements.

9 Refinery's Plans for Expansion and Up-Gradation

The most important challenge being faced by the refinery is to upgrade its plants to meet Euro-V fuel specifications. The Company has prepared a strategic plan for expansion with a view to improve the products' specification. The planned projects are at various stage of implementation as detailed below:

In order to achieve upgradation, the Company 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. The Licensor Front End Engineering Design (FEED)/Basic Engineering Design Package (BEDP) for CCR Platforming Unit has been completed by M/s Honeywell UOP, USA. The project aims to enhance PMG production and to meet Euro-V specifications.

A revamp feasibility study of ARL's DHDS unit for production of Euro-V specification (10 ppm Sulphur max) diesel at enhanced

capacity has been completed by the unit Licensor. The study outcome suggests that required objectives can be achieved with the revamping of the unit. Work on Licensor Front End Engineering Design (FEED) is in progress by Honeywell UOP.

In order to address reduced demand of Furnace Fuel Oil (FFO) and as per directions from the Government, all the refineries are considering a Joint Venture for Bottom-of-the-Barrel (BOB) Upgradation project. Feasibility study for the Joint BOB Upgradation project of the refineries is in progress and is being done by a renowned international consultant.

ARL has plans to install a state-of-the-art new deep conversion green- field refinery of 50,000 BPD capacity, if sustainable enhanced supplies of local crude from north become available and necessary support is received from the Government.

All of the above stated plans of investments are dependent upon availability of sustainable local crude of suitable quality, demand supply situation of petroleum products, the prevalent/future product specifications in the country and the Government policies. The Ministry of Energy (Petroleum Division) and the local refineries have prepared a draft Refining Policy for sustainability and upgradation of existing refineries as well as for attracting investment in refining sector. Now approval of the Refining Policy by the Government is awaited which would provide comprehensive package for all stakeholders and encourage investment in the refining sector.

10 Contribution to the National Economy

The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 36 billion while foreign exchange savings of US $ 256 million were achieved through import substitution and exports.

The Company is the only refinery in the country which operates on 100% indigenous crude oil. It provides a major outlet to several oilfields located in northern part of Pakistan. The Company also remains the main source of petroleum products to the civil and defense sectors in the northern region of Pakistan.

11 Human Resource Development

Human Resource is the backbone of any organization and its most valuable asset. At Attock Refinery Limited, we are cognizant of the need to maintain a merit based balanced work environment enabling the employees to materialize their full potential. Emphasis is also placed on their welfare and due compensation in order to promote a willing workforce. The Company hires qualified professionals through equal opportunity policy on fair remuneration. The employees are provided training with a view to upgrade their knowledge and skills helping them to improve efficiency. The Company has adopted a well structured policy for career growth of employees,

succession planning, retention and conducive working condition. Efforts are made to resolve Labour Management differences which helps in maintaining industrial peace and harmony.

11.1 Employee Development and Training

Training and development system aims at developing a workforce which understands the culture of the organization and adheres to its values and norms in letter and spirit. An all-encompassing training program comprising specific on-the-job-training is in place including use of highly advanced Operator Training Simulators (OTS). Our training matrix also provides our employees off-the-job training. They are also provided an opportunity to participants in professional conferences and workshops held in-house as well as those held within the country and abroad. Due to COVID-19 Pandemic, shift from the classroom training to online training is a new norm and ARL has worked on the possibilities of such training. Our employees have undergone online technical training exposure from Japan Cooperation Centre Petroleum (JCCP), Japan.

Besides, training plan is an integral part of our performance management strategy and is formulated on the basis of training need assessment, performance appraisal input for improvement, staff career planning and other organizational requirements.

11.2 Motivational and Encouragement Awards

With a view to encouraging staff in attaining optimum level of performance, ARL organizes regular quarterly awards ceremonies where outstanding performance of employees of all departments is 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, every year the Company selects four workers for Hajj and five workers for Umrah along with their spouses or dependents at Company's expense. The Company also nominates one Non-Muslim worker along with spouse or dependent for visiting their sacred places in Pakistan. This year those selected workers who could not perform Hajj in the previous years due to the Covid restrictions also availed the facility along with newly selected workers for the Hajj-2022.

11.3 Agreement with Collective Bargaining Agent (CBA) 2021-2023

Negotiations with CBA's charter of demand were successfully concluded during the year between ARL management and the CBA.

12 Organizational Development

12.1 Energy Week - October 2021

As a responsible corporate entity, ARL is cognizant that natural energy resources are not only scarce but also very precious and need to be utilized optimally. In this realm, Energy Week was celebrated at ARL to reaffirm its commitment and inculcate energy management and conservation culture.

The purpose of this celebration is to motivate employees and make them energy conscious and to strengthen their commitment to energy conservation at

workplace. The management of ARL urges that we take energy issues as our moral and social responsibility.

12.2 Safety Week - April 2022

The International Labor Organization (ILO) marks the World Day for Safety and Health at Work on 28th of April each year to encourage prevention of occupational accidents and diseases. In this context, ARL celebrated safety week from April 25-29, 2022.

Different programs were arranged in the light of this year's International Labor Organization theme "LET'S ACT TOGETHER TO BUILD A POSITIVE SAFETY AND HEALTH CULTURE". Safety talks were arranged in different refinery areas in order to highlight critical importance of safety.

12.3 World Environment Day- June 2022

ARL celebrated World Environment Day on June 06, 2022. Theme for the event was "Only One Earth". ARL celebrated the World Environment Day in order to disseminate awareness about importance of environment. Following commitments were made by the employees for taking care of the environment:

i. Plant one tree and ensure its survival

ii. Reduce the use of water/electricity and other energy sources

iii. Reuse material at your household level

iv. Educate your children to use resources in a moderate way

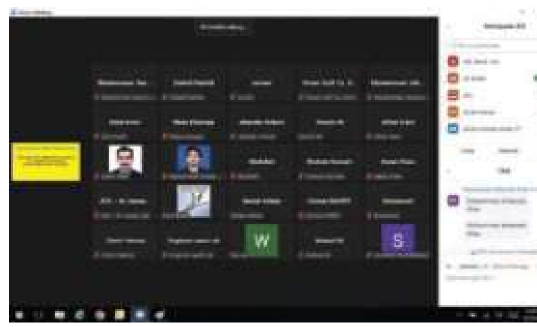
v. Avoid tree cutting to the maximum possible extent

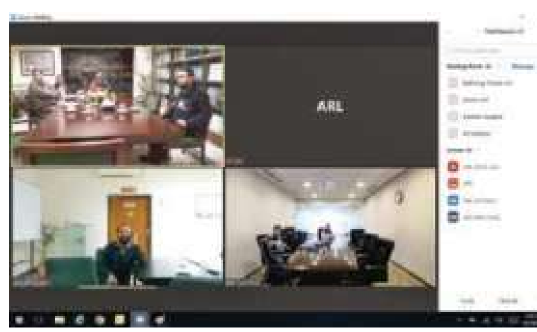
vi. Promote carpooling instead of one car for one person

12.4 7TH Health, Safety & Environment (Virtual) Conference - 2021

ARL's seventh conference (virtual) on Health, Safety & Environment was held with 110 participants. HSE professionals, newcomers and experts from 57 different sectors participated in this half day conference.

During the conference, three papers were presented on Safety Culture & Leadership, Project Safety Management and Sustainable Development Goals.





13 Corporate Social Responsibility

The Company continued to carry out numerous steps and measures towards 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 a long history of carrying out such activities.

14 Corporate Awards and Recognitions

14.1 Recognition Shield in 16th EFP Awards on Occupational Safety, Health & Wellbeing for 2021

The Company won Recognition Shield in 16th OSH & Wellbeing Award organized by EFP.

14.2 Best Corporate & Sustainability Report Awards

The Company achieved Merit Award for the year 2020 in the "Best Corporate & Sustainability Report Awards" organized by a joint committee of Institute of Chartered Accountant of Pakistan (ICAP) and Institute of Cost and Management Accountant of Pakistan (ICMAP) in August, 2021.

15 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 the management ensure observance of highest standards in this regard.

The Company is fully compliant with the Code of Corporate Governance 2019 (the Code) 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 Report of the Directors.

ix. All major Government levies in the normal course of business, amounting to Rs. 1,318 million, payable as at June 30, 2022 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, 2022 are as follows:

	Rs in million
Management Staff Pension Fund	1,199
Staff Provident Fund	656
General Staff Provident Fund	327
Gratuity Fund	433

xi. As per the Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Director Training Program (DTP) by June 30, 2022. Presently, five (5) directors of the Company meet the exemption requirement of the DTP, while two (2) directors have already completed this program. Further, one alternate director and the Chief Executive Officer (CEO) of the Company have also completed DTP.

xii. The Board strives to continuously improve its 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 has formulated a Directors' Remuneration Policy and 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. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 38 of the annexed financial statements.

xiv. Key operating and financial data of last 6 years is annexed.

xv. Information about other Corporate Governance matters are separately included in this report.

A separate statement of compliance signed by the Chairman and Chief Executive Officer is separately included in this Annual Report.

16 Adequacy of Internal Financial Controls

The Board has set up an independent audit function headed by a qualified person reporting to the Audit Committee. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of its' internal control systems. The Board also approves annual Internal Audit Plans.

17 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 carried out by The Pakistan Credit Rating Agency (PACRA). These ratings denote a very low expectation of credit risk based on a very strong capacity for timely payments of financial commitments.

18 Directors and Board Meetings held during the year

18.1 Directors of the Company

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. Tariq Iqbal Khan	Independent Director	Male
8.	Mr. M. Adil Khattak (CEO)	Executive Director	Male

The above includes seven elected directors and one Chief Executive Officer of the Company.

18.2 Directors meetings held during the year

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

S/No.	Name of Directors	Total number of board meetings	Number of board meetings attended
1.	Mr. Laith G. Pharaon	5	5*
2.	Mr. Wael G. Pharaon	5	5*
3.	Mr. Shuaib A. Malik (Chairman)	5	5
4.	Mr. Abdus Sattar	5	5
5.	Mr. Jamil A. Khan	5	5
6.	Mr. Shamim Ahmad Khan	5	5
7.	Mr. Tariq Iqbal Khan	5	5
8.	Mr. M. Adil Khattak (CEO)	5	5

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

18.3 Meetings Held outside Pakistan

During the year ended June 30, 2022 no meeting of the Board of Directors of the Company was held outside Pakistan.

19 Board Committees Meetings held during the year

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

AUDIT COMMITTEE

S/No.	Name of Directors	Total number of meetings	Number of meetings attended
1.	Mr. Shamim Ahmad Khan (Chairman)	4	4
2.	Mr. Shuaib A. Malik	4	4
3.	Mr. Abdus Sattar	4	4
4.	Mr. Tariq Iqbal Khan	4	4
5.	Mr. Babar Bashir Nawaz *(Alternate Director to Mr. Wael G. Pharaon)*	4	4

HUMAN RESOURCE AND REMUNERATION (HR AND R) COMMITTEE

S/No.	Name of Directors	Total number of meeting	Number of meeting attended
1.	Mr. Tariq Iqbal Khan (Chairman)	1	1
2.	Mr. Shuaib A. Malik	1	1
3.	Mr. Jamil A. Khan	1	1
4.	Mr. M. Adil Khattak (CEO)	1	1

20 Remuneration of Directors and Chief Executive

Non-Executive directors including independent directors are entitled to fee for attending the board meetings. Foreign directors opted not to receive any meeting fee. Detail of remuneration paid to the Chief Executive Officer is disclosed in note 38 to the financial statements.

21 Auditors

The Auditors Messrs A.F. Ferguson and Co. Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended reappointment of Messrs A.F. Ferguson and Co. Chartered Accountants as auditors for the financial year ending June 30, 2023 on such terms and conditions and remuneration to be mutually decided. The Board has recommended the same for approval of the shareholders in the forth coming Annual General Meeting.

22 Pattern of Shareholding

The total number of Company's shareholders as at June 30, 2022 was 6,066 as against 5,274 on June 30, 2021. The pattern of shareholding as at June 30, 2022 is included in this Annual Report. All trades in the shares of the Company, if any, carried out by the Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary and their spouses and minor children are disclosed and annexed.

23 Earnings/(Loss) Per Share

Based on the net profit for the current year the earning per share was Rs 93.14 (June 2021: loss per share: Rs 20.12).

24 Auditor's Report on the Financial Statements

The Company's external auditors, A.F. Ferguson & Co. have audited ARL's Separate and Consolidated Financial Statements and issued unqualified audit opinion stating that the financial statements give a true and fair view of the state of affairs as at June 30, 2022.

Independent Auditors' Reports on the Audit of ARL's Separate and Consolidated Financial Statements are annexed to this Annual Report.

25 Holding Company

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

26 Subsidiary Company

Attock Refiney Limited (ARL) has a wholly owned subsidiary company; Attock Hospital (Private) Limited (AHL). The accounts of AHL have been consolidated with the accounts of ARL and are annexed to these financial statements. The financial and operational performance of AHL during the financial year 2021-22 is as under:

During the financial year 2021-22 AHL earned profit after tax of Rs 32.42 million (June 30, 2021: Rs 30.63 million) which is higher by 5.84% as compared to corresponding period last year. This resulted in earning per share of Rs 162.09 (June 30, 2021: Rs 153.16 per share).

The financial results of AHL are summarized below:

	Rs. in million
Profit before taxation	46.01
Provision for taxation	(13.59)
Profit after taxation	32.42
Earnings per share (Rs.)	162.09

The hospital operations continued smoothly throughout the year. The current year ended with a profit of Rs 32.42 million after tax. The current year figure is showing a slight increase in the profit mainly on account of increase in patient turnover. During the year AHL's

total turnover of outpatients for the year was 161,122 (2021: 140,408), inpatients occupied days were 5,420 (2021: 4,762) representing 32% (2021: 28%) occupancy rate. Total diagnostic tests performed during year were 56,552 (2021: 53,522). The number of surgeries performed in operation theatre increased to 2,142 (2021: 2,050). There was an overall increase in the revenue by almost 8%.

During the year high dependency unit was established which will be fully operational by the end of the first quarter of the next financial year. Further doppler scans and dermatology procedures were also added in the service base which would ultimately become source of revenue generation in the time to come.

During the period under review, AHL had taken measures to cater the requirement of under privileged people of surrounding area. In this regard AHL provided free services worth Rs. 736,196 from poor patients fund. A Covid-19 vaccination center which was established last year is catering the need of the families & employees of Attock Group of Companies and General Public. During the year 10,844 people were vaccinated through this center. A blood donation campaign was launched during the year in which 38 bags of blood were collected. Further free and discounted dialysis services were also being provided to the marginal people of the surrounding area. During the year 512 dialysis were performed free of cost.

In order to further benefit the local community, it has been planned to start gastroenterological procedures during the next year.

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

S/No.	Name of Directors	Designation
1.	Mr. Shuaib A. Malik	Director & Chairman
2.	Mr. M. Adil Khattak	Director
3.	Mr. Rehmat Ullah Bardaie	Director

During the year Mr. M. Adil Khattak, Chief Executive Officer resigned on June 28, 2022 and in his place Dr. Muhammad Iftikhar was appointed as the Chief Executive Officer of AHL for a term of six months commencing from June 29, 2022.

There are no immediate risks or uncertainties foreseen by AHL management, as there is no competitive hospital available in the surrounding area which may affect the flow of patients.

The system of internal controls is sound in design and has been effectively implemented and monitored.

AHL was registered on April 25, 2018, as Private Healthcare Establishment with Punjab Healthcare Commission under section 13 of the Punjab Healthcare Commission Act, 2010.

No dividend was declared by AHL during the year.

The Auditors M/s A. F. Ferguson & Co. Chartered Accountants retired and offered themselves for reappointment as auditors for the financial year ending on June 30, 2023 on such terms and conditions and remuneration to be mutually decided.

Attock Refinery Limited holds 100% shares of Attock Hospital (Private) Limited.

27 Consolidated Financial Statements

The consolidated financial statements of Attock Refinery Limited are annexed. During the year the Company earned consolidated profit after tax of Rs 12,952 million (June 30, 2021: Rs 1,068 million) which translates into consolidated earnings per share of Rs 121.49 (June 30, 2021: Profit per share of Rs 10.01 per share).

28 Future Outlook

As already discussed, the Company is engaged in implementing upgradation projects to meet Euro V fuel specifications. However, full implementation of the projects would be possible only after approval of Refining Policy since these projects require heavy investment. We are looking forward for support from the Government as outlined in the new Refining Policy to enable us to implement the up-gradation projects.

The spread of COVID-19 pandemic and consequent imposition of lock down by Federal and Provincial Governments of Pakistan caused economic slowdown and disruption of various businesses. We appreciate the proactive steps taken by the Government, including efforts to get a larger segment of population vaccinated. It is hoped that the situation would remain under control. The management continues to monitor the potential risks vigilantly.

Business environment of the country has become very challenging because of massive currency devaluation, spiralling inflation and high interest rate. Uncertainty in the demand of furnace fuel also remains a major challenge. The management has taken proactive measures to address these challenges.

The Company remains committed to providing high quality diversified environment friendly energy resources and to use best blend of state-of-the-art technologies and excellent human resource.

29 Acknowledgement

We may take this opportunity to thank the management and the employees for their continuous dedicated commitment to the company. We may also acknowledge the contribution of the Board and all stakeholders for supporting the Company.

For and on behalf of the Board

Abdus Sattar
Director

M. Adil Khattak
Chief Executive Officer

August 16, 2022
Rawalpindi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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.


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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.

Gender Diversity Policy

INTRODUCTION:

Attock Refinery Limited (ARL) recognises that a diverse workforce draws on different perspectives and experiences of many individuals and this makes an essential contribution to the achievement of its overall corporate objectives and success of its business. ARL promotes hiring and retaining of women across all departments, including operations and other technical functions.

We believe that to be effective our work must pursue equality of power, opportunities and access to resources for men and women of all ages, abilities and backgrounds.

DEFINITIONS:

Gender: It refers to social and cultural differences between male and female, as opposed to biological differences.

Diversity: Here it refers to the inclusion of individuals of different genders in all their diversity such as training, profession, origin, ethnicity or religion.

OBJECTIVES:

The Objectives of this policy are:

1. To improve the way in which gender considerations are consolidated in all aspects of our working. This includes internal matters i.e. composition of staff as well as external working practices i.e. collaboration with external partners.

2. To actively promote gender diversity to the extent practicable considering the technical, social and cultural patterns of conduct as well as true nature and associated complications within plant and machinery intensive refining industry.

3. To ensure that all employees are entitled to a workplace free from harassment and discrimination and have the opportunity to contribute and achieve their potential.

SCOPE:

ARL's Gender Diversity Policy covers:

1. Recruitment.
2. Compensation and Benefits.
3. Retention and Professional Development.
4. Working Conditions.

RECRUITMENT:

ARL being an equal opportunity employer seeks to practice fair, objective and non-discriminatory recruitment and selection procedures. All vacant positions are open for specified knowledge, experience and skills required from the applicants irrespective of their genders. While advertising any specific position it is also ensured that the language used does not echo traditional gender stereotypes. Selection will be made on the basis of relevant criteria, experience, aptitude and ability and will be carried out by more than one person.

COMPENSATION AND BENEFITS:

At ARL, pay packages are not gender specific and are determined on the basis of employment grades assigned to individuals as per company policy / which are purely based on the educational background and qualification of the individual, his or her experience and abilities and requirements for the job. Likewise performance appraisal and increments are also based on merit and job performance without any gender biases. The compensation and other benefits are made available to all employees at the time of hiring.

RETENTION AND PROFESSIONAL DEVELOPMENT:

Motivation is considered as an important phenomenon regarding retention of all talented employees and is equally driven by satisfaction of extrinsic job factors like salary and benefits as well as intrinsic job factors like professional development.

A mechanism for professional development of employees is followed wherein the Department heads / Managers identify the professional development needs of both men and women employees without any discrimination at the time of performance appraisals and the Human Resource Department facilitate the staff development activities through on formal training sessions on equal opportunity basis.

WORKING CONDITIONS:

Appropriate conditions of employment that support work life balance and fulfilment of family responsibilities are provided generally to all employees without any discrimination. Female employees are additionally facilitated through provision of maternity leaves as per company policy. A robust anti-harassment policy is in place for the prevention of all forms of harassment at work place for all Staff members for the resolution of harassment complaints.

RESPONSIBILITY FOR THE POLICY:

The Board of Directors of Attock Refinery Limited have overall responsibility for the effective operation of this policy. The Board has delegated to the Chief Executive the day to day responsibility for implementing the policy including making the objectives of this policy as part of key Performance Indicators of senior management and maintaining gender dis aggregated data with regard to female employment inside the Company as well as data regarding female customer base or supply base, if applicable.

Code of Conduct for

Protection against 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 a 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;

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

- 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.

Business Process Re-Engineering, Research & Development

1. ARL's Diesel Hydrodesulphurization Unit (DHDS) was commissioned in 2016 to meet diesel product specification of 500 wt. ppm sulfur. Being cognizant of its environmental and regulatory responsibilities, ARL is planning to upgrade the product quality to Euro-V compliant diesel (10 wt. ppm sulfur) with enhanced capacity (110% of unit design) through revamp of the DHDS unit. In this respect ARL team remained actively engaged with UOP to carry out relevant technical studies.

2. ISOM Splitter Flywheel loop could not be made functional in spite of multiple attempts by the EPC team. Considering the importance of the control loop an in-house study of the splitter overhead system and the feed characteristics was carried out. The loop was tuned up and made functional according to the design intent. This has ensured proper feed availability for both ISOM and Reformer units thus boosting product RON at both units.

3. New Motors along with larger size impeller were installed at Cooling Tower. Noticeable increase in the cooling water flow and pressure has been observed at the battery limits of the process units. This has reduced the products run-down temperatures and reduced the fouling in run down trim coolers.

   Based on inspection, three catalyst tubes along with catalyst of the Reformer furnace at Hydrogen Unit (HYU) were needed to be replaced for the first time. This critical task was safely executed and completed as per schedule. Technical assistance for catalyst removal and filling was successfully provided by team of Fauji Fertilizer Company Limited.

4. Training of staff on Operator Training Simulator (OTS) is an ongoing process to provide hands on training to new inductees. About 75 employees including Shift Engineers, Boardmen and Field operators were trained to perform independent shift duties. In addition to OTS training, 18 in-house sessions on different areas were carried out to enhance technical skills of operation staff.

5. A significant quantity of water was saved in the year at effluent treatment plant and recycled to refinery process water stream.

6. One of the Naphtha tank was safely demolished upon completion of useful life and tank site was cleared for construction of new larger capacity tank.

7. ARL commenced 95 RON PMG dispatches to oil marketing companies on regular basis through bowsers and pipeline.

8. At Crude Decanting Station (CDS), delta barriers were

installed for safe parking of crude bowsers at decanting bays; which resulted in safe operations and reduced incident/accident frequency rate at CDS to minimal.

9. Reduced steam consumption from 4,000 kg/hr to 3,200 kg/hr at Howe Baker Crude units (HBU-I & II) by optimizing steam in Kerosene strippers without effecting product quality.

10. Increased middle distillate yield by 1 percent at HBU-II by increasing heater transfer temperature from 318°C to 323°C after installation of new mechanical seals pumps at different pumps capable of handling increased temperature.

11. Successful commissioning of new high capacity pump at Soan Water pumping station has made it possible to pump maximum available water to ARL. This pump is a reliable back up of existing pump at Soan station. Water pumping capability at Soan station has now increased from 250,000 Gallon/day to 480,000 Gallon/day.

12. Four new pumps were commissioned at Boiler House namely Boiler Feed Water pump, Condensate pump for plants, brine transfer pump and brine injection pump. Through installation of these new pumps, maintenance frequency at Boiler house has reduced and reliability of utility operation has improved.

13. New meters have been installed at Shahpur water receipt line, Fire water receipts, drinking water supply and authorized water connections. This has improved the accuracy of complete water balance; quantify actual water receipts and keep a check on water leakages / transmission losses.

14. A new water tube well was successfully drilled. It is presently a standby water resource having a water production capacity of 60,000 gallon/day.

Other Corporate Governance

Appointment of Independent Director and Justification for their Independence

The independent directors are elected through the process of election of directors in terms of section 159 and 166(1) of the Companies Act 2017 (the Act) and they shall meet criteria laid down under section 166(2) of the Act. The Company exercises its due diligence before selecting a person as an independent director and ensure that the name of independent directors is available in the data bank on independent directors maintained by the Pakistan Institute of Corporate Governance (PICG) .

Policy for Related Party Transactions

All transactions with related parties are carried out in ordinary course of business on an arm's length basis. Further, in accordance with the Section 208 of the Companies Act, 2017 and Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the Board of Directors have approved the policy that provides the disclosure of relevant information in respect of related party transactions, nature of transactions and pricing methods to be followed in carrying out these transactions.

Members of the Board have also been apprised regarding their responsibility for disclosure of interest in a contract or arrangement with related parties as required under Section 209 of the Companies Act, 2017. A register of information received from directors in this regard is also being maintained as per the statutory requirement. Transactions where the majority of directors may be interested are referred to general meeting for shareholders' ratification and approval. In accordance with the requirements of Code of Corporate Governance, the details of transactions carried out with all related parties are periodically placed before the Board Audit Committee and presented to Board for review and approval.

Disaster Recovery and Business Continuity Planning

To mitigate the disastrous /disruptive events, appropriate and reliable business strategies have been employed in operations, infrastructure and supply chain to ensure continual smooth business. The Management of the company reviews the risks, its impacts to business continuity & mitigation measures adopted on continual basis.

Disclosure of Beneficial Ownership

Details of group shareholding and nature of relationships of associated companies is annexed.

Presence of Chairman Audit Committee at AGM

Chairman of the Audit Committee is present at the AGM to answer questions on the audit committee's activities and matters within the scope of audit committee's responsibilities. Chairman Audit Committee, Mr. Shamim Ahmad Khan was present at the last AGM held on September 22, 2021 to answer queries of shareholders regarding above mentioned matters.

External Search Consultancy for appointment of Chairman and Non-Executive Director

No search consultancy (connected or unconnected with the Company) has been used for the purpose of appointment of Chairman and Non-Executive Directors.

Chairman's Significant Commitments

The Chairman is committed towards protecting shareholders' wealth and creating sustainable returns while securing the interests of all stakeholders at the same time. The Chairman effectively plays his role of guiding the Board of Directors in devising and implementing medium to long term strategy of the Company adhering to the Vision & Mission Statement. Responsibilities undertaken by the Chairman are briefed in the Role of Chairman in this section.

Governance Practices Implemented Exceeding Legal Requirements

The Company has created an environment where best practices of corporate governance have been adopted to ensure that ethical behaviour, good moral conduct and dedication to excel is embedded in to the Company's culture. Adherence to highest standards of corporate reporting apart from meeting the minimum requirements of the law is pivotal to the Company's corporate reporting framework.

The Company focuses on following practices of good governance in addition to mandatory requirements:

a) Compliance with criteria for Best Corporate Reports issued by joint technical committee of ICAP/ICMAP.

b) Compliance with criteria for Best Presented Reports issued by South Asian Federation of Accountants (SAFA).

c) Compliance with criteria for selection of Top 25 companies issued by PSX.

The Company has won various awards in the above categories. Further, additional financial disclosures including financial ratios, reviews, graphs and comments on these analyses are also made for transparency and effective communication with stakeholders.

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 are 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 plan, 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 complying the requirements of Code in which companies are encouraged that all Directors on their Board have acquired the prescribed certification under Directors' Training Programme (DTP) by June 30, 2022. Most of the directors of ARL meets the exemption requirements of the directors training program, while, two directors have already completed this programme.

Investors' 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 investors' 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 investors' relations section on the website. An email ID is designated for the investors' 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.

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 conflicts of interests are recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.

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 conflicts 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 Report

For the year ended June 30, 2022

Composition and Meetings of the Committee

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

S. No	Name	Designation	Category
i.	Mr. Shamim Ahmad Khan	Chairman	Independent Non Executive Director
ii.	Mr. Shuaib A. Malik	Member	Non Executive Director
iii.	Mr. Abdus Sattar	Member	Non Executive Director
iv.	Mr. Tariq Iqbal Khan	Member	Independent Non Executive Director
v.	Mr. Babar Bashir Nawaz	Member	Non Executive Director

The committee comprises of five directors. Two members of the committee including chairman are independent non-executive directors, whereas the other three members are non-executive directors. Chairman of the Committee is a person other than Chairman of the Board. All members of the committee are "Financially Literate" in accordance with the criteria mentioned in the Code. The Committee as a whole possesses significant relevant knowledge and experience required to effectively discharge its responsibilities.

The Audit Committee met on quarterly basis during the year ended June 30, 2022. Meetings were held prior to approval of annual and interim results by the Board and after completion of external audit. In addition to the Committee members, the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary also attended all meetings of the Committee on invitation. Head of Internal Audit Department, being the Secretary to the Committee, arranged and attended all the Committee meetings.

Role of the Committee

Role of the Committee is outlined in Terms of Reference approved by the Board, which principally focus on following:

i. determination of appropriate measures to safeguard the company's assets

ii. review of annual and interim financial statements of the company, prior to their approval by the Board of Directors

iii. facilitating the external audit and discussion of significant matters with the external auditor

iv. ensuring coordination between the internal and external auditors of the company

v. review of the scope and extent of internal audit, audit plan, reports, adequacy of internal audit resources and position in the Company

vi. ascertaining that the internal control systems are adequate and effective

vii. review compliance with relevant statutory requirements

viii. review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures

ix. recommend to the board of directors the matters relating to appointment of external auditors

Risk Management

Audit Committee's responsibility in relation to management of risk, is covered through a Risk Management Committee (RMC) at the level of the Company's management. The Committee is headed by the CEO. The CEO briefs the Committee about the RMC's findings and recommendations for consideration and recommendation to the Board.

Annual Report 2022

The Audit committee satisfied itself that Annual Report has been prepared in a balanced manner showing true and fair view of results, management's approach towards future challenges and prospects in such a way that these are understandable to all stake holders.

Internal Audit

The internal audit department under the auspice of the Audit Committee performed its duties in accordance with the Manual approved by the Committee. The Committee has ensured that internal audit function is adequately staffed and appropriately placed in the Company to effectively discharge its responsibilities. The Head of Internal Audit has direct access to the Chairman of the Audit Committee. The Internal Audit function has unrestricted and direct access to data, documents and records required for the reviews under consideration. It has accomplished its assignments in accordance with annual audit plan approved by the Audit Committee. The committee has reviewed the significant findings and taken appropriate actions where required. The performance and activities of internal audit function are evaluated through the Progress Report presented to Audit Committee in each quarter.

Whistle Blowing Arrangement

Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. A well detailed and effective whistle blowing policy is in practice reinforcing the objective of best practices. Adequate remedial and mitigating measures are applied, where necessary.

External Audit

The Committee is satisfied with the performance of the External Auditor i.e. A. F. Ferguson & Co Chartered Accountants. The engagement partner on the audit was Mr. Jehanzeb Amin. Non audit services i.e. certain tax consultancy services are also provided by same firm through a separate engagement partner i.e. Mr. Aazar Abdul Hameed.

Coordination between the External and Internal Auditors was facilitated to enhance the efficiency and effectiveness of assurance services and to develop sound financial reporting system compliant with laws and regulations.

The Committee has also reviewed the Internal Control Memorandum issued by external auditor as required under listing regulations and discussed it with the external auditor and management and reported material items to the Board.

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.

Performance Evaluation

The Audit Committee carried out its responsibilities to the full, in accordance with Terms of Reference approved by the Board. An annual evaluation of the Committee's performance and members was carried out and on the basis of the feedback received through this mechanism, overall role of the Committee has been found to be effective.

Shamim Ahmed Khan
Chairman Audit Committee

Rawalpindi
August 15, 2022

Pattern of Shareholding

As at June 30, 2022

Corporate Universal Identification Number: 0006538 **Form-34**

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
1,382	1	100	63,133
1,713	101	500	524,258
1,010	501	1,000	844,738
1,328	1,001	5,000	3,082,677
263	5,001	10,000	1,961,343
100	10,001	15,000	1,267,567
72	15,001	20,000	1,285,087
28	20,001	25,000	663,756
20	25,001	30,000	561,869
15	30,001	35,000	497,738
12	35,001	40,000	458,556
9	40,001	45,000	383,250
6	45,001	50,000	290,250
6	50,001	55,000	316,865
5	55,001	60,000	287,966
6	60,001	65,000	379,824
1	65,001	70,000	70,000
5	70,001	75,000	361,836
2	75,001	80,000	158,500
4	80,001	85,000	331,400
1	85,001	90,000	88,645
4	90,001	95,000	375,414
8	95,001	100,000	795,142
3	100,001	105,000	304,250
2	105,001	110,000	216,922
1	115,001	120,000	119,000
4	120,001	125,000	489,592
1	125,001	130,000	125,280
2	130,001	135,000	268,625
5	135,001	140,000	693,214
2	145,001	150,000	298,000
1	160,001	165,000	165,000
1	165,001	170,000	170,000
1	170,001	175,000	175,000
1	190,001	195,000	190,762
1	195,001	200,000	200,000
2	200,001	205,000	405,375
1	210,001	215,000	215,000
1	230,001	235,000	230,875
2	245,001	250,000	499,300
1	250,001	255,000	251,386
1	255,001	260,000	256,250
2	265,001	270,000	538,750
1	270,001	275,000	275,000
1	275,001	280,000	277,340
1	295,001	300,000	300,000
1	300,001	305,000	305,000
1	320,001	325,000	320,125
1	325,001	330,000	327,011
1	345,001	350,000	349,575
1	360,001	365,000	361,000
2	385,001	390,000	770,948
1	400,001	405,000	405,000
2	415,001	420,000	834,627
1	430,001	435,000	433,792
1	445,001	450,000	445,071
2	465,001	470,000	934,372
1	490,001	495,000	494,216
1	495,001	500,000	495,750
1	625,001	630,000	629,125
1	640,001	645,000	644,700
1	655,001	660,000	657,166
1	785,001	790,000	790,000
1	805,001	810,000	808,441
1	905,001	910,000	909,000
1	965,001	970,000	966,000
1	1,650,001	1,655,000	1,653,265
1	1,785,001	1,790,000	1,790,000
1	4,525,001	4,530,000	4,528,301
1	9,075,001	9,080,000	9,075,500
1	55,970,001	55,975,000	55,973,530
6,066			**106,616,250**

Categories of Shareholders

As at June 30, 2022

Category No.	Categories	Number of shares held	%age
1	**Directors/Chief Executive Officer and their spouse and minor children:**		
	Mr. Laith G. Pharaon	1	0.00%
	Mr. Wael G. Pharaon	1	0.00%
	Mr. Shuaib A. Malik	349,576	0.33%
	Mr. Abdus Sattar	1	0.00%
	Mr. Jamil Ahmed Khan	1	0.00%
	Mr. Tariq Iqbal Khan	251	0.00%
	Mr. M. Adil Khattak	5,858	0.00%
		355,689	0.33%
2	**Associated Companies, Undertakings and Related Parties:**		
	The Attock Oil Company Limited	65,095,630	61.06%
	Attock Petroleum Limited	1,790,000	1.68%
	Executives	11,652	0.01%
		66,897,282	62.75%
3	**NIT and ICP**	445,196	0.42%
4	**Banks, Development Financial Institutions and Non-Banking Financial Institutions**	3,000,223	2.81%
5	**Insurance Companies**	2,277,792	2.14%
6	**Modarabas and Mutual Funds**	7,747,018	7.27%
7	**Shareholders Holding 10%**	65,095,630	61.06%
8	**General Public**		
	a. Local	17,528,955	16.44%
	b. Foreign	158,760	0.15%
9	**Others**		
	Trusts/Funds	695,725	0.65%
	Joint Stock Companies/Others	6,950,660	6.52%
	Foreign Investors	405,000	0.38%
	Charitable Trusts	153,950	0.14%

	Trade in shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Minor Children		
		Purchase	**Sale**
	Mr. Arshad Hayee Khan (Executive)	5,000	-
	Mr. Kamaluddin (Executive)	2,200	-
	Mr. Muhammad Qasim (Executive)	300	-

Strategy and Resource Allocation

STRATEGIC PLAN

We have charted an ambitious growth journey classified into strategic (long-term), tactical (medium term) and operational (short term) plans to enhance our refining capacity and produce, better and more environment friendly petroleum products. We plan to enhance safety and risk management, earn and keep community's trust and create value for shareholders. We strive to deliver performance through operational excellence and build capability through standardization and increased functional expertise.

STRATEGIC OBJECTIVES AND IMPLEMENTATION STRATEGIES

S. No	Strategic Objectives	Implementation Strategies
1	Supply of environment friendly products	Continuously carry out research and development activities to ensure efficient production of environment friendly products in the short and medium term. Ensure timely up-gradation of refinery by installing state-of-the-art processing units. For this purpose, discussion is in progress with the Government for finalization of refining policy.
2	Smooth and continuous supply of products	For smooth and continuous supply of products receipt of adequate quantity of Crude Oil is a must. Crude Oil is obtained from Northern oil fields through pipe lines and via oil tankers. To meet any short falls in this respect, Crude Oil from southern oil fields of the country is being planned. Additionally, processing plants are kept in best operating condition by ensuring planned turnaround.
3	Create value for shareholders	Optimum use of financial resources, underpin our decision making. It ensures our assets remain competitive and helps us achieve a balance between investing in the short, medium and long-term growth engines for the Company in a volatile market environment.
4	Operational excellence	We focus on conservation measures, adoption of latest technologies and application of highest operational standards combined with health, safety and environment care to achieve an efficient and agile operating model.
5	Customer satisfaction	Our agile operating model and attitude towards production of best value and quality products enables us to maintain our credibility and ensure customers satisfaction.
6	Capacity building	The quality, size, and diversity of our portfolio of resources, projects, products and assets determine our ability to take advantage of opportunities that supports future growth and leads to strong financial and operating results. The Company provides excellent training opportunities to fresh graduates and students through its management training programs and internships. Training of employees is also a regular feature at ARL.
7	CSR / Environment	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.

RESOURCE ALLOCATION PLAN

In pursuit of excellence, we have implemented a formal Resource Allocation Plan underpinned by Six Capitals that create value for our stakeholders. In managing these Capitals, the Board and Management always look to evaluate risk tolerance, risk appetite measures and impact on our strategic objectives. Keeping this in view, the Company allocated following capital to unlock opportunities:

1. HUMAN CAPITAL

We have a formal HR policy to attract, develop and retain high performing people while promoting diversity and cultural transformation. Our training and development system aims at developing a workforce which adheres to the values and norms of the Company. We have devised a specific on job training program which include use of latest technology such as Operator Training Simulator and Enterprise Resource Planning (ERP). We have adopted a rigorous performance appraisal system and developed a Career and Succession Planning model to enhance our leadership capabilities.

2. INTELLECTUAL CAPITAL

The Company is the pioneer of crude oil refining in the country and has developed a niche for itself by developing its technical expertise for refining various types of indigenous crude oil produced from various fields of the Country. We acquire latest licensed technologies, software and also develop multiple bespoke software to remain competitive in the market. Our efforts for operational excellence, continuous process improvement, quality management, technical support and digitalization plays a vital role to further strengthen our foundations.

3. MANUFACTURED CAPITAL

We continuously upgrade/ replace our plant and equipment with latest state-of-the-art hardware through which we are able to operate reliably and convert hydrocarbon resources into high value product streams. The process of up-gradation enables us to manage our environmental footprint and ensure compliance with regulatory requirements.

4. FINANCIAL CAPITAL

We have formulated an investment policy that drives disciplined use of financial resources leading towards maximum value creation. Cash generated from operations and investments is effectively utilized and capital structure of the company is regularly monitored to assess the financing requirement. Our robust budgeting and planning system contribute positively in smooth implementation of our strategy.

