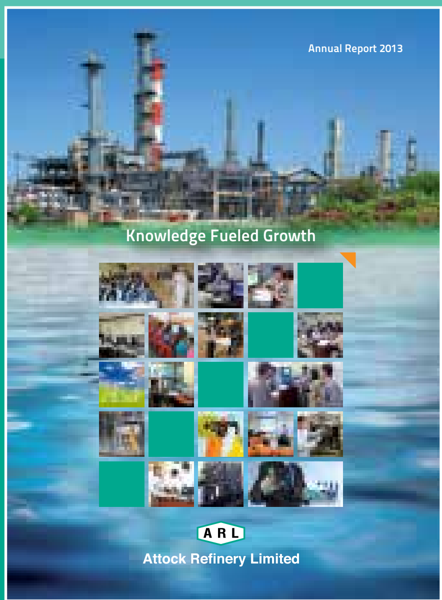
Annual Report 2013

Knowledge Fueled Growth

ARL

Attock Refinery Limited



Knowledge Fueled Growth

Knowledge is basic and critical resource which leads to management initiatives for better strategic decisions and their implementation.

We, at Attock Refinery Limited (ARL) are passionately strengthening and using our knowledge resource in pursuance of our vision "To be a world class and leading organization continuously providing high quality diversified environment-friendly energy resources and petrochemicals." This has enabled ARL to become a shining example of continued endeavors for excellence and sustained growth to retain our claim of being pioneers and pace setters.

In today's highly competitive and performance driven business climate the Company cannot afford to rest on its laurels. Our highly professional and dedicated human resource works in a culture supportive of openness, meritocracy, team work, knowledge sharing and innovation.

The Company over a period of time has undertaken various expansion and up-gradation projects successfully. Our current Refinery Up-gradation Project to be completed by September 2015 comprises of Preflash Unit, Isomerization Unit, Diesel Hydrodesulphurization (DHDS) Unit and expansion of existing Captive Power Plant. This will increase refining capacity by 24%, motor gasoline production by 70% and enable us to produce Euro-II compliant low sulphur high speed diesel.

For effective production planning and refinery optimization under various economic scenarios, we are using state of the art, Aspen HYSYS and Aspen PIMS (Process Industry Modeling System), and Aspen EDR (Exchanger Design and Rating) softwares. Similarly, on Enterprise Resource Planning (ERP) side, ARL has successfully implemented solutions like MAXIMO, Oracle Financials, Oracle Oil Accounting, Human Resource Management System (HRMS), Security Management System (SMS), Laboratory Information & Management System (LIMS), Electronic Permit to Work (E-PTW) System, HSEQ Management System, Fuel Management System, Product Pricing System, Sales Information System etc. Most of these systems have been developed in-house.

In pursuance of our core value of Learning & Innovation, ARL organizes yearly conferences on Health, Safety & Environment, Human Resource, Plant Maintenance and Operations for learning and skill development of its employees and spectrum of participants from diversified industries.

Using our own knowledge base, we were the first, amongst petrochemical industry, to achieve ISO 9001, ISO 14001, OHSAS 18001, and ISO/IEC 17025 certifications. ARL last year became the first to implement Energy Management System (EMS) ISO 50001 - 2011 and that too without outside support. We are also a proud signatory to UN Global Compact (UNGC) Principles which guide us in international level compliances.

Winning the prestigious RoSPA Gold Award twice in a row, ICAP & ICMAP Best Sustainability Report Award, ACCA-WWF Sustainability Report Award three years in a row, UN-Global Compact Award, consistent compliance with National Environmental Quality Standards (NEQS) and practicing best quality standards have made ARL distinct nationally and internationally.

ARL reiterates its resolve to keep no stone unturned in maintaining a learning and knowledge sharing environment which, we believe will ensure sustenance of our success for all times to come.

Contents


Capacity
utilization
100%

Honors & Achievements

Royal Society for Prevention of Accident (RoSPA) Gold Award 2013 UK's Occupational Health and Safety Award

Best Corporate Report Award 2012 (ICAP & ICMAP)

Best Sustainability Report Award 2012 (ICAP & ICMAP)

Human Resources Benchmarking Survey (HRBS) Report Award 2012

Vision & Mission

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 interests paramount in all our actions.

Learning & Innovation

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

Team Work

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

Empowerment

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

Strategic Plan

Company's strategic plans include enhancement of its refining capacity and production of better and more environment-friendly petroleum products to maintain and expand its market. The plans include installation of a Pre-flash Unit, an Isomerization Complex and a Diesel Hydro Desulfurization Unit. Projects targeting environmental and social improvement for community development are also being planned.

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 is listed on the three Stock Exchanges of the country. 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 852.93 million.

ARL is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of more than 90 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,

Accreditation & Certifications

ISO-9001: 2008
QUALITY MANAGEMENT SYSTEM

ISO-14001 : 2004
ENVIRONMENTAL MANAGEMENT SYSTEM

OHSAS-18001 : 2007
OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES

ISO/IEC-17025 : 2005
LABORATORY MANAGEMENT SYSTEM

IMPLEMENTED AT ARL

ISO 50001
Energy Managment System

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. In 1999, ARL commenced JP-1 pipeline dispatches and in 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned. 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. ARL's current nameplate capacity stands at 43,000 bpd and it possesses the capability to process lightest to heaviest (10-65 API) crudes. ARL's current Expansion / Up-gradation Projects comprises of Preflash unit, Naphtha Isomerization unit, Diesel Hydro Desulphurization (DHDS) unit and expansion of existing Captive Power Plant. This would increase refinery capacity by 10,400 bpd, motor gasoline production would increase by 20,000 Tons per month and would enable ARL to produce Euro II compliant low sulphur diesel. These Projects are expected to be completed by September 2015. The Company is ISO 9001, ISO 14001, ISO/IEC 17025, OHSAS 18001 certified and is the first refinery in Pakistan to declare implementation of 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 furnace – less than 1%
- First to produce low sulfur diesel – less than 0.5%

1999
- First to achieve ISO 9002 certification for quality control laboratory
- First to produce low lead premium gasoline direct from refinery process

2001
- First to produce polymer modified asphalt
- First major industry to get ISO 9001: 2000 certification

2002
First major industry to get ISO 14001 certification

2006
First major industry to get OHSAS 18001 certification

2007
First in Oil and Gas sector to get ISO 17025 accreditation

2008
First HSE Conference

2009
First HR Conference

2012
First Plant Maintenance & Operations Conference

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

ARL Products

Liquefied Petroleum Gas (LPG)

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

Solvent Oil

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

Naphtha

Number of flammable liquid mixtures of hydrocarbons i.e. a component of natural gas condensate or a distillation product. ARL produce color less naphtha of export quality and is exporting the same reserving foreign exchange for the country.

Premium Motor Gasoline (PMG)

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

Mineral Turpentine Tar (MTT)

ARL 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.

Jet Fuel

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

Kerosene Oil

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

High Speed Diesel (HSD)

HSD produced by ARL is used as a fuel for high speed diesel engines like buses, lorries, generating sets, locomotives etc. Gas turbine requiring distillate fuels normally make use of HSD as fuel.

Light Diesel Oil (LDO)

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

Jute Batching Oil (JBO)

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

Furnace Fuel Oil (FFO)

ARL supplies Furnace Fuel oil which is commercial heating oil for burner; it is also used in power plants. Major portion of this fuel is supplied to IPP's for the production of Electricity.

Residual Furnace Fuel Oil (RFO)

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

Cutback Asphalts

Cutback Asphalt is manufactured by blending asphalt cement with a solvent. There are two major types of Cutback Asphalt based on the relative rate of evaporation of the solvent: Rapid-Curing (RC), Medium-Curing (MC), Rapid-Curing Cutback Asphalt is used primarily for surface treatments and tack coat. Medium-Curing 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.

Polymer Modified Bitumen (PMB)

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

Paving Grade Asphalts

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

Board of Directors

Dr. Ghaith R. Pharaon
Non Executive Director
(Chairman Attock Group of Companies)


Mr. Laith G. Pharaon
Non Executive Director


Mr. Wael G. Pharaon
Non Executive Director


Mr. Shuaib A. Malik
Chairman /
Non Executive Director & Alternate Director to Dr. Ghaith R. Pharaon


Mr. Abdus Sattar
Non Executive Director


Mr. Munaf Ibrahim
Independent Non Executive Director


Agha Sher Shah (NIT Nominee)
Independent Non Executive Director


Mr. Iqbal A. Khwaja
Alternate Director to Laith G. Pharaon


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


Mr. M. Adil Khattak
Chief Executive Officer

Board Committees

Audit Committee

- Munaf Ibrahim, Chairman
- Abdus Sattar, Member
- Agha Sher Shah, Member
- Babar Bashir Nawaz, Member (Alternate Director)

Responsibility

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

HR & Remuneration Committee

- Shuaib A. Malik, Chairman
- Munaf Ibrahim, Member
- M. Adil Khattak, Member

Responsibility

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

Technical & Finance Committee

- Abdus Sattar, Chairman
- Shuaib A. Malik, Member
- Agha Sher Shah, Member
- M. Adil Khattak, Member

Responsibility

To recommend annual capital and revenue budget and review any other key financial matters or technical aspect relating to refinery operations / up gradation etc.

Scholarship Committee

- Dr. Ghaith R. Pharaon, Chairman
- Shuaib A. Malik, Member
- M. Adil Khattak, Member

Responsibility

The Scholarship Committee's primary role is to ensure that the Scholarship Schemes are aligned with the strategic vision and core values of the Company and also accords approval for any revision required in the schemes.

Photograph of the 167th Board of Directors meeting held in Rawalpindi, Pakistan on August 14, 2013.

Company Information

Chief Executive Officer
M. Adil Khattak

Chief Financial Officer
Syed Asad Abbas (FCA)

Company Secretary
Saif ur Rehman Mirza (FCA)

Bankers
Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
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
THK Associates (Pvt) Limited
Ground Floor,
State Life Building No.3,
Dr. Ziauddin Ahmed Road,
P.O. Box No. 8533,
Karachi-75530

Registered Office
The Refinery Morgah, Rawalpindi
Tel: (051) 5487041-5
Fax: (051) 5487093-94
E-mail : info@arl.com.pk
Website : www.arl.com.pk

The Management

Left to Right

Munir A. Temuri
Senior Manager (TS)

Saif-ur-Rehman Mirza
Company Secretary

Khalid Mehmood
Manager (P & D)

Raja Nadeem Khalid
Manager (Maintenance)

Salman Tariq
Senior Manager (Maintenance)

Syed Asad Abbas
Senior Manager (F & CA)

Mansoor Shafique
DGM (TS & PD)

Khurram Jalil *
Senior Manager (Engineering)

* Not present in the picture

Left to Right

M. Adil Khattak
CEO

Malik Masood Sadiq
AGM (C & MM)

Ejaz H. Randhawa
DGM (Operations)

Asif Saeed
Senior Manager (HR & A)

M. Aliemuddin
Manager (HSEQ)

Nayyer Ahmed
Manager (OM & U)

Arshad Hayee Khan
Manager (Plants)

Usman Ishaq Raja
Deputy 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 the activities, refinery operations and to 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 to all management / contract staff in each calendar year. The Committee also proposes areas for improvement for each employee.

Pricing Committee

Responsible for determining prices of deregulated products from time to time.

Central HSE Committee

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

Information Technology Committee

Responsible for automation of processes and systems in line with latest technology.

Risk Management & Strategic Plan Committee

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

Rewards & Recognition Committee

The role of this Committee is to discuss, evaluate and recognize actions / ideas / suggestions and behaviors manifested by an employee or employees, or any significant improvisation being beyond the normal call of duty.

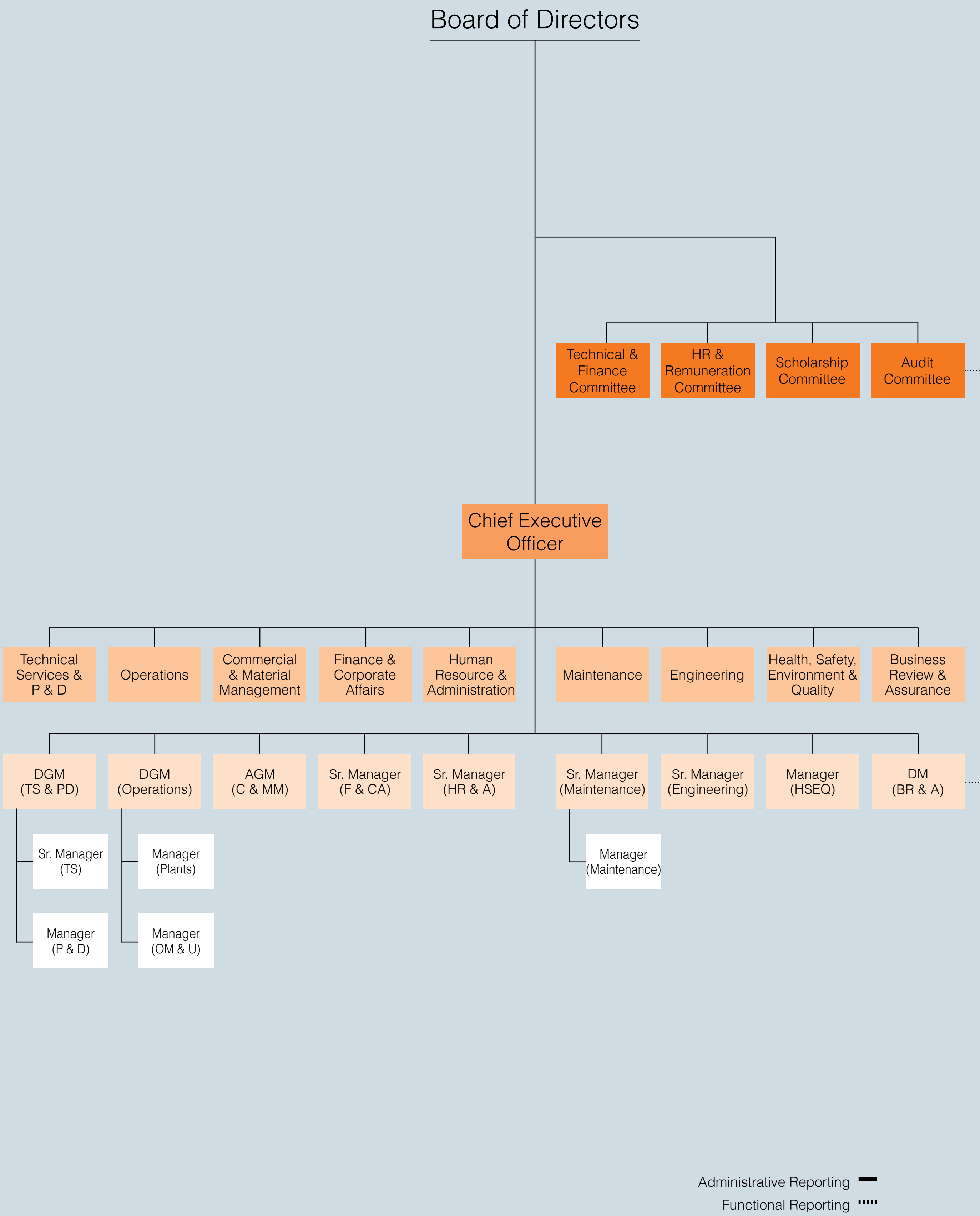
Standing Committee for Gender Justice

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

Training Steering & Scholarship Committee

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

Organogram


Board of Directors
Technical & Finance Committee
HR & Remuneration Committee
Scholarship Committee
Audit Committee
Chief Executive Officer
Technical Services & P & D
Operations
Commercial & Material Management
Finance & Corporate Affairs
Human Resource & Administration
Maintenance
Engineering
Health, Safety, Environment & Quality
Business Review & Assurance
DGM (TS & PD)
DGM (Operations)
AGM (C & MM)
Sr. Manager (F & CA)
Sr. Manager (HR & A)
Sr. Manager (Maintenance)
Sr. Manager (Engineering)
Manager (HSEQ)
DM (BR & A)
Sr. Manager (TS)
Manager (P & D)
Manager (Plants)
Manager (OM & U)
Manager (Maintenance)
Administrative Reporting
Functional Reporting

Health, Safety, Environment & Quality (HSEQ) Policy

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

Health

ARL seeks to conduct its activities in such a way as to promote the health of and avoid harm to its employees, contractors, visitors and the community.

Safety

ARL ensures that every employee or contractor works under the safest possible conditions. It is our firm belief that every effort must be made to avoid accidents, injury to people, damage to property and the environment.

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

Environment

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

Quality

ARL recognizes employees' input towards quality by emphasizing skills development and professionalism. ARL must be customer driven, cost effective and continuously improving services, works and products to meet requirements of the market.

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

Energy Policy

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

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.

United Nations Global Compact

Ten Principles Adopted by the Company in January 2008 as a Guideline to Business Management

United Nations Global compact is not a code of conduct, but rather a voluntary call to action that is being taken by more and more businesses throughout the world. It asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Human Rights

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:
Make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:
The elimination of all forms of forced and compulsory labour;

Principle 5:
The effective abolition of child labour; and

Principle 6:
The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7:
Businesses should support a precautionary approach to environmental challenges;

Principle 8:
Under take initiatives to promote greater environmental responsibility; and

Principle 9:
Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery.

Communication on Progress

Year: March 2012 to February 2013

Statement of Continued Support

Attock Refinery Limited (ARL) has served Pakistan and its people not only by being a leader in refining sector of the country but also by becoming a shining example of continued endeavors for excellence and sustained development.

Corporate Social Responsibility (CSR) is not a new concept for ARL; it has been part of the Company's core values since its inception; ARL's history of over 90 years is replete with CSR initiatives. At ARL, we feel it is our foremost duty to consider the economic, social, ethical and environmental impact of our activities on our stakeholders.

In pursuance of ARL's compliance with the UN Global Compact principles, it is our privilege to confirm that ARL's sustainability attributes are based on five pillars of strength i.e. diversification, competitiveness, transparency, synchronized community & social responsibility services and environmental protection.

We realize that integrated approach to manage social, environmental and financial issues is a challenging task especially to embark on patrolling of boundaries between legal and illegal, ethical and unethical, right and wrong, fair and unfair, good and poor quality. In order to work within the defined boundaries and eliminate barriers to innovative ideas, ARL business practices are aligned with our deeply embedded core values.

ARL being pioneer and pace setter in oil refining sector in Pakistan takes lead once again by adopting the economy of sustainable development - the green economy; to grow in a way that benefits not sacrifices the environment, social justice and equity. The Company strongly advocates community well-being and conservation of environmental resources by operating in a sustainable way. Besides, the safety of our employees, contractors and stakeholders remains paramount for us.

We believe in green growth universally as it is the core approach that guarantees the preservation of natural resources of the world for our future generations while enabling us to continue benefiting from these resources more prudently.

We once again reiterate our continual commitment to be a socially responsible Company by extending full support to UN Global Compact guiding principles leading to fair business practices all over the world.

___SD___

M. Adil Khattak
Chief Executive Officer

March 11, 2013

Chairman's Review

Shuaib A. Malik
Chairman

بسم الله الرحمن الرحيم

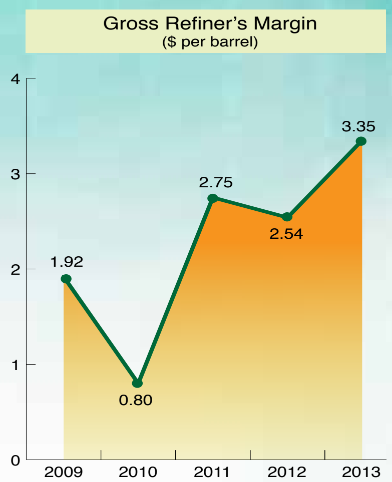
It gives me immense pleasure to welcome our esteemed shareholders to the 35th Annual General Meeting of the Company and to present annual review of the results of Company's operations and audited financial statements for the financial year ended June 30, 2013.

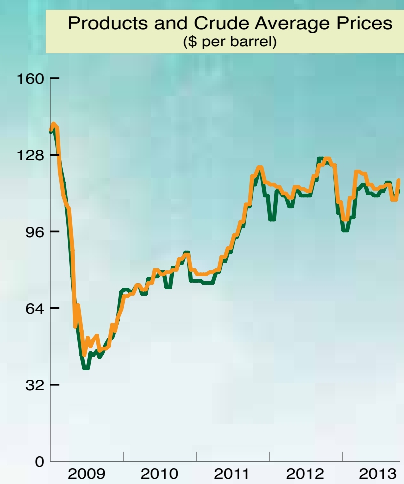
Business Review

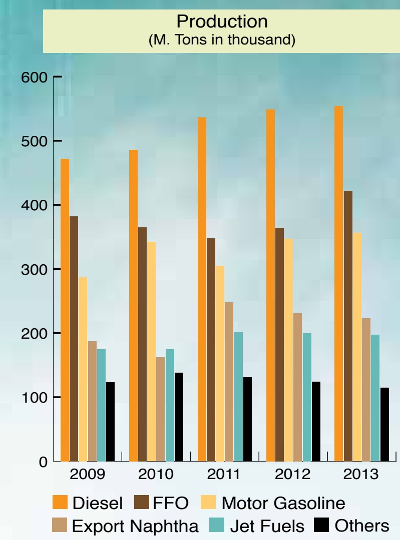
During the year under review, we experienced fluctuating gross refiner's margin (GRM). However, because of overall favourable movement in prices of products as compared to crude oil prices, the average GRM remained not only positive but also slightly better than the previous year. The Company also showed improved performance with respect to capacity utilization which rose to 100% as compared to 99.5% of last year. During the year Company's production capacity also increased by 1,000 barrels per day (bpd) due to installation of new charge heater. These factors improved Company's operating profit from refinery operations to Rs 1,673 million (June 30, 2012: Rs 382 million). Other income increased to Rs 3,082 million (June 30, 2012: Rs 2,389 million) mainly on account of delayed payment charges of Rs 1,635 million (June 30, 2012: Rs 1,195 million) on fuel oil supplies.

Income from the Company's strategic investment in non-refinery business was Rs 1,298 million (June 30, 2012: Rs 1,589 million). Accordingly, profitability of the Company has improved in comparison to the last year. Net profit for the year was Rs 3,916 million (June 30, 2012: Rs 2,735 million).

During the year under review, the issue of circular debt of the energy sector remained a major cause of concern for all stakeholders. However, as a result of recent inter-corporate circular debt settlement arranged by the Government, trade debts amounting to Rs 15.91 billion have been adjusted against trade creditors of the same amount. We acknowledge and appreciate new Government's positive steps to resolve circular debt issue and look forward for major policy decisions to address root causes for resolution of the energy crisis on a long term and permanent basis.







Business Risks, Challenges and Future Outlook

In March 2013 the Government approved Policy Framework for Up-gradation of Expansion of Refineries Projects. We take pride in sharing that Attock Refinery had already done necessary homework on this front which enabled it to move immediately to fulfill its commitments for Up-gradation of the refinery. On April 11, 2013 the Company and M/s Hyundai Engineering Co. Ltd. entered into a contract for the execution of ARL Up-gradation Project which comprises of Preflash unit, Naphtha Isomerization Unit, Diesel Hydro Desulphurization (DHDS) Unit and expansion of existing Captive Power Plant.

The overall project cost would be around US Dollar 251 million. The Project will be financed in the debt equity ratio of 80:20. Financial close for debt syndicate of Rs 22 billion with consortium of local banks was achieved on August 6, 2013.

The management team deserves appreciation for these remarkable achievements within such a short span of time and I wish them good luck for smooth and timely completion of the Project which would play a pivotal role in the Up-gradation of the refinery and also to economic development of the country.

Employee Relations

The workers – management relationship continues to be cordial and depicts a will to maintain mutual respect, co-existence and growth on the part of both parties. I would like to appreciate the efforts and dedication of the officers, staff and workers of the Company and the Collective Bargaining Agent (CBA) who enabled the management to run the Company smoothly and efficiently during the year for profitable operations.

Acknowledgement

On behalf of the Board, I appreciate the continued support received from the Ministry of Petroleum & Natural Resources and other Government institutions and express gratitude to our valued customers, crude oil suppliers, banks, suppliers and contractors for their continued cooperation.

___SD___

August 14, 2013
Rawalpindi

Shuaib A. Malik
Chairman

بسم الله الرحمن الرحيم

Directors' Report

On behalf of the Board of Directors, I am pleased to present the Company's 35th Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2013.

1. FINANCIAL RESULTS

Capacity utilization of 100% (June 30, 2012: 99.5%) coupled with increase of 1,000 barrels per day (bpd) in refining capacity of the Company and favourable trend in international prices of petroleum products and crude oil resulted in improved operating profits of Rs 1,673 million (June 30, 2012: Rs 382 million). Other income increased to Rs 3,082 million (June 30, 2012: Rs 2,389 million) mainly on account of income on delayed payment charges of Rs 1,635 million (June 30, 2012: Rs 1,195 million) on fuel oil supplies.

After accounting for other income and non-refinery income the profit after tax for the year ended June 30, 2013 was Rs 3,916 million with an EPS of Rs 45.91 (June 30, 2012 : Rs 2,735 million and Rs 32.07 respectively).

