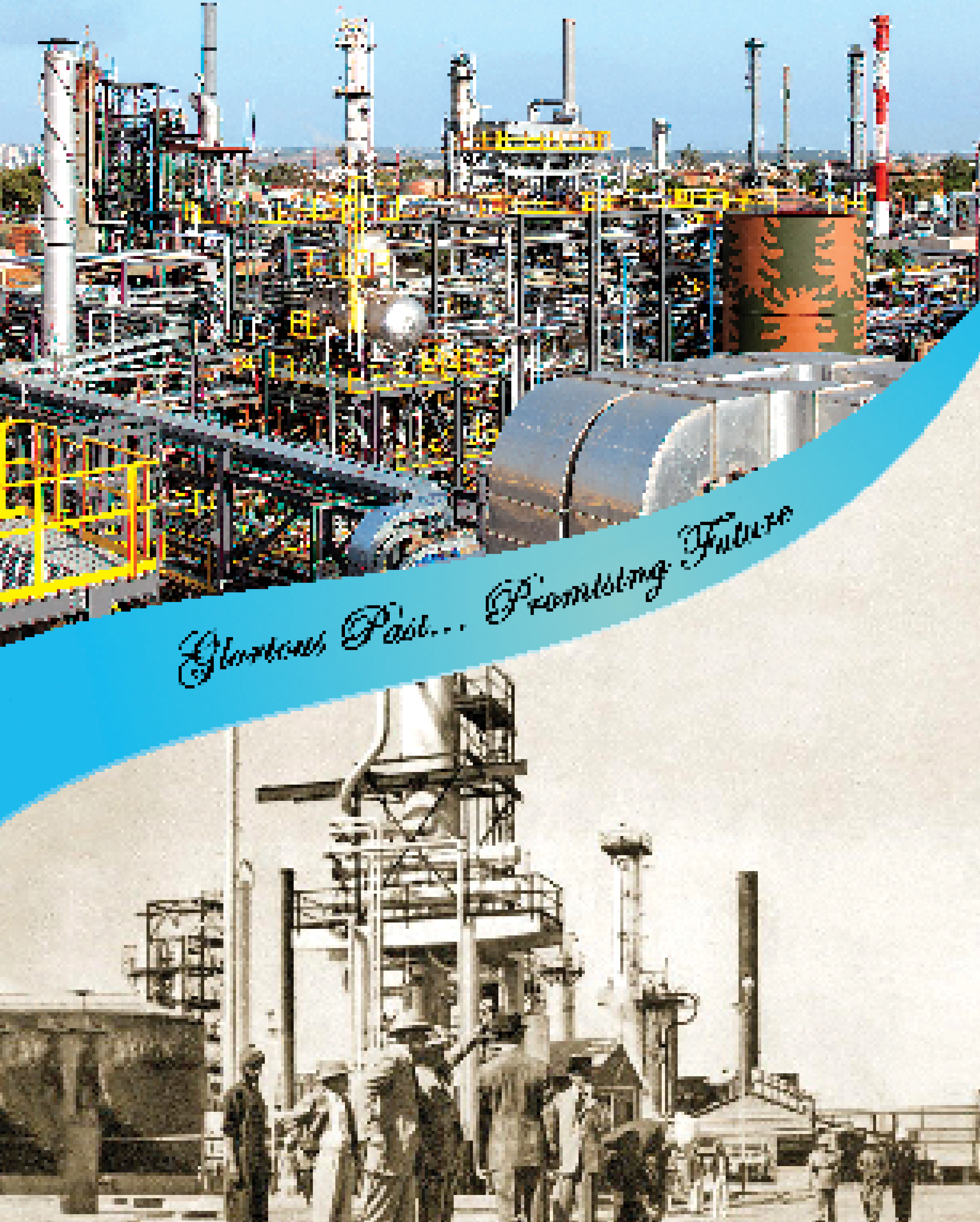
ATTOCK REFINERY LIMITED

Annual Report . 2016



Glorious Past... Promising Future

Glorious Past...

Attock Refinery Limited (ARL) is the pioneer and pacesetter of Pakistan's Oil Refinery Industry. Since its inception in 1922, the Company has stood the test of time through war and peace. Successive oil discoveries in its region of location led to expansion and modernization of the Refinery from time to time. Today it has grown into a modern state-of-the-art refinery. We are proud to serve and shall continue to fuel the engine of Pakistan's economy with passion.

ARL glorious past has been the guiding force to build our present and march towards future with vision and confidence. Lessons learnt from the past equipped us to tackle present challenges and endeavor to build a promising future. Over the years, the Refinery has undergone major transformation by induction of advanced technologies, improvement in skill index of its human resources, meeting and excelling standards for efficiency and commitment towards safety and environment. These factors have enabled us to carry the journey forward that started 95 years back.

It is for these reasons, that today the Company continues to operate at about 100% capacity in spite of many hurdles and challenges. Our unique strength lies in our approach to be proactive: we always remained the first Refinery in the country to attain significant operational and efficiency milestones. Such milestones mainly included dispensing major products through pipeline using computerized metering system, production of low sulfur furnace oil, production of low sulfur diesel, production of low lead premium gasoline direct from refinery process, production of polymer modified asphalt, achieving various ISO and other certifications e.g. ISO 9001:2000 (2001), ISO 14001 (2002), OHSAS 18001 certification (2006), ISO 17025 accreditation for our laboratory and voluntarily adoption of ISO 50001 Energy Management System.

In 1922 ARL's refinery setup consisted of two small stills of 2,500 barrel per day (bpd). The Refinery was expanded in late thirties and early forties to a total capacity of 10,000 bpd. In 1981 addition of two distillation units enhanced the Refinery's capacity to 35,000 bpd. Further up-gradation was made in year 1999 by the addition of a Heavy Crude Unit, a Reformer unit and a Captive Power Plant. This enabled the Refinery to operate at capacity of 42,000 bpd with the capability to process from the lightest to the heaviest (10 - 65 API) crudes.

In the year 2013, ARL started work on current refinery expansion and up-gradation project comprising of Diesel Hydrodesulphurization (DHDS) Unit (to reduce sulphur contents in High Speed Diesel to meet Euro II specifications), Preflash Unit (to enhance refining capacity by 10,400 bpd), Isomerization Unit (to enhance production of Premium Motor Gasoline by about 70%) and Expansion of existing Captive Power Plant by 18MW. The upgradation project is under final stage of completion and DHDS unit has already been commissioned. After completion of the project the refining capacity will increase to 53,400 bpd with improved specs of refined

Promising Future

products. Technical studies are also underway for installation of Continuous Catalytic Reformer (CCR) for further improvement of gasoline specifications and installation of other process units for deep conversion to enhance volume of value added products. However, viability of further expansion / upgradation of the refinery will depend on sustainable availability of local crude, quality of crude, demand supply situation of products, prevalent product specifications in the country and investment friendly Refining Policy.

Automation of different critical processes like use of Distributed Control System, MAXIMO - Inventory & Maintenance Management Systems, Human Resources Management System, ORACLE Financials, Laboratory Information Management System, Integrated Management System, Incident Reporting System, Permit to Work System and Fuel Management System are some of the important examples for technological transformations that has taken place in our various spheres of activities.

ARL has laid greater stress on development of the human capital, providing safe and healthy environment to internal as well as external stakeholders and fulfilling its Corporate Social Responsibility (CSR) obligations. The Company's success over the period of time demonstrated that it can sustain the pace with ever changing market environment & regulatory framework.

After deregulation of some of the petroleum products, our efforts started with the strategic alignment of Company's Corporate Vision, Mission and Core Values through a participative process. One of the major transformations at ARL is in the area of Health, Safety and Environment (HSE). As a result of these efforts, significant reductions in Total Accident Incident Frequency (TAIFR) rate as well as Loss Time Injury (LTI) at ARL have been achieved.

Our emphasis on safety, environment and quality assurance has enabled us to meet international safety best practices benchmarks as well as compliance with National Environment Quality Standards (NEQS). Benchmarking of British Safety Council (BSC) 5-star environmental rating has been taken up voluntarily. Similarly UN Global Compact Principals have been enacted in our business process. All these steps prove our commitment to reduce the environmental footprint of our processes.

ARL has always believed in working as part of the community and all its CSR activities whether in the field of environment, health care, development of women skills, income generation, poverty alleviation, Human Resource Development, education, promotion of sports or conservation of rich biodiversity of Potohar region are all sustainable in nature.

In a rapidly changing socio-economic environment, ARL has effectively evolved and adopted to help overcome challenges and make the most of the opportunities for a promising future. As we look at our future, footprints of ARL in the sands of time provide the unwavering inspiration to continue and grow with the glorious traditions handed down through hard work of generations.

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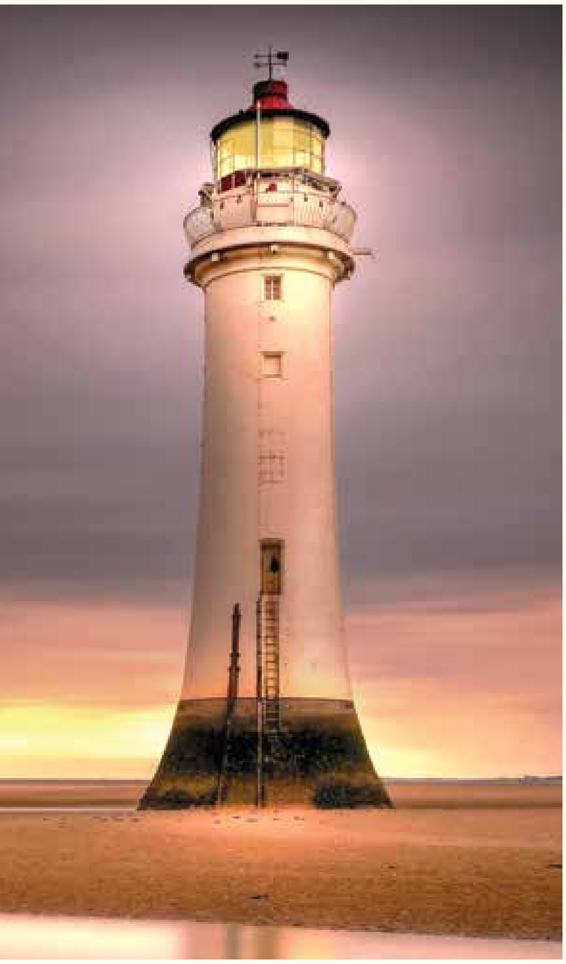
Annual Environment Excellence Award
2016

Vision, Mission & Core Values



VISION

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

MISSION

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

CORE VALUES

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

INTEGRITY & ETHICS

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

QUALITY

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

SOCIAL RESPONSIBILITY

We believe in respect for the community and preserving the environment for our future generations and keeping National 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

The 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 in an efficient, effective and economical manner. Under this plan, the Company has started an up-gradation project comprising of installation of a Pre-flash Unit, an Isomerization Complex, a Diesel Hydro Desulfurization Unit and expansion of captive power plant. Projects targeting environmental and social improvement for community development are also regular feature of Company's strategic plans.

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 Pakistan Stock Exchange Limited. The Company is also registered with Central Depository Company of Pakistan Limited (CDC).

Original paid-up capital of the Company was Rs 80 million which was subscribed by the holding company i.e. AOC, Government of Pakistan, investment companies and general public. The present paid-up capital of the Company is Rs 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 barrels per day (bpd) came on stream at Morgah following the first discovery of oil at Khaur where drilling started on January 22, 1915 and at very shallow depth of 223 feet 5,000 barrels of oil flowed. After discovery of oil in Dhulian in 1937, the Refinery was expanded in late thirties and early forties. A 5,500 bpd Lummus Two-Stage-Distillation Unit, a Dubbs Thermal Cracker, Lubricating Oil Refinery, Wax Purification facility and the Edeleanu Solvent Extraction unit for smoke-point correction of Kerosene were added.

There were subsequent discoveries of oil at Meyal and Toot (1968). Reservoir studies during the period 1970-78 further indicated high potential for crude oil production of around 20,000 bpd. In 1981, the capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/wax production, as well as Edeleanu, were closed down in 1986. 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 comprising of Preflash Unit (to enhance refining capacity by 10,400 bpd), Naphtha Isomerization unit (to enhance production of Premium Motor Gasoline by about 70%), Diesel Hydro Desulphurization (DHDS) Unit (to reduce sulphur contents in High Speed Diesel to meet Euro II specifications) and expansion of existing Captive Power Plant by 18MW is under final stage of completion while DHDS unit has already been commissioned. After completion of the project the refining capacity would increase to 53,400 bpd with improved specs of refined products.

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).

ACCREDITATION & CERTIFICATIONS

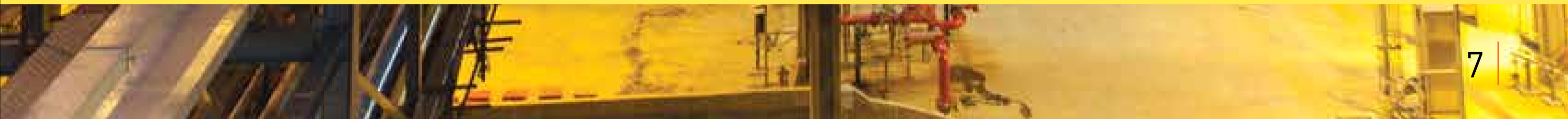
ISO-9001: 2008
QUALITY MANAGEMENT SYSTEM

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 Management System



Series of Firsts &
Major Events

1922

First refinery of the region

1987

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

1998

First to produce low sulfur diesel – less than 0.5%

First to produce low sulfur furnace – less than 1%

1999

First to produce low lead premium gasoline direct from refinery process

First to achieve ISO 9002 certification for quality control laboratory

2001

First major industry to get ISO 9001: 2000 certification

First to produce polymer modified asphalt

2002

First major industry to get ISO 14001 certification

2006
First major industry to get OHSAS 18001 certification

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

2008
First HSE Conference

2009
First HR Conference

2012
First in Pakistan to declare implementation of ISO 50001 (Energy Management System)

First Plant Maintenance & Operations Conference

2013
Commencement of setting-up of ARL up-gradation project

2016
DHDS unit commissioned

ARL Products

LIQUEFIED PETROLEUM GAS (LPG)

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

SOLVENT OIL

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

NAPHTHA

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

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

JET FUEL

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

KEROSENE OIL

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

HIGH SPEED DIESEL (HSD)

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

LIGHT DIESEL OIL (LDO)

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

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). RC Cutback Asphalt is used primarily for surface treatments and tack coat. MC Cutback Asphalt is typically used for prime coat, surface treatments and stockpile patching mixes. ARL is producing three grades i.e. RC-70, RC-250 & MC-70.

POLYMER MODIFIED BITUMEN (PMB)

ARL is the only refinery of Pakistan producing this special product. Bitumen is further treated with polymer which enhances consistency, reduces temperature susceptibility, improves stiffness and cohesion, increases flexibility, resilience and toughness, developes 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)

An international investor and industrialist who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. He holds an MBA from Harvard University and Masters in Petroleum Engineering from University of Colorado and Stanford University. He is also Chairman of The Attock Oil Company Limited, Attock Cement Pakistan Limited, Attock Petroleum Limited & National Refinery Limited and Director on the Board of various Companies in the Group.

Mr. Laith G. Pharaon
Non Executive Director

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

Mr. Mofarrih Saeed H. Alghamdi
Non Executive Director

Mr. Mofarrih Saeed H. Alghamdi is a senior business executive who has been associated with Pharaon Investment Group and Laith Trading & Contracting Company for more than two decades. He has a vast experience in financial and non-financial sectors and has undertaken number of projects for the different Group Companies. Mr. Mofarrih holds a graduate degree. He has also worked for Saudi Research & Development Corporation for around twenty years. Currently, he is working as Deputy General Manager of Pharaon Investment Group, Laith Trading & Contracting Company Limited and President of Concorde Holding. He is also Director on the Board of various Companies in the Group.

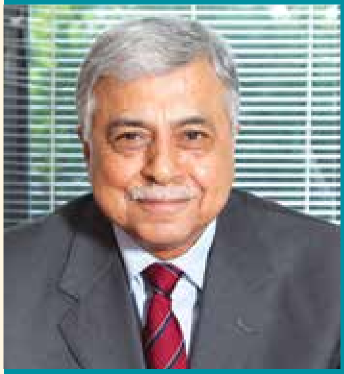
Mr. Shuaib A. Malik
Chairman/ Non Executive Director &
Alternate Director to Dr. Ghaith R. Pharaon

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

Board of Directors

Mr. Abdus Sattar
Non Executive Director

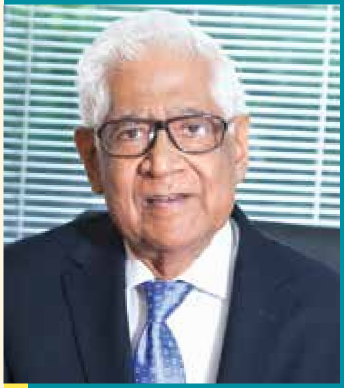
Mr. Abdus Sattar has over 35 years of Financial Management experience at key positions of responsibility in various Government organizations/ ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses/ leakages and fixation of gas and POL prices.
After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board. While working as Financial Advisor in Ministry of Petroleum, he also served as Director on a number of boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about 7 years. He is a fellow member of Institute of Cost and Management Accountants of Pakistan (ICMAP) and was also nominated as council member of ICMAP for 3 years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended various advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad. Presently, he is on the Board of Pakistan Oilfields Limited, Attock Cement Pakistan Limited, Attock Petroleum Limited and National Refinery Limited and a visiting faculty member of a number of reputed universities including professional institutions.



Mr. Sajid Nawaz
Non Executive Director

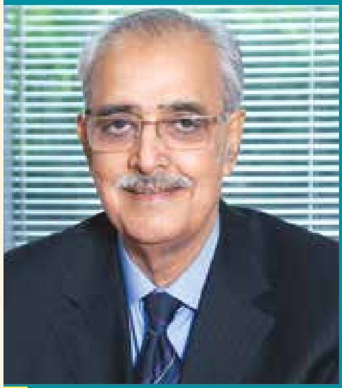
Mr. Sajid Nawaz is currently Managing Director of Pakistan Oilfields Limited (POL). He has almost 9 years work experience with POL in Senior Management positions. While working in POL he also served as Director on a number of Boards like, Attock Refinery Limited, Attock Petroleum Limited, Attock Hospital (Pvt.) Limited, Attock Cement Pakistan Limited, Attock Information Technology Services (Pvt.) Limited and Pakistan Oilfields Limited.

He has over 30 years of work experience in service with Government of Pakistan at various management posts both within country and abroad. Due to the nature of various posts and assignments he carries considerable experience of working in different environments. He has attended various management courses abroad and in Pakistan, including one month course on International Petroleum Management at Canadian Petroleum Institute, Canada.



Mr. Shamim Ahmad Khan
Independent Non Executive Director
(NIT Nominee)

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



Mr. Tariq Iqbal Khan
Alternate Director to
Mr. Laith G. Pharaon

Mr. Tariq Iqbal Khan is a fellow of Institute of Chartered Accountants, Pakistan, with diversified experience of more than 40 years. He was pivotal in founding Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the Central Board of Revenue, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He has served on prominent national level committees like Chairman of Committee for formulation of Take Over law. CLA Committee for review of Securities and Exchange Ordinance 1969, Committee for formulation of CDC law and regulations and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the charge of Chairman & MD of ICP, for almost 5 years. He has served on Boards of the top companies like CDC, Faysal Bank, Bank Al Habib, Askari Bank GSK, Sanofi Aventis, ICI, BOC, PSO, OGDC, Mari Petroleum, SSGC, Siemens and remained Chairman of SNGPL and ARL etc. Presently he is a member of the Boards of eminent listed companies including Gillette Pakistan Limited, International Steels Limited, Lucky Cement Limited, National Refinery Limited, PICIC Insurance Co., Pakistan Oilfields Ltd., Packages Limited and Silk Bank Limited, while the non-listed company include FFC Energy (Pvt) Limited, Khyber Pakhtunkhaw Oil & Gas Co. Ltd. and CAS Management (Pvt) Ltd.

Mr. Babar Bashir Nawaz
Alternate Director to
Mr. Mofarrih Saeed H. Alghamdi

Mr. Babar has over 31 years of experience with the Attock Group of Companies. During this period he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Pakistan Limited in 2002. Mr. Bashir holds a Master's degree in Business Administration from the Quaid-e-Azam University in Islamabad and at present is also a Director on the Board of all the listed companies of the Group in Pakistan. He has attended various courses, workshops and seminars in Pakistan and abroad on the business management and has substantial knowledge of the cement industry in Pakistan. Currently he is also a member of the Management Committee of the Overseas Investors Chamber of Commerce and Industry and the All Pakistan Cement Manufacturing Association.

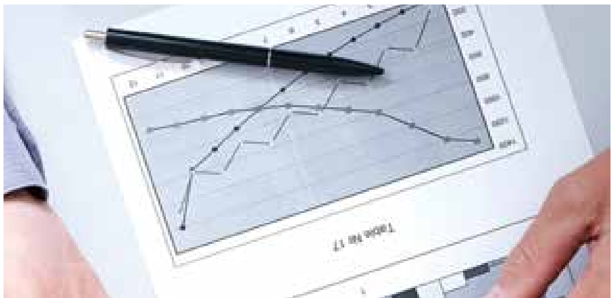
Mr. M. Adil Khattak
Chief Executive Officer

Mr. M. Adil Khattak, Chief Executive Officer of Attock Refinery Limited (ARL) since 2005 has been associated with The Attock Oil Group in Pakistan for the last 39 years. Prior to re-joining ARL as CEO, he worked for two years as Chief Operating Officer of Attock Petroleum Limited. Mr. Khattak has extensive experience in engineering, maintenance, human resource management, project management and marketing.

Mr. Khattak also holds the positions of Chief Executive Officer of Attock Gen Ltd. (165 MW IPP), Attock Hospital (Pvt.) Ltd. and National Cleaner Production Centre (NCPC). He is Director on the Boards of Attock Information Technology Services (Pvt.) Limited and Petroleum Institute of Pakistan (PIP). He is also a Member on the Boards of Governors of Lahore University of Management Sciences (LUMS), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI), Cadet College, Hasanabdal, Sustainable Development Policy Institute (SDPI), Corporate Advisory Committee (NUST), Governing Council (PMQA), National Productivity Organization and Member Board of Studies, (Chemical Engineering), UET, Peshawar. Mr. Khattak is President of Attock Sahara Foundation, an NGO, working for the poor and needy people of Morgah and its surrounding areas.

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

Board Committees



AUDIT COMMITTEE

• Tariq Iqbal Khan (Alternate Director)	Chairman
• Abdus Sattar	Member
• Sajid Nawaz	Member
• Shamim Ahmad Khan (Independent Director)	Member
• Babar Bashir Nawaz (Alternate Director)	Member

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
• Sajid Nawaz	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
• Tariq Iqbal Khan (Alternate Director)	Member
• M. Adil Khattak	Member

Responsibility
To recommend and review key financial matters or technical aspects relating to refinery operations/ up-gradation etc.

Photograph of the 182nd Board of Directors meeting held in Rawalpindi, Pakistan on August 15, 2016.