5. **SOCIAL & RELATIONSHIP CAPITAL**
   We strive to deliver on our commitment for doing fair business and have integrated the needs of our stakeholders into our policies, procedures and practices. We have adopted a multi stakeholders approach to promote synergetic relationship and solve difficult challenges. We actively engage our stakeholders and have taken various initiatives to ensure progress on our growth strategy.

6 **NATURAL CAPITAL**
   Environmental protection and preservation of natural resources is of prime and equal importance in the Company's Business Model. ARL through its Waste Management and Effluent Monitoring process, minimize any harmful impact to the environment caused by Company's activities. The Company has a comprehensive Environment, Health & Safety Policy in place which is complied with. HSE Manual is in force and HSE audits are conducted regularly which results in HSE culture enforcement across the organization. The Company has strong commitment towards energy saving measures. Enormous energy saving are made possible from conversion of conventional lighting system to energy and cost effective LED lights. Company also aim to use solar generated electricity wherever feasible.

EFFECT OF TECHNOLOGICAL CHANGES ON COMPANY'S STRATEGY

The technological change, societal issues such as (population and demographic changes, human rights, health, poverty, collective values and educational systems), environmental challenges, such as climate change, the loss of ecosystems, and resource shortages have effects on the company strategy and resource allocation.

Pakistan boost one of the youngest average population in the world and demand of transportation is on the up. There is a big demand supply gap with respect to availability of vehicles in the country leading to increased in number of vehicles sold year on year. With the increase in number of vehicles in the country, demand of petroleum product will also increase. Pakistan has recently adopted environment friendly Euro - V compliant petroleum products. Government has taken further initiatives encouraging the refineries to upgrade their plants for producing Euro - V compliant

products. The Company is committed to make the necessary technological up-gradations for producing environmental friendly products once the new refining policy is approved.

STRATEGIC PROCESSES USED TO ADDRESS INTEGRITY AND ETHICAL ISSUES

We at ARL make sure to avoid operations having potential negative impacts hence there is no significant direct and indirect economic, social, cultural and environmental impact identified during this year. Environmental Impact Assessment (EIA) / Initial Environmental Examination (IEE) & Risk assessment studies are conducted periodically to mitigate any negative impact with control measures to avoid any harm.

KEY PERFORMANCE INDICATORS (KPIs)

The KPIs against stated objectives of the Company include delivering better quality products with customers' satisfaction. It also includes enhancement of capacities to operate at optimum level by improvement in operational performance, efficiency in supply chain management, maintaining safe work environment and developing workforce diversity. Management believes that current key performance indicators continue to be relevant in future as well.

The Company monitors the performance of its business through detailed operational and financial reporting, such as profitability & investment / market ratios and analysis, also with comparisons to budgets and updated forecasts being routinely made. In order to assess performance against targets and objectives, the Company has a comprehensive measurement system in place.

SIGNIFICANT PLANS AND DECISIONS

Significant Plans and decision are mentioned in the annexed Director's report.

Risks and Opportunities

Strong and effective risk management is an integral part of our day-to-day activities. We consciously take certain risks and continuously explore and develop opportunities to remain competitive in the market and achieve our objectives. 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 Risk Management & Strategic Plan Committee comprising top management has been formulated that discusses and decides all matters related to risk management and strategic plan of the Company at regular interval. This Committee provides complete, accurate, and timely information that reaches across every level and function to aid in strategic decision making. It maintains the Risk Register and proactively manage the risks within the set risk appetite and risks tolerance levels. Following are the key risks that affect the Company's performance.

S. No	Risks & Opportunities	Area of Impact	Key Source	Mitigating Strategy
1	Circular debt	Financial Capital	External	The issue of circular debt in petroleum sector has not been resolved, but in case of refineries it has reduced to some extent. Further, it is hoped that quantum of circular debt will be reduced as a result of payments expected under recent agreements between Independent Power Producers (IPP) and Government of Pakistan (GOP). The Company closely monitor receivable/payable position and dispatches.
2	Pricing formula	Financial Capital	External	Under the present pricing formula the Company remains exposed to the risk of adverse fluctuation in the prices of petroleum products and crude oil. This risk has been mitigated to certain extent by introduction of fortnightly product prices. The Company has time and again taken up the matter with the Government and looks forward to formulation and implementation of a Refining Policy in consultation with all stakeholders to address such anomalies.
3	Fluctuating Exchange Rate	Financial Capital	External	The prices of ARL's products and crude oil are primarily determined in foreign currency therefore the Company is hedged to some extent against effects of fluctuations in exchange rate. ARL does consider getting the forward exchange cover for its major capital expenditure.
4	Adverse change in taxation and other laws / policies	Financial Capital	External	All proposed changes in the laws and policies which may affect the Company are thoroughly monitored and discussed at relevant forums at the initial stage to avoid any unexpected exposure upon promulgation of relevant law.

S. No	Risks & Opportunities	Area of Impact	Key Source	Mitigating Strategy
5	Reduction in Products' Demand	Financial Capital/ Manufactured Capital	External	Technological, social, economical and political changes can have adverse impact on demand of products produced by the Company; e.g. conversion of electricity power plants to RLNG has adversely impacted the demand of Furnace Oil in the country. This in-turn impacts the operations and profitability of the Company. These risks are mitigated by focusing on operational and technological solutions for producing alternative products as well as communicating with relevant stakeholders for reviving the demand of respective products.
6	Scarcity of Resources	Financial Capital / Manufactured Capital	External / Internal	In a developing market, the Company is always competing for available resources like utilities, land, human resource etc. with other segments of society. The Management of the Company is always alert to such challenges and takes a holistic approach of identifying such risks and mitigate them by putting appropriate plans in place.
7	Competing products and entities	Manufactured Capital	External	ARL is only refinery in the northern region and has an assigned area for sale of its products. With the emergence of alternate resoruces and advent of superior grade products, there is always a looming threat of competitors trying to capture ARL's established market. The Company strives for investing in the latest technologies to retain its market share.
8	Environmental risk to location and surroundings	Social & Relationship Capital	Internal	Fuel and gaseous leakages/emissions from refinery may have environmental risk to location and surroundings. The Company proactively takes appropriate actions to avert the risk to environment e.g. setting up of effluent water treatment plants, implementation of energy management system, utilization of renewable resources, monitoring of emissions, tree plantation etc.

The risk and opportunities identified above have impact in terms of its likely-hood are enumerated below:

IMPACT

Extreme		2			5
Major			1	6	
Moderate		3	7, 8		
Minor				4	
Insignificant					
	Remote	**Unlikely**	**Possible**	**Probable**	**Highly Probable**

LIKELY-HOOD

Extremely High Risk

High Risk

Low Risk

LIQUIDITY STRATEGY

The Company's approach to managing liquidity is to ensure it will 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. 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 but this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Furthermore, the Company employs various techniques to reduce losses during adverse times, hence trying to avoid additional burden on Company's liquidity. Refinery throughput is continuously monitored and maintained at optimum level, to minimize production of loss making products and reduce losses. The inventory levels are continuously monitored and managed according to varying products and crude prices. Strict budgetary control are applied over expenditure of the Company.

In addition, the Company maintains lines of credit as mentioned in note 11 to the annexed financial statements.

CAPITAL STRUCTURE

Presently, Capital Structure of the Company is low geared. There was no major change in the capital structure during the year other than the term finance facility as mentioned above. The management is of the view that the capital structure is appropriate for the foreseeable future. There has been no default in payments of any debts in history of the Company.

Corporate Social Responsibility

Attock Refinery Limited (ARL) has been contributing towards Corporate Social Responsibility (CSR) since its inception in year 1922. CSR is an important part of our core values. During last 100 years we have taken exhaustive initiatives in this realm and continued to find ways and means to meaningfully contribute towards community welfare activities. During the year various CSR activities carried out by the Company and other organizations working under Company's umbrella. Some of the activities are enumerated below:

1. Attock Sahara Foundation (ASF)

a. ASF is a registered Non-Profit Organization (NPO), sponsored by ARL. ASF has also been certified by Pakistan Centre for Philanthropy (PCP). The main objective of ASF is to help and support the poor segment of community through various welfare programs/schemes.

b. During the year various programs/schemes were conducted which mainly included Skill Enhancement and Capacity Building for womenfolk, Apprenticeship Program, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund, Collection & Distribution of Zakat and Community Development projects. Workshops were also conducted to create awareness on dengue prevention, kitchen gardening and tree plantation.

c. ASF has a well-equipped Industrial Order & Stitching Section which not only serves as its main source of income but also helps to train less privileged women by enhancing their skills to enable them to become earning hands for their families.

2. Attock Hospital (Private) Limited

The Company has a wholly owned subsidiary company; Attock Hospital (Private) Limited (AHL). The hospital provides medical services to the employees of Group companies and people living in the surrounding area.

The Company has taken various measures to cater for requirement of the under privileged people of surrounding area through this hospital. In this regard AHL provided free services from Poor Patient Fund. A Covid-19 vaccination center was established and during the year over 10,000 people were vaccinated through this center. A blood donation campaign was launched during the year. Further free and discounted dialysis services were also provided to the marginalized people of the surrounding area. During the year over 500 dialysis were performed free of cost.

3. Community Welfare

The Company supports and arranges multiple community welfare activities. Details of some of the activities are given below:

a. The Company maintains play grounds for various sports including hockey, cricket, football etc. This promotes healthy activity among employees and youth living in the vicinity area. The Company also patronizes parks and provides potable drinking water and health care to the surrounding communities.

b. The Company takes care of schools and worship places in the surrounding area. The Company also provided financial assistance to an NGO working for the betterment of the visually impaired persons.

c. The Company provides annual grants to adjoining Union Councils of Morgah and Kotha Kalan for betterment of the community.

4. Covid-19 Pandemic

ARL has taken all necessary precautions as per Government directives, to minimize effects of Covid-19 without compromising refinery operations. Precautionary measures include checking body temperature before entering the premises of Refinery and offices, wearing face masks, provision of sanitizers and disinfection of buildings. We also conduct regular awareness sessions in collaboration with AHL to control Covid-19 spread among employees, their families and local community.

Free of cost vaccination facility was extended to employees of Attock Group of Companies, their families and general public of the surroundings areas at the AHL. Employees of our contractors/ service providers were also vaccinated.

5. Campaign to Control Dengue

Dengue fever has remained a challenge for the health of people living in the surrounding area. The Company formed special teams in collaboration with District management and Health Department to ensure taking of effective precautions against Dengue. In this respect workshops were conducted to create awareness among the residents. Fumigation was also carried out over a large area for eradication of dengue larva.

6. Industrial Relations / Workers Welfare

ARL ensures cordial industrial relations through its Collective Bargaining Agent (CBA). Agreement with CBA was signed during the year for the period 2021-22 to 2022-23. The Company extends various facilities to its workers. Some of the facilities are described below:

a. Provision of highly subsidized food and wheat flour.

b. The Company gives quarterly Good Performance and Safety Awards to its workers for their motivation and Long Service Awards to acknowledge their long association with ARL.

c. Free pick and drop facility is provided to the school going children of the workers.

d. Every year the Company selects through balloting four workers for Hajj and five workers for Umrah along with their spouses or dependents on the Company's expense. The Company also nominates one non-muslim worker along with spouse or dependent, for visiting their sacred places in Pakistan.

7. Green Environmental Initiatives

a. The Company in collaboration with its parent Company, The Attock Oil Company Limited has established Attock Institute of Horticulture (AIH). This institute promotes art and practice of horticulture and imparts knowledge and training to domestic gardeners. Courses include horticulture training duly recognized by Technical Education & Vocational Training Authority (TEVTA) Punjab and kitchen gardening. Despite of COVID-19 situation, around 500 gardeners and hobby gardeners have been trained at AIH.

b. The Company has established Morgah Biodiversity Park to conserve the indigenous biodiversity of Potohar region. Under Morgah Biodiversity Park Project, the Company has initiated several CSR activities which include production of natural honey, growing of different fruits including peach, grapes, citrus, papaya, olives and organic vegetables. Ecological sustainability measures like water conservation, kitchen waste water recycling, rain water harvesting for irrigation and solar powered drip & sprinkler irrigation systems are also being observed.

c. ARL plants 10,000 to 12,000 saplings each year including around 2,000 fruit plants. Tree saplings are also donated to various educational institutions and local communities to enhance the vegetation cover, improve the environment and conserve natural ecosystems for future generations.

d. 73rd Annual Flower Show was organized by Morgah Club during first week of April, 2022. Employees of Attock Group of Companies residing in ARL colony participated in the bungalow lawn competitions. Competition among companies' lawns was

also organized to recognize the efforts made by gardeners for beautification of office lawns.

8. 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 was treated at the Effluent Treatment Plant to ensure that the effluent water leaving the refinery meets the National Environmental Quality Standards (NEQS).

b. 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.

c. Hazard and Operability (HAZOP) study was conducted on various process areas to identify and control the hazards at process units.

d. The Company has installed three on-grid solar power systems with total capacity of about 191 kW. This has not only reduced energy cost but has also contributed towards generation of green energy.

e. The Company supports National Cleaner Production Centre Foundation (NCPC-F), an NPO which provides analytical/ environmental and waste management services including bioremediation and waste incineration. 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.

9. Employment of Special Persons

ARL not only provides equal employment opportunities to special persons but takes an extra step to help them to earn respectable living.

10. Education/Training

a. The Company is operating an extensive management training program of 1 to 2 years for fresh graduates and student internships to students during summer vacations.

b. The Company offers scholarships from class 6 to PhD level to employees' children. During the year, 38 scholarships were awarded and 27 brilliant students amongst employees' children were recognized by awarding prizes.

11. Business Ethics and Anti-Corruption Measures

The Company has voluntarily adopted United Nations Global Compact (UNGC) principles in its business practices including fighting against corruption in all its forms, including extortion and bribery.

ADOPTION OF INTERNATIONAL STANDARDS FOR BEST SUSTAINABILITY AND CSR PRACTICES

Standalone Sustainability report is published based on Global Reporting Initiative (GRI) standard, ten guiding principles of United Nation Global Compact (UNGC) and United Nations Sustainable Development Goals (UNSDG) and is available on website of the Company.

Future Outlook

Challenges and uncertainties that the Company is likely to encounter is detailed in Directors Report of Page No 54.

Performance related to future plans disclosure made in the last year

We have successfully navigated the adverse economic effects of Covid-19 by successfully supplying committed quantities of quality petroleum products.

Progress on initial studies for Continuous Catalyst Regeneration (CCR), Diesel Hydro De-Sulphurization (DHDS) revamp and joint study for bottom of the barrel upgradation projects have been satisfactory but further progress is dependent upon approval and implementation of Refinery Policy.

Information Technology Governance

Information Technology is an important aspect of today's business whereby its adoption and monitoring is necssary for achieving the strategic goals of an organization.

Information Technology Committee

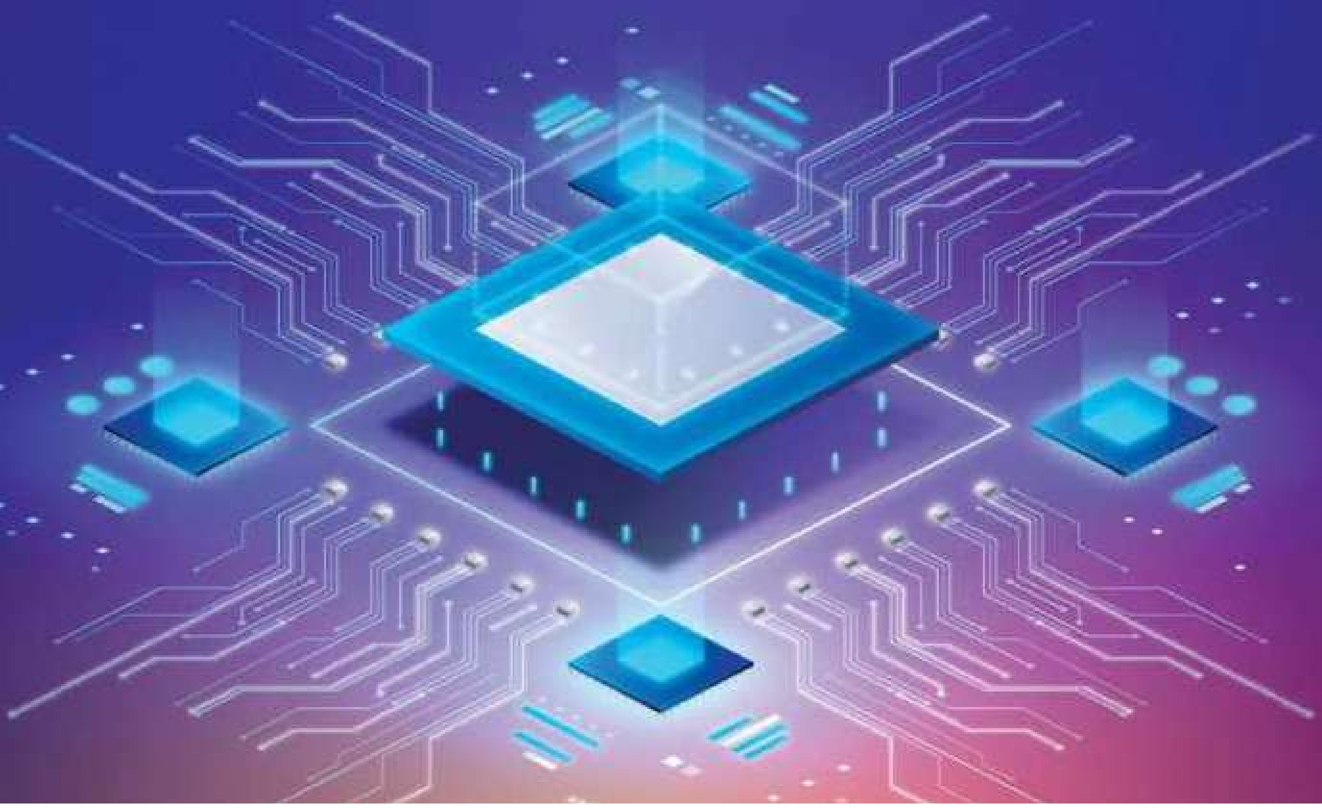
The Company has an Information Technology Management Committee in place which is overall responsible for governance of Information Technology in the Company.

Automation of the Business Process

Business processes are being continuously mapped, documented, re-engineered and improved upon for transformation in to automated functions. Plans are also being developed for introduction of an automated workflow system.

IT Related Internal Controls

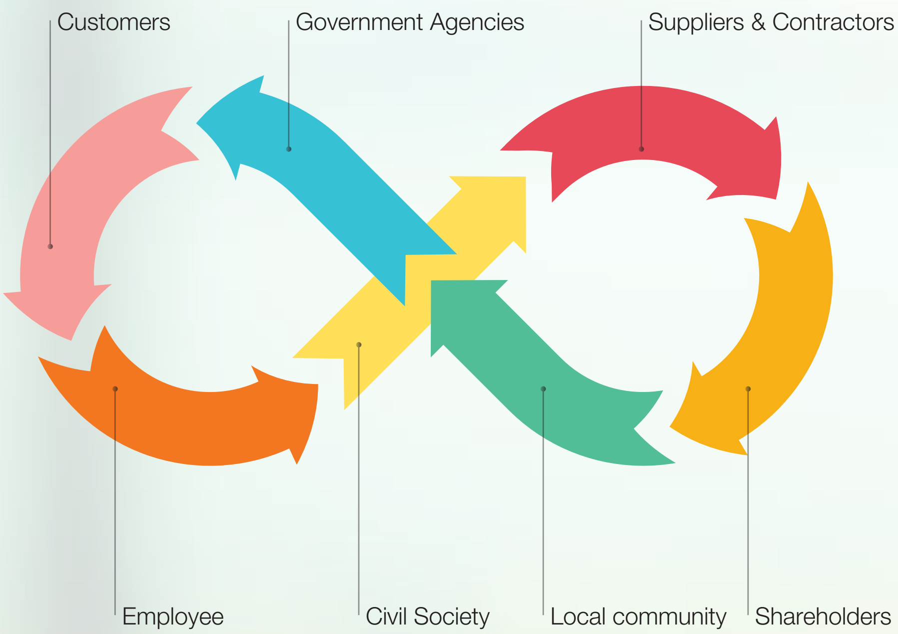
The Business Review and Assurance (BR&A) department regularly reviews the process and controls related to information technology currently being used in the Company. Furthermore, the annual external audit of the financial statements and other supporting information provides additional assurance about the accuracy of IT related controls.



Stakeholders Engagement

ARL stakeholder's engagement process comprises of identification of material issues relevant to the Environmental, Social & Governance (ESG) and their analogous impacts on its partners & ARL's business. Stakeholders having similar interests & needs are grouped together. ARL strategy is always inclined towards its firm commitment for doing fair business following its core values and involving its stakeholders at all forums. Through a cyclic approach, ARL is providing equal growth opportunities to all. This approach helps in creating & promoting synergetic relationships with our valued stakeholders and to meet their expectations proficiently.

Stakeholder Engagement Cycle



1. Identify stakeholder's aspects
2. Provide response on key concerns
3. Compile sustainability issue
4. Determine materiality issues and corresponding aspects
5. Investigate the stakeholder's degree of concern and impact on ARL's Business Aspects

Institutional Investors/Shareholders:

Institutional Shareholders:

Banks, Financial Institutions, NonBanking Financial Institutions, Insurance and Investment Companies, Joint Stock Companies, Associate Companies etc.

Private Shareholders:

Private and small investors

Expectation & Interest

Maximum throughput of refinery, timely payment of dividends & bonus shares, sharing of social, environmental and financial statements for Compliance to the Code of Corporate Governance and materiality principles, increasing value of market share, safe operations of the refinery, Value addition and Transparency.

Mode of Engagement

Board of Directors meetings and Shareholders general meetings, Refinery Management Committees i.e., Risk management & Strategic Planning Committee, Succession Planning and Career Management Committee Meetings, Reporting of Company's annual financial and sustainability reports, periodic sharing of information through electronic media

Responses

- Safe operations of the plant and value addition of products is ensured by Operations & Technical Service department.
- Compliance to the Code of Corporate Governance, materiality principle's compliance, Coordination with third party auditors, Routine review and internal audits by business review and assurance (BR&A) department.
- Transparency in dealing, Preparation of quarterly and annual financial reports, sharing of financial statements, Liaison with financial institutions for investments, timely payment of dividends and bonus shares to shareholders by F&CA department.
- Succession planning for key managerial positions & hiring of talented staff to keep operations smooth and trouble free by human resource and administration (HR&A) department.
- Ensuring safe operations in compliance with safety, quality & environmental regulations, sharing social and

environmental performance of company by health, safety, environment and quality (HSEQ) department.

- Arrangement of board and shareholders meetings by company secretary.

Local Communities

Neighborhood, local schools, masjids, residential colonies, neighboring organizations & industry, union councils, employees' families, community development organizations, local municipal administration, visitors, transporters etc.

Expectation & Interest

Infrastructure development, provision of facilities and funding to schools, health facilities, better living standards, safety and security, rrovision of utilities, sports and recreational facilities, clean environment, employment, community awareness and support, policy lobbying.

Mode of Engagement

Meeting with nearby communities, participation in school events, sponsoring events in schools, joint celebrations of events, community engagement and awareness seminars, installation of clean drinking water tanks, participation in conferences and sports, arranging sports events, medical camps, annual sports competitions, technical meetings, providing training opportunities.

Responses

- Financial and administrative support is being offered through F&CA Department.
- Health facilities are provided by Attock Hospital (Private) Limited (AHL).
- Safety seminars, environmental activities, promotion of cleaner technologies by HSEQ department.
- Recruitment with preference to local communities on merit basis by human resource & administration (HR&A) department.
- Provision of free utilities and drinking water to neighborhood including masajids, schools and awareness campaigns arranged by HR&A department.
- Tree Plantation & provision of ARL's play grounds for sports by HR&A
- Fumigation sprays for dengue and COVID- 19 etc

Customers

Major Oil Marketing Companies (OMCs) including Pakistan State Oil, Attock Petroleum Limited, Total Parco Marketing Company Limited, Shell Pakistan Limited, Hascol Petroleum Limited, Puma Energy Pakistan Private Limited, Bakri Energy Private Limited, Cnergyico, Quality 1 Petroleum Private Limited, Pakistan Air Force etc.

Expectation & Interest

Quality and quantity of product, timely delivery, technical assistance and financial compliance, after sales services, customer satisfaction, asset's safety and security.

Mode of Engagement

Customer site visits, exchange of information, joint testing of product quality, quarterly customers feedback, technical awareness sessions, compliance of relevant financial regulations, meetings with customers as & when required.

Responses

- Timely delivery of products and quantity compliance, response to queries, administrative complaints being addressed by oil movement section of Operations department.
- Quality assurance and end user customer satisfaction, technical assistance in testing and quality related matters are addressed by quality control lab section of HSEQ department.
- Timely billing, reconciling and financial coordination is addressed by invoicing and receivables management section of F&CA department.
- Customer liaison & satisfaction, compliance of sales agreements by sales section of C&MM department.
- Asset safety and security is ensured by HSEQ department and security section of HR&A department.

Employees

Regular employees, contract employees, employees representative groups like cba's third-party contract employees.

Expectation & Interest

Market competitive salaries, career growth, training and development, safety and security of employees, conducive and friendly working environment, sharing of information, residence, medical facilities, sports and recreational facilities.

Mode of Engagement

Human resource policies, planning and career management committee meeting, annual appraisal, organization environmental survey, employee engagement and team building seminars and activities, conferences for human resource development and training need assessments sessions, training programs and career development sessions.

Responses

- Training programs, employee meetings, annual and quarterly family festivals, conducting regular employee satisfaction survey, formal agreement of CBA's, administrative assistance, residence and medical facilities, employee's engagement through training sessions, team building activities and annual sports by human resource and administration (HR&A) department.
- Safe and secure working environment, provision of PPE's and handling of emergencies at the workplace is being addressed by health, safety, environment and quality (HSEQ) department.
- Health facilities through Attock Hospital (Private) Limited.
- Timely payment of salaries and bonuses by F&CA department.

Suppliers & Contractors

Pakistan Oilfields Limited, Pakistan Petroleum Limited, Ocean Pakistan Limited, MOL, Oil and Gas development Company Limited, PPL, Mari Petroleum Company Limited, WAPDA, SNGPL, PTCL and general order suppliers services and Human Resource Contractors.

Expectation & Interest

Timely bill payments, prompt response to queries, safety and security of personnel and assets, conducive working environment, facilitation, compliance of contract agreement, technical assistance and feedback, compliance to the Code of Corporate Governance.

Mode of Engagement

Joint testing of crude oil, direct coordination with WAPDA, SNGPL, PTCL and general order suppliers, visit to contractors and suppliers' sites as & when required, Periodic meetings of procurement office with general order suppliers, meetings with contractors, trainings, communication of relevant policies to contractors and suppliers.

Responses

- On time payment to crude oil suppliers by finance department.
- Crude oil analysis, personnel and assets safety, technical assistance by HSEQ department.
- Payments to contractors by F&CA Department.
- Facilitation to contractors by HR&A and operation department.
- Evaluation of crude and other raw materials/ services by HSEQ, technical services, C&MM and other relevant departments.

Government Bodies

Ministry of Energy (Petroleum Division), Pakistan Standards and Quality Control Authority (PSQCA), Directorate of Labor, Federal board of revenue (FBR), Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), EPA, Rescue 1122 and other like organizations, National Highway Authority, Directorate of Apprentices, EOBI, Ministry of Climate Change, NDMA, Civil Aviation Authority, Social welfare department, NFPA, OGRA etc.

Expectation & Interest

Compliance to the Code of Corporate Governance, Compliance of quality specifications of products and services, Legal and PEQS Compliance, Tax deduction and deposition, Development of policies framework, Infrastructure development, safe procedures and workers welfare.

Mode of Engagement

Fortnightly product allocation meetings, Sharing of daily sales figures to Ministry of Energy (Petroleum Division), Crude pricing coordination with Ministry of Energy petroleum division. Monthly and Annual coordination with FBR for taxation, Regular liaison with local government, invitations to government officials, Information on website, involvement of EPA in public hearing for new projects, and other events like tree plantation, Participation in meetings, Joint event celebrations etc.

Responses

- Compliance to code of conduct by Business Review and assurance department.
- Coordination with Ministry of Energy for crude pricing and discounts, Petroleum development levy, FBR for excise duty and sales tax by oil movement section, F&CA and C&MM department.
- FBR for monthly/annual return of withholding, income and personal tax by payroll and employees fund section.
- Dealing with stock exchanges, SECP, financial institutions by corporate affairs section.
- Liaison with local government labor departments and EOBI by human resource department.
- Dealing with PSQCA, Civil aviation, EPA, Rescue 1122, OGRA, NDMA, District Disaster by the relevant company representatives.

Civil Society

Universities, Foundation, NGOs, Research Institutes, Technical Training Institutes, Colleges, Students, etc.

Expectation & Interest

Industrial academia relationship, Industrial tours, Research and development with research institutes, Medical camps, Internship and Trainings, Joint celebrations with the company, sharing of information and technical support.

Mode of Engagement

Organizing conferences & seminars, celebration of events, coordination with universities, arranging free medical camps, reporting of environmental, social and economic performance, participation in meetings, industrial visits, mentoring research projects, ARL website, apprenticeship & senior management trainee programs etc.

Responses

- Internship programs, liaison with educational institutes regarding research facilitation to create shared values by human resource and administration department.
- Sharing technical information and research assistance is provided by different concerned departments.
- Resource provision and sponsoring of events by HR&A and finance department.
- Medical camping with NGOs at different locations through Attock Hospital (Private) Limited.
- Providing safety training by HSEQ department.
- Sharing social and environmental performance by HSEQ department.
- Technical support is provided by operations, TS and HSEQ department.

Steps taken by management to encourage minority shareholders to attend AGM

The management encourages shareholders to attend the general meetings of the Company. Date, time and venue of the meeting to be held is timely published in English & Urdu newspapers having circulation in Rawalpindi (location of registered office) and Karachi (registered address of majority of shareholders) along with timely intimation of the same to Pakistan Stock Exchange for information of the shareholders. Further, the same is also published on Company's website.

Investors' Relations Section on ARL Website

Detailed Company information specified under the relevant regulations, including but not limited to financial reports, financial highlights, investor's notices / announcements, pattern of shareholding, dividend declarations and much more have been placed on the Company's website: www.arl.com.pk. The Company is in full compliance with the current SECP regulations relating to the maintenance of functional website by the listed companies. The comprehensive "Investor Relations" section on the Company website can be used to promote investor relations and to facilitate investors' access for grievance or other queries. ARL ensures to present the latest information by regularly updating its website and to improve the websites' usability for its shareholders and investors.

Corporate Briefing

Pakistan Stock Exchange's introduced reforms towards development of a fair and efficient market by promoting a culture of sound corporate governance practices, a Corporate Briefing Session was held by ARL through video link for the Analyst community and Shareholders on September 27, 2021 in compliance with the mandatory requirement of holding corporate briefing by listed companies. A detailed presentation was given by the Company's management on the Company's financial results and performance for the year 2021 along with the brief on Company's future plans. All the queries raised by participants following the briefing were satisfactorily responded in the session.

Disclosures Beyond BCR Criteria

The Company's Management encourages inclusion of voluntary additional disclosures in its Corporate Report, beyond the requirement of Best Corporate Report Criteria of ICAP & ICMAP, on any minute information which is relevant to the needs of its stakeholders and ensures the communication of a comprehensive view about the Company's strategies, governance, performance and prospects, in the context of its external environment, which lead to the creation of value over the short, medium and long term.

Compliance of financial accounting and reporting standards

The separate and consolidated financial statements of the Company have been prepared in accordance with accounting and reporting standards as applicable in Pakistan which comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and are included in this report.

Financial Statistical Summary

Attock Refinery Limited

Rupees in million

		2022	2021	2020	2019	2018	2017
TRADING RESULTS							
Sales (Net of Govt. Levies)		261,486.59	127,752.27	119,819.44	176,754.54	129,588.62	101,386.94
Reimbursement from/ (to) Government		497.23	(21.86)	-	-	7.95	24.85
Turnover		261,983.82	127,730.41	119,819.44	176,754.54	129,596.57	101,411.79
Cost of Sales		243,305.57	130,298.90	124,999.91	180,815.67	130,675.23	97,078.92
Gross profit/ (loss)		18,678.25	(2,568.49)	(5,180.47)	(4,061.13)	(1,078.66)	4,332.87
Administration and Distribution cost		943.70	819.20	857.01	740.48	695.28	644.07
Other Income		2,002.94	1,265.17	2,780.70	2,779.99	1,977.48	1,434.22
Non-Refinery Income		834.00	120.30	554.48	1,155.87	1,591.54	1,714.33
Operating profit/ (loss)		20,571.49	(2,002.22)	(2,702.30)	(865.76)	1,795.08	6,837.35
Financial and other charges		4,450.10	234.40	1,424.18	6,770.21	2,819.03	1,465.80
Profit/(loss) before tax		16,121.39	(2,236.62)	(4,126.48)	(7,635.97)	(1,023.95)	5,371.55
Taxation		6,190.68	(91.56)	(1,301.55)	(2,250.73)	(1,602.93)	(42.11)
Profit/(loss) after tax		9,930.71	(2,145.06)	(2,824.93)	(5,385.24)	578.98	5,413.66
Dividend		1,066.16	-	-	-	-	511.76
Bonus shares		-	-	-	-	213.23	-
STATEMENT OF FINANCIAL POSITION SUMMARY							
Paid-up Capital		1,066.16	1,066.16	1,066.16	1,066.16	852.93	852.93
Reserves		49,640.27	37,633.70	37,029.28	22,193.29	28,767.54	30,227.19
Unappropriated Profit brought forward		820.37	3,011.80	5,807.65	10,398.64	9,697.79	8,300.70
Shareholder' funds		51,526.80	41,711.66	43,903.09	33,658.09	39,318.26	39,380.82
Financing facilities		7,204.91	10,692.79	7,614.19	10,181.42	14,842.92	19,872.17
Property, plant & equipment (less depreciation)		37,463.17	40,105.69	42,542.75	31,145.02	33,239.76	35,356.80
Net current assets		(82.74)	(13,855.61)	(10,928.35)	(7,321.81)	4,110.24	7,902.64
CASH FLOW SUMMARY							
Cash flows from operating activities		15,257.10	1,558.66	(6,137.05)	2,304.92	7,353.16	7,156.81
Cash flows from investing activities		2,066.05	381.78	1,562.26	2,596.49	2,491.91	1,963.22
Cash flows from financing activities		(4,098.77)	(1,017.00)	(3,890.26)	(11,275.19)	(8,542.68)	2,826.74
Increase / (Decrease) in cash and cash equivalents		13,224.38	923.43	(8,465.05)	(6,373.77)	1,302.39	11,946.77
PROFITABILITY RATIOS							
Gross profit ratio	%	7.13	(2.01)	(4.32)	(2.30)	(0.83)	4.27
Net profit to sales	%	3.79	(1.68)	(2.36)	(3.05)	0.45	5.34
EBITDA margin to sales	%	7.70	1.12	(0.46)	(1.70)	2.55	8.78
Operating leverage ratio	Time	(13.13)	(8.59)	1.35	(23.87)	(3.21)	11.32
Return on equity	%	19.27	(5.14)	(6.43)	(16.00)	1.47	13.75
Return on capital employed	%	17.87	(4.13)	(5.92)	(10.99)	1.02	10.06
Shareholders' funds	%	38.77	40.38	44.80	32.41	38.89	43.18
Return on shareholders' funds	%	19.27	(5.14)	(6.43)	(16.00)	1.47	13.75
LIQUIDITY RATIO							
Current ratio	Time	1.00	0.75	0.76	0.88	1.08	1.23
Quick/ acid test ratio	Time	0.72	0.52	0.51	0.66	0.82	1.00
Cash to current liabilities	Time	0.31	0.22	0.18	0.27	0.45	0.63
Cash flows from operation to sales	Time	0.06	0.01	(0.05)	0.01	0.06	0.07
Cash flow to capital expenditures	Time	83.97	11.64	(10.11)	4.74	16.25	7.50
ACTIVITY/TURNOVER RATIO							
Inventory turnover ratio	Time	17.94	15.75	14.55	18.26	16.86	15.63
No. of days in inventory	Days	20	23	25	20	22	23
Debtor turnover ratio	Time	13.59	14.11	9.56	11.25	12.05	14.16
No. of days in receivables	Days	27	26	38	32	30	26
Creditor turnover ratio	Time	6.41	4.66	3.93	5.55	5.75	5.88
No. of days in payables	Days	57	78	93	66	63	62
Total assets turnover ratio	Time	1.97	1.24	1.22	1.70	1.35	1.11
Fixed assets turnover ratio	Time	6.99	3.18	2.82	5.68	3.78	2.87
Operating cycle	Days	(10)	(29)	(30)	(14)	(11)	(13)

Rupees in million

		2022	2021	2020	2019	2018	2017
INVESTMENT/ MARKET RATIO							
Earnings/(loss) per share (EPS)	Rs	93.14	(20.12)	(26.50)	(50.51)	5.43	63.47
(on shares outstanding at 30 June)							
Dividend *	%	100	-	-	-	-	60
Cash dividend per share	Rs	10.00	-	-	-	-	6.00
Bonus share issue	%	-	-	-	-	25	-
Bonus share issue	Rs	-	-	-	-	213.23	-
Price earning ratio	Time	1.89	(12.75)	(3.37)	(1.53)	31.71	6.03
Price to book ratio	Time	0.14	0.26	0.10	0.08	0.18	0.36
Dividend yield ratio	%	5.69	-	-	-	-	1.57
Dividend cover ratio	Time	9.31	-	-	-	-	10.58
Dividend payout ratio	%	10.74	-	-	-	-	9.45
Break-Up Value (Rs per share) without surplus							
on revaluation of freehold land	Rs	247.93	155.87	176.42	202.65	319.67	320.40
Break-Up Value (Rs per share) with surplus							
on revaluation of freehold land	Rs	483.29	391.23	411.79	315.69	460.98	461.71
Break-Up Value (Rs per share) with							
investment in related party	Rs	483.29	391.23	411.79	315.69	460.98	461.71
Highest market value per share during the year	Rs	261.90	287.37	137.01	235.52	430.88	508.16
Lowest market value per share during the year	Rs	114.35	88.44	59.32	74.17	187.05	294.14
Market value per share at 30th June,	Rs	175.78	256.45	89.32	77.27	215.31	382.58
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Time	0.14	0.26	0.17	0.30	0.38	0.50
Debt to equity ratio	%	12 : 88	20 : 80	15 : 85	23 : 77	27 : 73	34 : 66
Weighted average cost of debt	%	7.13	6.87	10.31	7.07	5.54	5.41
Interest cover ratio	Time	16.26	(1.60)	(3.48)	(2.97)	0.48	5.42
EMPLOYEE PRODUCTIVITY RATIO							
Production per employee	M.ton	2,271	2,178	1,797	2,329	2,356	2,259
Revenue per employee	Rs in million	317.17	150.80	132.40	186.84	141.95	109.57
NON FINANCIAL RATIO							
% of plant availability	%	79	77	69	93	94	98
Customer satisfaction index	%	98	98	98	97	99	96
OTHERS							
Spares inventory as % of assets cost	%	3.02	3.64	4.52	3.44	2.87	2.40
Maintenance cost as % of operating expenses	%	0.17	0.33	0.58	0.34	0.38	0.53

* The Board has proposed a final cash dividend @ 100% in their meeting held on August 16, 2022.