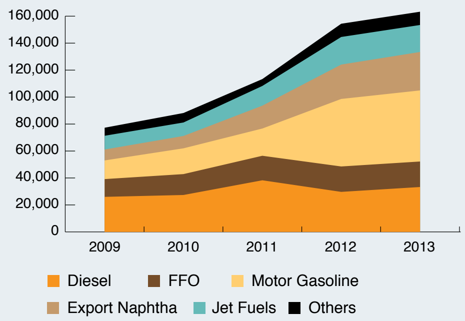
The financial results for the year ended June 30, 2013 are summarized below:

	Rs in million
Profit before tax from core refinery operations	1,673
Add: Other income	3,082
Less: Provision for taxation	2,137
Add: Income from non-refinery operations less applicable charges and taxation	1,298
Profit for the year	3,916

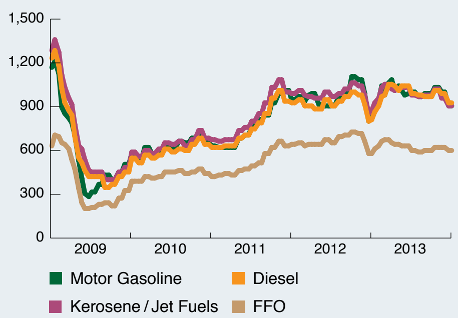
2. PRICING FORMULA

During the year following major changes were made in the pricing formula:

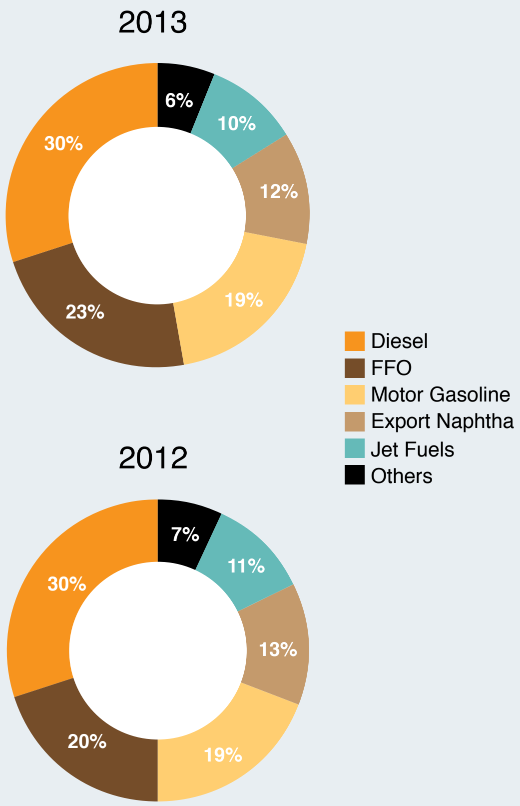
Sales Revenue Composition
(Rs in million)



Products' Prices
($ per ton)



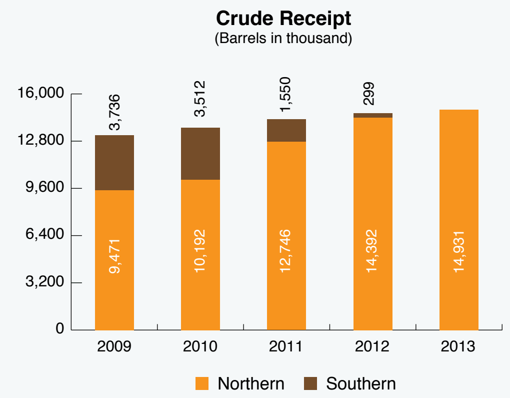
Sales Volume Mix
(in Percentage)



Directors' Report

- In March 2013 the Government announced Policy Framework for up-gradation and expansion of refineries. With effect from January 1, 2016, subject to the completion of DHDS project, the current 7.5% deemed duty on High Speed Diesel (HSD) will be enhanced to 9% which may remain applicable till the envisaged complete deregulation. It may be highlighted that the refineries had originally been allowed 10% duty on HSD which was subsequently reduced in 2008 to 7.5%. This incentive will support the refineries in undertaking their projects for refinery upgrading and producing EURO-II compliant products. The Policy Framework also requires refineries to deposit on half yearly basis (with final adjustment on annual basis), the amount of profit above 50% accumulated in the special reserve account in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for up-gradation of refineries. Such amounts shall be transferred to the ESCROW Account on completion of certain formalities. Further, the refineries have been directed that till completion of the projects, offsetting of losses, if any for the year ended June 30, 2013 or subsequent years will not be allowed against the amount of profit above 50% accumulated or to be accumulated in the Special Reserve Account as per current pricing formula.

- Effective April 1, 2013 the price differential between entitled local HSD ex-refinery price (Import parity price) and ex-refinery price based on actual Pakistan State Oil (PSO) imports for the period shall be reimbursed by refineries except PARCO, through Inland Freight Equalization Margin (IFEM) mechanism after recovery from oil marketing companies. Refineries will be required to deposit the surplus differential arising due to higher PSO import price, in IFEM pool to pass on benefit to consumer through IFEM mechanism being managed by Oil and Gas Regulatory Authority (OGRA).



The refineries have taken up some issues with the Government relating to pricing mechanism for pricing of few products, removal of capping on dividend and abolishment of turnover tax etc.

3. DIVIDEND

The Directors have recommended final cash dividend at the rate of 25% (Rs 2.50 per share). This is in addition to the interim cash dividend of 25% (Rs 2.50 per share) already declared and paid to the shareholders thereby making it a total cash dividend of 50% (Rs 5.00 per share) for the year ended June 30, 2013 (2012: 75% Rs 7.50 per share).

4. SHARE CAPITAL

The issued, subscribed and paid up capital of the Company as at June 30, 2013 was Rs 852.93 million. However, under the existing pricing formula, the maximum profits available for distribution from refinery operations cannot exceed an amount equivalent to 50% of paid-up capital of Rs 291.6 million existing on July 1, 2002.

The Company's management has taken up this matter with Government at various forums with the recommendation that capping on payment of dividend should be removed or at least should be based on existing paid up share capital as revised from time to time.

5. REFINERY MANAGEMENT AND OPERATIONS

During the year under review the issue of circular debt of the energy sector remained a cause of concern. However due to the methodology adopted by the management, the Company maintained uninterrupted supplies and still managed to successfully operate the refinery at 100% capacity. In June 2013, as a result of inter-corporate circular debt settlement arranged by the Government, trade debts amounting to Rs 15.91 billion have been adjusted against trade creditors of the same amount. We are still following up the Government for resolution of rest of the overdue outstanding balance.

The refinery throughput was 14.989 million barrels (2011-12: 14.665 million barrels). Due to enhanced production of crude oil in the northern region, mainly Tal block, no quantity of crude oil from southern oilfields was required during the year. Major part of the entire indigenous crude production from the northern region including enhanced production from certain fields was processed at the Refinery.

A total of 14.931 million barrels of crude oil (2011-12: 14.691 million barrels) was received from 42 different oil fields which was successfully processed at various units. Your refinery has the unique capability and distinction of processing varied quality of both heavy and light crude oil produced from fields across the whole country.

All the crude processing units operated smoothly. The Company supplied 1.864 million Tons (2011-12: 1.838 million Tons) of various petroleum products during the year, meeting the standard quality specifications.

6. ONGOING AND FUTURE PROJECTS

6.1 Refinery expansion and up-gradation projects

In pursuance of its commitment towards refinery up-gradation and expansion, ARL has signed a Contract with M/s Hyundai Engineering Co. Ltd. Korea on April 11, 2013 for following projects:

i) Pre-flash Unit - to enhance refining capacity by 10,400 BPD;

Directors' Report

ii) Naphtha Isomerization Unit – to enhance production of PMG by 20,000 Tons per month

iii) DHDS Unit – to reduce sulphur contents in High Speed Diesel; and

iv) Expansion of existing Captive Power Plant up to 18 MW.

Basic design of Pre-flash unit and Isomerization/DHDS units were carried out by M/s CB&I USA and M/s UOP USA respectively whereas the basic design of utilities and off-sites was carried out by M/s ENAR Petrotech Services Pakistan.

Installation of Preflash unit will increase ARL's refining capacity thus increasing the production of vital middle distillates. Isomerization and DHDS units will enable ARL to increase PMG production and produce Euro-II compliant low sulfur diesel respectively.

Expansion of existing captive power plant will also be carried out to meet the increased power requirement due to addition of new process units and modernization of existing refinery equipment like fire protection pumps etc.

Aggregate cost of these Projects is approximately US $ 251 million. These Projects

will be financed in the debt equity ratio of 80 : 20. Financial close for debt syndicate of Rs 22 billion with consortium of local banks was achieved on August 6, 2013. Most of the work on jobs of site clearance required in connection with setting up of the plants has also been completed. The projects are expected to be completed by September 2015.

6.2 Other Projects - Effluent Treatment Plant Phase-II

ARL has always been in the forefront to invest in improving the environment as part of its Corporate Social Responsibility (CSR) way ahead of regulatory timelines.

The target has always been to go beyond just meeting the minimum requirements of the National Environmental Quality Standards (NEQS) and have even a better quality of effluent streams than required by the NEQS. In the same spirit, Phase-II of Effluent Treatment Plant (ETP) was initiated in year 2012 and contract was awarded to a Malaysian based company to upgrade the existing primary treatment facilities and to install secondary treatment technologies. Phase-II mainly consists of addition of another Dissolved Air Flotation (DAF) unit for removal of Total Suspended Solids (TSS) and Oil & Grease; and Biological treatment plant for the reduction of Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD), along with modifications to the existing API separators to improve their efficiency.

It is expected that after installation of the ETP Phase-II project the effluent water will not only consistently meet the NEQS requirements but will also improve water conservation by the possibilities of beneficial re-use of the treated water. The project is now nearing its completion with its commissioning planned by the end of 2013.

7. BUSINESS PROCESS RE-ENGINEERING, RESEARCH & DEVELOPMENT

The Company remained engaged in efforts to improve process and administrative efficiency throughout the Company through various activities of business process re-engineering and review to further improve its product quality and slate and simultaneously boost production

Directors' Report

efficiencies. Major efforts in this direction are outlined below:-

- Throughput of 41,065 BPCD was achieved according to the targeted operational plans.
- The Highest throughput of 47,214 BPD was achieved on March 14, 2013. The previous highest throughput was 46,514 BPD which was achieved on November 22, 2007.
- Yearly Diesel production increased to 553,500 tons in 2012-13 from 548,000 tons in 2011- 12. This has been achieved with optimized blending and available crude quality.
- Annual turnaround of HBU-I was carried out safely within eight (8) days and with minimum diversion of northern light crude to south.
- Similarly annual turnaround of HCU was safely completed within ten (10) days.
- Reformer Plant remained in operation at 110% throughput with production of 356,100 tons of PMG in the year 2012-13 (2011-12: 347,000 tons).
- HBU-II new heater was commissioned successfully in October 2012. With the commissioning of the new heater, plant capacity increased from 5,000 BPD to 6,000 BPD with better distillate recovery.
- As part of continual improvement program, Lummus plant's instrumentation is being upgraded from old pneumatic system to new Programmable Logic control (PLC) system. For this purpose, a new PLC and field instruments have been installed and commissioned at vacuum section of Lummus Plant.
- In pursuance of "Technical Training Program" under ARL Skills Development Initiative (SDI), Operations department has conducted ten (10) training sessions during the year 2012-13 for newly inducted apprentices and trainees. This enabled the newcomers to quickly learn from the rich experience of senior and trained staff on important topics of Refinery operations.
- ARL has successfully completed joint calibration of 550 bowsers in six months period in order to ensure accurate crude receipts through bowsers by dipping method.
- Oracle based bowser calibration system instead of manual system has been developed for better control.

- Burner Management System on one of the Fire tube boilers has been replaced with the latest PLC based automatic system. This has improved the operational safety, enhanced the boilers efficiency and also has features of fault diagnosis for reliable maintenance.
- New deep water well was developed and successfully commissioned to improve the availability of water for the new upcoming plants and refinery operations. This will add 130,000 gallons per day of water supply in the existing water network.
- Additional trim cooler was commissioned at Reformer plant to control reformat storage temperature within safe limits while operating the plant at 110% of design capacity.
- HCU Overhead Fractionator receiver HC-V-007 pressure was optimized in coordination with Technical Services to enhance plant throughput at light crude, maximize LPG production and to minimize flaring.
- Phase – 1 of ARL's Fire Water Network has been successfully upgraded by installation of 4800 Rft line of 6" dia.
- ARL has successfully implemented Bowser Calibration System to eliminate the manual preparation of calibration chart certificate. Fully integrated system will provide real time data for effective and efficient reporting system.
- In addition to Oracle Financials R12 Up-gradation, the Company has now successfully completed test activity of Maximo up-gradation project.
- ARL is revamping the old fuelling system with the newly in-house developed state of the art Fuel management system for its fuelling station.

8. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social responsibility is one of the Core Values of the Company. The Company has a long history of carrying out its obligations as a responsible Corporate citizen and meeting its responsibility with respect to protection and promotion of interest of its customers, employees, shareholders, communities and environment in all aspects of its operations.

Various activities conducted in this area are enumerated as follows:

Directors' Report

8.1 Corporate Philanthropy

i) The Company has traditionally been patronizing limited maintenance of parks and sports facilities in the near vicinity of the Company. In this connection it reimburses limited quantities of fuel for consumption in appliances employed for their upkeep. The cost of such fuel reimbursed during the year amounted to Rs 2.06 million.

ii) In order to provide financial assistance to a special school for hearing impaired children and for helping disabled women, the Company has made donation to a NGO, Pak Darakshan. Darakhshan is one of the four programs of Pakistan Foundation Fighting Blindness (PFFB). The annual expenditure incurred was Rs 0.58 million.

8.2 Energy Conservation

The Company continues with its internal programme to conserve energy by creating awareness among its employees. For this purpose, employees are encouraged to avoid unnecessary consumption of electricity, gas and water to save these precious national resources when the country is facing a crisis in meeting the demand for these utilities. Additionally, a number of initiatives have been taken to optimize energy consumption in the refinery by introducing fuel efficient processes. Further public awareness programmes are also conducted on the subject. Your Company has made yet another achievement for this cause by implementing Energy Management System ISO 50001-2011. This has helped ARL in improving energy performance with optimum energy consumption.

8.3 Health, Safety, Environment and Protection Measures

In line with the Health, Safety, Environment and Quality (HSEQ) policy of the Company which emphasizes on achieving and maintaining high standard of health, safety and environment, your Company is committed to protect the environment and to ensure the health and safety of its employees, contractors and customers and work for the continual improvement of HSEQ Management Systems.

In this direction the Company conducted following activities and programs:

i) Observance of International Days and other Events

The Company in collaboration with National Cleaner Production Center Foundation (NCPC) and related local representative bodies/ association celebrated following international days and other events to help create awareness in the adjacent localities for the respective causes:

- World Wetlands Day on February 2, 2013 was celebrated in Beaconhouse School System, Harley Street, Rawalpindi.
- World Biological Diversity Day on May 22, 2013. The theme of the day was “Water and Biodiversity”. Environment Protection Agency (EPA) and AM-Anglo Montessori, High School and College, Rawalpindi supported the Company by their actively participation.
- World Environment Day on June 5, 2013. The theme of environment day was “THINK. EAT. SAVE”. EPA Rawalpindi also joined hands with the Company for the noble cause.
- Global Hand Washing Day on October 15, 2012. Girls of Morgah Community Model Elementary School joined the Company for this event.
- Seminars, training workshops, festival / melas were conducted during the year to highlight issues of immense importance like Hospital Waste Management, Environmental Management System (ISO-14001), Renewable Energy, Tree plantation – 2013, No Littering Day etc. These were warmly attended and participated by individuals from various NGOs, universities and media.

ii) RCB Flower Show Award - 2013

The Company participated in the Annual Flower Show - 2013 held under the auspices of Rawalpindi Cantonment Board (RCB) on

Directors' Report

April 5, 2013. Our Morgah Club was awarded first position in the clubs category of Rawalpindi while ARL General Office got the second position in respective category.

iii) Morgah Biodiversity Park

The Company continues to support the Morgah Biodiversity Park which provides a healthy environment, entertainment and education to the visiting community. This Park had been sponsored by the Company in collaboration with UNESCAP for conservation of biodiversity of the Potohar Region.

8.4 Community Investment and Welfare Schemes

ARL is providing several community services for the welfare of the surrounding population living in the vicinity of the Refinery. These include provision of electricity, water and gas facilities to schools and mosques and limited maintenance services for these buildings. The Company has also provided well maintained sports grounds for hockey and cricket alongwith other sports facilities. The total expenditure on such activities amounted to over Rs 2.74 million.

ARL has facilitated Punjab Workers Welfare Board for construction of two Girls and Boys Model Schools through provision of 40 kanal of precious land. This is in line with our commitment for promoting quality education for our children and dreaming for literate Pakistan. These schools have started formal classes from October 22, 2012 and hundreds of children are getting benefited.

8.5 Welfare Spending for Under-Privileged Classes

i) Attock Sahara Foundation (ASF), Company's sponsored NGO, is playing a vital role in uplifting the economic conditions of the surrounding communities through various welfare activities. These included vocational training, computer classes, financial and dowry assistance, medical assistance through Poor Patient Fund, elementary education etc. Such activities are carried out by ASF on a self financing basis by generating funds through fund raising activities. ASF's annual expenditure is over Rs 12.54 million. The Company provides organizational support in administration, finance and routine operations of ASF.

ii) ARL is also providing education allowance for orphan children and free provision of electricity, gas and water for a period of 5 years in respect of deceased employees of the Company. Moreover, disabled children of Company's workers are also provided with children disability assistance allowance. The total annual expenditure on this account amounted to Rs 0.70 million.

iii) ARL in collaboration with Attock Hospital and Attock Sahara Foundation arranged a free medical camp on April 13, 2013 at Attock Hospital, Morgah, Rawalpindi. Through this camp quality healthcare facilities were provided to the poor and needy community of Union Councils Morgah and Kotha Kalan and surrounding areas.

8.6 Industrial Relations / Workers Welfare

The Company believes in maintaining cordial industrial relations with its employees and their Collective Bargaining Agent (CBA) and is always taking measures towards the employees' welfare. The Company provides subsidized food through its dining facilities, subsidized flour on monthly basis, free Ramzan package, school and college pick / drop for employees' children, quarterly / annual awards for good performance and long service awards and sports and entertainment facilities. Hajj and Umra facility is also provided to eight (8) Muslim workers annually. The Company provides financial support also to Non-Muslims employees to facilitate their visit to holy places.

The total cost incurred in this connection amounted to over Rs 26 million.

8.7 Employment of Special Persons

In order to provide employment opportunities to special persons and to provide them a chance to earn respectable living thus making them useful members of the society. The Company has allocated a quota for such persons and ensures that it keeps under employment the allocated numbers. Emoluments to the tune of Rs 3.54 million were paid to such workers.

8.8 Business Ethics and Anti-Corruption Measures

Your Company voluntarily adopted the ten principles of United Nations Global Compact (UNGC) during 2008 and since then is fully complying with such standards in our business practices in letter and spirit. ARL is also monitoring the ethical conduct of its business and its employees and any case of violation is referred to an Ethics Committee constituted for this purpose.

ARL Code of Conduct is a testament to the Company's commitment to ethical and transparent business practices.

To ensure that there is no discrimination on account of gender the Company not only provides equal opportunity for employment but has also set up a special committee on Gender Justice that ensures that any grievance or complaint of harassment is promptly addressed.

8.9 Rural Development

The Company's refinery and colony is located in the areas adjoining the two Union Councils i.e. Morgah and Kotha Kalan. The Company is

Directors' Report

paying an annual contribution of Rs 75,000 to the two Union Councils as contribution towards their development expenditure which is shared equally with another associated company.

8.10 Other CSR Activities

i) Continuing the tradition of encouraging green and serene environment your Company conducted the 64th Annual Flower and Vegetable Show of Morgah Club on April 07, 2013 in which prizes were distributed among the winners by Justice Sheikh Azmat Saeed, Honorable Judge of Supreme Court of Pakistan.

ii) The Company is not oblivious of the fact that the talented children of our employees need considerable support and encouragement in these difficult times. ARL management offers scholarships from class 1 to PhD to employees' children. During 2012-13 scholarships were awarded to 59 students at different levels. Similarly, 31 bright students amongst employees' children who got excellent marks in their Secondary and Higher Secondary Board exams were encouraged through token gifts. The Company has incurred an annual cost of Rs 1.85 million on these scholarships.

iii) The Company is also operating an extensive management training programme whereby fresh graduates from different disciplines are provided 1 to 2 years training opportunity to enable them to get practical on hand experience. The Company is also operating an apprenticeship programme under Government of Punjab apprenticeship scheme. Further, summer internships are also offered to students from various academic institutions. The annual expenditure on these training schemes amounts to over Rs 22.04 million.

iv) Annual Sports Day is a regular feature at ARL. The Company provides all kinds of opportunities to the employees to keep them physically and mentally fit. A large number of employees take part in these games every year.

8.11 Contribution to the National Economy

Attock Refinery being the only refinery located in the Northern Region of Pakistan continues to hold a very strategic position. Due to its strategic location the Refinery is playing a pivotal role in the oil and energy sector. The contributions made by the Company to the national economy are outlined below:

- Providing an outlet to country's indigenous production of crude oil and more particularly from the Northern Region, Crude oil is received from more than 42 oilfields spread over the country.
- Meeting the petroleum products demand of both the civil and defence market
- Increasing the production of value added deficit product i.e. high speed diesel (HSD) thereby further saving valuable foreign exchange required for its import
- Generation of Government duties and taxes in the form of excise duty, petroleum

development levy and sales tax on sale of petroleum products

- Deployment of a large transportation fleet for crude oil and products movement
- Employment and work opportunities

The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 35.01 billion. Further, foreign exchange savings of US $ 211.51 million were achieved through import substitution and exports.

9. HUMAN RESOURCE DEVELOPMENT

Your Company considers its human resource as the most valuable asset and remains committed to ensuring that all employees are treated with dignity and respect and that the working environment is one where each employee's contribution is recognized and valued. Various steps taken by the Company for the development of its human resource capital are outlined below:

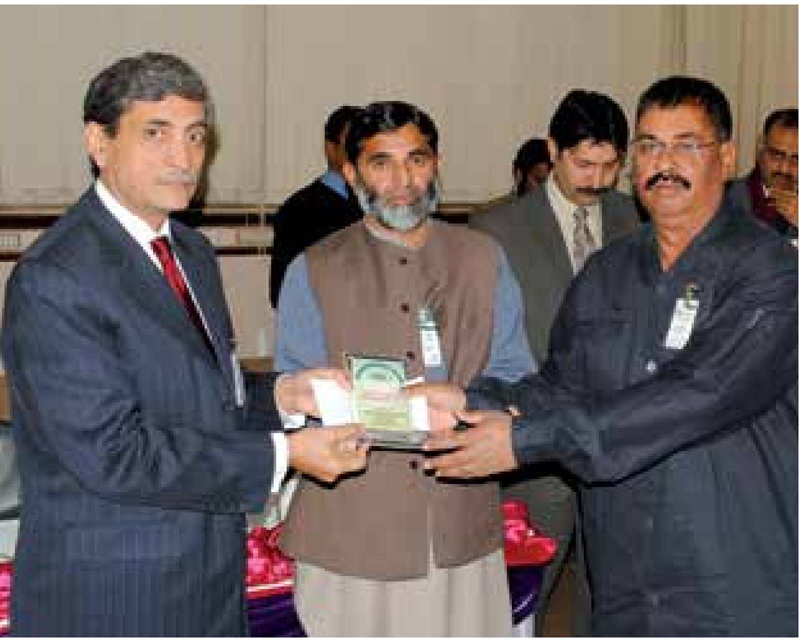
9.1 Employee Development and Training

Training and development plays a vital role in moulding employees for current as well as future organizational requirements. Since we consider our human resource as the prime resource, we continuously endeavor to ensure systematic enhancement of their technical and managerial competence through well rounded training and development. Training plan forms a part of our performance management strategy and is formulated on the basis of training need assessment, staff career plans, succession plan and other organizational requirements.

9.2 Performance Awards

With a view to encourage staff in attaining their optimum level of performance ARL organized "Man of Quarter" ceremony where the star performers of all departments were recognized through commemorative shields and cash awards. These performance awards have been prompting a great impetus to employees' efforts towards high performance over the years.

Directors' Report



9.3 Safety Awards

Workers' safety and process safety are given prime importance at ARL as we consider our workers and employees as our prime asset. In order to inculcate a sense of safety consciousness in our employees and workers, the Company holds Safety Awards ceremonies on quarterly basis. Such awards are given to those workers who set high standards of safety consciousness in their normal working. This process has helped a lot in maintenance of safety culture in the Company.

To create a sense of positive competition among departments, a Quarterly Safe-Man-hours Trophy is awarded to a Department for taking concrete measures to ensure safe working environment including safe man-hours. This has considerably boosted our efforts to engage all levels of staff in exhibiting even more safety consciousness. Similarly, Safety Week was celebrated and Safety Walks held to strengthen safety culture in the Company.

9.4 House Keeping Awards

Cleanliness and tidiness is promoted in the organization through conduct of Housekeeping competitions on quarterly basis. The Company discourages poor housekeeping and considers it as one of the prime contributing factors that affect productivity as well as workers' safety. Employees show considerable enthusiasm in such competitions. These Housekeeping competitions are playing a significant role in moulding the positive safety attitude of employees.

10. ORGANIZATION DEVELOPMENT

Following efforts have been made to ensure organizational development.

10.1 Succession Management

In line with our policy of Management Development, the Succession Management Project is one of ARL's major HR initiatives. The main objective for introducing a formal Succession Management was to ensure leadership and management continuity throughout the Company. It ensures that replacements have been prepared to fill key vacancies on short notice and that individuals have the development capacity to assume greater responsibilities and exercise increased technical proficiency and expanded management role in their work.

The process has been implemented in two phases and executed in line with the international best practices. By using our in

house resources we have been able to save substantial amount which otherwise would have been incurred on hiring a consultant for the purpose.

10.2 Cultivation of Learning Culture

ARL, in pursuance of its core value of 'Learning & Innovation' has been promoting a learning culture within and outside the Company, as we consider it as a catalyst for our future success. Over the years, the number of international publications by our employees have been on the rise. To provide a platform for knowledge sharing the conduct of conferences has become an established norm at ARL; we have uptill now conducted three HR Conferences, two HSEQ Conferences and a Plant Maintenance & Operation Conference. On the other hand, a very well thought out training & development program is being pursued for ARL employees. Now we have put extra impetus on grooming of internal trainers and an upgraded technical skills development initiative has been rolled out with considerable success in its first year. Further details are as below:

i) 4th Human Resource Conference - 2012

ARL HR Conference-2012 was organized by the Company ARL on November 13, 2012 at Morgah Club, Rawalpindi. This year the theme of the conference was "Creating People Connections".

The most significant feature of this conference was the presentations by eminent HR experts and the overwhelming participation by HR professionals from more than 35 organizations with the sole purpose of knowledge sharing, learning and understanding of contemporary challenges being faced by HR professionals in today's dynamic and challenging business environment.