Company Information

CHIEF EXECUTIVE OFFICER
M. Adil Khattak

CHIEF FINANCIAL OFFICER
Syed Asad Abbas (FCA)

COMPANY SECRETARY
Saif ur Rehman Mirza (FCA)

BANKERS
Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
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
2nd 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
(051) 5406229
E-mail : info@arl.com.pk
Website : www.arl.com.pk

The Management

01. Raja Nadeem Khalid
Manager (Maintenance)

02. Usman Ali Khan
Manager (E & I)

03. Usman Ishaq Raja
Deputy Manager (BR & A)

04. Munir A. Temuri
Senior Manager (TS)

05. Arshad Hayee Khan
Senior Manager (Plants)

06. Khalid Mehmood
Senior Manager (P & D)

07. M. Aliemuddin
Manager (HSEQ)

08. Asif Saeed
Senior Manager (C & MM)

09. **Syed Asad Abbas**
Chief Financial Officer

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

11. **Ejaz H. Randhawa**
DGM (Operations and P&D)

12. **Javed Iqbal Malik**
AGM (HR & A)

13. **Salman Tariq**
Senior Manager (Maintenance)

Khurram Jalil
Senior Manager (Engineering)
(Not present in the picture)

14. **Zia ul Haq Mirza**
Manager (OM & U)

15. **Saif-ur-Rehman Mirza**
Company Secretary

Management
Committees

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

MANAGEMENT COMMITTEE
This Committee which is constituted of all departmental heads meets fortnightly under the chairmanship of CEO to coordinate 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.

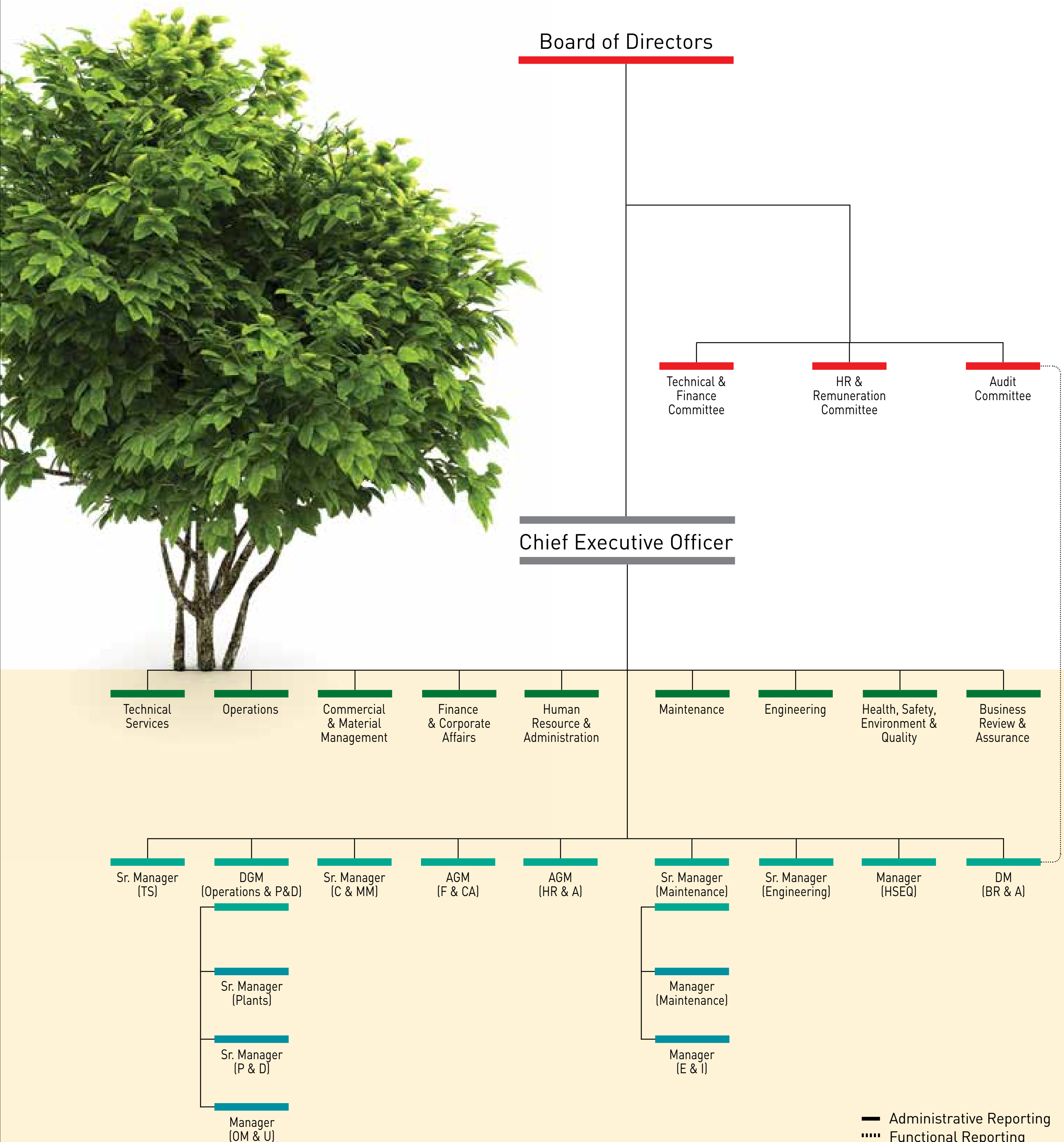
RISK MANAGEMENT & STRATEGIC PLAN COMMITTEE
This Committee discusses and decides all matters related to risk management and strategic plan of Attock Refinery Limited.

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
Audit Committee
Chief Executive Officer
Technical Services
Operations
Commercial & Material Management
Finance & Corporate Affairs
Human Resource & Administration
Maintenance
Engineering
Health, Safety, Environment & Quality
Business Review & Assurance
Sr. Manager (TS)
DGM (Operations & P&D)
Sr. Manager (C & MM)
AGM (F & CA)
AGM (HR & A)
Sr. Manager (Maintenance)
Sr. Manager (Engineering)
Manager (HSEQ)
DM (BR & A)
Sr. Manager (Plants)
Sr. Manager (P & D)
Manager (OM & U)
Manager (Maintenance)
Manager (E & I)
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 AWARE-NESS:**
   To keep abreast with latest development in energy conservation technologies and inculcate energy conservation culture in all our activities.

Human Resource
Policy

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

1. Employ the best-qualified persons available, recognizing each person as an individual thus affording equal opportunity.

2. Pay just and responsible compensation in line with the industry standards, job requirements and work force.

3. Help employees to attain their maximum efficiency and effectiveness through a well-rounded training and development program.

4. Provide and maintain comfortable, peaceful and orderly working conditions.

5. Promote from within whenever possible and provide opportunities for growth and promotion to the employees.

6. Treat each employee with fairness and respect and in return expect from him service marked by dedication, devotion, commitment and loyalty.

7. Encourage each employee to improve and develop him/her self and thereby prepare him/her for positions of higher responsibility.

8. Recognize and reward efficiency, team work, discipline and dedication to duty and responsibility.

9. Exhaust all means to resolve Labor-Management differences, if any, promptly and amicably.

10. Provide a wholesome and friendly atmosphere for harmonious Labor Management relations.

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.

Code of Conduct for Protection against Harassment at WorkPlace

OBJECTIVE:

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

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

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

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

Application:

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

The workplace includes:

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

EXPLANATION:

Definition of Harassment:

For this policy, Harassment is defined as:

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

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

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

Forms of harassment include but not limited to:

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

ROLES AND RESPONSIBILITIES:

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

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

The Management is responsible for:

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

RESOLUTION OF HARASSMENT COMPLAINTS:

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

Complaints:

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

NO REPRISAL:

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

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

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, labor 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:
Undertake 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 2015 to February 2016

STATEMENT OF CONTINUED SUPPORT

Since its inception in 1922, Attock Refinery Limited (ARL) has been taking keen interest in economic elevation, social cohesion, ethical consideration and environmental friendly impact of our activities on various stakeholders. To achieve this objective, we have been following the triple P approach i.e. People, Planet & Profits.

The call of the United Nations Global Compact (UNGC) to corporate sector companies is a noble undertaking to embrace, support and enact, within their sphere of influence in four areas of Human Rights; Labour, Environment and Anti-Corruption. In this realm, ARL has adopted UNGC ten principles which make meaningful difference by developing holistic approach for society and future generations.

In pursuance of compliance with the UNGC principles, it is our privilege to confirm that ARL's strategic planning and development towards sustainability is based on diversification, competitiveness, transparency of our operations complying with all the pertinent and applicable national and international laws, rules, regulations and standards, environmental protection, synchronized community and social responsibility services.

We also realize that integrated approach to manage diverse issues is a daunting task, especially to embark on patrolling of boundaries between legal and illegal, ethical and unethical, right and wrong, fair and unfair. 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. We believe that it is not a onetime stand, rather a continuous and enduring journey to achieve wholesome success.

ARL reiterates its resolve towards best global practices to remain on the forefront of a socially responsible company through strict adherence of UNGC guiding principles.

-Sd-
M. Adil Khattak
Chief Executive Officer

March 01, 2016

Business Process Re-Engineering, Research & Development

The Company remained engaged in efforts to improve process and administrative efficiency through various activities of business process re-engineering and review to further improve its product quality & slate and simultaneously boost production efficiencies. Major efforts in this direction are outlined below:

1. Regeneration and startup after Reformer revamp was getting delayed due to unavailability of the sections integrated with the Isomerization Complex. An in-house study was carried out and implemented successfully to operate the Reformer unit independently. This modification allowed regeneration and startup of Reformer unit much ahead of schedule provided by the EPCC Contractor.

2. To reduce NHT separator temperature, installed upstream of new Recycle Gas Compressor (HT-C-001 A/B) a detailed study (on the basis of an in-house evaluation) was carried out by the Licensor (UOP) and Schedule-A for the required modification was prepared for future implementation. In parallel, for the first time, chemical cleaning of Combined Feed Exchangers of Naphtha Hydrotreater was also performed which has greatly assisted in controlling the separator temperature.

3. To avoid DHDS shutdown due to prolonged shutdown of Sour Water Unit, a design study for installation of a buffer tank was conducted by M/s Enar Petrotech. The Tank will be installed in next budget year.

4. Emergency Relief load from Lummus Pressure Safety Valves (PSVs) goes to a blow down vessel that will be dismantled after the Upgradation project. Based on an in-house process study/ evaluation, Lummus unit relief load has been diverted from blow down vessel to existing flare system.

5. An in-house process simulation of the crude feed tank, prepared for Performance Test, was carried out to evaluate the Performance Guarantee figures against the original design. Based on the study ARL will be using the said Tank for the Performance Test for the Preflash Unit.

6. ARL has become first organization in country's oil refining sector to acquire customized Operator Training Simulator (OTS), a tool which creates real time environment identical to control room for operators to learn / practice operation of a specific plant as Panel / Field Operators. ARL acquired OTS for four plants which include HBU-I, Reformer, ISOM and DHDS. Using OTS, more than twenty (20) panel operators and forty (40) field operators were trained for Revamped Units and New plants.

7. Reformer plant catalyst regeneration was carried out successfully. Moreover, first time chemical cleaning of combined feed exchangers and overhead condensers were also carried out and results are satisfactory.

8. Commissioning of Reformer plant after revamp was ensured by an in-house modification which was getting delayed due to late mechanical completion of ISOM by the EPCC contractor. This milestone was achieved by teamwork of all technical departments.

9. After three year's operation, a ten (10) days HCU Annual turnaround was carried out in Oct-Nov-2015.

10. In-house training of ten (10) shift engineers, thirty (30) Panel Operators and fifty (50) Field Operators was carried out to cater for the commissioning of ARL up-gradation project.

11. Crude decanting operation for sweet and sour crude was centralized at main Crude Decanting Station. Usage of Balkassar gantry for sour crude decantation was discontinued. This will help improve safety of decanting operations.

12. Oracle based "Sales Gate Pass System" has been developed in-house and implemented. This has significantly improved processes of entries at main gate, weighbridge and dispatches.

13. New state-of-the-art touch screen flow computers (FMC2) has been installed at Product Metering Station (PMS). This has helped to resolve problems related to old system like Meter jamming, difficulties in spares availability and manual product ticket entry.

14. Completion and Commissioning of Crude Tank-1B that has enhanced our crude storage capacity by 125,000 bbls.

15. Around 11,000 bbls of slop oil is being recovered by Effluent Treatment Plant. The recovered oil is reprocessed.

16. Materials Management (MM) up-gradation was planned to cope up with required storage space for stores and spares of new plants. The project has been successfully completed within its stipulated period. With the completion of project, the storage capacity at MM has been enhanced by three times.

17. After successful implementation of Oil Management Information System (OMIS), Operations Department is now able to generate various Management reports of refinery throughput and production directly from the system. All the calculations in reports are done systematically based on real time data from Oil Accounting ERP.

18. The dashboards of Sales, Pricing and Operations have been developed on their available systems data. This provides fully interactive dashboards and reports with rich variety of data visualization. It enables user to take better decisions timely.

Corporate Social Responsibilty

Corporate Social Responsibility (CSR) 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. Various activities conducted in this area are enumerated below:

1. **Corporate Philanthropy, Community Investment and Welfare Schemes**
   - **a.** Attock Sahara Foundation (ASF), Company's sponsored NGO, is playing a vital role in uplifting the socio economic conditions of the down trodden segment of local community and vicinity through various welfare schemes which includes Apprenticeship Programme, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund and Zakat for deserving poor people, widows and orphans living in the surroundings areas. Through its various community development projects mainly including women skill development, capacity building and skill enhancement of local community, ASF is chipping in its part in national development. ASF has always been focusing on equipping women with the necessary skills like stitching, hand and machine embroidery, adda work as well as offering short and long beautician courses, computer courses, spoken English courses etc. thus enabling women to supplement their family income in an honorable manner. ASF also runs a play group level school with good recreational facilities on no profit no loss basis for about 50 children. ASF's annual expenditure is over Rs 16.73 million.
   - **b.** The Company has traditionally patronized limited maintenance of parks and sports facilities in the near vicinity of the Company. The Company has provided well maintained playgrounds for hockey and cricket alongwith other sports facilities for welfare of the population living in the vicinity of the Refinery. The total expenditure on such activities amounted to over Rs 3.50 million.
   - **c.** The Company provided financial assistance of Rs 0.54 million to an NGO working for the betterment of visually impaired disadvantaged community.
   - **d.** The Company provides administrative support to schools in the surrounding area. During the year we spent Rs 1.5 million in this realm.
   - **e.** The Company also provides potable water and health care to the surrounding communities.

2. Biodiversity and Corporate Social Responsibility (CSR):

a. The Company has established the Morgah Biodiversity Park to help conserve the biodiversity of the Potohar Region for future generations. The Park also provides a healthy environment, entertainment and education to the visitors.

b. The Company uses recycled water for its orchards through drip & sprinkler irrigation systems. This year, we have extended drip irrigation network to cover another 7.5 acres of orchards and organic vegetable farm with support from Punjab Water Management Department. For the year 2016-17, we have planned olive and fruit orchards on about 20 acres of land in the area of ARL water pumping station. In order to promote love for flowers and vegetables, we held the 67th Annual Flower and Vegetable Show at Morgah Club, Rawalpindi with usual pump and show.

3. Energy Conservation

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

4. Health, Safety, Environment and Protection Measures

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

a. Installation & commissioning of 110 kilowatt On-Grid Solar Power System at ARL General Office in Morgah, Rawalpindi. The system has been designed using available roof top of the office and will provide renewable green energy to the building and to electrical system of ARL. This initiative of ARL will not only reduce its energy cost but is also a step towards providing a clean environment.

b. ARL in collaboration with National Cleaner Production Center (NCPC), a "Not for Profit" company, inaugurated tree plantation campaign for this year at Morgah Biodiversity Park. Various indigenous tree species along with citrus and other fruit plants were planted at the occasion. The Company has planted more than 4,500 trees this year. These also include fruit plants of different well acclimatized varieties to the local climatic conditions and indigenous tree

Corporate Social Responsibility

species. Tree saplings are also being donated to various educational institutions and local communities to enhance the vegetation cover and improve the environmental conditions in the surrounding communities. This has the follow up of ARL's tradition for caring about the environment and conservation of natural ecosystems for future generations.

c. Safety Week, World Occupational Health & Safety Day, No Littering Day and Global Hand Washing Day were observed in collaboration with NCPC.

d. Hazard and Operability (HAZOP) study is conducted on all process areas at regular intervals to identify and control the hazards at Process units.

e. The Company is following British Safety Council 5-star Environmental Audit Rating program guidelines. The Company has set a target for achieving and maintaining 3-star rating this year.

5. Industrial Relations / Workers Welfare

a. The Company believes in maintaining cordial industrial relations with its employees and their Collective Bargaining Agent (CBA). The Company provides highly subsidized food through its dining facilities and wheat flour on monthly basis.

b. The Company provides pick and drop for employees' school and college going children.

c. The Company gives quarterly awards for good performance and long service awards on yearly basis to its workers.

d. The Company nominates on annual basis, four members of Non-Management Staff through open ballot for performing Hajj and six staff members for Umrah wherein the Umrah facility is also extended to the employee's spouse. The Company also nominates on annual basis, one non-Muslim worker alongwith spouse through open balloting for visiting their sacred places in Pakistan. The total cost incurred on this count was over Rs 2.24 million.

6. Employment of Special Persons

In order to provide employment opportunities to special persons and to provide them a chance to earn respectable living, the Company has allocated quota for employment of special persons. Emoluments to the tune of Rs 3.56 million were paid to such workers.

7. Business Ethics and Anti-Corruption Measures

ARL's Statement of Ethics and Business Practices provides a reference point and guide for corporate conduct and behavior. Moreover, the Company has also voluntarily adopted United Nations Global Compact (UNGC) principals since year 2008 in its business practices leading to work against corruption in all its forms, including extortion and bribery.

8. Other CSR Activities

a. The Company is also operating an extensive management training program of 1 to 2 years for fresh graduates. The annual expenditure on these training schemes amounts to over Rs 29.05 million.

b. The Company offers scholarships from class 6 to PhD level to employees' children. During the year fifty scholarships were awarded and nineteen brilliant students amongst employees' children were recognized by awarding prizes. The Company has incurred an annual cost of Rs 2.43 million on these scholarships.

c. For rural development the Company is paying an annual contribution of Rs 30,000 each, to the two adjoining Union Councils i.e. Morgah and KothaKalan, as contribution towards their development expenditure.

9. Contribution to the National Economy

a. The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 28.48 billion and foreign exchange savings of US $ 79 million were achieved through import substitution and exports.

b. Provides an outlet to country's indigenous production of crude oil and more particularly from the Northern Region. Crude oil is received from more than 39 oilfields spread over the northern part of Pakistan.

c. Meeting the petroleum products demand of civil and defense sectors of the Northern Region.

d. Increasing the production of value added deficit product i.e. high speed diesel (HSD) thereby further saving valuable foreign exchange.

e. Generation of Government duties and taxes in the form of excise duty, petroleum development levy and sales tax on petroleum products.

f. As a catalyst in the deployment of a large transportation fleet for crude oil and products movement.

g. Employment and work opportunities.

بسم الله الرحمن الرحيم

Chairman's
Review

SHUAIB A. MALIK
Chairman

It gives me immense pleasure to welcome you to the 38th Annual General Meeting of the Company and to present annual review of results of the Company's operations and audited financial statements for the financial year ended June 30, 2016.

BUSINESS REVIEW

The year 2016 has witnessed rare instability in prices of crude oil and petroleum products resulting in erosion of profit margins in the petroleum sector at global level. This situation was specially challenging to smoothly run a fuel refinery. Your Company suffered a loss of Rs 704 million from refinery operations. However, income from strategic investment in non-refinery sector has proven to be of great support in this depressed period. Income of Rs 1,520 million from non-refinery sector enabled the Company to absorb losses from refinery operations and post a net profit of Rs 816 million as compared to Rs 1,814 million in the last year.

I appreciate management's efforts in maintaining supply chain and ensuring un-interrupted supply of petroleum products despite all the challenges.

BUSINESS RISKS, CHALLENGES AND FUTURE OUTLOOK

Construction activities of all the units under the ARL up-gradation project have been completed and commissioning and startup activities are in progress. Supply of Euro II compliant diesel after commencement of DHDS unit has been started. Currently the major focus is to complete outstanding tasks relating to the Isomerization unit. Due to factors beyond the control of the Company there is some delay and the unit is expected to be commissioned by September 2016.

Macroeconomic indicators of the country have shown improvement. However, to ensure sustainable growth and attracting investment in the country it is imperative to have continuity of policies. Similarly incentives announced by the government to get investments must be implemented in letter and spirit. In this context we look forward for restoration of the incentive initially announced for setting up DHDS unit which has recently been withdrawn.

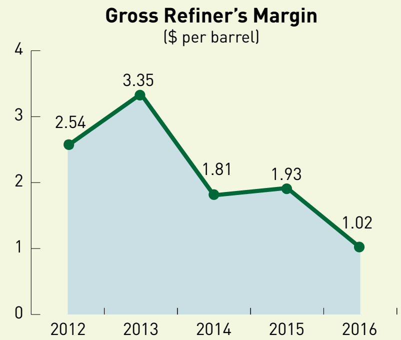
The Company will continue to pursue its vision to provide high quality diversified environment-friendly energy resources and petrochemicals.

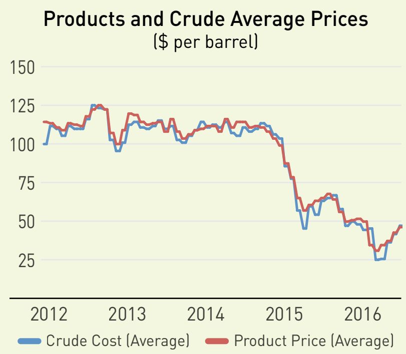
ACKNOWLEDGEMENT

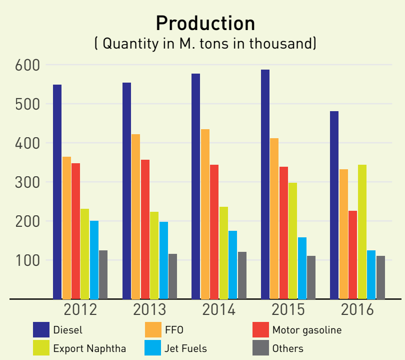
On behalf of the Board, I appreciate the continued support received from the Ministry of Petroleum & Natural Resources and other Government institutions and express gratitude to our valued customers, crude oil suppliers, banks, suppliers and contractors for their continued cooperation.

-Sd-

August 15, 2016 **Shuaib A. Malik**
Rawalpindi Chairman







Directors' Report

بسم الله الرحمن الرحيم

On behalf of the Board of Directors, I am pleased to present the Company's 38th Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2016.

1. FINANCIAL RESULTS

The financial results for the year ended June 30, 2016 are summarized below:

	Rs in million
Loss after taxation from refinery operations	(704)
Add: Income from non-refinery operations less	
applicable charges and taxation	1,520
Profit for the year	816

Earnings per share for the year was Rs 9.57 (June 30, 2015: Rs 21.27 per share).

The prices of crude oil and petroleum products remained unstable during most part of the year. This resulted in heavy inventory losses. Further, there was decline in refinery's production in the third quarter of the year due to planned tie-in connection activity of the new plants and revamping of existing units. As a result of these factors, loss of Rs 704 million was suffered from refinery operations. Again income from non-refinery operations proved to be of great support and enabled the Company to absorb the loss from refinery operations and earned a net profit of Rs 816 million (June 30, 2015: Rs 1,814 million).

As more fully explained in note 4.11 to the accounts, the Company has changed its accounting policy with respect to determination of cost of stock-in-trade from weighted average basis to First-In-First-Out (FIFO) basis. This change has been made in order to be consistent with industry practice.

2. DIVIDEND

The Directors have recommended a final cash dividend @ 50% (Rs 5/- per share). The dividend recommended is subject to approval by the shareholders in the Annual General Meeting.