RATIO ANALYSIS

PROFITABILITY RATIOS:

Profitability ratios improved significantly due to increase in refiner's margin all over the world including Pakistan which has enabled the company to post this ever-highest profit.

LIQUIDITY RATIOS:

Liquidity ratios of the company have improved as the company earned high profits resulting from improvement in refiner's margin & inventory gains as compared to losses in previous years.

ACTIVITY/ TURNOVER RATIOS:

Overall activity/turnover ratios have shown an upward trend as overall operating cycle improved due to increase in prices of petroleum products along with settlement of circular debt.

INVESTMENT/MARKET RATIOS:

Earnings per share and dividend payout ratios have improved as the company earned ever-highest profit in the current year due to improvement in refiner's margin as compared to losses in previous year.

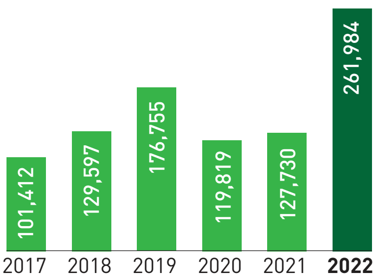
CAPITAL STRUCTURE RATIOS

All capital requirements are financed through company's own resources and no long term loan has been received during the year hence zero leverage.

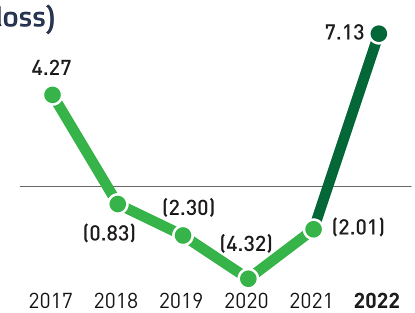
Financial Highlights

Attock Refinery Limited

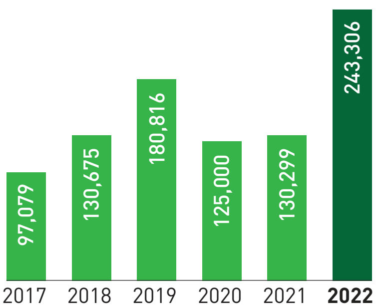
Net Sales
(Rs in million)



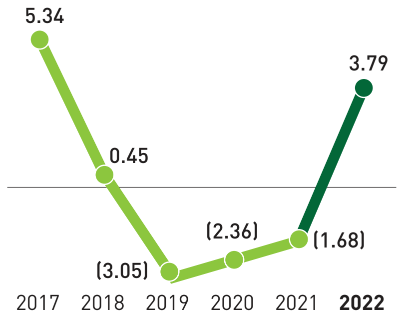
Gross Profit/(loss) Margin
(In Percentage)



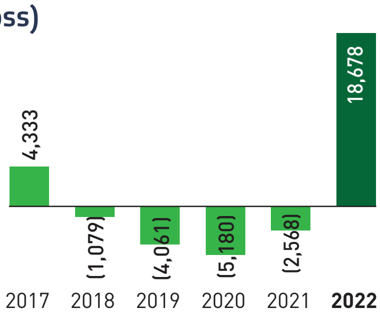
Cost of Sales
(Rs in million)



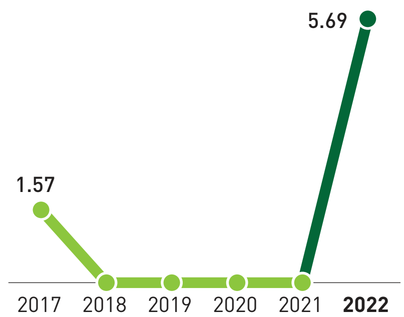
Net Profit/(loss) Margin
(In Percentage)



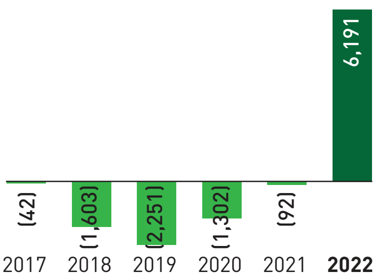
Gross Profit/(Loss)
(Rs in million)



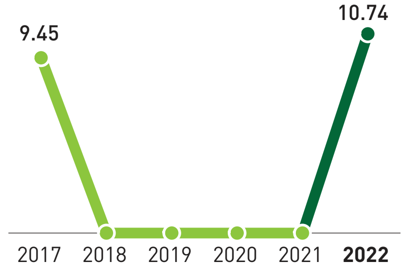
Cash Dividend Yield
(In Percentage)



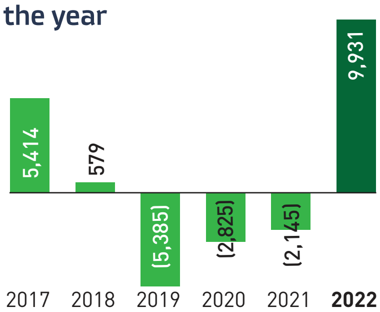
Provision for Taxation
(Rs in million)



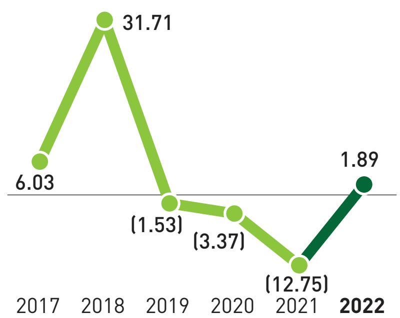
Cash Dividend Payout
(In Percentage)



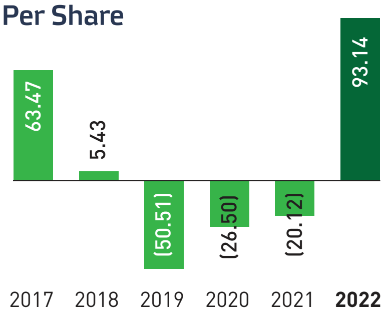
Profit/(loss) for the year
(Rs in million)



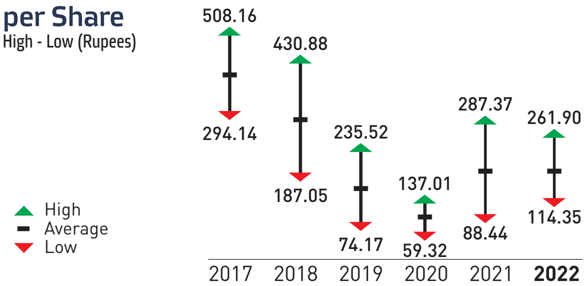
Price Earnings Ratio
(In Percentage)



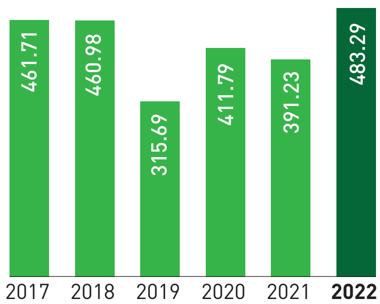
Earnings/(loss) Per Share
(Rupees)



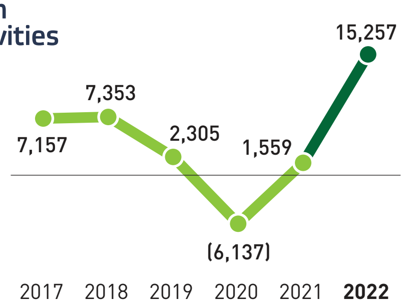
Market Value per Share
High - Low (Rupees)



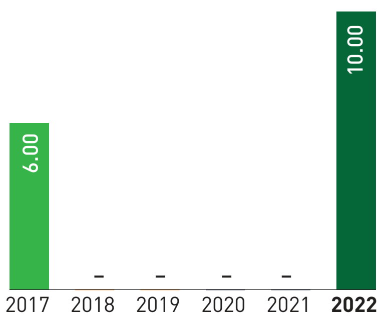
Break-Up Value
(Rs per share)



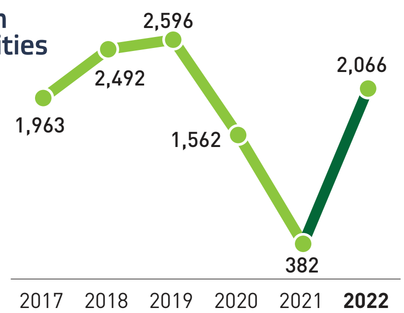
Cash Flow from Operating Activities
(Rs in million)



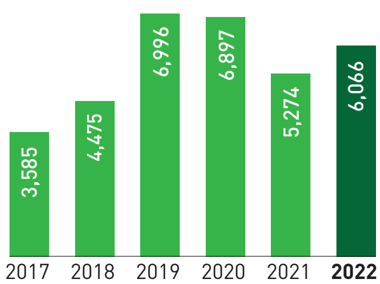
Cash Dividend per Share
(Rupees)



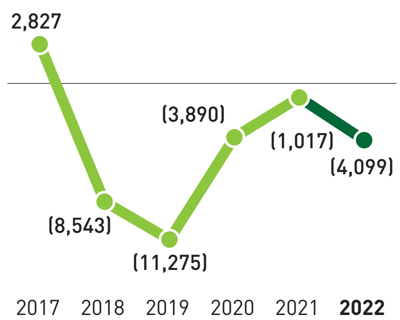
Cash Flow from Investing Activities
(Rs in million)



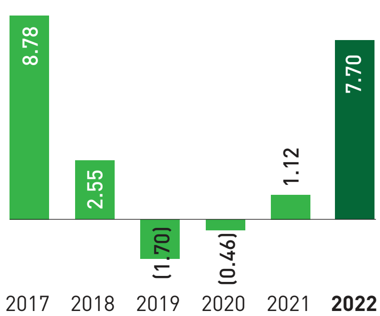
Number of Shareholders
(Numbers)



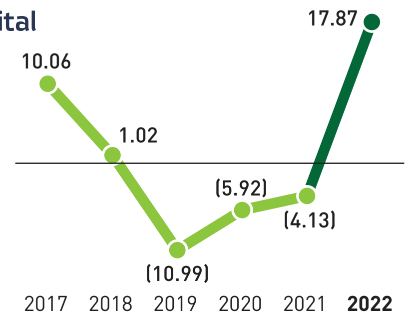
Cash Flow from Financing Activities
(Rs in million)



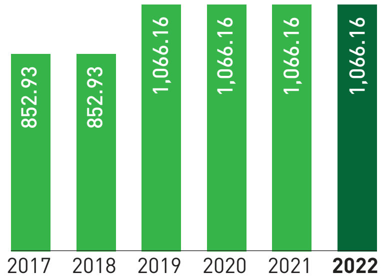
EBITDA - Margin to Sales
(In Percentage)



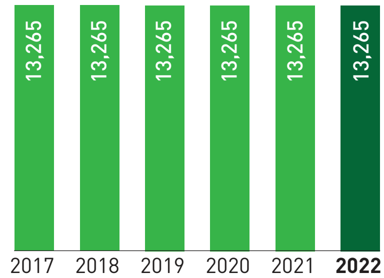
Return on Capital Employed
(In Percentage)



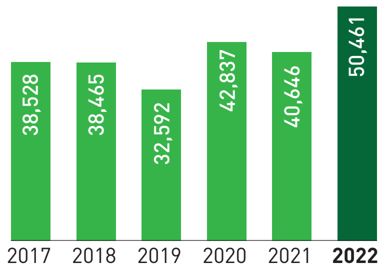
Paid up Capital
(Rs in million)



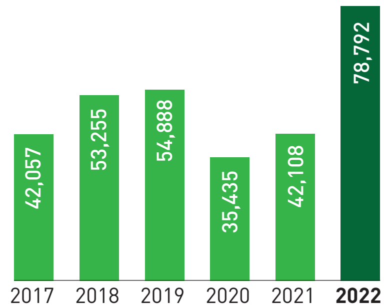
Long Term Investments
(Rs in million)



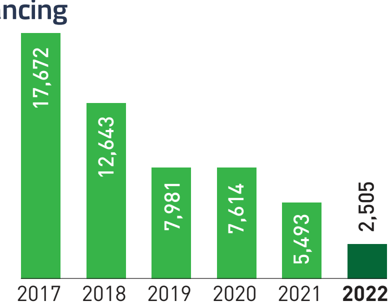
Reserves
(Rs in million)



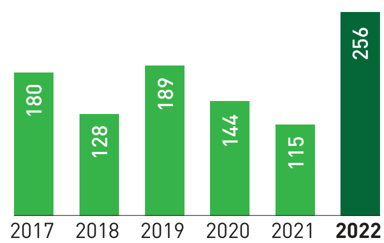
Current Assets
(Rs in million)



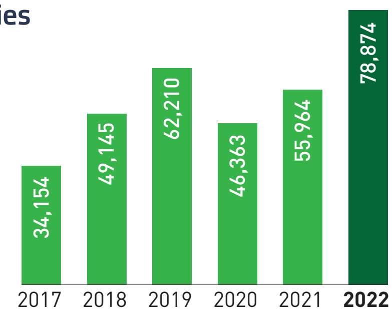
Long Term Financing
(Rs in million)



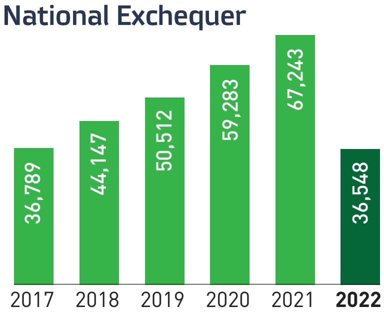
Foreign Exchange Saving
(US$ in million)



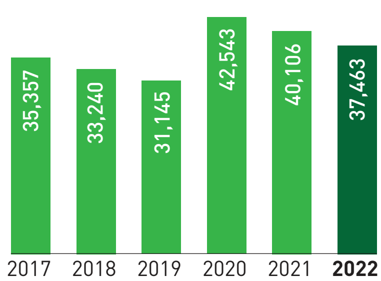
Current Liabilities
(Rs in million)



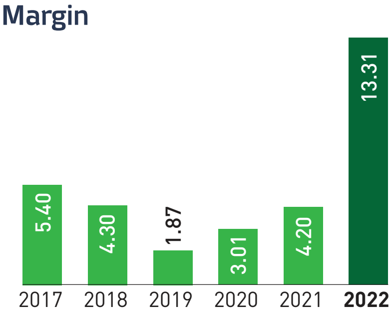
Contribution to National Exchequer
(Rs in million)



Fixed Assets less Depreciation
(Rs in million)



Gross Refinery Margin
(US$ per Barrel)



Share Price Sensitivity Analysis

The Share of Attock Refinery Limited has been historically viewed as a safe and stable investment. During the financial year 2021-22, improvement in macro-economic indicators and during the year improvement in the profitability of the company had a positive impact on the price of the Company's shares.

The Share price varied from a minimum of Rs 114.35 per share to a maximum of Rs 261.90 per share during the year.

The Company's impetus towards sustained growth along with signs of stability in the economy, may lead to further stability in share price. However, this can be affected by the following factors:

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.

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 prices are linked with global markets and are determined by Regulator, the sales volumes of the Company are highly dependent on underlying profit margins which ultimately also affects the share price. Increase in global economic activity will lead to better prices and sales volumes.

COMPOSITION OF LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS IN NARRATIVE FORM DUE TO FOREIGN CURRENCY FLUCTUATIONS

Though ARL refines 100% indigenous crude only but pricing is linked with international crude prices. Therefore, fluctuations in foreign currency has a direct impact on ARL profitability. However, this risk is largely mitigated because of the fact that prices of products are also based on foreign currency.

The sensitivity analysis of the currency risk arising from commercial transactions of the Company is detailed in note 39 of the notes to the financial statements.

Analysis of Financial Statements
Attock Refinery Limited

ANALYSIS OF FINANCIAL POSITION

Share capital and Reserve:
Shareholders equity witnessed an upward trend as the Company earned ever highest profit during the current year mainly due to favorable refiner's margin and inventory gains.

Long term financing:
During the year long term financing has decreased from Rs 5,493 million to Rs 2,505 million. In addition to the scheduled repayment of principal amount of loan i.e. Rs. 2,200 million, the Company has also repaid an amount of Rs 1,000 million.

Current liabilities:
Trade and other payables have increased during the year due to increase in the 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 2.7 billion.

Current assets:
Current assets have increased by 87% from Rs 42,108 million to Rs 78,792 million during the current financial year, mainly due to increase in stock in trade, trade debtors and cash & bank balances as a result of increase in prices of crude oil, products and profit during the current year as compared to the previous year.

ANALYSIS OF PROFIT OR LOSS

Revenue:
During the current year, net sales revenue has increased by 105% from Rs 127,730 million to Rs 261,984 million. This increase mainly reflects upward trend in international prices of petroleum products by 104% which prevailed during the year.

Cost of Sales:
During the period under review, cost of sales increased by 87% from Rs 130,299 million to Rs 243,306 million. This increase mainly reflects upward trend in prices of crude oil by 94% in international market.

Administration, distribution & other charges:
Administration, distribution and other cost increased by 158% from Rs 828 million to Rs 2,135 million. This increase was mainly on account of WPPF & WWF charges as a result of high profit during the year. Last year WPPF & WWF charges were not applicable due to loss.

Other Income:
Other income increased by 58% from Rs 1,265 million to Rs 2,003 million, which is mainly attributed to increase in income from bank deposits resulting from increase in average bank balances and increase in interest rates.

Finance cost:
The major increase in finance cost was on account of exchange loss.

Taxation:
Current year taxation increased due to the higher profit during the year along with imposition of super tax.

Non-refinery income:
Non-refinery income increased from Rs 120 million to Rs 834 million due to increase in dividend income received from the associated companies during the year as compared to the last year.

ANALYSIS OF CASH FLOWS STATEMENT

Operating activities:
Net cash inflow increased from Rs 1,559 million to Rs 15,257 million during the year as compared to previous year. This was mainly due to increase in the gross refiner's margin.

Investing activities:
Cash flow from investing activities has increased due to increase in dividend income from associated companies and interest income on bank deposits in the current year as compared to last year.

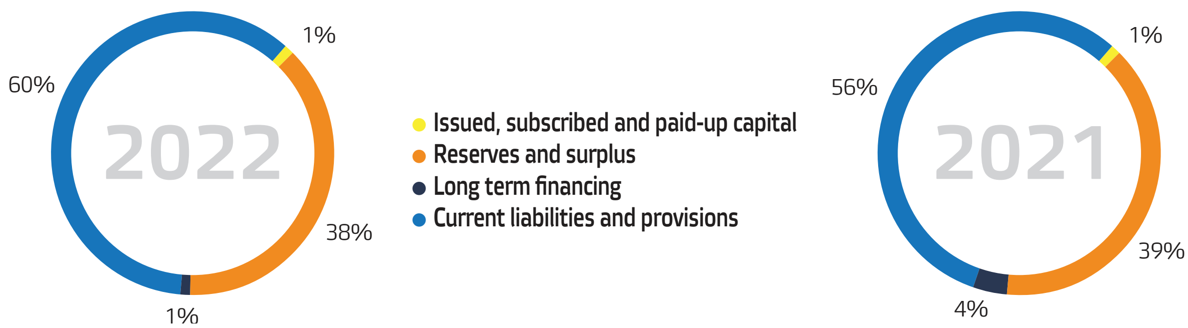
Financing activities:
Cash outflow from financing activities has increased during the current year mainly due to repayment of long term loan.

Composition of Statement of Financial Position

Attock Refinery Limited

FIXED ASSETS AND CURRENT ASSETS

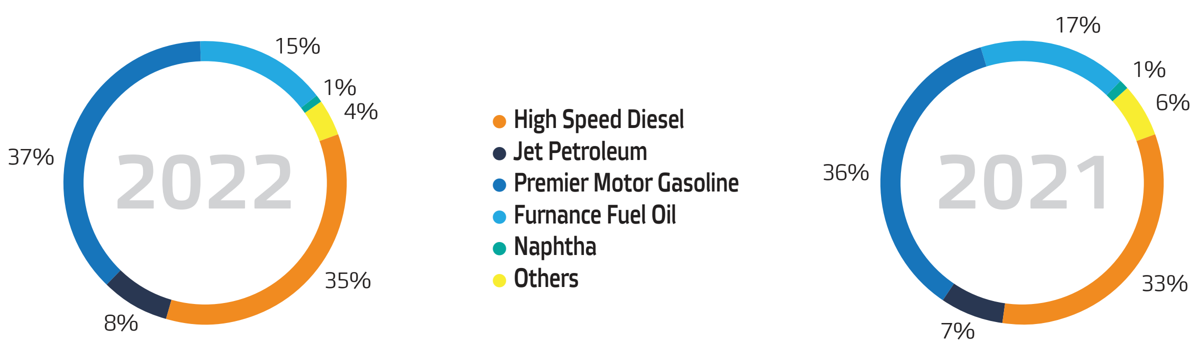
EQUITIES AND LIABILITIES



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 Value Addition

Attock Refinery Limited

	2022		2021	
	Rs '000	%	Rs '000	%
Gross revenue & other income	308,534,123		193,662,647	
Cost of sales and operating expenses	(239,726,892)		(126,369,432)	
Total value added	68,807,231		67,293,215	
DISTRIBUTION				
Employee remuneration:	1,817,818	2.64	1,548,030	2.30
Government as:				
Company taxation	6,468,766	9.40	(70,329)	(0.10)
Sales tax, duties and levies	43,412,589	63.09	64,525,537	95.89
WPPF & WWF	1,179,597	1.71	-	-
Shareholders as:				
Dividends	-	-	-	-
Bonus Shares	-	-	-	-
Society as:				
Donation	540	-	540	-
Providers of Finance as:				
Financial charges	3,294,001	4.79	636,584	0.95
Retained in Business:				
Depreciation	2,703,207	3.93	2,797,909	4.16
Net earnings	9,930,713	14.44	(2,145,056)	(3.20)
	68,807,231	100.00	67,293,215	100.00

Statement of Charity Account

Attock Refinery Limited

	2022 Rs '000
Community welfare	9,238
Employment of Special Persons	3,290
Education and training	39,863
Industrial Relations/ Workers Welfare	20,841
	73,232

Vertical Analysis

	2022		2021	
	Rs in million	%	Rs in million	%
STATEMENT OF FINANCIAL POSITION				
Equity and reserves	51,526.80	38.77	41,711.66	40.38
Long term financing	2,504.92	1.88	5,619.19	5.44
Total current liabilities	78,874.26	59.35	55,963.72	54.18
	132,905.98	100.00	103,294.57	100.00
Property, plant and equipment	37,463.17	28.19	40,105.69	38.83
Long term investments	13,264.92	9.98	13,264.92	12.84
Non-current assets	3,386.37	2.55	7,815.85	7.57
Stores, spares and loose tools	4,011.46	3.02	3,757.22	3.64
Stock-in-trade	17,742.71	13.35	9,378.91	9.08
Trade debts	30,279.03	22.78	13,305.41	12.88
Loans, advances, deposits, prepayments				
and other receivables	2,004.67	1.51	3,615.29	3.50
Short term investment	-	-	-	-
Cash and bank balances	24,753.65	18.62	12,051.28	11.66
	132,905.98	100.00	103,294.57	100.00
STATEMENT OF PROFIT OR LOSS				
Net Sales	261,983.82	100.00	127,730.41	100.00
Cost of sales	(243,305.57)	(92.87)	(130,298.90)	(102.01)
Gross profit/ (loss)	18,678.25	7.13	(2,568.49)	(2.01)
Administration expenses	866.87	0.33	767.01	0.60
Distribution cost	76.84	0.03	52.19	0.04
Other charges	1,191.64	0.45	8.42	0.01
	(2,135.35)	(0.81)	(827.62)	(0.65)
Other income	2,002.94	0.76	1,265.18	0.99
Impairment reversal/(loss) on financial asset	35.55	0.01	410.60	0.32
Operating profit/ (loss)	18,581.39	7.09	(1,720.33)	(1.35)
Finance cost	(3,294.00)	(1.26)	(636.58)	(0.50)
Profit/ (loss) before taxation from refinery operations	15,287.39	5.83	(2,356.91)	(1.85)
Taxation	(6,190.68)	(2.36)	91.56	0.07
Profit/ (loss) after taxation from refinery operations	9,096.71	3.47	(2,265.35)	(1.78)
Income from non-refinery operations less applicable				
charges and taxation	834.00	0.32	120.29	0.09
Profit/(loss) for the year	9,930.71	3.79	(2,145.06)	(1.69)

2020		2019		2018		2017	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
43,903.09	44.80	33,658.09	32.41	39,318.26	38.89	39,380.81	43.17
7,720.93	7.88	7,981.42	7.69	12,642.92	12.50	17,672.17	19.38
46,363.17	47.32	62,210.13	59.90	49,144.86	48.61	34,153.92	37.45
97,987.19	100.00	103,849.64	100.00	101,106.04	100.00	91,206.90	100.00
42,542.75	43.42	31,145.02	29.99	33,239.76	32.88	35,356.80	38.77
13,264.92	13.54	13,264.92	12.77	13,264.92	13.12	13,264.92	14.54
6,744.71	6.88	4,551.38	4.38	1,346.26	1.33	528.63	0.58
4,431.07	4.52	3,575.96	3.44	2,905.75	2.87	2,193.27	2.40
7,163.86	7.31	10,018.66	9.65	9,789.00	9.68	5,712.34	6.26
12,728.44	12.99	22,411.91	21.58	15,748.28	15.58	10,678.54	11.71
2,988.46	3.05	2,298.20	2.21	1,871.72	1.85	1,842.29	2.02
-	-	-	-	985.84	0.98	-	-
8,122.98	8.29	16,583.59	15.98	21,954.51	21.71	21,630.11	23.72
97,987.19	100.00	103,849.64	100.00	101,106.04	100.00	91,206.90	100.00
119,819.44	100.00	176,754.54	100.00	129,596.57	100.00	101,411.79	100.00
(124,999.91)	(104.32)	(180,815.67)	(102.30)	(130,675.23)	(100.83)	(97,078.92)	(95.73)
(5,180.47)	(4.32)	(4,061.13)	(2.30)	(1,078.66)	(0.83)	4,332.87	4.27
808.98	0.68	688.46	0.39	645.12	0.50	595.02	0.59
48.03	0.04	52.02	0.03	50.16	0.04	49.05	0.05
13.11	0.01	5.85	-	(106.27)	(0.08)	202.66	0.20
(870.12)	(0.73)	(746.33)	(0.42)	(589.01)	(0.46)	(846.73)	(0.84)
2,780.70	2.32	2,779.99	1.57	1,977.48	1.53	1,434.22	1.41
(347.52)	(0.29)	(140.68)	(0.08)	-	-	-	-
(3,617.41)	(3.02)	(2,168.15)	(1.23)	309.81	0.24	4,920.36	4.84
(1,063.55)	(0.89)	(6,623.68)	(3.75)	(2,925.30)	(2.26)	(1,263.14)	(1.25)
(4,680.96)	(3.91)	(8,791.83)	(4.98)	(2,615.49)	(2.02)	3,657.22	3.59
1,301.55	1.09	2,250.73	1.27	1,602.93	1.24	42.11	0.04
(3,379.41)	(2.82)	(6,541.10)	(3.71)	(1,012.56)	(0.78)	3,699.33	3.63
554.48	0.46	1,155.86	0.65	1,591.54	1.23	1,714.33	1.69
(2,824.93)	(2.36)	(5,385.24)	(3.06)	578.98	0.45	5,413.66	5.32

Horizontal Analysis

	2022		2021	
	Increase/(Decrease) from last year		Increase/(Decrease) from last year	
	Rs in million	%	Rs in million	%
STATEMENT OF FINANCIAL POSITION				
Equity and reserves	51,526.80	23.53	41,711.66	(4.99)
Long term financing	2,504.92	(55.42)	5,619.19	(27.22)
Total current liabilities	78,874.26	40.94	55,963.72	20.71
	132,905.98	28.67	103,294.57	5.42
Property, plant and equipment	37,463.17	(6.59)	40,105.69	(5.73)
Long term investments	13,264.92	-	13,264.92	-
Non-current assets	3,386.37	(56.67)	7,815.85	15.88
Stores, spares and loose tools	4,011.46	6.77	3,757.22	(15.21)
Stock-in-trade	17,742.71	89.18	9,378.91	30.92
Trade debts	30,279.03	127.57	13,305.41	4.53
Loans, advances, deposits, prepayments and other receivables	2,004.67	(44.55)	3,615.29	20.98
Short term investment	-	-	-	-
Cash and bank balances	24,753.65	105.40	12,051.28	48.36
	132,905.98	28.67	103,294.57	5.42
STATEMENT OF PROFIT OR LOSS				
Net Sales	261,983.82	105.11	127,730.41	6.60
Cost of sales	(243,305.57)	86.73	(130,298.90)	4.24
Gross profit/ (loss)	18,678.25	827.21	(2,568.49)	(50.42)
Administration expenses	866.87	13.02	767.01	(5.19)
Distribution cost	76.84	47.23	52.19	8.66
Other charges	1,191.64	14,052.49	8.42	(35.77)
	(2,135.35)	158.01	(827.62)	(4.88)
Other income	2,002.94	58.31	1,265.18	(54.50)
Impairment reversal/(loss) on financial asset	35.55	(91.34)	410.60	(218.15)
Operating profit/ (loss)	18,581.39	1,180.11	(1,720.33)	(52.44)
Finance cost	(3,294.00)	417.45	(636.58)	(40.15)
Profit/ (loss) before taxation from refinery operations	15,287.39	748.62	(2,356.91)	(49.65)
Taxation	(6,190.68)	6,861.34	91.56	(92.97)
Profit/ (loss) after taxation from refinery operations	9,096.71	501.56	(2,265.35)	(32.97)
Income from non-refinery operations less applicable charges and taxation	834.00	593.32	120.29	(78.31)
Profit/(loss) for the year	9,930.71	562.96	(2,145.06)	(24.07)

2020		2019		2018		2017	
Increase/(Decrease) from last year		Increase/(Decrease) from last year		Increase/(Decrease) from last year		Increase/(Decrease) from last year	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
43,903.09	30.44	33,658.09	(14.40)	39,318.26	(0.16)	39,380.81	100.00
7,720.93	(3.26)	7,981.42	(36.87)	12,642.92	(28.46)	17,672.17	100.00
46,363.17	(25.47)	62,210.13	26.59	49,144.86	43.89	34,153.92	100.00
97,987.19	(5.65)	103,849.64	2.71	101,106.04	10.85	91,206.90	100.00
42,542.75	36.60	31,145.02	(6.30)	33,239.76	(5.99)	35,356.80	100.00
13,264.92	-	13,264.92	-	13,264.92	-	13,264.92	100.00
6,744.71	48.19	4,551.38	238.08	1,346.26	154.67	528.63	100.00
4,431.07	23.91	3,575.96	23.06	2,905.75	32.48	2,193.27	100.00
7,163.86	(28.49)	10,018.66	2.35	9,789.00	71.37	5,712.34	100.00
12,728.44	(43.21)	22,411.91	42.31	15,748.28	47.48	10,678.54	100.00
2,988.46	30.03	2,298.20	22.79	1,871.72	1.60	1,842.29	100.00
-	-	-	(100.00)	985.84	100.00	-	-
8,122.98	(51.02)	16,583.59	(24.46)	21,954.51	1.50	21,630.11	100.00
97,987.19	(5.65)	103,849.64	2.71	101,106.04	10.85	91,206.90	100.00
119,819.44	(32.21)	176,754.54	36.39	129,596.57	27.79	101,411.79	100.00
(124,999.91)	(30.87)	(180,815.67)	38.37	(130,675.23)	34.61	(97,078.92)	100.00
(5,180.47)	27.56	(4,061.13)	276.50	(1,078.66)	(124.89)	4,332.87	100.00
808.98	17.51	688.46	6.72	645.12	8.42	595.02	100.00
48.03	(7.67)	52.02	3.71	50.16	2.26	49.05	100.00
13.11	124.10	5.85	(105.50)	(106.27)	(152.44)	202.66	100.00
(870.12)	16.59	(746.33)	26.71	(589.01)	(30.44)	(846.73)	100.00
2,780.70	0.03	2,779.99	40.58	1,977.48	37.88	1,434.22	100.00
(347.52)	147.03	(140.68)	(100.00)	-	-	-	-
(3,617.41)	66.84	(2,168.15)	(799.83)	309.81	(93.70)	4,920.36	100.00
(1,063.55)	(83.94)	(6,623.68)	126.43	(2,925.30)	131.59	(1,263.14)	100.00
(4,680.96)	(46.76)	(8,791.83)	236.14	(2,615.49)	(171.52)	3,657.22	100.00
1,301.55	(42.17)	2,250.73	40.41	1,602.93	3,706.53	42.11	100.00
(3,379.41)	(48.34)	(6,541.10)	546.00	(1,012.56)	(127.37)	3,699.33	100.00
554.48	(52.03)	1,155.86	(27.37)	1,591.54	(7.16)	1,714.33	100.00
(2,824.93)	(47.54)	(5,385.24)	(1,030.13)	578.98	(89.31)	5,413.66	100.00

Statement of Contribution & Value Addition

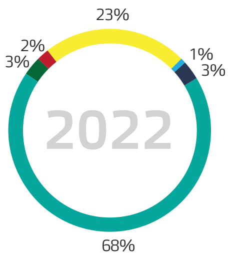
	2022 Rs in million	2021 Rs in million
Value Addition and Distributions		
Employees as Remuneration	1,818	1,548
Government as Taxes	35,564	66,626
Shareholders as dividends*	1,066	-
Foreign Exchange Savings US$ 256 million		
Contribution to National Exchequer		
Government Levies on Petroleum Products	35,564	66,626
Income Tax Paid	943	570
Import/Export Duties	41	47
	36,548	67,243

* The Board has proposed a final cash dividend @ 100% in their meeting held on August 16, 2022.

Financial Highlights

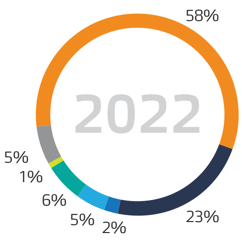
Attock Hospital (Pvt.) Limited

Equities & Liabilities
(In Percentage)



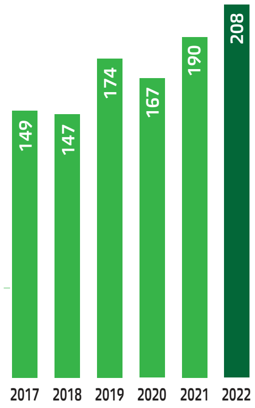
- Paid-up capital
- Reserves
- Accumulated profit
- Deferred grant
- Long term lease payable
- Current liabilities

Fixed Assets & Current Assets
(In Percentage)

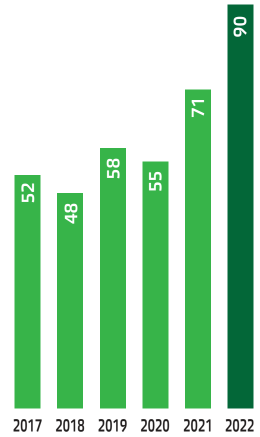


- Cash and bank balances
- Property, plant and equipment
- Stock of medicines and consumable items
- Trade debts
- Deferred taxation
- Prepayment and other receivables
- Income tax refundable

Total Revenue including Other Income
(Rs in million)



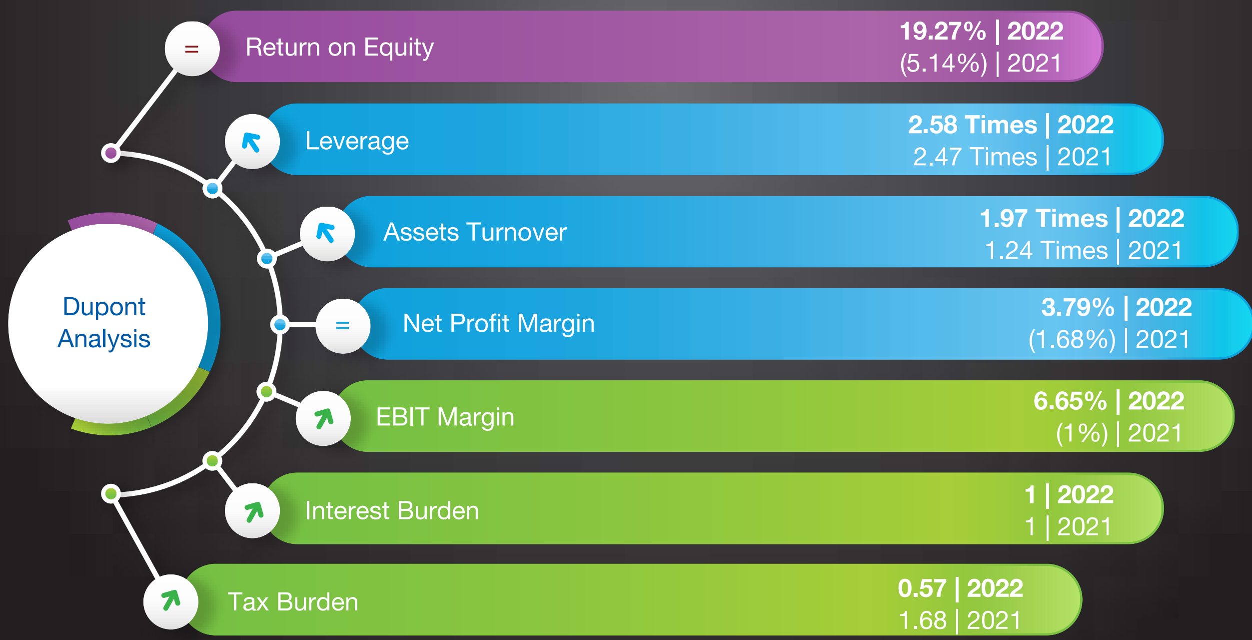
Revenue from Private Patients
(Rs in million)



Dupont Analysis

During the year 2021-22 return on equity improved to 19.27% as compared to negative 5.14% in the last year.

Net profit margin improved as compared to last year due to increase in EBIT margin. Asset turnover increased due to improved sales and overall increase in assets. Moreover Financial leverage increased due to increase in total equity as the Company earned profit during the year.

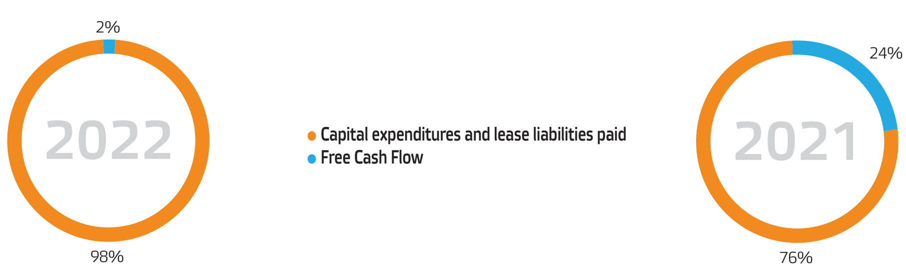


Statement of Free Cash Flow

	2022 Rs '000	2021 Rs '000
Cash flow from operating activities	15,257,097	1,558,657
Less: Capital expenditures and lease liabilities paid	(326,268)	(367,378)
Free Cash Flow	14,930,829	1,191,279

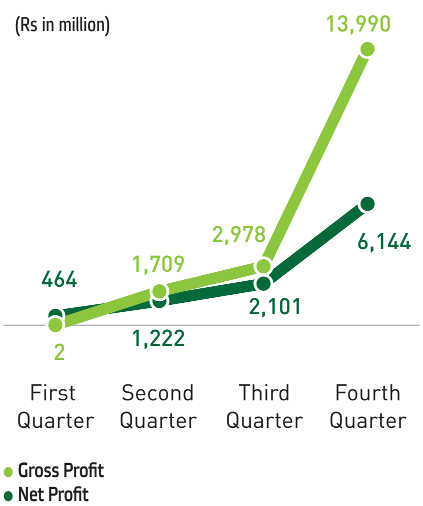
In the year 2022, Free cash flow increased by 1,153% as compared to 2021 mainly due to increase in profitability of the Company.