Being conscious of the social, technical, economical and environmental challenges faced by private as well as public sector organizations, ARL realized the need for a platform where HR professionals and experts could share their ideas, experiences and success stories. ARL's First HR Conference was convened in 2009. The overwhelming response by leading organizations and HR professionals encouraged us to continue the knowledge sharing journey by turning it into an annual event.

ii) Learning & Innovation Conference - 2012

Company's core values are the guiding principles for its employees & management and we ensure to take all possible steps to keep these values thoroughly embedded in our organizational structure. While having belief in continuous improvement and the power of imaginative thinking and to maintain a learning environment in the organization, the Company organized the "Learning & Innovation Conference" on October 9, 2012 at Morgah Club, Rawalpindi.

A considerable number of staff members presented research based papers in this learning packed event. Efforts of the individuals producing and presenting the best papers were duly recognized. Such events prove to be very helpful in nurturing the learning environment in the depth and breadth of the organization.

iii) Performance Improvement Program (PIP)

Performance Improvement Program (PIP), the Company's suggestions program is continuing with considerable success. We value the suggestions put forth by our employees and customers. A number of innovative ideas relating to cost cutting, reduction in losses and making the processes even more efficient and effective have been generated and adopted. Besides, this program provides the required impetus to the sense of participation & involvement of our employees.

iv) Training & Development

The Company management considers its human resource as the prime resource and continuously endeavors to ensure systematic enhancement of their technical and managerial competence through well rounded training and development. Training plan forms a part of our performance management strategy and is structured on the basis of training need assessment, employees' career plans, succession plan and other organizational requirements.

A Technical Training Program was initiated this year under ARL Skills Development Initiative (SDI). Under this program high potential internal trainers were exposed to robust "train the trainer" course to equip them with requisite skills for effective planning and delivery of training. State-of-the-art technical training modules were acquired and the program was rolled out. Technical trainings are now being conducted on regular basis across the organization.

In order to create awareness on HSE aspects, the process of scenario based drills is being continued. Different emergency scenarios are defined and response planning is done as to how to handle & what recourses in terms of men, machine and material are required. This process is providing excellent results in terms of cultivating safety consciousness among the employees.

Through these initiatives the Company is investing a lot in the development of its employees.

11. CORPORATE AWARDS AND RECOGNITIONS

Your Company in its endeavors to seek excellence in all aspects of its operations has won the following awards and recognitions:

i) Human Resources Benchmarking Survey Report Award - 2012

The Human Resources Benchmarking Survey (HRBS) 2012 report placed ARL as “Grade A Company” in recognition of Company’s superior HR practices. This achievement was acknowledged through a plaque handed over to the Company at an impressive ceremony held at Karachi on March 15, 2013. It was a remarkable success because the Company stood out of as many as 18 top companies both from manufacturing and service industries who participated in this benchmarking survey.

HRBS is conducted by the renowned consultants M/S Sidat Hyder Morshed Associates on recurrent basis to gain insights on the prevailing HR trends. The survey throws light on current HR trends enabling participants to gather constructive ideas on best HR practices while moving forward.

ii) RoSPA (Royal Society for Prevention of Accidents) Gold Award - 2013

This year ARL has won for the 2nd consecutive time RoSPA Gold Award of UK on maintaining high level of safety. RoSPA (Royal Society for the Prevention of Accident) is a UK based society working for the prevention of accidents and Her Majesty the Queen of UK is its Patron. This is based on the organization’s individual occupational health and safety performance assessed against the RoSPA judging criteria.

iii) Best Corporate Report Award - 2012

The Annual Report of the Company for the year ended June 30, 2012 was awarded fourth (4th) position in the Fuel & Energy sector in the Best Corporate Report Award – 2012, by the Joint Committee of Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) in a ceremony held in Karachi on August 22, 2013.

iv) Best Sustainability Report Award - 2012

The efforts of your Company to report and disclose environmental, social and sustainability performance have been recognized by the Joint Committee of ICAP and ICMAP. The Company was awarded third (3rd) position in the Best Sustainability Report Award - 2012 in a ceremony held in Karachi on August 22, 2013.

12. STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

The Company is fully compliant of the Code of Corporate Governance and as per the

Directors' Report

requirements of the listing regulations, following specific statements are being given hereunder:

- Proper books of accounts of the Company have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- 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.
- The system of internal controls are sound in design and are effectively implemented by the management and monitored by the internal auditors as well as the Board of Directors and the Audit Committee. The Board reviews the effectiveness of established internal controls through the Audit Committee and suggests, wherever required, further improvement in the internal control systems.
- During the year Mr. M. Adil Khattak, Chief Executive Officer attended the Directors' Training Programme arranged by Pakistan Institute of Corporate Governance (PICG), Karachi.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of Corporate Governance.
- 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 Chairman's Review and this Report of the Directors.
- All major Government levies in the normal course of business, amounting to Rs 2,740 million, payable as at June 30, 2013 have been cleared subsequent to the year end.
- The value of investments in employees retirement funds based on the latest unaudited accounts as at June 30, 2013 are as follows:

	Rs in million
Management Staff Pension Fund	575
Staff Provident Fund	251
General Staff Provident Fund	470
Gratuity Fund	196

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

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

13. CREDIT RATING

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

14. DIRECTORS AND BOARD MEETINGS HELD DURING THE YEAR

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

Name of Directors	Total number of board meetings	Number of board meetings attended
Dr. Ghaith R. Pharaon *	5	5
Mr. Laith G. Pharaon *	5	5
Mr. Wael G. Pharaon *	5	5
Mr. Shuaib A. Malik (Chairman)	5	5
Mr. Abdus Sattar	5	5
Mr. Munaf Ibrahim	5	5
Agha Sher Shah **	5	4
Mr. M. Adil Khattak, CEO	5	5

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

** Leave of absence was granted to director who could not attend the meeting.

15. BOARD COMMITTEES MEETINGS HELD DURING THE YEAR

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

Audit Committee

Name of Directors	Total number of meetings	Number of meetings attended
Mr. Munaf Ibrahim	5	5
Mr. Shuaib A. Malik *	2	2
Agha Sher Shah *	3	2
Mr. Abdus Sattar	5	5
Mr. Babar Bashir Nawaz	5	5

* Mr. Shuaib A. Malik attended 43rd and 44th meetings held on September 9, 2012 and October 16, 2012 respectively. Subsequently the Board appointed Agha Sher Shah in place of Mr. Shuaib A. Malik who attended two meetings out of three meetings held during the year.

Human Resource & Remuneration (HR & R) Committee

Name of Directors	Total number of meetings	Number of meetings attended
Mr. Shuaib A. Malik	1	1
Mr. Munaf Ibrahim	1	1
Mr. M. Adil Khattak	1	1

16. AUDITORS

The Auditors Messrs A.F. Ferguson & Co. Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs A.F. Ferguson & Co. Chartered Accountants as auditors for the financial year ending June 30, 2014.

17. SHAREHOLDING

The total number of Company's shareholders as at June 30, 2013 was 3,383 as against 3,955 on June 30, 2012. The pattern of shareholding as at June 30, 2013 is included in this Annual Report. All trades in the shares of the Company, if any, carried out by the directors, CEO, CFO and Company Secretary and their spouses and minor children are also annexed.

18. EARNING PER SHARE

Based on the net profit for the current year the earning per share was Rs 45.91 (2012: Rs 32.07).

19. HOLDING COMPANY

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

20. SUBSIDIARY

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

21. CONSOLIDATED ACCOUNTS

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

___SD___

August 14, 2013
Rawalpindi

Shuaib A. Malik
Chairman

Financial Statistical Summary

Attock Refinery Limited

30 June (Rupees in Million)

		2013	2012	2011	2010	2009	2008
TRADING RESULTS							
Sales (Net of Govt. Levies)		163,300.53	154,381.56	116,388.37	88,184.03	76,546.45	91,910.70
Reimbursement from/(to) Government		–	–	9.00	–	714.05	1,743.60
Turnover		163,300.53	154,381.56	116,397.37	88,184.03	77,260.50	93,654.30
Cost of Sales		160,271.23	152,362.20	114,900.77	88,693.69	75,342.10	89,646.37
Gross profit		3,029.30	2,019.35	1,496.61	(509.66)	1,918.40	4,007.93
Administration and Distribution cost		401.82	377.63	315.80	270.12	243.63	218.47
Other Income		3,082.10	2,388.77	1,565.59	983.33	993.70	577.85
Non–Refinery Income		1,298.10	1,588.64	1,068.39	602.20	610.74	4,140.20
Operating profit		7,007.68	5,619.14	3,814.79	805.75	3,279.22	8,507.51
Financial and other charges		954.51	1,259.27	254.12	385.54	1,595.84	1,480.08
Profit before tax		6,053.16	4,359.87	3,560.67	420.21	1,683.37	7,027.43
Taxation		2,137.51	1,625.18	1,375.12	293.82	666.61	879.65
Profit after tax		3,915.66	2,734.69	2,185.55	126.39	1,016.76	6,147.77
Dividend		(426.47)	(639.70)	(170.59)	–	–	(568.52)
Bonus shares		–	–	–	–	–	(142.16)
Transfer from/(to) special reserves		(2,471.76)	(1,000.25)	(971.36)	475.81	(260.22)	(1,861.77)
BALANCE SHEET SUMMARY							
Paid–up Capital		852.93	852.93	852.93	852.93	852.93	710.78
Reserves		13,123.38	11,368.63	10,146.66	8,563.31	4,719.92	8,330.34
Unappropriated Profit		4,109.58	2,673.67	1,459.48	857.27	4,574.28	657.88
Shareholders' funds		18,085.89	14,895.23	12,459.06	10,273.52	10,147.13	9,698.99
Property, plant & equipment (less depreciation)		10,034.55	9,840.29	9,670.97	2,868.00	2,916.21	2,929.65
Net current assets		3,461.96	430.21	(1,743.10)	(3,967.43)	(4,166.56)	(4,578.05)
CASH FLOW SUMMARY							
Cash flows from operating activities		74.16	4,792.00	(1,972.58)	(3,741.38)	(11,543.76)	11,074.23
Cash flows from investing activities		2,357.53	2,476.55	1,913.70	1,214.90	1,434.62	444.62
Cash flows from financing activities		(1,272.12)	(1,292.24)	(45.43)	(308.97)	(2,037.95)	(1,471.19)
Increase / (Decrease) in cash and cash equivalents		1,161.30	5,979.39	(104.14)	(2,833.89)	(12,142.33)	10,064.52
PROFITABILITY RATIOS							
Gross profit ratio	%	1.86	1.31	1.29	(0.58)	2.48	4.28
Net profit to sales	%	2.40	1.77	1.88	0.14	1.32	6.56
EBITDA margin to sales	%	3.86	3.01	3.25	0.70	2.45	7.97
Operating leverage ratio	Time	1.69	0.71	20.20	(5.10)	4.29	6.73
Return on equity	%	21.65	18.36	17.54	1.23	10.02	63.39
Return on capital employed	%	23.74	19.99	19.23	1.24	10.25	91.23
LIQUIDITY RATIO							
Current ratio	Time	1.09	1.01	0.96	0.91	0.87	0.88
Quick / acid test ratio	Time	0.76	0.84	0.69	0.75	0.70	0.74
Cash to current liabilities	Time	0.29	0.14	0.09	0.09	0.21	0.49
Cash flow from operations to sales	Time	0.00	0.03	(0.02)	(0.04)	(0.15)	0.12
ACTIVITY /TURNOVER RATIO							
Inventory turnover ratio	Time	14.31	14.16	12.73	14.72	15.51	20.61
No. of days in inventory	Days	26	26	29	25	24	18
Debtor turnover ratio	Time	5.97	4.90	5.04	4.83	8.16	13.50
No.of days in receivables	Days	61	75	73	77	45	27
Creditor turnover ratio	Time	4.08	3.40	3.78	3.31	2.81	3.70
No. of days in payables	Days	90	107	97	110	130	99
Total assets turnover ratio	Time	2.53	1.65	1.83	1.51	1.74	1.87
Fixed assets turnover ratio	Time	16.27	15.69	12.04	30.75	26.49	31.97
Operating cycle	Time	(3)	(7)	5	(9)	(61)	(54)

30 June (Rupees in Million)

		2013	2012	2011	2010	2009	2008
INVESTMENT / MARKET RATIO							
Earnings per share (EPS) * (on shares outstanding at 30 June)	Rs	45.91	32.07	25.63	1.48	11.92	86.49
Dividend **	%	50%	75%	20%	–	–	80%
Cash dividend per share	Rs	5.00	7.50	2.00	–	–	8.00
Bonus share issue	Rs	–	–	–	–	–	2.00
Price earning ratio	Time	5.56	4.09	4.68	53.96	12.99	1.63
Dividend yield ratio	%	1.96	5.72	1.67	–	–	7.10
Dividend cover ratio	Time	9.18	4.28	12.82	–	–	10.81
Dividend payout ratio	%	10.89	23.39	7.81	–	–	11.56
Break–Up Value (Rs per share) without Surplus on Revaluation of Property, plant & equipment	Rs	212.04	174.64	146.07	120.45	118.97	136.46
Break–Up Value (Rs per share) with Surplus on Revaluation of Property, plant & equipment	Rs	314.58	277.17	248.61	143.00	141.52	163.52
Highest market value per share during the year	Rs	208.28	136.89	145.50	169.62	248.00	305.50
Lowest market value per share during the year	Rs	123.94	104.42	122.14	80.59	40.95	212.81
Market value per share	Rs	255.15	131.05	119.86	79.86	154.86	140.90
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio		–	–	–	–	–	–
Debt to equity ratio		–	–	–	–	–	–
Weighted average cost of debt		–	–	–	–	–	–
Interest cover ratio		–	–	–	–	–	–

* The price earning ratio is without the effect of Bonus issue.
** The Board has proposed a final cash dividend @ 25% in their meeting held on August 14, 2013.

Ratio Analysis

PROFITABILITY RATIOS

Improved Profitability of the Company is mainly attributable to the optimised capacity utilization of 100% (June 30, 2012: 99.5%), increase in the refining capacity by 1,000 barrels per day (bpd) and favourable trend in international prices of petroleum products and crude oil.

Favourable effect of above mentioned factors including increase in other income have a positive impact on net profit, return on equity and return on capital employed.

LIQUIDITY RATIOS

The Company successfully met the challenges of circular debt issue by keeping a balance in receivables and payables. The recent inter-corporate circular debt settlement arranged by the Government has helped the Company to improve its liquidity position.

ACTIVITY TURNOVER RATIOS

Inventory management of the Company has improved because of high product demand and effective capacity utilization. The circular debt settlement has resulted in improved debtor turnover ratio and number of days in receivables, however this effect is partially mitigated by the change in creditors' turnover ratio and number of days in payables.

INVESTMENT / MARKET RATIOS

The improved profitability is the only reason for improvement in EPS and Break-up Value with and without surplus on revaluation ratios. The Company has declared a final cash dividend of 25%. This is in addition to an interim cash dividend of 25% already paid.

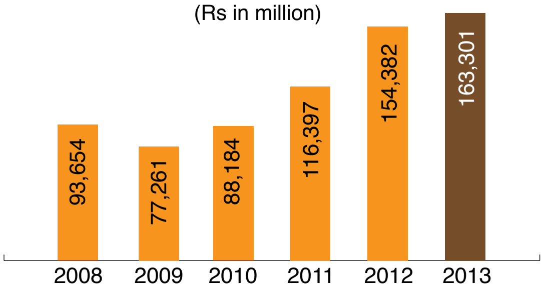
CAPITAL STRUCTURE RATIOS

The capital structure ratios are not applicable because the Company does not have any debt in its capital structure.

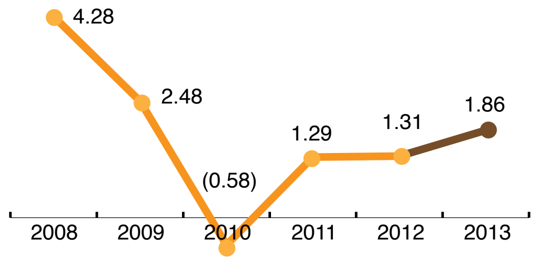
Financial Highlights

Attock Refinery Limited

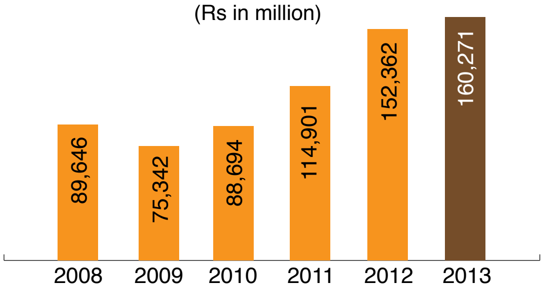
Net Sales
(Rs in million)



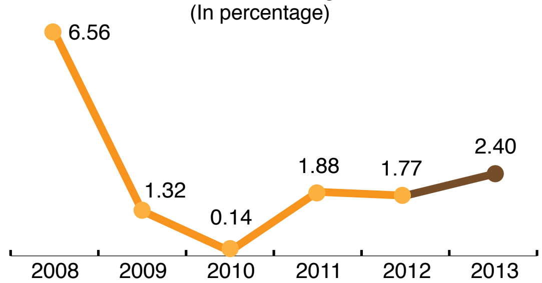
Gross Profit Margin
(In percentage)



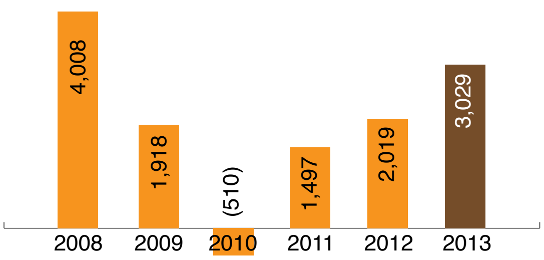
Cost of Sales
(Rs in million)



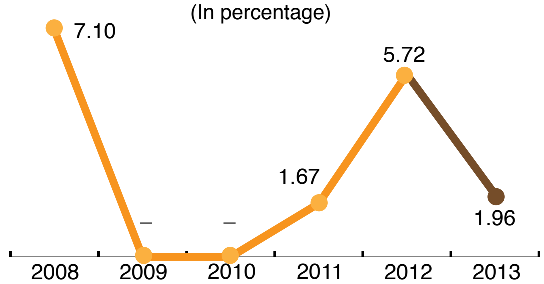
Net Profit Margin
(In percentage)



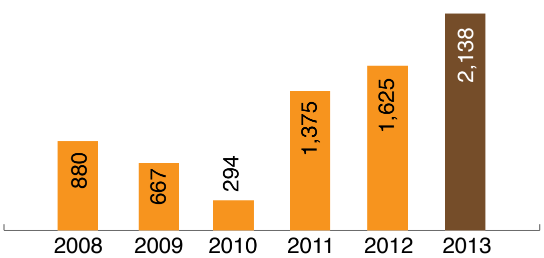
Gross Profit / (Loss)
(Rs in million)



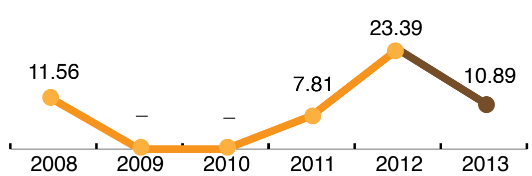
Cash Dividend Yield
(In percentage)



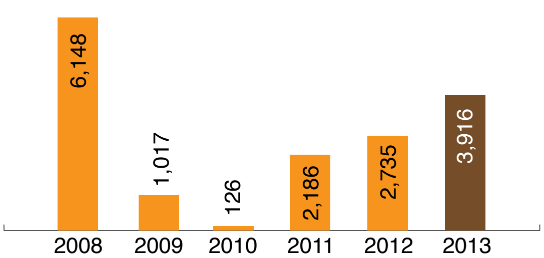
Provision for Taxation
(Rs in million)



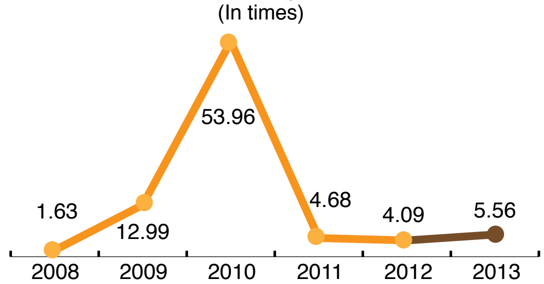
Cash Dividend Payout
(In percentage)



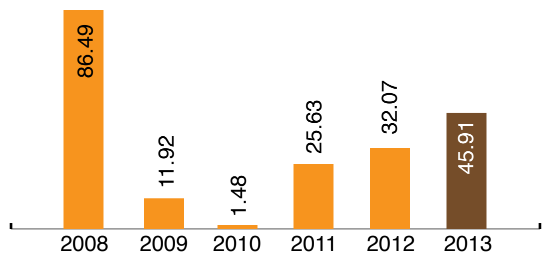
Profit after Taxation
(Rs in million)



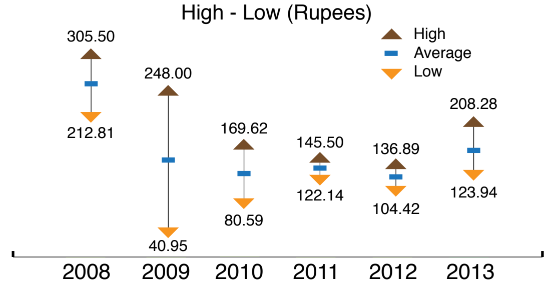
Price Earnings Ratio
(In times)



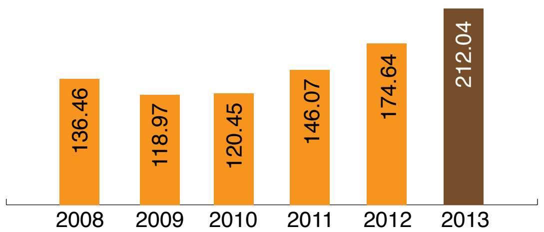
Earnings Per Share
(Rupees)



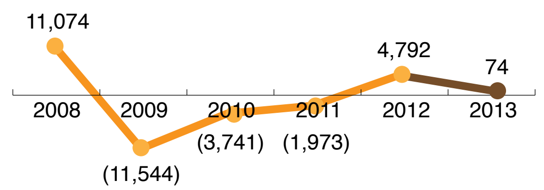
Market Value Per Share
High - Low (Rupees)



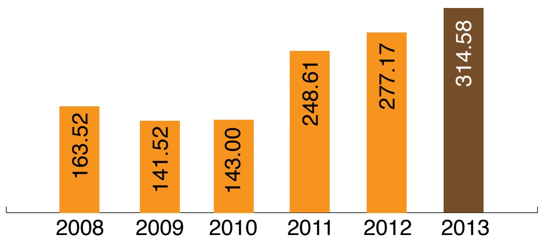
Breakup Value
excluding revaluation of Fixed Assets (Rs in million)



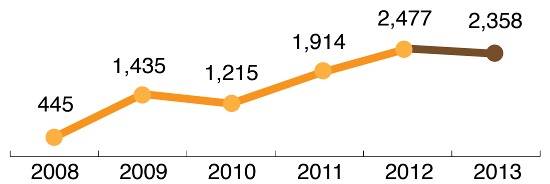
Cash Flow from Operating Activities
(Rs in million)



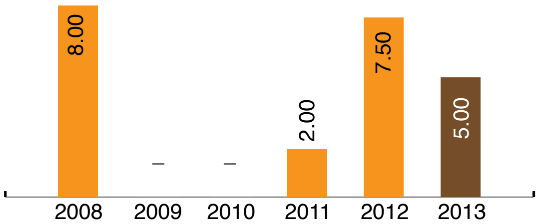
Breakup Value
including revaluation of Fixed Assets (Rs in million)



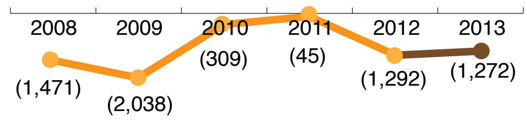
Cash Flow from Investing Activities
(Rs in million)



Dividend Per Share
(Rupees)

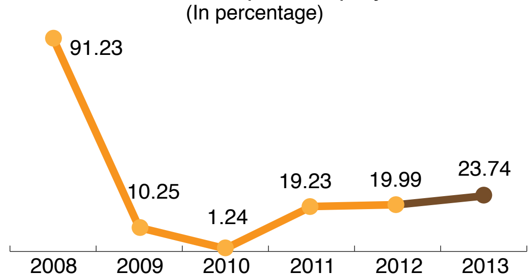


Cash Flow from Financing Activities
(Rs in million)



Bonus Shares
(In percentage)

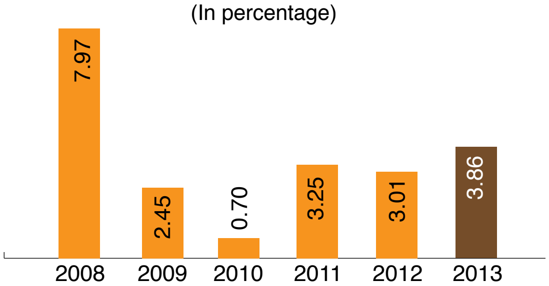
Return on Capital Employed
(In percentage)



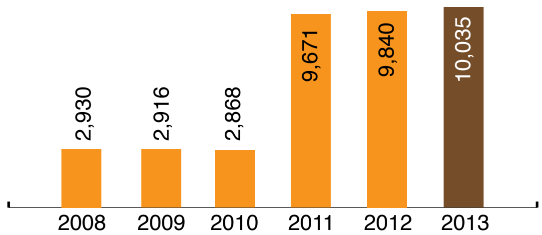
Financial Highlights

Attock Refinery Limited

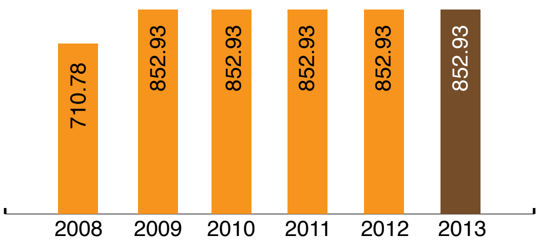
EBITDA - Margin to Sales
(In percentage)