Directors' Report

3. PRICING FORMULA

The pricing of the Company's petroleum products is carried out under the Import Parity Pricing Formula, as modified from time to time by the Government, whereby 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. Among other directives, the Pricing Formula requires refineries to transfer the amount of profit above 50% of paid-up share capital as at July 1, 2002 to a Special Reserve account for expansion/modernization. The earlier requirement to deposit the funds available in the Special Reserve Account to an Escrow account has been withdrawn this year. The initial commitment by Government for enhancing 7.50% deemed duty on High Speed Diesel to 9% has also been disallowed. Your Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on Diesel Hydrodesulphurization (DHDS) unit which the Company has successfully installed and commissioned.

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 abolition of turnover tax.

4. SHARE CAPITAL

The issued, subscribed and paid-up capital of the Company as at June 30, 2016 was Rs 852.93 million. As per the pricing formula, the maximum profits available for distribution from refinery operations cannot exceed an amount equivalent to 50% of the paid-up capital of Rs 291.6 million as at 1st July 2002.

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

5. ONGOING AND FUTURE PROJECTS

5.1 Refinery expansion and up-gradation projects

Being an environmentally cognizant and responsible industrial concern, ARL is in the process of upgrading its refining facilities. The planned upgradation will yield environment friendly High Speed Diesel (HSD) and Premier Motor Gasoline (PMG). Following units are being installed and are under final stage of completion:

i. Pre-flash unit (10,400 bpd) to enhance its refining capacity

ii. Naphtha Isomerization Unit (7,000 bpd)

iii. Diesel Hydrodesulphurization Unit (DHDS) (12,500 bpd)

iv. Expansion of existing Captive Power Plant (18 Mega Watt)

Basic designs of Preflash, Isomerization and DHDS units were carried out by M/s CB&I USA and M/s UOP USA respectively whereas the basic design of utilities and offsites was carried out by M/s ENAR Petrotech Services Pakistan.

DHDS unit has been commissioned and has enabled ARL to produce HSD with low sulphur contents (500 ppm) to meet Euro II specification. Installation of Preflash unit will increase ARL's refining capacity thus increasing the production of vital middle distillates. Isomerization unit will enable ARL to produce PMG with improved specifications and reduced benzene/ aromatic contents.

Expansion of existing captive power plant will help to meet the increased power requirement due to addition of new process units and modernization of existing refinery equipment like fire water pumps etc.

EPCC contract was awarded to M/s Hyundai Engineering Co., Ltd Korea in April 2013. Construction activities of all the units have been completed. Pre-Commissioning / Commissioning and Startup activities at all units are in progress. Commissioning and Startup of revamped units i.e. Existing Reformer and HBU-I along with Preflash have been completed.

In Power Plant area, Commissioning and startup activities of all the three engines have been successfully completed individually. Integration and load sharing of the engines is in progress to be followed by Performance Test. Steam Boilers have also been commissioned.

DHDS, Hydrogen Plant, Sour water unit and Amin unit have been Commissioned and Started up whereas Pre-Commissioning / Commissioning activities of Sulphur Recovery Unit (SRU) are underway. Performance tests of these units are expected to be completed by end of August 2016.

Pre-Commissioning activities at Isomerization Unit have commenced. Loading of Catalysts and Adsorbents in the vessels has been completed to be followed by Naphtha circulation.

Due to multiple reasons beyond the control of the Company, there is some delay in completion of the upgradation project. Accordingly, the ISOM unit is expected to be commissioned by the end of September 2016. The matter is being appropriately pursued with the EPCC contractor.

5.2 Future Projects

Viability of further expansion / upgradation of the refinery will depend on sustainable local crude availability, quality of crude, demand supply situation of products and the prevalent product specifications in the country.

Upcoming challenges being faced by the refinery includes handling of continuously

Directors' Report

increasing local crude oil production from North of the country and further improvement in product specifications.

ARL has plans to install a state-of-the-art new deep conversion green- field refinery of 50,000 bpd capacity, if sustainable enhanced supplies of local crude from North become available and the Government comes up with investment friendly Refining policy.

After commissioning of current upgradation project, ARL will be able to produce Euro-II compliant products. However, to further improve the product specifications and enhance value added products volume, installation of process units like Continuous Catalytic Reformer (CCR), Hydrocracker and Delayed Coker are being explored.

6. REFINERY MANAGEMENT AND OPERATIONS

Despite uncertain market situation, the Company maintained uninterrupted supplies of petroleum products and managed to operate the refinery at almost full capacity with the exception of third quarter wherein due to the planned shut-down activity the refinery was operated at reduced capacity of 40% to 50%. On an overall basis the refinery was operated at 87% of its capacity.

During the year under review, the refinery's throughput was 13.084 million barrels (June 2015: 15.358 million barrels). 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 13.188 million barrels of crude oil (June 2015: 15.410 million barrels) was received from 39 different oil fields which was processed at various units. Your refinery has the unique capability and distinction of processing varied quality of both heavy and light crude oil produced from fields across the whole country.

All the crude processing units operated smoothly. The Company supplied 1.584 million Tons (June 2015: 1.928 million Tons) of various petroleum products during the year, meeting the standard quality specifications.

7. 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:

7.1 Talent Hunt Drive for ARL Expansion and Up-gradation Project

To ensure expeditious commissioning of the Refinery Expansion Project, forecast approval for over 200 new positions was taken from the Board. To meet this end, Human Resources team did unprecedented hiring during 2015-16 against heavy odds. About 90% of the employees have duly been hired and hiring of remaining staff is in hand.

7.2 Employee Development and Training

We consider our human resource as the prime resource and 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.

7.3 Motivational and Encouragement Awards

With a view to encourage staff in attaining their optimum level of performance, ARL organized regular quarterly ceremony where the star performers of all departments were recognized through commemorative shields and cash awards. These performance awards were awarded in the fields of core performance, safety, and housekeeping.

Directors' Report

8. ORGANIZATIONAL DEVELOPMENT

8.1 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.

8.2 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, number of international publications by our employees has 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 two Plant Maintenance & Operation Conferences. 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.

8.3 CBA Referendum 2016

CBA Referendum was held in May, 2016 in the Refinery premises amongst two contesting Trade Unions i.e. "Refinery Employees Union" and "Refinery Mazdoor Union" under the supervision of HR & Admin Department, District Office Labour/ Registrar of Trade Unions, Rawalpindi. The Refinery Employees Union obtained majority votes. The Registrar of Trade Unions, Rawalpindi awarded the CBA certificate to them for a period of two years from May 2016 to May 2018.

9. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) 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.

10. CORPORATE AWARDS AND RECOGNITIONS

10.1 Employers Federation of Pakistan (EFP)'s Award

Employers Federation of Pakistan (EFP) regularly holds competition among different industries to acknowledge the efforts taken for the improvement of Occupational health safety and environment. ARL won 3rd position award in Oil Gas and Energy Sector Category consecutively.

10.2 Annual Environment Excellence Award

Attock Refinery Limited awarded with "13th Annual Environment Excellence Award 2016" by National Forum for Environment and Health (NFEH). The award given to ARL for its effective implementation of environment friendly policies and contributions made in the field of environment. The award is organized annually by the National Forum for Environment and Health (NFEH) in collaboration with the United Nations Environmental Programme (UNEP) and with the support of the Ministry of Environment.

11. 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 with the Code of Corporate Governance and as per the requirements of the listing regulations, following specific statements are being given hereunder:

i. Proper books of accounts of the Company have been maintained.

ii. The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

iii. Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the Approved Accounting Standards as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.

iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.

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

vi. There are no significant doubts upon the Company's ability to continue as a going concern.

vii. There is no reported instance of any material departure from the best practices of Corporate Governance.

viii. Significant deviations from last year's operating results, future plans and changes, if any, in pricing formula have been separately disclosed, as appropriate, in the Chairman's Review and this Report of the Directors.

ix. All major Government levies in the normal course of business, amounting to Rs 1,840 million, payable as at June 30, 2016 have been cleared subsequent to the year end.

Directors' Report

x. The value of investments in employees retirement funds based on the latest unaudited accounts as at June 30, 2016 are as follows:

	Rs in million
Management Staff Pension Fund	604
Staff Provident Fund	301
General Staff Provident Fund	545
Gratuity Fund	448

xi. Out of the seven (7) elected Directors of the Company, five (5) Directors meet the exemption requirement of the Director's Training Program (DTP). During the year 2015-16 one (1) director has completed DTP.

xii. The Board strives to continuously improve its and Board Committees' effectiveness. Board of Directors has developed a mechanism as required under Code of Corporate Governance to undertake annual evaluation to assess Board's and its Committees' performance. The Board also reviews developments in corporate governance to ensure that the Company always remains aligned with best practices.

xiii. 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.

12. 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.

13. DIRECTORS AND COMMITTEES OF THE BOARD

13.1 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 **	2	1*
Mr. Mofarrih Saeed H. Alghamdi ***	3	3*
Mr. Shuaib A. Malik (Chairman)	5	5
Mr. Abdus Sattar	5	5
Mr. Sajid Nawaz	5	5
Mr. Shamim Ahmad Khan **	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 directors who could not attend the meeting.

*** During the year the Board nominated Mr. Mofarrih Saeed H. Alghamdi to fill the casual vacancy occurred due to the resignation of Mr. Wael G. Pharaon.

13.2 Meeting Held Outside Pakistan

During the year ended June 30, 2016, one meeting of Board of Directors was held outside Pakistan to review and approve half yearly financial statements of the Company.

14. 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. Tariq Iqbal Khan	4	4
Mr. Abdus Sattar	4	4
Mr. Sajid Nawaz	4	4
Mr. Babar Bashir Nawaz	4	3*

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

Human Resource & Remuneration (HR & R) Committee

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

15. 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, 2017.

16. PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2016 was 3,160 as against 3,042 on June 30, 2015. The pattern of shareholding as at June 30, 2016 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.

17. EARNINGS PER SHARE

Based on the net profit for the current year the earnings per share was Rs 9.57 (June 2015: Rs 21.27).

18. HOLDING COMPANY

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

19. SUBSIDIARY COMPANY

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

20. CONSOLIDATED ACCOUNTS

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

-Sd-

August 15, 2016
Rawalpindi

Shuaib A. Malik
Chairman

۱۷۔ فی حصص آمدن

خالص منافع کی بنیاد پر رواں برس کے لیے فی حصص آمدن ۹.۵۷ روپے ہے (جون ۲۰۱۵ء: ۲۱.۲۷ روپے)۔

۱۸۔ محلوک کمپنی (Holding Comapny)

''دی اٹک آئل کمپنی لمیٹڈ'' جو انگلینڈ میں قائم کی گئی ہے، اٹک ریفائنری کمپنی لمیٹڈ کی محلوک کمپنی (Holding Company) ہے۔

۱۹۔ ذیلی کمپنی (Subsidiary Company)

کمپنی بلاشرکت غیر ایک ذیلی کمپنی (Subsidiary Company) کی ملکیت رکھتی ہے جو ''اٹک ہاسپٹل پرائیویٹ لمیٹڈ (AHL)'' ہے۔ AHL کے اکاؤنٹس، اٹک ریفائنری لمیٹڈ (ARL) کے اکاؤنٹس سے مربوط ہیں۔

۲۰۔ اشتمال شدہ گوشوارے (Consolidated Accounts)

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

-Sd-

شعیب اے ملک

چیئرمین

۱۵ اگست ۲۰۱۶ء

راولپنڈی

۱۴۔ بورڈ کمیٹیوں کے اجلاس

زیر جائزہ برس بورڈ کی مختلف کمیٹیوں کے منعقدہ اجلاسوں کی تفصیل کچھ یوں ہے:

آڈٹ کمیٹی:

نام ڈائریکٹر	کل منعقدہ اجلاس	اجلاسوں میں شرکت
جناب طارق اقبال خان	۴	۴
جناب عبدالستار	۴	۴
جناب ساجد نواز	۴	۴
جناب بابر بشیر نواز	۴	۳*

*اس ممبر کی چھٹی منظور کی گئی جو اجلاس میں شرکت نہ کر سکا۔

HR&R کمیٹی:

نام ڈائریکٹر	کل منعقدہ اجلاس	اجلاسوں میں شرکت
جناب شعیب اے ملک	۱	۱
جناب ساجد نواز	۱	۱
جناب محمد عادل خٹک	۱	۱

۱۵۔ آڈیٹرز

آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹس ریٹائرڈ ہو گئے ہیں اور انھوں نے اگلے برس کے لیے اپنی خدمات کی پیش کش کی ہے۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹس کی اگلے مالی سال کے لیے، جس کا اختتام ۳۰ جون ۲۰۱۷ء کو ہو گا، بطور آڈیٹر تقرر کی سفارش کی ہے۔

۱۶۔ حصہ داران کی تفصیل (Pattern of Shareholding)

کمپنی کی کل حصہ داروں کی تعداد ۳۰ جون ۲۰۱۶ء کو ۳،۱۶۰ ہے جبکہ گذشتہ برس ۳۰ جون ۲۰۱۵ء کو یہ تعداد ۳،۰۴۲ تھی۔ حصہ داران کی تفصیل (Patteren of Shareholding) کی اس رپورٹ کے ساتھ منسلک ہے۔ کمپنی کے حصص میں ڈائریکٹرز، سی ای او (CEO)، سی ایف او (CFO) اور کمپنی سیکرٹری، ان کے ازواج یا چھوٹے بچوں کی جانب سے کیے گئے ہر لین دین، اگر کوئی ہوا، کی تفصیل بھی رپورٹ کے ہمراہ منسلک ہے۔

۱۳۔ ڈائریکٹرز اور بورڈ کی کمیٹیاں

زیرِ جائزہ برس کے لیے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری کچھ اس طرح سے رہی:

شمار	نام ڈائریکٹر	بورڈ کے کل منعقدہ اجلاس	بورڈ کے اجلاسوں میں شرکت
۱۔	ڈاکٹر غیث آر فرعون	۵	۵*
۲۔	جناب لیث جی فرعون	۵	۵*
۳۔	جناب وائل جی فرعون**	۲	۱*
۴۔	جناب مفرح سعید ایچ الغامدی***	۳	۳*
۵۔	جناب شعیب اے۔ملک (چیئرمین)	۵	۵
۶۔	جناب عبدالستار	۵	۵
۷۔	جناب ساجد نواز	۵	۵
۸۔	جناب شمیم احمد خان**	۵	۴
۹۔	جناب محمد عادل خٹک (CEO)	۵	۵

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

**ان ڈائریکٹرز کی چھٹی منظور کی گئی جو اجلاس میں شرکت نہ کر سکے۔

***اس برس جناب وائل جی فرعون نے استعفیٰ دے دیا جبکہ ان کی عارضی آسامی کو پر کرنے کے لیے بورڈ نے جناب مفرح سعید ایچ الغامدی کو مقرر کیا۔

۱۳.۲ پاکستان سے باہر منعقد ہونے والے اجلاس

۳۰ جون ۲۰۱۶ کو ختم ہونیوالے سال کے دوران بورڈ آف ڈائریکٹرز کا ایک اجلاس ملک سے باہر منعقد ہوا جس میں کمپنی کے ششماہی مالیاتی گوشواروں کا جائزہ لیا گیا اور منظوری دی گئی۔

x۔ کارکنان کی ریٹائرمنٹ فنڈز میں کی گئی سرمایہ کاری کی کل مالیت جو تازہ ترین غیر آڈٹ شدہ مالیاتی کھاتوں ۳۰ جون ۲۰۱۶ء کے اعداد وشمار سے مرتب کی گئی ہے، یوں ہے:

مینجمنٹ سٹاف پنشن فنڈ	۶۰۴ ملین روپے
سٹاف پراویڈنٹ فنڈ	۳۰۱ ملین روپے
جنرل سٹاف پراویڈنٹ فنڈ	۵۴۵ ملین روپے
گریجویٹی فنڈ	۴۴۸ ملین روپے

xi۔ کمپنی کے منتخب کردہ سات (۷) ڈائریکٹرز میں سے پانچ (۵) ڈائریکٹرز ایسے ہیں جو ڈائریکٹرز ٹریننگ پروگرام کے استثنیٰ کے تقاضوں پر پورا اترتے ہیں سال رواں ۱۶۔2015 کے دوران ایک ڈائریکٹر نے ٹریننگ پروگرام مکمل کرلیا ہے۔

xii۔ بورڈ اس کے لیے مسلسل کوشاں ہے کہ اپنی اور بورڈ کمیٹیوں کی افادیت میں اضافہ کرے۔'ضابط برائے کاروباری نظم ونسق' میں تجویز کردہ طریقہ کار کے مطابق بورڈ نے اپنی اور بورڈ کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کا انتظام کیا ہے۔اس کے علاوہ بورڈ مسلسل کاروباری انتظام کے حوالے سے تازہ ترین پیش رفت سے اپنے آپ کو آگاہ رکھتا ہے تاکہ انتظامی حوالے سے بہترین طریقہ کار کو اختیار کیا جاسکے۔

xiii۔ کمپنی کے گذشتہ ۶ برس کے انتظامی و مالیاتی امور سے متعلق اعداد وشمار منسلک ہیں۔

علاوہ ازیں اس ضابطے پر عمل درآمد کا چیف ایگزیکٹو آفیسر سے دستخط شدہ تعمیل کا بیان اس سالانہ رپورٹ کے ساتھ الگ سے شامل کیا گیا ہے۔

۱۲۔ کریڈٹ ریٹنگ (Credit Rating)

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

۱۰.۲ تیرھویں (۱۳ویں) سالانہ ماحولیاتی اعلیٰ کارکردگی ایوارڈ ۲۰۱۶

(13th Annual Environment Excellence Award 2016)

قومی مجلس برائے ماحول اور صحت (National Forum for Environment and Health) (NFEH) نے اٹک ریفائنری لمیٹڈ کو تیرھویں (۱۳ویں) سالانہ ماحولیاتی اعلیٰ کارکردگی ایوارڈ ۲۰۱۶ (13th Annual Environment Excellence Award 2016) سے نوازا گیا ہے یہ ایوارڈ کمپنی کو ماحول دوست پالیسیوں پر مؤثر عمل درآمد کرنے اور ماحول کے میدان میں اعلیٰ کارکردگی کی وجہ سے دیا گیا ہے۔ یہ ایوارڈ ہر سال اقوام متحدہ کے ماحولیاتی پروگرام (United Nations Environmental Programme) (UNEP)، قومی مجلس برائے ماحول وصحت اور وزارت ماحول کے تعاون سے دیا جاتا ہے

۱۱۔ ''ضابطہ برائے کاروباری نظم ونسق'' سے تعمیل کا بیان

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

کمپنی پوری طرح 'ضابط برائے کاروباری نظم ونسق' پر عمل پیرا ہے اور قواعد وضوابط کے مطابق درج ذیل مخصوص نکات پیش ہیں:

i۔ کمپنی کے حسابداری کے باقاعدہ کھاتے مرتب کیے جاتے ہیں۔

ii۔ انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمد و رفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔

iii۔ مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتی ہیں جو منظور شدہ حسابداری کے معیارات سے مطابقت رکھتی ہیں جنکا پاکستان میں اطلاق ہے گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

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

v۔ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے روبہ عمل ہے، جس کی مسلسل نگرانی بھی کی جاتی ہے۔

vi۔ کمپنی کے قائم نہ رہنے کے حوالے سے کسی بھی قسم کا کوئی خدشہ نہیں پایا جاتا۔

vii۔ کمپنی میں ''ضابط برائے کاروباری نظم ونسق'' میں بیان کردہ ضابطوں کی کوئی واضح خلاف ورزی کی اطلاع سامنے نہیں آئی۔

viii۔ گذشتہ برس کے انتظامی نتائج، مستقبل کے منصوبوں سے واضح انحراف اور قیمتوں کے تعین میں تبدیلی اگر کوئی ہوئی، کی نشاندہی 'چیئر مین کا جائزہ یا اس ''بورڈ آف ڈائریکٹرز رپورٹ'' میں، جہاں مناسب تھا، ذکر کیا گیا ہے۔

ix۔ اپنی عمومی کاروباری سرگرمیوں کے لیے حکومت کو واجب الادا تمام رقوم جو ۳۰ جون ۲۰۱۶ء کو واجب الادا تھیں، جن کی مالیت ۱,۸۴۰ ملین روپے بنتی ہے، سال کے اختتام کے بعد ادا کی جا چکی ہیں۔

۸.۲ سیکھتے رہنے کی تہذیب

اٹک ریفائنری اپنے بنیادی اصول 'سیکھو اور جدت پیدا کرو' کو مدنظر رکھتے ہوئے کمپنی کے اندر اور باہر دونوں جگہ سیکھتے رہنے کی تہذیب کو فروغ دیتی ہے کیونکہ یہی پہلو ہمارے مستقبل کی ترقی کے لیے عمل انگیز کا کام دے گا۔ کئی برسوں سے ہمارے مختلف کارکنان کو نگارشات اور تخلیقات مختلف بین الاقوامی جرائد میں شائع ہو رہی ہیں۔ اپنے علم اور تجربے کو دوسروں تک پہنچانے کے لیے اٹک ریفائنری میں کانفرنسوں کا انعقاد ایک مستحکم روایت رہی ہے۔ اَب تک تین ایچ آر (HR)، دو ایچ ایس ای کیو (HSEQ) اور دو پلانٹ مینٹیننس اور آپریشن (Plant Maintenance & Operation) کانفرنسیں منعقد کی جا چکی ہیں۔ اس کے ساتھ ساتھ ایک بہت ہی عمدہ تربیتی پروگرام اٹک ریفائنری کے کارکنان کے لیے جاری رہتا ہے۔ ہم نے اپنے تربیت دینے والے عملے کی صلاحیتوں کو بہتر بنانے پر بھی توجہ دی ہے اور اس کے ساتھ ساتھ تکنیکی مہارتوں کو فروغ دینے کا پروگرام بھی واضح کامیابی سے جاری و ساری ہے۔

۸.۳ سی بی اے (CBA) ریفرنڈم ۲۰۱۶ء

مئی ۲۰۱۶ء میں ریفائنری کی حدود میں دو ٹریڈ یونین کے درمیان سی بی اے (CBA) ریفرنڈم ''انسانی وسائل و انتظامی دفتر، ڈسٹرکٹ آفس لیبر/ رجسٹرار آف ٹریڈ یونینز، راولپنڈی'' کی نگرانی میں منعقد ہوا۔ یہ دو یونین ''ریفائنری ایمپلائیز یونین' اور 'ریفائنری مزدور یونین'' کے مابین ہونے والا ریفرنڈم تھا۔ ریفائنری ایمپلائیز یونین نے اکثریتی ووٹ حاصل کیے جس پر انھیں رجسٹرار آف ٹریڈ یونینز، راولپنڈی نے دو برس (مئی ۲۰۱۶ء تا مئی ۲۰۱۸ء) کے لیے سی بی اے (CBA) کا سرٹیفکیٹ دیا۔

۹۔ تجارتی و سماجی ذمہ داری

تجارتی و سماجی ذمہ داری (Corporate Social Responsibility) کمپنی کے بنیادی اصولوں میں سے ایک ہے۔ کمپنی ایک ذمہ دار تجارتی ادارہ کی حیثیت سے اپنی ذمہ داریوں کو پورا کرنے کی ایک طویل تاریخ رکھتی ہے۔

۱۰۔ تجارتی ایوارڈ اور اعترافات

۱۰.۱ ایمپلائرز فیڈریشن آف پاکستان (Employers Federation of Pakistan) ایوارڈ

ایمپلائرز فیڈریشن آف پاکستان باقاعدگی کے ساتھ مختلف صنعتوں کے مابین پیشہ ورانہ صحت، ماحول اور کارکنان کے تحفظ کے اقدامات کے لیے مقابلوں اور ایوارڈ کا اعلان کرتی رہتی ہے۔ اٹک ریفائنری نے آئل اینڈ گیس کے شعبے میں مسلسل تیسری پوزیشن حاصل کی ہے۔

ان کا خلاصہ مندرجہ ذیل ہے:

۷.۱۔ اٹک ریفائنری کی تجدید اور وسعت کے لیے ہنرمند افراد کی تلاش کی مہم

ریفائنری کے توسیعی منصوبے کو جلد از جلد مکمل کرنے کے عمل کو یقینی بنانے کے لیے بورڈ سے ۲۰۰ سے زیادہ اسامیوں کی پیشگی اجازت لے لی گئی تھی۔ اس مقصد کو پورا کرنے کے لیے سال ۱۶-۲۰۱۵ میں انسانی وسائل کی ٹیم نے تمام تر مشکلات کے باوجود بے مثال بھرتیاں کیں۔ تقریباً ۹۰ فیصد درکار عملہ بھرتی کیا جا چکا ہے اور بقیہ عملہ کی تلاش اور بھرتی کا عمل جاری ہے۔

۷.۲۔ کارکنان کی ترقی و تربیت

ہم اپنے انسانی وسائل کو دستیاب وسائل کا سب سے اہم حصہ سمجھتے ہیں۔ اس لیے اس کی ترقی کے لیے انتظامی اور تکنیکی عملے کی تربیت کا ہمہ گیر عمل جاری رہتا ہے۔ یہ تربیت دراصل ہماری کارکردگی کی انتظامی حکمت عملی کا ایک حصہ ہے۔ اس لیے اس عمل میں درکار تربیت کی نشاندہی، کارکنان کا پیشہ ورانہ منصوبہ، ماتحتوں کی تیاری اور دیگر انتظامی ضروریات کو پیش نظر رکھا جاتا ہے۔

۷.۳ تحریک و ترغیب اور حوصلہ افزائی کے اعزازات

کارکنان کی بہترین صلاحیتوں سے کام لینے کو یقینی بنانے کے لیے اٹک ریفائنری میں ہر سہ ماہی کے اختتام پر ایک تقریب کا اہتمام کیا جاتا ہے جس میں ہر شعبہ کے بہترین کارکنان کو شیلڈ اور نقد انعامات سے نوازا جاتا ہے۔ کارکردگی کے یہ اعزازات بنیادی کارکردگی، تحفظ و دفتری صفائی ستھرائی اور ادارے کی بہتری جیسے شعبوں میں دیئے جاتے ہیں۔

۸۔ ادارہ جاتی ترقی

8.1 جانشین انتظامیہ

انتظامیہ کو بہتر بنانے کے منصوبے کے تحت ''جانشین انتظامیہ کا منصوبہ سیکسیشن منیجمنٹ پراجیکٹ (Succession Management Project)'' انسانی وسائل کے حوالے سے اٹک ریفائنری کا ایک منفرد منصوبہ ہے۔ اس منصوبے کا بنیادی مقصد کمپنی میں تمام شعبوں اور عہدوں پر پہلے سے ہی جانشینوں کا تقرر کرنا ہے تاکہ کسی بھی مرحلے پر کسی کام میں تعطل نہ آئے۔ اس اقدام کی مدد سے بہت کم وقت میں خالی اسامیوں پر متبادل افرادی قوت دستیاب ہو جاتی ہے اور افراد اپنی ذمہ داریوں کے حوالے سے ترقیاتی صلاحیتوں کے حامل ہوتے ہیں نیز اپنے روزمرہ اُمور میں وسیع تر تکنیکی استعداد کو بروئے کار لاتے ہیں اور انتظامی کردار ادا کرتے ہیں۔

اٹک ریفائنری لمیٹڈ کا منصوبہ ہے کہ ایک اعلیٰ ترین ڈیپ کنورژن (Deep Conversion) ریفائنری کی تنصیب کی جائے جس کی گنجائش ۵۰,۰۰۰ بیرل فی دن ہو اور یہ ہر طرح سے ماحول دوست بھی ہو۔ تاہم اس کا انحصار شمال سے خام تیل کی فراہمی میں تسلسل اور حکومت کی جانب سے ایسی پالیسیوں پر ہے جو سرمایہ دوست ہوں۔

تجدید کے موجودہ منصوبے کی تکمیل کے بعد اٹک ریفائنری کو یہ صلاحیت حاصل ہو جائے گی کہ اس کی مصنوعات یورو-II (Euro-II) کے معیارات کے مطابق ہوں۔ تاہم اپنی مصنوعات کی تیاری کے معیارات کو مزید آگے بڑھانے اور معیاری مصنوعات کی تیاری کی مقدار میں اضافے کرنے کے لیے جدید ترین مشینوں کی تنصیب کے منصوبے زیرِ غور ہیں جن میں کانٹینیوس کیٹیلیٹک ریفارمر (Continuous Catalytic Reformer) (CCR)، ہائیڈرو کریکر (Hydrocracker) اور ڈیلیڈ کوکر (Delayed Coker) شامل ہیں۔

۶۔ ریفائنری مینجمنٹ اور آپریشنز

غیر یقینی صورتحال کے باوجود کمپنی انتظامیہ نے مصنوعات کی بلاتعطل فراہمی کو یقینی بنایا اور اسے تقریباً پُوری استعداد کار پر چلایا سوائے تیسری سہ ماہی کے جب پہلے سے طے شدہ منصوبے کے مطابق ریفائنری کو چالیس تا پچاس فیصد کی کم استعداد پر رواں رکھا گیا۔ یوں بحیثیت مجموعی ریفائنری سارا سال ۸۷ فیصد استعداد کار پر کام کرتی رہی ہے۔

اس برس ریفائنری کی پیداوار ۱۳.۰۸۴ ملین بیرل رہی (جون ۲۱۰۵ء: ۱۵.۳۵۸ ملین بیرل)۔ ملک کے شمالی علاقے سے نکالے جانے والے تمام خام تیل کا اکثر حصہ، جس میں بعض تیل کے کنوؤں کی اضافی پیداوار بھی شامل رہی، اسی ریفائنری پر نتھارا اور صاف کیا گیا ہے۔

کل ۱۳.۱۸۸ ملین بیرل تیل ۳۹ مختلف تیل کے کنوؤں سے حاصل کیا گیا (جون ۲۰۱۵ء: ۱۵.۴۱۰ ملین بیرل) جنھیں مختلف مقامات پر نتھارا اور صاف کیا گیا۔ آپ کی کمپنی کو یہ منفرد مقام حاصل ہے کہ یہ پورے ملک سے آنے والے ہلکے اور بھاری دونوں اقسام کے خام تیل کو نتھار اور صاف کر سکتی ہے۔

خام تیل کو نتھارنے والے تمام یونٹس بالکل درست حالت میں کام کر رہے ہیں۔ کمپنی نے اس سال ۱.۵۸۴ ملین ٹن مختلف پٹرولیم مصنوعات فراہم کیں (جون ۲۰۱۵ء: ۱.۹۲۸ ملین ٹن) جو طے کردہ معیارات کی تصریحات کے عین مطابق تھیں۔

۷۔ انسانی وسائل کی ترقی

آپ کی کمپنی انسانی وسائل کو اپنا سب سے قیمتی اثاثہ تصور کرتی ہے اور اس کے لیے پرعزم ہے کہ تمام کارکنان کو یکساں عزت اور احترام دیا جائے اور ایسا ماحول تخلیق کیا جائے جہاں ہر کارکن کی خدمات کو تسلیم کیا جائے اور اسے اہمیت دی جائے۔ اپنے انسانی وسائل کو ترقی دینے کے لیے کمپنی نے جو اقدامات کیے ہیں،

توسیعی منصوبے کی مکمل تعمیر وتکمیل اور شروعات (Engineering, Procurement, Construction and Commencement) (EPCC) کا ٹھیکہ اپریل ۲۰۱۳ء میں ہنڈائی انجینئرنگ کمپنی کوریا (Hyundai Engineering Company, Korea) کو دیا گیا تھا۔اس حوالے سے تمام یونٹوں کی تعمیراتی سرگرمیاں مکمل ہو چکی ہیں۔ان تمام یونٹوں کے نصب شدہ آلات کی کارکردگی کی جانچ اور مصنوعات کی تیاری کی سرگرمیوں کے آغاز پر کام جاری ہے۔اس کے ساتھ ساتھ وہ مشینیں جن کی تجدید کی جانی تھی جیسے موجودہ ریفارمر (Reformer) اور ایچ بی یو-I (HBU-I) مع پری فلیش (Pre-Flash)، ان سب کو جانچنے اور اس کے بعد ان پر کام کرنے کے آغاز کا بھی مرحلہ مکمل ہو گیا ہے۔

بجلی گھر میں، تینوں انجنوں کو علیحدہ علیحدہ جانچنے اور ان کے چلانے کے مراحل سے پہلے کی ابتدائی تیاری کامیابی سے مکمل ہو چکی ہیں۔ان انجنوں کے باہم مربوط کرنے اور ان پر ڈالے جانے والے بوجھ کی تقسیم کا کام جاری ہے جس کے بعد ان کی کارکردگی کی آزمائش کی جائے گی۔اسٹیم بوائلر کی آزمائش کا کام بھی مکمل ہو چکا ہے۔

ڈیزل ہائیڈروڈی سلفرائزیشن یونٹ (Diesel Hydrodesulphurization Unit (DHDS کے ساتھ ساتھ ہائیڈروجن پلانٹ (Hydrogen Plant)، ساور واٹر یونٹ (Sour Water Unit) اور امائین یونٹ (Amine Unit) کی آزمائش اور اس کے بعد کام کے آغاز کا مرحلہ مکمل ہو چکا جبکہ سلفر ریکوری یونٹ (Sulphur Recovery Unit) کی پیداواری سرگرمی شروع کرنے سے پہلے کی ابتدائی تیاری کے مراحل جاری ہیں۔اُمید ہے کہ ان کی آزمائش اور کارکردگی کی جانچ اگست ۲۰۱۶ء کے آخر تک مکمل ہو جائے گی۔

آئیسومیرائزیشن یونٹ (Isomerization Unit) کی پیداواری سرگرمی شروع کرنے سے پہلے کا ابتدائی کام شروع ہو گیا ہے کیٹیلسٹز (Catalysts) اور ایڈزاربینٹس (Adsorbents) کو ویسلز (Vessels) پر لوڈ کرنے کا عمل مکمل کر دیا گیا ہے اور اب اس کے بعد ان میں سے نیفتھا (Naphtha) گزارنے کا مرحلہ باقی ہے۔

کئی وجوہات کی بنا پر، جو کمپنی کے دائرہ اختیار سے باہر ہیں، کمپنی کے توسیعی منصوبہ میں کچھ تاخیر ہے۔اسی لیے آئیسومیرائزیشن یونٹ (Isomerization Unit) کی تنصیب ستمبر ۲۰۱۶ء کے آخر تک متوقع ہے۔توسیعی منصوبہ میں تاخیر کا معاملہ ٹھیکیدار (EPCC Contractor) سے مناسب طریقے سے اٹھایا جا رہا ہے۔

۵.۲ مستقبل کے منصوبے

مستقبل میں ریفائنری کی مزید وسعت اور تجدید کا انحصار کئی عوامل پر ہے جن میں پائیدار مقامی خام تیل کی دستیابی، خام تیل کا معیار، مصنوعات کی طلب و رسد کی صورتحال اور ملک میں مروجہ پیداواری تصریحات ہیں۔

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

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

۵۔ موجودہ اور مستقبل کے منصوبے

۵.۱ ریفائنری کی وسعت اور تجدید کے منصوبے

ایک ذمہ دار اور ماحول دوست ادارہ ہونے کے ناطے اٹک ریفائنری لمیٹڈ اپنے پلانٹ کے تجدید کے عمل سے گزر رہی ہے۔ اس عمل کے مکمل ہونے پر ماحول دوست ہائی اسپیڈ ڈیزل (HSD) اور 'پریمیر موٹر گیسولین' (PMG) کی پیداوار اور فراہمی ممکن ہوگی۔ مندرجہ ذیل یونٹس لگائے جا رہے ہیں جو کہ تکمیل کے آخری مراحل میں ہیں:

- i۔ پری فلیش یونٹ (Pre-Flash Unit) (۱۰,۴۰۰ بیرل فی دن) ریفائننگ کی صلاحیت میں اضافہ۔
- ii۔ نیفتھا آئیسومیرائزیشن یونٹ (Naphtha Isomerization Unit) (۷،۰۰۰ بیرل فی دن)
- iii۔ ڈیزل ہائیڈروڈی سلفرائزیشن یونٹ (Diesel Hydrodesulphurization Unit (DHDS) (۱۲,۵۰۰ بیرل فی دن)
- iv۔ کمپنی کے موجودہ بجلی گھر کی گنجائش میں اضافہ (۱۸ میگاواٹ)

پری فلیش یونٹ کی تجدید کا کام سی بی اینڈ آئی، یو ایس اے (CB&I, USA) نے جبکہ ڈی ایچ ڈی ایس (DHDS) کی تجدید کا کام, یو او پی، یو ایس اے (UOP, USA) نے سرانجام دیا جبکہ دیگر مراکز اور سائٹس کی منصوبہ بندی اور فراہمی کا کام اینار پیٹروٹیک سروسز پاکستان (ENAR Petrotech Services Pakistan) نے انجام دیا ہے۔

ڈی ایچ ڈی ایس یونٹ (DHDS Unit) تنصیب ہو گیا ہے اب اٹک ریفائنری لمیٹڈ "یورو-II" (Euro-II) معیارات کے عین مطابق ایسا ہائی اسپیڈ ڈیزل تیار کرنے کی صلاحیت رکھتی ہے جس میں گندھک کی انتہائی کم مقدار یعنی ۵۰۰ پی پی ایم (ppm) ہوتی ہے۔ پری فلیش یونٹ کی تنصیب سے کمپنی کی ریفائننگ کی صلاحیت میں بھی اضافہ ہوگا اور اَب کمپنی زیادہ مقدار میں مصنوعات تیار کر سکے گی۔ آئیسومیرائزیشن یونٹ (Isomerization unit) کی تنصیب سے زیادہ بہتر معیارات کے پٹرول کی تیاری ممکن ہوگی جن میں بینزین/ایرومیٹک (Benzene/Aromatic) اجزا کو کم کرنا ہے۔

نئے پراسیسنگ یونٹ کی تنصیب اور موجودہ ریفائنری کے آلات جیسے فائر واٹر پمپ وغیرہ کی تجدید کی وجہ سے پیدا ہونے والی توانائی کی اضافی ضرورت، کمپنی کے موجودہ بجلی گھر کی توسیع پورا کرنے میں مدد دے گی۔

جیسا کہ اکاؤنٹس کے نوٹ ۱۱.۴ میں زیادہ تفصیل سے بیان کیا گیا ہے کہ کمپنی نے اوسط وزن (Weighted Average) کے بجائے اَب ''فرسٹ ان فرسٹ آؤٹ'' (FIFO) کی بنیاد پر زیرِ تجارت ذخیرے (stock-in-trade) کی قدر کے تعین کے حوالے سے اپنی اکاؤنٹنگ پالیسی کو تبدیل کیا ہے۔ اس تبدیلی کا مقصد اس صنعت سے وابستہ دیگر اداروں کے ساتھ یکسانیت پیدا کرنا ہے۔

۲۔ ڈیویڈنڈ (Dividend) منافع میں حصہ

ڈائریکٹرز نے حتمی منافع کے لیے بشرح ۵۰ فیصد (۵ روپے فی حصص) کی سفارش کی ہے۔ یہ منافع سالانہ عام اجلاس میں حصہ داران کی منظوری کے ساتھ مشروط ہے۔

۳۔ قیمتوں کے تعین کا طریقہ

کمپنی کی پٹرولیم مصنوعات کی قیمتوں کا تعین ''درآمدی قیمت سے برابری کا فارمولہ'' (Import Parity Pricing Formula) اور حکومت کی طرف سے اس میں کی گئی وقتاً فوقتاً ترامیم کی بنیاد پر کیا جاتا ہے۔ اس فارمولے کے تحت خام تیل کی قیمت برآمدی قیمت کی بنیاد پر طے کی جاتی ہے اور اس سے تیار کردہ مصنوعات کا برآمدی قیمت کے مقررہ ضابطوں کے تحت حساب کیا جاتا ہے۔ حکومت کی دیگر ہدایات کے ساتھ ساتھ ریفائنریاں یکم جولائی ۲۰۰۲ء تک کے سرمایہ حصص سے ۵۰ فیصد سے زیادہ منافع کو ریفائنری کے توسیعی وجدت کے لیے ''سپیشل ریزورا کاؤنٹ'' میں منتقل کریں گی۔ اس سال سپیشل ریزرو اکاؤنٹ کی رقوم کو اسکرو اکاؤنٹ (Escrow Account) میں جمع کرانے کے ضابطہ کو واپس لے لیا گیا ہے۔ حکومت نے ہائی اسپیڈ ڈیزل پر عائد ڈیمڈ (deemed) ڈیوٹی کو ۷.۵ فیصد سے بڑھا کر ۹ فیصد کرنے کے اقدام کو ابتدائی طور پر ماننے کے بعد اس کی اجازت نہیں دی۔ آپ کی کمپنی نے اضافی ڈیمڈ ڈیوٹی کی واپسی کا معاملہ سختی کے ساتھ حکومت کے سامنے اٹھایا ہے کیونکہ بنیادی طور پر حکومت کی جانب سے یہ مراعات اس لیے دی گئی تھی کہ ڈیزل ہائیڈروڈی سلفرائزیشن (Diesel Hydrodesulphurization (DHDS کے یونٹ پر کی جانے والی سرمایہ کاری کی لاگت پوری کی جا سکے۔ جو کہ کمپنی نے کامیابی سے لگا بھی دیا ہے اور چلا بھی دیا ہے۔

ریفائنریوں نے حکومت کے سامنے بعض مسائل بھی پیش کیے جن کا تعلق کچھ مصنوعات کی قیمتوں کے تعین، منافع میں حصہ پر پابندی کے خاتمے اور مصنوعات کی فروخت پر کم از کم ٹرن اوور ٹیکس (Minimum tax on turnover) کے خاتمے سے تھا۔

۴۔ سرمایہ حصص Share Capital

کمپنی کے ۳۰ جون ۲۰۱۶ء تک جاری کردہ، وصول کردہ اور ادا شدہ سرمایہ کا حصہ ۸۵۲.۹۳ ملین روپے تھا۔ قیمتوں کے تعین کے فارمولے کے مطابق ریفائنری آپریشنز سے زیادہ سے زیادہ دستیاب منافع کی رقم یکم جولائی ۲۰۰۲ تک ادا شدہ سرمایہ جو کہ ۲۹۱.۶ ملین روپے ہے کے ۵۰ فیصد کے مساوی رقم سے زیادہ تقسیم نہیں ہو سکتی۔

بسم اللہ الرحمن الرحیم

اٹک ریفائنری لمیٹڈ

ڈائریکٹرز کی رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی ۳۸ ویں سالانہ رپورٹ جو ۳۰ جون ۲۰۱۶ء کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ پر مشتمل ہے، پیش کرتے ہوئے مسرّت محسوس کر رہا ہوں۔

۱۔ مالیاتی نتائج

۳۰ جون ۲۰۱۶ء کو اختتام پذیر ہونے والے مالی سال کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:۔

	روپے (ملین میں)
ٹیکس ادائیگی کے بعد ریفائنری سرگرمیوں سے ہونیوالا نقصان	(۷۰۴)
جمع: قابل اطلاق اخراجات اور ٹیکس کم کرنے کے بعد غیر ریفائنری سرگرمیوں سے حاصل شدہ آمدن	۱،۵۲۰
رواں سال کا منافع	**۸۱۶**

اس سال کے لیے فی حصص آمدنی ۹.۵۷ روپے رہی (۳۰ جون ۲۰۱۵: ۲۱.۲۷ روپے فی حصص)۔

سال کے بیشتر حصے میں خام تیل اور پٹرولیم مصنوعات کی قیمتیں غیر مستحکم رہیں۔ جس کے نتیجے میں کمپنی کو تیل کی مصنوعات کے ذخیرہ کی قیمت میں کمی کی مد میں بھاری نقصان کا سامنا کرنا پڑا۔ مزید برآں، اس سال کی تیسری سہ ماہی میں ریفائنری کی پیداوار میں کمی آئی جس کی وجہ پہلے سے طے شدہ نئے پلانٹس اور موجودہ یونٹس کو باہم مربوط کرنے کی سرگرمی تھی۔ ان عناصر کی بناء پر ریفائنری کے آپریشنز سے ۷۰۴ ملین روپے کا نقصان اٹھانا پڑا۔ ایک بار پھر غیر ریفائنری آپریشنز سے حاصل ہونے والی آمدن بہت معاون ثابت ہوئی اور اس نے کمپنی کو ریفائنری کے آپریشنز سے ہونے والے نقصان کو جذب کرنے میں مدد دی اور اس طرح کمپنی نے ۸۱۶ ملین روپے کا خالص منافع کمایا (۳۰ جون ۲۰۱۵: ۸۱۴،۱ ملین روپے)۔

Financial Statistical Summary
Attock Refinery Limited

30 June (Rupees in Million)		2016	2015	2014	2013	2012	2011
Sales (Net of Govt. Levies)		66,564.92	128,905.43	175,067.85	163,300.53	154,381.56	116,388.37
Reimbursement from/(to) Government		-	-	-	-	-	9.00
Turnover		66,564.92	128,905.43	175,067.85	163,300.53	154,381.56	116,397.37
Cost of Sales		67,466.75	128,352.37	174,930.91	160,259.07	152,362.20	114,900.77
Gross profit/ (loss)		(901.83)	553.06	136.94	3,041.46	2,019.35	1,496.61
Administration and Distribution cost		571.08	539.04	469.43	398.78	377.63	315.80
Other Income		927.38	1,349.64	1,764.18	3,082.10	2,388.77	1,565.59
Non-Refinery Income		1,519.74	1,409.45	1,847.12	1,298.09	1,588.64	1,068.39
Operating profit		974.21	2,773.11	3,278.81	7,022.87	5,619.14	3,814.79
Financial and other charges		162.68	397.06	104.61	954.51	1,259.27	254.12
Profit before tax		811.53	2,376.05	3,174.20	6,068.36	4,359.87	3,560.67
Taxation		(4.82)	561.81	630.81	2,142.68	1,625.18	1,375.12
Profit after tax		816.35	1,814.24	2,543.39	3,925.68	2,734.69	2,185.55
Dividend		(426.47)	(426.47)	-	(426.47)	(639.70)	(170.59)
Transfer from/(to) special reserves		-	(259.00)	(550.48)	(2,481.80)	(1,000.25)	(971.36)
BALANCE SHEET SUMMARY							
Paid-up Capital		852.93	852.93	852.93	852.93	852.93	852.93
Reserves		13,587.41	14,633.10	14,739.60	13,133.41	11,368.63	10,146.66
Unappropriated Profit		7,937.28	6,528.17	4,753.55	4,034.65	2,673.67	1,459.48
Share holder' funds		22,377.62	22,014.20	20,346.09	18,020.99	14,895.23	12,459.06
Financing facilities (Long term including current portion)		15,163.68	11,658.99	480.69	-	-	-
Property, plant & equipment (less depreciation)		34,965.03	31,571.32	16,858.66	10,015.57	9,840.29	9,670.97
Net current assets		(1,102.24)	(1,397.99)	1,260.78	3,358.31	430.21	(1,743.10)
CASH FLOW SUMMARY							
Cash flows from operating activities		(2,727.70)	399.95	1,438.58	74.16	4,792.00	(1,972.58)
Cash flows from investing activities		(172.69)	(11,832.72)	(1,453.25)	2,376.51	2,476.55	1,913.70
Cash flows from financing activities		1,887.58	10,859.05	276.64	(1,291.09)	(1,292.24)	(45.43)
Increase / (Decrease) in cash and cash equivalents		(1,012.81)	(573.72)	261.97	1,161.30	5,979.39	(104.14)
PROFITABILITY RATIOS							
Gross profit ratio	%	(1.35)	0.43	0.08	1.86	1.31	1.29
Net profit to sales	%	1.23	1.41	1.45	2.40	1.77	1.88
EBITDA margin to sales	%	1.71	2.07	2.00	3.87	3.01	3.25
Operating leverage ratio	Time	1.14	0.96	(0.17)	13.61	0.71	20.20
Return on equity	%	3.65	8.24	12.50	21.78	18.36	17.54
Return on capital employed	%	3.68	8.57	13.26	23.85	19.99	19.23
LIQUIDITY RATIO							
Current ratio	Time	0.96	0.96	1.04	1.09	1.01	0.96
Quick / acid test ratio	Time	0.65	0.72	0.69	0.76	0.84	0.69
Cash to current liabilities	Time	0.35	0.29	0.31	0.29	0.14	0.09
Cash flow from operations to sales	Time	(0.04)	0.00	0.01	0.00	0.03	(0.02)
ACTIVITY/ TURNOVER RATIO							
Inventory turnover ratio	Time	10.16	14.16	15.02	14.31	14.16	12.73
No. of days in inventory	Days	36	26	24	26	26	29
Debtor turnover ratio	Time	8.41	11.63	14.31	5.97	4.90	5.04
No.of days in receivables	Days	44	31	26	61	75	73
Creditor turnover ratio	Time	3.64	5.87	8.36	4.08	3.40	3.78
No of days in payables	Days	101	62	44	90	107	97
Total assets turnover ratio	Time	0.88	1.60	2.59	2.53	1.65	1.83
Fixed assets turnover ratio	Time	1.90	4.08	10.38	16.30	15.69	12.04
Operating cycle	Time	(21)	(5)	6	(3)	(7)	5

		30 June (Rupees in Million)					
		2016	2015	2014	2013	2012	2011
INVESTMENT/ MARKET RATIO							
Earnings per share (EPS) (on shares outstanding at 30 June)	Rs	9.57	21.27	29.82	46.03	32.07	25.63
Dividend *	%	50	50	-	50	75	20
Cash dividend per share	Rs	5.00	5.00	-	5.00	7.50	2.00
Price earning ratio	Time	29.27	10.74	7.12	5.54	4.09	4.68
Dividend yield ratio	%	1.78	2.19	-	1.96	5.72	1.67
Dividend cover ratio	Time	1.91	4.25	-	9.21	4.28	12.82
Dividend payout ratio	%	52.25	23.51	-	10.86	23.39	7.81
Break-Up Value (Rs per share)	Rs	389.12	384.86	365.31	313.81	277.17	248.61
Highest market value per share during the year	Rs	288.77	235.11	272.81	208.28	136.89	145.50
Lowest market value per share during the year	Rs	188.67	146.48	173.85	123.94	104.42	122.14
Market value per share June 30,	Rs	280.14	228.45	212.29	255.15	131.05	119.86
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio		0.68	0.53	0.02	-	-	-
Debt to equity ratio		40 : 60	35 : 65	2 : 98	-	-	-
Weighted average cost of debt		6.77%	7.61%	7.81%	-	-	-
Interest cover ratio		-	-	-	-	-	-

* The Board has proposed a final cash dividend @ 50% in their meeting held on August 15, 2016.