Composition of Cash Flow From Operations



Analysis of Quarterly Variation
in result of interim reports with the annual financial statements

	First Quarter Rs '000	Second Quarter Rs '000	Third Quarter Rs '000	Fourth Quarter Rs '000	Total Rs '000
Profit & loss items					
Net Sales	45,666,247	54,087,862	66,630,399	95,599,307	261,983,815
Gross profit	1,605	1,708,520	2,977,954	13,990,169	18,678,248
Profit before taxation from refinery operation	68,465	1,451,687	2,485,458	11,281,787	15,287,397
Taxation	(20,814)	(421,577)	(723,499)	(5,024,794)	(6,190,684)
Non-refinery income less applicable charges and taxation	416,615	192,069	338,794	(113,478)	834,000
Net Profit	464,266	1,222,179	2,100,753	6,143,515	9,930,713
Earnings/(loss) per share (Rupees)	4.36	11.46	19.70	57.62	93.14



Sales revenue was higher in the fourth quarter due to higher prices of petroleum products as compared to first quarter of the financial year 2022.

There was an increasing trend of gross & net profit margins in each quarter mainly due to increasing trend of prices of petroleum products alongwith inventory gains on stocks.

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Attock Refinery Limited
Year ended: June 30, 2022

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

1. The total number of directors are eight (8) as per the following:

Gender	Number
Male	8*
Female	Nil

* This includes seven elected directors and one Chief Executive Officer of the Company.

2. The composition of the Board as at June 30, 2022 is as follows:

Category	Name
Independent Directors	Mr. Shamim Ahmad Khan Mr. Tariq Iqbal Khan
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 Director	Mr. M. Adil Khattak *(Chief Executive Officer)*
Female Directors	Nil

A Constitutional Petition was filed by the Company before the Sindh High Court, where in Company has challenged compliance with, inter alia, the provision of regulation 7 of the Code / law relating to appointment of female director. The matter is still pending adjudication. The law officer of Securities and Exchange Commission of Pakistan has also made a statement before the Court that no action contrary to the law would be taken against the Company.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

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 the Act and these Regulations;

7. The 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. In terms of Regulation 19 of the Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Directors Training Program (DTP) by June 30, 2022. Presently, five (5) directors of the Company meet the exemption requirement of the DTP, while two (2) directors have already completed this program. 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. Chief Financial Officer and Chief Executive Officer 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. Tariq Iqbal Khan Mr. Babar Bashir Nawaz (Alternate Director for Mr. Wael G. Pharaon)
HR and Remuneration Committee	Mr. Tariq Iqbal Khan (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 Committee for compliance;

14. The frequency of meetings of the committees were as per following:

Meetings	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2022.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2022.

15. The Board has set up an effective internal audit function who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Please refer paragraph 2 above of the Statement of Compliance. However, fraction (0.33) contained in one-third number for Independent directors has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:

Committee	Reg. No.	Explanation
Nomination Committee: The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	Risk Management Committee (RMC) at the level of the Company's management is already in place which is headed by the CEO. The CEO briefs the Board about the Committee's findings and recommendations for consideration and approval of the Board.

Shuaib A. Malik
Chairman

M. Adil Khattak
Chief Executive Officer

August 16, 2022
Rawalpindi

pwc

A·F·FERGUSON&Co.

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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Refinery Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 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.

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, 2022.

Further, we highlight content of paragraph 2 of the statement where the matter of representation of female director on the Board of Directors of the Company has been explained.

A F Ferguson & Co.

Chartered Accountants
Islamabad
Date: August 26, 2022
UDIN: CR202210083Tvf1xKMPQ

Annual Audited Financial Statements

for the year ended June 30, 2022

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, 2022, and the statement of profit or loss and 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 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, 2022 and of the loss and other comprehensive income, 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.

S. No.	Key audit matters	How the matter was addressed in our audit
1	Investment in Associated company *(Refer note 15 to the financial statements)* The Company has investment in its associated company National Refinery Limited (NRL). As at June 30, 2022, the carrying amount of investment in above referred associated company amounted to Rs 8,047 million which carrying value is higher by Rs 2,998 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. 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 management 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. In view of significant management judgement involved in the estimation of value in use we consider this as a key audit matter.	Our procedures in relation to this matter amongst others included: - Assessed the appropriateness of management's accounting for investment in associated company; - Understood 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; - Made inquiries of the independent external investment advisor and assessed the valuation methodology used; - Checked, on sample basis the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence; - Assessed the reasonableness of cash flow projections, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information; - Checked 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;

- Checked quoted price of investment in NRL as of June 30, 2022 with publicly available stock exchange data; and

- Assessed the adequacy of the Company's disclosures in the financial statements in this respect.

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 recognized in the statement of financial position at each reporting date.

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, 2022, the Company carries a net deferred tax asset of Rs 3,344 million in its statement of financial position.

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 amongst others included:

- Evaluated the appropriateness of components of management's computation including consideration of un-used tax losses and tax credit on investments for which deferred tax assets were recognized;

- Analyzed the requirements of the Income Tax Ordinance, 2001, in relation to above, considering the factors including aging analysis and expiry periods of relevant deductible differences for which deferred tax assets are recognized;

- Considered whether deferred tax balances were calculated using appropriate and substantively enacted tax laws and rates;

- Obtained financial projections from the Company management and assessed the reasonableness of cash flows and taxable profits projections. This include performing audit procedures on assumptions such as growth rate, production patterns, future revenues, and costs, comparing the assumptions to historical results 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; and

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- Assessed the appropriateness of management's accounting for deferred taxes and the appropriateness of related disclosures made in the financial statements.

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.

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: August 26, 2022
UDIN: AR2022100834tFUzN07w

Statement of Financial Position
As at June 30, 2022

	Note	June 30, 2022 Rs '000	June 30, 2021 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital	6	1,500,000	1,500,000
Issued, subscribed and paid-up capital	6	1,066,163	1,066,163
Reserves and surplus	7	25,367,221	15,552,081
Surplus on revaluation of freehold land	13	25,093,419	25,093,419
		51,526,803	41,711,663
NON CURRENT LIABILITIES			
Long term financing	8	2,504,914	5,492,792
Long term lease liability	9	-	126,399
CURRENT LIABILITIES			
Trade and other payables	10	69,643,706	47,206,536
Short term financing	11	2,500,000	3,000,000
Current portion of long term financing	8	2,200,000	2,200,000
Accrued mark-up on long term financing	8	170,966	152,023
Current portion of lease liability	9	157,404	215,832
Accrued mark-up on short term financing		31,146	16,191
Unclaimed dividends		9,254	9,302
Provision for taxation		4,161,784	3,163,835
		78,874,260	55,963,719
TOTAL EQUITY AND LIABILITIES		**132,905,977**	103,294,573
CONTINGENCIES AND COMMITMENTS	12		

	Note	June 30, 2022 Rs '000	June 30, 2021 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	13	36,476,197	39,092,724
Capital work-in-progress	14	843,218	862,679
Major spare parts and stand-by equipments		143,756	150,287
		37,463,171	40,105,690
LONG TERM INVESTMENTS	15	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	16	42,247	40,091
DEFERRED TAXATION	17	3,344,128	7,775,768
CURRENT ASSETS			
Stores, spares and loose tools	18	4,011,455	3,757,215
Stock-in-trade	19	17,742,708	9,378,907
Trade debts	20	30,279,029	13,305,414
Loans, advances, deposits, prepayments			
and other receivables	21	2,004,672	3,615,293
Cash and bank balances	22	24,753,652	12,051,280
		78,791,516	42,108,109
TOTAL ASSETS		**132,905,977**	103,294,573

The annexed notes 1 to 45 form an integral part of these financial statements.

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022 Rs '000	2021 Rs '000
Gross sales	23	305,396,404	192,255,944
Taxes, duties, levies and price differential	24	(43,412,589)	(64,525,537)
Net sales		261,983,815	127,730,407
Cost of sales	25	(243,305,567)	(130,298,894)
Gross profit/(loss)		18,678,248	(2,568,487)
Administration expenses	26	866,868	767,012
Distribution cost	27	76,835	52,184
Other charges	28	1,191,639	8,422
		(2,135,342)	(827,618)
Other income	29	2,002,941	1,265,179
Impairment reversal on financial asset - note 21.2		35,551	410,601
Operating profit/(loss)		18,581,398	(1,720,325)
Finance cost	30	(3,294,001)	(636,584)
Profit/(loss) before taxation from refinery operations		15,287,397	(2,356,909)
Taxation	31	(6,190,684)	91,558
Profit/(loss) after taxation from refinery operations		9,096,713	(2,265,351)
Income from non-refinery operations less			
applicable charges and taxation	32	834,000	120,295
Profit/(loss) for the year		9,930,713	(2,145,056)
Earnings/(Loss) per share - basic and diluted (Rupees)			
Refinery operations		85.32	(21.25)
Non-refinery operations		7.82	1.13
	33	93.14	(20.12)

The annexed notes 1 to 45 form an integral part of these financial statements.

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022

	Note	2022 Rs '000	2021 Rs '000
Profit/(loss) for the year		9,930,713	(2,145,056)
Other comprehensive income/(loss) for the year			
Items that will not be reclassified to statement of profit or loss :			
Remeasurement loss on staff retirement benefit plans	34	(211,374)	(65,312)
Related deferred tax credit		61,299	18,940
Effect of change in rate of tax		34,502	-
Other comprehensive loss for the year - net of tax		(115,573)	(46,372)
Total comprehensive income/(loss) for the year		9,815,140	(2,191,428)

The annexed notes 1 to 45 form an integral part of these financial statements.

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Statement of Changes in Equity

For the year ended June 30, 2022

		Capital reserve			Revenue reserve				
	Share capital	Special reserve for expansion/ modernisation	Utilised special reserve for expansion/ modernisation	Others	Investment reserve	General reserve	Un-appropriated Profit	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance as at July 1, 2020	1,066,163	-	10,962,934	5,948	3,762,775	55	3,011,797	25,093,419	43,903,091
Total comprehensive loss - net of tax									
Loss for the year	-	-	-	-	-	-	(2,145,056)	-	(2,145,056)
Other comprehensive loss for the year	-	-	-	-	-	-	(46,372)	-	(46,372)
	-	-	-	-	-	-	(2,191,428)	-	(2,191,428)
Balance as at June 30, 2021	1,066,163	-	10,962,934	5,948	3,762,775	55	820,369	25,093,419	41,711,663
Total comprehensive income									
Profit for the year	-	-	-	-	-	-	9,930,713	-	9,930,713
Other comprehensive loss for the year	-	-	-	-	-	-	(115,573)	-	(115,573)
	-	-	-	-	-	-	9,815,140	-	9,815,140
Profit from refinery operations transferred from unappropriated profit to special reserve - note 7.1	-	8,950,913	-	-	-	-	(8,950,913)	-	-
Loss from refinery operations transferred from unappropriated profit to special reserve for prior years- note 7.1	-	(8,950,913)	-	-	-	-	8,950,913	-	-
Balance as at June 30, 2022	1,066,163	-	10,962,934	5,948	3,762,775	55	10,635,509	25,093,419	51,526,803

The annexed notes 1 to 45 form an integral part of these financial statements.

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

Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022 Rs '000	2021 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from			
- customers		288,353,563	191,370,268
- others		3,927,861	866,194
		292,281,424	192,236,462
Cash paid for operating costs		(240,517,424)	(123,481,058)
Cash paid to Government for duties, taxes and levies		(35,563,526)	(66,626,248)
Income tax paid		(943,377)	(570,499)
Net cash inflow from operating activities		15,257,097	1,558,657
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(181,687)	(133,896)
Proceeds against disposal of operating assets		22,887	789
Long term loans and deposits		(2,156)	12
Income received on bank deposits		1,092,232	373,352
Dividends received from associated companies		1,134,778	141,524
Net cash generated from investing activities		2,066,054	381,781
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(3,200,000)	-
Repayment of lease liability		(144,581)	(233,482)
Transaction cost on long term financing		(500)	(500)
Finance cost		(753,639)	(782,968)
Dividends paid to the Company's shareholders		(48)	(54)
Net cash outflow from financing activities		(4,098,768)	(1,017,004)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		13,224,383	923,434
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		9,051,280	8,122,982
Effects of exchange rate changes on cash and cash equivalents		(22,011)	4,864
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	42	22,253,652	9,051,280

The annexed notes 1 to 45 form an integral part of these financial statements.

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2022

1. LEGAL STATUS AND OPERATIONS

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

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

2. STATEMENT OF COMPLIANCE

These are the 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.

3. NEW AND REVISED STANDARDS AND INTERPETATIONS

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, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 41	Agriculture (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruements (Amendments)	January 1, 2022
IFRS 16	Leases (Amendments)	January 1, 2022

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.

Further, the following 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 17 Insurance Contracts

The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12 Service concession arrangements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 4.7, 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.

4.2 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.

4.3 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 34 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.

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.

Cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the net liability/(asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

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.The assumptions used vary for the different plans and they are determined by independent actuary annually.

(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.

4.4 Employee compensated absences

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

4.5 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.

The Company recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

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.

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.

Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

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.

4.6 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.

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

Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses. 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.

Revaluation

Revaluation of freehold land are based on periodic, but atleast triennial, valuation by external independent valuer. 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 or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases 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.

The Company carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Company's free hold land is assessed by management based on independent valuation performed by an external property valuation expert as at year end after every three years. For valuation of free hold land, the current market prices are used which requires significant judgment as to estimating the revalued amount in terms of property size, location and layout etc.

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 13.1. Further, the Company reviews the carrying value of assets for impairment, if any, on each reporting.

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.

Research and development expenditure

Research expenditure and development expenditure that do not meet the capitalization criteria are recognised as expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

Gains and losses on disposal

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

4.8 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 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. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels, for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. 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.

4.9 Long term investments

4.9.1 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.

4.9.2 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.

4.10 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.

4.11 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.

4.12 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 affect 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. Accordingly, the transaction price of the regulated products are determined in accordance with the directives issued by the Government of Pakistan. Whereas, the transaction prices of deregulated products are agreed under the contract with customer.

No element of financing is deemed present as the sales are made with a credit term of 15-30 days, which is consistent with the market practice.

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.

4.13 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.

4.14 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.

4.15 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 losses 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

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; and

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 statement of other comprehensive income (OCI). 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.

(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
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
- Cash and bank balances

General approach for loans, advances, deposits, prepayments and other receivables and cash and bank balances
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, 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). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

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.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees;
- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event;
- the company for economic or contractual reasons relating to the borrower's financial difficulty, have granted to the borrower a concession(s) that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties; if applicable.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that

the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company). Irrespective of the above analysis, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more 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.

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.

4.16 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 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 Chief Financial Officer of the Company 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.

4.17 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.

4.18 Finance income

Finance income comprises interest income on funds invested, dividend income, gain on disposal 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.

4.19 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.

4.20 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.

The management exercises judgement in measuring and recognizing the exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

4.21 Dividends and appropriation to general reserve

Dividends and appropriation to general reserves are recognised in the financial statements in the period in which these are approved.

4.22 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.

4.23 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. Considering that the sale of Company's petroleum products are subject to similar economic characteristics and the Board of Directors view the Company's operations as one operating segment. Accordingly, the management has determind that the company has a single reportable segment.

4.24 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.

4.25 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.

4.26 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 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.

4.27 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.

4.28 Contract liabilities

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 10.2.

4.29 Lease liability and right-of-use asset

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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

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

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

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

The Company has leased office for administrative purpose and the lease period for this lease is 3 years. The Company has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less as low value leases. The payments associated with such leases are recognized in statement of profit or loss when incurred.

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Company which incorporates economic, potential demand of customers and economic changes.

5. 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 - notes 4.7 and 13.2

ii) Contingencies - notes 4.20 and 12

iii) Estimated useful life, residual value and depreciation method of operating assets - notes 4.7 and 13.1

iv) Taxation - notes 4.5 and 31

v) Employees defined benefit plans - notes 4.3 and 34

vi) Movement in loss allowances - notes 4.15 and 21.2

vii) Right of use asset and lease liability - notes 4.29, 9 and 13.5

viii) Long term investments - notes 4.9 and15

6. SHARE CAPITAL

6.1 Authorised capital

2022 Number of shares	2021 Number of shares		2022 Rs '000	2021 Rs '000
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000	1,500,000

6.2 Issued, subscribed and paid-up capital

2022 Number of shares	2021 Number of shares	Ordinary shares of Rupees 10 each	2022 Rs '000	2021 Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
98,616,250	98,616,250	Shares issued as fully paid bonus shares	986,163	986,163
106,616,250	106,616,250		1,066,163	1,066,163

The parent company, The Attock Oil Company Limited held 65,095,630 (2021: 65,095,630) ordinary shares and the associated company, Attock Petroleum Limited held 1,790,000 (2021: 1,790,000) ordinary shares at the year end.

6.3 Ordinary Shares

Ordinary Shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

		2022 Rs '000	2021 Rs '000
7.	**RESERVES AND SURPLUS**		
	Capital reserve		
	Special reserve for expansion/modernisation - note 7.1	-	-
	Utilised special reserve for expansion/modernisation - note 7.2	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 7.3	3,762,775	3,762,775
	General reserve	55	55
	Unappropriated profit - net	10,635,509	820,369
		14,398,339	4,583,199
		25,367,221	15,552,081

7.1 Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy- Petroleum Division (the Ministry) as amended from time to time, the refineries 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.

7.2 Represents amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/mordernisation till June 30, 2022 is Rs 29,175.30 million (2021: Rs 29,143.58 million) including Rs 18,212.37 million (2021: Rs 18,180.65 million) spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

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

		2022 Rs '000	2021 Rs '000
8.	**LONG TERM FINANCING - secured**		
	From banking companies		
	Syndicated Term Finance - note 8.1	3,686,620	5,942,295
	Musharaka Finance - note 8.2	1,206,630	1,944,913
		4,893,250	7,887,208
	Less: Unamortized transaction cost on financing:		
	Balance at beginning of the year	42,393	67,420
	Addition during the year	500	500
	Amortization for the year	(25,523)	(25,527)
	Balance at end of the year	17,370	42,393
		4,875,880	7,844,815
	Current portion of long term financing - note 8.4	(2,200,000)	(2,200,000)
		2,675,880	5,644,815
	Mark-up payable shown as current liability	(170,966)	(152,023)
		2,504,914	5,492,792

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

8.2 Under the Islamic mode of financing, 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 the Bank's share in Musharaka Assets A is nil % (2021: nil %) while its share in Musharaka Assets B is 18.48% (2021: 35.37%) respectively. Whereas, the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2021: 100 %) while its share in Musharaka Assets B is 81.52% (2021: 64.63%) respectively. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

8.3 The facilities referred to in notes 8.1 and 8.2 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%. Further, for certain covenants the Bank has relaxaed/waived the related requirements.

8.4 The Company has been in compliance with the repayment terms of the financing agreements. Further, in addition to the scheduled repayment of principal amount of loan, the Company, during the year, has also repaid an amount of Rs 1,000 million towards the principal amount outstanding in respect of facilities referred to in paragraphs 8.1 and 8.2.

		2022 Rs '000	2021 Rs '000
9.	**LONG TERM LEASE LIABILITY**		
	Balance at beginning of the year	342,231	321,640
	Additions during the year	-	227,070
	Deletions during the year - note 9.1	(120,889)	-
	Lease finance charges	75,200	27,004
	Lease rentals paid	(144,581)	(233,483)
	Remeasurement in lease liability	5,443	-
	Balance at end of the year	157,404	342,231
	Current portion of long term lease liability	(157,404)	(215,832)
		-	126,399

9.1 During the year, the Company terminated its arrangement in respect of tanks leased in Karachi for storage of Naphtha.

		2022 Rs '000	2021 Rs '000
10.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 10.1	38,977,126	26,847,266
	Due to The Attock Oil Company Limited - Holding Company	152,191	229,625
	Due to Attock Hospital (Private) Limited - Subsidiary Company	-	571
	Due to Associated Companies		
	Pakistan Oilfields Limited	4,499,352	2,681,791
	National Refinery Limited	565	-
	Accrued liabilities and provisions - note 10.1	5,623,541	4,787,800
	Due to the Government under pricing formula	9,335,438	4,058,933
	Custom duty payable to the Government	9,087,842	5,245,223
	Sales tax payable	1,317,767	2,501,329
	Contract liabilities/advance payments from customers - note 10.2	123,847	193,073
	Payable to statutory authorities in respect of petroleum		
	development levy and excise duty	-	483,247
	Workers' Profit Participation Fund - note 10.3	82,215	-
	ARL Gratuity Fund	177,435	114,277
	Staff Pension Fund	140,709	-
	Crude oil freight adjustable through inland freight		
	equalisation margin	122,235	59,958
	Deposits from customers adjustable against freight		
	and Government levies payable on their behalf	376	376
	Security deposits - note 10.4	3,067	3,067
		69,643,706	47,206,536

10.1 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 4,297.95 million (2021: Rs 3,950.27 million).

10.2 Contract liabilities/advance payments from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note 4.12 is satisfied.

	2022 Rs '000	2021 Rs '000
Balance at beginning of the year	193,073	501,777
Advance received during the year	6,891,051	6,795,838
Revenue recognized during the year	(6,960,277)	(7,104,542)
Balance at end of the year	123,847	193,073

During the year, the entire opening balance has been transferred to revenue.

	2022 Rs '000	2021 Rs '000
10.3 Workers' Profit Participation Fund		
Balance at begining of the year	-	-
Amount paid to the Fund	(740,000)	-
Amount allocated for the year - note 28	822,215	-
Balance at end of the year	82,215	-

10.4 These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. The amount in this respect has been kept in separate bank account.

11. SHORT TERM FINANCING

The Company has obtained short term financing from a bank for an amount of Rs 3,000 million (2021: Rs 3,000 million) to finance its working capital requirements. This facility is secured by ranking hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company. The rate of mark-up on short term financing facility is 3 months KIBOR plus 0.08% p.a. which is payable on quarterly basis. The outstanding amount for the drawdowns made by the Company against the said facility as of reporting date was Rs 2,500 million (2021: Rs 3,000 million).

	2022 Rs '000	2021 Rs '000
12. CONTINGENCIES AND COMMITMENTS		
Contingencies:		
i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to the higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014, in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing the imports against submission of bank guarantees and restraining customs authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/claimable government levies.	1,326,706	1,326,706

On November 10, 2020, the Court referred the case to Customs authorities with the instruction not to encash the bank guarantees without giving the Company appropriate remedy under the law. In June 2021, the Customs authorities have issued orders granting partial relief for Company's contention. The Company has preferred an appeal before Collector of Appeals in respect of matters not adjudicated per its contention.

		2022 Rs '000	2021 Rs '000
ii)	Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates 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 parties.		
iii)	Claims for land compensation contested by the Company.	5,300	5,300
iv)	Guarantees issued by banks on behalf of the Company [other than (i) above].	408	-
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 25.1, the amount of which can not be presently quantified.		
vi)	In March 2018, Mela and Nashpa Crude Oil Sale Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA. In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2012 to 2018. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of account. The matter is pending for adjudication.	2,484,098	2,484,098
vii)	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016. The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.	4,345,274	3,092,485

	2022 Rs '000	2021 Rs '000
viii) In October 2021, the Honorable Supreme Court of Pakistan rejected Company's appeal relating to levy of sales tax on supply of Mineral Turpentine Oil during the period July 1994 to June 1996. In this respect, the Company has filed a review petition with the Honorable Supreme Court of Pakistan which is currently pending for adjudication. Further to the orders of the Honorable Supreme Court, the DCIR raised the sales tax demand for principal along with default surcharge and penalty and issued a refund order adjusting the cumulative prior income tax refunds of the Company against the aforesaid demand. Being aggrieved, in relation to the defualt surcharge and penalty, the Company has preferred an appeal before CIR(A) wherein the CIR(A) has remanded the case back to DCIR. Whilst the Company had deposited the principal amount of sales tax involved but is contesting before the Honorable Islamabad High Court, the alleged levy of default surcharge and penalty for an amount of Rs 155.05 million in this matter along the coercive adjustment thereof against Company's income tax refunds. In addition, the Company is also contesting before the Commissioner Inland Revenue (Appeals), the matter relating to short determination of refund due to the Company by an amount of Rs 501.53 million.		
ix) During the year, the Commissioner Inland Revenue (CIR) issued order in respect of sales tax for the periods July 2018 to June 2019, alleging the Company on various issues including suppression of sales and raised a demand of Rs 8,147 million and Rs 407 million in respect of sales tax and penalty respectively. Being aggrieved the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide the appellate order dated May 31, 2022 upheld the demand of Rs 740 million and remanded the case back on other issues. Pursuant to the aforementioned demand, on June 15, 2022, the Department recovered an amount of Rs 1,077 million (including the related penalty and default surcharge). The Company has filed writ petition against the aforesaid recovery from the company's bank account before the Islamabad High Court which is pending for adjudication. The management of the Company, along its legal advisor, believe that the recovery proceedings conducted by the Department were illegal, mala fide and are liable to be set aside. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 21 to financial statements.		
Commitments:		
i) Capital expenditure	73,471	40,970
ii) Letters of credit and other contracts for purchase of store items	455,773	34,431

	2022 Rs '000	2021 Rs '000
13. PROPERTY, PLANT AND EQUIPMENT		
Operating assets		
Owned assets - note 13.1	36,308,937	38,707,929
Right of use asset (ROU) - note 13.5	167,260	384,795
	36,476,197	39,092,724

13.1 Owned Assets

	Freehold land (note 13.2)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rs '000			
As at July 01, 2020							
Cost or valuation	25,147,641	249,469	29,554,460	85,735	167,376	187,421	55,392,102
Accumulated depreciation	-	(140,025)	(13,867,916)	(67,648)	(104,172)	(135,954)	(14,315,715)
Net book value	25,147,641	109,444	15,686,544	18,087	63,204	51,467	41,076,387
Year ended June 30, 2021							
Opening net book value	25,147,641	109,444	15,686,544	18,087	63,204	51,467	41,076,387
Additions	-	3,596	234,418	836	221	-	239,071
Disposals							
Cost	-	-	(145)	(83)	(3,345)	(6,603)	(10,176)
Accumulated depreciation	-	-	145	83	3,279	6,548	10,055
	-	-	-	-	(66)	(55)	(121)
Depreciation charge	-	(9,682)	(2,556,940)	(7,352)	(12,223)	(21,211)	(2,607,408)
Closing net book value	25,147,641	103,358	13,364,022	11,571	51,136	30,201	38,707,929
As at June 30, 2021							
Cost or valuation	25,147,641	253,065	29,788,733	86,488	164,252	180,818	55,620,997
Accumulated depreciation	-	(149,707)	(16,424,711)	(74,917)	(113,116)	(150,617)	(16,913,068)
Net book value	25,147,641	103,358	13,364,022	11,571	51,136	30,201	38,707,929
Year ended June 30, 2022							
Opening net book value	25,147,641	103,358	13,364,022	11,571	51,136	30,201	38,707,929
Additions	-	4,364	173,903	6,306	3,115	19,991	207,679
Disposals							
Cost	-	-	(20,549)	(2,085)	(3,152)	(7,725)	(33,511)
Accumulated depreciation	-	-	20,541	2,085	3,051	7,725	33,402
	-	-	(8)	-	(101)	-	(109)
Depreciation charge	-	(9,182)	(2,562,395)	(5,750)	(12,387)	(16,848)	(2,606,562)
Closing net book value	25,147,641	98,540	10,975,522	12,127	41,763	33,344	36,308,937
As at June 30, 2022							
Cost or valuation	25,147,641	257,429	29,942,087	90,709	164,215	193,084	55,795,165
Accumulated depreciation	-	(158,889)	(18,966,565)	(78,582)	(122,452)	(159,740)	(19,486,228)
Net book value	25,147,641	98,540	10,975,522	12,127	41,763	33,344	36,308,937
Annual rate of							
depreciation (%)	-	5	10	20	10	20	

13.2 Freehold land was revalued in May 2020 and the revaluation surplus of Rs 13,040.84 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 (2021: Rs 54.22 million).

In the event of sale of the freehold land, any balance in the reserve will be transferred to the retained earnings. The surplus on revaluation is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

13.3 Forced sales value of freehold land based on valuation conducted in May 2020 was Rs 20,118.11 million.

13.4 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

		2022 Rs '000	2021 Rs '000
13.5	**Right of use asset - Building**		
	Balance at beginning of the year	384,795	348,225
	Termination of right of use asset	(120,889)	-
	Depreciation for the year	(96,646)	(190,500)
	Remeasurement in lease liability	-	227,070
	Balance at end of the year	167,260	384,795

13.6 The depreciation relating to owned assets and right of use assets for the year has been allocated as follows:

		2022 Rs '000	2021 Rs '000
	Cost of sales - note 25	2,595,538	2,713,055
	Administration expenses - note 26	107,094	84,119
	Distribution cost - note 27	575	735
		2,703,207	2,797,909
14.	**CAPITAL WORK-IN-PROGRESS**		
	Balance at beginning of the year	862,679	979,206
	Additions during the year	159,390	114,650
	Transfer to operating assets		
	- Buildings on freehold land	(4,364)	(3,596)
	- Plant and machinery	(173,781)	(227,581)
	- Furniture, fixtures & equipment	(706)	-
		(178,851)	(231,177)
	Balance at end of the year	843,218	862,679
	Break-up of the closing balance of capital work-in-progress		
	Plant and machinery	842,218	861,679
	Pipeline project	1,000	1,000
		843,218	862,679

	2022		2021	
	% 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 (2021: 19,991,640) fully paid ordinary shares including 3,331,940 (2021: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2022: Rs 5,049 million (June 30, 2021: Rs 10,459 million)				
Attock Petroleum Limited (APL)	21.88	4,463,485	21.88	4,463,485
21,772,965 (2021: 21,772,965) fully paid ordinary shares including 11,272,885 (2021: 11,272,885) bonus shares of Rs 10 each				
Market value as at June 30, 2022: Rs 6,996 million (June 30, 2021: Rs 6,990 million)				
		12,510,120		12,510,120
Unquoted				
Attock Gen Limited (AGL)	30	748,295	30	748,295
7,482,957 (2021: 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 (2021: 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 (2021: 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 The Company has assessed the recoverable amount of the investment in National Refinery Limited based on higher of Value In Use (VIU) and fair value (level 1 in the fair value hirerarchy - qouted market price as at June 30, 2022). VIU is based on a valuation analysis carried out by an external investment advisor engaged by the management. VIU has been assessed on discounted cash flow based valuation methodology which assumes gross profit margin of 5.74% (2021: 2.71%), a terminal growth rate of 4.0% (2021: 4.0%) and weighted average cost of capital of 17.51% (2021: 20.05%).

15.2 Considering the nature of business and financial performance of the associated companies, the management presently do not foresee any material risk associated with the investment in these entities.

		2022 Rs '000	2021 Rs '000
16.	**LONG TERM LOANS AND DEPOSITS**		
	Loans - secured and considered good - note 16.1		
	Employees	48,442	55,563
	Executives	31,878	15,732
		80,320	71,295
	Amounts due within next twelve months shown		
	under current assets - note 21	(52,689)	(46,120)
		27,631	25,175
	Security deposits	14,616	14,916
		42,247	40,091

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 31.88 million (2021: Rs 16.30 million).

		2022 Rs '000	2021 Rs '000
17.	**DEFERRED TAXATION**		
	The balance of deferred tax is in respect of following		
	temporary differences:		
	Accelerated tax depreciation	(1,152,936)	(1,363,264)
	Minimum tax	-	3,273,334
	Unused tax losses	4,029,679	5,409,548
	Alternative corporate tax in excess of minimum tax	-	102,684
	Remeasurement loss on staff retirement benefit plans	284,645	188,844
	Provisions	182,740	164,622
		3,344,128	7,775,768
17.1	**Movement of deferred tax asset**		
	Balance at beginning of the year	7,775,768	6,704,608
	Tax charge recognised in statement of profit or loss	(4,527,441)	1,052,220
	Tax charge recognised in other comprehensive income	95,801	18,940
	Balance at end of the year	3,344,128	7,775,768

17.2 The deferred tax asset has been recognised taking into account the availability of future taxable profits as per business plan of the Company. The existence of future taxable profits sufficient to absorb these losses is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of the Company. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that the Company will be able to achieve the profits projected in the business plan.

		2022 Rs '000	2021 Rs '000
18.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit amounting to		
	Rs 298.84 million; 2021: Rs 261.56 million)	2,990,451	2,742,021
	Spares	1,209,657	1,184,194
	Loose tools	1,172	971
		4,201,280	3,927,186
	Less: Provision for slow moving items - note 18.1	189,825	169,971
		4,011,455	3,757,215
18.1	**Movement in provision for slow moving items**		
	Balance at beginning of the year	169,971	161,549
	Reversal of provision against stores written off	(14,884)	-
	Provision for the year	34,738	8,422
	Balance at end of the year	189,825	169,971
19.	**STOCK-IN-TRADE**		
	Crude oil	3,903,823	2,487,241
	Semi-finished products	4,192,253	2,448,840
	Finished products - note 19.2	9,646,632	4,442,826
		17,742,708	9,378,907

19.1 Stock-in-trade include stocks carried at net realisable value of Rs 6,637.72 million (2021: Rs 5,845.80 million). Adjustments amounting to Rs 1,752.79 million (2021: Rs 379.61 million) have been made to closing inventory to write down stocks to their Net Realisable Value (NRV). The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

		2022 Rs '000	2021 Rs '000
19.2	This includes Naphtha stock held by third parties		
	At National Refinery Limited	-	100,360

20. TRADE DEBTS - unsecured and considered good

20.1 Trade debts include amount receivable from an associated company Attock Petroleum Limited of Rs 15,838.27 million (2021: Rs 7,833.75 million).

Age analysis of trade debts from associated company, past due but not impaired is as follows;

	2022 Rs '000	2021 Rs '000
0 to 6 months	15,838,265	4,862,065
6 to 12 months	-	2,525,337
Above 12 months	-	446,351
	15,838,265	7,833,753

20.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs 16,422.81 million (2021: Rs 14,173.75 million).

		2022 Rs '000	2021 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	30,903	34,562
	Executives	21,786	11,558
		52,689	46,120
	Advances		
	Suppliers	57,112	36,983
	Employees	11,098	7,559
		68,210	44,542
		120,899	90,662
	Deposits and prepayments		
	Trade deposits	286	286
	Short term prepayments	132,035	125,369
		132,321	125,655
	Other receivables - considered good		
	Due from Subsidiary Company		
	Attock Hospital (Private) Limited	1,330	-
	Due from associated companies		
	Attock Information Technology Services (Private) Limited	838	444
	Attock Petroleum Limited	589,563	3,653,123
	Attock Leisure and Management Associates (Private) Limited	94	50
	Attock Gen Limited	538	1,961
	National Cleaner Production Centre Foundation	679	611
	National Refinery Limited	-	10,912
	Attock Sahara Foundation	32	-
	Attock Energy (Private) Limited	39	9
	Capgas (Private) Limited	87	51
	Income accrued on bank deposits	116,073	26,616
	Receivable from statutory authorities in respect of petroleum development levy and excise duty	6,365	-
	Staff Pension Fund	-	16,688
	Sales tax forcely recovered - note 12 (ix)	1,076,579	-
	Other receivables	250,430	15,257
		2,042,647	3,725,722
	Loss allowance - note 21.2	(291,195)	(326,746)
		2,004,672	3,615,293

21.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 593.20 million (2021: Rs 4,040.87 million).

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

		2022 Rs '000	2021 Rs '000
	0 to 6 months	194,861	797,997
	6 to 12 months	94,084	1,308,760
	Above 12 months	304,255	1,560,405
		593,200	3,667,162
21.2	**Movement in loss allowances**		
	Balance at beginning of the year	326,746	737,347
	Impairment reversal on financial asset - net	(35,551)	(410,601)
	Balance at end of the year	291,195	326,746

Loss allowance calculation is based on lifetime expected credit losses.

This includes loss allowance on amount due from associated Company Attock Petroleum Limited of Rs 57.22 million (2021: Rs 326.75 million)

		2022 Rs '000	2021 Rs '000
22.	**CASH AND BANK BALANCES**		
	Cash in hand (including US $ 2,153; 2021: US $ 7,393)	1,822	2,321
	With banks:		
	Local currency		
	Current accounts	9,170	8,024
	Deposit accounts - note 22.1, 22.2 and 22.3	11,741,314	6,894,581
	Savings accounts	12,906,282	5,073,295
	Foreign currency		
	Saving accounts (US $ 464,182; 2021: US $ 463,573)	95,064	73,059
		24,753,652	12,051,280

22.1 Deposit accounts include Rs 4,241.31 million (2021: Rs 3,894.58 million) placed in a 90-days interest-bearing account consequent to directives of the Ministry of Energy - Petroleum Division on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 10.1.

22.2 Balances with banks include Rs 7,500 million (2021: Rs 3,000 million) in respect of deposits placed in 30-days interest-bearing account.

22.3 Bank deposits of Rs 1,327.11 million (2021: Rs 1,326.71 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

22.4 Balances with banks include Rs 3.07 million (2021: Rs 3.07 million) in respect of security deposits received from customers etc.

22.5 Interest/mark-up earned on balances with banks ranged between 5.50% to 18.00% (2021: 5.50% to 8.00%) with weighted average rate of 9.97% (2021: 6.85%) per annum.

		2022 Rs '000	2021 Rs '000
23.	**GROSS SALES**		
	Local sales	303,167,945	191,383,038
	Naphtha export sales	1,731,233	894,767
	Reimbursement due from the Government under import		
	parity pricing formula/Price differential claim - note 23.1	497,226	(21,861)
		305,396,404	192,255,944

23.1 This represents amount due to/from the Government of Pakistan (GoP) on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

		2022 Rs '000	2021 Rs '000
24.	**TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**		
	Sales tax	19,448,134	27,714,063
	Petroleum development levy	8,450,116	31,263,847
	Custom duties and other levies - note 24.1	11,375,408	4,531,797
	PMG RON differential - note 24.2	1,780,458	893,255
	HSD Euro-V price differential - note 24.3	1,175,525	122,575
	HSD Premium differential - note 24.4	1,182,948	-
		43,412,589	64,525,537

24.1 This includes Rs 11,375.27 million (2021: Rs 4,531.54 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

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

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

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

		2022 Rs '000	2021 Rs '000
25.	**COST OF SALES**		
	Opening stock of semi-finished products	2,448,840	1,809,951
	Crude oil consumed - note 25.1	231,743,467	119,710,027
	Transportation and handling charges	145,734	70,559
	Salaries, wages and other benefits - note 25.2	1,279,525	1,088,539
	Printing and stationery	2,068	2,377
	Chemicals consumed	5,245,728	3,177,428
	Fuel and power	8,057,220	4,200,991
	Rent, rates and taxes	16,877	15,173
	Telephone	2,373	2,401
	Professional charges for technical services	10,249	1,592
	Insurance	427,427	322,846
	Repairs and maintenance (including stores and spares consumed Rs 257.51 million; 2021: Rs 333.36 million)	425,262	428,087
	Staff transport and traveling	17,549	16,724
	Cost of receptacles	21,865	21,836
	Research and development	222	15,288
	Depreciation - note 13.6	2,595,538	2,713,055
	Security charges	26,620	25,829
	Contract services	235,062	209,293
		252,701,626	133,831,996
	Closing stock of semi-finished products	(4,192,253)	(2,448,840)
		248,509,373	131,383,156
	Opening stock of finished products	4,442,826	3,358,564
	Closing stock of finished products	(9,646,632)	(4,442,826)
		(5,203,806)	(1,084,262)
		243,305,567	130,298,894

		2022 Rs '000	2021 Rs '000
25.1	**Crude oil consumed**		
	Stock at beginning of the year	2,487,241	1,995,340
	Purchases	233,160,049	120,201,928
		235,647,290	122,197,268
	Stock at end of the year	(3,903,823)	(2,487,241)
		231,743,467	119,710,027

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.