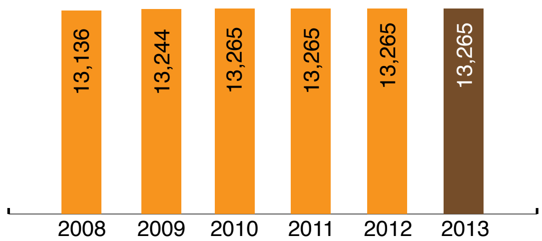
Fixed Assets Less Depreciation
(Rs in million)



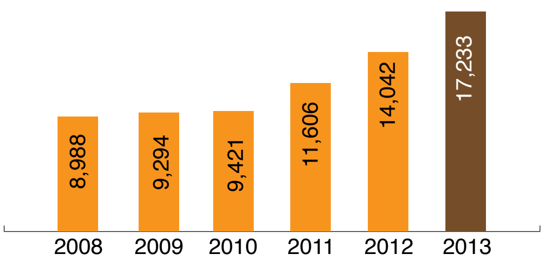
Paid up Capital
(Rs in million)



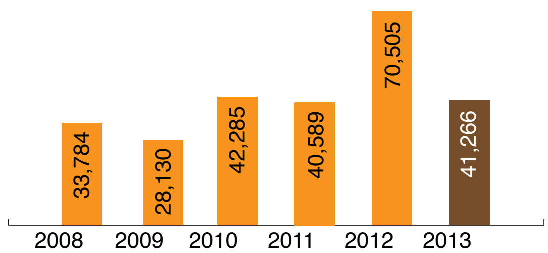
Long Term Investments
(Rs in million)



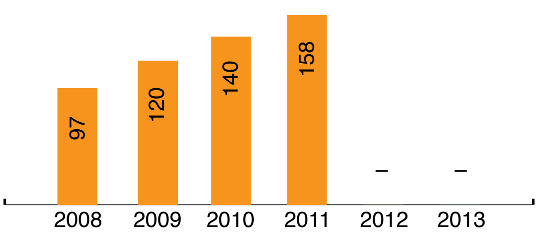
Reserves
(Rs in million)



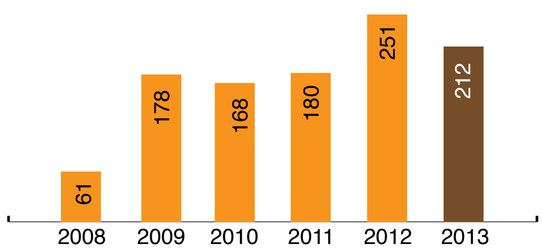
Current Assets
(Rs in million)



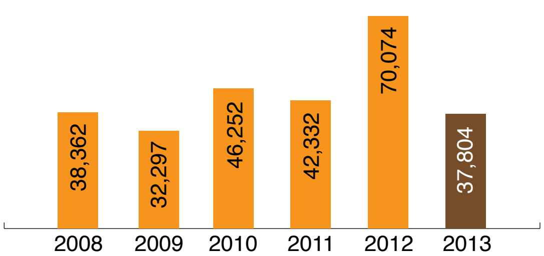
Long Term Liabilities
(Rs in million)



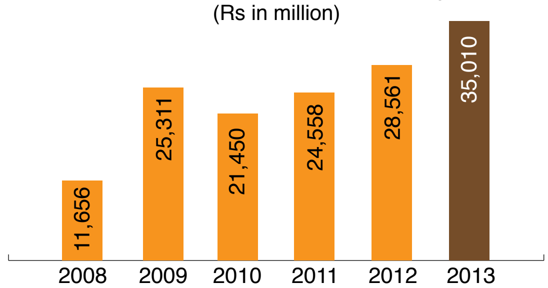
Foreign Exchange Saving
(US$ in million)



Current Liabilities
(Rs in million)

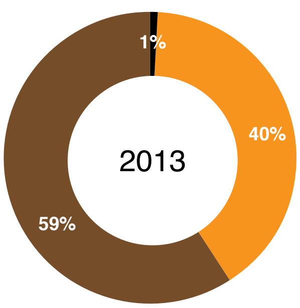


Contribution to National Exchequer
(Rs in million)

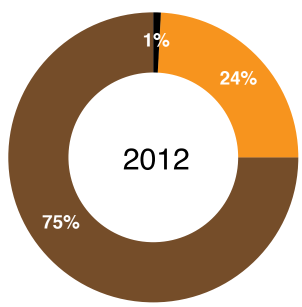


Balance Sheet Composition

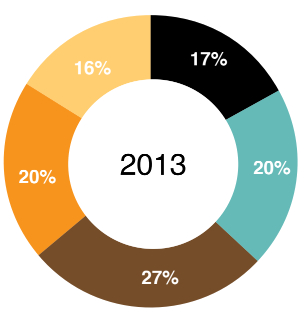
Equities and Liabilities
(In percentage)



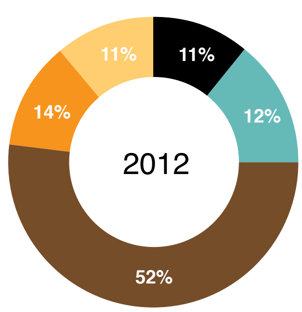
- Current liabilities and provisions
- Reserves and surplus
- Issued, subscribed and paid-up capital



Fixed and Current Assets
(In percentage)



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



Vertical Analysis

	2013		2012	
	Rs in million	%	Rs in million	%
Balance Sheet				
Equity and reserves	18,085.89	27.98	14,895.22	15.89
Surplus on revaluation of freehold land	8,745.22	13.53	8,745.22	9.33
Non–current liabilities	–	–	–	–
Total current liabilities	37,803.69	58.49	70,074.47	74.78
	64,634.80	100.00	93,714.91	100.00
Property, plant and equipment	10,034.55	15.52	9,840.29	10.50
Long term investments	13,264.92	20.52	13,264.92	14.15
Non–current assets	69.68	0.11	105.02	0.11
Stores, spares and loose tools	688.13	1.06	673.85	0.72
Stock–in–trade	11,744.81	18.18	10,650.69	11.37
Trade debts	17,499.31	27.07	49,115.76	52.41
Loans, advances, deposits, prepayments and other receivables	328.43	0.51	220.71	0.24
Cash and bank balances	11,004.97	17.03	9,843.67	10.50
	64,634.80	100.00	93,714.91	100.00
Profit & Loss Account				
Net Sales	163,300.53	100.00	154,381.56	100.00
Cost of sales	160,271.23	98.14	152,362.20	98.69
Gross Profit/(loss)	3,029.30	1.86	2,019.36	1.31
Administration expenses	360.65	0.22	340.01	0.22
Distribution cost	41.16	0.03	37.62	0.02
Finance cost	548.56	0.33	994.74	0.65
Other charges	405.96	0.25	264.53	0.17
	1,356.33	0.83	1,636.90	1.06
	1,672.97	1.03	382.46	0.25
Other income	3,082.10	1.89	2,388.77	1.55
Profit/(loss) before taxation from refinery operations	4,755.07	2.92	2,771.23	1.80
Provision for taxation	2,137.51	1.31	1,625.18	1.06
Profit/(loss) after taxation from refinery operations	2,617.56	1.61	1,146.05	0.74
Profit after taxation from non–refinery operations	1,298.10	0.79	1,588.64	1.03
Profit for the year	3,915.66	2.40	2,734.69	1.77

	2011		2010		2009		2008	
	Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
	12,459.06	19.56	10,273.52	17.54	10,147.13	22.81	9,698.99	19.37
	8,745.22	13.73	1,923.34	3.28	1,923.34	4.32	1,923.34	3.84
	158.40	0.25	140.02	0.24	120.12	0.27	96.89	0.19
	42,331.76	66.46	46,251.95	78.94	32,296.95	72.60	38,361.96	76.60
	63,694.44	100.00	58,588.83	100.00	44,487.54	100.00	50,081.18	100.00
	9,670.97	15.18	2,868.00	4.90	2,916.21	6.56	2,929.65	5.85
	13,264.92	20.83	13,264.92	22.64	13,244.12	29.77	13,135.58	26.23
	169.90	0.27	171.39	0.29	196.83	0.44	232.03	0.46
	619.92	0.97	581.04	0.99	573.20	1.29	542.50	1.08
	10,872.58	17.07	7,178.85	12.25	4,868.98	10.94	4,844.85	9.67
	25,053.68	39.33	30,430.26	51.94	15,508.76	34.86	9,207.24	18.39
	178.21	0.28	125.95	0.22	377.13	0.85	244.70	0.49
	3,864.28	6.07	3,968.42	6.77	6,802.31	15.29	18,944.63	37.83
	63,694.44	100.00	58,588.83	100.00	44,487.54	100.00	50,081.18	100.00
	116,397.37	100.00	88,184.03	100.00	77,260.50	100.00	93,654.31	100.00
	114,900.76	98.71	88,693.69	100.58	75,342.10	97.52	89,646.38	95.72
	1,496.61	1.29	(509.66)	(0.58)	1,918.40	2.48	4,007.93	4.28
	282.92	0.24	245.29	0.28	222.82	0.29	199.34	0.21
	32.88	0.03	24.83	0.03	20.81	0.03	19.14	0.02
	45.41	0.04	308.80	0.35	1,471.53	1.90	1,244.37	1.33
	208.71	0.18	76.75	0.09	124.32	0.16	235.71	0.25
	569.92	0.49	655.67	0.75	1,839.48	2.38	1,698.56	1.81
	926.69	0.80	(1,165.33)	(1.33)	78.92	0.10	2,309.37	2.47
	1,565.59	1.35	983.34	1.12	993.70	1.29	577.85	0.61
	2,492.28	2.15	(181.99)	(0.21)	1,072.62	1.39	2,887.22	3.08
	1,375.12	1.18	293.82	0.33	666.61	0.86	879.65	0.94
	1,117.16	0.97	(475.81)	(0.54)	406.01	0.53	2,007.57	2.14
	1,068.39	0.92	602.20	0.68	610.74	0.79	4,140.20	4.42
	2,185.55	1.89	126.39	0.14	1,016.75	1.32	6,147.77	6.56

Horizontal Analysis

	2013 Increase / (Decrease) from last year Rs in million	2013 %	2012 Increase / (Decrease) from last year Rs in million	2012 %
Balance Sheet				
Equity and reserves	18,085.89	21.42	14,895.22	19.55
Surplus on revaluation of freehold land	8,745.22	–	8,745.22	–
Non–current liabilities	–	–	–	(100.00)
Total current liabilities	37,803.69	(46.05)	70,074.47	65.54
	64,634.80	(31.03)	93,714.91	47.13
Property, plant and equipment	10,034.55	1.97	9,840.29	1.75
Long term investments	13,264.92	–	13,264.92	–
Non–current assets	69.68	(33.65)	105.02	(38.19)
Stores, spares and loose tools	688.13	2.12	673.85	8.70
Stock–in–trade	11,744.81	10.27	10,650.69	(2.04)
Trade debts	17,499.31	(64.37)	49,115.76	96.04
Loans, advances, deposits, prepayments and other receivables	328.43	48.81	220.71	23.85
Cash and bank balances	11,004.97	11.80	9,843.67	154.74
	64,634.80	(31.03)	93,714.91	47.13
Profit & Loss Account				
Net Sales	163,300.53	5.78	154,381.56	32.63
Cost of sales	160,271.23	5.19	152,362.20	32.60
Gross Profit/(loss)	3,029.30	50.01	2,019.36	34.93
Administration expenses	360.65	6.07	340.01	20.18
Distribution cost	41.16	9.42	37.62	14.41
Finance cost	548.56	(44.85)	994.74	2,090.67
Other charges	405.96	53.46	264.53	26.75
	1,356.33	(17.14)	1,636.90	187.22
	1,672.97	337.43	382.46	(58.73)
Other income	3,082.10	29.02	2,388.77	52.58
Profit/(loss) before taxation from refinery operations	4,755.07	71.59	2,771.23	11.19
Provision for taxation	2,137.51	31.52	1,625.18	18.18
Profit/(loss) after taxation from refinery operations	2,617.56	128.40	1,146.05	2.59
Profit after taxation from non–refinery operations	1,298.10	(18.29)	1,588.64	48.69
Profit for the year	3,915.66	43.18	2,734.69	25.13

2011		2010		2009		2008	
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	%
12,459.06	21.27	10,273.52	1.25	10,147.13	4.62	9,698.99	100.00
8,745.22	354.69	1,923.34	–	1,923.34	–	1,923.34	100.00
158.40	13.13	140.02	16.56	120.12	23.99	96.89	100.00
42,331.76	(8.48)	46,251.95	43.21	32,296.95	(15.81)	38,361.96	100.00
63,694.44	8.71	58,588.83	31.70	44,487.54	(11.17)	50,081.18	100.00
9,670.97	237.20	2,868.00	(1.65)	2,916.21	(0.46)	2,929.65	100.00
13,264.92	–	13,264.92	0.16	13,244.12	0.83	13,135.58	100.00
169.90	(0.87)	171.39	(12.92)	196.83	(15.17)	232.03	100.00
619.92	6.69	581.04	1.37	573.20	5.66	542.50	100.00
10,872.58	51.45	7,178.85	47.44	4,868.98	0.50	4,844.85	100.00
25,053.68	(17.67)	30,430.26	96.21	15,508.76	68.44	9,207.24	100.00
178.21	41.49	125.95	(66.60)	377.13	54.12	244.70	100.00
3,864.28	(2.62)	3,968.42	(41.66)	6,802.31	(64.09)	18,944.63	100.00
63,694.44	8.71	58,588.83	31.70	44,487.54	(11.17)	50,081.18	100.00
116,397.37	31.99	88,184.03	14.14	77,260.50	(17.50)	93,654.31	100.00
114,900.76	29.55	88,693.69	17.72	75,342.10	(15.96)	89,646.38	100.00
1,496.61	393.65	(509.66)	(126.57)	1,918.40	(52.13)	4,007.93	100.00
282.92	15.34	245.29	10.08	222.82	11.78	199.34	100.00
32.88	32.42	24.83	19.34	20.81	8.72	19.14	100.00
45.41	(85.30)	308.80	(79.02)	1,471.53	18.25	1,244.37	100.00
208.71	171.96	76.75	(38.27)	124.32	(47.26)	235.71	100.00
569.92	(13.08)	655.67	(64.36)	1,839.48	8.30	1,698.56	100.00
926.69	179.52	(1,165.33)	(1,576.42)	78.92	(96.58)	2,309.37	100.00
1,565.59	59.21	983.34	(1.04)	993.70	71.96	577.85	100.00
2,492.28	1,469.44	(181.99)	(116.97)	1,072.62	(62.85)	2,887.22	100.00
1,375.12	368.01	293.82	(55.92)	666.61	(24.22)	879.65	100.00
1,117.16	334.79	(475.81)	(217.19)	406.01	(79.78)	2,007.57	100.00
1,068.39	77.41	602.20	(1.40)	610.74	(85.25)	4,140.20	100.00
2,185.55	1,629.22	126.39	(87.57)	1,016.75	(83.46)	6,147.77	100.00

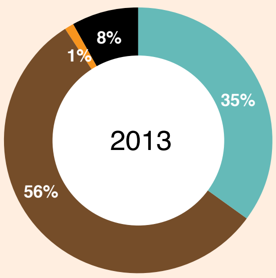
Statement of Contribution & Value Addition

	(Rs in million) 2013	2012
Value Addition during the year		
Employees as remuneration	871	811
Government as taxes	34,471	28,000
Shareholders as dividends	725	299
Retained with the business	2,472	1,000
Foreign exchange savings US$ 212 million		
Contribution to National Exchequer		
Government levies on petroleum products	34,471	28,000
Income tax paid	518	536
Import / export duties	21	25
Total	35,010	28,561

Financial Highlights

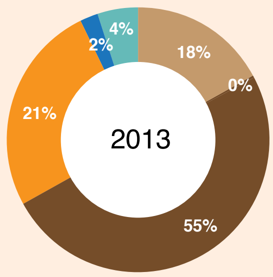
Attock Hospital (Pvt.) Limited

Equities and Liabilities
(In percentage)



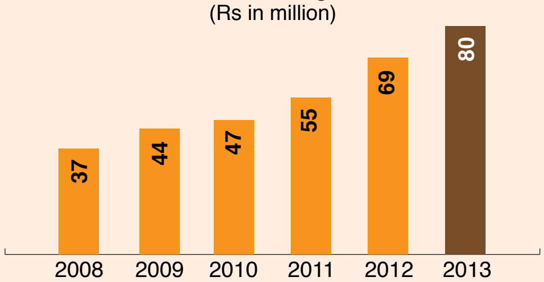
- Paid-up capital
- Capital reserve
- Trade and other payables
- Deferred Taxation

Fixed Assets & Current Assets
(In percentage)

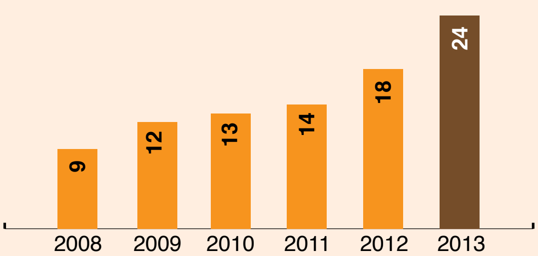


- Property, plant and equipment
- Prepayment and other receivables
- Income tax refundable Trade debts
- Cash and bank balances
- Stock of medicines and consumable items
- Trade debts

Total Revenue including Other Income
(Rs in million)



Revenue from Private Patients
(Rs in million)



Pattern of Shareholding
as at June 30, 2013

Form 34 (Section 236)

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
879	1	100	41,326
981	101	500	299,838
481	501	1,000	405,736
750	1,001	5,000	1,675,262
115	5,001	10,000	876,153
50	10,001	15,000	636,431
19	15,001	20,000	344,777
25	20,001	25,000	596,367
8	25,001	30,000	232,480
6	30,001	35,000	195,811
4	35,001	40,000	148,400
5	40,001	45,000	216,400
8	45,001	50,000	396,400
5	50,001	55,000	266,345
1	55,001	60,000	55,200
3	65,001	70,000	200,000
1	80,001	85,000	84,000
1	85,001	90,000	87,400
3	90,001	95,000	278,700
4	95,001	100,000	400,000
1	100,001	105,000	100,224
1	110,001	115,000	110,600
1	115,001	120,000	118,706
1	120,001	125,000	123,900
1	130,001	135,000	130,800
1	135,001	140,000	140,000
3	140,001	145,000	431,000
1	145,001	150,000	150,000
2	150,001	155,000	306,114
2	155,001	160,000	318,191
1	180,001	185,000	182,500
1	190,001	195,000	190,616
1	195,001	200,000	199,000
1	210,001	215,000	212,400
1	245,001	250,000	250,000
2	265,001	270,000	534,591
1	305,001	310,000	308,359
1	315,001	320,000	315,072
1	345,001	350,000	347,034
1	370,001	375,000	370,709
1	520,001	525,000	523,600
1	590,001	595,000	592,562
1	725,001	730,000	725,,585
1	1,430,001	1,435,000	1,432,000
1	3,395,001	3,400,000	3,395,930
1	4,650,001	4,655,000	4,654,757
1	7,260,001	7,265,000	7,260,400
1	9,650,001	9,655,000	9,652,500
1	44,775,001	44,780,000	44,778,824
3,383	**Total**		**85,293,000**

Category No.	Categories of Shareholders	Number of shares held	Category wise No. of folios/CDC	Category wise shares held	Percentage %
1	**Individuals**		3,214	6,794,541	7.97
2	**Investment Companies**		5	63,000	0.07
3	**Joint Stock Companies**		75	912,252	1.07
4	**Directors, Chief Executive Officer and their Spouse and Minor Children**		9	230,420	0.27
	Dr. Ghaith R. Pharaon (Director)	24			
	Mr. Laith G. Pharaon (Director)	1			
	Mr. Wael G. Pharaon (Director)	1			
	Mr. Shuaib A. Malik (Chairman & Director)	110,601			
	Mr. Abdus Sattar (Director)	1			
	Mr. Munaf Ibrahim (Director)	100,000			
	Mr. Iqbal A. Khwaja (Alternate Director)	15,105			
	Mr. M. Adil Khattak (CEO)	4,687			
5	**Executives**		6	1,557	0.00
6	**Associated Companies, Undertakings and Related Parties**		3	53,471,224	62.69
	The Attock Oil Company Limited	52,039,224			
	Attock Petroleum Limited	1,432,000			
7	**Public Sector Companies and Corporations**		0	0	0.00
8	**Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modarabas & Pension Funds**		34	2,710,562	3.18
9	**Mutual Funds**		20	5,755,947	6.75
	Prudential Stocks Fund Limited (03360)	8,400			
	National Bank of Pakistan-Trustee Department NI(U)T Fund	4,654,757			
	CDC - Trustee Unit Trust of Pakistan	20,000			
	CDC - Trustee AKD Index Tracker Fund	7,019			
	MC FSL - Trustee JS KSE-30 Index Fund	1,524			
	CDC - Trustee Al Meezan Mutual Fund	500			
	CDC - Trustee Meezan Islamic Fund	400			
	CDC - Trustee HBL - Stock Fund	50,000			
	CDC - Trustee KASB Asset Allocation Fund	87,400			
	CDC - Trustee MCB Dynamic Allocation Fund	23,000			
	CDC - Trustee NIT-Equity Market Opportunity Fund	592,562			
	CDC - Trustee First Habib Stock Fund	31,700			
	CDC - Trustee Crosby Dragon Fund	25,000			
	CDC - Trustee Nafa Savings Plus Fund - MT	93,200			
	CDC - Trustee AKD Aggressive Income Fund - MT	5,400			
	CDC - Trustee HBL Islamic Stock Fund	36,000			
	MCBFSL - Trustee Namco Balanced Fund - MT	15,100			
	CDC - Trustee KSE Meezan Index Fund	52,985			
	CDC - Trustee First Habib Islamic Balanced Fund	30,000			
	CDC - Trustee KASB Income Opportunity Fund - MT	21,000			

Pattern of Shareholding
as at June 30, 2013

Category No.	Categories of Shareholders	Number of shares held	Category wise No. of folios/CDC	Category wise shares held	Percentage %
10	**Foreign Investors**		12	5,513,937	6.46
11	**Co-operative Societies**		0	0	0.00
12	**Charitable Trusts**		0	0	0.00
13	**Others**		5	9,839,560	11.54
		Total	**3,383**	**85,293,000**	**100.00**

Shareholders' holding five percent or more voting interest in the listed Company

Total paid-up Capital of the Company	85,293,000	shares
5% of the paid-up Capital of the Company	4,264,650	shares

Name (s) of shareholder (s)	Description	No. of Shares held	Percentage %
The Attock Oil Company Limited	Falls in Category # 6	52,039,224	61.01
Employees' Old Age Benefits	Falls in Category # 13	9,652,500	11.32
National Bank of Pakistan - Trustee Department NI(U)T Fund	Falls in Category # 9	4,654,757	5.46
	Total	**66,346,481**	**77.79**

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

Name	Designation	No. of shares purchased	No. of shares sold
Mr. Shuaib A. Malik	Chairman & Director	100,400	–

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 monitory 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

Code of Conduct

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.

Statement of Compliance
with the Code of Corporate Governance

Name of Company: Attock Refinery Limited
Year ended: June 30, 2013

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Karachi / Lahore / Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the Board includes:

Category	Names
Independent Directors	Mr. Munaf Ibrahim Agha Sher Shah
Executive Directors	–
Non-Executive Directors	Dr. Ghaith R. Pharaon Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Shuaib A. Malik Mr. Abdus Sattar

   The independent directors meet the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board of Directors during the year ended June 30, 2013.

5. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company alongwith its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the Board were presided over by the Chairman or by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Five directors of the Company are exempted from the Directors’ Training Program on the basis of their level of education and length of experience as provided in the CCG. During the year 2012-13 the CEO has completed this program.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of 4 members, of whom all are non-executive directors and the Chairman of the committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises 3 members, of whom all are non-executive directors and the Chairman of the committee is a non-executive director.

18. The Board has set up an effective internal audit function.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through all the stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

__SD__

(M. ADIL KHATTAK)
Chief Executive Officer

August 14, 2013

Review Report to the Members

on Statement of Compliance with Best Practices of Code of Corporate Governance

A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

KARACHI-LAHORE-ISLAMABAD

pwc

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2013 prepared by the Board of Directors (the Board) of Attock Refinery Limited (the Company) to comply with the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, where the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquires of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's statement on internal control covers all risks and control, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulation of the Karachi, Lahore and Islamabad Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's Compliance, in all material respect, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2013.

___SD___

Chartered Accountants
Islamabad : August 14, 2013
Engagement Partner: S. Haider Abbas

ARL

Annual Audited Financial Statements

for the year ended June 30, 2013

Auditors' Report to the Members

A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS
KARACHI-LAHORE-ISLAMABAD

pwc

We have audited the annexed balance sheet of Attock Refinery Limited as at June 30, 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that :

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984 ;

(b) in our opinion

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied ;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business ; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company ;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2013 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended ; and

(d) in our opinion 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.