Ratio Analysis

PROFITABILITY RATIOS

The Profitability Ratios show a negative trend, denominating overall decrease in profits of the Company. The Profit Margins declined, as profit for the year falls by 55% from Rs 1,814 million in 2014-15 to Rs 816 million in 2015-16. This decline reflects unfavorable fluctuations in international prices of Petroleum Products as well as drop in Refinery's throughput during the third quarter of the year, due to planned tie-in connection activity of the new plants and revamping of the existing units.

LIQUIDITY RATIOS

The Company has maintained its liquidity position. This was a difficult task keeping in view the challenging business environment along with the ongoing ARL Up-gradation project.

ACTIVITY TURNOVER RATIOS

Turnover Ratios have fallen during the year due to downward trend in prices of Petroleum Products. However, this effect is partially mitigated by the change in creditors' turnover ratio and number of days in payables.

INVESTMENT / MARKET RATIOS

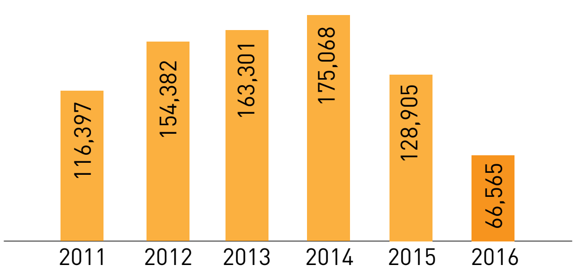
The decline in profitability is the only reason for decrease in EPS; however, income from the strategic investment in non-refinery business helped the Company to improve its Break-up Value. The Company has declared a final cash dividend of 50%.

CAPITAL STRUCTURE RATIOS

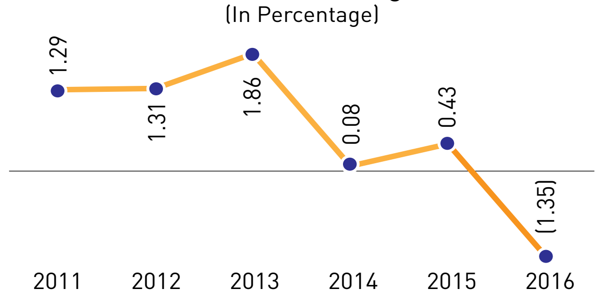
The Company on August 06, 2013 has entered into a syndicated term finance agreement and musharaka agreement with a consortium of local banks which includes Bank AL-Habib Limited as an Agent Bank for a term finance facility of Rs 22 billion for ARL Up-gradation Project for a period of 13 years including grace period of 3 years. As on June 30, 2016 aggregate drawdown was Rs 15,760 million.

Financial Highlights
Attock Refinery Limited

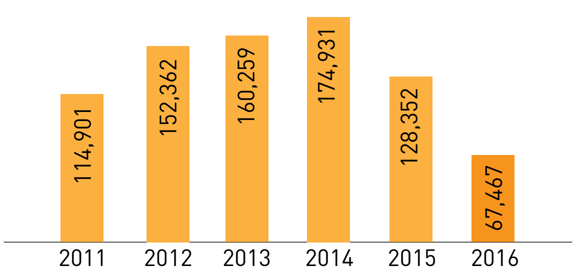
Net Sales
(Rs in million)



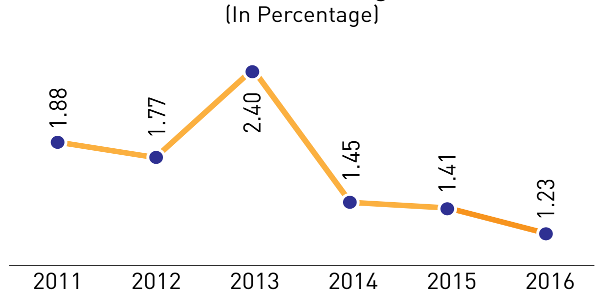
Gross Profit Margin
(In Percentage)



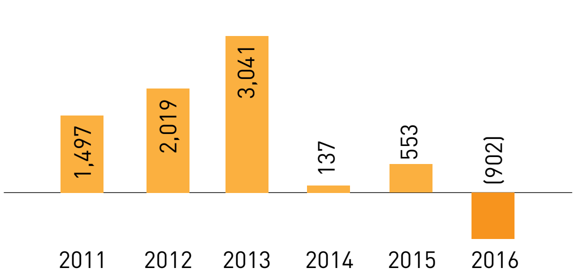
Cost of Sales
(Rs in million)



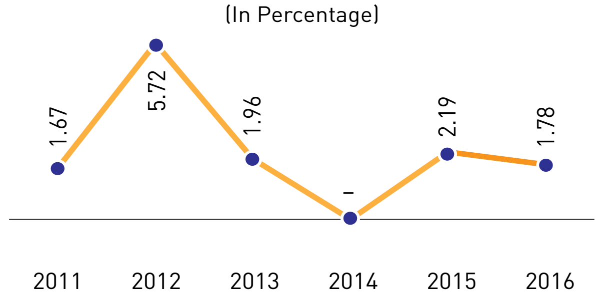
Net Profit Margin
(In Percentage)



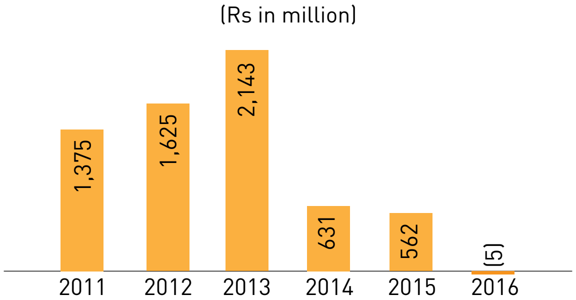
Gross Profit / (Loss)
(Rs in million)



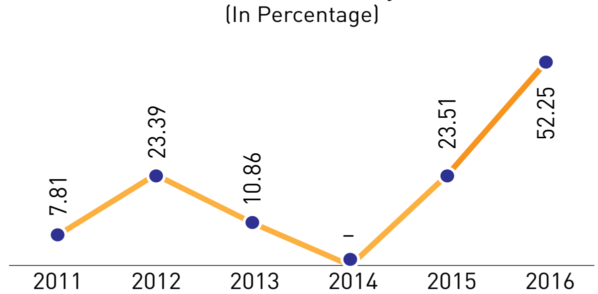
Cash Dividend Yield
(In Percentage)



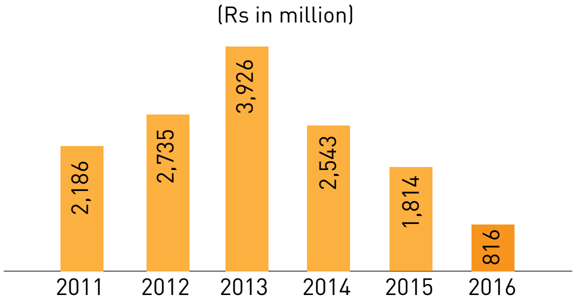
Provision for taxation
(Rs in million)



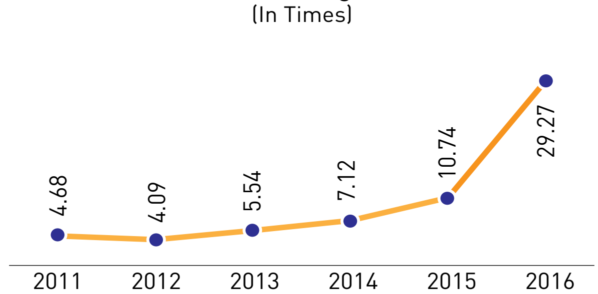
Cash Dividend Payout
(In Percentage)



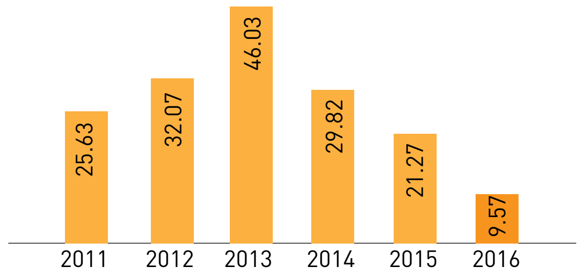
Profit after Taxation
(Rs in million)



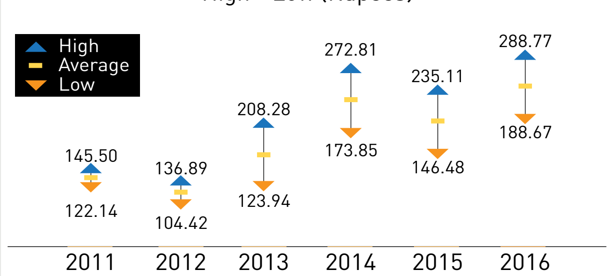
Price Earning Ratio
(In Times)



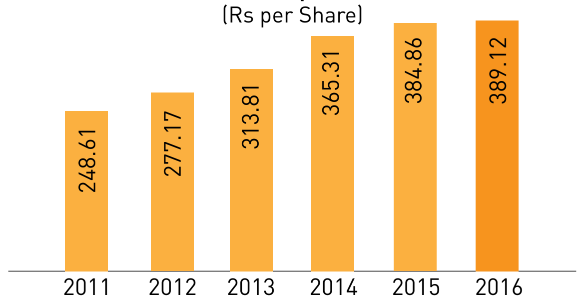
Earning per Share
(Rupees)



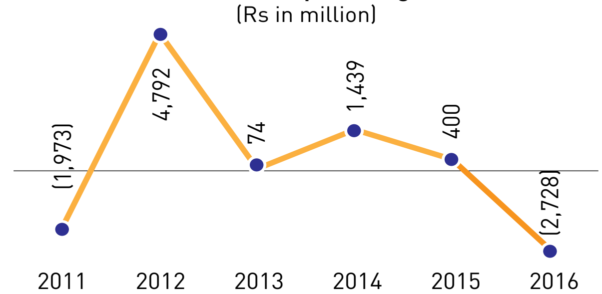
Market Value Per Share
High - Low (Rupees)



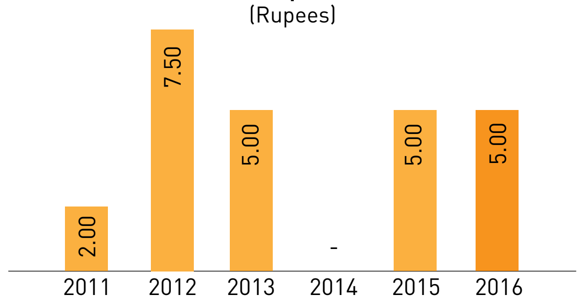
Break-up Value
(Rs per Share)



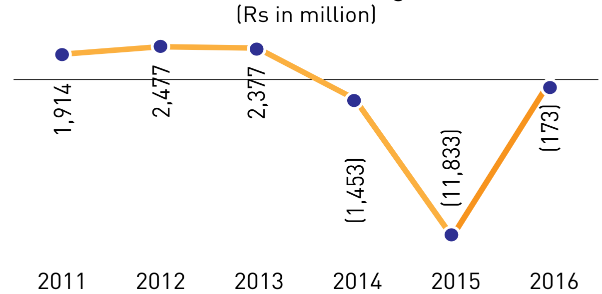
Cash Flow from Operating Activities
(Rs in million)



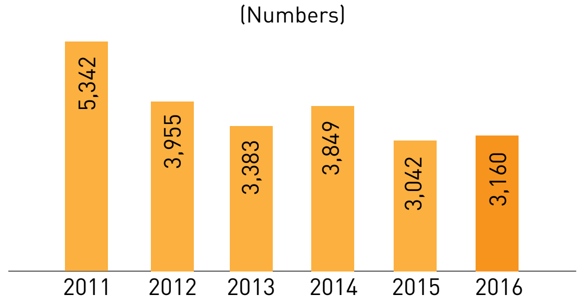
Dividend per Share
(Rupees)



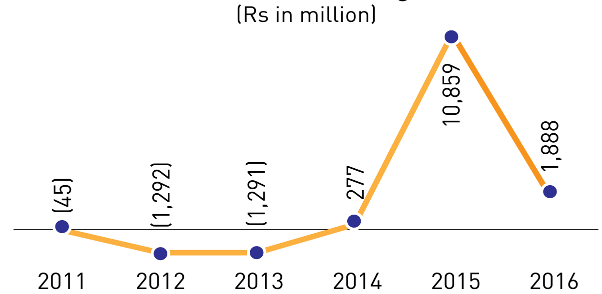
Cash Flow from Investing Activities
(Rs in million)



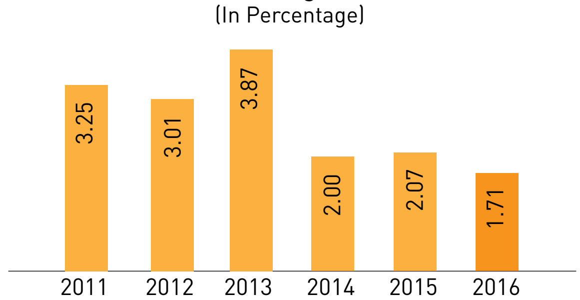
Number of Shareholders
(Numbers)



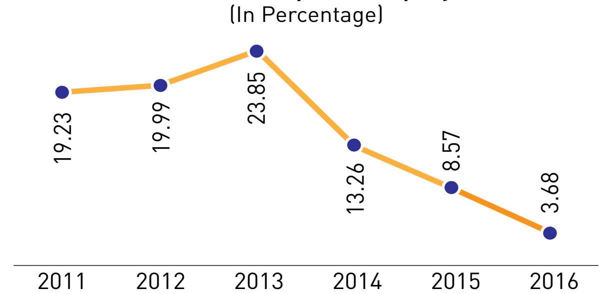
Cash Flow from Financing Activities
(Rs in million)



EBITDA - Margin to Sales
(In Percentage)

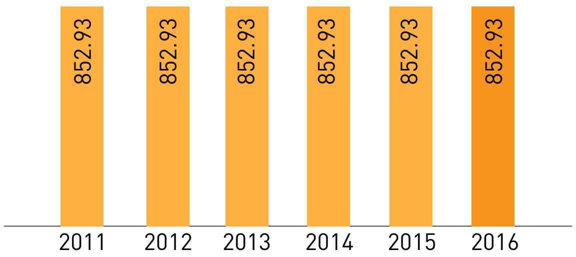


Return on Capital Employed
(In Percentage)

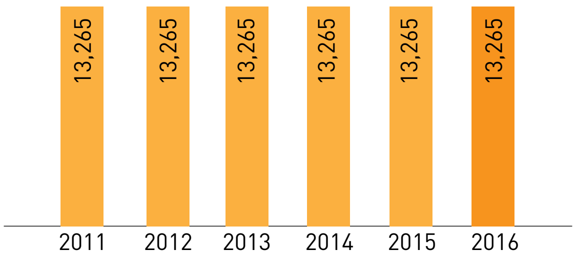


Financial Highlights - Attock Refinery Limited

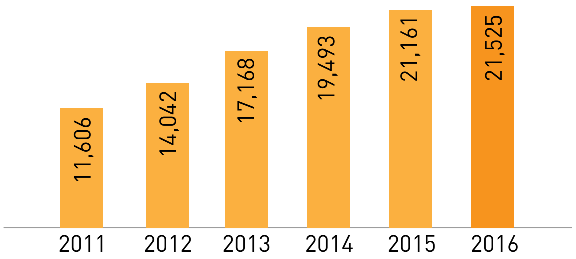
Paid-up Capital
(Rs in million)



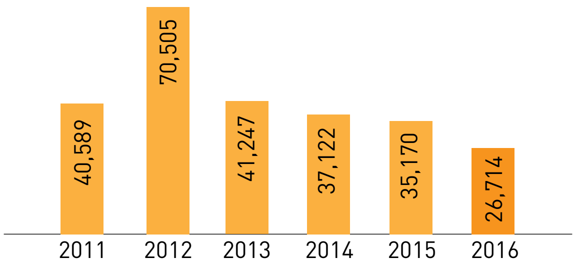
Long Term Investments
(Rs in million)



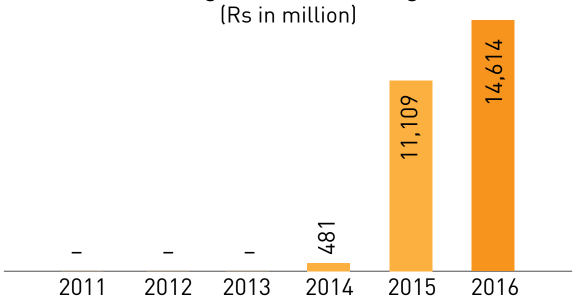
Reserves
(Rs in million)



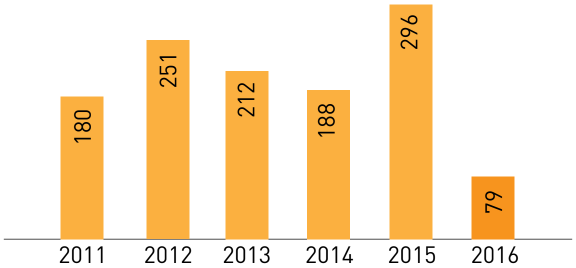
Current Assets
(Rs in million)



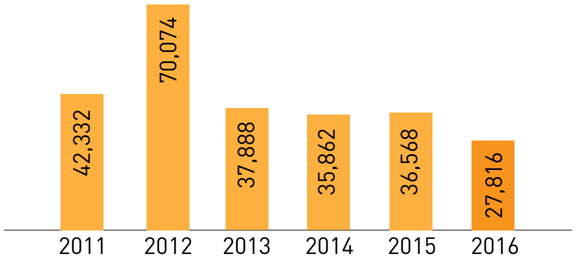
Long Term Financing
(Rs in million)



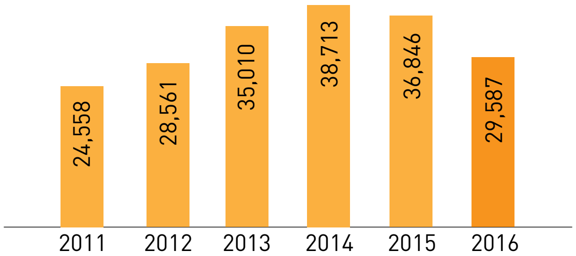
Foreign Exchange Savings
(US$ in million)



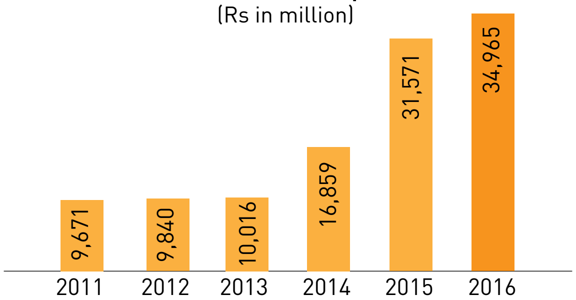
Current Liabilities
(Rs in million)



Contribution to National Exchequer
(Rs in million)



Fixed Assets less Depreciation
(Rs in million)



Analysis of Financial Statements Attock Refinery Limited

ANALYSIS OF BALANCE SHEET

Share capital and Reserve:
Equity grew by 2% from Rs 22,014 million to Rs 22,378 million due to current year's profitability.

Long term financing:
During the year long term financing have increased from Rs 11,109 million to Rs 14,614 million to finance the ARL Up-gradation project.

Current liabilities:
Trade and other payables have decreased during the year due to decline in prices of crude. Further there was no overdue amount payable as at June 30, 2016.

Property, plant and equipment:
Property, plant and equipment have witnessed a significant increase due to investment in up-gradation project. Property, plant and equipment represent around 46% of Company's balance sheet.

Current assets:
Current assets have decreased by 24% from Rs 35,170 million to Rs 26,714 million during the current financial year, mainly as a result of decline in the prices of petroleum products.

ANALYSIS OF PROFIT AND LOSS

Revenue:
During the current year, sales revenue has decrease by 48% from Rs 128,905 million to Rs 66,565 million. This decline reflects downward trend in International prices of Petroleum Products which prevailed during the year as well as drop in Refinery's production during the third quarter of the year due to the planned tie-in connection activity of the new plants and revamping of the existing units.

Cost of Sales:
During the period under review, cost of sales decreased by 47% from Rs 128,352 million to Rs 67,467 million due to downward trend in prices of crude oil as well as underutilization of Refinery's capacity owing to ongoing Up-gradation Project.

Administration and distribution cost:
Administration and distribution cost increased by 6% from Rs 539 million in 2015 to Rs 571 million in 2016.

Finance cost:
During the year finance cost has decreased as a result of stability in Pak Rupee versus US Dollar.

Other Income:
Other income decreased by 31% from Rs 1,350 million to Rs 927 million mainly on account of reduction in income from bank deposits.