25.2 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 59.58 million (2021: Rs 46.97 million) and to the Provident Fund for an amount of Rs 39.40 million (2021: Rs 38.17 million).

		2022 Rs '000	2021 Rs '000
26.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 25.2	490,798	418,680
	Board meeting fee	9,794	8,914
	Transport, traveling and entertainment	1,209	14,983
	Telephone	2,958	2,422
	Electricity, gas and water	17,183	13,682
	Printing and stationery	6,077	5,362
	Auditor's remuneration - note 26.1	8,589	15,779
	Legal and professional charges	22,132	32,707
	Repairs and maintenance	96,485	79,246
	Subscription	32,282	30,812
	Publicity	6,302	3,986
	Scholarship scheme	3,360	3,200
	Rent, rates and taxes	12,850	7,979
	Insurance	2,268	2,098
	Donations - note 26.2	540	540
	Training expenses	363	21
	Depreciation - note 13.6	107,094	84,119
	Security charges	-	1,228
	Contract services	46,584	41,254
		866,868	767,012
26.1	**Auditor's remuneration**		
	Annual audit	2,643	2,459
	Review of half yearly financial information, audit of consolidated financial statements, employee funds and special certifications	2,318	2,178
	Tax services	2,992	10,199
	Out of pocket expenses	636	943
		8,589	15,779

26.2 No director or his spouse had any interest in the donee institutions.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2022

		2022 Rs '000	2021 Rs '000
27.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 25.2	45,435	38,694
	Transport, travelling and entertainment	255	572
	Telephone	275	289
	Electricity, gas and water	5,719	3,203
	Printing and stationery	34	73
	Repairs and maintenance including packing and other stores consumed	17,731	2,510
	Rent, rates and taxes	985	943
	Depreciation - note 13.6	575	735
	Contract services	5,826	5,165
		76,835	52,184
28.	**OTHER CHARGES**		
	Provision for slow moving store items	34,738	8,422
	Workers' Profit Participation Fund	822,215	-
	Workers' Welfare Fund	334,686	-
		1,191,639	8,422
29.	**OTHER INCOME**		
	Income from financial assets measured at amortized cost		
	Income on bank deposits	1,181,690	371,901
	Interest on delayed payments	553,631	707,682
		1,735,321	1,079,583
	Income from non - financial assets		
	Income from crude desalter operations - note 29.1	1,702	1,376
	Rental income	113,029	107,683
	Sale of scrap	17,026	17,122
	Profit on disposal of operating assets	22,778	668
	Calibration charges	3,955	4,144
	Handling and service charges	91,688	44,434
	Penalties from carriage contractors	1,561	60
	Miscellaneous - note 29.2	15,881	10,109
		267,620	185,596
		2,002,941	1,265,179
29.1	**Income from crude desalter operations**		
	Income	67,530	69,010
	Less: Operating costs		
	Salaries, wages and other benefits	2,060	2,117
	Chemical consumed	2,564	2,634
	Fuel and power	40,997	42,122
	Repairs and maintenance	20,207	20,761
		65,828	67,634
		1,702	1,376

29.2 This mainly includes income from laboratory testing services.

		2022 Rs '000	2021 Rs '000
30.	**FINANCE COST**		
	Exchange loss/(gain) - net	2,218,642	(216,180)
	Interest on long term financing measured at amortized cost	930,000	786,199
	Interest on short term financing measured at amortized cost	69,369	37,350
	Interest on lease liability measured at amortized cost	75,200	27,004
	Bank and other charges	790	2,211
		3,294,001	636,584
31.	**TAXATION**		
	Current tax	1,663,243	960,662
	Deferred tax	4,527,441	(1,052,220)
		6,190,684	(91,558)
31.1	**Relationship between tax expense and accounting loss (refinery operations)**		
	Accounting profit/(loss) before taxation	15,287,397	(2,356,909)
	Tax at applicable tax rate of 29% (2021: 29%)	4,433,345	(683,504)
	Prior year adjustment		
	Tax effect of income taxable at special rates	(10,508)	11,365
	Effect of change in tax rate	117,599	-
	Deferred tax asset derecognized on minimum tax	-	454,155
	Deferred tax asset derecognized on tax loss	-	126,426
	Effect of super tax	1,645,931	-
	Others	4,317	-
		6,190,684	(91,558)
32.	**INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION**		
	Dividend income from associated companies		
	National Refinery Limited	199,916	-
	Attock Petroleum Limited	860,032	141,524
	Attock Gen Limited	74,830	-
		1,134,778	141,524
	Less: Workers' Welfare Fund	(22,696)	-
	Taxation - current	(278,082)	(21,229)
		834,000	120,295
32.1	**Relationship between tax expense and accounting income (non-refinery operations)**		
	Accounting profit before taxation	1,112,082	141,524
	Tax at applicable tax rate of 29% (2021: 29%)	322,504	41,042
	Effect of inadmissible expenses	6,582	-
	Tax effect of income taxable at special rates	(51,004)	(19,813)
		278,082	21,229

		2022 Rs '000	2021 Rs '000
33.	**EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED**		
	Profit/(loss) after taxation from refinery operations	9,096,713	(2,265,351)
	Income from non-refinery operations less applicable charges and taxation	834,000	120,295
		9,930,713	(2,145,056)
	Weighted average number of fully paid ordinary shares ('000)	106,616	106,616
	Earnings/(loss) per share - Basic and diluted (Rs)		
	Refinery operations	85.32	(21.25)
	Non-refinery operations	7.82	1.13
	Earning/(loss) per share	93.14	(20.12)

34. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2022 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2022	2021	2022	2021
		Rs '000		Rs '000	
a)	**The amounts recognised in the statement of financial position:**				
	Present value of defined benefit obligations	1,340,018	1,108,023	609,965	555,913
	Fair value of plan assets	(1,199,309)	(1,124,711)	(432,530)	(441,636)
	Net liability/(surplus)	140,709	(16,688)	177,435	114,277
b)	**The amounts recognised in the statement of profit or loss:**				
	Current service cost	25,883	22,210	24,103	21,177
	Net interest (income)/cost	(1,591)	(494)	11,189	4,078
		24,292	21,716	35,292	25,255
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation at beginning of the year	1,108,023	1,049,391	555,913	568,171
	Current service cost	25,883	22,210	24,103	21,177
	Interest cost	110,751	88,945	52,130	45,435
	Benefits paid	(57,913)	(53,290)	(76,529)	(128,189)
	Benefits payable to outgoing member	(358)	-	(2,085)	(15,959)
	Remeasurement loss/(gain) on defined benefit obligation	153,632	767	56,433	65,278
	Present value of defined benefit obligation at end of the year	1,340,018	1,108,023	609,965	555,913

		Funded pension		Funded gratuity	
		2022	2021	2022	2021
		Rs '000		Rs '000	
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets at beginning of the year	1,124,711	1,063,744	441,636	520,636
	Expected return on plan assets	112,342	89,441	40,941	41,356
	Contributions	21,917	19,461	28,486	28,414
	Benefits paid	(57,913)	(53,290)	(76,529)	(128,189)
	Benefits payable to outgoing member	(358)	-	(2,085)	(15,959)
	Remeasurement gain/(loss) on plan assets	(1,390)	5,355	81	(4,622)
	Fair value of plan assets at end of the year	1,199,309	1,124,711	432,530	441,636

The company expects to contribute Rs 109.5 million during the year ending June 30, 2023 to its defined benefit pension and gratuity plans.

		Funded pension		Funded gratuity	
		2022	2021	2022	2021
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	111,845	116,000	6	5
	Investment in mutual funds	11,372	14,259	3,791	4,753
	Debt instruments	1,258,650	1,152,212	439,201	203,043
	Deposits with banks	26,540	38,326	36,237	278,317
	Others	457	417	-	-
	Share of asset of related parties	(209,555)	(196,503)	(46,705)	(44,482)
		1,199,309	1,124,711	432,530	441,636

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	
		2022	2021	2022	2021
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/gain on obligation				
	(Loss)/gain due to change in:				
	Financial assumptions	(24,092)	(10,295)	(877)	(364)
	Experience adjustments	(129,540)	9,528	(55,556)	(64,914)
		(153,632)	(767)	(56,433)	(65,278)
	Remeasurement gain/(loss) on plan assets	(1,390)	5,355	81	(4,622)
		(155,022)	4,588	(56,352)	(69,900)

	Funded pension		Funded gratuity	
	2022	2021	2022	2021
	Rs '000		Rs '000	
h) Principal actuarial assumptions used in the actuarial valuation are as follows:				
Discount rate	13.25%	10.00%	13.25%	10.00%
Expected return on plan assets	13.25%	10.00%	13.25%	10.00%
Future salary increases	12.25%	9.00%	12.25%	9.00%
Future pension increases	7.25%	4.00%	N/A	N/A
Demographic assumptions				
Rates of employee turnover	4.6% - 14%	4.6% - 14%	4.6% - 14%	4.6% - 14%
Mortality rates	SLIC (2001 -05) - 1	SLIC (2001 -05) - 1	SLIC (2001 -05) - 1	SLIC (2001 -05) - 1

i) 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.

	Funded pension		Funded gratuity	
	Effect of 1 percent increase	Effect of 1 percent decrease	Effect of 1 percent increase	Effect of 1 percent decrease
	Rs '000		Rs '000	
Discount rate	1,191,324	1,517,952	582,072	641,173
Future salary growth	1,388,144	1,293,525	641,173	581,598
Pension increase	1,469,514	1,225,247	N/A	N/A

If the life expectancy increase/decreases by 1 year, the impact on defined benefit obligation would be Rs 12.430 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.

j) Projected benefit payments from fund are as follows:

	Pension	Gratuity
	Rs '000	
FY 2023	32,196	121,463
FY 2024	72,718	197,632
FY 2025	84,013	52,942
FY 2026	94,166	78,720
FY 2027	106,796	61,784
FY 2028-32	748,855	405,533

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

Plan duration	Pension	Gratuity
	Years	
June 30, 2022	11.10	4.57
June 30, 2021	11.31	4.46

l) 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.

m) The Company faces following risks on account of defined benefit plans;

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what the group has assumed. Since, the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility/investment risk: 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. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans bond holdings.

Risk of insufficiency of assets: This is managed by making regular contribution to the fund as advised by the actuary.

35. DEFINED CONTRIBUTION PLAN

Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act 2017, and applicable rules for the purpose.

36. OPERATING SEGMENTS

These 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:

	2022 Rs '000	2021 Rs '000
High speed diesel	103,939,471	68,476,922
Premier Motor Gasoline	116,244,396	76,619,065
Furnace fuel oil	45,530,127	25,349,517
Jet petroleum	25,823,376	11,107,291
Naphtha	1,731,233	894,767
Others	12,127,801	9,808,382
	305,396,404	192,255,944
Less: Taxes, duties, levies and price differential	43,412,589	64,525,537
	261,983,815	127,730,407

Revenue from four major customers of the Company constitute 94% (2021: 92%) of total revenue during the year.

37. RELATED PARTY TRANSACTIONS

37.1 Attock Oil Company Limited holds 61.06% (2021: 61.06%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of 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 38 to the financial statements.

	2022 Rs '000	2021 Rs '000
Associated Companies		
Pakistan Oilfields Limited (POL)		
Rental income	1,704	1,718
Rental expense	2,908	2,885
Sale of goods	8,687	-
Sale of Regulated Petroleum Products	228,705	214,345
Purchase of crude oil	28,337,768	13,485,781
Purchase of gas	9,862	10,159
Pipeline Charges	2,952	3,193
Reimbursement of expenses incurred by POL on behalf of the Company	1,058	1,927
Reimbursement of expenses incurred by the Company on behalf POL	11,634	15,645
LPG Handling Charges	497	897
Attock Petroleum Limited (APL)		
Rental income	1,732	1,521
Interest Income on delayed payments	553,631	707,682
Dividend received by the Company from APL	860,032	141,524
Sale of goods	12,352	-
Sale of services	89	-
Sale of Regulated Petroleum Products	66,606,343	30,828,943
Sale of De-Regulated Petroleum Products	29,098,579	15,728,715
Purchase of Regulated Petroleum Products	33,335	5,752
Purchase of lube oil	3,027	-
Naphtha export	23,769	12,525
Reimbursement of expenses incurred by the Company on behalf APL	13,068	16,219
Reimbursement of expenses incurred by APL on behalf the Company	251	-
RFO Handling Charges	74,351	35,062
National Refinery Limited (NRL)		
Dividend received by the Company from NRL	199,916	-
Naphtha Storage Charges	-	120,704
Purchase of Services	17,191	-
Reimbursement of expenses incurred by the Company on behalf of NRL	184	-
Attock Cement Pakistan Limited (ACPL)		
Reimbursement of expenses incurred by ACL on behalf of the Company	184	-

	2022 Rs '000	2021 Rs '000
Attock Gen Limited (AGL)		
Storage tank lease income	24,526	22,307
Land lease income	38,661	34,620
Dividend received by the Company from AGL	74,830	-
Sale of Regulated Petroleum Products	1,564	1,009
Sale of goods	21,496	22,516
Sale of Services	378	-
Reimbursement of expenses incurred by the Company on behalf of AGL	18,948	16,234
National Cleaner Production Centre Foundation (NCPC)		
Rental income	3,328	2,959
Sale of goods and services	17,398	-
Sale of Regulated Petroleum Products	198	109
Purchase of services	3,459	4,307
Reimbursement of expenses incurred by the Company on behalf NCPC	16,483	18,745
Attock Information Technology Services (Private) Limited (AITSL)		
Purchase of services	55,153	52,526
Purchase of goods	4,370	-
Sale of Regulated Petroleum Products	575	378
Reimbursement of expenses incurred by the Company on behalf AITSL	2,020	3,906
Attock Leisure and Management Associates (Private) Limited (ALMA)		
Sale of Regulated Petroleum Products	473	281
Reimbursement of expenses incurred by the Company on behalf ALMA	18	75
Attock Sahara Foundation (ASF)		
Rental income	150	152
Purchase of goods	12,402	13,664
Sale of goods	220	-
Sponsorship	1,111	405
Reimbursement of expenses incurred by the Company on behalf ASF	1,046	436
Attock Energy (Private) Limited (AEPL)		
Reimbursement of expenses incurred by the Company on behalf of AEPL	313	415
Sale of goods and services	263	11
Capgas Private Limited		
Sale of Regulated Petroleum Products	969	398
Reimbursement of expenses incurred by the Company on behalf of Capgas	31	9
Holding Company		
Attock Oil Company Limited (AOC)		
Rental income	295	281
Rental expense	161,726	120,322
Purchase of crude oil	826,302	440,769
Sale of Regulated Petroleum Products	476	717
Sale of goods	5,250	-
Reimbursement of expenses incurred by AOC on behalf of the Company	2,581	19,059
Reimbursement of expenses incurred by the Company on behalf AOC	2,340	17,501

	2022 Rs '000	2021 Rs '000
Subsidiary Company		
The Attock Hospital (Private) Limited (AHL)		
Rental income	1,457	1,348
Purchase of services	79,070	82,081
Sale of services	11,222	-
Sale of Regulated Petroleum Products	409	161
Reimbursement of expenses incurred by the Company on behalf AHL	12,982	16,606
Other related parties		
Remuneration including benefits and perquisites of		
Chief Executive Officer and key management personnel	114,637	115,080
Directors Fees	9,794	8,914
Contribution to staff retirement benefit plans		
Staff Pension Fund	21,917	19,461
Staff Gratuity Fund	28,486	28,414
Staff Provident Fund	39,404	38,174
Contribution to Workers' Profit Participation Fund	822,215	-

37.2 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	Holding Company	61.06%
	(Incorporated in UK - Pakistan Branch Office)		
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	Group Company	Nil
7	Attock Cement Pakistan Limited	Group Company	Nil
8	National Cleaner Production Centre Foundation	Group Company	Nil
9	Attock Leisure & Management Associates		
	(Private) Limited	Group Company	Nil
10	Attock Energy (Private) Limited	Group Company	Nil
11	Capgas (Private) Limited	Group Company	Nil
12	Attock Hospital (Private) Limited	Wholly owned Subsidiary	100.00%

37.3 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
Country of incorporation	England
Basis of association	Parent company
Aggregate %age of shareholding	61.06%

38. 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	
	2022 Rs '000	2021 Rs '000	2022 Rs '000	2021 Rs '000
Managerial remuneration/honorarium	13,181	10,973	169,809	126,859
Bonus	3,407	3,245	32,061	25,817
Company's contribution to Provident,				
Pension and Gratuity Funds	-	-	36,597	26,189
Housing and utilities	8,663	7,423	130,141	92,960
Leave passage	1,703	1,530	16,115	11,258
	26,954	23,171	384,723	283,083
Less: charged to Attock Gen Limited	8,086	6,951	-	-
	18,868	16,220	384,723	283,083
No of person(s)	1	1	78	56

38.1 In addition to above, the Chief Executive Officer and 18 (2021: 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 16 (2021: 13) executives. Leave passage is paid to Chief Executive Officer and all executives in accordance with the terms of employment.

38.2 Further, based on actual attendance, meeting fee of Rs 6.99 million (2021: Rs 6.37 million) was paid to 5 (2021: 5) Non-Executive Directors, Rs 1.40 million (2021: Rs 1.27 million) to Chief Executive Officer and Rs 1.40 million (2021: Rs 1.27 million) to 1 (2021: 1) alternate directors of the Company.

	2022 Rs '000	2021 Rs '000
39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT		
39.1 Financial assets and liabilities		
Financial assets classified as amortised cost:		
Maturity upto one year		
Trade debts	30,279,029	13,305,414
Loans, advances, deposits & other receivables	1,804,427	3,452,940
Cash and bank balances		
Foreign currency - US $	95,505	74,224
Local currency	24,658,147	11,977,056
Maturity after one year		
Long term loans and deposits	42,247	40,091
	56,879,355	28,849,725
Financial liabilities classified as amortised cost:		
Maturity upto one year		
Trade and other payables	49,378,453	34,724,731
Unclaimed dividends	9,254	9,302
Long term financing	2,200,000	2,200,000
Short term financing	2,500,000	3,000,000
Long term lease liability	157,404	215,832
Accrued mark-up on long term financing	170,966	152,023
Accrued mark-up on short term financing	31,146	16,191
Maturity after one year		
Long term financing	2,504,914	5,492,792
Long term lease liability	-	126,399
	56,952,137	45,937,270

39.2 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	2022 Rs '000	2021 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	8,717,849	3,168,625
Counterparties without external credit rating			
Due from associated companies		15,838,265	7,833,753
Others *		5,722,915	2,303,036
		30,279,029	13,305,414
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		1,846,674	3,493,031
Bank balances			
Counterparties with external credit rating	A 1+	24,751,251	12,017,290
	A 1	579	31,669
		24,751,830	12,048,959

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

39.3 Financial risk management

39.3.1 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 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. The maximum exposure to credit risk at reporting date was:

	2022 Rs '000	2021 Rs '000
Trade debts	30,279,029	13,305,414
Loans, advances, deposits & other receivables	1,804,427	3,452,940
Cash and bank balances	24,753,652	12,051,280
Long term loans and deposits	42,247	40,091
	56,879,355	28,849,725

Geographically, there is no concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date are with local OMCs within the Country. As at June 30, 2022 more than 90% of the receivable pertains to major four OMCs with whom the Company has regular sales. There is no history of defaults with these customers and the management regularly monitors their credit quality based on individual credit ratings available for each listed customer.

At June 30, 2022, trade debts of Rs 30,279.03 million (2021: Rs 13,305.41 million) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2022 Rs '000	2021 Rs '000
0 to 6 months	30,279,029	10,333,726
6 to 12 months	-	2,525,337
Above 12 months	-	446,351
	30,279,029	13,305,414

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 analyses 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	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2022				
Long term financing	4,875,880	5,550,926	2,816,414	2,734,512
Accrued Interest	170,966	170,966	170,966	-
Lease liability	157,404	157,404	157,404	-
Trade and other payables	49,378,453	49,378,453	49,378,453	-
Short term financing	2,500,000	2,500,000	2,500,000	-
Unclaimed dividends	9,254	9,254	9,254	-
At June 30, 2021				
Long term financing	7,844,815	9,223,089	2,843,376	6,379,713
Accrued Interest	152,023	152,023	152,023	-
Lease liability	342,231	434,254	287,298	146,956
Trade and other payables	34,724,731	34,724,731	34,724,731	-
Short term financing	3,000,000	3,000,000	3,000,000	-
Unclaimed dividends	9,302	9,302	9,302	-

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 96 million (2021: Rs 74 million) and financial liabilities include Rs 4,105 million (2021: Rs 3,191 million) which were subject to currency risk.

	2022	2021
Rupees per USD		
Average rate	178.00	160.72
Reporting date rate	205.30	157.60

Sensitivity analysis

At June 30, 2022, 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 285 million (2021: Rs 221 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 24,743 million (2021: Rs 12,041 million) and Rs 8,948 million (2021: Rs 11,588 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, 2022, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 112 million (2021: profit Rs 3 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.

39.3.2 Capital risk management

The objective of 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.

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.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. In addition, the Company also monitors its gearing ratio, which as at the year end is as follows: "

	2022 Rs '000	2021 Rs '000
Long term financing	4,704,914	7,692,792
Accrued mark-up	170,966	152,023
Lease liabilities	157,404	342,231
Trade and other payables	69,643,706	47,206,536
Short term financing	2,500,000	3,000,000
Cash and cash equivalents	(24,753,652)	(12,051,280)
Net debt	52,423,338	46,342,302
Issued, subscribed and paid-up capital	1,066,163	1,066,163
Capital reserve	10,968,882	10,968,882
Revenue reserve	14,398,339	4,583,199
Total capital	26,433,384	16,618,244
Capital and net debt	78,856,722	62,960,546
Gearing ratio	66%	74%

Reconciliation of movement of liabilities to cash flow arising from financing activities

	Long term financing (including accrued markup)	Lease liability	Unclaimed dividends	Accrued mark-up on short term financing	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance at July 1, 2021	7,844,815	342,231	9,302	16,191	8,212,539
Cash flow movement	(3,898,935)	(144,581)	(48)	(55,204)	(4,098,768)
Other non-cash movements	930,000	(40,246)	-	70,159	959,913
Balance at June 30, 2022	4,875,880	157,404	9,254	31,146	5,073,684
Balance at July 1, 2020	7,818,713	321,640	9,356	-	8,149,709
Repayments	(760,097)	(233,482)	(54)	(23,371)	(1,017,004)
Other cash movements	-	254,073	-	-	254,073
Other non-cash movements	786,199	-	-	39,562	825,761
Balance at June 30, 2021	7,844,815	342,231	9,302	16,191	8,212,539

39.4 Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

39.5 Fair value of financial assets and liabilities

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

40. 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, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. The different levels have been defined as follows:

- **Level 1**
  Quoted prices (unadjusted) in active market for identical assets/liabilities.
- **Level 2**
  Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3**
  Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Fair value of land has been determined using level 2 fair values under following valuation technique.

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 and a slight change in the estimated price per square foot of the land would result in a significant increase in the fair value of the freehold land.

There has been no change to the valuation technique during the year.

		2022 Rs '000	2021 Rs '000
41.	**CASH GENERATED FROM OPERATIONS**		
	Profit/(Loss) before taxation	15,287,397	(2,356,909)
	Adjustments for:		
	Depreciation	2,703,207	2,797,909
	Gain on disposal of property, plant and equipment	(22,778)	(668)
	Provision for slow moving, obsolete and in transit stores	34,738	8,422
	Workers' Welfare Fund	822,215	-
	Workers' Profit Participation Fund	334,686	-
	Interest income	(1,181,690)	(371,901)
	Finance cost (net)	3,294,001	636,584
	Effect of exchange rate changes	22,011	(4,864)
	Interest on delayed payments	(553,631)	(707,682)
	Impairment losses on financial asset	(35,551)	(410,601)
		20,704,605	(409,710)
	Working capital changes		
	(Increase)/decrease in current assets:		
	Stores, spares and loose tools	(288,978)	665,436
	Stock-in-trade	(8,363,801)	(2,215,052)
	Trade debts	(17,042,841)	(885,676)
	Loans, advances, deposits, prepayments and other receivables	76,063	706,183
		(25,619,557)	(1,729,109)
	Increase in current liabilities:		
	Trade and other payables	21,855,426	4,267,975
	Cash generated from operations		
	Payments of WPPF	(740,000)	-
	Income taxes paid	(943,377)	(570,499)
	Net cash generated from operating activities	15,257,097	1,558,657
42.	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the statement of		
	Cash and bank balances	24,753,652	12,051,280
	Short term financing	(2,500,000)	(3,000,000)
		22,253,652	9,051,280

43. 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 8		
ii)	Security deposits	Non-interest bearing		
iii)	Segment revenue	Disclosed in note 36		
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		
			2022 Rs '000	**2021 Rs '000**
v)	Bank balances	Placed under interest arrangement	24,742,207	12,012,286
		Placed under Shariah permissible arrangement	9,623	36,673
			24,751,830	12,048,959
vi)	Income on bank deposits including income accrued as at reporting date	Placed under interest arrangement	1,179,937	370,183
		Placed under Shariah permissible arrangement	1,753	1,718
			1,181,690	371,901
vii)	Interest paid including accrued as at reporting date	Under interest arrangement	700,670	592,330
		Under Shariah permissible arrangement	229,330	193,869
			930,000	786,199
viii)	All sources of other income	Disclosed in note 29		
ix)	Dividend income	Disclosed in note 32		
x)	Exchange gain	Earned from actual currency		

Disclosures other than above are not applicable to the Company.

44. GENERAL

44.1 The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. However, as a result of steps taken by the Authorities, the businesses have substantially resumed with corresponding positive impact on demand of petroleum products. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

44.2 Capacity and production

Against the designed annual refining capacity of US barrels 18.690 million (2021: 18.690 million) the actual throughput during the year was US barrels 14.717 million (2021: 14.382 million). The plant's operational capacity was maintained 79% during the year to achieve production of an optimal product mix.

	2022	2021
44.3 Number of employees		
Number of employees at June 30		
Permanent	525	474
Contract	305	353
	830	827
Average number of employees for the year		
Permanent	474	499
Contract	352	348
	826	847

44.4 Unavailed credit facilities

The Company has entered into an arrangement with banks for obtaining Letter of Credit and Letter of Guarantee facility to import chemical, spare parts and other materials upto a maximum of Rs 3,178.00 million (2021: Rs 3,178.00 million). The facility is secured against lien on shipping documents. The unavailed facility at June 30, 2022 was Rs 1,383.74 million (2021: Rs 1,804.53 million). The facilities will expire on various dates after June 30, 2022 and the management is confident that the same would be renewed/extended if needed.

44.5 Reclassification

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

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

The Board of Directors in its meeting held on August 16, 2022 has proposed a cash dividend for the year ended June 30, 2022 @ Rs 10/- per share, amounting to Rs 1,066,163 thousand for approval of the members in the Annual General Meeting to be held on September 20, 2022.

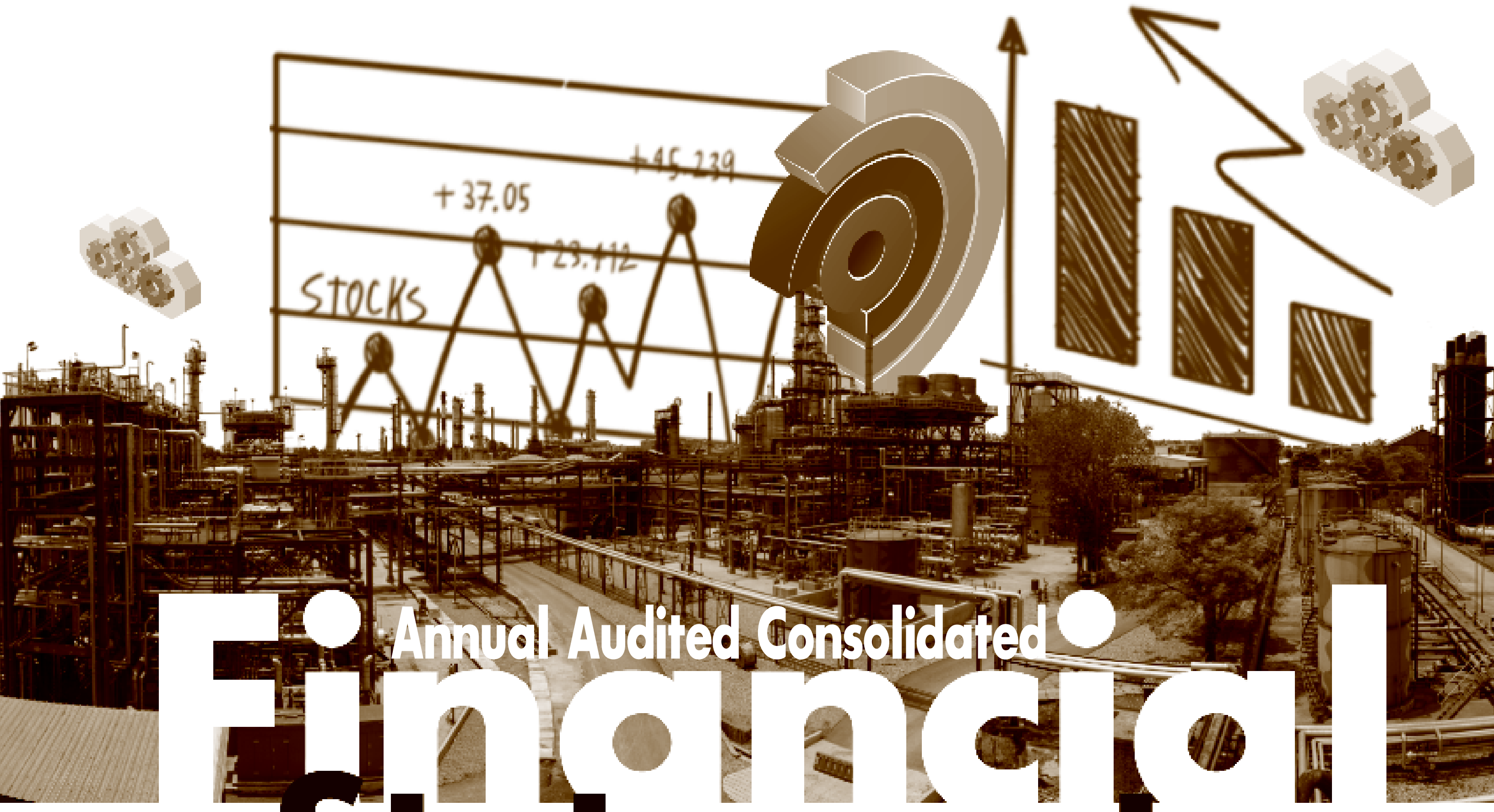
44.7 Rounding off

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

45. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on Augsut 16, 2022.

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



Annual Audited Consolidated Financial Statements

for the year ended June 30, 2022

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, and its subsidiary, Attock Hospital (Private) Limited (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, 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, 2022 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.	**Investment in associated companies** (Refer note 16 to the consolidated financial statements) The Group has investment in its associated companies National Refinery Limited (NRL) and Attock Petroleum Limited (APL). As at June 30, 2022, the carrying amount of investment in above referred associated companies amounted to Rs 10,536 million (net of recognized impairment loss of Rs 5,791 million) and Rs 11,459 million respectively, which carrying values are higher by Rs 5,487 million and Rs 4,463 million respectively in relation to the quoted market value of their respective shares. The Group carries out impairment assessment at each reporting period end of the value of investment where there are indicators of impairment. The Group has assessed the recoverable amount of the investment in associated companies based on the higher of the value-in-use ("VIU") and fair value (quoted market price as at June 30, 2022). VIU is based on valuation analysis carried out by an independent external investment advisor engaged by the management for NRL and by the management's expert for APL. VIU is 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.	Our audit procedures in relation to assessment of carrying value of investment in associated companies, amongst others, included the following: • Assessed the appropriateness of management's accounting for investment in associated companies; • Understood management's process for identifying the existence of impairment indicators in respect of investment in associated companies; • Evaluated the independent external investment advisor's and management expert's competence, capabilities and objectivity; • Made inquiries of the independent external investment advisor/ management expert and assessed the valuation methodology used; • Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor and the management's expert, to supporting evidence; • Assessed the reasonableness of cash flow projections, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information;

S. No.	Key audit matters	How the matter was addressed in our audit
	In view of significant management judgement involved in the determination of recoverable value i.e. higher of VIU and fair value, we considered this as a key audit matter.	• Checked mathematical accuracy of cash flows projections; • Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions; • Checked quoted price of investment in NRL and APL as of June 30, 2022 with publicly available stock exchange data; and • Assessed the adequacy of the Group's disclosures in the consolidated financial statements in this respect.
2.	**Review of recoverability of deferred tax asset**	
	(Refer note 18 of the financial statements) Under International Accounting Standard 12, Income Taxes, the Group is required to review recoverability of the deferred tax assets recognized in the statement of financial position at each reporting date. Recognition of deferred tax asset position involved managements' estimate of the future available taxable profits of the Group 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.	Our procedures in relation to this matter amongst others included: • Evaluated the appropriateness of components of management's computation including consideration of un-used tax losses and tax credit on investments for which deferred tax assets were recognized; • Analyzed the requirements of the Income Tax Ordinance, 2001, in relation to above, considering the factors including aging analysis and expiry periods of relevant deductible differences for which deferred tax assets are recognized; • Considered whether deferred tax balances were calculated using appropriate and substantively enacted tax laws and rates;

S. No.	Key audit matters	How the matter was addressed in our audit
	As at June 30, 2022, the Group carries a net deferred tax asset of Rs 1,582 million in its statement of financial position. We considered this as key audit matter due to significant value of deferred tax asset and assumptions used by management in this area.	• Obtained financial projections from the Group management and assessed the reasonableness of cash flows and taxable profits projections. This included performing audit procedures on assumptions such as growth rate, production patterns, future revenues, and costs, comparing the assumptions to historical results 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; and • Assessed the appropriateness of management's accounting for deferred taxes and the appropriateness of related disclosures made in the financial statements.

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 report 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, 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.

A.F.Ferguson&Co.

Chartered Accountants
Islamabad
Date: August 26, 2022
UDIN: AR202210083FRpNd3f0b

Consolidated Statement of Financial Position
As at June 30, 2022

	Note	June 30, 2022 Rs '000	June 30, 2021 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital	6	1,500,000	1,500,000
Issued, subscribed and paid-up capital	6	1,066,163	1,066,163
Reserves and surplus	7	36,562,969	23,761,583
Surplus on revaluation of freehold land	14	25,093,419	25,093,419
		62,722,551	49,921,165
NON CURRENT LIABILITIES			
Long term financing	8	2,504,914	5,492,792
Long term lease liability	9	-	126,399
Deferred grant	10	4,534	5,204
CURRENT LIABILITIES			
Trade and other payables	11	69,671,582	47,226,654
Short term financing	12	2,500,000	3,000,000
Current portion of long term financing	8	2,200,000	2,200,000
Accrued mark-up on long term financing	8	170,966	152,023
Current portion of lease liability	9	157,404	215,832
Accrued mark-up on short term financing		31,146	16,191
Unclaimed dividends		9,254	9,302
Provision for taxation		4,161,784	3,163,835
		78,902,136	55,983,837
TOTAL EQUITY AND LIABILITIES		144,134,135	111,529,397
CONTINGENCIES AND COMMITMENTS	13		

	Note	June 30, 2022 Rs '000	June 30, 2021 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	14	36,505,927	39,118,611
Capital work-in-progress	15	843,218	862,679
Major spares parts and stand-by equipment		143,756	150,287
		37,492,901	40,131,577
LONG TERM INVESTMENTS	16	26,124,703	22,199,744
LONG TERM LOANS AND DEPOSITS	17	43,281	41,031
DEFERRED TAXATION	18	1,581,557	6,963,147
CURRENT ASSETS			
Stores, spares and loose tools	19	4,011,455	3,757,215
Stock-in-trade	20	17,745,969	9,381,522
Trade debts	21	30,279,029	13,305,509
Loans, advances, deposits, prepayments			
and other receivables	22	2,016,610	3,644,242
Cash and bank balances	23	24,838,630	12,105,410
		78,891,693	42,193,898
TOTAL ASSETS		144,134,135	111,529,397

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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

Consolidated Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022 Rs '000	2021 Rs '000
Gross sales	24	305,519,808	192,361,466
Taxes, duties, levies and price differential	25	(43,412,589)	(64,525,537)
Net sales		262,107,219	127,835,929
Cost of sales	26	(243,305,567)	(130,298,894)
Gross profit/(loss)		18,801,652	(2,462,965)
Administration expenses	27	948,292	830,100
Distribution cost	28	76,835	52,184
Other charges	29	1,192,534	9,283
		(2,217,661)	(891,567)
Other income	30	2,007,926	1,267,111
Impairment reversal on financial asset - note 22.2		35,551	410,601
Operating profit/(loss)		18,627,468	(1,676,820)
Finance cost	31	(3,294,017)	(636,584)
Profit/(loss) before taxation from refinery operations		15,333,451	(2,313,404)
Taxation	32	(6,204,040)	78,942
Profit/(loss) after taxation from refinery operations		9,129,411	(2,234,462)
Profit after taxation from non-refinery operations			
Impairment (loss)/reversal on investment in an associated company	16	(1,981,825)	1,625,412
Share in profit of associated companies	34	5,804,652	1,676,892
		3,822,827	3,302,304
Profit for the year		12,952,238	1,067,842
Earnings/(loss) per share - basic and diluted (Rupees)			
Refinery operations		85.63	(20.96)
Non-refinery operations		35.86	30.97
	35	121.49	10.01

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022

	Note	2022 Rs '000	2021 Rs '000
Profit for the year		12,952,238	1,067,842
Other comprehensive income/(loss) for the year			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement loss on staff retirement benefit plans	36	(233,472)	(52,539)
Related deferred tax credit		67,706	15,236
Effect of change in tax rate		34,502	-
Share of other comprehensive loss of associated companies - net of tax		(21,509)	(4,116)
		(152,773)	(41,419)
Items that will be reclassified to statement of profit or loss			
Change in fair value of long term investment		1,921	(789)
Total comprehensive income for the year		12,801,386	1,025,634

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2022

		Capital reserve				Revenue reserve				
	Share capital	Special reserve for expansion/ modernisation	Utilised special reserve for expansion/ modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Gain/(loss) on revaluation of investment at fair value through OCI	Surplus on revaluation of freehold land	Total
	Rs '000									
Balance at July 1, 2020	1,066,163	-	12,908,966	213,576	155,996	7,077,380	2,376,795	3,236	25,093,419	48,895,531
Total comprehensive income - net of tax										
Profit for the year	-	-	-	-	-	-	1,067,842	-	-	1,067,842
Other comprehensive loss for the year	-	-	-	-	-	-	(41,419)	(789)	-	(42,208)
	-	-	-	-	-	-	1,026,423	(789)	-	1,025,634
Transfer to maintenance reserve by an associated company AGL - note 7.3	-	-	-	1,337	-	-	(1,337)	-	-	-
Balance at June 30, 2021	1,066,163	-	12,908,966	214,913	155,996	7,077,380	3,401,881	2,447	25,093,419	49,921,165
Total comprehensive income - net of tax										
Profit for the year	-	-	-	-	-	-	12,952,238	-	-	12,952,238
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	(152,773)	1,921	-	(150,852)
	-	-	-	-	-	-	12,799,465	1,921	-	12,801,386
Profit from refinery operations transferred from un-appropriated profit to special reserve - note 7.1	-	8,950,913	-	-	-	-	(8,950,913)	-	-	-
Loss from refinery operations transferred from un-appropriated profit to special reserve for prior years	-	(8,950,913)	-	-	-	-	8,950,913	-	-	-
Profit after tax from fuel refinery operations of NRL transferred to special reserve	-	1,463,042	-	-	-	-	(1,463,042)	-	-	-
Accumulated loss of fuel refinery operations of NRL offset against special reserve	-	(1,463,042)	-	-	-	-	1,463,042	-	-	-
Transfer to maintenance reserve by an associated company AGL - note 7.3	-	-	-	3,616	-	-	(3,616)	-	-	-
Balance at June 30, 2022	1,066,163	-	12,908,966	218,529	155,996	7,077,380	16,197,730	4,368	25,093,419	62,722,551

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Consolidated Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022 Rs '000	2021 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from			
- customers		288,555,744	191,555,467
- others		3,927,861	866,194
		292,483,605	192,421,661
Cash paid for operating costs		(240,676,295)	(123,632,954)
Cash paid to Government for duties, taxes and levies		(35,563,526)	(66,626,248)
Income tax paid		(953,280)	(579,881)
Net cash inflows from operating activities		15,290,504	1,582,578
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(189,582)	(141,739)
Proceeds against disposal of operating assets		22,887	789
Long term loans and deposits		(2,251)	(405)
Income received on bank deposits		1,097,678	376,113
Dividends received from the associated companies		1,134,778	141,524
Net cash generated from investing activities		2,063,510	376,282
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(3,200,000)	-
Repayment of lease liability		(144,581)	(233,482)
Transaction cost on long term financing		(500)	(500)
Finance cost		(753,654)	(782,968)
Dividends paid to the Company's shareholders		(48)	(54)
Net cash out flows from financing activities		(4,098,783)	(1,017,004)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		13,255,231	941,856
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		9,105,410	8,158,690
Effect of exchange rate changes on cash and cash equivalent		(22,011)	4,864
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	44	22,338,630	9,105,410

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2022

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, England and its ultimate parent is Coral Holding Limited.