___SD___

Chartered Accountants
Islamabad : August 14, 2013
Engagement partner : S. Haider Abbas

Balance Sheet
as at June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised	6	1,500,000	1,500,000
Issued, subscribed and paid-up	6	852,930	852,930
Reserves and surplus	7	17,232,959	14,042,294
		18,085,889	14,895,224
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	8,745,217	8,745,217
		26,831,106	23,640,441
CURRENT LIABILITIES AND PROVISIONS			
Short term finance	9	–	–
Trade and other payables	10	31,443,587	65,431,991
Provision for taxation		6,360,109	4,642,474
		37,803,696	70,074,465
CONTINGENCIES AND COMMITMENTS	11		
		64,634,802	93,714,906

	Note	2013 Rs '000	2012 Rs '000
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	9,499,335	9,303,712
Capital work-in-progress	13	457,685	469,516
Stores and spares held for capital expenditure		77,529	67,067
		10,034,549	9,840,295
LONG TERM INVESTMENTS	14	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	15	16,632	14,760
DEFERRED TAXATION	16	53,053	90,261
CURRENT ASSETS			
Stores, spares and loose tools	17	688,132	673,854
Stock-in-trade	18	11,744,810	10,650,686
Trade debts	19	17,499,313	49,115,758
Loans, advances, deposits, prepayments and other receivables	20	328,430	220,710
Cash and bank balances	21	11,004,968	9,843,667
		41,265,653	70,504,675
		64,634,802	93,714,906

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___

Chief Executive

___SD___

Director

Profit and Loss Account
for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Sales	22	163,300,532	154,381,558
Cost of sales	23	(160,271,234)	(152,362,204)
GROSS PROFIT		3,029,298	2,019,354
Administration expenses	24	360,655	340,013
Distribution cost	25	41,162	37,615
Finance cost	26	548,555	994,739
Other charges	27	405,959	264,533
		(1,356,331)	(1,636,900)
		1,672,967	382,454
Other income	30	3,082,103	2,388,774
Profit before taxation from refinery operations		4,755,070	2,771,228
Provision for taxation	31	(2,137,508)	(1,625,183)
Profit after taxation from refinery operations		2,617,562	1,146,045
Income from non-refinery operations less applicable charges and taxation	32	1,298,094	1,588,641
PROFIT FOR THE YEAR		3,915,656	2,734,686
Earnings per share - Basic and diluted (Rs)			
Refinery operations		30.69	13.44
Non-refinery operations		15.22	18.63
	37	45.91	32.07

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Statement of Comprehensive Income
for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Profit for the year		3,915,656	2,734,686
Other comprehensive income		–	–
Total comprehensive income for the year		3,915,656	2,734,686

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Cash Flow Statement

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from – customers	235,214,572	163,379,522
– others	361,482	359,664
	235,576,054	163,739,186
Cash paid for operating costs	(200,512,619)	(130,411,316)
Cash paid to Government for duties, taxes and other levies	(34,471,364)	(27,999,614)
Income tax paid	(517,915)	(536,257)
Net cash flows from operating activities	74,156	4,791,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(306,941)	(282,771)
Sale of property, plant and equipment	1,104	1,265
Long term loans and deposits	(1,872)	(107)
Income on bank deposits received	1,125,668	866,699
Dividends received	1,539,575	1,891,462
Net cash flows from investing activities	2,357,534	2,476,548
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost	(548,555)	(994,739)
Dividends paid	(723,561)	(297,506)
Net cash flows from financing activities	(1,272,116)	(1,292,245)
EFFECT OF EXCHANGE RATE CHANGES	1,727	3,089
INCREASE IN CASH AND CASH EQUIVALENTS	1,161,301	5,979,391
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,843,667	3,864,276
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11,004,968	9,843,667

The annexed notes 1 to 39 are an integral part of these financial statements.

__SD__
Chief Executive

__SD__
Director

Statement of Changes in Equity

for the year ended June 30, 2013

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
				Rs '000				
Balance at June 30, 2011	852,930	5,948	5,163,690	3,762,775	55	2,673,666	8,745,217	21,204,281
Final cash dividend @ 20% related to the year ended June 30, 2011	–	–	–	–	–	(170,586)	–	(170,586)
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	2,734,686	–	2,734,686
Other comprehensive income for the year	–	–	–	–	–	–	–	–
	–	–	–	–	–	2,734,686	–	2,734,686
Interim cash dividend @ 15% related to the year ended June 30, 2012	–	–	–	–	–	(127,940)	–	(127,940)
Transfer to special reserve for expansion / modernisation – note 7.1	–	–	1,000,245	–	–	(1,000,245)	–	–
Balance at June 30, 2012	852,930	5,948	6,163,935	3,762,775	55	4,109,581	8,745,217	23,640,441
Final cash dividend @ 60% related to the year ended June 30, 2012	–	–	–	–	–	(511,758)	–	(511,758)
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	3,915,656	–	3,915,656
Other comprehensive income for the year	–	–	–	–	–	–	–	–
	–	–	–	–	–	3,915,656	–	3,915,656
Interim cash dividend @ 25% related to the year ended June 30, 2013	–	–	–	–	–	(213,233)	–	(213,233)
Transfer to special reserve for expansion / modernisation – note 7.1	–	–	2,471,762	–	–	(2,471,762)	–	–
Balance at June 30, 2013	852,930	5,948	8,635,697	3,762,775	55	4,828,484	8,745,217	26,831,106

The annexed notes 1 to 39 are an integral part of these financial statements.

___SD___

Chief Executive

___SD___

Director

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

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 Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. It is principally engaged in the refining of crude oil.

The Company is subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

2. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company. These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. 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)
IFRS 7	Financial instruments : Disclosures (Amendments)	January 1, 2013
IAS 1	Presentation of financial statements (Amendments)	January 1, 2013
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2013
IAS 19	Employee benefits (Amendments)	January 1, 2013
IAS 27	Separate Financial Statements (Revised)	January 1, 2013
IAS 28	Investments in Associates and Joint Venture (Revised)	January 1, 2013
IAS 32	Financial instruments : Presentation (Amendments)	January 1, 2013 & 2014
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2013
IAS 36	Impairment of assets (Amendments)	January 1, 2014
IAS 39	Financial instruments : Recognition and measurement (Amendments)	January 1, 2014

The management anticipates that except for the effects on the financial statements of amendment in IAS 19 “Employee Benefits”, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures. The application of amendments in IAS 19 would result in recognition of cumulative unrecognized actuarial gains / losses in other comprehensive income in the period of initial application and to replace with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (assets). The Company is yet to assess the full impact of the amendments.

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, for the purpose of their applicability in Pakistan :

		Effective date (annual periods beginning on or after)
IFRS 1	First-time adoption of International Financial Reporting Standards	July 1, 2009
IFRS 9	Financial instruments	January 1, 2015
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IFRS 13	Fair value measurement	January 1, 2013
IFRIC 21	Levies	January 1, 2014

The following interpretations issued by the IASB have been waived off by SECP effective January 16, 2012 :

IFRIC 4	Determining whether an arrangement contains lease
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 and certain other modifications as required by approved accounting standards referred to in the accounting policies given below.

4.2 Dividend appropriation

Dividend is recognised as a liability in the financial statements in the period in which it is declared.

4.3 Employees' 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 a pension plan for its management staff and gratuity plan for its management and non-management staff. Gratuity is deductible from pension. Pension and gratuity plan is invested through approved trust funds. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows.

Unrecognised net gains and losses are amortised over the expected remaining service of current members.

(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 Employees' compensated absences

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

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4.5 Taxation

Provision for current taxation is based on taxable income at the current rates of tax.

Deferred income tax is accounted for using the balance sheet 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 can be utilized.

Deferred tax is calculated at the rates that are 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.

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

a) Cost
Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) 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 12.

c) 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.

d) Gains and losses on deletion
Gains and losses on deletion 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 / amortisation are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the profit and loss account.

4.9 Investments in associated and subsidiary companies

These investments are initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the profit and loss account. The profits and losses of subsidiary and associated companies are carried in the financial statements of the subsidiary and associated company and are not dealt with for the purpose of these financial statements of the Company except to the extent of dividend declared by the subsidiary and associated companies.

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 paid thereon.

4.11 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Crude oil in transit is valued at cost comprising invoice value. Cost in relation to crude oil is determined on the basis of annual average cost of purchases during the year on the principles of import parity and in relation to semi-finished and finished products, it represents the cost of crude oil and refining charges consisting of direct expenses and appropriate production overheads. Direct expenses are arrived at on the basis of average cost for the year per barrel of throughput. Production overheads, including depreciation, are allocated to throughput proportionately on the basis of nameplate capacity.

Net realisable value in relation to finished product represents selling prices in the ordinary course of business less costs necessarily to be incurred for its sale, as applicable, and in relation to crude oil represents replacement cost at the balance sheet date.

4.12 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows :

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 product prices equivalent to the ‘import parity’ price, calculated under prescribed parameters.

ii) Income from crude decanting, crude desalter operations, rental income, 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 is recognised using the effective yield method.

4.13 Borrowing cost

Borrowing cost related to the financing of major projects during the construction phase is capitalised. All other borrowing costs are expensed as incurred.

4.14 Foreign currency transactions and balances

Transactions in foreign currencies are converted into rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

4.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially measured at cost, which is the fair value of the

Notes to and Forming Part of the Financial Statements

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consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

4.16 Financial assets

The Company classifies its financial assets in the following categories : held-to-maturity investments, loans and receivables, available for sale investments and investments at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade-date — the date on which the Company commits to purchase or sell the asset.

4.16.1 Held-to-maturity investments

Investments with fixed payments and maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments and are carried at amortised cost less impairment losses.

4.16.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise "Trade debts", "Advances, deposits and other receivables" and "Cash and bank balances" in the balance sheet. Loans and receivables are carried at amortized cost using the effective interest method.

4.16.3 Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investment within 12 months of the balance sheet date.

Available-for-sale investments are initially recognised at cost and carried at fair value at the balance sheet date. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. Adjustment arising from remeasurement of investment to fair value is recorded in equity and taken to income on disposal of investment or when the investment is determined to be impaired.

4.16.4 Investment at fair value through profit or loss

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses recognised directly in the profit and loss account. The fair value of such investments is determined on the basis of prevailing market prices.

4.17 Trade and other payables

Liabilities for trade and other amounts payable including amounts payable to related parties are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.18 Offsetting

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

4.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments.

4.20 Functional and presentation currency

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

5. 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)** Estimate of recoverable amount of investment in an associated company - note 14
- **ii)** Revaluation surplus on freehold land - note 12.1
- **iii)** Estimated useful life of property, plant and equipment - note 12
- **iv)** Provision for taxation - note 31
- **v)** Provision for employees' defined benefit plans - note 28

	2013 Rs '000	2012 Rs '000
6. SHARE CAPITAL		
Authorised		
150,000,000 ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up		
8,000,000 ordinary shares of Rs 10 each issued for cash	80,000	80,000
Shares issued as fully paid bonus shares 77,293,000 ordinary shares of Rs 10 each	772,930	772,930
85,293,000 ordinary shares of Rs 10 each	852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2012 : 48,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2012 : 1,432,000) ordinary shares at the year end.

Notes to and Forming Part of the Financial Statements
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	2013 Rs '000	2012 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
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
Special reserve for expansion / modernisation – note 7.1		
Additional revenue under processing fee formula related to 1990-91 and 1991-92	32,929	32,929
Surplus profits under the import parity pricing formula	8,602,768	6,131,006
	8,635,697	6,163,935
Revenue reserve		
Investment reserve – note 7.2	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	4,828,484	4,109,581
	8,591,314	7,872,411
	17,232,959	14,042,294

7.1 Represents amounts retained as per stipulations of the Government under the pricing formula and is available only for offsetting any future loss or making investment in expansion or up-gradation of the refinery. The Company has incurred capital expenditure of Rs 4,332 million on up-gradation and expansion projects from July 1, 1997 to June 30, 2013 (July 1, 1997 to June 30, 2012 : Rs 4,067 million). As referred to in note 11, the Company has incurred further expenditure of Rs 1,843.35 million on up-gradation projects subsequent to the balance sheet date.

On March 27, 2013, the Ministry of Petroleum & Natural Resources issued Policy Framework for Up-gradation and Expansion of Refineries. Among other directives, the Policy Framework requires refineries to deposit on half yearly basis (with final adjustment on annual basis), the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated in the Special Reserve Account in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for up-gradation of refineries. Such amounts shall be transferred to the ESCROW Account on completion of certain formalities. Further, the refineries have been directed that till completion of the projects, offsetting of losses, if any for the year ended June 30, 2013 or subsequent years will not be allowed against the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated or to be accumulated in the Special Reserve Account as per current pricing formula.

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

8. SURPLUS ON REVALUATION OF FREEHOLD LAND

This represents surplus over book value resulting from revaluation of freehold land as referred to in note 12.1. Except and to the extent actually realized on disposal of the assets which are revalued, the surplus on revaluation of fixed assets shall not be applied to set off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Company, or utilized directly or indirectly by way of dividend or bonus, provided that the surplus on revaluation of fixed assets may be applied by the Company in setting off or in diminution of any deficit arising from the revaluation of any other fixed asset of the Company.

9. SHORT TERM FINANCE

The Company has negotiated running finance facilities with banks and accepted facility offer letters to the extent of Rs 1 billion (June 30, 2012 : Rs 1 billion), which were unutilised at the year end. As and when required, these facilities shall be secured by registered charge over the Company's current assets.

	2013 Rs '000	2012 Rs '000
10. TRADE AND OTHER PAYABLES		
Creditors - note 10.1	20,406,344	54,337,626
Due to The Attock Oil Company Limited - Holding Company	51,081	83,787
Due to associated companies		
Pakistan Oilfields Limited	1,528,852	1,443,742
Attock Information Technology Services (Private) Limited	6,640	–
National Refinery Limited	8,802	–
Sui Southern Gas Company Limited	75,288	7,071
Accrued liabilities and provisions - note 10.1	2,508,791	2,311,233
Due to the Government under pricing formula	3,370,931	3,447,547
Advance payments from customers	18,024	27,303
Sales tax payable	1,847,723	1,841,755
Workers' Welfare Fund	604,507	464,492
Workers' Profit Participation Fund - note 10.2	–	245,967
General staff provident fund	–	1,478
Staff provident fund	–	1,706
ARL gratuity fund	115,797	245,640
Crude oil freight adjustable through inland freight equalisation margin	–	72,973
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	892,466	853,733
Security deposits	1,937	40,964
Unclaimed dividends	6,028	4,598
	31,443,587	65,431,991

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 Petroleum and Natural Resources (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing account. The amounts withheld alongwith accumulated profits amounted to Rs 2,245.176 million (2012 : Rs 2,049.179 million).

Notes to and Forming Part of the Financial Statements

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		2013 Rs '000	2012 Rs '000
10.2	**Workers' Profit Participation Fund**		
	Balance at the beginning of the year	245,967	199,714
	Add : Interest on funds utilised in the Company's business	3,775	4,718
		249,742	204,432
	Less : Amount paid to the Fund	648,775	203,050
		(399,033)	1,382
	Add : Amount allocated for the year - notes 27 and 32	333,075	244,585
	Balance at end of the year - note 20	(65,958)	245,967

11. CONTINGENCIES AND COMMITMENTS

Contingencies :

		2013 Rs '000	2012 Rs '000
i)	Due to huge circular debt in the oil industry, certain payments due from / to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
ii)	SECP has raised a demand on the Company to surrender gain on purchase and sale of shares of Attock Petroleum Limited by the Company during the period May, 2008 to August, 2008. Based on legal advice, the Company has contested this demand in Appeal against the SECP order. The Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements.	52,204	52,204
iii)	Guarantees issued by banks on behalf of the Company	394	394
iv)	Claims for land compensation contested by the Company	1,300	1,300
v)	Price adjustment related to crude oil purchases as referred to in note 23.1, the amount of which can not be presently quantified		

		2013 Rs '000	2012 Rs '000
	Commitments outstanding :		
i)	ARL Up-gradation Projects	18,459,249	–
	This includes US $ 142.62 million approximately for ARL Up-gradation Projects. Out of this amount payments of Rs 1,843.35 million (including US $ 14 million) have been made subsequent to the balance sheet date.		
ii)	Capital expenditure (other than i) above	187,899	63,500
iii)	Letters of credit for purchase of store items	29,428	269,657

12. OPERATING ASSETS

	Freehold land (note 12.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
			(Rs '000)				
As at July 1, 2011							
Cost or valuation	8,799,438	123,885	4,287,833	46,049	67,208	78,361	13,402,774
Accumulated depreciation	–	(54,802)	(3,858,147)	(41,325)	(48,440)	(65,800)	(4,068,514)
Net book value	8,799,438	69,083	429,686	4,724	18,768	12,561	9,334,260
Year ended June 30, 2012							
Opening net book value	8,799,438	69,083	429,686	4,724	18,768	12,561	9,334,260
Additions	–	14,979	36,810	10,626	8,411	12,068	82,894
Disposals							
Cost	–	–	(670)	–	(471)	(3,714)	(4,855)
Depreciation	–	–	–	–	304	3,704	4,008
	–	–	(670)	–	(167)	(10)	(847)
Depreciation charge	–	(7,898)	(90,369)	(4,010)	(4,418)	(5,900)	(112,595)
Closing net book value	8,799,438	76,164	375,457	11,340	22,594	18,719	9,303,712
As at June 30, 2012							
Cost or valuation	8,799,438	138,864	4,323,973	56,675	75,148	86,715	13,480,813
Accumulated depreciation	–	(62,700)	(3,948,516)	(45,335)	(52,554)	(67,996)	(4,177,101)
Net book value	8,799,438	76,164	375,457	11,340	22,594	18,719	9,303,712
Year ended June 30, 2013							
Opening net book value	8,799,438	76,164	375,457	11,340	22,594	18,719	9,303,712
Additions	–	37,666	241,450	7,654	7,016	14,524	308,310
Disposals							
Cost	–	–	(219)	(5,061)	(827)	(3,269)	(9,376)
Depreciation	–	–	219	5,034	499	3,269	9,021
	–	–	–	(27)	(328)	–	(355)
Depreciation charge	–	(7,773)	(88,482)	(4,672)	(4,545)	(6,860)	(112,332)
Closing net book value	8,799,438	106,057	528,425	14,295	24,737	26,383	9,499,335
As at June 30, 2013							
Cost or valuation	8,799,438	176,530	4,565,204	59,268	81,337	97,970	13,779,747
Accumulated depreciation	–	(70,473)	(4,036,779)	(44,973)	(56,600)	(71,587)	(4,280,412)
Net book value	8,799,438	106,057	528,425	14,295	24,737	26,383	9,499,335
Annual rate of Depreciation (%)	–	5	10	20	10	20	

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

12.1 Freehold land was revalued in June 2011 and the revaluation surplus of Rs 8,745,217 thousand is carried as surplus on revaluation of fixed assets in the balance sheet.

12.2 Fixed assets disposed off during the year are as follows :

	Original cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
		Rs '000			
Assets disposed off to executives :					
Vehicles	331	–	93	Company policy	Syed Asad Abbas
	910	–	91	Company policy	Mr. Asif Saeed
	1,001	–	101	Company policy	Mr. Mansoor Shafique
	1,027	–	103	Company policy	Mr. Ejaz H. Randhawa

	2013 Rs '000	2012 Rs '000
12.3 The depreciation charge for the year has been allocated as follows :		
Cost of sales	99,608	100,747
Administration expenses	12,257	11,447
Distribution cost	467	401
	112,332	112,595
13. CAPITAL WORK–IN–PROGRESS		
Opening balance as at July 1	469,516	279,099
Additions during the year	241,138	256,486
	710,654	535,585
Transfer to operating assets	(252,969)	(38,649)
Pipeline project cost written off	–	(27,420)
Closing balance as at June 30	457,685	469,516
The details are as under :		
Civil works	3,672	21,625
Plant and machinery	453,013	446,891
Pipeline project	1,000	1,000
	457,685	469,516

	2013		2012	
	% age holding	Rs '000	% age holding	Rs '000
14. LONG TERM INVESTMENTS – AT COST				
Associated companies				
Quoted				
National Refinery Limited (NRL) – note 14.1 19,991,640 (2012 : 19,991,640) fully paid ordinary shares including 3,331,940 (2012 : 3,331,940) bonus shares of Rs 10 each Market value as at June 30, 2013 : Rs 4,810 million (June 30, 2012 : Rs 4,626 million)	25	8,046,635	25	8,046,635
Attock Petroleum Limited (APL) 15,120,115 (2012 : 15,120,115) fully paid ordinary shares including 4,620,035 (2012 : 4,620,035) bonus shares of Rs 10 each Market value as at June 30, 2013 : Rs 8,484 million (June 30, 2012 : Rs 7,173 million)	21.88	4,463,485	21.88	4,463,485
Unquoted				
Attock Gen Limited (AGL) 7,482,957 (2012 : 7,482,957) fully paid ordinary shares of Rs 100 each	30	748,295	30	748,295
Attock Information Technology Services (Private) Limited 450,000 (2012 : 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
		13,262,915		13,262,915
Subsidiary company				
Unquoted				
Attock Hospital (Private) Limited 200,000 (2012 : 200,000) fully paid ordinary shares of Rs 10 each	100	2,000	100	2,000
		13,264,915		13,264,915

All associated and subsidiary companies are incorporated in Pakistan.

14.1 Based on a valuation analysis carried out by an external investment advisor engaged by the Company, the recoverable amount of investment in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes average gross profit margin of 3.5% (2012 : 5.15%), terminal growth rate of 4% (2012 : 3.5%) and capital asset pricing model based discount rate of 18.27% (2012 : 20.13%).

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees – considered good – note 15.1	40,994	34,892
	Amounts due within next twelve months shown under current assets – note 20	(25,760)	(21,170)
		15,234	13,722
	Security deposits	1,398	1,038
		16,632	14,760

15.1 Loans to employees are for miscellaneous purposes which are recoverable in 24, 36 and 60 equal monthly installments depending on case to case basis and are secured by a charge on the asset purchased and / or amount due to the employee against provident fund or a third party guarantee. These are interest free loans. These include an amount of Rs 9.066 million (2012 : Rs 6.029 million) receivable from Executives of the Company and does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs 9.066 million (2012 : Rs 7.131 million).

		2013 Rs '000	2012 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives :**		
	Opening balance as at July 1	6,029	2,951
	Add : Disbursements during the year	12,644	11,318
		18,673	14,269
	Less : Repayments during the year	9,607	8,240
	Closing balance as at June 30	9,066	6,029
16.	**DEFERRED TAXATION**		
	Debit balances arising on		
	Difference between accounting and tax depreciation	5,015	56,484
	Provisions for obsolete stores, provision for privilege leave and doubtful debts	48,038	33,777
		53,053	90,261
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit Rs 123.62 million ; 2012 : Rs 108.47 million)	445,724	417,177
	Spares	348,357	324,018
	Loose tools	837	345
		794,918	741,540
	Less : Provision for slow moving items – note 17.1	106,786	67,686
		688,132	673,854

		2013 Rs '000	2012 Rs '000
17.1	**Provision for slow moving items**		
	Opening balance	67,686	61,372
	Provision for the year	39,100	8,100
		106,786	69,472
	Written off during the year	–	(1,786)
		106,786	67,686
18.	**STOCK–IN–TRADE**		
	Crude oil - in stock	4,239,670	4,224,061
	Semi–finished products	958,198	951,036
	Finished products	6,546,942	5,475,589
		11,744,810	10,650,686

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 10,266 million (2012 : Rs 9,431 million). Adjustments amounting to Rs 856 million (2012 : Rs 1,624 million) have been made to closing inventory to write down stocks to their net realisable value.

19. TRADE DEBTS

All debtors are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 6,971 million (2012 : Rs 13,328 million) and Pakistan Oilfields Limited Rs 32 million (2012 : Rs 8 million).

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

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,736	8,829,238
6 to 12 months	–	1,941,030
Above 12 months	–	3,084
	2,550,736	10,773,352

Notes to and Forming Part of the Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
20. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
LOANS AND ADVANCES – CONSIDERED GOOD		
Current portion of long term loans to employees - note 15	25,760	21,170
Advances to suppliers	89,311	75,883
Advances to employees	3,118	2,615
	118,189	99,668
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	39,568	37,308
	39,854	37,594
OTHER RECEIVABLES		
Due from subsidiary company		
Attock Hospital (Private) Limited	442	405
Due from associated companies		
Attock Information Technology Services (Private) Limited	–	88
Attock Petroleum Limited	1,966	3,582
Attock Leisure and Management Associates (Private) Limited	4,203	18
Attock Gen Limited	215	100
National Cleaner Production Centre Foundation	543	1,041
Attock Cement Pakistan Limited	8	–
Due from Staff Pension Fund	18,869	33,295
Income accrued on bank deposits	38,716	24,927
Crude oil freight adjustable through inland freight equalisation margin	15,802	–
Workers' Profit Participation Fund - note 10.2	65,958	–
Other receivables	23,665	19,992
	170,387	83,448
	328,430	220,710

	2013 Rs '000	2012 Rs '000
21. CASH AND BANK BALANCES		
Cash in hand	931	547
Pay orders in hand - note 21.1	8,045,762	–
With banks :		
Current accounts	5,515	4,103
Deposit accounts - note 21.2	–	1,968,414
Savings accounts (including US $ 473,584 ; 2012 : US $ 375,418)	2,952,760	7,870,603
	11,004,968	9,843,667

21.1 These include amount of Rs 2,190.198 million related to amounts withheld alongwith interest earned thereon net of withholding tax, as referred to in note 10.1. Subsequent to the balance sheet date all the pay orders were duly credited in the Company's bank accounts.

21.2 Balance at June 30, 2012 represents deposits placed in a 90 days interest bearing account consequent to directives of the Ministry of Petroleum & Natural Resources on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 10.1.

21.3 Bank deposits of Rs 0.394 million (2012 : Rs 0.394 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.4 Balances with banks include Rs 1.937 million (2012 : Rs 40.964 million) in respect of security deposits received.

21.5 Balances with banks earned weighted average interest / mark-up @ 9.73% (2012 : @ 11.74%) per annum.

		2013 Rs '000	2012 Rs '000
22.	**SALES**		
	Gross sales (excluding Naphtha export sales)	177,930,351	163,419,392
	Naphtha export sales	24,230,801	22,809,059
	Sale proceeds of Naphtha exports related to third parties	(4,156,023)	(2,283,599)
		20,074,778	20,525,460
		198,005,129	183,944,852
	Duties, taxes and levies – note 22.1	(34,516,066)	(29,563,294)
	HSD price differential payable to Government - note 22.2	(188,531)	–
		163,300,532	154,381,558
22.1	**Duties, taxes and levies**		
	Sales tax	24,569,435	22,428,823
	Petroleum development levy	9,946,050	7,133,800
	Custom duties and other levies	581	671
		34,516,066	29,563,294

22.2 This represents amount payable to the Government of Pakistan on account of differential between import parity price of HSD and import price of PSO.