Provision for taxation:
Provision for taxation has decreased due to reduced taxable income for the year as compared to the last year.

Non-refinery income:
Non-refinery income increased from Rs 1,409 million to Rs 1,520 million due to increase in dividend income during the year as compared to the last year.

ANALYSIS OF CASH FLOWS STATEMENT

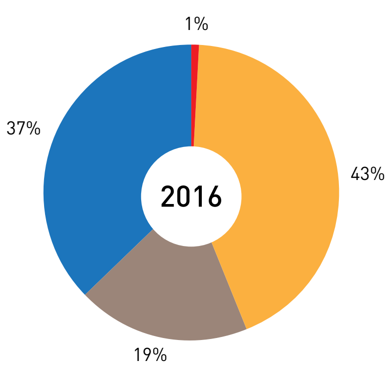
Operating activities:
There was a net cash outflow of Rs 2,728 million during the year. The main reason was unfavorable fluctuation in prices of crude oil and petroleum products.

Investing activities:
Cash outflow from investing activities has significantly decreased during the current Financial Year as the Up-gradation Project has entered into its completion stage.

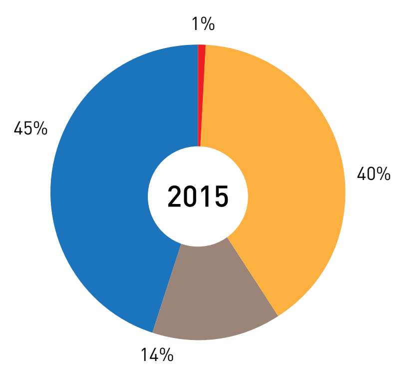
Financing activities:
Cash inflow from Long term financing has significantly decreased during the current Financial Year as the Up-gradation Project has entered into its completion stage.

Balance Sheet Composition
Attock Refinery Limited

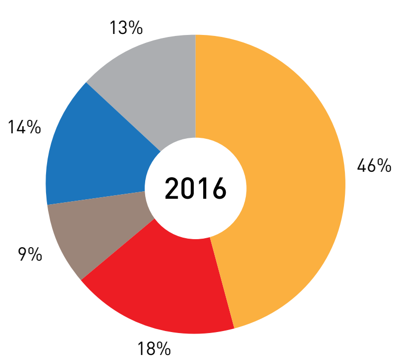
EQUITIES AND LIABILITIES
(In percentage)



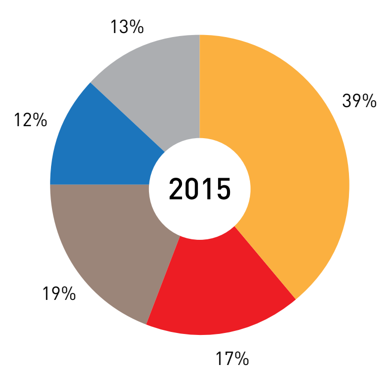
- Current liabilities and provisions
- Reserves and surplus
- Long term financing
- Issued, subscribed and paid-up capital



FIXED AND CURRENT ASSETS
(In percentage)



- Property, plant and equipment
- Long term investments
- Trade debts
- Stock-in-trade and others
- Cash and bank balances



Vertical
Analysis

	2016		2015	
	Rs in million	%	Rs in million	%
BALANCE SHEET				
Equity and reserves	22,377.61	29.59	22,014.20	27.35
Surplus on revaluation of freehold land	10,811.95	14.30	10,811.95	13.43
Long term loan	14,613.68	19.33	11,108.99	13.80
Non-current liabilities	-	-	-	-
Total current liabilities	27,815.95	36.78	36,568.27	45.42
	75,619.19	100.00	80,503.41	100.00
Property, plant and equipment	34,965.03	46.24	31,571.32	39.22
Long term investments	13,264.92	17.54	13,264.92	16.48
Non-current assets	675.54	0.89	496.89	0.62
Stores, spares and loose tools	1,815.41	2.40	2,008.56	2.49
Stock-in-trade	6,707.64	8.87	6,574.13	8.17
Trade debts	6,889.43	9.11	14,417.78	17.91
Loans, advances, deposits, prepayments and other receivables	1,618.02	2.14	1,475.22	1.83
Cash and bank balances	9,683.20	12.81	10,694.59	13.28
	75,619.19	100.00	80,503.41	100.00
PROFIT & LOSS ACCOUNT				
Net Sales	66,564.92	100.00	128,905.43	100.00
Cost of sales	(67,466.76)	(101.35)	(128,352.37)	(99.57)
Gross (loss)/ profit	(901.84)	(1.35)	553.06	0.43
Administration expense	(520.55)	(0.78)	(492.55)	(0.38)
Distribution cost	(50.54)	(0.08)	(46.48)	(0.04)
Other charges	(5.80)	(0.01)	(81.94)	(0.06)
	(576.89)	(0.87)	(620.97)	(0.48)
Operating (loss)/ profit	(1,478.73)	(2.22)	(67.91)	(0.05)
Other income	927.37	1.39	1,349.64	1.05
	(551.36)	(0.83)	1,281.73	1.00
Finance cost	(156.88)	(0.24)	(315.12)	(0.25)
(Loss)/ profit before taxation from refinery operations	(708.24)	(1.07)	966.61	0.75
Provision for taxation	4.82	0.01	(561.81)	(0.44)
(Loss) / profit after taxation from refinery operations	(703.42)	(1.06)	404.80	0.31
Income from non-refinery operations less applicablecharges and taxation	1,519.74	2.28	1,409.46	1.09
Profit for the year	816.32	1.22	1,814.26	1.40

2014		2013		2012		2011	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
20,346.09	30.14	18,020.99	27.87	14,895.22	15.89	12,459.06	19.56
10,811.95	16.02	8,745.22	13.53	8,745.22	9.33	8,745.22	13.73
480.69	0.71	-	-	-	-	-	-
-	-	-	-	-	-	158.40	0.25
35,861.58	53.13	37,888.48	58.60	70,074.47	74.78	42,331.76	66.46
67,500.31	100.00	64,654.69	100.00	93,714.91	100.00	63,694.44	100.00
16,858.66	24.98	10,015.57	15.50	9,840.29	10.50	9,670.97	15.18
13,264.92	19.65	13,264.92	20.52	13,264.92	14.15	13,264.92	20.83
254.36	0.38	127.42	0.17	105.02	0.11	169.90	0.27
786.54	1.17	688.13	1.06	673.85	0.72	619.92	0.97
11,555.71	17.11	11,744.81	18.17	10,650.69	11.37	10,872.58	17.07
13,239.27	19.61	17,499.31	27.07	49,115.76	52.41	25,053.68	39.33
273.93	0.41	309.56	0.48	220.71	0.24	178.21	0.28
11,266.92	16.69	11,004.97	17.03	9,843.67	10.50	3,864.28	6.07
67,500.31	100.00	64,654.69	100.00	93,714.91	100.00	63,694.44	100.00
175,067.85	100.00	163,300.53	100.00	154,381.56	100.00	116,397.37	100.00
(174,930.91)	(99.92)	(160,259.07)	(98.14)	(152,362.20)	(98.69)	(114,900.76)	(98.71)
136.94	0.08	3,041.46	1.86	2,019.35	1.31	1,496.61	1.29
(425.89)	(0.24)	(358.36)	(0.22)	(340.01)	(0.22)	(282.92)	(0.24)
(43.53)	(0.02)	(40.40)	(0.02)	(37.62)	(0.02)	(32.88)	(0.03)
(102.86)	(0.06)	(405.96)	(0.25)	(264.53)	(0.17)	(208.71)	(0.18)
(572.28)	(0.32)	(804.72)	(0.49)	(642.16)	(0.41)	(524.51)	(0.45)
(435.34)	(0.24)	2,236.74	1.37	1,377.19	0.90	972.10	0.84
1,764.18	1.01	3,082.10	1.89	2,388.77	1.55	1,565.59	1.35
1,328.84	0.77	5,318.84	3.26	3,765.96	2.45	2,537.69	2.19
(1.75)	-	(548.56)	(0.34)	(994.74)	(0.65)	(45.41)	(0.04)
1,327.09	0.77	4,770.28	2.92	2,771.22	1.80	2,492.28	2.15
(630.81)	(0.36)	(2,142.68)	(1.31)	(1,625.18)	(1.06)	(1,375.12)	(1.18)
696.28	0.41	2,627.60	1.61	1,146.04	0.74	1,117.16	0.97
1,847.13	1.06	1,298.10	0.79	1,588.64	1.03	1,068.39	0.92
2,543.41	1.47	3,925.70	2.40	2,734.68	1.77	2,185.55	1.89

Horizontal
Analysis

	2016		2015	
	Increase/ (Decrease) from last year		Increase/ (Decrease) from last year	
	Rs in million	%	Rs in million	%
BALANCE SHEET				
Equity and reserves	22,377.61	1.65	22,014.20	8.20
Surplus on revaluation of freehold land	10,811.95	-	10,811.95	-
Long term loan	14,613.68	31.55	11,108.99	2,211.05
Non-current liabilities	-	-	-	-
Total current liabilities	27,815.95	(23.93)	36,568.27	1.97
	75,619.19	(6.07)	80,503.41	19.26
Property, plant and equipment	34,965.03	10.75	31,571.32	87.27
Long term investments	13,264.92	-	13,264.92	-
Non-current assets	675.54	35.95	496.89	95.35
Stores, spares and loose tools	1,815.41	(9.62)	2,008.56	155.37
Stock-in-trade	6,707.64	2.03	6,574.13	(43.11)
Trade debts	6,889.43	(52.22)	14,417.78	8.90
Loans, advances, deposits, prepayments and other receivables	1,618.02	9.68	1,475.22	438.54
Cash and bank balances	9,683.20	(9.46)	10,694.59	(5.08)
	75,619.19	(6.07)	80,503.41	19.26
PROFIT & LOSS ACCOUNT				
Net Sales	66,564.92	(48.36)	128,905.43	(26.37)
Cost of sales	(67,466.76)	(47.44)	(128,352.37)	(26.63)
Gross (loss)/ Profit	(901.84)	(263.06)	553.06	303.86
Administration expenses	(520.55)	5.68	(492.55)	15.65
Distribution cost	(50.54)	8.73	(46.48)	6.78
Other charges	(5.80)	(92.92)	(81.94)	(20.34)
	(576.89)	(7.10)	(620.97)	8.51
Operating (loss)/ profit	(1,478.73)	2,077.45	(67.91)	(84.40)
Other income	927.37	(31.29)	1,349.64	(23.50)
	(551.36)	(143.02)	1,281.73	(3.55)
Finance cost	(156.88)	(50.22)	(315.12)	17,906.86
(Loss)/ profit before taxation from refinery operations	(708.24)	(173.27)	966.61	(27.16)
Provision for taxation	4.82	(100.86)	(561.81)	(10.94)
(Loss)/ profit/ after taxation from refinery operations	(703.42)	(273.77)	404.80	(41.86)
Income from non-refinery operations less applicablecharges and taxation	1,519.74	7.82	1,409.46	(23.69)
Profit for the year	816.32	(55.01)	1,814.26	(28.67)

	2014		2013		2012		2011	
	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	%
	20,346.09	12.90	18,020.99	20.99	14,895.22	19.55	12,459.06	100.00
	10,811.95	23.63	8,745.22	-	8,745.22	-	8,745.22	100.00
	480.69	100.00	-	-	-	-	-	-
	-	-	-	-	-	(100.00)	158.40	100.00
	35,861.58	(5.35)	37,888.48	(45.93)	70,074.47	65.54	42,331.76	100.00
	67,500.31	4.40	64,654.69	(31.01)	93,714.91	47.13	63,694.44	100.00
	16,858.66	68.32	10,015.57	1.78	9,840.29	1.75	9,670.97	100.00
	13,264.92	-	13,264.92	-	13,264.92	-	13,264.92	100.00
	254.36	99.62	127.42	21.33	105.02	(38.19)	169.90	100.00
	786.54	14.30	688.13	2.12	673.85	8.70	619.92	100.00
	11,555.71	(1.61)	11,744.81	10.27	10,650.69	(2.04)	10,872.58	100.00
	13,239.27	(24.34)	17,499.31	(64.37)	49,115.76	96.04	25,053.68	100.00
	273.93	(11.51)	309.56	40.26	220.71	23.85	178.21	100.00
	11,266.92	2.38	11,004.97	11.80	9,843.67	154.74	3,864.28	100.00
	67,500.31	4.40	64,654.69	(31.01)	93,714.91	47.13	63,694.44	100.00
	175,067.85	7.21	163,300.53	5.78	154,381.56	32.63	116,397.37	100.00
	(174,930.91)	9.16	(160,259.07)	5.18	(152,362.20)	32.60	(114,900.76)	100.00
	136.94	(95.50)	3,041.46	50.62	2,019.35	34.93	1,496.61	100.00
	(425.89)	18.84	(358.36)	5.40	(340.01)	20.18	(282.92)	100.00
	(43.53)	7.75	(40.40)	7.40	(37.62)	14.41	(32.88)	100.00
	(102.86)	(74.66)	(405.96)	53.46	(264.53)	26.75	(208.71)	100.00
	(572.28)	(28.88)	(804.72)	25.31	(642.16)	22.43	(524.51)	100.00
	(435.34)	(119.46)	2,236.74	62.41	1,377.19	41.67	972.10	100.00
	1,764.18	(42.76)	3,082.10	29.02	2,388.77	52.58	1,565.59	100.00
	1,328.84	(75.02)	5,318.84	41.23	3,765.96	48.40	2,537.69	100.00
	(1.75)	(99.68)	(548.56)	(44.85)	(994.74)	2,090.67	(45.41)	100.00
	1,327.09	(72.18)	4,770.28	72.14	2,771.22	11.19	2,492.28	100.00
	(630.81)	(70.56)	(2,142.68)	31.84	(1,625.18)	18.18	(1,375.12)	100.00
	696.28	(73.50)	2,627.60	129.29	1,146.04	2.59	1,117.16	100.00
	1,847.13	42.29	1,298.10	(18.29)	1,588.64	48.69	1,068.39	100.00
	2,543.41	(35.21)	3,925.70	43.55	2,734.68	25.13	2,185.55	100.00

Statement of
Contribution & Value Addition

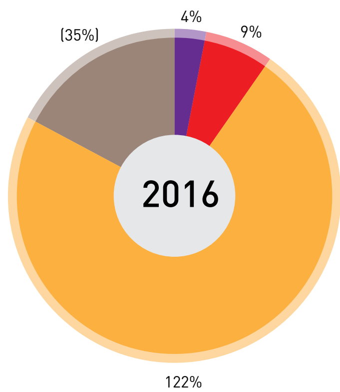
(Rs in million)

	2016	2015
VALUE ADDITION DURING THE YEAR		
Employees as remuneration	1,247	1,107
Government as taxes	29,087	34,120
Shareholders as dividends*	426	426
Retained with the business	-	259
Foreign exchange savings US$ 79 million		
CONTRIBUTION TO NATIONAL EXCHEQUER		
Government levies on petroleum products	29,087	34,120
Income tax paid	445	2,667
Import/ export duties	54	59
Total	29,587	36,846

* The Board has proposed a final cash dividend @ 50% in its meeting held on August 15, 2016.

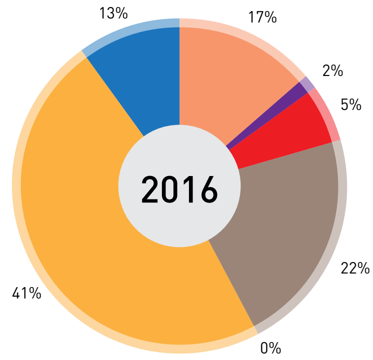
Financial Highlights
Attock Hospital (Pvt.) Limited

EQUITIES & LIABILITIES
(In Percentage)



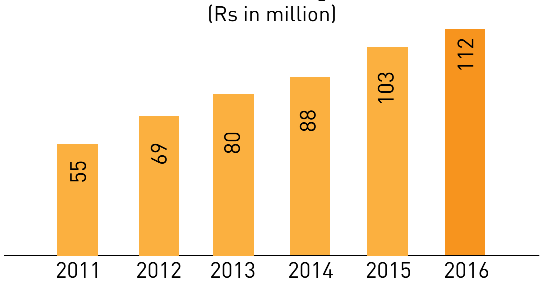
- Paid-up capital
- Capital reserve
- Trade and other payabes
- Accumulated profit

FIXED AND CURRENT ASSETS
(In Percentage)

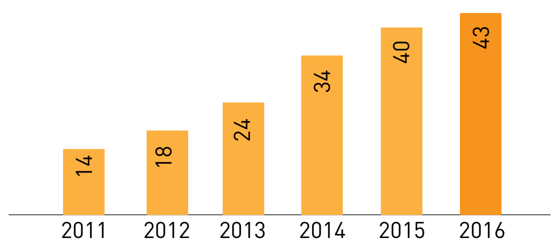


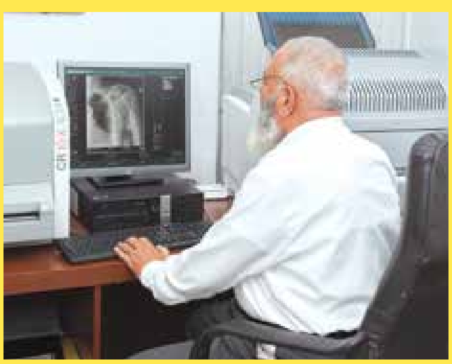
- Property, plant and equipment
- Stock of medicines and consumable items
- Trade debts
- Deferred Taxation
- Cash and bank balances
- Income tax refundable
- Prepayment and other receivables

Total Revenue including Other Income
(Rs in million)



Revenue from Private Patients
(Rs in million)





Pattern of Shareholding
as at June 30, 2016

Number of Shareholders	Shareholding From	To	Total Shares Held
793	1	100	38,587
799	101	500	258,204
403	501	1,000	345,431
719	1,001	5,000	1,738,614
165	5,001	10,000	1,338,458
65	10,001	15,000	840,312
38	15,001	20,000	709,319
35	20,001	25,000	827,584
15	25,001	30,000	423,000
10	30,001	35,000	325,970
9	35,001	40,000	351,785
7	40,001	45,000	304,212
10	45,001	50,000	484,247
2	50,001	55,000	107,190
10	55,001	60,000	587,812
1	60,001	65,000	65,000
2	65,001	70,000	139,000
3	70,001	75,000	221,600
2	75,001	80,000	151,960
2	80,001	85,000	167,300
2	90,001	95,000	183,400
3	95,001	100,000	300,000
5	100,001	105,000	517,224
1	105,001	110,000	107,900
2	115,001	120,000	235,900
2	120,001	125,000	248,000
1	125,001	130,000	127,500
2	130,001	135,000	264,500
1	135,001	140,000	135,200
1	140,001	145,000	142,000
3	145,001	150,000	449,300
2	150,001	155,000	306,114
1	175,001	180,000	176,000
3	180,001	185,000	550,000
2	185,001	190,000	373,100
4	195,001	200,000	800,000
1	220,001	225,000	223,700
1	235,001	240,000	237,600
3	245,001	250,000	746,872
1	260,001	265,000	263,800
1	275,001	280,000	277,115
1	290,001	295,000	290,500
1	295,001	300,000	296,200
1	305,001	310,000	308,359
1	340,001	345,000	341,700
1	345,001	350,000	347,034
1	375,001	380,000	380,000
1	390,001	395,000	390,062
2	420,001	425,000	842,109
1	430,001	435,000	431,000
1	435,001	440,000	435,400
1	445,001	450,000	449,000

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
1	480,001	485,000	481,700
1	490,001	495,000	494,000
1	495,001	500,000	497,900
1	545,001	550,000	550,000
1	580,001	585,000	584,050
1	635,001	640,000	639,700
1	720,001	725,000	723,385
1	895,001	900,000	898,000
1	910,001	915,000	912,010
1	915,001	920,000	916,057
1	1,000,001	1,005,000	1,000,200
1	1,070,001	1,075,000	1,071,900
1	1,430,001	1,435,000	1,432,000
1	2,450,001	2,455,000	2,450,700
1	7,260,001	7,265,000	7,260,400
1	44,775,001	44,780,000	44,778,824
3160	**Total**		**85,293,000**

Categories of Shareholders
as at June 30, 2016

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/CDC	Category-wise shares held	%age
1	**Individuals**		2,938	13,051,884	15.30
2	**Investment Companies**		5	479,000	0.56
3	**Joint Stock Companies**		73	2,440,219	2.86
4	**Directors, Chief Executive Officer and their Spouse and Minor Children**		10	242,221	0.29
	Dr. Ghaith R. Pharaon	24			
	Mr. Laith G. Pharaon	1			
	Mr. Mofarrih Saeed H. Alghamdi	1			
	Mr. Shuaib A. Malik	237,501			
	Mr. Abdus Sattar	1			
	Mr. Sajid Nawaz	5			
	Mr. Tariq Iqbal Khan	1			
	Mr. Muhammad Adil Khattak (CEO)	4,687			
5	**Executives**		31	5,899	0.01
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	3,918,706	4.60
9	**Mutual Funds**		52	5,725,623	6.71
	Prudential Stocks Fund Limited (03360)	8,400			
	Pak Qatar Individual Family Participant Investment Fund	8,000			
	CDC - Trustee JS Large Cap. Fund	105,000			
	CDC - Trustee MCB Pakistan Islamic Stock Fund	56,700			
	CDC - Trustee Meezan Balanced Fund	43,000			
	CDC - Trustee First Dawood Mutual Fund	5,000			
	CDC - Trustee JS Islamic Fund	85,000			
	CDC - Trustee Alfalah GHP Value Fund	24,000			
	CDC - Trustee AKD Index Tracker Fund	7,219			
	CDC - Trustee AKD Opportunity Fund	435,400			
	CDC - Trustee Al Meezan Mutual Fund	181,800			
	CDC - Trustee Meezan Islamic Fund	497,900			
	CDC - Trustee UBL Stock Advantage Fund	69,000			
	Pak Qatar Individual Family Participant Invest Fund	10,500			
	CDC - Trustee Al-Ameen Shariah Stock Fund	237,600			
	CDC - Trustee NAFA Stock Fund	341,700			
	CDC - Trustee NAFA Multi Asset Fund	73,600			
	CDC - Trustee MCB DCF Income Fund	32,000			
	CDC - Trustee First Habib Income Fund	104,000			
	CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	105,000			
	CDC - Trustee Dawood Islamic Fund	5,000			
	CDC - Trustee Alfalah GHP Islamic Stock Fund	127,500			
	CDC - Trustee NAFA Islamic Asset Allocation Fund	184,600			
	CDC - Trustee JS Islamic Pension Savings Fund-Equity Account	800			
	CDC - Trustee Alfalah GHP Stock Fund	123,000			
	CDC - Trustee Alfalah GHP Alpha Fund	60,000			

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/CDC	Category-wise shares held	%age
	CDC - Trustee NIT-Equity Market Opportunity Fund	390,062			
	CDC - Trustee NAFA Asset Allocation Fund	47,600			
	CDC - Trustee AKD Aggressive Income Fund - MT	82,300			
	CDC - Trustee PICIC Income Fund - MT	8,700			
	CDC - Trustee Alfalah GHP Income Fund - MT	100,000			
	CDC - Trustee KSE Meezan Index Fund	37,285			
	MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	23,000			
	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	22,500			
	CDC - Trustee First Habib Islamic Balanced Fund	4,200			
	CDC - Trustee Atlas Income Fund - MT	296,200			
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	17,900			
	CDC - Trustee NAFA Islamic Pension Fund Equity Account	14,600			
	CDC - Trustee First Capital Mutual Fund	4,800			
	CDC - Trustee Al-Ameen Islamic Asset Allocation Fund	45,000			
	CDC - Trustee Faysal Savings Growth Fund - MT	185,600			
	CDC - Trustee National Investment (Unit) Trust	916,157			
	CDC - Trustee Askari High Yield Scheme - MT	58,200			
	CDC - Trustee Pakistan Islamic Pension Fund - Equity Sub Fund	18,000			
	CDC - Trustee NAFA Islamic Stock Fund	92,400			
	CDC - Trustee Alfalah GHP Income Multiplier Fund - MT	5,900			
	CDC - Trustee Al Ameen Islamic Dedicated Equity Fund	150,000			
	CDC - Trustee NAFA Islamic Active Allocation Equity Fund	49,000			
	CDC - Trustee Faysal MTS Fund - MT	20,900			
	CDC - Trustee Meezan Asset Allocation Fund	20,000			
	CDC - Trustee NAFA Islamic Energy Fund	183,600			
10	**Foreign Investors**		11	3,361,524	3.94
11	**Co-operative Societies**		0	0	0.00
12	**Charitable Trusts**		0	0	0.00
13	**Others**		3	2,596,700	3.04
	Total		3,160	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	% age
The Attock Oil Company Limited	Falls in Category # 6	52,039,224	61.01

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

Name	Designation	No. of shares purchased	No. of shares sold
Mr. Shuaib A. Malik	Director & Chairman	13,800	-
Mr. Mofarrih Saeed H. Alghamdi	Director	1	-
Mr. Sajid Nawaz	Director	5	-
Mr. S. Asad Abbas	CFO	-	1
Mr. Muhammad Hashim Ali	Executive	-	5

Code of Conduct

INTRODUCTION

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

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

1. Integrity & Ethics

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

i) Respect, Honesty and Integrity

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

ii) Compliance with Laws, Rules and Regulations

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

iii) Full and Fair Disclosure

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

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

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

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

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

Directors and employees becoming aware of information which might be price sensitive with respect to the Company's shares have to make sure that such information is treated strictly confidentially and not disclosed to any colleagues or to third parties other than on a strict need-to know basis.