Attock Hospital (Private) Limited (AHL) was incorporated in Pakistan on August 24, 1998 as a private limited company and commenced its operations from September 1, 1998. AHL is engaged in providing medical services. AHL is a wholly owned subsidiary of Attock Refinery Limited. For the purpose of these consolidated financial statements, the Company and its above referred wholly owned subsidiary AHL is referred to as the Group.

2 STATEMENT OF COMPLIANCE

These are the consolidated financial statements of the Group and they 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.

3 NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 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, 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 41	Agriculture (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruements (Amendments)	January 1, 2022
IFRS 16	Leases (Amendments)	January 1, 2022

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.

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 17 Insurance Contracts

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

IFRIC 12 Service concession arrangements

3.2 Standards and amendments to approved accounting standards that are effective

There are certain arrangements and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2021. However, these do not have significant impact on the Group's financial reporting.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 4.8, 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.

4.2 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 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.

4.3 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.

4.4 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 36 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.

Cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employees service during the year and the interest on the net liability/(asset) in respect of employee's service in previous years. Calculations are sensitive to changes in the underlying assumptions.

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. The assumptions used vary for the different plans and they are determined by independent actuary annually.

(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.

4.5 Employee compensated absences

The Group also provides for compensated absences for all employees in accordance with the Group policy.

4.6 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 recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

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.

Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

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.

4.7 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.

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

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.

Revaluation

Revaluation of freehold land are based on periodic, but atleast triennial, valuation by external independent valuer. 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 or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases 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.

The Group carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Group's free hold land is assessed by management based on independent valuation performed by an external property valuation expert as at year end after every three years. For valuation of free hold land, the current market prices are used which requires significant judgment as to estimating the revalued amount in terms of property size, location and layout etc.

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 14.1. The Group reviews the carrying value of assets for impairment, if any, at each reporting date.

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.

Research and development expenditure

Research expenditure and development expenditure that do not meet the capitalization criteria are recognised as expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

Gains and losses on disposal

Gains and losses on deletion of assets are included in income current.

4.9 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 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. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels, for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date. 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.

4.10 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.

4.11 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.

Stock of medicine and consumables is valued at the lower of cost and net reliasable value. Cost is determined on the basis of moving average cost less allowance for obsolete items. Stocks consist of pharmaceuticals that are used in the Company's operations and are not for sale purposes.

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

4.12 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 affect 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. Accordingly, the transaction price of the regulated products are determined in accordance with the directives issued by the Government of Pakistan. Whereas, the transaction prices of deregulated products are agreed under the contract with customer.

ii) Revenue for health care and related streams is recognised when goods are delivered or services are rendered to the extent it is probable that the economic benefits from the transactions will flow to the Company and the revenue can be reliably measured. Revenue is recognised at the fair value if the consideration received or receivables, net of discount and sales related in direct taxes.

No element of financing is deemed present as the sales relating to i) and ii) above, are made with a credit term of 15 - 90 days, which is assessed by the Group as consistent with the market practice.

iii) Income from crude desalter operations, rental income, scrap sales, insurance commission, handling, service income, medical treatment and supplies are recognized on accrual basis.

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.

4.13 Functional and presentation currency

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

4.14 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 consolidated statement of financial position date. Exchange differences are dealt with through the consolidated statement of profit or loss.

4.15 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Group losses 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

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:

(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

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
- Cash and bank balances

General approach for loans, advances, deposits, prepayments and other receivables and cash and bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, 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). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

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.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees;
- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event;
- the company for economic or contractual reasons relating to the borrower's financial difficulty, have granted to the borrower a concession(s) that the Company would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties; if applicable.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company). Irrespective of the above analysis, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more 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.

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.

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.

4.16 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 Group. 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 Group 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 Group 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 Group 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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.

4.21 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.

4.22 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.

The management exercises judgement in measuring and recognizing the exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

4.23 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.

4.24 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.

4.25 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 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.

4.26 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. Considering that the sale of Company's petroleum products are subject to similar economic characteristics and the Board of Directors view the Company's operations as one operating segment. Accordingly, the management has determind that the company has a single reportable segment.

4.27 Contract liabilities

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 11.2.

4.28 Lease liability and right-of-use asset

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

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

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

The Company has leased office for administrative purpose and the lease period for this lease is 3 years. The Company has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less as low value leases. The payments associated with such leases are recognized in statement of profit or loss when incurred.

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

4.29 Loans, advances, deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. The Group assesses on a forward looking basis the expected credit losses associated with the advances, deposits and other receivables. The Group 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 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 Group'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) Surplus on revaluation of freehold land - notes 4.8 and 14.2
ii) Contingencies - notes 4.22 and 13
iii) Estimated useful life, residual value and depreciation method of operating assets - notes 4.8 and 14.1
iv) Taxation - notes 4.6 and 32
v) Employees defined benefit plans - notes 4.4 and 36
vi) Movement in loss allowances - notes 4.15 and 22.2
vii) Right of use asset and lease liability - notes 4.28, 9 and 14.5
viii) Long term investments - note 16

6. SHARE CAPITAL

6.1 Authorised capital

2022 Number of shares	2021 Number of shares		2022 Rs '000	2021 Rs '000
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000	1,500,000

6.2 Issued, subscribed and paid up capital

2022 Number of shares	2021 Number of shares	Ordinary shares of Rupees 10 each	2022 Rs '000	2021 Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
98,616,250	98,616,250	Share issued as fully paid bonus shares	986,163	986,163
106,616,250	106,616,250		1,066,163	1,066,163

The parent company, The Attock Oil Company Limited held 65,095,630 (2021: 65,095,630) ordinary shares and the associated company, Attock Petroleum Limited held 1,790,000 (2021: 1,790,000) ordinary shares at the year end.

6.3 Ordinary Shares

Ordinary Shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

	2022 Rs '000	2021 Rs '000
7 RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 7.1	-	-
Utilised special reserve for expansion/modernisation - note 7.2	10,962,934	10,962,934
Utilised special reserve for expansion/modernisation of		
an associated company	1,946,032	1,946,032
	12,908,966	12,908,966
Maintenance reserve - note 7.3	218,529	214,913
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	146,048
	155,996	155,996
Revenue reserve		
General reserve - note 7.4	7,077,380	7,077,380
Gain on revaluation of investment at fair value through OCI	4,368	2,447
Unappropriated profit	16,197,730	3,401,881
	23,279,478	10,481,708
	36,562,969	23,761,583

7.1 Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy- Petroleum Division (the Ministry) as amended from time to time, the refineries 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 utilised in off setting losses of the refinery from refinery operations.

7.2 Represents amounts utilised out of the Special Reserve for expansion/modernisation of the refinery. The total amount of capital expenditure incurred on Refinery expansion/mordernisation till June 30, 2022 is Rs 29,175.30 million (2021: Rs 29,143.58 million) including Rs 18,212.37 million (2021: Rs 18,180.65 million) spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

7.3 Represents amount retained by Attock Gen Limited for the pusposes of major maintenance expenses as per the terms of the Power Purchase Agreement.

7.4 This mainly represents the Company's share of the general reserve created by NRL.

		2022 Rs '000	2021 Rs '000
8	**LONG TERM FINANCING - secured**		
	From banking companies		
	Syndicated Term Finance - note 8.1	3,686,620	5,942,295
	Musharaka Finance - note 8.2	1,206,630	1,944,913
		4,893,250	7,887,208
	Less: Unamortized transaction cost on financing:		
	Balance at beginning of the year	42,393	67,420
	Addition during the year	500	500
	Amortization for the year	(25,523)	(25,527)
	Balance at end of the year	17,370	42,393
		4,875,880	7,844,815
	Current portion of long term financing - note 8.4	(2,200,000)	(2,200,000)
		2,675,880	5,644,815
	Mark-up payable shown as current liability	(170,966)	(152,023)
		2,504,914	5,492,792

8.1 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.

8.2 Under the Islamic mode of financing, 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 the Bank's share in Musharaka Assets A is nil % (2021: nil %) while its share in Musharaka Assets B is 18.48% (2021: 35.37%) respectively. Whereas, the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2021: 100 %) while its share in Musharaka Assets B is 81.52% (2021: 64.63%) respectively. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

8.3 The facilities referred to in notes 8.1 and 8.2 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%. Further, for certain covenants the Bank has relaxaed/waived the related requirements.

8.4 The Company has been in compliance with the repayment terms of the financing agreements. Further, in addition to the scheduled repayment of principal amount of loan, the Company, during the year, has also repaid an amount of Rs 1,000 million towards the principal amount outstanding in respect of facilities referred to in paragraphs 8.1 and 8.2.

		2022 Rs '000	2021 Rs '000
9	**LONG TERM LEASE LIABILITY**		
	Balance at beginning of the year	342,231	321,640
	Additions during the year	-	227,070
	Deletions during the year - note 9.1	(120,889)	-
	Lease finance charges	75,200	27,004
	Lease rentals paid	(144,581)	(233,483)
	Remeasurement in lease liability	5,443	-
	Balance at end of the year	157,404	342,231
	Current portion of long term lease liability	(157,404)	(215,832)
		-	126,399

9.1 During the year, the Company terminated its arrangement in respect of tanks leased in Karachi for storage of Naphtha.

		2022 Rs '000	2021 Rs '000
10	**DEFERRED GRANT**		
	As at July 1		
	Cost	6,694	6,694
	Accumulated amortization	(1,490)	(821)
	Net book value	5,204	5,873
	Opening book value	5,204	5,873
	Amortization charge for the year	(670)	(669)
		4,534	5,204
	As at June 30		
	Cost	6,694	6,694
	Accumulated amortization	(2,160)	(1,490)
	Net book value	4,534	5,204

		2022 Rs '000	2021 Rs '000
11	**TRADE AND OTHER PAYABLES**		
	Creditors - note 11.1	38,982,646	26,851,751
	Due to The Attock Oil Company Limited - Holding Company	152,174	229,599
	Due to associated companies		
	Pakistan Oilfields Limited	4,495,410	2,678,017
	National Refinery Limited	565	-
	Accrued liabilities and provisions - note 11.1	5,643,454	4,808,532
	Due to the Government under pricing formula	9,335,438	4,058,933
	Custom duty payable to Government	9,087,841	5,245,223
	Contract liabilities/advance payments from customers - note 11.2	123,847	193,073
	Sales tax payable	1,317,767	2,501,329
	Workers' Profit Participation Fund - note 11.3	82,215	-
	ARL Gratuity Fund	180,400	113,329
	Staff Pension Fund	143,927	-
	Crude oil freight adjustable through inland freight		
	equalisation margin	122,235	59,958
	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	-	483,247
	Security deposits - note 11.4	3,287	3,287
		69,671,582	47,226,654

11.1 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 such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 4,297.95 million (2021: Rs 3,950.27 million).

11.2 Contract liabilities/advance payments from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note 4.12 is satisfied.

	2022 Rs '000	2021 Rs '000
Opening balance	193,073	501,777
Advance received during the year	6,891,051	6,795,838
Revenue recognized during the year	(6,960,277)	(7,104,542)
Closing balance	123,847	193,073

During the year, the entire opening balance has been transferred to revenue.

		2022 Rs '000	2021 Rs '000
11.3	**Workers' profit participation fund**		
	Balance at beginning of the year	-	-
	Amount paid to the Fund	(740,000)	-
	Amount allocated for the year - note 29	822,215	-
	Balance at end of the year	82,215	-

11.4 These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. The amount in this respect has been kept in separate bank account.

12 SHORT TERM FINANCING

The Company has obtained short term financing from a bank for an amount of Rs 3,000 million (2021: Rs 3,000 million) to finance its working capital requirements. This facility is secured by ranking hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company. The rate of mark-up on short term financing facility is 3 months KIBOR plus 0.08% p.a. which is payable on quarterly basis. The outstanding amount for the drawdowns made by the Company against the said facility as of reporting date was Rs 2,500 million (2021: Rs 3,000 million).

		2022 Rs '000	2021 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 the higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014, in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing the imports against submission of bank guarantees and restraining customs authorities from charging an increased amount of customs duty/sales tax. Bank guarantees were issued in favour of the Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/claimable government levies. On November 10, 2020 the Court referred the case to Customs authorities with the instruction not to encash the bank guarantees without giving the Company appropriate remedy under the law. In June 2021, the Customs authorities have issued orders granting partial relief for Company's contention. The Company has preferred an appeal before Collector of Appeals in respect of matters not adjudicated per its contention.	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 parties.		
iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	408	-
iv)	Claims for land compensation contested by ARL.	5,300	5,300
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 26.1, the amount of which can not be presently quantified.		

	2022 Rs '000	2021 Rs '000
vi) In March 2018, Mela and Nashpa 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 periods prior to signing of aforementioned COSA. 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.	2,484,098	2,484,098
vii) Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016. The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.	4,345,274	3,092,485
viii) In October 2021, the Honorable Supreme Court of Pakistan rejected Company's appeal relating to levy of sales tax on supply of Mineral Turpentine Oil during the period July 1994 to June 1996. In this respect, the Company has filed a review petition with the Honorable Supreme Court of Pakistan which is currently pending for adjudication. Further to the orders of the Honorable Supreme Court, the DCIR raised the sales tax demand for principal along with default surcharge and penalty and issued a refund order adjusting the cumulative prior income tax refunds of the Company against the aforesaid demand. Being aggrieved, in relation to the defualt surcharge and penalty, the Company has preferred an appeal before CIR(A) wherein the CIR(A) has remanded the case back to DCIR. Whilst the Company had deposited the principal amount of sales tax involved but is contesting before the Honorable Islamabad High Court, the alleged levy of default surcharge and penalty for an amount of Rs 155.05 million in this matter along the coercive adjustment thereof against Company's income tax refunds. In addition, the Company is also contesting before the Commissioner Inland Revenue (Appeals), the matter relating to short determination of refund due to the Company by an amount of Rs 501.53 million.		

	2022 Rs '000	2021 Rs '000
ix) During the year, the Commissioner Inland Revenue (CIR) issued order in respect of sales tax for the periods July 2018 to June 2019, alleging the Company on various issues including suppression of sales and raised a demand of Rs 8,147 million and Rs 407 million in respect of sales tax and penalty respectively. Being aggrieved the Company preferred an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide the appellate order dated May 31, 2022 upheld the demand of Rs 740 million and remanded the case back on other issues. Pursuant to the aforementioned demand, on June 15, 2022, the Department recovered an amount of Rs 1,077 million (including the related penalty and default surcharge) from the Company's bank account. The Company has filed writ petition against the aforesaid recovery before the Islamabad High Court which is pending for adjudication. The management of the Company, along its legal advisor, believe that the recovery proceedings conducted by the Department were illegal, mala fide and are liable to be set aside. Accordingly, being entitled to a refund in respect of the recovered amount, a receivable in this respect has been recognised as disclosed in note 22 to financial statements.		
x) The Company's share in contingencies of associated companies	3,570,805	2,342,842
Commitments:		
i) Capital expenditure	73,471	40,970
ii) Letters of credit and other contracts for purchase of store items	455,773	34,431
iii) The Company's share of commitments of associated companies		
Capital expenditures commitments	533,088	381,141
Outstanding letters of credit	2,153,197	1,790,581

14 PROPERTY, PLANT AND EQUIPMENT

	2022 Rs '000	2021 Rs '000
Operating assets		
Owned assets - note 14.1	36,338,667	38,733,816
Right of use assets (ROU) - note 14.5	167,260	384,795
	36,505,927	39,118,611

14.1 Operating assets

	Freehold land (note 14.2)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rs '000			
As at July 1, 2020							
Cost or valuation	25,147,641	249,469	29,588,889	87,918	172,313	187,421	55,433,651
Accumulated depreciation	-	(140,025)	(13,883,773)	(68,839)	(107,047)	(135,955)	(14,335,639)
Net book value	25,147,641	109,444	15,705,116	19,079	65,266	51,466	41,098,012
Year ended June 30, 2021							
Opening net book value	25,147,641	109,444	15,705,116	19,079	65,266	51,466	41,098,012
Additions	-	3,596	238,209	836	4,274	-	246,915
Disposals							
Cost	-	-	(145)	(83)	(3,345)	(6,603)	(10,176)
Depreciation	-	-	145	83	3,279	6,548	10,055
	-	-	-	-	(66)	(55)	(121)
Depreciation charge	-	(9,682)	(2,559,799)	(7,578)	(12,720)	(21,211)	(2,610,990)
Closing net book value	25,147,641	103,358	13,383,526	12,337	56,754	30,200	38,733,816
As at June 30, 2021							
Cost or valuation	25,147,641	253,065	29,826,953	88,671	173,242	180,818	55,670,390
Accumulated depreciation	-	(149,707)	(16,443,427)	(76,334)	(116,488)	(150,618)	(16,936,574)
Net book value	25,147,641	103,358	13,383,526	12,337	56,754	30,200	38,733,816
Year ended June 30, 2022							
Opening net book value	25,147,641	103,358	13,383,526	12,337	56,754	30,200	38,733,816
Additions	-	4,364	180,593	6,969	3,656	19,991	215,573
Disposals							
Cost	-	-	(20,549)	(2,085)	(3,152)	(7,725)	(33,511)
Depreciation	-	-	20,541	2,085	3,051	7,725	33,402
	-	-	(8)	-	(101)	-	(109)
Depreciation charge	-	(9,182)	(2,565,471)	(6,017)	(13,095)	(16,848)	(2,610,613)
Closing net book value	25,147,641	98,540	10,998,640	13,289	47,214	33,343	36,338,667
As at June 30, 2022							
Cost or valuation	25,147,641	257,429	29,986,997	93,555	173,746	193,084	55,852,452
Accumulated depreciation	-	(158,889)	(18,988,357)	(80,266)	(126,532)	(159,741)	(19,513,785)
Net book value	25,147,641	98,540	10,998,640	13,289	47,214	33,343	36,338,667
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

14.2 Freehold land was revalued in May 2020 and the revaluation surplus of Rs 13,040.84 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 (2021: Rs 54.22 million).

In the event of sale of the freehold land, any balance in the reserve will be transferred to the retained earnings. The surplus on revaluation is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

14.3 Forced sales value of freehold land based on valuation conducted in May 2020 was Rs 20,118.11 million.

14.4 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

	2022 Rs '000	2021 Rs '000
14.5 Right of use assets - Buildings		
Balance at beginning of the year	384,795	348,225
Termination of right of use asset	(120,889)	-
Depreciation for the year	(96,646)	(190,500)
Remeasurement in lease liability	-	227,070
Balance at end of the year	167,260	384,795

14.6 The depreciation charge relating to operating assets and right of use assets for the year has been allocated as follows:

	2022 Rs '000	2021 Rs '000
Cost of sales - note 26	2,595,538	2,713,055
Administration expenses - note 27	111,145	87,699
Distribution cost - note 28	575	735
	2,707,258	2,801,489

15 CAPITAL WORK-IN-PROGRESS

	2022 Rs '000	2021 Rs '000
Balance at beginning of the year	862,679	979,206
Additions during the year	159,390	114,650
Transfer to operating assets		
- Buildings on freehold land	4,364	3,596
- Plant and machinery	173,781	227,581
- Furniture, fixtures & equipment	706	-
	(178,851)	(231,177)
Balance at end of the year	843,218	862,679
Break-up of the closing balance of capital work-in-progress		
Plant and machinery	842,218	861,679
Pipeline project	1,000	1,000
	843,218	862,679

		2022 Rs '000	2021 Rs '000
16	**LONG TERM INVESTMENTS**		
	Balance at beginning of the year	22,199,744	18,520,569
	Share of profit of associated companies	7,061,150	2,200,192
	Share in other comprehensive loss	(19,588)	(4,116)
	Dividend received from associated companies	(1,134,778)	(141,524)
	Impairment (charge)/reversal on investment	(1,981,825)	1,625,412
	Others	-	(789)
	Balance at end of the year	26,124,703	22,199,744

		2022		2021	
		% age holding	Rs '000	% age holding	Rs '000
16.1	**Investment in associated companies**				
	Associated companies				
	Quoted				
	National Refinery Limited (NRL) - note 16.3	25	10,535,595	25	10,459,427
	19,991,640 (2021: 19,991,640) fully paid ordinary shares including 3,331,940 (2021: 3,331,940) bonus shares of Rs 10 each				
	Market value at June 30, 2022: Rs 5,049 million (June 30, 2021: Rs 10,459 million)				
	Attock Petroleum Limited (APL) - note 16.4	21.88	11,459,007	21.88	8,347,683
	21,772,966 (2021: 21,772,966) fully paid ordinary shares including 11,272,886 (2021: 11,272,886) bonus shares of Rs 10 each				
	Market value at June 30, 2022: Rs 6,996 million (June 30, 2021: Rs 6,990 million)				
	Unquoted				
	Attock Gen Limited (AGL)	30	4,082,551	30	3,351,893
	7,482,957 (2021: 7,482,957) fully paid ordinary shares of Rs 100 each				
	Attock Information Technology Services (Private) Limited (AITSL)	10	47,550	10	40,741
	450,000 (2021: 450,000) fully paid ordinary shares of Rs 10 each				
			26,124,703		22,199,744

All associated companies are incorporated in Pakistan. Although the Company has less than 20 percent shareholding in AITSL, it has been treated as associate since the Company has representation on its Board of Directors and investment in AITSL has been made under the authority of special resolution. The investment in AITSL was made in accordance with the requirements under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). During the year no new investments in associated companies have been made.

16.2 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.

	National Refinery Limited		Attock Petroleum Limited		Attock Gen Limited		Attock Information Technology Services (Pvt) Limited	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	Rs '000		Rs '000		Rs '000		Rs '000	
Summarised statement of financial position								
Current assets	69,590,902	36,192,216	78,375,032	44,210,980	20,187,281	14,942,053	413,770	359,765
Non- current assets	33,115,406	39,489,300	17,242,096	17,328,126	6,174,232	6,544,237	86,994	75,656
Current liabilities	(61,869,415)	(42,919,804)	(51,685,732)	(31,795,455)	(12,455,488)	(10,000,127)	(18,925)	(22,119)
Non- current liabilities	(1,017,535)	(1,174,325)	(7,346,158)	(7,381,496)	(297,521)	(313,189)	(6,335)	(5,885)
Net assets	39,819,358	31,587,387	36,585,238	22,362,155	13,608,504	11,172,974	475,504	407,417
Reconciliation to carrying amounts:								
Net assets at July 1	31,587,387	29,837,286	22,362,155	18,029,127	11,172,974	8,963,885	407,417	350,877
Profit for the year	9,079,013	1,770,100	18,161,205	4,977,747	2,705,981	2,210,408	68,088	56,540
Other comprehensive income/(loss)	(47,376)	(19,999)	(6,576)	2,244	(21,019)	(1,319)	-	-
Dividends paid	(799,666)	-	(3,931,546)	(646,963)	(249,432)	-	-	-
Net assets at June 30	39,819,358	31,587,387	36,585,238	22,362,155	13,608,504	11,172,974	475,505	407,417
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	9,954,841	7,896,848	8,003,088	4,891,764	4,082,551	3,351,893	47,550	40,741
Excess of purchase consideration over carrying amount at the date of acquisition	6,371,654	6,371,654	3,455,919	3,455,919	-	-	-	-
Proportionate share in carrying value of net assets before impairment	16,326,495	14,268,502	11,459,007	8,347,683	4,082,551	3,351,893	47,550	40,741
Impairment	(5,790,900)	(3,809,075)	-	-	-	-	-	-
Carrying amount of investment	10,535,595	10,459,427	11,459,007	8,347,683	4,082,551	3,351,893	47,550	40,741
Summarised statements of comprehensive income								
Net revenue	251,875,728	139,625,198	370,074,929	188,645,375	20,961,819	7,873,586	161,769	151,297
Profit for the year	9,079,013	1,770,100	18,161,205	4,977,747	2,705,981	2,210,408	68,088	56,540
Other comprehensive income/(loss)	(47,376)	(19,999)	(6,576)	2,244	(21,019)	(1,319)	-	-
Total comprehensive income	9,031,637	1,750,101	18,154,629	4,979,991	2,684,962	2,209,089	68,088	56,540

During the year, dividend received from National Refinery Limited was Rs 200 million (2021: Rs nil), Attock Petroleum Limited was Rs 860 million (2021: Rs 142 million) and Attock Gen Limited was Rs 75 million (2021: Rs nil).

16.3 The carrying value of investment in National Refinery Limited at June 30, 2022 is net of impairment loss of Rs 5,790.9 million (2021: Rs 3,809.1 million). The value of investment in National Refinery Limited (NRL) as at June 30, 2022 is based on lower of carrying value and recoverable amount. The Company has assessed the recoverable amount of the investment in National Refinery Limited based on higher of Value In Use (VIU) and fair value (level 1 in the fair value hirerarchy - qouted market price as at June 30, 2022). VIU is based on a valuation analysis carried out by an external investment advisor engaged by the management. VIU has been assessed on discounted cash flow based valuation methodology which assumes gross profit margin of 5.74% (2021: 2.71%), a terminal growth rate of 4.0% (2021: 4.0%) and weighted average cost of capital of 17.51% (2021: 20.05%).

16.4 Based on a valuation analysis carried out by the management, 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 5.83% (2021:4.46%), a terminal growth rate of 4.0% (2021: 4.0%) and a capital asset pricing model based discount rate of 20.51% (2021: 16.51%).

16.5 Considering the nature of business and financial performance of the associated companies, the management presently do not foresee any material risk associated with the investment in these entities.

		2022 Rs '000	2021 Rs '000
17	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees - considered good - note 17.1		
	Employees	50,212	57,222
	Executives	31,878	15,732
		82,090	72,954
	Amounts due within next twelve months shown		
	under current assets - note 22	(53,425)	(46,839)
		28,665	26,115
	Security deposits	14,616	14,916
		43,281	41,031

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 31.88 million (2021: Rs 16.30 million).

		2022 Rs '000	2021 Rs '000
18	**DEFERRED TAXATION**		
	Temporary differences between accounting and tax base		
	of non-current assets and investment in associated companies	(2,926,692)	(2,180,857)
	Unused tax losses and mininum taxes	4,029,679	8,785,567
	Deferred grant	1,315	1,509
	Remeasurement loss on staff retirement benefit plans	294,515	192,306
	Provisions	182,740	164,622
		1,581,557	6,963,147
18.1	**Movement of deferred tax asset**		
	Balance at beginning of the year	6,963,147	6,398,137
	Tax charge recognised in profit or loss for refinery operations	(4,527,441)	1,051,845
	Tax charge recognised in profit or loss for non-refinery operations	(955,720)	(501,695)
	Tax charge related to subsidiary accounted for separately	(637)	(376)
		(5,483,798)	549,774
	Tax charge recognised in other comprehensive income	102,208	15,236
	Balance at end of the year	1,581,557	6,963,147

18.2 The deferred tax asset has been recognised taking into account the availability of future taxable profits as per business plan of the Group. The existence of future taxable profits sufficient to absorb these losses is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of the Group. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that the Group will be able to achieve the profits projected in the business plan.

		2022 Rs '000	2021 Rs '000
19	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit for an amount of		
	Rs. 298.84 million; 2021: Rs. 261.56 million)	2,990,451	2,742,021
	Spares	1,209,657	1,184,194
	Loose tools	1,172	971
		4,201,280	3,927,186
	Less: Provision for slow moving items - note 19.1	189,825	169,971
		4,011,455	3,757,215
19.1	**Movement in provision for slow moving items**		
	Balances at beginning of the year	169,971	161,549
	Reversal of provision against stores written off	(14,884)	-
	Provision for the year	34,738	8,422
	Balances at end of the year	189,825	169,971
20	**STOCK-IN-TRADE**		
	Crude oil	3,903,823	2,487,241
	Semi-finished products	4,192,253	2,448,840
	Finished products - note 20.2	9,646,632	4,442,826
	Medical supplies	3,261	2,615
		17,745,969	9,381,522

20.1 Stock-in-trade include stocks carried at net realisable value of Rs 6,637.72 million (2021: Rs 5,845.80 million). Adjustments amounting to Rs 1,752.79 million (2021: Rs 379.61 million) have been made to closing inventory to write down stocks to their Net Realisable Value (NRV). The NRV write down is mainly due to decline in the selling prices of certain petroleum products.

		2022 Rs '000	2021 Rs '000
20.2	This includes Naphtha stock held by third parties		
	At National Refinery Limited	-	100,360

21 TRADE DEBTS - unsecured and considered good

21.1 Trade debts include amount receivable from an associated company Attock Petroleum Limited of Rs 15,838.27 million (2021: Rs 7,833.75 million).

	2022 Rs '000	2021 Rs '000
0 to 6 months	15,838,265	4,862,065
6 to 12 months	-	2,525,337
Above 12 months	-	446,351
	15,838,265	7,833,753

21.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs 16,422.81 million (2021: Rs 14,173.75 million).

		2022 Rs '000	2021 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	31,639	35,281
	Executives	21,786	11,558
		53,425	46,839
	Advances		
	Suppliers	57,112	36,983
	Employees	11,398	7,599
		68,510	44,582
		121,935	91,421
	Deposits and prepayments		
	Trade deposits	286	286
	Short term prepayments	132,088	125,418
		132,374	125,704
	Due from associated companies		
	Attock Information Technology Services (Private) Limited	838	444
	Attock Petroleum Limited	592,347	3,654,893
	Attock Leisure and Management Associates (Private) Limited	94	50
	Attock Gen Limited	689	2,047
	Attock Cement Pakistan Limited	7	-
	National Cleaner Production Centre Foundation	689	613
	Attock Energy (Pvt) Limited	39	9
	Capgas (Private) Limited	182	212
	National Refinery Limited	-	10,912
	Attock Sahara Foundation	267	466
	Income accrued on bank deposits	116,073	26,615
	Sales tax forcely recovered - note 13 (ix)	1,076,579	-
	Receivable from statutory authorities in respect of		
	petroleum development levy and excise duty	6,365	-
	Income tax refundable	8,897	11,713
	Staff Pension Fund	-	30,632
	Other receivables	250,430	15,257
		2,053,496	3,753,863
	Loss allowance - note 22.2	(291,195)	(326,746)
		2,016,610	3,644,242

22.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 606.95 million (2021: Rs 4,053.96 million).

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

		2022 Rs '000	2021 Rs '000
	0 to 6 months	196,813	799,236
	6 to 12 months	94,084	1,309,936
	Above 12 months	304,255	1,560,474
		595,152	3,669,646
22.2	**Movement in loss allowances**		
	Balance at the beginning of the year	326,746	737,347
	Impairment reversal on financial asset - net	(35,551)	(410,601)
	Balance at end of the year	291,195	326,746

Loss allowance calculation is based on lifetime expected credit losses.

This includes loss allowance on amount due from associated Company Attock Petroleum Limited of Rs 57.22 million (2021: Rs 326.75 million)

		2022 Rs '000	2021 Rs '000
23	**CASH AND BANK BALANCES**		
	Cash in hand (includes US $ 2,153 ; 2021: US $ 7,393)	2,106	2,521
	With banks:		
	Local Currency		
	Current accounts	9,272	8,934
	Deposit accounts - note 23.1, 23.2 and 23.3	11,666,114	6,894,581
	Savings accounts	12,990,874	5,126,315
	Pay order in hand - note 23.4	75,200	-
	Foreign Currency		
	Saving accounts (US $ 464,182; 2021: US $ 463,573)	95,064	73,059
		24,838,630	12,105,410

23.1 Deposit accounts include Rs 4,241.31 million (2021: Rs 3,894.58 million) placed in a 90-days interest-bearing account consequent to directives of the Ministry of Energy - Petroleum Division on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 10.1.

23.2 Balances with banks include Rs 7,500 million (2021: Rs 3,030 million) in respect of deposits placed in 30 days interest-bearing account.

23.3 Bank deposits of Rs 1,327.11 million (2021: Rs 1,326.71 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

23.4 Subsequent to the statement of financial position date the pay orders was duly credited in the AHL's bank accounts.

23.5 Balances with banks include Rs 3.29 million (2021: Rs 3.29 million) in respect of security deposits received from third parties.

23.6 Interest/mark-up earned on balances with banks ranged between 5.50% to 18.00% (2021: 5.50% to 8.00%) with weighted average rate of 9.97% (2021: 6.85%) per annum.

		2022 Rs '000	2021 Rs '000
24	**GROSS SALES**		
	- The Company		
	Local sales	303,167,945	191,383,038
	Naphtha export sales	1,731,233	894,767
	Reimbursement due from the Government under import		
	parity pricing formula/Price differential claim - note 24.1	497,226	(21,861)
	- Subsidiary		
	Local sales	123,404	105,522
		305,519,808	192,361,466

24.1 This represents amount due to/from the Government of Pakistan (GoP) on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

		2022 Rs '000	2021 Rs '000
25	**TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**		
	Sales tax	19,448,134	27,714,063
	Petroleum development levy	8,450,116	31,263,847
	Custom duties and other levies - note 25.1	11,375,408	4,531,797
	PMG RON differential - note 25.2	1,780,458	893,255
	HSD Euro-V price differential - note 25.3	1,175,525	122,575
	HSD Premium differential - note 25.4	1,182,948	-
		43,412,589	64,525,537

25.1 This includes Rs 11,375.27 million (2021: Rs 4,531.54 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

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

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

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

		2022 Rs '000	2021 Rs '000
26	**COST OF SALES**		
	Opening stock of semi-finished products	2,448,840	1,809,951
	Crude oil consumed - note 26.1	231,743,467	119,710,027
	Transportation and handling charges	145,734	70,559
	Salaries, wages and other benefits - note 26.2	1,279,525	1,088,539
	Printing and stationery	2,068	2,377
	Chemicals consumed	5,245,728	3,177,428
	Fuel and power	8,057,220	4,200,991
	Rent, rates and taxes	16,877	15,173
	Telephone	2,373	2,401
	Professional charges for technical services	10,249	1,592
	Insurance	427,427	322,846
	Repairs and maintenance (including stores and spares consumed Rs 257.51 million; 2021: Rs 333.36 million)	425,262	428,087
	Staff transport and traveling	17,549	16,724
	Cost of receptacles	21,865	21,836
	Research and development	222	15,288
	Depreciation - note 14.6	2,595,538	2,713,055
	Security charges	26,620	25,829
	Contract services	235,062	209,293
		252,701,626	133,831,996
	Closing stock of semi-finished products	(4,192,253)	(2,448,840)
		248,509,373	131,383,156
	Opening stock of finished products	4,442,826	3,358,564
	Closing stock of finished products	(9,646,632)	(4,442,826)
		(5,203,806)	(1,084,262)
		243,305,567	130,298,894
26.1	**Crude oil consumed**		
	Stock at beginning of the year	2,487,241	1,995,340
	Purchases	233,160,049	120,201,928
		235,647,290	122,197,268
	Stock at end of the year	(3,903,823)	(2,487,241)
		231,743,467	119,710,027

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 62.07 million (2021: Rs 49.48 million) and to the Provident Fund Rs 41.21 million (2021: Rs 39.95 million).

		2022 Rs '000	2021 Rs '000
27	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 26.2	540,887	455,646
	Board meeting fee	9,794	8,914
	Transport, traveling and entertainment	1,594	15,362
	Telephone	3,056	2,540
	Electricity, gas and water	25,687	20,107
	Printing and stationery	6,758	5,723
	Auditor's remuneration - note 27.1	8,889	16,012
	Legal and professional charges	22,488	32,856
	Repairs and maintenance	100,522	85,018
	Subscription	32,282	30,812
	Publicity	6,302	3,986
	Scholarship scheme	3,360	3,200
	Rent, rates and taxes	12,850	7,979
	Insurance	2,268	2,098
	Donations - note 27.2	540	540
	Training expenses	363	21
	Depreciation - note 14.6	111,145	87,699
	Security charges	-	1,228
	Contract services	59,507	50,359
		948,292	830,100
27.1	**Auditor's remuneration**		
	Annual audit	2,943	2,692
	Review of half yearly financial information, audit of consolidated financial statements, employee funds and special certifications	2,318	2,178
	Tax services	2,992	10,199
	Out of pocket expenses	636	943
		8,889	16,012

27.2 No director or his spouse had any interest in the donee institutions.

		2022 Rs '000	2021 Rs '000
28	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 26.2	45,435	38,694
	Transport, traveling and entertainment	255	572
	Telephone	275	289
	Electricity, gas, fuel and water	5,719	3,203
	Printing and stationery	34	73
	Repairs and maintenance including packing and other stores consumed	17,731	2,510
	Rent, rates and taxes	985	943
	Contract services	5,826	5,165
	Depreciation - note 14.6	575	735
		76,835	52,184

		2022 Rs '000	2021 Rs '000
29	**OTHER CHARGES**		
	Provision for slow moving store items	34,738	8,422
	Workers' Profit Participation Fund	822,215	-
	Workers' Welfare Fund	335,581	861
		1,192,534	9,283
30	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	1,187,137	374,193
	Interest on delayed payments	553,631	707,682
		1,740,768	1,081,875
	Income from non - financial assets		
	Income from crude desalter operations - note 30.1	1,702	1,376
	Rental income	111,897	106,654
	Sale of scrap	17,026	17,122
	Amortization of deferred grant	670	669
	Profit on disposal of operating assets	22,778	668
	Calibration charges	3,955	4,144
	Handling and service charges	91,688	44,434
	Penalties from carriage contractors	1,561	60
	Miscellaneous - note 30.2	15,881	10,109
		267,158	185,236
		2,007,926	1,267,111
30.1	**Income from crude desalter operations**		
	Income	67,530	69,010
	Less: Operating costs		
	Salaries, wages and other benefits	2,060	2,117
	Chemicals consumed	2,564	2,634
	Fuel and power	40,997	42,122
	Repairs and maintenance	20,207	20,761
		65,828	67,634
		1,702	1,376

30.2 This mainly includes income from laboratory testing services.

		2022 Rs '000	2021 Rs '000
31	**FINANCE COST**		
	Exchange loss/(gain) - net	2,218,642	(216,180)
	Interest on long term financing measured at amortised cost	930,000	786,199
	Interest on short term financing measured at amortised cost	69,369	37,350
	Interest on lease liability measured at amortised cost	75,200	27,004
	Bank and other charges	806	2,211
		3,294,017	636,584

		2022 Rs '000	2021 Rs '000
32	**TAXATION**		
	Current tax	1,675,962	972,903
	Deferred tax	4,528,078	(1,051,845)
		6,204,040	(78,942)
32.1	**Relationship between tax expense and accounting loss (refinery operations)**		
	Accounting profit/(loss) before taxation	15,333,451	(2,313,404)
	Tax at applicable tax rate of 29% (2021: 29%)	4,446,701	(670,887)
	Tax effect of income taxable at special rates	(10,508)	11,364
	Effect of change in tax rate	117,599	-
	Effect of super tax	1,645,931	-
	Deferred tax asset derecognized on minimum tax	-	454,155
	Deferred tax asset derecognized on tax loss	-	126,426
	Others	4,317	-
		6,204,040	(78,942)

33 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 AHL.