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		2013 Rs '000	2012 Rs '000
23.	**COST OF SALES**		
	Opening stock of semi-finished products	951,036	899,348
	Crude oil consumed - note 23.1	157,340,088	147,485,041
	Transportation and handling charges	1,654,633	1,805,118
	Salaries, wages and other benefits - note 23.2	629,923	572,802
	Printing and stationery	2,617	2,897
	Chemicals consumed	294,450	274,657
	Fuel and power	857,838	961,325
	Rent, rates and taxes	14,925	13,285
	Telephone	1,846	1,705
	Professional charges for technical services	5,878	3,889
	Insurance	118,942	103,690
	Repairs and maintenance (including stores and spares consumed Rs 85.488 million ; 2012 : Rs 84.164 million)	285,433	250,653
	Staff transport and traveling	14,288	12,586
	Cost of receptacles	29,214	24,471
	Research and development	66	1,036
	Depreciation	99,608	100,747
		162,300,785	152,513,250
	Closing stock of semi-finished products	(958,198)	(951,036)
		161,342,587	151,562,214
	Opening stock of finished products	5,475,589	6,275,579
	Closing stock of finished products	(6,546,942)	(5,475,589)
		(1,071,353)	799,990
		160,271,234	152,362,204
23.1	**Crude oil consumed**		
	Stock at the beginning of the year	4,224,061	3,697,649
	Purchases	157,355,697	148,011,453
		161,579,758	151,709,102
	Stock at the end of the year	(4,239,670)	(4,224,061)
		157,340,088	147,485,041

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

23.2 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 73,496 thousand (2012 : Rs 77,403 thousand) and to the Provident Fund Rs 21,370 thousand (2012 : Rs 18,102 thousand).

	2013 Rs '000	2012 Rs '000
24. ADMINISTRATION EXPENSES		
Salaries, wages and other benefits - note 23.2	209,903	208,976
Board meeting fee	3,985	3,753
Staff transport, traveling and entertainment	19,433	17,058
Telephone	2,092	2,038
Electricity, gas and water	15,254	12,397
Printing and stationery	4,621	4,487
Auditor's remuneration - note 24.1	2,454	2,031
Legal and professional charges	13,102	4,862
Repairs and maintenance	51,531	50,816
Subscription	10,267	8,450
Publicity	5,355	3,104
Scholarship scheme	1,851	1,973
Rent, rates and taxes	3,575	3,837
Insurance	1,477	1,181
Donations*	572	358
Training expenses	2,926	3,245
Depreciation	12,257	11,447
	360,655	340,013

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

	2013 Rs '000	2012 Rs '000
24.1 Auditor's remuneration		
Annual audit	1,210	1,100
Review of half yearly accounts, audit of consolidated accounts, staff funds and special certifications	713	787
Tax services	350	-
Out of pocket expenses	181	144
	2,454	2,031

	2013 Rs '000	2012 Rs '000
25. DISTRIBUTION COST		
Salaries, wages and other benefits - note 23.2	29,456	27,698
Staff transport, traveling and entertainment	553	522
Telephone	212	201
Electricity, gas and water	5,085	4,132
Printing and stationery	110	141
Repairs and maintenance including packing and other stores consumed	4,414	3,731
Rent, rates and taxes	835	789
Legal and professional charges	30	–
Depreciation	467	401
	41,162	37,615

Notes to and Forming Part of the Financial Statements
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		2013 Rs '000	2012 Rs '000
26.	**FINANCE COST**		
	Exchange loss	544,492	989,905
	Interest on Workers' Profit Participation Fund – note 10.2	3,775	4,718
	Bank and other charges	288	116
		548,555	994,739
27.	**OTHER CHARGES**		
	Pipeline project cost written off	–	27,420
	Provision for slow moving stores	39,100	8,100
	Workers' Profit Participation Fund	256,096	150,012
	Workers' Welfare Fund	110,763	79,001
		405,959	264,533

28. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2013 using the projected unit credit method. Details of the defined benefit plans are :

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
a)	**The amounts recognised in the profit and loss account :**				
	Current service cost	14,268	12,668	10,885	11,010
	Interest cost	69,198	57,332	41,401	40,630
	Expected return on plan assets	(64,067)	(56,983)	(14,922)	(1,210)
	Past service cost	(3,374)	(3,375)	4,900	6,293
	Recognition of loss / (gain)	10,186	3,881	5,021	7,157
	Net expense	26,211	13,523	47,285	63,880
b)	**The amounts recognised in the balance sheet :**				
	Fair value of plan assets	574,936	491,531	195,642	47,587
	Present value of defined benefit obligations	(583,806)	(535,968)	(375,538)	(333,235)
	Surplus (deficit)	(8,870)	(44,437)	(179,896)	(285,648)
	Unrecognised past service cost	(6,489)	(9,863)	-	2,348
	Unrecognised net loss	34,228	87,595	64,099	37,660
	Net asset / (liability)	18,869	33,295	(115,797)	(245,640)
c)	**Movement in the present value of defined benefit obligation :**				
	Present value of defined benefit obligation as at July 1	535,968	421,810	333,235	299,272
	Current service cost	14,268	12,668	10,885	11,010
	Interest cost	69,198	57,332	41,401	40,630
	Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
	Past service cost	–	–	2,552	–
	Actuarial loss / (gain)	(7,319)	69,588	30,350	1,057
	Present value of defined benefit obligation as at June 30	583,806	535,968	375,538	333,235

During the year June 30, 2012, the pension plan was closed to new entrants effective January 1, 2012 and the gratuity plan has been enhanced for new management staff employees. Non-management staff gratuity, which was previously unfunded, has been merged into gratuity fund.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
d)	**Changes in the fair value of plan assets :**				
	Fair value of plan assets as at July 1	491,531	470,136	47,587	6,080
	Expected return	64,067	56,983	14,922	1,210
	Contributions by employer	11,784	11,522	177,129	21,491
	Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
	Inter-fund transfer	–	(33,945)	–	33,945
	Actuarial gain / (loss)	35,863	12,265	(1,111)	3,595
	Fair value of plan assets as at June 30	574,936	491,531	195,642	47,587
	Actual return on plan assets	99,929	69,248	13,811	4,805

The Company expects to contribute Rs 75 million to its defined benefit pension and gratuity plans during 2013 - 2014.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
e)	**The major categories of plan assets :**				
	Investment in equities	129,221	134,540	–	–
	Investment in mixed funds	25,479	66,257	–	–
	Cash / Bank	420,236	290,734	195,722	47,667
	Benefits due	–	–	(80)	(80)
		574,936	491,531	195,642	47,587
f)	**Significant actuarial assumptions at the balance sheet date :**				
	Discount rate	11.00%	13.25%	11.00%	13.25%
	Expected return on plan assets	11.00%	13.25%	11.00%	13.25%
	Future salary increases	9.00%	11.00%	9.00%	11.00%
	Future pension increases	5.75%	7.75%	–	–

Notes to and Forming Part of the Financial Statements
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		2013 Rs '000	2012 Rs '000	2011 Rs '000	2010 Rs '000	2009 Rs ' 000
g)	**Comparison for five years :**					
	Funded Defined Benefit Pension Plan					
	Present value of defined benefit obligation	(583,806)	(535,968)	(421,810)	(476,121)	(387,196)
	Fair value of plan assets	574,936	491,531	470,136	391,481	340,186
	Surplus / (deficit)	(8,870)	(44,437)	48,326	(84,640)	(47,010)
	Experience adjustments on plan liabilities – loss / (gain)	(7,319)	69,588	(7,509)	41,532	22,993
	Experience adjustments on plan assets – gain / (loss)	35,863	12,265	50,610	6,961	(97,171)
	Funded Defined Benefit Gratuity Plan (Established on July 1, 2010)					
	Present value of defined benefit obligation	(375,538)	(333,235)	(93,979)	–	–
	Fair value of plan assets	195,642	47,587	6,080	–	–
	Deficit	(179,896)	(285,648)	(87,899)	–	–
	Experience adjustments on plan liabilities – loss	30,350	1,057	679	–	–
	Experience adjustments on plan assets – gain / (loss)	(1,111)	3,595	215	–	–

		2013 Rs '000	2012 Rs '000
29.	**DEFINED CONTRIBUTION PLAN**		
	Details of the provident funds are as follows :		
	Staff Provident Fund		
	Net assets	304,612	266,788
	Cost of investments made	251,344	237,763
	Fair value of investments made	302,932	266,383
	%age of investments made	99%	99%

	2013		2012	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	22,851	9%	34,331	14%
Mutual Funds	11,499	5%	61,458	26%
Bank deposits	216,994	86%	141,974	60%
	251,344	100%	237,763	100%

	2013 Rs '000	2012 Rs '000
General Staff Provident Fund		
Net assets	507,176	445,712
Cost of investments made	470,196	453,146
Fair value of investments made	503,998	449,690
%age of investments made	99%	99%

	2013		2012	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,222	5%	43,613	10%
Mutual Funds	36,520	8%	92,447	20%
Bank deposits	410,454	87%	317,086	70%
	470,196	100%	453,146	100%

Investments out of provident funds have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

	2013	2012
	Rs '000	Rs '000
30. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,139,457	882,557
Interest on delayed payments	1,634,784	1,195,248
Exchange gain	82,417	124,774
	2,856,658	2,202,579
Income from non - financial assets		
Income from crude decanting	15,218	21,940
Income from crude desalter operations - note 30.1	4,387	4,700
Insurance agency commission	2,067	2,178
Rental income	73,287	51,415
Sale of scrap	17,509	9,235
Profit on disposal of fixed assets	749	418
Calibration charges	3,818	3,225
Handling and service charges	88,341	85,201
Penalties from carriage contractors	2,645	4,802
Miscellaneous	17,424	3,081
	225,445	186,195
	3,082,103	2,388,774
30.1 Income from crude desalter operations		
Income	60,483	56,901
Less : Operating costs		
Salaries, wages and other benefits	1,709	1,590
Chemicals consumed	9,546	8,883
Fuel and power	34,860	32,440
Repairs and maintenance	9,981	9,288
	56,096	52,201
	4,387	4,700

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		2013 Rs '000	2012 Rs '000
31.	**PROVISION FOR TAXATION**		
	Current	2,100,300	1,560,200
	Deferred	37,208	64,983
		2,137,508	1,625,183
31.1	**Relationship between tax expense and accounting profit**		
	Accounting profit	4,755,070	2,771,228
	Tax at normal rate	1,664,275	969,930
	Income chargeable to tax at special rate	473,233	655,253
		2,137,508	1,625,183
32.	**INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION**		
	Dividend income from associated companies		
	National Refinery Limited	299,875	499,791
	Attock Petroleum Limited	491,404	718,205
	Attock Gen Limited	748,296	673,466
		1,539,575	1,891,462
	Less : Related charges		
	Workers' Profit Participation Fund	76,979	94,573
	Workers' Welfare Fund	29,252	35,938
	Taxation	135,250	172,310
		241,481	302,821
		1,298,094	1,588,641

33. OPERATING SEGMENTS

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

	2013 Rs '000	2012 Rs '000
High Speed Diesel	66,874,673	61,364,375
Jet Petroleum	21,946,866	21,743,321
Motor Gasoline	44,019,851	39,035,461
Furnace Fuel Oil	20,663,435	18,851,206
Naphtha	20,074,777	20,525,460
Others	24,236,996	22,425,029
	197,816,598	183,944,852
Less : Duties, taxes and levies	34,516,066	29,563,294
	163,300,532	154,381,558

Revenue from four major customers of the Company constitute 87% (2012 : 87%) of total revenue during the year.

34. RELATED PARTY TRANSACTIONS

The Attock Oil Company Limited holds 61.01% (2012 : 56.32%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 35 to the financial statements.

	2013 Rs '000	2012 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	14,004,809	14,334,680
Purchase of gas	43,524	31,006
Purchase of services	5,959	37,734
Sale of petroleum products	638,980	657,250
Sale of services	13,825	11,411
Attock Petroleum Limited		
Sale of petroleum products	42,079,466	41,518,205
Sale of services	80,971	72,066
Purchase of petroleum products	2,397	2,650
Purchase of services	341,366	335,680
Interest income on delayed payments	1,634,784	1,195,249
National Refinery Limited		
Purchase of services	127,762	116,090
Sale of services	8	2,422
Attock Cement Pakistan Limited		
Purchase of services	50	261
Sale of services	-	10
Attock Gen Limited		
Sale of petroleum products	1,318	1,041
Land lease income	16,261	15,888
Storage tanks lease income	13,190	12,603
Income from other services and facilities provided to AGL	8,161	11,833
National Cleaner Production Centre		
Purchase of services	6,630	5,635
Sale of services	7,231	6,737
Sale of petroleum products	184	165
Attock Information Technology Services (Private) Limited		
Purchase of services	23,033	20,917
Sale of services	3,168	2,952
Attock Leisure & Management Associates (Private) Limited		
Sale of services	5,381	–
Sui Southern Gas Company Limited		
Purchase of crude oil	104,215	–

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	2013 Rs '000	2012 Rs '000
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	409,256	690,189
Purchase of services	8,700	8,171
Sale of services	316	257
Subsidiary company		
Attock Hospital (Private) Limited		
Purchase of services	45,342	40,603
Sale of services	4,007	3,314
Sale of petroleum products	386	382
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	11,784	11,522
Staff gratuity fund	177,129	21,491
Staff provident fund	21,370	18,102
Contribution to Workers' Profit Participation Fund	333,075	244,585

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
Managerial remuneration / honorarium	5,853	5,259	319	319	58,184	42,411
Bonus	2,515	2,307	–	–	20,973	14,549
Company's contribution to provident, pension and gratuity funds	344	1,439	–	–	15,441	11,653
Housing and utilities	4,243	3,916	–	–	66,356	44,885
Leave fare assistance	685	627	–	–	7,449	5,638
	13,640	13,548	319	319	168,403	119,136
Less : Charged to Attock Gen Limited	4,092	4,064	–	–	–	–
	9,548	9,484	319	319	168,403	119,136
No of person(s)	1	1	1	1	60	40

35.1 In addition, the Chief Executive and 14 (2012 : 15) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 24 (2012 : 13) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 35 (2012 : 23) executives.

35.2 In addition, meeting fee based on actual attendance was paid to 4 (2012 : 4) non-executive directors Rs 2.426 million (2012 : Rs 2.103 million), Chief Executive Officer Rs 0.623 million (2012 : Rs 0.580 million) and 2 (2012 : 2) alternate directors Rs 0.927 million (2012 : Rs 1.070 million) of the Company.

36. FINANCIAL INSTRUMENTS

36.1 Financial assets and liabilities

	2013 Rs '000	2012 Rs '000
Financial assets :		
Maturity upto one year		
Trade debts	17,499,312	49,115,758
Loans, advances, deposits and other receivables	199,552	107,519
Cash and bank balances		
Foreign currency - US $	47,135	35,496
Local currency	10,957,833	9,808,171
Maturity after one year		
Long term loans and deposits	16,632	14,760
	28,720,464	59,081,704
Financial liabilities :		
Maturity upto one year		
Trade and other payables	31,425,563	65,404,688
	31,425,563	65,404,688

36.2 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	2013 Balance Rs '000	2012 Balance Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	4,495,767	33,546,683
Counterparties without external credit rating			
Due from associated companies		7,003,026	13,336,144
Others *		6,000,519	2,232,931
		17,499,312	49,115,758
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		216,184	122,279
Bank Balances			
Counterparties with external credit rating			
	A 1+	2,957,410	9,271,483
	A 1	865	571,637
		2,958,275	9,843,120

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

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36.3 Financial risk management

36.3.1 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.

a) Credit risk

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

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

At June 30, 2013, trade debts of Rs 2,551,918 thousand (2012 : Rs 42,354,140 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows :

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,736	21,778,791
6 to 12 months	–	8,863,969
Above 12 months	1,182	11,711,380
	2,551,918	42,354,140

b) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

c) Market 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 47 million (2012 : Rs 35 million) and financial liabilities include Rs 13,318 million (2012 : Rs 11,865 million) which were subject to currency risk.

At June 30, 2013, 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 863 million (2012 : Rs 769 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.

Financial assets and liabilities include balances of Rs 2,953 million (2012 : Rs 9,839 million) and Rs 2,245 million (2012 : Rs 2,049 million) respectively, which are subject to interest rate risk.

Had interest rates been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 165 million (2012 : Rs 99 million) higher / lower.

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.

36.3.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year and the company is not subject to externally imposed capital requirement.

	2013 Rs '000	2012 Rs '000
37. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation from refinery operations	2,617,562	1,146,045
Income from non-refinery operations less applicable charges and taxation	1,298,094	1,588,641
	3,915,656	2,734,686
Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
Earnings per share - Basic and diluted (Rs)		
Refinery operations	30.69	13.44
Non-refinery operations	15.22	18.63
	45.91	32.07

38. GENERAL

38.1 Capacity and production

Against the designed annual refining capacity of 14.963 million (2012 : 14.700 million) US barrels the actual throughput during the year was 14.989 million (2012 : 14.665 million) US barrels.

	2013	2012
38.2 Number of employees		
Total number of employees at end of the year	669	682
Average number of employees for the year	675	683

Notes to and Forming Part of the Financial Statements
for the year ended June 30, 2013

38.3 Non-adjusting events after the balance sheet date

i) Subsequent to the balance sheet date 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 PKR 22 billion for ARL Up-gradation Projects. The facility carries a markup of 3 months KIBOR plus 1.70% which will be payable on quarterly basis. The facility is secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of PKR 15 billion. Further the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over immovable property. The tenor of this facility is 12 years including the grace period of 2 years.

ii) The Board of Directors in its meeting held on August 14, 2013 has proposed a final cash dividend for the year ended June 30, 2013 @ Rs 2.50 per share (2012 : Rs 6.00 per share), amounting to Rs 213,233 thousand (2012 : Rs 511,758 thousand) for approval of the members in the Annual General Meeting to be held on September 27, 2013.

39. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 14, 2013.

___SD___
Chief Executive

___SD___
Director

ARL

Consolidated Annual Audited Financial Statements

for the year ended June 30, 2013

Auditors' Report to the Members

A.F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

KARACHI-LAHORE-ISLAMABAD

pwc

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Attock Refinery Limited (ARL) and its subsidiary company, Attock Hospital (Private) Limited as at June 30, 2013 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of ARL and its subsidiary company. These financial statements are the responsibility of ARL's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of ARL and its subsidiary company as at June 30, 2013 and the results of their operations for the year then ended.

___SD___

Chartered Accountants
Islamabad : August 14, 2013
Engagement partner : S. Haider Abbas

Consolidated Balance Sheet

as at June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised	6	1,500,000	1,500,000
Issued, subscribed and paid-up	6	852,930	852,930
Reserves and surplus	7	22,636,199	18,921,763
		23,489,129	19,774,693
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	8,745,217	8,745,217
		32,234,346	28,519,910
CURRENT LIABILITIES AND PROVISIONS			
Short term finance	9	–	3,288
Trade and other payables	10	31,457,231	65,443,834
Provision for taxation		6,360,109	4,642,474
		37,817,340	70,089,596
CONTINGENCIES AND COMMITMENTS	11		
		70,051,686	98,609,506

	Note	2013 Rs '000	2012 Rs '000
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	9,504,110	9,308,006
Capital work-in-progress	13	457,685	469,516
Stores and spares held for capital expenditure		77,529	67,067
		10,039,324	9,844,589
LONG TERM INVESTMENTS	14	18,656,872	18,134,870
LONG TERM LOANS AND DEPOSITS	15	16,632	14,760
DEFERRED TAXATION	16	52,720	90,628
CURRENT ASSETS			
Stores, spares and loose tools	17	688,132	673,854
Stock-in-trade	18	11,745,282	10,651,284
Trade debts	19	17,499,373	49,116,266
Loans, advances, deposits, prepayments and other receivables	20	342,780	232,969
Cash and bank balances	21	11,010,571	9,850,286
		41,286,138	70,524,659
		70,051,686	98,609,506

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___

Chief Executive

___SD___

Director

Consolidated Profit and Loss Account

for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Sales	22	163,300,532	154,381,558
Cost of sales	23	(160,271,234)	(152,362,204)
GROSS PROFIT		3,029,298	2,019,354
Administration expenses	24	360,655	340,013
Distribution cost	25	41,162	37,615
Finance cost	26	548,555	994,739
Other charges	27	405,959	264,533
		(1,356,331)	(1,636,900)
		1,672,967	382,454
Other income	30	3,082,103	2,388,774
Profit before taxation from refinery operations		4,755,070	2,771,228
Provision for taxation	31	(2,137,508)	(1,625,183)
Profit after taxation from refinery operations		2,617,562	1,146,045
Profit after taxation from non-refinery operations			
Profit of Attock Hospital (Private) Limited	32	1,769	1,190
Share in profit of associated companies	33	2,427,340	2,174,468
Impairment loss on investment in associated companies	14	(607,244)	(944,075)
		1,821,865	1,231,583
PROFIT FOR THE YEAR		4,439,427	2,377,628
Earnings per share - Basic and diluted (Rs)			
Refinery operations		30.69	13.44
Non-refinery operations		21.36	14.44
	39	52.05	27.88

The annexed notes 1 to 41 are an integral part of these financial statements.

__SD__

Chief Executive

__SD__

Director

Consolidated Statement of Comprehensive Income

for the year ended June 30, 2013

	Note	2013 Rs '000	2012 Rs '000
Profit for the year		4,439,427	2,377,628
Other comprehensive income		–	–
Total comprehensive income for the year		4,439,427	2,377,628

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___

Chief Executive

___SD___

Director

Consolidated Cash Flow Statement
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from – customers	235,294,973	163,449,156
– others	361,482	359,664
	235,656,455	163,808,820
Cash paid for operating costs	(200,587,267)	(130,472,428)
Cash paid to Government for duties, taxes and other levies	(34,471,364)	(27,999,614)
Income tax paid	(520,088)	(538,931)
Net cash flows from operating activities	77,736	4,797,847
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(308,849)	(284,908)
Sale of property, plant and equipment	1,751	1,265
Long term loans and deposits	(1,872)	(107)
Income on bank deposits received	1,125,888	866,832
Dividends received	1,539,575	1,891,462
Net cash flows from investing activities	2,356,493	2,474,544
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost	(548,822)	(994,957)
Short term running finance received / (repaid)	(3,288)	2,180
Dividends paid	(723,561)	(297,506)
Net cash flows from financing activities	(1,275,671)	(1,290,283)
EFFECT OF EXCHANGE RATE CHANGES	1,727	3,089
INCREASE IN CASH AND CASH EQUIVALENTS	1,160,285	5,985,197
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,850,286	3,865,089
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11,010,571	9,850,286

The annexed notes 1 to 41 are an integral part of these financial statements.

__SD__
Chief Executive

__SD__
Director

Consolidated Statement of Changes in Equity
for the year ended June 30, 2013

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Maintenance reserve	Investment reserve	General reserve	Un-appropriated profit	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance at June 30, 2011	852,930	89,468	5,666,771	138,235	1,002,400	2,584,130	7,361,657	8,745,217	26,440,808
Final Cash Dividend @ 20% related to the year ended June 30, 2011	-	-	-	-	-	-	(170,586)	-	(170,586)
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	2,377,628	-	2,377,628
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2,377,628	-	2,377,628
Interim Cash Dividend @ 15% related to the year ended June 30, 2012	-	-	-	-	-	-	(127,940)	-	(127,940)
Impairment loss on investment in associated company transferred from unappropriated profit to investment reserve	-	-	-	-	(944,075)	-	944,075	-	-
Transfer to special reserve for expansion / modernisation - note 7.1	-	-	1,000,245	-	-	-	(1,000,245)	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 7.1	-	-	(27,891)	-	-	-	27,891	-	-
Transfer to maintenance reserve by an associated company	-	-	-	12,134	-	-	(12,134)	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	975,000	(975,000)	-	-
Balance at June 30, 2012	852,930	89,468	6,639,125	150,369	58,325	3,559,130	8,425,346	8,745,217	28,519,910
Final Cash Dividend @ 60% related to the year ended June 30, 2012	-	-	-	-	-	-	(511,758)	-	(511,758)
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	4,439,427	-	4,439,427
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	4,439,427	-	4,439,427
Interim Cash Dividend @ 25% related to the year ended June 30, 2013	-	-	-	-	-	-	(213,233)	-	(213,233)
Impairment loss on investment in associated company transferred from unappropriated profit to investment reserve	-	-	-	-	(58,325)	-	58,325	-	-
Transfer to special reserve for expansion / modernisation - note 7.1	-	-	2,471,762	-	-	-	(2,471,762)	-	-
Loss after tax from fuel refinery operations transferred to special reserve by associated companies - note 7.1	-	-	(257)	-	-	-	257	-	-
Transfer to maintenance reserve by an associated company	-	-	-	11,872	-	-	(11,872)	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	393,250	(393,250)	-	-
Balance at June 30, 2013	852,930	89,468	9,110,630	162,241	-	3,952,380	9,321,480	8,745,217	32,234,346

The annexed notes 1 to 41 are an integral part of these financial statements.

___SD___
Chief Executive

___SD___
Director

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

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 Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. It is principally engaged in the refining of crude oil.

The Company is subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

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

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. 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)
IFRS 7	Financial instruments : Disclosures (Amendments)	January 1, 2013
IAS 1	Presentation of financial statements (Amendments)	January 1, 2013
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2013
IAS 19	Employee benefits (Amendments)	January 1, 2013
IAS 27	Separate Financial Statements (Revised)	January 1, 2013
IAS 28	Investments in Associates and Joint Venture (Revised)	January 1, 2013
IAS 32	Financial instruments : Presentation (Amendments)	January 1, 2013 & 2014
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2013
IAS 36	Impairment of assets (Amendments)	January 1, 2014
IAS 39	Financial instruments : Recognition and measurement (Amendments)	January 1, 2014

The management anticipates that except for the effects on the financial statements of amendment in IAS 19 “Employee Benefits”, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures. The application of amendments in IAS 19 would result in recognition of cumulative unrecognized actuarial gains / losses in other comprehensive income in the period of initial application and to replace with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (assets). The Company is yet to assess the full impact of the amendments.

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, for the purpose of their applicability in Pakistan :

		Effective date (annual periods beginning on or after)
IFRS 1	First-time adoption of International Financial Reporting Standards	July 1, 2009
IFRS 9	Financial instruments	January 1, 2015
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IFRS 13	Fair value measurement	January 1, 2013
IFRIC 21	Levies	January 1, 2014

The following interpretations issued by the IASB have been waived off by SECP effective January 16, 2012 :

IFRIC 4	Determining whether an arrangement contains lease
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 4.8 and certain other modifications as required by approved accounting standards referred to in the accounting policies given below.