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

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

viii) **Corporate Opportunities**
Directors and Employees are expected not to:

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

b) use Company's property, information, or position for personal gains.

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

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

The Company is committed to selling its products and

Code of Conduct

services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code.

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

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

x) Protect Health, Safety and Security
The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws. Employees and directors should avoid violence and threatening behavior and report to work in fair condition to perform their duties.

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

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

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

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

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

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

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

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

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

xv) Internet use/ Information Technology
As a general rule, all Information Technology related resources and

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

xvi) Compliance with Business Travel Policies

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

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

2. Quality

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

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

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

3. Social Responsibility

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

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

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

4. Learning and Innovation

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

All employees of ARL will strive to keep themselves abreast with the new developments in their respective areas and will not hesitate to take initiatives that could bring improvement in the way of our working. All efforts in this respect should eventually translate into improved efficiencies and minimization of wastages at all levels.

The Company encourages and facilitates its employees in the activities of knowledge

Code of Conduct

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, 2016**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19.23 of listing regulations of the Rule Book of the Pakistan Stock Exchange Limited 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 Director	Mr. Shamim Ahmad Khan
Executive Directors	–
Non-Executive Directors	Dr. Ghaith R. Pharaon Mr. Laith G. Pharaon Mr. Mofarrih Saeed H. Alghamdi Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. Sajid Nawaz

The independent director meets the criteria of independence under clause 5.19.1(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 DFI or an NBFI or, being Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurring on the board on November 13, 2015 was filled up by the directors within 3 days.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

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 along with 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 and, in his absence, 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, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Out of the seven (7) elected Directors of the Company, five (5) Directors meet the exemption requirement of the Director's Training Program (DTP). During the year 2015-16 one (1) director has completed DTP.

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. Till June 30, 2016, the Committee was comprised of four (4) members, of whom all were non-executive directors. Although there was no independent director in the Committee, the meetings of the Committee were also attended by the independent director on invitation. Subsequent to June 30, 2016, the Board has appointed Mr. Shamim Ahmad Khan (Independent Director) as member of the Audit Committee. Now the Committee comprises of five (5) members of whom all are non-executive directors including one 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, 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 of three (3) members, of whom two (2) are non-executive directors. The CEO is also member of the Committee. 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.

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

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

-Sd-

(M. ADIL KHATTAK)
Chief Executive Officer

August 15, 2016

Review Report to the Members

on Statement of Compliance with the Code of Corporate Governance

A·F·FERGUSON&Co.

CHARTERED ACCOUNTANTS
KARACHI-LAHORE-ISLAMABAD

pwc

We have reviewed the enclosed Statement of Compliance (the statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Attock Refinery Limited (the Company) for the year ended June 30, 2016, to comply with the requirements of Clause No. 5.19.23 of the Pakistan Stock Exchange Limited Regulations.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out 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 does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

Further, we highlight the matter in relation to the requirement of the Code in respect of appointment of Independent director on the Audit Committee as referred to in paragraph 15 of the Statement.

-Sd-

Chartered Accountants
Islamabad : August 15, 2016

Engagement Partner: S. Haider Abbas

Annual Audited Financial Statements
for the year ended June 30, 2016

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, 2016 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 except for the change as stated in note 4.11 with which we concur;

 (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, 2016 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 15, 2016
Engagement partner: S. Haider Abbas

Balance Sheet

As at June 30, 2016

	Note	2016 Rs '000	2015 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised share capital	6	1,500,000	1,500,000
Issued, subscribed and paid-up capital	6	852,930	852,930
Reserves and surplus	7	21,524,684	21,161,269
		22,377,614	22,014,199
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	10,811,949	10,811,949
		33,189,563	32,826,148
NON CURRENT LIABILITIES			
LONG TERM FINANCING	9	14,613,682	11,108,993
CURRENT LIABILITIES			
Trade and other payables	10	23,043,629	31,906,193
Accrued markup on long term financing	9	266,556	245,983
Current portion of long term financing	9	550,000	550,000
Provision for taxation		3,955,760	3,866,096
		27,815,945	36,568,272
TOTAL EQUITY AND LIABILITIES		75,619,190	80,503,413

CONTINGENCIES AND COMMITMENTS 11

	Note	2016 Rs '000	2015 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	12,148,054	11,680,749
Capital work-in-progress	13	22,733,687	19,804,158
Major spares parts and stand-by equipment		83,293	86,408
		34,965,034	31,571,315
LONG TERM INVESTMENTS	14	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	15	31,289	29,014
DEFERRED TAXATION	16	644,246	467,881
CURRENT ASSETS			
Stores, spares and loose tools	17	1,815,409	2,008,565
Stock-in-trade	18	6,707,642	6,574,133
Trade debts	19	6,889,427	14,417,778
Loans, advances, deposits, prepayments			
and other receivables	20	1,618,030	1,475,222
Cash and bank balances	21	9,683,198	10,694,590
		26,713,706	35,170,288
TOTAL ASSETS		75,619,190	80,503,413

The annexed notes 1 to 43 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Profit and Loss Account

For the year ended June 30, 2016

	Note	2016 Rs '000	2015 Rs '000
Gross sales	22	95,960,398	164,391,917
Taxes, duties, levies and price differential	23	(29,395,474)	(35,486,486)
Net sales		66,564,924	128,905,431
Cost of sales	24	(67,466,755)	(128,352,371)
Gross (loss)/ profit		(901,831)	553,060
Administration expenses	25	(520,546)	(492,554)
Distribution cost	26	(50,538)	(46,483)
Other charges	27	(5,800)	(81,940)
		(576,884)	(620,977)
Other income	28	927,384	1,349,643
Operating (loss)/ profit		(551,331)	1,281,726
Finance cost	29	(156,881)	(315,116)
(Loss)/ profit before taxation from refinery operations		(708,212)	966,610
Provision for taxation	30	4,819	(561,808)
(Loss)/ profit after taxation from refinery operations		(703,393)	404,802
Income from non-refinery operations less			
applicable charges and taxation	31	1,519,743	1,409,455
Profit for the year		816,350	1,814,257
Earnings per share - Basic and diluted (Rs)			
Refinery operations		(8.25)	4.75
Non-refinery operations		17.82	16.52
	32	9.57	21.27

The annexed notes 1 to 43 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Statement of Comprehensive Income

For the year ended June 30, 2016

	Note	2016 Rs '000	2015 Rs '000
Profit for the year		816,350	1,814,257
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on staff retirement benefit plans	33	(28,300)	(211,456)
Related deferred tax credit		8,490	67,666
Effect of change in rate of tax		(6,660)	(2,354)
Other comprehensive loss - net of tax		(26,470)	(146,144)
Total comprehensive income for the year		789,880	1,668,113

The annexed notes 1 to 43 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Cash Flow Statement

For the year ended June 30, 2016

	2016 Rs '000	2015 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - customers	103,450,830	166,959,655
- others	309,395	279,282
	103,760,225	167,238,937
Cash paid for operating costs	(76,955,240)	(130,051,823)
Cash paid to Government for duties, taxes and other levies	(29,087,415)	(34,120,479)
Income tax paid	(445,265)	(2,666,683)
Net cash (outflows) / inflows from operating activities	(2,727,695)	399,952
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,491,968)	(14,558,833)
Sale of operating assets	6,063	6,406
Long term loans and deposits	(2,275)	(1,024)
Income on bank deposits received	546,280	1,051,651
Dividends received	1,769,204	1,669,081
Net cash flows used in the investing activities	(172,696)	(11,832,719)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	3,650,000	11,375,000
Transaction cost on long term financing	(16,942)	(14,328)
Finance cost	(1,319,015)	(501,627)
Dividends paid	(426,465)	-
Net cash flows from financing activities	1,887,578	10,859,045
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(1,012,813)	(573,722)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,694,590	11,266,916
Effect of exchange rate changes	1,421	1,396
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,683,198	10,694,590

The annexed notes 1 to 43 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Statement of Changes in Equity

For the year ended June 30, 2016

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Investment reserve	General reserve	Un-appropriated Profit	Surplus on revaluation of freehold land	Total
				Rs '000				
Balance at June 30, 2014	852,930	5,948	9,196,210	3,762,775	55	6,528,168	10,811,949	31,158,035
Total comprehensive income								
Profit for the year	-	-	-	-	-	1,814,257	-	1,814,257
Other comprehensive loss for the year	-	-	-	-	-	(146,144)	-	(146,144)
	-	-	-	-	-	1,668,113	-	1,668,113
Transfer to special reserve for expansion /								
modernisation - note 7.1	-	-	259,002	-	-	(259,002)	-	-
Balance at June 30, 2015	852,930	5,948	9,455,212	3,762,775	55	7,937,279	10,811,949	32,826,148
Distribution to owners:								
Final cash dividend @ 50% related to								
the year ended June 30, 2015	-	-	-	-	-	(426,465)	-	(426,465)
Total comprehensive income								
Profit for the year	-	-	-	-	-	816,350	-	816,350
Other comprehensive loss for the year	-	-	-	-	-	(26,470)	-	(26,470)
	-	-	-	-	-	789,880	-	789,880
Transfer to special reserve for expansion /								
modernisation - note 7.1	-	-	-	-	-	-	-	-
Balance at June 30, 2016	852,930	5,948	9,455,212	3,762,775	55	8,300,694	10,811,949	33,189,563

The annexed notes 1 to 43 form 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, 2016

1. LEGAL STATUS AND OPERATIONS

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

The Company is subsidiary of the Attock Oil Company Limited, 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 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. These are separate financial statements of the Company.

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

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

		Effective date (annual reporting periods beginning on or after)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments)	July 1, 2016
IFRS 7	Financial Instruments: Disclosures (Amendments)	July 1, 2016
IFRS 11	Joint Arrangements (Amendments)	January 1, 2017
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2016
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2016
IAS 19	Employee Benefits (Amendments)	January 1, 2016
IAS 27	Separate Financial Statements (Amendments)	January 1, 2016
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2016
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016
IAS 41	Agriculture (Amendments)	January 1, 2016

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures. The Company is yet to assess the full impact of the amendments.

3.2 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:

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 9 Financial instruments

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 4.7, certain financial instruments which are carried at their fair values and staff retirement gratuity and pension plans which are carried at present value of defined benefit obligation net of fair value of plan assets.

4.2 Dividend and reserves appropriation

Dividend is recognised as a liability in the financial statements in the period in which it is declared. Movement in reserves is recognised in the year in which it is approved.

4.3 Employee retirement benefits

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

(i) Defined benefit plans

The Company operates 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. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method, related details of which are given in note 33 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year.

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

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

(ii) Defined contribution plans

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

4.4 Employee compensated absences

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

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

4.5 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is accounted for using the 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, un-used tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are substantially expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

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

4.6 Provisions

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

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

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 major spare parts and standby equipment are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) 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 disposal

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

4.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation/ 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

4.9.1 Investment in subsidiaries

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

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

4.9.2 Investment in associates

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

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.

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

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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.

Previously, the stock-in-trade was valued at lower of cost on weighted average basis of valuation and net realisable value. During the year, the Company changed its policy for valuation of stock-in-trade from weighted average to First-In-First-Out (FIFO) basis in order to be consistent with industry and group companies practice. Such change in accounting policy has not been accounted for retrospectively and corresponding figures for prior periods have not been restated due to immaterial impact. Had the accounting policy not been changed, stock-in -trade as at June 30, 2016 and profit before tax from refinery operations for the year ended June 30, 2016 would have been increased by Rs 65.337 million while profit after tax for the year would have increased by Rs 42.150 million.

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 costs

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 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 of 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 debts and other receivables

Trade debts and other receivables are recognised and carried at their amortised cost less an allowance for any uncollectable amounts. Carrying amounts of trade debts and other receivables are assessed on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

4.18 Earnings per share

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

4.19 Finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gain on disposal of available-for-sale financial assets and changes in fair value of investments

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

held for trading. Interest income is recognised as it accrues in the profit and loss account, using effective interest method. Dividend income is recognised in the profit and loss account on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through the profit and loss account and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit and loss account using effective interest method.

Foreign currency gains and losses are reported separately.

4.20 Contingent Liabilities

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

4.21 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.

4.22 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.

4.23 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.

4.24 Functional and presentation currency

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

4.25 Borrowings

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

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

4.26 Operating segments

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

5. 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) Estimated useful life of operating assets - note 12

ii) Revaluation surplus on freehold land - note 8

iii) Provision for taxation - note 30

iv) Provision for employees' defined benefit plans - note 33

6. SHARE CAPITAL

6.1 Authorised share capital

2016	2015		2016	2015
Number of shares			Rs '000	Rs '000
150,000,000	150,000,000	Ordinary shares of Rs 10 each	1,500,000	1,500,000

6.2 Issued, subscribed and paid up capital

2016	2015		2016	2015
Number of shares			Rs '000	Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
77,293,000	77,293,000	Shares issued as fully paid bonus shares	772,930	772,930
85,293,000	85,293,000		852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2015: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2015: 1,432,000) ordinary shares at the year end.

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	2016 Rs '000	2015 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	9,422,283	9,422,283
	9,455,212	9,455,212
Revenue reserve		
Investment reserve - note 7.2	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	8,300,694	7,937,279
	12,063,524	11,700,109
	21,524,684	21,161,269

7.1 Represents amounts retained as per the stipulations of the Government under the pricing formula and is available only for making investment in expansion or Up-gradation of the refinery. Transfer to / from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit / loss on an annual basis.

Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Petroleum & Natural Resources (MP&NR) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 to a Special Reserve Account which shall be available for utilisation exclusively for Up-gradation of refineries. The earlier requirement of opening and maintaining ESCROW account and transferring of the available balance of special reserve to such account has been withdrawn during the year. Further, the deadline for completion of Isomerization complex and Diesel Hydro Desulphurization project has been extended from January 1, 2016 to June 30, 2017. Moreover, the proposal for enhancing the existing 7.5% import duty on High Speed Diesel to 9% (as deemed duty) with effect from January 1, 2016 has also been disallowed. The Company has taken up the matter of withdrawal of additional deemed duty with MP&NR for its restoration.

Following is the status of utilisation out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to June 30, 2016:

	2016 Rs '000	2015 Rs '000
Balance of Special Reserve at year end	9,455,212	9,455,212
Less: Capital expenditure incurred till June 30	27,755,197	24,281,521
(Over)/under spent from Special Reserve	(18,299,985)	(14,826,309)

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

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 operating asset of the Company.

		2016 Rs '000	2015 Rs '000
9.	**LONG TERM FINANCING - secured**		
	From banking companies		
	Syndicated Term Finance - note 9.1	11,808,983	9,155,967
	Musharaka Finance - note 9.2	3,864,555	2,996,217
		15,673,538	12,152,184
	Less: Unamortized transaction cost on financing:		
	Balance at the beginning of the year	247,208	249,797
	Addition during the year	16,942	14,328
	Amortization for the year	(20,850)	(16,917)
	Balance at the end of the year	243,300	247,208
		15,430,238	11,904,976
	Current portion of long term financing	(550,000)	(550,000)
		14,880,238	11,354,976
	Mark-up payable shown as current liability	(266,556)	(245,983)
		14,613,682	11,108,993

9.1 The Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 month KIBOR plus 1.70% which will be payable on quarterly basis. The tenure of this facility is 12 years including the grace period of 2 years. Upto June 30, 2016 aggregate draw down was Rs 11,874.48 million (June 30, 2015: Rs 9,124.54 million).

9.2 The Company has obtained musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts

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For the year ended June 30, 2016

to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is 62.59% while its share in Musharaka Assets B is 69.90% respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 37.41% while its share in Musharaka Assets B is 30.10% respectively. The tenure of this facility is 12 years including the grace period of 2 years. The rental payments under this facility are calculated on the basis of 3 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto June 30, 2016 aggregate draw down was Rs 3,886.01 million (June 30, 2015: Rs 2,985.95 million).

9.3 The facilities referred to in notes 9.1 and 9.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank/ Investment Agent, permit the collective shareholding of Attock Oil Company Limited in the Company to fall below 51%.

9.4 During the year, the Company rescheduled the facilities referred to in paragraphs 9.1 and 9.2 respectively. As a result of this rescheduling, the grace period is extended by one year from existing 2 years to 3 years ending January 14, 2017 and extension in total tenure of facility from existing 12 years to 13 years. All other terms and conditions of the facilities remain the same.

	2016 Rs '000	2015 Rs '000
10. TRADE AND OTHER PAYABLES		
Creditors - note 10.1	13,375,507	21,955,995
Due to The Attock Oil Company Limited - Holding Company	31,736	38,201
Due to associated companies		
Pakistan Oilfields Limited	998,212	1,144,008
National Cleaner Production Centre Foundation	-	6,051
Accrued liabilities and provisions - note 10.1	3,723,906	3,656,892
Due to the Government under pricing formula	1,819,696	2,490,606
Customs duty payable to Government	958,559	36,458
Sales tax payable	1,057,448	1,558,193
Payable to statutory authorities in respect of petroleum development levy and excise duty	782,106	750,607
Advance payments from customers	34,869	16,078
General staff provident fund	-	2,167
Staff provident fund	-	2,337
ARL gratuity fund	28,212	89,083
Staff pension fund	186,118	150,237
Crude oil freight adjustable through inland freight equalisation margin	36,809	-
Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
Security deposits	2,417	2,417
Unclaimed dividends	7,658	6,487
	23,043,629	31,906,193

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 accounts. The amounts withheld alongwith accumulated profits amounted to Rs 2,783.31 million (2015: Rs 2,615.60 million).

			2016 Rs '000	2015 Rs '000
11.	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies:			
	i)	Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 has been withdrawn. As a result all imports relating to the ARL Up-gradation Project may be subject to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company has filed a writ petition with the Lahore High Court, Rawalpindi bench. The Honourable Court has granted interim relief by allowing release of the imports against submission of bank guarantees. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision. Accordingly, this liability has not been recognized in the financial statements. However, Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Honourable Lahore High Court Rawalpindi Bench. These guarantees include an amount of Rs 775 million on account of adjustable / claimable government levies.	1,409,711	1,404,893
	ii)	Due to circular debt in the oil industry, certain payments due from / to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
	iii)	Due to delay in the completion of ARL Up-gradation Project, the Company has lodged claims against the EPCC contractor for liquidated damages. The EPCC contractor has also submitted certain variation orders relating to the project. These claims have not been acknowledged by either party. The matter has not yet been settled and no claims/ counter claims have been recognized in the financial statements.		
	iv)	Guarantees issued by banks on behalf of the Company (other than (i) above)	394	2,019
	v)	Claims for land compensation contested by the Company	1,300	1,300
	vii)	Price adjustment related to crude oil purchases as referred to in note 24.1, the amount of which can not be presently quantified		

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For the year ended June 30, 2016

		2016 Rs '000	2015 Rs '000
Commitments outstandings:			
i)	ARL Up-gradation Projects (inclusive of foreign currency commitment of US$ 0.53 million (2015: US$ 4.95 million)).	1,185,105	2,875,260
ii)	Capital expenditure (other than (i) above)	34,447	65,959
iii)	Letters of credit for purchase of store items	18,304	27,257

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 June 30, 2014							
Cost or valuation	10,866,170	182,799	4,777,779	59,001	90,435	100,623	16,076,807
Accumulated depreciation	-	(79,736)	(4,127,924)	(45,157)	(60,543)	(74,620)	(4,387,980)
Net book value	10,866,170	103,063	649,855	13,844	29,892	26,003	11,688,827
Year ended June 30, 2015							
Opening net book value	10,866,170	103,063	649,855	13,844	29,892	26,003	11,688,827
Additions	-	11,154	94,564	7,400	9,022	14,434	136,574
Disposals							
Cost	-	-	(34,802)	(4,164)	(2,610)	(4,822)	(46,398)
Depreciation	-	-	34,205	4,122	2,356	3,343	44,026
	-	-	(597)	(42)	(254)	(1,479)	(2,372)
Depreciation charge	-	(9,450)	(112,551)	(4,985)	(5,055)	(10,239)	(142,280)
Closing net book value	10,866,170	104,767	631,271	16,217	33,605	28,719	11,680,749
As at June 30, 2015							
Cost or valuation	10,866,170	193,953	4,837,541	62,237	96,847	110,235	16,166,983
Accumulated depreciation	-	(89,186)	(4,206,270)	(46,020)	(63,242)	(81,516)	(4,486,234)
Net book value	10,866,170	104,767	631,271	16,217	33,605	28,719	11,680,749
Year ended June 30, 2016							
Opening net book value	10,866,170	104,767	631,271	16,217	33,605	28,719	11,680,749
Additions	-	12,821	518,032	10,203	50,842	27,994	619,892
Disposals							
Cost	-	-	(3,286)	-	(819)	(10,597)	(14,702)
Depreciation	-	-	3,286	-	646	10,572	14,504
	-	-	-	-	(173)	(25)	(198)
Depreciation charge	-	(9,863)	(115,533)	(6,663)	(7,746)	(12,584)	(152,389)
Closing net book value	10,866,170	107,725	1,033,770	19,757	76,528	44,104	12,148,054
As at June 30, 2016							
Cost or valuation	10,866,170	206,774	5,352,287	72,440	146,870	127,632	16,772,173
Accumulated depreciation	-	(99,049)	(4,318,517)	(52,683)	(70,342)	(83,528)	(4,624,119)
Net book value	10,866,170	107,725	1,033,770	19,757	76,528	44,104	12,148,054
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

12.1 Freehold land was revalued in May 2014 and the revaluation surplus of Rs 2,067 million was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of fixed assets. Had the free hold land been stated on the historical cast basis, the carrying amount of land would have been Rs 54.221 million (2015: Rs 54.221 million).