33.1 Following is the summarised financial statements of the subsidiary. The amounts disclosed are before inter-company eliminations:

	2022 Rs '000	2021 Rs '000
Summarised statement of financial position		
Current assets	104,993	90,867
Non- current assets	42,751	30,378
Current liabilities	(34,402)	(26,288)
Non- current liabilities	(6,862)	(5,204)
Net assets	106,480	89,753
Summarised statements of profit or loss and other comprehensive income		
Revenue	202,474	187,603
Expenses and taxation	(170,057)	(156,972)
Profit after tax for the year	32,417	30,631
Other comprehensive (loss)/income	(15,690)	9,069
Total comprehensive income for the year	16,727	39,700
Summarised statement of cash flows		
Cash flows from operating activities	33,392	23,920
Cash flows from investing activities	(2,544)	(5,499)
Cash flows from financing activities	-	-
	30,848	18,421

34 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, 2022 and has been reflected net of taxation and 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.

	2022 Rs '000	2021 Rs '000
35 EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED		
Profit/(loss) after taxation from refinery operations	9,129,411	(2,234,462)
Profit after taxation from non-refinery operations	3,822,827	3,302,304
	12,952,238	1,067,842
Weighted average number of fully paid ordinary shares ('000)	106,616	106,616
Earnings/(loss) per share - Basic and Diluted (Rs)		
Refinery operations	85.63	(20.96)
Non-refinery operations	35.86	30.97
	121.49	10.01

36 EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2022 using the projected unit credit method. Details of the defined benefit plans are:

	Funded pension		Funded gratuity	
	2022	2021	2022	2021
	Rs '000		Rs '000	
a) The amounts recognised in the statement of financial position:				
Present value of defined benefit obligations	1,442,498	1,187,158	634,432	578,667
Fair value of plan assets	(1,298,571)	(1,217,790)	(454,032)	(465,338)
Net liability/(surplus)	143,927	(30,632)	180,400	113,329
b) The amounts recognised in the statement of profit or loss:				
Current service cost	27,398	23,642	25,472	22,357
Net interest (income)/cost	(2,920)	(408)	11,099	3,887
	24,478	23,234	36,571	26,244
c) Movement in the present value of defined benefit obligation:				
Present value of defined benefit obligation at beginning of the year	1,187,158	1,138,144	578,667	590,101
Current service cost	27,398	23,642	25,472	22,357
Interest cost	118,636	96,434	54,442	47,053
Benefits paid	(62,131)	(57,697)	(82,036)	(129,766)
Benefits payable to outgoing member	(358)	-	(2,085)	(18,319)
Remeasurement (gain)/loss of defined benefit obligation	171,795	(13,365)	59,972	67,241
Present value of defined benefit obligation at end of the year	1,442,498	1,187,158	634,432	578,667

		Funded pension		Funded gratuity	
		2022	2021	2022	2021
		Rs '000		Rs '000	
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets at beginning of the year	1,217,790	1,152,121	465,338	545,036
	Expected return on plan assets	121,556	96,842	43,343	43,166
	Contributions	23,138	20,726	29,754	29,682
	Benefits paid	(62,131)	(57,697)	(82,036)	(129,766)
	Benefits payable to outgoing member	(358)	-	(2,085)	(18,319)
	Remeasurement (loss)/gain of plan assets	(1,424)	5,798	(282)	(4,461)
	Fair value of plan assets at end of the year	1,298,571	1,217,790	454,032	465,338

The Group expects to contribute Rs 112.24 million during the year ending June 30, 2023 to its defined benefit pension and gratuity plans.

		Funded pension		Funded gratuity	
		2022	2021	2022	2021
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	111,845	116,000	6	5
	Investment in mutual funds	11,372	14,259	3,791	4,753
	Debt instruments	1,258,650	1,152,212	439,201	203,043
	Deposits with banks	26,540	38,326	36,237	278,317
	Others	457	417	-	-
	Share of asset of related parties	(110,293)	(103,424)	(25,203)	(20,780)
		1,298,571	1,217,790	454,032	465,338

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	
		2022	2021	2022	2021
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement gain/(loss) on obligation				
	Gain/(loss) due to change in:				
	Financial assumptions	(25,864)	(11,031)	(929)	(386)
	Experience adjustments	(145,930)	24,396	(59,043)	(66,855)
		(171,794)	13,365	(59,972)	(67,241)
	Remeasurement (loss)/gain on plan assets	(1,424)	5,798	(282)	(4,461)
		(173,218)	19,163	(60,254)	(71,702)
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	13.25%	10.00%	13.25%	10.00%
	Expected return on plan assets	13.25%	10.00%	13.25%	10.00%
	Future salary increases	12.25%	9.00%	12.25%	9.00%
	Future pension increases	7.25%	4.00%	N/A	N/A
	Demographic assumptions				
	Rates of employee turnover	4.6% - 14%	4.6% - 14%	4.6% - 14%	4.6% - 14%
	Mortality rates	SLIC (2001 -05) - 1	SLIC (2001 -05) - 1	SLIC (2001 -05) - 1	SLIC (2001 -05) - 1

i) 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.

	Funded pension		Funded gratuity	
	Effect of 1 percent increase	Effect of 1 percent decrease	Effect of 1 percent increase	Effect of 1 percent decrease
	Rs '000		Rs '000	
Discount rate	1,283,067	1,633,285	604,886	667,478
Future salary growth	1,493,617	1,393,175	667,478	604,384
Pension increase	1,581,959	1,324,980	N/A	N/A

If the life expectancy increase by 1 year, the impact on defined benefit obligation increase by Rs. 125.64 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 consolidated financial position.

j) Projected benefit payments from fund are as follows:

	Pension	Gratuity
	Rs '000	
FY 2023	34,948	122,092
FY 2024	78,584	198,240
FY 2025	90,617	57,633
FY 2026	101,955	83,672
FY 2027	115,497	63,575
FY 2028-32	807,782	444,572

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2022	11.10	4.57
June 30, 2021	11.31	4.46

l) The Grroup 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.

m) The Group faces following risks on account of defined benefit plans;

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what the group has assumed. Since, the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility/investment risk: 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. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans bond holdings.

Risk of insufficiency of assets: This is managed by making regular contribution to the fund as advised by the actuary.

37 DEFINED CONTRIBUTION PLAN

Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act 2017, and applicable rules for the purpose.

38 OPERATING SEGMENTS

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

	2022 Rs '000	2021 Rs '000
High Speed Diesel	103,939,471	68,476,922
Premier Motor Gasoline	116,244,396	76,619,065
Furnace Fuel Oil	45,530,127	25,349,517
Jet petroleum	25,823,376	11,107,291
Naphtha	1,731,233	894,767
Others	12,251,205	9,913,904
	305,519,808	192,361,466
Less: Taxes, duties, levies and price differential	43,412,589	64,525,537
	262,107,219	127,835,929

Revenue from four major customers of the Group constitute 94% (2021: 92%) of total revenue during the year.

39 RELATED PARTY TRANSACTIONS

39.1 Attock Oil Company Limited holds 61.06% (2021: 61.06%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of 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 40 to the financial statements.

	2022 Rs '000	2021 Rs '000
Associated companies		
Pakistan Oilfields Limited (POL)		
Rental income	1,704	1,718
Rental expense	2,908	2,885
Sale of hospital and medical services to POL	16,974	17,548
Sale of goods	8,687	-
Sale of Regulated Petroleum Products	228,705	214,345
Purchase of crude oil	28,337,768	13,485,781
Purchase of gas	9,862	10,159
Pipeline Charges	2,952	3,193
Reimbursement of expenses incurred by POL on behalf		
of the Company	1,058	1,927
Reimbursement of expenses incurred by the Company		
on behalf of POL	11,634	15,645
LPG handling fee charged by the Company	497	897
Attock Petroleum Limited (APL)		
Rental income	1,732	1,521
Interest Income on delayed payments	553,631	707,682
Dividend received by the Company from APL	860,032	141,524
Sale of goods	12,352	-
Sale of hospital and medical services to APL	12,401	12,097
Sale of services	89	-
Sale of Regulated Petroleum Products	66,606,343	30,828,943
Sale of De-Regulated Petroleum Products	29,098,579	15,728,715
Purchase of Regulated Petroleum Products	33,335	5,752
Purchase of lube oil	3,027	-
Naphtha Export	23,769	12,525
Reimbursement of expenses incurred by the Company		
on behalf of APL	13,068	16,219
Reimbursement of expenses incurred by APL on behalf		
the Company	251	-
RFO Handling Charges	74,351	35,062
National Refinery Limited (NRL)		
Dividend received by the Company from NRL	199,916	-
Naphtha Storage Charges	-	120,704
Purchase of services	17,191	-
Reimbursement of expenses incurred by NRL on behalf		
of the Company	184	-
Attock Cement Pakistan Limited (ACPL)		
Sale of hospital and medical services to ACL	40	27
Reimbursement of expenses incurred by ACL on behalf		
of the Company	184	-

	2022 Rs '000	2021 Rs '000
Attock Gen Limited (AGL)		
Storage tank lease income	24,526	22,307
Land lease income	38,661	34,620
Dividend received by the Company from AGL	74,830	-
Sale of Regulated Petroleum Products	1,564	1,009
Sale of hospital and medical services to AGL	1,449	1,466
Sale of goods	21,496	22,516
Sale of services	378	-
Reimbursement of expenses incurred by the Company		
on behalf of AGL	18,948	16,234
National Cleaner Production Centre Foundation (NCPC)		
Rental income	3,328	2,959
Sale of hospital and medical services to NCPC	124	119
Sale of services	17,398	-
Sale of Regulated Petroleum Products	198	109
Purchase of goods and services	3,888	4,865
Reimbursement of expenses incurred by the Company		
on behalf of NCPC	16,483	18,745
Attock Information Technology Services (Private) Limited (AITSL)		
Purchase of services	55,479	52,987
Purchase of goods	4,370	-
Sale of Regulated Petroleum Products	575	378
Reimbursement of expenses incurred by the Company		
on behalf of AITSL	2,020	3,906
Capgas (Private) Limited		
Sale of Regulated Petroleum Products	969	398
Sale of hospital and medical services to Capgas	816	603
Reimbursement of expenses incurred by the Company		
on behalf of Capgas	31	9
Attock Leisure & Management Associates (Private) Limited (ALMA)		
Sale of Regulated Petroleum Products	473	281
Reimbursement of expenses incurred by the Company on		
behalf of ALMA	18	75
Attock Sahara Foundation (ASF)		
Rental income	150	152
Purchase of goods	12,402	13,664
Sale of hospital and medical services to ASF	1,134	1,411
Sale of goods and services	220	-
Sponsorship	1,111	405
Reimbursement of expenses incurred by the Company		
on behalf of ASF	1,046	436

	2022 Rs '000	2021 Rs '000
Attock Energy (Private) Limited (AEPL)		
Sale of goods and services	263	11
Reimbursement of expenses incurred by the Company		
on behalf of AEPL	313	415
Holding Company		
Attock Oil Company Limited (AOC)		
Rental income	295	281
Rental Expense	161,726	120,322
Purchase of crude oil	826,302	440,769
Sale of Regulated Petroleum Products	476	-
Sale of goods	5,250	717
Sale of hospital and medical services to AOC	127	188
Reimbursement of expenses incurred by AOC on behalf		
of the Company	2,581	19,059
Reimbursement of expenses incurred by the Company		
on behalf of AOC	2,340	17,501
Other related parties		
Remuneration including benefits and perquisites of		
Chief Executive Officer and key management personnel	118,683	118,635
Directors Fees	9,794	8,914
Contribution to staff retirement benefits plans		
Staff Pension Fund	23,137	20,726
Staff Gratuity Fund	29,754	29,682
Staff Provident Fund	41,216	39,954
Contribution to Workers' profit participation fund	822,215	-

39.2 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	61.06%
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 (Pvt.) Ltd.	Associated Company	10.00%
6	Pakistan Oilfields Limited	Group Company	Nil
7	Attock Cement Pakistan Limited	Group Company	Nil
8	National Cleaner Production Centre Foundation	Group Company	Nil
9	Attock Leisure & Management Associates (Pvt.) Ltd.	Group Company	Nil
10	Attock Energy (Pvt.) Limited	Group Company	Nil
11	Capgas (Private) Limited	Group Company	Nil
12	Attock Hospital (Pvt.) Limited	Wholly owned Subsidiary	100.00%

39.3 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
Country of Incorporation	England
Basis of association	Parent Company
Aggregate %age of Shareholding	61.06%

40 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 of the Company		Executives	
	2022 Rs '000	2021 Rs '000	2022 Rs '000	2021 Rs '000
Managerial remuneration/ honorarium	13,181	10,973	169,809	126,859
Bonus	3,407	3,245	32,061	25,817
Company's contribution to Provident,				
Pension and Gratuity Funds	-	-	36,597	26,189
Housing and utilities	8,663	7,423	130,141	92,960
Leave passage	1,703	1,530	16,115	11,258
	26,954	23,171	384,723	283,083
Less: charged to Attock Gen Limited	8,086	6,951	-	-
	18,868	16,220	384,723	283,083
No of person(s)	1	1	78	56

40.1 In addition to above, the Chief Executive Officer and 18 (2021: 20) 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 16 (2021: 13) executives. Leave passage is paid to Chief Executive Officer and all executives in accordance with the terms of employment.

40.2 Further, based on actual attendance, meeting fee of Rs 6.99 million (2021: Rs 6.37 million) was paid to 5 (2021: 5) Non-Executive Directors, Rs 1.40 million (2021: Rs 1.27 million) to Chief Executive Officer and Rs 1.40 million (2021: Rs 1.27 million) to 1 (2021: 1) alternate directors of the Company.

	2022 Rs '000	2021 Rs '000
41 FINANCIAL INSTRUMENTS		
41.1 Financial assets and liabilities		
Financial assets classified as amortised cost:		
Maturity upto one year		
Trade debts	30,279,029	13,305,509
Loans, advances, deposits & other receivables	1,816,012	3,481,841
Cash and bank balances		
Foreign currency - US $	95,505	74,224
Local currency	24,743,125	12,031,186
Maturity after one year		
Long term loans and deposits	43,281	41,031
	56,976,952	28,933,791
Financial liabilities :		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	49,400,147	34,744,849
Unclaimed dividends	9,254	9,302
Long term financing	2,200,000	2,200,000
Short term financing	2,500,000	3,000,000
Long term lease liability	157,404	215,832
Accrued mark-up on long term financing	170,966	152,023
Accrued mark-up on short term financing	31,146	16,191
Maturity after one year		
Long term financing	2,504,914	5,492,792
Long term lease liability	-	126,399
	56,973,831	45,957,388

41.2 Credit quality of financial assets

The credit quality of Group'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	2022 Rs '000	2021 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	8,717,849	3,168,625
Counterparties without external credit rating			
Due from associated companies		15,838,265	7,833,753
Others *		5,722,915	2,303,131
		30,279,029	13,305,509
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		1,859,293	3,522,872

	Rating	2022 Rs '000	2021 Rs '000
Bank balances			
Counterparties with external credit rating	A 1+	24,835,945	12,071,220
	A 1	579	31,669
		24,836,524	12,102,889

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

41.3 Financial risk management

41.3.1 Financial risk factors

The Group'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 Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group'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 Group'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 Group's placements are with banks having satisfactory credit rating. Due to the high credit worthiness of counter parties the credit risk is considered minimal. The maximum exposure to credit risk at reporting date was:

	2022 Rs '000	2021 Rs '000
Trade debts	30,279,029	13,305,509
Loans, advances, deposits & other receivables	1,816,012	3,481,841
Cash and bank balances	24,838,630	12,105,410
Long term loans and deposits	43,281	41,031
	56,976,952	28,933,791

Geographically, there is no concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date are with local OMCs within the Country. As at June 30, 2022 more than 90% of the receivable pertains to major four OMCs with whom the Group has regular sales. There is no history of defaults with these customers and the management regularly monitors their credit quality based on individual credit ratings available for each listed customer.

At June 30, 2022, trade debts of Rs 30,279.03 million (2021: Rs 13,305.51 million) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2022 Rs '000	2021 Rs '000
0 to 6 months	30,279,029	10,333,821
6 to 12 months	-	2,525,337
Above 12 months	-	446,351
	30,279,029	13,305,509

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 Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation. The Group uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Group 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 Group maintians lines of credit as mentioned in note 12 to the consolidated financial statements.

The table below analyses the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated 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, 2022				
Long term financing	4,875,880	5,550,926	2,816,414	2,734,512
Accrued Interest	170,966	170,966	170,966	-
Lease liability	157,404	157,404	157,404	-
Trade and other payables	49,400,147	49,400,147	49,400,147	-
Short term financing	2,500,000	2,500,000	2,500,000	-
Unclaimed dividend	9,254	9,254	9,254	-
At June 30, 2021				
Long term financing	7,844,815	9,223,089	2,843,376	6,379,713
Accrued Interest	152,023	152,023	152,023	-
Lease liability	342,231	434,254	287,298	146,956
Trade and other payables	34,744,849	34,744,849	34,744,849	-
Short term financing	3,000,000	3,000,000	3,000,000	-
Unclaimed dividend	9,302	9,302	9,302	-

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 Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Group 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 96 million (2021: Rs 74 million) and financial liabilities include Rs 4,105 million (2021: Rs 3,191 million) which were subject to currency risk.

	2022	2021
Rupees per USD		
Average rate	178.00	160.72
Reporting date rate	205.30	157.60

Sensitivity analysis

At June 30, 2022, 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 285 million (2021: Rs 221 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 Group 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 24,827 million (2021: Rs 12,094 million) and Rs 8,948 million (2021: Rs 11,588 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, 2022, if interest rates had been 1% higher/lower with all other variables held constant, loss after tax for the year would have been Rs. 113 million (2021: Rs 3 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 Group 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.

41.3.2 Capital risk management

The objective of the Group 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 Group's approach to the capital management during the year.

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.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. In addition, the Company also monitors its gearing ratio, which as at the year end is as follows:

	2022 Rs '000	2021 Rs '000
Long term financing	4,704,914	7,692,792
Accrued mark-up	170,966	152,023
Lease liabilities	157,404	215,832
Trade and other payables	69,671,582	47,226,654
Short term financing	2,500,000	3,000,000
Cash and cash equivalents	(24,838,630)	(12,105,410)
Net debt	52,366,236	46,181,891
Issued, subscribed and paid-up capital	1,066,163	1,066,163
Capital reserve	12,908,966	12,908,966
Maintenance reserve	218,529	214,913
Revenue reserve	23,279,478	10,481,708
Others	155,996	155,996
Total capital	37,629,132	24,827,746
Capital and net debt	89,995,368	71,009,637
Gearing ratio	58%	65%

41.4 Fair value of financial assets and liabilities

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

Reconciliation of movement of liabilities to cash flow arising from financing activities

	Long term financing (including accrued markup)	Lease liability	Unclaimed dividends	Accrued mark-up on short term financing	Total
	Rs '000	Rs '000	Rs '000	Rs '000	
Balance at July 1, 2021	7,844,815	342,231	9,302	16,191	8,212,539
Cash flow movement	(3,898,935)	(144,581)	(48)	(55,204)	(4,098,768)
Other non-cash movements	930,000	(40,246)	-	70,159	959,913
Balance at June 30, 2022	4,875,880	157,404	9,254	31,146	5,073,684
Balance at July 1, 2020	7,818,713	321,640	9,356	-	8,149,709
Repayments	(760,097)	(233,482)	(54)	(23,371)	(1,017,004)
Other cash movements	-	254,073	-	-	254,073
Other non-cash movements	786,199	-	-	39,562	825,761
Balance at June 30, 2021	7,844,815	342,231	9,302	16,191	8,212,539

41.5 Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

41.6 Fair value of financial assets and liabilities

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

42. 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, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. The different levels have been defined as follows:

- **Level 1**
  Quoted prices (unadjusted) in active market for identical assets/ liabilities.
- **Level 2**
  Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3**
  Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Fair value of land has been determined using level 2 fair values under following valuation technique.

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.

There has been no change to the valuation technique during the year.

		2022 Rs '000	2021 Rs '000
43	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	20,412,776	1,512,200
	Adjustments for:		
	Depreciation	2,707,258	2,801,489
	Gain on disposal of property, plant and equipment	(22,778)	(668)
	Provision for slow moving, obsolete and in transit stores	34,738	8,422
	Workers' Profit Participation Fund	822,215	-
	Workers' Welfare Fund	335,581	861
	Amortization of deferred grant	(670)	(669)
	Interest income	(1,187,137)	(374,193)
	Finance cost (net)	3,294,017	852,764
	Effect of exchange rate changes	22,011	(4,864)
	Interest on delayed payments	(553,631)	(707,682)
	Share of profit in associates including other comprehensive loss	(7,061,150)	(2,200,192)
	Impairment loss/(reversal) on investment in associated company	1,981,825	(1,625,412)
	Impairment loss on financial asset	(35,551)	(410,601)
		20,749,504	(148,545)
	Working capital changes		
	(Increase)/decrease in current assets:		
	Stores, spares and loose tools	(288,978)	665,436
	Stock-in-trade	(8,364,447)	(2,214,871)
	Trade debts	(17,042,746)	(885,696)
	Loans, advances, deposits, prepayments and other receivables	90,261	471,797
		(25,605,910)	(1,963,334)
	Increase/(decrease) in current liabilities:		
	Trade and other payables	21,840,238	4,274,338
	Cash generated from operations		
	Payments of WPPF	(740,048)	-
	Income taxes paid	(953,280)	(579,881)
		(1,693,328)	(579,881)
	Net cash generated from operating activities	15,290,504	1,582,578

44 CASH AND CASH EQUIVALENTS

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

	2022 Rs '000	2021 Rs '000
Cash and bank balances	24,838,630	12,105,410
Short term financing	(2,500,000)	(3,000,000)
	22,338,630	9,105,410

45 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 8
ii)	Deposits	Non-interest bearing
iii)	Segment revenue	Disclosed in note 38
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

			2022 Rs '000	2021 Rs '000
v)	Bank balances	Placed under interest arrangement	24,826,799	12,065,307
		Placed under Shariah permissible arrangement	9,725	37,582
			24,836,524	12,102,889
vi)	Income on bank deposits including income accrued as at reporting date	Placed under interest arrangement	1,185,384	372,475
		Placed under Shariah permissible arrangement	1,753	1,718
			1,187,137	374,193
vii)	Interest paid including accrued as at reporting date	Under interest arrangement	700,670	592,330
		Under Shariah permissible arrangement	229,330	193,869
			930,000	786,199
viii)	All sources of other income	Disclosed in note 30		
Ix)	Exchange gain	Earned from actual currency		

Disclosures other than above are not applicable to the Company.

46 GENERAL

46.1 The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. However, as a result of steps taken by the Authorities, the businesses have substantially resumed with corresponding positive impact on demand of petroleum products. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

46.2 Capacity and production

Against the designed annual refining capacity of US barrels 18.690 million (2021: 18.690 million) the actual throughput during the year was US barrels 14.717 million (2021: 14.382 million). The plant's operational capacity was maintained 79% during the year to achieve production of an optimal product mix.

Total capacity of the hospital is 46 beds (2021: 46 beds).

	2022	2021
46.3 Number of employees		
Number of employees at June 30		
Permanent	556	506
Contract	338	387
	894	893
Average number of employees for the year		
Permanent	504	531
Contract	387	380
	891	911

46.4 Unavailed credit facilities

The Company has entered into an arrangement with banks for obtaining Letter of Credit and Letter of Guarantee facility to import chemical, spare parts and other materials upto a maximum of Rs 3,178.00 million (2021: Rs 3,178.00 million). The facility is secured against lien on shipping documents. The unavailed facility at June 30, 2022 was Rs 1,383.74 million (2021: Rs 1,804.53 million). The facilities will expire on various dates after June 30, 2022.

46.5 Reclassification

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

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

The Board of Directors in its meeting held on August 16, 2022 has proposed a cash dividend for the year ended June 30, 2022 @ Rs 10/- per share, amounting to Rs 1,066,163 thousand for approval of the members in the Annual General Meeting to be held on September 20, 2022.

46.7 Rounding off

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

47 DATE OF AUTHORISATION

These consolidated financial statements have been authorised for issue by the Board of Directors of the Company on August 16, 2022.

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

Notice of Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of the Company will be held on September 20, 2022 at 11:00 a.m. at Attock House, Morgah, Rawalpindi and also through video link, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the separate and consolidated audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2022.
2. To consider and if thought fit, approve the final cash dividend of 100% (Rs 10.00 per share) as recommended by the Board of Directors for the year ended June 30, 2022.
3. To appoint auditors for the year ending on June 30, 2023 and to 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

Saif-ur-Rehman Mirza
Company Secretary

Registered Office:
The Refinery,
Morgah, Rawalpindi
August 30, 2022

NOTES:

ONLINE PARTICIPATION IN THE ANNUAL GENERAL MEETING:

Securities & Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in General Meeting through electronic means as a regular feature in addition to holding physical meetings. Accordingly, the shareholders intending to participate in the meeting via video link are hereby requested to share following information with the Company Secretary office at the earliest but not later than 48 hours before the time of the AGM i.e. before 11:00 a.m. on September 18, 2022:

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	Mobile No.*	Email Address*

**Shareholders are requested to provide their active mobile number and email address to ensure timely communication.*

Modes of Communication:

The above mentioned information can be provided through following modes:

a) Mobile/WhatsApp: 0312-5066389

b) Email: 44agm@arl.com.pk

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who have shown their intent to attend the meeting containing all the particulars as mentioned above on or before September 18, 2022 by 11:00 a.m.

FOR APPOINTING PROXIES:

i. A member entitled to attend, speak and vote may appoint any other person as his/her proxy to attend, speak and vote on his/her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting.

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 shall be furnished with the proxy form.

iv. In case of 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.

v. Proxies attending meeting on behalf of members are also required to provide below information in case they will be attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

Name of Proxy	CNIC No.	Folio No./CDC Account No.	Mobile No.	Email Address

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:

- 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.

Notice of Annual General Meeting

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 will be as follows:

1.	Rate of tax deduction for shareholders appearing in Active Taxpayer List (ATL)	15%
2.	Rate of tax deduction for shareholders 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.

Folio/CDC 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 14, 2022 to September 20, 2022 (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 13, 2022 will be treated in time for the purpose of Annual General Meeting.

CIRCULATION/TRANSMISSION OF ANNUAL REPORTS THROUGH ELECTRONIC FORM:

The SECP vide SRO 787(1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements alongwith 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 on given address:

The Company Secretary,
Attock Refinery Limited,
The Refinery,
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, 2022 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 CASH DIVIDEND THROUGH ELECTRONIC MODE (MANDATORY):

In accordance with the section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their bank account details (IBAN format) directly to our Share Registrar (for physical shares) or to their respective participant/broker (for CDS shares) as the case may be. Form for updating of bank account details (IBAN Format) is available at Company's website i.e. www.arl.com.pk.

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.

UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further, SECP vide its letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book entry form.

In light of above, the shareholders having physical shareholding are requested to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

۲۹۔ اظہارِ تشکر:

بورڈ آف ڈائریکٹرز انتظامیہ اور اپنے ملازمین کے کام سے مسلسل وابستگی پر شکر گزار ہیں۔ ہم اس کے علاوہ بورڈ ممبران کے تعاون اور متعلقہ اداروں کی معاونت کے بھی ممنون ہیں۔

بورڈ کی جانب سے

عبد الستار
ڈائریکٹر

ایم عادل خٹک
چیف ایگزیکٹو آفیسر

۱۶ اگست ۲۰۲۲

راولپنڈی

۲۷۔ یکجا گوشوارے (CONSOLIDATED ACCOUNTS):

کمپنی کے یکجا گوشوارے (Consolidated Accounts) منسلک ہیں۔ سال کے دوران کمپنی کا یکجا منافع ٹیکس ادا کرنے کے بعد ۱۲,۹۵۲ملین روپے رہا (۳۰جون۲۰۲۱:۱,۰۶۸ملین روپے کا منافع) یعنی کہ یکجا فی حصص منافع ۱۲۱.۴۹روپے رہا (۳۰جون۲۰۲۱: مجموعی فی حصص منافع ۱۰.۰۱روپے)۔

۲۸۔ مستقبل کا منظر نامہ:

جیسا کہ پہلے ہی بات کی جاچکی ہے، کمپنی یورو - ۵ ایندھن کی تصریحات کو پورا کرنے کے لیے اپ گریڈیشن کے منصوبوں کو نافذ کرنے میں مصروف ہے۔ تاہم، منصوبوں پر مکمل عمل درآمد ریفائننگ پالیسی کی منظوری کے بعد ہی ممکن ہو سکے گا کیونکہ ان منصوبوں کے لیے بھاری سرمایہ کاری کی ضرورت ہے۔ ہم حکومت کی طرف سے تعاون کے منتظر ہیں جیسا کہ نئی ریفائننگ پالیسی میں بیان کیا گیا ہے تاکہ ہمیں اپ گریڈیشن کے منصوبوں کو لاگو کرنے کے قابل بنایا جاسکے۔

کوویڈ - ۱۹ کے وبائی بیماری کے طور پر پھیلنے کے نتیجے میں پاکستان کی وفاقی اور صوبائی حکومتوں (حکام) کے معاشی اور سماجی سرگرمیوں پر بندش لاک ڈاؤن (Lockdown) نافذ کرنے سے مجموعی طور پر معاشی سست روی ہوئی اور مختلف قسم کے کاروبار میں خلل پڑا۔ بدقسمتی سے ہم وائرس کی نئی اقسام سے لاحق خطرات سے دوچار ہیں۔ تاہم حکام کی جانب سے آبادی کے بڑے حصے کو ویکسینیشن کروانے سے امید کی جارہی ہے کہ صورتحال کم ہوگی اور حالات معمول پر آجائیں گے۔ انتظامیہ ممکنہ خطرات کی نگرانی جاری رکھے ہوئے ہے۔

کرنسی کی قدر میں بڑے پیمانے پر کمی اور بہت زیادہ فنانسنگ اور افراطِ زر کی شرح کی وجہ سے ملک کا کاروباری ماحول بہت مشکل ہو گیا ہے۔ فرنس فیول کی طلب میں غیر یقینی صورتحال بھی ایک چیلنج بنی ہوئی ہے۔ انتظامیہ نے ان چیلنجز سے نمٹنے کیلئے فعال اقدامات کیے ہیں۔

کمپنی اعلیٰ میعار کے متنوع ماحول دوست توانائی کے وسائل فراہم کرنے اور جدید ترین ٹیکنالوجیز اور بہترین انسانی وسائل کے بہترین امتزاج کے استعمال کیلئے پُرعزم ہے۔

زیر جائزہ مدت کے دوران اے ایچ ایل نے ارد گرد کے علاقے کے کم مراعات یافتہ لوگوں کی ضروریات کو پورا کرنے کے لیے اقدامات کیے تھے۔ اس سلسلے میں اے ایچ ایل کی طرف سے قائم کردہ غریب مریض فنڈ سے ۳۶,۱۹۶ ۷ روپے کی مفت خدمات فراہم کیں ۔ ایک کوویڈ- ۱۹ ویکسینیشن سنٹر جو پچھلے سال قائم کیا گیا تھا اٹک گروپ آف کمپنیز کے ملازمین اور اُن کے خاندان کے افراد کیلئے اور عام عوام کی ضرورت کو پورا کر رہا ہے۔ سال کے دوران اس سنٹر کے ذریعے ۱۰,۸۴۴ افراد کو ٹیکے لگائے گئے۔ سال کے دوران خون کے عطیہ کی مہم چلائی گئی جس میں ۳۸ بیگ خون جمع کیا گیا۔ اِرد گرد کے علاقوں کے پسماندہ لوگوں کو مزید مفت اور رعایتی ڈائیلاسز کی خدمات بھی فراہم کی جارہی ہیں۔ سال کے دوران ۵۱۲ ڈائیلاسز مفت کیے گئے۔

مقامی رہائشی افراد کو مزید فائدہ پہنچانے کے لیے اگلے سال کے دوران انڈوسکوپی (Endoscopy) کو شروع کرنے کا منصوبہ بنایا گیا ہے۔

سال کے دوران اے ایچ ایل کے مندرجہ ذیل ڈائریکٹر تھے:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ
۱۔	جناب شعیب اے ملک	ڈائریکٹر اور چیئرمین
۲۔	جناب ایم عادل خٹک	ڈائریکٹر
۳۔	جناب رحمتُ اللہ برڈائی	ڈائریکٹر

سال کے دوران جناب ایم عادل خٹک چیف ایگزیکٹو آفیسر نے ۲۸ جون ۲۰۲۲ کو استعفیٰ دے دیا اور ان کی جگہ ڈاکٹر محمد افتخار کو ۲۹ جون ۲۰۲۲ سے شروع ہونے والی چھ ماہ کی مدت کے لیے اے ایچ ایل کا چیف ایگزیکٹو آفیسر مقرر کیا گیا۔

اے ایچ ایل انتظامیہ کو فوری طور پر کوئی خطرہ یا غیر یقینی کی صورتحال نظر نہیں آرہی ہے کیونکہ اِرد گرد کے علاقے میں کوئی مسابقتی ہسپتال دستیاب نہیں ہے جو مریضوں کی تعداد کو متاثر کرے۔

اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے روبہ عمل ہے جس کی مسلسل نگرانی بھی کی جاتی ہے۔

اے ایچ ایل کو ۲۵ اپریل ۲۰۱۸ کو پنجاب ہیلتھ کیئر کمیشن ایکٹ ۲۰۱۰ کے سیکشن ۱۳ کے تحت پنجاب ہیلتھ کیئر کمیشن کے ساتھ پرائیویٹ ہیلتھ کیئر اسٹیبلشمنٹ کے طور پر رجسٹر کیا گیا تھا۔

سال کے دوران اے ایچ ایل کی طرف سے کسی منافع کا اعلان نہیں کیا گیا۔

آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس (M/s A.F. Ferguson & Co. Chartered Accountants) ریٹائر ہو گئے اور ۳۰ جون ۲۰۲۳ کو ختم ہونے والے مالی سال کے لیے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے ایسی شرائط و ضوابط اور معاوضہ جس کا تعین باہمی اتفاقِ رائے سے ہو، اپنی خدمات کی پیشکش کی ہے۔

اٹک ریفائنری لمیٹڈ کے پاس اٹک ہسپتال (پرائیویٹ) لمیٹڈ کے ٪ ۱۰۰ حصص ہیں۔

۲۴۔ مالیاتی حسابات پر آڈیٹرز کی رپورٹ:

کمپنی کے بیرونی آڈیٹرز اے ایف فرگوسن اینڈ کمپنی نے اے آر ایل کے الگ اور یکجا گوشواروں کا آڈٹ کیا ہے اور بلا اعتراض آڈٹ رپورٹ جاری کی ہے جس میں کہا گیا ہے کہ مالیاتی حسابات ۳۰ جون ۲۰۲۲ تک کمپنی کے امور کا صحیح اور منصفانہ نقشہ پیش کرتے ہیں۔

۲۵۔ محلوک کمپنی (HOLDING COMPANY):

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

۲۶۔ ذیلی کمپنی (SUBSIDIARY COMPANY):

اٹک ریفائنری لمیٹڈ (اے آر ایل) بلاشرکت غیرایک ذیلی کمپنی (Subsidiary Company) کی ملکیت رکھتی ہے جو "اٹک ہاسپٹل پرائیویٹ لمیٹڈ (AHL)" ہے۔AHL کے اکاؤنٹس، اٹک ریفائنری لمیٹڈ (ARL) کے اکاؤنٹس سے مربوط ہیں۔ مالی سال ۲۲-۲۰۲۱ کے دوران اے ایچ ایل کی مالی اور آپریشنل کارکردگی درج ذیل ہے:

مالی سال ۲۲-۲۰۲۱ کے دوران اے ایچ ایل نے ۳۲.۴۲ ملین روپے (۳۰ جون ۲۰۲۱: ۳۰.۶۳ ملین روپے) کا بعد از ٹیکس منافع کمایا جو گزشتہ سال کی اسی مدت کے مقابلے میں ۵.۸۴ فیصد زیادہ ہے۔ اس کے نتیجے میں ۱۶۲.۰۹ روپے فی حصص کی آمدنی ہوئی (۳۰ جون ۲۰۲۱: ۱۵۳.۱۶ روپے فی حصص آمدنی)۔

اے ایچ ایل مالیاتی نتائج اور اختصاص برائے سال ۳۰ جون ۲۰۲۲ اختصار کے ساتھ مندرجہ ذیل ہے:

	روپے ملین میں
ٹیکس سے پہلے منافع	۴۶.۰۱
مختص شدہ ٹیکس	(۱۳.۵۹)
ٹیکس کے بعد منافع	۳۲.۴۲
فی حصص منافع (روپے)	۱۶۲.۰۹

ہسپتال کے آپریشنز سال بھر خوش اسلوبی سے جاری رہے۔ رواں سال کا اختتام بعد از ٹیکس منافع ۳۲.۴۲ ملین روپے کے منافع کے ساتھ ہوا۔ موجودہ سال کے اعداد و شمار منافع میں معمولی اضافہ دیکھا گیا جو بنیادی طور پر مریضوں کی تعداد میں اضافے کی وجہ سے ہے۔ سال کے دوران اے ایچ ایل کا سال کے لیے بیرونی مریضوں کا کل ٹرن اوور ۱۶۱,۱۲۲ (۲۰۲۱: ۱۴۰,۴۰۸) تھا۔ مریضوں کا ہسپتال میں داخل رہنے کا دورانیہ ۵,۴۲۰ دن رہا (۲۰۲۱: ۴,۷۶۲ دن) تھے۔ ہسپتال میں داخل مریضوں کیلئے بیڈز کل استعداد کا ۳۲٪ (۲۰۲۱: ۲۸٪) استعمال ہوئے۔ سال کے دوران کئے گئے کل تشخیصی ٹیسٹ ۵۶,۵۵۲ تھے (۲۰۲۱: ۵۳,۵۲۲)۔ آپریشن تھیٹر میں ہونے والی سرجریوں کی تعداد بڑھ کر ۲,۱۴۲ ہو گئی (۲۰۲۱: ۲,۰۵۰)۔ آمدنی میں مجموعی طور پر تقریباً ۱۸٪ اضافہ ہوا۔