4.2 Basis of consolidation

The consolidated financial statements include the financial statements of Attock Refinery Limited and its wholly owned subsidiary, Attock Hospital (Private) Limited.

Subsidiaries are entities over which the Company has the 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 and liabilities 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.

4.3 Dividend appropriation

Dividend is recognised as a liability in the financial statements in the period in which it is declared.

4.4 Employees' 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 a pension plan for its management staff and gratuity plan for its management and non-management staff. Gratuity is deductible from pension. Pension and gratuity plan is invested through approved trust funds. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2013

projected unit credit method. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows.

Unrecognised net gains and losses are amortised over the expected remaining service of current members.

(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.

4.5 Employees' compensated absences

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

4.6 Taxation

Provision for current taxation is based on taxable income at the current rates of tax.

Deferred income tax is accounted for using the balance sheet 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 can be utilized.

Deferred tax is calculated at the rates that are 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.

4.7 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.

4.8 Property, plant and equipment

a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) 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 12.

c) 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.

d) Gains and losses on deletion

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

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 / amortisation are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the profit and loss account.

4.10 Investments in associated companies

Investments in associated companies are accounted for using the equity method. Under this method investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investments.

4.11 Stores, spares and loose tools

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

4.12 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Crude oil in transit is valued at cost comprising invoice value. Cost in relation to crude oil is determined on the basis of annual average cost of purchases during the year on the principles of import parity and in relation to semi-finished and finished products, it represents the cost of crude oil and refining charges consisting of direct expenses and appropriate production overheads. Direct expenses are arrived at on the basis of average cost for the year per barrel of throughput. Production overheads, including depreciation, are allocated to throughput proportionately on the basis of nameplate capacity.

Net realisable value in relation to finished product represents selling prices in the ordinary course of business less costs necessarily to be incurred for its sale, as applicable, and in relation to crude oil represents replacement cost at the balance sheet date.

4.13 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows :

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 product prices equivalent to the 'import parity' price, calculated under prescribed parameters.

ii) Income from crude decanting, crude desalter operations, rental income, 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 is recognised using the effective yield method.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

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 account, 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.

4.14 Borrowing cost

Borrowing cost related to the financing of major projects during the construction phase is capitalised. All other borrowing costs are expensed as incurred.

4.15 Foreign currency transactions and balances

Transactions in foreign currencies are converted into rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

4.16 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

4.17 Financial assets

The Company classifies its financial assets in the following categories : held-to-maturity investments, loans and receivables, available for sale investments and investments at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade-date — the date on which the Company commits to purchase or sell the asset.

4.17.1 Held-to-maturity investments

Investments with fixed payments and maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments and are carried at amortised cost less impairment losses.

4.17.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise "Trade debts", "Advances, deposits and other receivables" and "Cash and bank balances" in the balance sheet. Loans and receivables are carried at amortized cost using the effective interest method.

4.17.3 Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investment within 12 months of the balance sheet date.

Available-for-sale investments are initially recognised at cost and carried at fair value at the balance sheet date. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. Adjustment arising from remeasurement of investment to fair value is recorded in equity and taken to income on disposal of investment or when the investment is determined to be impaired.

4.17.4 Investment at fair value through profit or loss

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses recognised directly in the profit and loss account. The fair value of such investments is determined on the basis of prevailing market prices.

4.18 Trade and other payables

Liabilities for trade and other amounts payable including amounts payable to related parties are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.19 Offsetting

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

4.20 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments.

4.21 Functional and presentation currency

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

5. 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) Estimate of recoverable amount of investment in an associated company - note 14

ii) Revaluation surplus on freehold land - note 12.1

iii) Estimated useful life of property, plant and equipment - note 12

iv) Provision for taxation - note 31

v) Provision for employees' defined benefit plans - note 28

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
6. SHARE CAPITAL		
Authorised		
150,000,000 ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid-up		
8,000,000 ordinary shares of Rs 10 each issued for cash	80,000	80,000
Shares issued as fully paid bonus shares 77,293,000 ordinary shares of Rs 10 each	772,930	772,930
85,293,000 ordinary shares of Rs 10 each	852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2012 : 48,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 respectively (2012 : 1,432,000) ordinary shares at the year end.

	2013 Rs '000	2012 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
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	79,520	79,520
	89,468	89,468
Special reserve for expansion / modernisation – note 7.1		
Additional revenue under processing fee formula related to 1990-91 and 1991-92	32,929	32,929
Surplus profits under the import parity pricing formula	8,602,768	6,131,006
Surplus profits of associates under the import parity pricing formula	474,933	475,190
	9,110,630	6,639,125
Maintenance reserve - note 7.2	162,241	150,369
Revenue reserve		
Investment reserve – note 7.3	–	58,325
General reserve	3,952,380	3,559,130
Unappropriated profit	9,321,480	8,425,346
	13,273,860	12,042,801
	22,636,199	18,921,763

7.1 Represents amounts retained as per stipulations of the Government under the pricing formula and is available only for offsetting any future loss or making investment in expansion or up-gradation of the refinery. The Company has incurred capital expenditure of Rs 4,332 million on up-gradation and expansion projects from July 1, 1997 to June 30, 2013 (July 1, 1997 to June 30, 2012 : Rs 4,067 million). As referred to in note 11, the Company has incurred further expenditure of Rs 1,843.35 million on up-gradation projects subsequent to the balance sheet date.

On March 27, 2013, the Ministry of Petroleum & Natural Resources issued Policy Framework for Up-gradation and Expansion of Refineries. Among other directives, the Policy Framework requires refineries to deposit on half yearly basis (with final adjustment on annual basis), the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated in the Special Reserve Account in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for up-gradation of refineries. Such amounts shall be transferred to the ESCROW Account on completion of certain formalities. Further, the refineries have been directed that till completion of the projects, offsetting of losses, if any for the year ended June 30, 2013 or subsequent years will not be allowed against the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated or to be accumulated in the Special Reserve Account as per current pricing formula.

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

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

8. SURPLUS ON REVALUATION OF FREEHOLD LAND

This represents surplus over book value resulting from revaluation of freehold land as referred to in note 12.1. Except and to the extent actually realized on disposal of the assets which are revalued, the surplus on revaluation of fixed assets shall not be applied to set off or reduce any deficit or loss, whether past, current or future, or in any manner applied, adjusted or treated so as to add to the income, profit or surplus of the Company, or utilized directly or indirectly by way of dividend or bonus, provided that the surplus on revaluation of fixed assets may be applied by the Company in setting off or in diminution of any deficit arising from the revaluation of any other fixed asset of the Company.

9. SHORT TERM FINANCE

Attock Refinery Limited has negotiated running finance facilities with banks and accepted facility offer letters to the extent of Rs 1 billion (June 30, 2012 : Rs 1 billion), which were unutilised at the year end. As and when required, these facilities shall be secured by registered charge over the Company's current assets.

Attock Hospital (Private) Limited has obtained a running finance facility of Rs 3.6 million from Allied Bank Limited. The facility was repaid in full on December 24, 2012. This facility carried markup at three months KIBOR. The facility was secured by first charge of Rs 4.8 million with 25% margin on all present and future current and fixed assets excluding land and building of the company.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
10.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 10.1	20,408,881	54,346,331
	Due to The Attock Oil Company Limited - Holding Company	51,081	83,780
	Due to associated companies		
	Pakistan Oilfields Limited	1,528,040	1,443,125
	Attock Information Technology Services (Private) Limited	6,640	–
	National Refinery Limited	8,802	–
	Sui Southern Gas Company Limited	75,288	–
	Accrued liabilities and provisions – note 10.1	2,520,343	2,321,822
	Due to the Government under pricing formula	3,370,931	3,447,547
	Advance payments from customers	18,024	27,303
	Sales tax payable	1,847,723	1,841,755
	Workers' Welfare Fund	604,654	464,516
	Workers' Profit Participation Fund – note 10.2	–	245,967
	General staff provident fund	–	1,478
	Staff provident fund	–	1,706
	ARL gratuity fund	115,797	245,640
	Crude oil freight adjustable through inland freight equalization margin	–	72,973
	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	892,466	853,733
	Security deposits	2,157	41,184
	Unclaimed dividends	6,028	4,598
		31,457,231	65,443,834

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 Petroleum and Natural Resources (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing account. The amounts withheld along with accumulated profits amounted to Rs 2,245.176 million (2012 : Rs 2,049.179 million).

		2013 Rs '000	2012 Rs '000
10.2	**Workers' Profit Participation Fund**		
	Balance at the beginning of the year	245,967	199,714
	Add : Interest on funds utilised in the Company's business	3,775	4,718
		249,742	204,432
	Less : Amount paid to the Fund	648,775	203,050
		(399,033)	1,382
	Add : Amount allocated for the year - notes 27 and 33	333,075	244,585
	Balance at end of the year - note 20	(65,958)	245,967

		2013 Rs '000	2012 Rs '000
11.	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies :		
i)	Due to huge circular debt in the oil industry, certain payments due from / to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
ii)	SECP has raised a demand on the Company to surrender gain on purchase and sale of shares of Attock Petroleum Limited by the Company during the period May, 2008 to August, 2008. Based on legal advice, the Company has contested this demand in Appeal against the SECP order. The Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements.	52,204	52,204
iii)	Guarantees issued by banks on behalf of the Company	394	394
iv)	Claims for land compensation contested by the Company	1,300	1,300
v)	Price adjustment related to crude oil purchases as referred to in note 23.1, the amount of which can not be presently quantified		
vi)	Company's share in guarantees and indemnity bonds issued by associated companies	571,881	540,499
vii)	Company's share in tax contingency of an associated company related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department	153,154	186,056
	Commitments outstanding :		
i)	ARL Up-gradation Projects	18,459,249	–
	This includes US $ 142.62 million approximately for ARL Up-gradation Projects. Out of this amount payments of Rs 1,843.35 million (including US $ 14 million) have been made subsequent to the balance sheet date.		
ii)	Capital expenditure (other than i) above	187,899	63,500
iii)	Letters of credit for purchase of store items	29,428	269,657

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

12. OPERATING ASSETS

	Freehold land (note 12.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
			(Rs '000)				
As at July 1, 2011							
Cost or valuation	8,799,438	123,885	4,297,735	47,090	69,420	78,361	13,415,929
Accumulated depreciation	–	(54,802)	(3,866,069)	(42,127)	(49,799)	(65,800)	(4,078,597)
Net book value	8,799,438	69,083	431,666	4,963	19,621	12,561	9,337,332
Year ended June 30, 2012							
Opening net book value	8,799,438	69,083	431,666	4,963	19,621	12,561	9,337,332
Additions	–	14,979	38,525	10,918	8,581	12,068	85,071
Disposals							
Cost	–	–	(670)	–	(561)	(3,714)	(4,945)
Depreciation	–	–	–	–	331	3,704	4,035
	–	–	(670)	–	(230)	(10)	(910)
Depreciation charge	–	(7,898)	(90,940)	(4,159)	(4,590)	(5,900)	(113,487)
Closing net book value	8,799,438	76,164	378,581	11,722	23,382	18,719	9,308,006
As at June 30, 2012							
Cost or valuation	8,799,438	138,864	4,335,590	58,008	77,440	86,715	13,496,055
Accumulated depreciation	–	(62,700)	(3,957,009)	(46,286)	(54,058)	(67,996)	(4,188,049)
Net book value	8,799,438	76,164	378,581	11,722	23,382	18,719	9,308,006
Year ended June 30, 2013							
Opening net book value	8,799,438	76,164	378,581	11,722	23,382	18,719	9,308,006
Additions	–	37,666	243,201	7,691	7,134	14,524	310,216
Disposals							
Cost	–	–	(869)	(5,061)	(827)	(3,269)	(10,026)
Depreciation	–	–	349	5,034	499	3,269	9,151
	–	–	(520)	(27)	(328)	-	(875)
Depreciation charge	–	(7,773)	(89,090)	(4,829)	(4,685)	(6,860)	(113,237)
Closing net book value	8,799,438	106,057	532,172	14,557	25,503	26,383	9,504,110
As at June 30, 2013							
Cost or valuation	8,799,438	176,530	4,577,922	60,638	83,747	97,970	13,796,245
Accumulated depreciation	–	(70,473)	(4,045,750)	(46,081)	(58,244)	(71,587)	(4,292,135)
Net book value	8,799,438	106,057	532,172	14,557	25,503	26,383	9,504,110
Annual rate of Depreciation (%)	–	5	10	20	10	20	

12.1 Freehold land was revalued in June 2011 and the revaluation surplus of Rs 8,745,217 thousand is carried as surplus on revaluation of fixed assets in the balance sheet.

12.2 Fixed assets disposed off during the year are as follows :

	Original cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
		Rs '000			
Assets disposed off to executives :					
Vehicles	331	–	93	Company policy	Syed Asad Abbas
	910	–	91	Company policy	Mr. Asif Saeed
	1,001	–	101	Company policy	Mr. Mansoor Shafique
	1,027	–	103	Company policy	Mr. Ejaz H. Randhawa
Assets disposed off to third party :					
C-Arm Omega Image Intensifier	650	520	648	Negotiation	Pindi Surgical Centre

	2013 Rs '000	2012 Rs '000
12.3 The depreciation charge for the year has been allocated as follows :		
Cost of sales	99,608	100,747
Administration expenses	12,257	11,447
Distribution cost	467	401
Depreciation of subsidiary company	905	892
	113,237	113,487

13. CAPITAL WORK–IN–PROGRESS

	2013 Rs '000	2012 Rs '000
Opening balance as at July 1	469,516	279,099
Additions during the year	241,138	256,486
	710,654	535,585
Transfer to operating assets	(252,969)	(38,649)
Pipeline project cost written off	–	(27,420)
Closing balance as at June 30	457,685	469,516
The details are as under :		
Civil works	3,672	21,625
Plant and machinery	453,013	446,891
Pipeline project	1,000	1,000
	457,685	469,516

14. LONG TERM INVESTMENTS

	2013 Rs '000	2012 Rs '000
Balance at beginning of the year	18,134,870	18,493,118
Share of profit after tax of associated companies	2,668,821	2,477,289
Dividend received from associated companies	(1,539,575)	(1,891,462)
Impairment loss on investment	(607,244)	(944,075)
Balance at end of the year	18,656,872	18,134,870

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013		2012	
	% age holding	Rs '000	% age holding	Rs '000
14.1 Long term investments				
Associated companies				
Quoted				
National Refinery Limited (NRL) – note 14.2 19,991,640 (2012 : 19,991,640) fully paid ordinary shares including 3,331,940 (2012 : 3,331,940) bonus shares of Rs 10 each	25	9,660,473	25	9,856,478
Market value as at June 30, 2013 : Rs 4,810 million (June 30, 2012 : Rs 4,626 million)				
Attock Petroleum Limited (APL) – note 14.3 15,120,115 (2012 : 15,120,115) fully paid ordinary shares including 4,620,035 (2012 : 4,620,035) bonus shares of Rs 10 each	21.88	6,446,720	21.88	6,093,831
Market value as at June 30, 2013 : Rs 8,484 million (June 30, 2012 : Rs 7,173 million)				
Unquoted				
Attock Gen Limited (AGL) – note 14.4 7,482,957 (2012 : 7,482,957) fully paid ordinary shares of Rs 100 each	30	2,538,824	30	2,175,399
Attock Information Technology Services (Private) Limited – note 14.5 & 14.6 450,000 (2012 : 450,000) fully paid ordinary shares of Rs 10 each	10	10,855	10	9,162
		18,656,872		18,134,870

All associated companies are incorporated in Pakistan.

	2013 Rs '000	2012 Rs '000
14.2 Investment in NRL		
As at July 1	9,856,478	10,645,748
Dividend received	(299,875)	(499,791)
Share in profit of NRL	711,114	654,596
Impairment loss adjustment to fair value	(607,244)	(944,075)
As at June 30	9,660,473	9,856,478

The carrying value of investment in National Refinery Limited at June 30, 2013 is net of impairment loss of Rs 607,244 thousand (2012 : Rs 944,075 thousand). The carrying value is based on valuation analysis carried out by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes average gross profit margin of 3.5% (2012 : 5.15%), terminal growth rate of 4% (2012 : 3.5%) and capital asset pricing model based discount rate of 18.27% (2012 : 20.13%).

		2013 Rs '000	2012 Rs '000
14.3	**Investment in APL**		
	As at July 1	6,093,831	5,919,395
	Dividend received	(491,404)	(718,205)
	Share in profit of APL	844,293	892,641
	As at June 30	6,446,720	6,093,831
14.4	**Investment in AGL**		
	As at July 1	2,175,399	1,919,794
	Dividend received	(748,296)	(673,466)
	Share in profit of AGL	1,111,721	929,071
	As at June 30	2,538,824	2,175,399
14.5	**Investment in AITSL**		
	As at July 1	9,162	8,181
	Share in profit of AITSL	1,693	981
	As at June 30	10,855	9,162

14.6 Although the Company has less than 20 percent shareholding in Attock Information Technology Services (Private) Limited, this company has been treated as associates since the Company has representation on its Board of Directors.

		2013 Rs '000	2012 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees – considered good – note 15.1	40,994	34,892
	Amounts due within next twelve months shown under current assets – note 20	(25,760)	(21,170)
		15,234	13,722
	Security deposits	1,398	1,038
		16,632	14,760

15.1 Loans to employees are for miscellaneous purposes which are recoverable in 24, 36 and 60 equal monthly installments depending on case to case basis and are secured by a charge on the asset purchased and / or amount due to the employee against provident fund or a third party guarantee. These are interest free loans. These include an amount of Rs 9.066 million (2012 : Rs 6.029 million) receivable from Executives of the Company and does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs 9.066 million (2012 : Rs 7.131 million).

		2013 Rs '000	2012 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives :**		
	Opening balance as at July 1	6,029	2,951
	Add : Disbursements during the year	12,644	11,318
		18,673	14,269
	Less : Repayments during the year	9,607	8,240
	Closing balance as at June 30	9,066	6,029

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
16. DEFERRED TAXATION		
Debit balances arising on		
Difference between accounting and tax depreciation	4,682	56,851
Provisions for obsolete stores, provision for prelivage leave and doubtful debts	48,038	33,777
	52,720	90,628
17. STORES, SPARES AND LOOSE TOOLS		
Stores (including items in transit Rs 123.62 million ; 2012 : Rs 108.47 million)	445,724	417,177
Spares	348,357	324,018
Loose tools	837	345
	794,918	741,540
Less : Provision for slow moving items – note 17.1	106,786	67,686
	688,132	673,854
17.1 Provision for slow moving items		
Opening balance	67,686	61,372
Provision for the year	39,100	8,100
	106,786	69,472
Written off during the year	–	(1,786)
	106,786	67,686
18. STOCK–IN–TRADE		
Crude oil - in stock	4,239,670	4,224,061
Semi–finished products	958,198	951,036
Finished products	6,546,942	5,475,589
Medical supplies	472	598
	11,745,282	10,651,284

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 10,266 million (2012 : Rs 9,431 million). Adjustments amounting to Rs 856 million (2012 : Rs 1,624 million) have been made to closing inventory to write down stocks to their net realisable value.

19. TRADE DEBTS

All debtors are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 6,971 million (2012 : Rs 13,328 million) and Pakistan Oilfields Limited Rs 32 million (2012 : Rs 8 million).

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

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,736	8,829,238
6 to 12 months	–	1,941,030
Above 12 months	–	3,084
	2,550,736	10,773,352

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

	2013 Rs '000	2012 Rs '000
LOANS AND ADVANCES – CONSIDERED GOOD		
Current portion of long term loans to employees - note 15	25,760	21,170
Advances to suppliers	89,311	75,883
Advances to employees	3,118	2,615
	118,189	99,668
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	39,590	37,328
	39,876	37,614
OTHER RECEIVABLES		
Due from associated companies		
Attock Information Technology Services (Private) Limited	–	88
Attock Petroleum Limited	2,130	3,586
Attock Leisure and Management Associates (Private) Limited	4,203	18
Attock Gen Limited	229	101
Attock Cement Pakistan Limited	16	2
National Cleaner Production Centre Foundation	543	1,041
Capgas (Private) Limited	31	20
Due from Staff Pension Fund	18,869	33,295
Income accrued on bank deposits	38,716	24,927
Crude oil freight adjustable through inland freight equalisation margin	15,802	–
Workers' Profit Participation Fund - note 10.2	65,958	–
Income tax refundable	14,554	12,617
Other receivables	23,664	19,992
	184,715	95,687
	342,780	232,969

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
21.	**CASH AND BANK BALANCES**		
	Cash in hand	1,192	642
	Pay orders in hand - note 21.1	8,045,762	–
	With banks :		
	Current accounts	5,710	4,262
	Deposit accounts - note 21.2	–	1,968,414
	Savings accounts (including US $ 473,584 ; 2012 : US $ 375,418)	2,957,907	7,876,968
		11,010,571	9,850,286

21.1 These include amount of Rs 2,190.198 million related to amounts withheld alongwith interest earned thereon net of withholding tax, as referred to in note 10.1. Subsequent to the balance sheet date all the pay orders were duly credited in the Company's bank accounts.

21.2 Balance at June 30, 2012 represents deposits placed in a 90 days interest bearing account consequent to directives of the Ministry of Petroleum & Natural Resources on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 10.1.

21.3 Bank deposits of Rs 0.394 million (2012 : Rs 0.394 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.4 Balances with banks include Rs 1.937 million (2012 : Rs 40.964 million) in respect of security deposits received.

21.5 Balances with banks earned weighted average interest / mark-up @ 9.73% (2012 : @ 11.74%) per annum.

		2013 Rs '000	2012 Rs '000
22.	**SALES**		
	Gross sales (excluding Naphtha export sales)	177,930,351	163,419,392
	Naphtha export sales	24,230,801	22,809,059
	Sale proceeds of Naphtha exports related to third parties	(4,156,023)	(2,283,599)
		20,074,778	20,525,460
		198,005,129	183,944,852
	Duties, taxes and levies – note 22.1	(34,516,066)	(29,563,294)
	HSD price differential payable to Government - note 22.2	(188,531)	–
		163,300,532	154,381,558
22.1	**Duties, taxes and levies**		
	Sales tax	24,569,435	22,428,823
	Petroleum development levy	9,946,050	7,133,800
	Custom duties and other levies	581	671
		34,516,066	29,563,294

22.2 This represents amount payable to the Government of Pakistan on account of differential between import parity price of HSD and import price of PSO.

		2013 Rs '000	2012 Rs '000
23.	**COST OF SALES**		
	Opening stock of semi-finished products	951,036	899,348
	Crude oil consumed - note 23.1	157,340,088	147,485,041
	Transportation and handling charges	1,654,633	1,805,118
	Salaries, wages and other benefits - note 23.2	629,923	572,802
	Printing and stationery	2,617	2,897
	Chemicals consumed	294,450	274,657
	Fuel and power	857,838	961,325
	Rent, rates and taxes	14,925	13,285
	Telephone	1,846	1,705
	Professional charges for technical services	5,878	3,889
	Insurance	118,942	103,690
	Repairs and maintenance (including stores and spares consumed Rs 85.488 million ; 2012 : Rs 84.164 million)	285,433	250,653
	Staff transport and traveling	14,288	12,586
	Cost of receptacles	29,214	24,471
	Research and development	66	1,036
	Depreciation	99,608	100,747
		162,300,785	152,513,250
	Closing stock of semi-finished products	(958,198)	(951,036)
		161,342,587	151,562,214
	Opening stock of finished products	5,475,589	6,275,579
	Closing stock of finished products	(6,546,942)	(5,475,589)
		(1,071,353)	799,990
		160,271,234	152,362,204
23.1	**Crude oil consumed**		
	Stock at the beginning of the year	4,224,061	3,697,649
	Purchases	157,355,697	148,011,453
		161,579,758	151,709,102
	Stock at the end of the year	(4,239,670)	(4,224,061)
		157,340,088	147,485,041

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

23.2 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 73,496 thousand (2012 : Rs 76,273 thousand) and to the Provident Fund Rs 21,370 thousand (2012 : Rs 18,102 thousand).