سال کے دوران اعلیٰ انحصار یونٹ لگایا گیا جو اگلے مالی سال کی پہلی سہ ماہی کے آخر تک کام شروع کر دے گا۔ سروس بیس میں مزید ڈوپلر اسکین اور ڈرمیٹولوجی کے طریقہ کار کو بھی شامل کیا گیا جو کہ آنے والے وقت میں آمدنی کا ذریعہ ثابت ہو گا۔

انسانی وسائل ومعاوضہ(HR&R) کمیٹی:

شرکت	منعقدہ اجلاس	ڈائریکٹرز کے نام	نمبر شمار
۱	۱	جناب طارق اقبال خان (چیئرمین)	۱۔
۱	۱	جناب شعیب اے ملک	۲۔
۱	۱	جناب جمیل اے خان	۳۔
۱	۱	جناب ایم عادل خٹک	۴۔

۲۰۔ ڈائریکٹرز اور چیف ایگزیکٹو کا معاوضہ:

نان ایگزیکٹو ڈائریکٹرز بشمول خود مختار ڈائریکٹرز بورڈ اجلاسوں میں شرکت کے لئے صرف فیس کے مستحق ہیں۔ غیر ملکی ڈائریکٹرز نے بورڈ اجلاس کی فیس نہ لینے کا فیصلہ کیا ہے۔ سال کے دوران چیف ایگزیکٹو آفیسر کو ادا کیے جانے والے معاوضہ کی تفصیل مالیاتی حسابات کے نوٹ ۳۸ میں دی گئی ہے۔

۲۱۔ آڈیٹرز:

آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انھوں نے اگلے سال کے لیے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی کی اگلے مالی سال کے لیے، جس کا اختتام ۳۰ جون ۲۰۲۳ کو ہو گا ایسی شرائط و ضوابط اور معاوضہ جس کا تعین باہمی اتفاقِ رائے سے ہو گا، بطور آڈیٹرز تقرر کی سفارش کی ہے۔ بورڈ آف ڈائریکٹرز نے بھی اس کی سفارش آئندہ ہونے والے سالانہ اجلاسِ عام میں حصص داران کی منظوری کے لیے کی ہے۔

۲۲۔ حصص داران کی تفصیل (PATTERN OF SHAREHOLDING):

کمپنی کے کل حصہ داروں کی تعداد ۳۰ جون ۲۰۲۲ کو ۶,۰۶۶ تھی جبکہ گزشتہ برس ۳۰ جون ۲۰۲۱ کو یہ تعداد ۵,۲۷۴ تھی۔
۳۰ جون ۲۰۲۲ تک کی حصہ داران کی تفصیل (Pattern of Shareholding) اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
کمپنی کے حصص میں ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکرٹری اور ان کے ازواج اور چھوٹے بچوں کی جانب سے کئے گئے ہر لین دین، اگر کوئی ہوا، ان کی تفصیل رپورٹ کے ہمراہ منسلک ہے۔

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

خالص منافع / نقصان کی بنیاد پر رواں برس کے لیے فی حصص منافع ۹۳.۱۴ روپے ہے (۳۰جون۲۰۲۱:فی حصص نقصان

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب لیث جی فرعون	۵	۵*
۲۔	جناب وائل جی فرعون	۵	۵*
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 طارق اقبال خان	۵	۵
۸۔	جناب ایم عادل خٹک (سی ای او)	۵	۵

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

۱۸.۳۔ پاکستان سے باہر منعقد ہونے والے اجلاس:

۳۰ جون ۲۰۲۲ کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کا کوئی اجلاس ملک سے باہر منعقد نہیں ہوا۔

۱۹۔ سال کے دوران بورڈ کمیٹیوں کے اجلاس:

زیرِ جائزہ سال میں بورڈ کمیٹیوں کے اجلاسوں کی تفصیل درج ذیل ہے:۔

آڈٹ کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب شمیم احمد خان (چیئرمین)	۴	۴
۲۔	جناب شعیب اے ملک	۴	۴
۳۔	جناب عبدالستار	۴	۴
۴۔	جناب طارق اقبال خان	۴	۴
۵۔	جناب بابر بشیر نواز (جناب وائل جی فرعون کے متبادل ڈائریکٹر)	۴	۴

۱۶۔ مناسب اندرونی مالیاتی ضابطے:

بورڈ نے آڈٹ کمیٹی کو رپورٹنگ کرنے والے اہل فرد کی سربراہی میں ایک آزاد آڈٹ سیکشن ترتیب دیا ہے۔ کمپنی کے اندرونی آڈیٹنگ کا دائرہ واضح طور پر بیان کیا گیا ہے جس میں اس کے "اندرونی کنٹرول سسٹمز" کا جائزہ لینا اور جانچنا وسیع پیمانے پر شامل ہے۔ بورڈ اسکے علاوہ سالانہ اندرونی آڈٹ منصوبوں کی بھی منظوری دیتا ہے۔

۱۷۔ 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۔

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

۱۸.۱۔ کمپنی کے ڈائریکٹرز اور ترتیب و تفصیل:

سال کے دوران مندرجہ ذیل افراد کمپنی کے ڈائریکٹرز تھے:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	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 طارق اقبال خان	خود مختار ڈائریکٹر	مرد
۸۔	جناب ایم عادل خٹک	ایگزیکٹو ڈائریکٹر	مرد

مذکورہ بالا میں کمپنی کے منتخب ۷ ڈائریکٹرز اور ا چیف ایگزیکٹو آفیسر شامل ہیں۔

۱۸.۲۔ سال کے دوران ڈائریکٹرز کے اجلاس:

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

x۔ کارکنوں کے ریٹائرمنٹ فنڈ میں کی گئی سرمایہ کاری کل مالیت جو تازہ ترین غیر آڈٹ شدہ مالیاتی کھاتوں ۳۰جون ۲۰۲۲ کے اعداد و شمار سے مرتب کی گئی ہے، درجہ ذیل ہیں:۔

	روپے ملین میں
مینجمنٹ سٹاف پنشن فنڈ	۱,۱۹۹
سٹاف پراویڈنٹ فنڈ	۲۵۶
جنرل سٹاف پراویڈنٹ فنڈ	۳۲۷
گریجویٹی فنڈ	۴۳۳

xi۔ کوڈ کے مطابق کمپنی اپنے تمام ڈائریکٹرز کو ۳۰جون ۲۰۲۲ تک ڈائریکٹرز ٹریننگ پروگرام (DTP) میں شرکت کی حوصلہ افزائی کرتی ہے۔ فی الوقت ۵ ڈائریکٹرز ایسے ہیں جو DTP سے استثنٰی کے تقاضوں پر پُورا اترتے ہیں جبکہ دو ڈائریکٹرز پہلے ہی پروگرام مکمل کر چکے ہیں علاوہ ازیں ایک متبادل ڈائریکٹر اور کمپنی کے چیف ایگزیکٹو آفیسر (سی ای او) بھی ڈی ٹی پی (DTP) مکمل کر چکے ہیں۔

xii۔ بورڈ اس بات کے لئے مسلسل کوشاں ہے کہ وہ اپنی کارکردگی کی افادیت میں اضافہ کرے۔"ضابطہ برائے کاروباری نظم و نسق" میں تجویز کردہ طریقہ کار کے مطابق بورڈ نے اپنی 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 جا سکے۔

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 ہو گا۔ 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۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو دیے جانے والے معاوضہ کی مجموعی رقم منسلک مالیاتی بیانات کے نوٹ ۳۸ میں ظاہر کر دیا گیا ہے۔

xiv۔ کمپنی کے گزشتہ ۶ برس کے انتظامی و مالی اُمور سے متعلق اعداد و شمار منسلک ہیں۔

xv۔ کارپوریٹ گورننس کے معاملے کے بارے میں دیگر معلومات اس رپورٹ میں الگ سے شامل ہیں۔

علاوہ ازیں اس ضابطے پر عمل درآمد کا چیئرمین اور چیف ایگزیکٹو آفیسر سے دستخط شدہ تعمیل کا بیان اس سالانہ رپورٹ کے ساتھ الگ سے شامل کیا گیا ہے۔

۱۴.۲۔ بہترین کارپوریٹ اور استحکام رپورٹ ایوارڈز:

اگست ۲۰۲۱ میں کمپنی نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) (ICAP) اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (آئی سی ایم اے پی) (ICMAP) کی مشترکہ کمیٹی کے زیرِ اہتمام "بہترین کارپوریٹ اور استحکام رپورٹ ایوارڈز" ۲۰۲۰ کیلئے میرٹ ایوارڈ میں ایوارڈ حاصل کیا۔

۱۵۔ 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 اس سلسلہ میں اعلیٰ ترین میعارات کی پابندی کو یقینی بناتے ہیں۔

کمپنی پوری طرح "ضابطہ برائے کاروباری نظم و نسق- ۲۰۱۹ (کوڈ)" 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۔

v۔ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے روبہ 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 ۲۰۲۲ کو واجب الادا تھیں اور جن کی مالیت ۱,۳۱۸ ملین روپے تھی، وہ سال کے اختتام کے بعد ادا کی جا چکی ہیں۔

۱۲.۳ عالمی یوم ماحولیات (World Environment Day) - جون ۲۰۲۲:

ARL نے ۶ جون ۲۰۲۲ کو ماحولیات کا عالمی دن منایا۔ سال ۲۰۲۲ کا خیال "صرف ایک زمین" ہے۔ اے آر ایل نے ماحولیات کے تحفظ کی اہمیت کو اُجاگر کرنے کیلئے عالمی یوم ماحولیات منایا۔ ماحول کی دیکھ بھال کے لیے ملازمین کی طرف سے درج ذیل وعدے کیے گئے:

i. ایک درخت لگائیں اور اس کی بقا کو یقینی بنائیں۔
ii. پانی / بجلی اور توانائی کے دیگر ذرائع کا استعمال کم کریں۔
iii. اپنے گھریلو سطح پر مواد کو دوبارہ استعمال کریں۔
iv. اپنے بچوں کو وسائل کو معتدل طریقے سے استعمال کرنے کی تعلیم دیں۔
v. زیادہ سے زیادہ ممکنہ حد تک درخت کاٹنے سے گریز کریں۔
vi. ایک شخص کے لیے ایک کار کے بجائے اجتماعی گاڑی کے استعمال کے کلچر کو فروغ دیں۔

۱۲.۴ ساتویں (۷ ویں) صحت، حفاظت اور ماحولیات (ورچوئل) کانفرنس-۲۰۲۱:

صحت، حفاظت اور ماحولیات پر اے آر ایل (ARL) ساتویں کانفرنس (ورچوئل) کل ۱۱۰ شرکاء کے ساتھ اختتام پذیر ہوئی۔ اس نصف روزہ کانفرنس میں ایچ ایس ای کے پیشہ ور افراد، نئے آنے والوں اور ۷۵ مختلف شعبوں کے ماہرین نے شرکت کی۔

کانفرنس کے دوران تین مقالے پیش کیے گئے جن میں سیفٹی کلچر اینڈ لیڈرشپ، پروجیکٹ سیفٹی مینجمنٹ اور پائیدار ترقی کے اہداف شامل ہیں۔

۱۳۔ 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۔

۱۴۔ تجارتی ایوارڈز اور اعترافات:

۱۴.۱۔ ۲۰۲۱ کے لیے پیشہ ورانہ حفاظت، صحت اور فلاح و بہبود پر سولویں (۱۶ ویں) ای ایف پی (EFP) ایورڈز میں اعترافی شیلڈ:

کمپنی نے ای ایف پی (EFP) کے زیر اہتمام (۱۶ ویں) او ایس ایچ (OSH) اور فلاح و بہبود کے ایوارڈ میں اعترافی شیلڈ جیتی۔

۱۱.۲۔ تحریک و ترغیب اور حوصلہ افزائی کے اعزازات:

کارکنان کی بہترین صلاحیتوں سے کام لینے کو یقینی بنانے کے لئے اٹک ریفائنری میں ہر سہ ماہی کے اختتام پر تقریبات کا اہتمام کا کیا جاتا ہے جس میں ہر محکمے کے بہترین کارکنان کو اعلٰی کارکردگی کی بنیاد پر 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 کمپنی کے اخراجات پر قرعہ اندازی کے ذریعے چار ملازمین کو شریکِ حیات یازیرِ کفالت کے ساتھ حج اور پانچ ملازمین کو شریکِ حیات یازیرِ کفالت کے ساتھ کے ساتھ عُمرے کے لیے چنا جاتاہے۔ ایک غیر مسلم ملازم کو بھی شریکِ حیات کے ساتھ یازیرِ کفالت کے ساتھ اُن کے مذہبی مقدس مقامات کی زیارتوں کے لیے چنا جاتاہے۔گزشتہ برس میں کووڈ– ۱۹ کی پابندی کی وجہ سے جو منتخب ملازمین حج پر نہیں جاسکے تھے وہ بھی نئے منتخب ملازمین کے ساتھ اس سال حج ۲۰۲۲ کے فریضے کو ادا کرنے گئے۔

۱۱.۳ ورکرز یونین(سی بی اے)(CBA) (Collective Bargaining Agent)سے معاہدہ ۲۰۲۳-۲۰۲۱:

کارکنان کے مطالبے کے سلسلے میں کمپنی انتظامیہ اور سی بی اے(CBA) کے درمیان مذاکرات کامیابی سے اختتام پذیر ہوئے۔

۱۲۔ ادارہ جاتی ترقی:

۱۲.۱۔ توانائی کاہفتہ (Energy Week) - اکتوبر ۲۰۲۱ :

ایک ذمہ دار کارپوریٹ ادارے کے طور پر اے آر ایل اس بات کاادراک رکھتاہے کہ قدرتی توانائی کے وسائل نہ صرف نایاب ہیں بلکہ بہت قیمتی بھی ہیں اور انہیں بہترین طریقے سے استعمال کرنے کی ضرورت ہے۔اس سلسلہ میں اے آر ایل میں توانائی کاہفتہ منایا گیا تاکہ اس کے عزم کااعادہ کیا جاسکے اور توانائی کے انتظام اور تحفظ کی ثقافت کو فروغ دیا جاسکے۔

اس جشن کا مقصد ملازمین کی حوصلہ افزائی کرنا ، انہیں توانائی کی اہمیت سے آگاہ کرنا اور کام کی جگہ پر توانائی کے تحفظ کے لئے اپنی وابستگی کے عزم کو مضبوط بناناہے۔کمپنی کی انتظامیہ اس بات پر زور دیتی ہے کہ ہم توانائی کے معاملات کو اپنی اخلاقی اور معاشرتی ذمہ داری سمجھتے ہیں۔

۱۲.۲۔ احتیاط اور حفاظت کاہفتہ(Safety Week) - اپریل ۲۰۲۲:

انٹرنیشنل لیبر آرگنائزیشن (ILO)پیشہ ورانہ حادثات اور بیماریوں کی روک تھام کی حوصلہ افزائی کے لئے ہر سال ۲۸ اپریل کو کام کے مقام پر حفاظت اور صحت کے لئے عالمی دن مناتی ہے۔اس سلسلہ میں اے آر ایل نے ۲۹ - ۲۵ اپریل ۲۰۲۲ کو سیفٹی ویک منایا۔

اس سال انٹرنیشنل لیبر آرگنائزیشن کے خیال "آیئے حفاظت اور صحت کے ماحول کی تعمیر کے لیے ایک ساتھ کام کریں" کی روشنی میں مختلف پروگرام ترتیب دیے گئے۔احتیاط اور حفاظت کی اہمیت کو اُجاگر کرنے کیلئے ریفائنری کے مختلف مقامات پر اس موضوع پر بات چیت کا اہتمام کیا گیا۔

۱۰۔ قومی معیشت میں شراکت:

کمپنی نے ٹیکس اور ڈیوٹیز کی مد میں قومی خزانے میں تقریباً ۱۳۶ارب روپے جمع کروائے۔ خام تیل کی مقامی پیداوار کو استعمال کرنے سے پیٹرولیم مصنوعات کی درآمد میں کمی ہوئی۔ مزید برآں کمپنی نے پیٹرولیم مصنوعات کی برآمد بھی کی۔ اس طرح ۲۵۶ ملین امریکی ڈالر کے زرِمبادلہ کی بچت کی گئی۔

اے آر ایل ملک میں واحد ریفائنری ہے جس میں استعمال ہونے والا خام تیل ۱۰۰ فیصد مقامی پیداوار سے حاصل ہوتا ہے جو ملک کے شمالی حصہ میں واقع آئل فیلڈز کی پیداوار کے استعمال کا ذریعہ بنتا ہے۔ کمپنی اس کے علاوہ پاکستان کے شمالی علاقہ کے سول و دفاعی شعبوں کو پیٹرولیم مصنوعات کی فراہمی کا بنیادی ذریعہ بھی ہے۔

۱۱۔ انسانی وسائل کی ترقی:

کمپنی انسانی وسائل کو اس کا سب سے قیمتی اثاثہ اور ریڑھ کی ہڈی کی مانند تصور کرتی ہے۔ اٹک ریفائنری لمیٹڈ میں ہم قابلیت پر مبنی متوازن کام کے ماحول کو برقرار رکھنے کیلئے پُرعزم ہیں جو ملازمین کو ان کی مکمل صلاحیتوں کے استعمال کرنے کے قابل بناتے ہیں۔ کمپنی اپنے اہداف حاصل کرنے کے لئے ایک تیار افرادی قوت کو فروغ دینے کے لئے ان کی خوداعتمادی کو یقینی بناتے ہوئے فلاح و بہبود پر بھی مناسب زور دیتی ہے۔ کمپنی منصفانہ اور مناسب معاوضوں پر مساوی مواقع کی پالیسی کے ذریعے بہترین اہل پیشہ ور افراد کی خدمات حاصل کرتی ہے ، کمپنی ملازمین کو اپنے علم اور مہارت کو مزید بڑھانے کیلئے تربیت فراہم کرتی ہے تاکہ ان کی کارکردگی بہتر ہو سکے۔ کمپنی نے ملازمین کو اپنے کیریئر میں آگے بڑھنے کیلئے منصوبہ بندی اور سازگار حالات میں کام جاری رکھنے کیلئے ایک تشکیل شدہ پالیسی اختیار کی ہے۔ کمپنی مزدور انتظامیہ کے اختلافات کو حل کرنے کیلئے تمام کوششیں بروئے کار لاتی ہے تاکہ کمپنی میں صنعتی امن و ہم آہنگی برقرار رہے۔

۱.۱۱۔ ملازمین کی ترقی اور تربیت:

ملازمین کی ترقی و تربیت کمپنی کے اس مقصد کو اُجاگر کرتی ہے کہ ایک ایسی افرادی قوت تیار کی جائے جو ادارے کی ثقافت اور ماحول کو سمجھتی ہو اور معیار اور اقدار پر عمل پیرا ہو۔ ایسا ہمہ گیر تربیتی پروگرام ترتیب دیا گیا ہے جو فرائض کی ادائیگی کے لئے بہترین تربیت فراہم کرتا ہے۔ ملازمین کی تربیت کیلئے اعلٰی درجے کا آپریٹر ٹریننگ سیمولیٹر (Operator Training Simulator) کا استعمال بھی شامل ہے۔ ہمارے ملازمین کو اے آر ایل سے باہر تربیت دی جاتی ہے۔ وہ مُلک کے اندر اور مُلک کے باہر تربیتی پروگرامز اور کانفرنسز میں حصہ لیتے ہیں ۔ کویڈ- ۱۹ کے وبائی مرض کی وجہ سے ، جہاں ممکن ہو وہاں کلاس روم کی تربیت سے آن لائن تربیت کی طرف منتقل ہونا، ایک نیا معمول ہے اور اے آر ایل نے ایسی تربیت کے امکانات پر کام کیا ہے۔ ہمارے ملازمین نے جاپان کو آپریشن سینٹر پیٹرولیم (JCCP) (Japan Co-operation Center Petroleum) سے آن لائن تکنیکی تربیت بھی حاصل کی ہے۔

اس کے علاوہ، تربیت کا منصوبہ ہماری کارکردگی کا انتظام کرنے کی حکمت عملی کا ایک لازمی جزو ہے اور یہ تربیت افراد کی کارکردگی کو بہتر بنانے کیلئے کارکردگی کا اندازہ، عملے کے کیریئر کی منصوبہ بندی، اور دیگر تنظیمی ضروریات کی بنیاد پر وضع کیا گیا ہے۔

کمپنی نے مصنوعات کی تفصیلات کو بہتر بنانے کے لیے توسیع کے لیے ایک اسٹریٹیجک منصوبہ تیار کیا ہے۔ یہ منصوبے نفاذ کے مختلف مراحل میں ہیں جیسا کہ ذیل میں تفصیل دی گئی ہے۔

تجدیدی منصوبہ کی تکمیل کیلئے پی ایم جی پُول اوکٹین(PMG Pool Octane) کی تصریحات کو مزید بہتر بنانے کے لئے اضافی اوکٹین(Octane) بڑھانے اور نیفتھا ایکسپورٹ (Naphtha Export) کو ختم کرنے کے لیے کانٹینوس کیٹیلیٹک ریفارمر (Continuous Catalytic Reformer) (CCR) لگانے کا ارادہ رکھتی ہے۔ پلیٹ فارمنگ یونٹ کے لئے لائسنسر فرنٹ انڈ انجنیئرنگ ڈیزائن (FEED) (Front End Engineering Design) / بیسک انجنیئرنگ ڈیزائن پیکج (BEDP) (Basic Engineering Design Package) کا کام میسرز ہنی ویل یو او پی، یو ایس اے (M/s Honeywell UOP, USA) نے مکمل کر دیا ہے اس منصوبے کا مقصد PMG کی پیداوار کو بڑھانا اور مستقبل کی یورو - ۵ کی تصریحات پر پُورا اُترنا ہے۔

یورو - ۵ تصریحات (۱۰ پی پی ایم سلفر میکس) کی اضافی پیداوار کیلئے اٹک ریفائنری کے ڈی ایچ ڈی ایس (DHDS) یونٹ کی تجدید کیلئے یونٹ کے لائسنسر نے تکنیکی مطالعہ مکمل کر لیا ہے۔ اس مطالعہ کے نتیجے میں یہ تجویز دی گئی ہے کہ مطلوبہ مقصد کے حصول کیلئے یونٹ کی تجدید لازمی ہے۔ لائسنسر فرنٹ اینڈ انجینئرنگ (FEED) پر کام میسرز ہنی ویل یو او پی، یو ایس اے (M/s Honeywell UOP, USA) جاری رکھے ہوئے ہے۔

فرنس فیول آئل کی طلب میں کمی کے مسئلے کے حل کیلئے اور حکومت کی ہدایت کے مطابق تمام ریفائنریز اب باٹم آف بیرل (Bottom of Barrel) (BOB) کے مشترکہ تجدیدی منصوبے پر غور کر رہی ہیں۔ ریفائنریز کے مشترکہ بی او بی (BOB) تجدیدی منصوبہ کے لئے تکنیکی مطالعہ پر بین الاقوامی مشیر کام کر رہے ہیں۔

اے آر ایل کا منصوبہ ہے کہ ایک اعلیٰ قسم کی ڈیپ کنوریَن (Deep Conversion) گرین فیلڈ ریفائنری کی تنصیب کی جائے جس کی گنجائش ۵۰,۰۰۰ بیرل یومیہ ہو۔ تاہم اس کا انحصار شمال سے خام تیل کی مسلسل فراہمی اور حکومت کی معاونت پر ہے۔

مندرجہ بالا تمام سرمایہ کاری کے 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۔ وزارت توانائی (پیٹرولیم ڈویژن) اور مقامی ریفائنریز نے موجودہ ریفائنریز کے استحکام اور تجدید کے ساتھ ساتھ ریفائننگ سیکٹر میں سرمایہ کاری کو راغب کرنے کے لئے ریفائننگ پالیسی کا مسوّدہ تیار کیا ہے۔ اب حکومت کی طرف سے ریفائننگ پالیسی کی منظوری کا انتظار ہے جو تمام متعلقہ اداروں کے مفاد کیلئے ایک جامع پیکیج ہو گا جو ریفائننگ سیکٹر میں سرمایہ کاری کیلئے حوصلہ افزا ہو گا۔

قطروں سے آبپاشی، گندے پانی کو دوبارہ قابلِ استعمال بنانا وغیرہ سے ماحول کے تحفظ کے لیے ہمارے مسلسل عزم کا اظہار ہوتا ہے۔ اس ضمن میں کمپنی کی کوششوں کو متعلقہ فورمز پر سراہا گیا اور ایوارڈ دیے گئے ہیں۔

۶۔ قیمتوں کے تعین کا طریقہ:

کمپنی کی پٹرولیم مصنوعات کی قیمتوں کا تعین "درآمدی قیمت سے برابری کا فارمولہ" (Formula Import Parity Pricing) 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 پندرہ دن کی بنیاد پر 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 کمپنی یکم جولائی ۲۰۰۲ تک کے سرمایہ حصص سے ۵۰٪ سے زیادہ منافع کو ریفائنری کی توسیع و جدت کے لیے "سپیشل ریزرو اکاؤنٹ" میں منتقل کرے گی۔

ریفائنریز نے دیگر مراعات کے ساتھ قیمتوں کے تعین کے فارمولے میں کچھ اصلاحات طلب کی ہیں جن کی منظوری ریفائننگ پالیسی کے اعلان کے ساتھ ہو گی۔

۷۔ سرمایہ حصص (Share Capital):

کمپنی کے ۳۰ جون ۲۰۲۲ تک جاری کردہ، وصول کردہ اور ادا شدہ سرمایہ کا حصہ ۱,۰۶۶.۱۶۳ ملین روپے تھا۔ قیمتوں کے تعین کے فارمولے کے مطابق ریفائنری آپریشنز سے زیادہ سے زیادہ دستیاب منافع کی رقم یکم جولائی ۲۰۰۲ تک ادا شدہ سرمایہ ۲۹۱.۶ ملین روپے کے ۵۰٪ کے مساوی رقم سے زیادہ تقسیم نہیں ہو سکتی۔

۸۔ اہم خطرات اور غیر یقینی عوامل:

قیمتوں کے حالیہ تعین کے فارمولے کے تحت کمپنی پٹرولیم مصنوعات، خام تیل کی بین الاقوامی قیمتوں کے منفی اتار چڑھاؤ کی مد میں نقصان کے خطرے سے دوچار ہے۔ تاہم پیٹرولیم مصنوعات کی پندرہ دنوں کی بنیاد پر قیمتوں کے تعین اور پیٹرول اور ہائی اسپیڈ ڈیزل کی قیمتوں پر اصل زرِمبادلہ کی شرح کے اطلاق کی وجہ سے کچھ حد تک اس خطرے کی تلافی ہو گئی ہے۔ کمپنی کو فرنس آئل کی کھپت میں کمی جیسے خطرات کا بھی سامنا ہے۔ کمپنی نے حکومت کو اس مسئلہ کے حل کیلئے تجاویز دی ہیں کمپنی اس کے علاوہ حکومت کی جانب سے ایسی ریفائننگ پالیسی کی حتمی منظوری کیلئے بہت زیادہ پُرامید ہے جو ریفائنریز کے تمام متعلقین کی مالی حالت مضبوط کرنے سے مشروط ہو گی جس سے ریفائنریز اپنی اَپ گریڈیشن شروع کر سکیں۔ کمپنی کے کاروبار سے منسلک مالیاتی خطرات اور ان خطرات پر قابو پانے سے متعلق تفصیلات کو اکاؤنٹس کے نوٹ ۳۹ میں تفصیل سے بیان کیا گیا ہے۔

۹۔ مستقبل کا منظر نامہ ریفائنری کی وسعت اور تجدید کے منصوبے:

ریفائنری کو سب سے اہم چیلنج پیٹرولیم مصنوعات کی تصریحات میں مزید بہتری اور یورو - ۵ (Euro-V) کے حصول کیلئے لگائے جانے والے منصوبے کیلئے درکار سرمایہ کاری کو ممکن بنانا ہے۔

۳۔ ریفائنری آپریشنز کے (۱۰۰) سو سال:

کمپنی نے ۱۱ فروری ۲۰۲۲ کو مسلسل اور مضبوط ترقی کے اپنے کامیاب دور کے (۱۰۰) سو سال کا جشن منایا۔ اس تاریخی موقع کی یاد میں ایک سادہ مگر پر وقار تقریب کا انعقاد کیا گیا۔ اٹک گروپ آف کمپنیز کے گروپ چیف ایگزیکٹو جناب شعیب اے ملک مہمان خصوصی تھے۔ اس موقع پر ملک کے معروف اخبارات میں سپلیمنٹس شائع ہوئے۔ پاکستان پوسٹل آفس کی جانب سے کمپنی کی ۱۰۰ ویں سالگرہ کے موقع پر ایک ڈاک ٹکٹ بھی جاری کیا گیا ہے۔

یہ بہت چھوٹے پیمانے پر ریفائننگ آپریشنز شروع کرنے اور کامیاب اَپ گریڈیشن اور توسیع کے سلسلے سے گزرنے کا ایک طویل سفر تھا۔ یہ ہمارے حصہ داران اور دیگر تمام اسٹیک ہولڈرز کے تعاون کے ساتھ ساتھ مسلسل وابستگی کے عزم کے بغیر ممکن نہیں تھا۔

۴۔ اہم سرگرمیاں، ترقی و کارکردگی:

سال کے دوران کمپنی انتظامیہ نے ریفائنری اپنی استعداد کے تقریباً ۹۷٪ استعمال پر چلائی گئی (۳۰ جون ۲۰۲۱: ۷۷٪)۔ یہ فیصلہ ریفائنری معاشیات پر مطالعہ کرنے کے نتیجے میں کیا گیا تا کہ ریفائنری کو مناسب استعداد پر چلایا جائے اور خسارے کو کم سے کم کرنے کے ساتھ ساتھ کمپنی اپنی پیٹرولیم مصنوعات کی طے شدہ فراہمی جاری رکھ سکے۔

زیر جائزہ سال کے دوران ریفائنری کی پیداوار ۱.۹۱۱ ملین ٹن رہی (۳۰ جون ۲۰۲۱: ۱.۸۶۸ ملین ٹن)۔ مُلک کے شمالی علاقے سے نکالے جانے والے تمام خام تیل کا بڑا حصہ، اس ریفائنری پر صاف کیا گیا ہے۔

مجموعی طور پر ۱.۹۰۴ ملین ٹن خام تیل (۳۰ جون ۲۰۲۱: ۱.۸۵۳ ملین ٹن) مختلف کنوؤں سے حاصل کر کے مختلف یونٹس پر نتھارا اور صاف کیا گیا۔

خام تیل کو نتھارنے والے تمام یونٹس بالکل درست حالت میں کام کررہے ہیں۔ کمپنی نے اس سال ۱.۸۰۲ ملین ٹن (۳۰ جون ۲۰۲۱: ۱.۷۹۵ ملین ٹن) مختلف پٹرولیم مصنوعات فراہم کیں جو سب کی سب طے کردہ معیارات کی تصریحات کے عین مطابق تھیں۔

کاروباری عمل کی ری انجینئرنگ، تحقیق اور ترقی کے سلسلے میں تفصیلات سالانہ رپورٹ کے ایک علیحدہ حصے میں دی گئی ہیں۔

۵۔ کمپنی کے کاروبار کے ماحول پر اثرات:

کمپنی صحت مند ماحول کو برقرار رکھنے کی ذمہ داری سے مکمل طور پر آگاہ ہے۔ صحت مند ماحول کے استحکام کو یقینی بنانے کیلئے تمام کوششیں بروئے کار لائی جاتی ہیں۔ 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 تا کہ ماحول پر مرتب ہونے والے منفی اثرات 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 کی پائیدار بنیادوں پر مضبوط عزم کا اعادہ کرتے ہیں۔ توانائی کے انتظام کے معیار ISO-۵۰۰۰۱ پر عمل درآمد، پانی کی صفائی کے پلانٹ کا استعمال اور پانی کے تحفظ کے اقدامات جیسے پانی کے

بسم اللہ الرحمٰن الرحیم

اٹک ریفائنری لمیٹڈ

ڈائریکٹرز کی رپورٹ

ہم بورڈآف ڈائریکٹرز کی جانب سے کمپنی کی ۴۴ویں سالانہ رپورٹ جو ۳۰ جون ۲۰۲۲ کو اختتام پذیر ہونے والے مالی سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ پر مشتمل ہے پیش کر رہے ہیں۔

۱۔ مالیاتی نتائج:

مالی سال ۲۲-۲۰۲۱ کے دوران کمپنی کو ریفائنری سرگرمیوں سے ۹,۰۹۷ ملین روپے کا منافع ہوا (۳۰جون ۲۰۲۱: ۲,۲۶۵ ملین روپے کا نقصان)۔ جبکہ غیر ریفائنری ذرائع سے ہونے والی آمدن ۸۳۴ ملین روپے رہی (۳۰ جون ۲۰۲۱: ۱۲۰ ملین روپے)۔ نتیجتاً موجودہ سال کیلئے خالص منافع ۹,۹۳۱ ملین روپے رہا (۳۰ جون ۲۰۲۱: ۲,۱۴۵ ملین روپے کا نقصان)۔ نتیجتاً فی حصص منافع ۹۳.۱۴ روپے رہا۔(۳۰جون ۲۰۲۱: ۲۰.۱۲ روپے فی حصص نقصان)۔

پاکستان سمیت دنیا بھر میں ریفائنریز کے مارجن میں اضافے نے کمپنی کو اپنی تاریخ کا سب سے زیادہ منافع کمانے کے قابل بنایا۔ تاہم کمپنی کو افراط زر کی بلند شرح، کرنسی کی قدر میں کمی، فنانسنگ اور ٹیکس کی شرح میں اضافہ جیسے چیلنجز کا سامنا ہے۔ ان چیلنجز کے باوجود کمپنی کی انتظامیہ نے بروقت فعال اقدامات اٹھائے اور مصنوعات کی طے شُدہ مقدار کی فراہمی کامیابی سے یقینی بنانے کے ساتھ ساتھ خام تیل فراہم کرنے والے اداروں اور حکومتی اداروں کی ادائیگی اور سرکاری ٹیکسز کی ادائیگی جاری رکھی۔

مالیاتی نتائج اور اختصاص برائے سال ۳۰جون ۲۰۲۲ اختصار کے ساتھ مندرجہ ذیل ہے:

	روپے ملین میں
ٹیکس کے بعد منافع	۹,۹۳۱
منفی: سال کے لیے دیگر جامع نقصان	۱۱۶
جمع: غیر تقسیم شُدہ منافع برائے ۳۰جون ۲۰۲۱:	۸۲۰
غیر تقسیم شُدہ منافع برائے ۳۰جون ۲۰۲۲:	۱۰,۶۳۵
سال کے اختتام کے بعد کے معاملات:	
سال ۲۲-۲۰۲۱ کیلئے منافع کا تصرّف – بشرح ۱۰۰ فیصد ۱۰ روپے فی حصص	۱,۰۶۶
	۹,۵۶۹

۲۔ اختصاص اور منافع کا تصرف:

ڈائریکٹرز نے حتمی منافع کے لیے بشرح ۱۰۰ فیصد (۱۰ روپے فی حصص) کی سفارش کی ہے (۳۰ جون ۲۰۲۱: صفر)۔ یہ منافع سالانہ اجلاسِ عام میں حصہ داران کی منظوری کے ساتھ مشروط ہے۔

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

CCR
Continuous Catalyst Regeneration

CDC
Central Depository Company of Pakistan Limited

CSR
Corporate Social Responsibility

DHDS
Diesel Hydro De-Sulpurization

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

JPs
Jet Petroleum

LDO
Light Diesel Oil

LPG
Liquefied Petroleum Gas

LPS
Loss Per Share

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

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

SWOT
Strengths, Weaknesses, Opportunities, Threats

UNGC
United Nations Global Compact

UOP
Universal Oil Products

WPPF
Workers Profit Participation Fund

WWF
Workers Welfare Fund

Form of Proxy

Attock Refinery Limited

44th 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 44th Annual General Meeting of the Company to be held on Tuesday, September 20, 2022 at 11:00 a.m. at Attock House, Morgah, Rawalpindi, and also through video link, 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 ____________2022.

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 of the Company, 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 beneficial owners and the proxy shall be provided with the proxy form.

ii. 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
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The Company Secretary,
ATTOCK REFINERY LIMITED
P. O. Refinery, Morgah,
Rawalpindi - 46600,
Pakistan.

نیابت داری فارم

اٹک ریفائنری لمیٹڈ

۴۴واں سالانہ اجلاسِ عام

میں / ہم ____________________ سکنہ ________________________________ بحیثیت ممبر اٹک ریفائنری لمیٹڈ کے __________ عمومی حصص کا / کی / کے مالک ہوں / ہیں۔ جناب / مسز / محترمہ _______________ سکنہ ________________________________ یا اُن کی عَدم حاضری کی وجہ سے جناب / مسز / محترمہ ____________________ سکنہ ________________________________ کو کمپنی کے ۴۴ویں سالانہ اجلاسِ عام جو بروز منگل، ۲۰ ستمبر ۲۰۲۲ کو دن ۱۱:۰۰ بجے، اٹک ہاؤس، مور گاہ، راولپنڈی میں بذریعہ وڈیو لِنک منعقد ہو گا یا اس کے کسی بھی التوائی اجلاس کیلئے میرے / میری / ہمارے نیابت دار کے طور پر مقرر کرتا / کرتی / کرتے ہوں / ہیں کہ وہ میری / ہماری غیر موجودگی میں میری / ہماری جانب سے شرکت کریں اور رائے دہندگی کا استعمال کریں۔

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	پارٹیسپینٹ آئی ڈی	

پچاس روپے کی
رسیدی ٹکٹ
پر دستخط

دستخط کمپنی میں محفوظ نمونے کے مطابق ہونے چاہیں

حصہ دار کے دستخط ____________________

نیابت دار کے دستخط ____________________

تاریخ: دن ______ ماہ ______ ۲۰۲۲

۱- گواہ:	۲- گواہ:
دستخط ____________________	دستخط ____________________
نام ____________________	نام ____________________
پتہ ____________________	پتہ ____________________
____________________	____________________

شناختی کارڈ نمبر ____________________
یا
پاسپورٹ نمبر ____________________

شناختی کارڈ نمبر ____________________
یا
پاسپورٹ نمبر ____________________

ضروری اُمور:

۱- باضابطہ مکمل شدہ اور دستخط کردہ نیابت داری فارم اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ دفتر، پوسٹ بکس ریفائنری، مور گاہ، راولپنڈی۔ ۴۶۶۰۰ پاکستان میں جمع کرانا ضروری ہے۔

۲- اگر ایک ممبر ایک سے زیادہ نیابت دار مقرر کرتا / کرتی ہے اور کمپنی میں ایک سے زیادہ نیابت داری کے فارم جمع کرواتا / کرواتی ہے تو ایسی تمام دستاویزات غیر مؤثر ہو جائیں گی۔

۳- **سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کیلئے:**

مندرجہ بالا کے علاوہ درج ذیل تقاضے بھی پورے کرنے ہوں گے:۔

i. نیابت داری فارم کے ساتھ حصہ داران اور نیابت دار کا شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی فراہم کرنا ہو گی۔

ii. کارپوریٹ ادارے کی صُورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ کے ساتھ نمونے کے دستخط (اگر پیشگی مہیا نہیں کیا گیا) کمپنی کے نیابت داری فارم کے ساتھ پیش کرنا ہوں گے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary,
ATTOCK REFINERY LIMITED
P. O. Refinery, Morgah,
Rawalpindi - 46600,
Pakistan.


V -100

Attock Refinery Limited
P.O. Refinery, Morgah, Rawalpindi, Pakistan.
Tel: 92-51-5487041-45 | Fax: 92-51-5487093 & 5406229
Email: info@arl.com.pk
www.arl.com.pk