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

		2013 Rs '000	2012 Rs '000
24.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 23.2	209,903	208,976
	Board meeting fee	3,985	3,753
	Staff transport, traveling and entertainment	19,433	17,058
	Telephone	2,092	2,038
	Electricity, gas and water	15,254	12,397
	Printing and stationery	4,621	4,487
	Auditor's remuneration - note 24.1	2,454	2,031
	Legal and professional charges	13,102	4,862
	Repairs and maintenance	51,531	50,816
	Subscription	10,267	8,450
	Publicity	5,355	3,104
	Scholarship scheme	1,851	1,973
	Rent, rates and taxes	3,575	3,837
	Insurance	1,477	1,181
	Donations*	572	358
	Training expenses	2,926	3,245
	Depreciation	12,257	11,447
		360,655	340,013

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

24.1	**Auditor's remuneration**		
	Annual audit	1,210	1,100
	Review of half yearly accounts, audit of consolidated accounts, staff funds and special certifications	713	787
	Tax services	350	–
	Out of pocket expenses	181	144
		2,454	2,031

25.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 23.2	29,456	27,698
	Staff transport, traveling and entertainment	553	522
	Telephone	212	201
	Electricity, gas and water	5,085	4,132
	Printing and stationery	110	141
	Repairs and maintenance including packing and other stores consumed	4,414	3,731
	Rent, rates and taxes	835	789
	Legal and professional charges	30	–
	Depreciation	467	401
		41,162	37,615

	2013 Rs '000	2012 Rs '000
26. FINANCE COST		
Exchange loss	544,492	989,905
Interest on Workers' Profit Participation Fund – note 10.2	3,775	4,718
Bank and other charges	288	116
	548,555	994,739
27. OTHER CHARGES		
Pipeline project cost written off	–	27,420
Provision for slow moving stores	39,100	8,100
Workers' Profit Participation Fund	256,096	150,012
Workers' Welfare Fund	110,763	79,001
	405,959	264,533

28. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2013 using the projected unit credit method. Details of the defined benefit plans are :

	Funded defined benefit pension plan		Funded defined benefit gratuity plan	
	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
a) The amounts recognised in the profit and loss account :				
Current service cost	14,268	12,668	10,885	11,010
Interest cost	69,198	57,332	41,401	40,630
Expected return on plan assets	(64,067)	(56,983)	(14,922)	(1,210)
Past service cost	(3,374)	(3,375)	4,900	6,293
Recognition of loss / (gain)	10,186	3,881	5,021	7,157
Net expense	26,211	13,523	47,285	63,880
b) The amounts recognised in the balance sheet :				
Fair value of plan assets	574,936	491,531	195,642	47,587
Present value of defined benefit obligations	(583,806)	(535,968)	(375,538)	(333,235)
Surplus (deficit)	(8,870)	(44,437)	(179,896)	(285,648)
Unrecognised past service cost	(6,489)	(9,863)	-	2,348
Unrecognised net loss	34,228	87,595	64,099	37,660
Net asset / (liability)	18,869	33,295	(115,797)	(245,640)
c) Movement in the present value of defined benefit obligation :				
Present value of defined benefit obligation as at July 1	535,968	421,810	333,235	299,272
Current service cost	14,268	12,668	10,885	11,010
Interest cost	69,198	57,332	41,401	40,630
Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
Past service cost	–	–	2,552	–
Actuarial loss / (gain)	(7,319)	69,588	30,350	1,057
Present value of defined benefit obligation as at June 30	583,806	535,968	375,538	333,235

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

During the year June 30, 2012, the pension plan was closed to new entrants effective January 1, 2012 and the gratuity plan has been enhanced for new management staff employees. Non-management staff gratuity, which was previously unfunded, has been merged into gratuity fund.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
d)	**Changes in the fair value of plan assets :**				
	Fair value of plan assets as at July 1	491,531	470,136	47,587	6,080
	Expected return	64,067	56,983	14,922	1,210
	Contributions by employer	11,784	11,522	177,129	21,491
	Benefits paid	(28,309)	(25,430)	(42,885)	(18,734)
	Inter-fund transfer	–	(33,945)	–	33,945
	Actuarial gain / (loss)	35,863	12,265	(1,111)	3,595
	Fair value of plan assets as at June 30	574,936	491,531	195,642	47,587
	Actual return on plan assets	99,929	69,248	13,811	4,805

The Company expects to contribute Rs 75 million to its defined benefit pension and gratuity plans during 2013 - 2014.

		Funded defined benefit pension plan		Funded defined benefit gratuity plan	
		2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
e)	**The major categories of plan assets :**				
	Investment in equities	129,221	134,540	–	–
	Investment in mixed funds	25,479	66,257	–	–
	Cash / Bank	420,236	290,734	195,722	47,667
	Benefits due	–	–	(80)	(80)
		574,936	491,531	195,642	47,587
f)	**Significant actuarial assumptions at the balance sheet date :**				
	Discount rate	11.00%	13.25%	11.00%	13.25%
	Expected return on plan assets	11.00%	13.25%	11.00%	13.25%
	Future salary increases	9.00%	11.00%	9.00%	11.00%
	Future pension increases	5.75%	7.75%	–	–

		2013 Rs '000	2012 Rs '000	2011 Rs '000	2010 Rs '000	2009 Rs ' 000
g)	**Comparison for five years :**					
	Funded Defined Benefit Pension Plan					
	Present value of defined benefit obligation	(583,806)	(535,968)	(421,810)	(476,121)	(387,196)
	Fair value of plan assets	574,936	491,531	470,136	391,481	340,186
	Surplus / (deficit)	(8,870)	(44,437)	48,326	(84,640)	(47,010)
	Experience adjustments on plan liabilities – loss / (gain)	(7,319)	69,588	(7,509)	41,532	22,993
	Experience adjustments on plan assets – gain / (loss)	35,863	12,265	50,610	6,961	(97,171)
	Funded Defined Benefit Gratuity Plan (Established on July 1, 2010)					
	Present value of defined benefit obligation	(375,538)	(333,235)	(93,979)	–	–
	Fair value of plan assets	195,642	47,587	6,080	–	–
	Deficit	(179,896)	(285,648)	(87,899)	–	–
	Experience adjustments on plan liabilities – loss	30,350	1,057	679	–	–
	Experience adjustments on plan assets – gain / (loss)	(1,111)	3,595	215	–	–

		2013 Rs '000	2012 Rs '000
29.	**DEFINED CONTRIBUTION PLAN**		
	Details of the provident funds are as follows :		
	Staff Provident Fund		
	Net assets	333,281	288,254
	Cost of investments made	275,000	256,893
	Fair value of investments made	331,443	287,816
	%age of investments made	99%	99%

	2013 Rs '000	2013 %age	2012 Rs '000	2012 %age
Breakup of investment - at cost				
Shares	25,002	9%	37,093	14%
Mutual Funds	12,581	5%	66,403	26%
Bank deposits	237,417	86%	153,397	60%
	275,000	100%	256,893	100%

	2013 Rs '000	2012 Rs '000
General Staff Provident Fund		
Net assets	517,527	454,808
Cost of investments made	479,792	462,394
Fair value of investments made	514,284	458,867
%age of investments made	99%	99%

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013		2012	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,696	5%	44,503	10%
Mutual Funds	37,265	8%	94,334	20%
Bank deposits	418,831	87%	323,557	70%
	479,792	100%	462,394	100%

Investments out of provident funds have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

	2013	2012
	Rs '000	Rs '000
30. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,139,457	882,557
Interest on delayed payments	1,634,784	1,195,248
Exchange gain	82,417	124,774
	2,856,658	2,202,579
Income from non - financial assets		
Income from crude decanting	15,218	21,940
Income from crude desalter operations - note 30.1	4,387	4,700
Insurance agency commission	2,067	2,178
Rental income	73,287	51,415
Sale of scrap	17,509	9,235
Profit on disposal of fixed assets	749	418
Calibration charges	3,818	3,225
Handling and service charges	88,341	85,201
Penalties from carriage contractors	2,645	4,802
Miscellaneous	17,424	3,081
	225,445	186,195
	3,082,103	2,388,774
30.1 Income from crude desalter operations		
Income	60,483	56,901
Less : Operating costs		
Salaries, wages and other benefits	1,709	1,590
Chemicals consumed	9,546	8,883
Fuel and power	34,860	32,440
Repairs and maintenance	9,981	9,288
	56,096	52,201
	4,387	4,700

		2013 Rs '000	2012 Rs '000
31.	**PROVISION FOR TAXATION**		
	Current	2,100,300	1,560,200
	Deferred	37,208	64,983
		2,137,508	1,625,183
31.1	**Relationship between tax expense and accounting profit**		
	Accounting profit	4,755,070	2,771,228
	Tax at normal rate	1,664,275	969,930
	Income chargeable to tax at special rate	473,233	655,253
		2,137,508	1,625,183
32.	**PROFIT OF ATTOCK HOSPITAL (PRIVATE) LMITED A WHOLLY OWNED SUBSIDIARY**		
	Revenue*	80,329	68,837
	Less : Operating expenses*		
	Salaries, wages and other benefits (including employees' retirement benefits of Rs 2,617 thousand ; 2012 : Rs 1,474 thousand)	48,329	43,059
	Medical consultancy	7,252	5,829
	Medical supplies	9,330	7,144
	Dietary cost	1,498	1,374
	Sanitation and general services	3,512	3,031
	Utilities and other expenses	6,743	5,387
	Audit fee	110	100
	Depreciation	905	892
		77,679	66,816
	Operating profit	2,650	2,021
	Finance income	220	133
	Finance cost	(170)	(300)
	Other income	128	–
	Other expenses	(123)	(23)
	Profit before taxation	2,705	1,831
	Provision for taxation - current	800	688
	- deferred	136	(47)
		(936)	(641)
	Profit after taxation	1,769	1,190

* The revenue includes amount billed by AHL to ARL amounting to Rs 45,342 thousand (2012 : Rs 40,603 thousand) and operating expenses include amount billed by ARL to AHL amounting to Rs 4,393 thousand (2012 : 3,696 thousand) which have not been eliminated from revenue and expenses. It is considered that this gives a fairer view of the operating results of the Company since profit from refinery operation are separately presented.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
33. SHARE IN PROFIT AFTER TAX OF ASSOCIATED COMPANIES		
National Refinery Limited	711,114	654,596
Attock Petroleum Limited	845,806	893,407
Less : Unrealised profit from intra-group transactions included in closing stock-in-trade	1,513	766
	844,293	892,641
Attock Gen Limited	1,111,721	929,071
Attock Information Technology Services (Private) Limited	1,693	981
	2,668,821	2,477,289
Less : Related charges		
Workers' Profit Participation Fund - note 10.2	76,979	94,573
Workers' Welfare Fund	29,252	35,938
Taxation - note 33.1	135,250	172,310
	241,481	302,821
	2,427,340	2,174,468

33.1 Taxation is based on presumptive tax rate applicable to dividend income from associated companies.

34. SUMMARISED FINANCIAL STATEMENTS OF THE ASSOCIATED COMPANIES

The aggregate assets, liabilities, revenue and profit of associated companies are as follows :

	2013 Rs '000	2012 Rs '000
ASSETS		
National Refinery Limited	55,676,918	57,114,427
Attock Petroleum Limited	30,097,519	30,531,141
Attock Gen Limited	20,233,612	28,858,186
Attock Information Technology Services (Private) Limited	116,070	97,322
	106,124,119	116,601,076
LIABILITIES		
National Refinery Limited	28,805,564	31,888,032
Attock Petroleum Limited	16,054,062	18,147,818
Attock Gen Limited	11,770,865	21,606,858
Attock Information Technology Services (Private) Limited	7,516	5,697
	56,638,007	71,648,405
REVENUE		
National Refinery Limited	179,184,415	174,797,075
Attock Petroleum Limited	164,710,177	152,843,437
Attock Gen Limited	23,788,327	22,715,658
Attock Information Technology Services (Private) Limited	54,242	40,497
	367,737,161	350,396,667

	2013 Rs '000	2012 Rs '000
PROFIT		
National Refinery Limited	2,844,457	2,618,384
Attock Petroleum Limited	3,906,534	4,120,315
Attock Gen Limited	3,705,738	3,096,903
Attock Information Technology Services (Private) Limited	16,299	9,810
	10,473,028	9,845,412
The Company's share in shareholders' equity		
National Refinery Limited	25.00%	25.00%
Attock Petroleum Limited	21.88%	21.88%
Attock Gen Limited	30.00%	30.00%
Attock Information Technology Services (Private) Limited	10.00%	10.00%

35. OPERATING SEGMENTS

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

	2013 Rs '000	2012 Rs '000
High Speed Diesel	66,874,673	61,364,375
Jet Petroleum	21,946,866	21,743,321
Motor Gasoline	44,019,851	39,035,461
Furnace Fuel Oil	20,663,435	18,851,206
Naphtha	20,074,777	20,525,460
Others	24,236,996	22,425,029
	197,816,598	183,944,852
Less : Duties, taxes and levies	34,516,066	29,563,294
	163,300,532	154,381,558

Revenue from four major customers of the Company constitute 87% (2012 : 87%) of total revenue during the year.

36. RELATED PARTY TRANSACTIONS

The Attock Oil Company Limited holds 61.01% (2012 : 56.32%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of The Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, Directors and Executives is disclosed in note 37 to the financial statements.

Notes to and Forming Part of the Consolidated Financial Statements
for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	14,004,809	14,334,680
Purchase of gas	43,524	31,006
Purchase of services	5,959	37,734
Sale of petroleum products	638,980	657,250
Sale of services	20,088	17,820
Attock Petroleum Limited		
Sale of petroleum products	42,079,466	41,518,205
Sale of services	83,356	73,770
Purchase of petroleum products	2,397	2,650
Purchase of services	341,366	335,680
Interest income on delayed payments	1,634,784	1,195,249
National Refinery Limited		
Purchase of services	127,762	116,090
Sale of services	8	2,422
Attock Cement Pakistan Limited		
Purchase of services	50	312
Sale of services	31	10
Attock Gen Limited		
Sale of petroleum products	1,318	1,041
Land lease income	16,261	15,888
Storage tanks lease income	13,190	12,603
Income from other services and facilities provided to AGL	8,576	12,162
National Cleaner Production Centre		
Purchase of services	6,630	5,635
Sale of services	7,231	6,737
Sale of petroleum products	184	165
Attock Information Technology Services (Private) Limited		
Purchase of services	23,033	20,917
Sale of services	3,168	2,952
Attock Leisure & Management Associates (Private) Limited		
Sale of services	5,381	–
Sui Southern Gas Company Limited		
Purchase of crude oil	104,215	–
Capgas (Private) Limited		
Sale of services	270	219
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	409,256	690,189
Purchase of services	8,700	8,171
Sale of services	345	294
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	11,784	12,321
Staff gratuity fund	177,129	21,934
Staff provident fund	21,370	18,967
Contribution to Workers' Profit Participation Fund	333,075	244,585

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000	2013 Rs '000	2012 Rs '000
Managerial remuneration / honorarium	5,853	5,259	319	319	63,909	46,633
Bonus	2,515	2,307	-	-	22,967	15,516
Company's contribution to provident, pension and gratuity funds	344	1,439	-	-	16,060	12,076
Housing and utilities	4,243	3,916	-	-	68,807	46,817
Leave fare assistance	685	627	-	-	7,677	5,858
	13,640	13,548	319	319	179,420	126,900
Less : Charged to Attock Gen Limited	4,092	4,064	-	-	-	-
	9,548	9,484	319	319	179,420	126,900
No of person(s)	1	1	1	1	64	43

37.1 In addition, the Chief Executive and 15 (2012 : 16) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 26 (2012 : 16) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 39 (2012 : 26) executives.

37.2 In addition, meeting fee based on actual attendance was paid to 4 (2012 : 4) non-executive directors Rs 2.426 million (2012 : Rs 2.103 million), Chief Executive Officer Rs 0.632 million (2012: Rs 0.580 million) and 2 (2012 : 2) alternate directors Rs 0.927 million (2012 : Rs 1.070 million) of the Company.

38. FINANCIAL INSTRUMENTS

38.1 Financial assets and liabilities

	2013 Rs '000	2012 Rs '000
Financial assets :		
Maturity upto one year		
Trade debts	17,499,373	49,116,266
Loans, advances, deposits and other receivables	199,325	107,141
Cash and bank balances		
Foreign currency - US $	47,135	35,496
Local currency	10,963,436	9,814,790
Maturity after one year		
Long term loans and deposits	16,632	14,760
	28,725,901	59,088,453
Financial liabilities :		
Maturity upto one year		
Trade and other payables	31,439,207	65,416,531

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

38.2 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	2013 Balance Rs '000	2012 Balance Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	4,495,767	33,546,683
Counterparties without external credit rating			
Due from associated companies		7,003,026	13,336,144
Others *		6,000,580	2,233,439
		17,499,373	49,116,266
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		215,957	121,901
Bank Balances			
Counterparties with external credit rating			
	A 1+	2,963,617	9,278,007
	A 1	865	571,637
		2,964,482	9,849,644

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

38.3 Financial risk management

38.3.1 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.

a) Credit risk

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

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

At June 30, 2013, trade debts of Rs 2,552,155 thousand (2012 : Rs 42,354,680 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows :

	2013 Rs '000	2012 Rs '000
0 to 6 months	2,550,904	21,779,102
6 to 12 months	–	8,864,088
Above 12 months	1,251	11,711,490
	2,552,155	42,354,680

b) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

c) Market 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 47 million (2012 : Rs 35 million) and financial liabilities include Rs 13,318 million (2012 : Rs 11,865 million) which were subject to currency risk.

At June 30, 2013, if the currency had weakened / strengthened by 10% against with all other variables held constant, profit after tax for the year would have been Rs 863 million (2012 : Rs 769 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.

Financial assets and liabilities include balances of Rs 2,958 million (2012 : Rs 9,845 million) and Rs 2,245 million (2012 : Rs 2,052 million) respectively, which are subject to interest rate risk.

Had interest rates been 1% higher / lower with all other variables held constant, profit after tax for the year would have been Rs 165 million (2012 : Rs 51 million) higher / lower.

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.

38.3.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year and the Company is not subject to externally imposed capital requirement.

Notes to and Forming Part of the Consolidated Financial Statements

for the year ended June 30, 2013

	2013 Rs '000	2012 Rs '000
39. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation from refinery operations	2,617,562	1,146,045
Profit after taxation from non-refinery operations	1,821,865	1,231,583
	4,439,427	2,377,628
Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
Earnings per share - Basic and diluted (Rs)		
Refinery operations	30.69	13.44
Non-refinery operations	21.36	14.44
	52.05	27.88

40. GENERAL

40.1 Capacity and production

Against the designed annual refining capacity of 14.963 million (2012 : 14.700 million) US barrels the actual throughput during the year was 14.989 million (2012 : 14.665 million) US barrels.

	2013	2012
40.2 Number of employees		
Total number of employees at end of the year	701	715
Average number of employees for the year	707	716

40.3 Non-adjusting events after the balance sheet date

i) Subsequent to the balance sheet date 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 PKR 22 billion for ARL Up-gradation Projects. The facility carries a markup of 3 months KIBOR plus 1.70% which will be payable on quarterly basis. The facility is secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of PKR 15 billion. Further the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over immovable property. The tenor of this facility is 12 years including the grace period of 2 years.

ii) The Board of Directors in its meeting held on August 14, 2013 has proposed a final cash dividend for the year ended June 30, 2013 @ Rs 2.50 per share (2012 : Rs 6.00 per share), amounting to Rs 213,233 thousand (2012 : Rs 511,758 thousand) for approval of the members in the Annual General Meeting to be held on September 27, 2013.

41. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 14, 2013.

___SD___	___SD___
Chief Executive	Director

Notice of Annual General Meeting




Notice is hereby given that the 35th Annual General Meeting of the Company will be held at Attock House, Morgah, Rawalpindi on Friday, September 27, 2013 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To confirm the minutes of the thirty fourth (34th) Annual General Meeting held on October 17, 2012.
2. To receive, consider and approve the audited financial statements of the Company together with the Directors' and Auditor's Reports for the year ended June 30, 2013.
3. To approve a final cash dividend at the rate of 25% (Rs 2.50 per share) as recommended by the Board of Directors for the year ended June 30, 2013. This is in addition to an interim cash dividend of 25% (Rs 2.50 per share) already paid during the year.
4. To appoint auditors for the year ending June 30, 2014 and fix their remuneration.
5. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

___SD___

Saif-ur-Rehman Mirza
Company Secretary

The Refinery,
Morgah, Rawalpindi
September 5, 2013

Notice of Annual General Meeting

NOTES :

PARTICIPATION IN THE ANNUAL GENERAL MEETING :

A member entitled to attend and vote at the meeting is entitled to appoint any other member as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company, P.O. Refinery, Morgah, Rawalpindi-46600, Pakistan duly stamped and signed not less than 48 hours before the time of the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan :

A. FOR ATTENDING THE MEETING :

i. In case of individuals, the account holder or sub-account holder and / or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing their original Computerised National Identity Card (CNIC), or original passport at the time of attending the meeting.

ii. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of meeting.

B. FOR APPOINTING PROXIES :

i. In case of individuals, the account holder or sub-account holder and / or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.

ii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iii. The proxy shall produce his / her original CNIC or passport at the time of the meeting.

iv. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to present and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

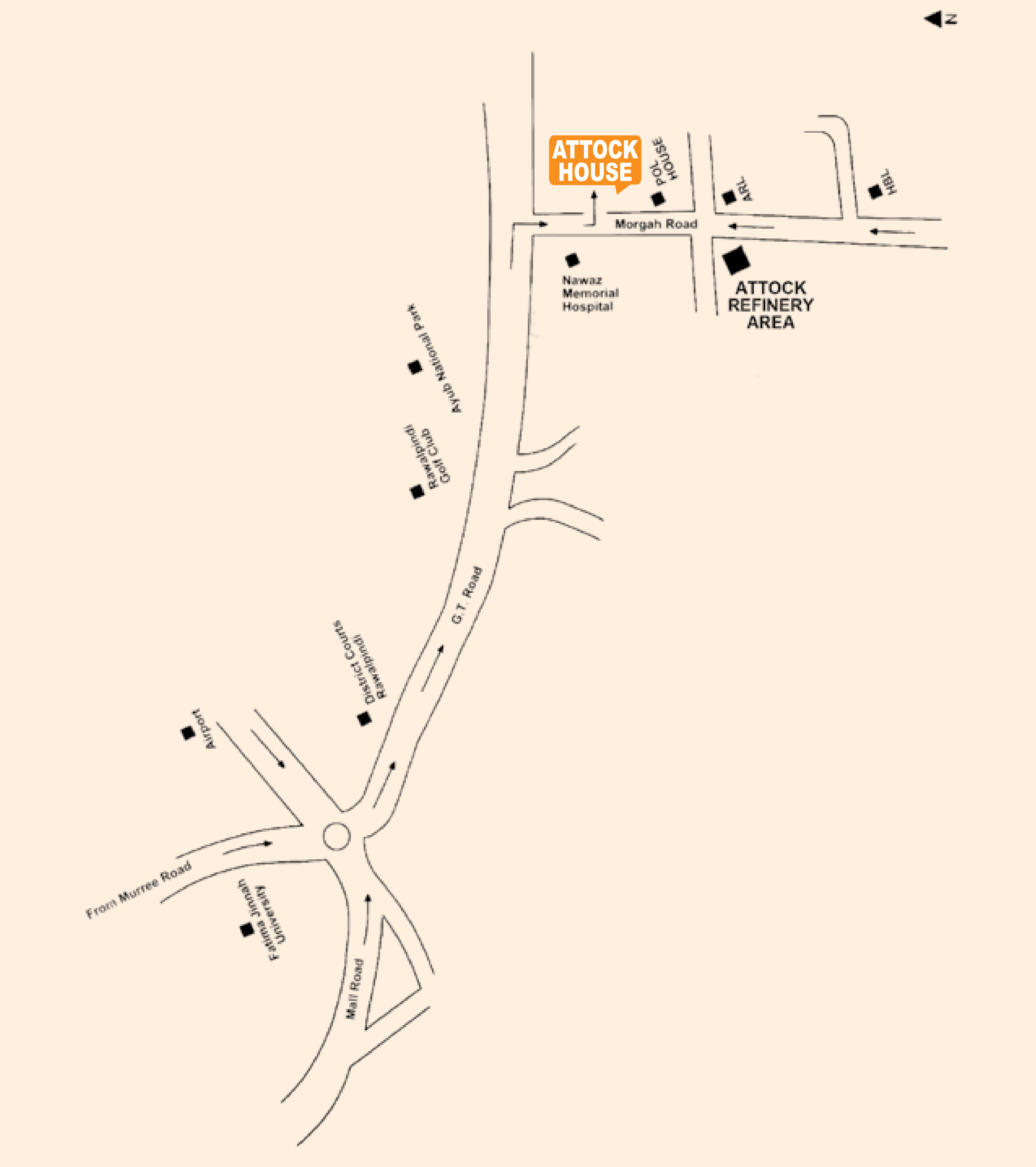
CLOSURE OF SHARE TRANSFER BOOKS :

Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from September 19, 2013 to September 27, 2013 (both days inclusive). Transfers received in order at the Shares Department of M/s THK Associates (Pvt.) Limited, Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, P. O. Box No. 8533, Karachi-75530 at the close of business on September 18, 2013 will be treated in time for the purpose of payment of final cash dividend if approved by the Shareholders.

CHANGES IN ADDRESS :

Members are requested to promptly notify any change of address to the Company's Share Registrar.

AGM Location Map



Glossary

AGL
Attock Gen Limited

AGM
Annual General Meeting

AHL
Attock Hospital (Pvt.) Limited

AOC
Attock Oil Company Limited

APL
Attock Petroleum Limited

ASF
Attock Sahara Foundation

AITSL
Attock Information Technology Services (Pvt.) Limited

BPD
Barrels Per Day

BR&A
Business Review and Assurance

CBA
Collective Bargaining Agent

CCG
Code of Corporate Governance

CDC
Central Depository Company of Pakistan Limited

CSR
Corporate Social Responsibility

DHDS
Diesel Hydro De-Sulpurization

GRM
Gross Refiner's Margin

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

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

PMB
Polymer Modified Bitumen

PMG
Premium Motor Gasoline

POL
Pakistan Oilfields Limited

PSO
Pakistan State Oil Company Limited

PSQCA
Pakistan Standard Quality Control Authority

RFO
Residual Fuel Oil

SECP
Securities and Exchange Commission of Pakistan

SKO
Superior Kerosene Oil

SOIL
Solvent Oil

UOP
Universal Oil Products

WPPF
Workers Profit Participation Fund

WWF
Workers Welfare Fund

Form of Proxy

Attock Refinery Limited
35th Annual General Meeting

I / We ______________________________

of ______________________________

being member(s) of Attock Refinery Limited holding ______________________________

ordinary shares hereby appoint Mr. / Mrs. / Miss ______________________________

of ______________________________ another member of the Company or failing him / her

______________________________ of ______________________________

another member of the Company as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 35th Annual General Meeting of the Company to be held on **Friday, September 27, 2013 at 10:00 a.m. at Attock House, Morgah, Rawalpindi** and at any adjournment thereof.

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Dated this __________ day of __________________ 2013

Signature of Shareholder ______________________

Signature of Proxy ______________________

For beneficial owners as per CDC list

1. WITNESS:

Signature ______________________

Name ______________________

Address ______________________

CNIC No. or

Passport No. ______________________

2. WITNESS:

Signature ______________________

Name ______________________

Address ______________________

CNIC No. or

Passport No. ______________________

Important :

1. This Proxy Form, duly completed and signed, must be received at the Registered Office, P.O. Refinery, Morgah, Rawalpindi-46600, Pakistan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy 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. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.

   iii. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary,
ATTOCK REFINERY LIMITED
P.O. Refinery, Morgah,
Rawalpindi - 46600,
Pakistan.

ARL
Attock Refinery Limited
P.O. Refinery, Morgah, Rawalpindi, Pakistan.
Tel: 92-51-5487041-45
Fax: 92-51-5487093-4
Email: info@arl.com.pk