12.2 Operating 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	1,289	-	129	Company policy	Mr. Khalid Mehmood
	1,289	-	129	Company policy	Mr. M. Irshad Ramay
	1,289	-	129	Company policy	Mr. Nayyer Ahmed
	1,362	-	136	Company policy	Mr. Arshad Hayee Khan
	1,529	25	153	Company policy	Mr. M. Adil Khattak
	1,613	-	950	Tender/ Auction	Mr. Tariq Khan
Others	6,331	173	4,437	Tender/ Auction	Aggregate of other items of operating assets disposed off with individual book values not exceeding Rs 50 thousand
2016	14,702	198	6,063		
2015	46,398	2,372	6,406		

		2016 Rs '000	2015 Rs '000
12.3	**The depreciation charge for the year has been allocated as follows:**		
	Cost of sales - note 24	131,947	125,405
	Administration expenses - note 25	19,776	16,376
	Distribution cost - note 26	666	499
		152,389	142,280
13.	**CAPITAL WORK-IN-PROGRESS**		
	Balance as at July 1	19,804,158	5,073,763
	Additions during the year - note 13.1	3,360,319	14,830,670
	Transfer to operating assets		
	- Buildings on freehold land	12,821	11,154
	- Plant and machinery	382,366	89,121
	- Furniture and fixtures	35,603	-
		(430,790)	(100,275)
	Balance as at June 30	22,733,687	19,804,158
	The details are as under:		
	Civil works	16,568	19,335
	ARL Up-gradation Project	22,569,480	19,287,200
	Plant and machinery	146,639	446,889
	Pipeline project	1,000	1,000
	Advances to contractors / suppliers	-	49,734
		22,733,687	19,804,158

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

13.1 Financing cost amounting to Rs 1,054.34 million (2015: Rs 568.87 milion) has been capitalised which includes Rs 20.85 million (2015: Rs 16.92 million) in respect of amortization of transaction cost on long term financing arranged for the purpose of ARL up-gradation project.

	2016		2015	
	% age holding	Rs '000	% age holding	Rs '000
14. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
Quoted				
National Refinery Limited (NRL)	25	8,046,635	25	8,046,635
19,991,640 (2015: 19,991,640) fully paid ordinary shares including 3,331,940 (2015: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2016: Rs 9,504 million (June 30, 2015: Rs 4,639 million)				
Attock Petroleum Limited (APL)	21.88	4,463,485	21.88	4,463,485
18,144,138 (2015: 18,144,138) fully paid ordinary shares including 7,644,058 (2015: 7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2016: Rs 7,939 million (June 30, 2015: Rs 10,292 million)				
		12,510,120		12,510,120
Unquoted				
Attock Gen Limited (AGL)	30	748,295	30	748,295
7,482,957 (2015: 7,482,957) fully paid ordinary shares of Rs 100 each				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
450,000 (2015: 450,000) fully paid ordinary shares of Rs 10 each				
		752,795		752,795
Subsidiary Company				
Unquoted				
Attock Hospital (Private) Limited	100	2,000	100	2,000
200,000 (2015: 200,000) fully paid ordinary shares of Rs 10 each				
		13,264,915		13,264,915

All associated and subsidiary companies are incorporated in Pakistan.

		2016 Rs '000	2015 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans - secured and considered good - note 15.1		
	Employees	26,015	31,566
	Executives	24,105	13,690
		50,120	45,256
	Amounts due within next twelve months shown		
	under current assets - note 20	(30,621)	(28,032)
		19,499	17,224
	Security deposits	11,790	11,790
		31,289	29,014

15.1 These are interest free loans to employees 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. Receivable from executives of the Company 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 24.105 million (2015: Rs 14.481 million).

		2016 Rs '000	2015 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives:**		
	Balance as at July 1	13,690	8,650
	Disbursements during the year	29,862	19,457
		43,552	28,107
	Repayments during the year	(19,447)	(14,417)
	Balance as at June 30	24,105	13,690
16.	**DEFERRED TAXATION**		
	The balance of deferred tax is in respect of following major		
	temporary differences:		
	Accelerated tax depreciation	(71,700)	(22,872)
	Provisions	50,740	53,114
	Minimum tax	331,075	331,075
	Unused tax losses	225,737	-
	Remeasurement loss on staff retirement benefit plans	108,394	106,564
		644,246	467,881
16.1	**Movement of deferred tax asset**		
	Balance as at the beginnig of the year	467,881	226,383
	Tax charge recognised in profit and loss	174,535	176,186
	Tax charge recognised in other comprehensive income	1,830	65,312
	Balance as at the end of the year	644,246	467,881

Notes to and Forming Part of the Financial Statements
For the year ended June 30, 2016

16.2 The deferred tax asset recognised in the financial statements represents the management's best estimate of the potential benefit which is expected to be realized in the future years in the form of reduced tax liability as the Company would be able to set off the tax liability in those years against minmum tax and unused tax loss against the profits of future years.

		2016 Rs '000	2015 Rs '000
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit		
	Rs 208.87 million; 2015: Rs 1,282.33 million)	1,404,848	1,753,763
	Spares	533,120	375,492
	Loose tools	799	896
		1,938,767	2,130,151
	Less: Provision for slow moving items - note 17.1	123,358	121,586
		1,815,409	2,008,565
17.1	**Movement in provision for slow moving items**		
	Balance at July 1	121,586	111,286
	Provision for the year	5,800	10,300
	Reversal of provision against stores written off	(4,028)	-
	Balance at June 30	123,358	121,586
18.	**STOCK-IN-TRADE**		
	Crude oil	2,200,687	2,430,346
	Semi-finished products	571,674	765,347
	Finished products - note 18.2	3,935,281	3,378,440
		6,707,642	6,574,133

18.1 Stock-in-trade includes stocks carried at net realisable value of Rs 3,759 million (2015: Rs 6,216 million). Adjustments amounting to Rs 411 million (2015: Rs 1,487 million) have been made to closing inventory to write down stocks to their net realisable value.

		2016 Rs '000	2015 Rs '000
18.2	**Stock held by third parties**		
	Naphtha		
	At National Refinery Limited	891,463	500,036
	In transit	201,311	250,641
		1,092,774	750,677

19. TRADE DEBTS - unsecured and considered good

Trade debts include Rs 4,347 million (2015: Rs 3,554 million) receivable from associated company, Attock Petroleum Limited.

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

	2016 Rs '000	2015 Rs '000
0 to 6 months	2,552,873	1,369,963
6 to 12 months	-	-
Above 12 months	-	-
	2,552,873	1,369,963

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

	2016 Rs '000	2015 Rs '000
LOANS AND ADVANCES - considered good		
Current portion of long term loans - secured - note 15		
Employees	14,675	19,110
Executives	15,946	8,922
	30,621	28,032
Advances		
Suppliers	21,833	16,843
Employees	4,983	3,593
	26,816	20,436
	57,437	48,468
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	84,307	83,356
	84,593	83,642
OTHER RECEIVABLES - considered good		
Due from subsidiary company		
Attock Hospital (Private) Limited	1,179	413
Due from associated companies		
Attock Petroleum Limited	1,374,800	1,239,585
Attock Information Technology Services (Private) Limited	340	435
Attock Leisure and Management Associates (Private) Limited	8	-
Attock Gen Limited	232	375
Attock Cement Pakistan Limited	-	28
National Cleaner Production Centre Foundation	480	-
National Refinery Limited	24	-
Attock Sahara Foundation	1,063	982
Income accrued on bank deposits	15,345	26,161
Crude oil freight adjustable through inland freight equalisation margin	-	26,598
Workers' Profit Participation Fund - note 20.1	56,950	23,666
Other receivables	25,579	24,869
	1,476,000	1,343,112
	1,618,030	1,475,222

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

		2016 Rs '000	2015 Rs '000
20.1	**Workers' Profit Participation Fund**		
	Balance as at July 1	23,666	17,973
	Amount paid to the fund	86,333	141,060
	Amount allocated for the year - note 27 & 31	(53,049)	(135,367)
	Balance as at June 30	56,950	23,666
21.	**CASH AND BANK BALANCES**		
	Cash in hand	939	1,315
	With banks:		
	Local Currency		
	Current accounts	6,833	8,583
	Deposit accounts - note 21.1	3,721,557	2,553,871
	Savings accounts	5,904,709	8,083,083
	Foreign Currency		
	Savings account (US $ 470,429; 2015: US $ 470,327)	49,160	47,738
		9,683,198	10,694,590

21.1 Deposit accounts include Rs 2,721.557 million (2015: Rs 2,553.871 million) placed in a 90-day 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.

21.2 Bank deposits of Rs 1,410.11 million (2015: Rs 1,406.91 million) were under lien with banks against bank guarantees issued on behalf of the Company.

21.3 Balances with banks include Rs 2.417 million (2015: Rs 2.417 million) in respect of security deposits received from customers etc.

21.4 Weighted average interest / mark-up earned on balances with banks was 6.46% (2015: 8.91%) per annum.

		2016 Rs '000	2015 Rs '000
22.	**GROSS SALES**		
	Local sales (excluding Naphtha export sales)	83,232,333	145,745,898
	Naphtha export sales	13,448,660	24,839,793
	Naphtha export sales related to third party	(720,595)	(6,193,774)
		12,728,065	18,646,019
		95,960,398	164,391,917

		2016 Rs '000	2015 Rs '000
23.	**TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**		
	Sales tax	20,164,736	23,798,594
	Petroleum development levy	7,531,177	10,367,789
	Custom duties and other levies - note 23.1	922,256	36,687
	HSD price differential payable to Government - note 23.2	777,305	1,283,416
		29,395,474	35,486,486

23.1 This includes Rs 922.101 million (2015: Rs 36.458 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of customs duty on PMG and HSD. GoP is yet to devise a mechanism through which the refineries are expected to operate on no gain / loss basis on this account.

23.2 This represents amount payable to the Government of Pakistan on account of differential between import parity price of HSD and import price of Pakistan State Oil Company Limited.

		2016 Rs '000	2015 Rs '000
24.	**COST OF SALES**		
	Opening stock of semi-finished products	765,347	1,291,581
	Crude oil consumed - note 24.1	63,267,526	119,682,035
	Transportation and handling charges	2,079,710	2,040,274
	Salaries, wages and other benefits - note 24.2	899,793	795,246
	Printing and stationery	3,669	3,557
	Chemicals consumed	203,151	299,792
	Fuel and power	533,283	948,704
	Rent, rates and taxes	49,885	48,140
	Telephone	2,270	1,978
	Professional charges for technical services	13,035	6,490
	Insurance	114,995	114,618
	Repairs and maintenance (including stores and spares		
	consumed Rs 143.315 million; 2015: Rs 93.061 million)	489,751	401,323
	Staff transport and traveling	13,370	13,826
	Cost of receptacles	20,035	23,567
	Research and development	7,503	1,091
	Depreciation - note 12.3	131,947	125,405
		68,595,270	125,797,627
	Closing stock of semi-finished products	(571,674)	(765,347)
		68,023,596	125,032,280
	Opening stock of finished products	3,378,440	6,698,531
	Closing stock of finished products	(3,935,281)	(3,378,440)
		(556,841)	3,320,091
		67,466,755	128,352,371

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

		2016 Rs '000	2015 Rs '000
24.1	**Crude oil consumed**		
	Stock at July 1	2,430,346	3,565,596
	Purchases	63,037,867	118,546,785
		65,468,213	122,112,381
	Stock at June 30	(2,200,687)	(2,430,346)
		63,267,526	119,682,035

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

24.2 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 61.06 million (2015: Rs 51.76 million) and to the Provident Fund Rs 26.08 million (2015: Rs 25.98 million).

		2016 Rs '000	2015 Rs '000
25.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 24.2	311,293	278,006
	Board meeting fee	4,551	4,526
	Transport, traveling and entertainment	17,790	19,625
	Telephone	2,940	2,281
	Electricity, gas and water	19,098	13,057
	Printing and stationery	6,382	5,518
	Auditor's remuneration - note 25.1	7,988	4,512
	Legal and professional charges	9,512	27,571
	Repairs and maintenance	85,470	87,124
	Subscription	11,742	11,255
	Publicity	6,158	4,515
	Scholarship scheme	2,432	1,725
	Rent, rates and taxes	12,678	12,664
	Insurance	859	1,624
	Donations*	740	1,574
	Training expenses	1,137	601
	Depreciation - note 12.3	19,776	16,376
		520,546	492,554
	*No director or his spouse had any interest in the donee institutions.		
25.1	**Auditor's remuneration**		
	Annual audit	1,546	1,431
	Review of half yearly accounts, audit of consolidated		
	accounts, employee funds and special certifications	2,169	1,195
	Tax services	3,912	1,674
	Out of pocket expenses	361	212
		7,988	4,512

		2016 Rs '000	2015 Rs '000
26.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 24.2	34,228	31,704
	Transport, traveling and entertainment	492	602
	Telephone	307	249
	Electricity, gas and water	4,719	4,218
	Printing and stationery	100	140
	Repairs and maintenance including packing and other stores consumed	6,972	6,114
	Rent, rates and taxes	3,054	2,957
	Depreciation - note 12.3	666	499
		50,538	46,483
27.	**OTHER CHARGES**		
	Provision for slow moving store items	5,800	10,300
	Workers' Profit Participation Fund	-	51,913
	Workers' Welfare Fund	-	19,727
		5,800	81,940
28.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	535,464	1,039,747
	Interest on delayed payments	174,713	101,850
		710,177	1,141,597
	Income from non - financial assets		
	Income from crude desalter operations - note 28.1	5,993	5,228
	Insurance agency commission	1,588	3,671
	Rental income	91,833	80,708
	Sale of scrap	9,676	5,314
	Profit on disposal of operating assets	5,865	4,034
	Calibration charges	3,978	4,274
	Handling and service charges	89,217	91,756
	Penalties from carriage contractors	315	6,909
	Miscellaneous - note 28.2	8,742	6,152
		217,207	208,046
		927,384	1,349,643

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

		2016 Rs '000	2015 Rs '000
28.1	**Income from crude desalter operations**		
	Income	65,969	81,895
	Less: Operating costs		
	Salaries, wages and other benefits	1,827	2,335
	Chemical consumed	10,206	13,047
	Fuel and power	37,272	47,644
	Repairs and maintenance	10,671	13,641
		59,976	76,667
		5,993	5,228

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

		2016 Rs '000	2015 Rs '000
29.	**FINANCE COST**		
	Exchange loss (net) - note 29.1	156,816	215,486
	Interest on long term financing	1,054,338	568,865
	Loss on forward foreign exchange contract	-	97,801
	Bank and other charges	65	1,829
		1,211,219	883,981
	Finance cost capitalised - note 29.2	(1,054,338)	(568,865)
		156,881	315,116

29.1 This is net of exchange gain of Rs 68.173 million (2015: Rs 98.23 million) on realization of Naphtha export proceeds.

29.2 The effective interest rate used to determine the amount of financing costs to be capitalised is 7.86% (2015: 8.63%) per anum.

		2016 Rs '000	2015 Rs '000
30.	**PROVISION FOR TAXATION**		
	Current	169,716	737,994
	Deferred	(174,535)	(176,186)
		(4,819)	561,808
30.1	**Relationship between tax expense and accounting profit**		
	Accounting (loss) / profit before taxation	(708,212)	966,610
	Tax at applicable tax rate of 32% (2015: 33%)	(212,463)	318,981
	Tax effect of income taxable at special rates	162,120	149,208
	Effect of change in tax rate	1,890	945
	Effect of super tax	42,435	92,674
	Others	1,199	-
		(4,819)	561,808

30.2 The Company is liable to pay super tax at the rate of 3 percent of the taxable income initially imposed for the tax year 2015 and extended for the tax year 2016 also.

	2016 Rs '000	2015 Rs '000
31. INCOME FROM NON-REFINERY OPERATIONS		
LESS APPLICABLE CHARGES AND TAXATION		
Dividend income from associated companies		
National Refinery Limited	199,916	-
Attock Petroleum Limited	671,333	771,126
Attock Gen Limited	897,955	897,955
	1,769,204	1,669,081
Less: Related charges		
Workers' Profit Participation Fund	53,049	83,454
Workers' Welfare Fund	20,159	31,713
Taxation	176,253	144,459
	249,461	259,626
	1,519,743	1,409,455
32. EARNINGS PER SHARE - BASIC AND DILUTED		
(Loss) / profit after taxation from refinery operations	(703,393)	404,802
Income from non-refinery operations less applicable charges and taxation	1,519,743	1,409,455
	816,350	1,814,257
Weighted average number of fully paid ordinary shares ('000)	85,293	85,293
Earnings per share - Basic and diluted (Rs)		
Refinery operations	(8.25)	4.75
Non-refinery operations	17.82	16.52
	9.57	21.27

There was no dilutive effect on basic earnings per share.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

33. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2016 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2016	2015	2016	2015
		Rs '000		Rs '000	
a)	**The amounts recognised in the balance sheet:**				
	Present value of defined benefit obligations	790,068	755,843	476,151	478,506
	Fair value of plan assets	(603,950)	(605,606)	(447,939)	(389,423)
	Net liability	186,118	150,237	28,212	89,083
b)	**The amounts recognised in the profit and loss account:**				
	Current service cost	20,738	15,314	19,482	13,619
	Net interest cost	13,080	(48)	7,760	22,872
		33,818	15,266	27,242	36,491
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation as at July 1	755,843	575,722	478,506	383,861
	Current service cost	20,738	15,314	19,482	13,619
	Interest cost	65,448	74,844	39,720	49,902
	Benefits paid	(35,089)	(32,840)	(51,135)	(46,329)
	Benefits payable to outgoing member	-	-	(16,397)	-
	Remeasurement (gain) / loss on defined benefit obligation	(16,872)	122,803	5,975	77,453
	Present value of defined benefit obligation as at June 30	790,068	755,843	476,151	478,506
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at July 1	605,606	567,945	389,423	188,928
	Expected return on plan assets	52,368	74,892	31,960	27,030
	Contributions	15,297	13,963	99,053	212,640
	Benefits paid	(35,089)	(32,840)	(51,135)	(46,329)
	Benefits payable to outgoing member	-	-	(16,397)	-
	Remeasurement (loss) / gain on plan assets	(34,232)	(18,354)	(4,965)	7,154
	Fair value of plan assets as at June 30	603,950	605,606	447,939	389,423
	Actual return on plan assets	18,136	56,538	26,995	34,184

The Company expects to contribute Rs 45 million (2015-16: Rs 61 million) to its defined benefit pension and gratuity plans during 2016-17.

		Funded pension		Funded gratuity	
		2016	2015	2016	2015
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	130,867	172,996	8	5,008
	Investment in mutual funds	79,460	11,837	35,000	5,000
	Debt instruments	477,524	-	435,609	360,091
	Deposits with banks	8,259	509,822	15,013	41,526
	Benefits due	-	-	(16,397)	-
	Share of asset of related parties	(92,160)	(89,049)	(21,294)	(22,202)
		603,950	605,606	447,939	389,423

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

		Funded pension		Funded gratuity	
		2016	2015	2016	2015
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/ gain on obligation				
	Gain / (loss) due to change in:				
	financial assumptions	5,691	10,582	228	(3,325)
	demographic assumptions	-	(50,057)	-	98
	experience adjustments	11,181	(83,328)	(6,203)	(74,226)
		16,872	(122,803)	(5,975)	(77,453)
	Remeasurement (loss)/ gain on plan assets	(34,232)	(18,354)	(4,965)	7,154
		(17,360)	(141,157)	(10,940)	(70,299)
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	7.25%	9.75%	7.25%	9.75%
	Expected return on plan assets	7.25%	9.75%	7.25%	9.75%
	Future salary increases	6.50%	9.00%	6.50%	9.00%
	Future pension increases	1.75%	4.25%	N/A	N/A
	Demographic assumptions				
	Rates of employee turnover				
	Management	Low	Low	Low	Low
	Non-management	Nil	Nil	Nil	Nil
	Mortality rates (pre-retirement)	SLIC (2001 -05) - 1 year	SLIC (2001 -05) - 1 year	SLIC (2001-05) - 1 year	SLIC (2001-05) - 1 year
	Mortality rates (post retirement)	SLIC (2001-05) - 1 year	SLIC (2001-05) - 1 year	N/A	N/A

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

i) **Sensitivity Analysis:**

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

	Effect of 1 percent increase Rs '000	Effect of 1 percent decrease Rs '000
Discount rate	1,153,773	1,401,071
Future salary growth	1,317,619	1,218,483
Pension increase	1,349,620	1,193,864

If the life expectancy increase/ decrease by 1 year, the impact on defined benefit obligation would be Rs 7,405 thousand.

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

j) **Projected benefit payments from fund are as follows:**

	Pension	Gratuity
	Rs '000	
FY 2017	20,426	62,914
FY 2018	42,242	87,659
FY 2019	44,391	67,062
FY 2020	46,265	91,892
FY 2021	48,856	62,136
FY 2022-26	292,597	244,387

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2016	11.59	4.39
June 30, 2015	13.10	4.90

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

34. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2016 are as follows:

	2016 Rs '000	2015 Rs '000
Staff Provident Fund		
Size of the fund	356,939	373,031
Cost of investments made	301,133	304,390
Fair value of investments made	354,690	369,585
%age of investments made	99.3%	99.0%

	2016		2015	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	22,390	7%	22,858	7%
Mutual funds	37,467	13%	17,000	6%
Bank deposits	2,903	1%	264,532	87%
Term deposits	238,373	79%	-	0%
	301,133	100%	304,390	100%

	2016 Rs '000	2015 Rs '000
General Staff Provident Fund		
Size of the fund	577,359	576,397
Cost of investments made	544,535	535,331
Fair value of investments made	575,985	574,221
%age of investments made	99.8%	99.0%

	2016		2015	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	18,314	3%	18,290	3%
Mutual funds	39,252	7%	14,700	3%
Bank deposits	3,976	1%	502,341	94%
Term deposits	482,993	89%	-	0%
	544,535	100%	535,331	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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

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:

	2016 Rs '000	2015 Rs '000
High speed diesel	38,953,827	60,533,350
Jet petroleum	6,827,062	14,092,258
Motor gasoline	19,159,506	35,581,780
Furnace fuel oil	11,387,131	16,540,018
Naphtha	12,728,066	18,646,019
Others	6,904,806	18,998,492
	95,960,398	164,391,917
Less: Taxes, duties, levies and price differential	29,395,474	35,486,486
	66,564,924	128,905,431

Revenue from four major customers of the Company constitute 88% (2015: 88%) of total revenue during the year.

36. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.01% (2015: 61.01%) shares of the Company at the year end. Therefore, all subsidiaries and associated undertakings of Attock Oil Company Limited are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' funds. Amount due from and due to these undertakings are shown under receivables and payables. The remuneration of Chief Executive, directors and executives is disclosed in note 37 to the financial statements.

	2016 Rs '000	2015 Rs '000
Associated Companies		
Pakistan Oilfields Limited		
Purchase of crude oil	5,802,784	10,340,461
Purchase of gas	13,300	22,829
Purchase of services	9,740	5,517
Sale of petroleum products	99,409	194,538
Sale of services	14,310	12,582
Attock Petroleum Limited		
Sale of petroleum products	20,505,820	37,158,424
Sale of services	96,349	94,886
Purchase of petroleum products	2,611	2,439
Purchase of services	271,980	384,660
Interest income on delayed payments	174,713	101,850
National Refinery Limited		
Purchase of services	196,037	216,595
Sale of services	430	43

	2016 Rs '000	2015 Rs '000
Attock Cement Pakistan Limited		
Purchase of services	345	1,042
Sale of services	-	137
Attock Gen Limited		
Sale of petroleum products	1,307	1,461
Land lease income	24,436	19,864
Storage tanks lease income	16,104	15,558
Income from other services and facilities provided to AGL	17,560	12,757
National Cleaner Production Centre Foundation		
Purchase of services	9,092	21,410
Sale of services	13,817	10,996
Sale of petroleum products	168	386
Attock Information Technology Services (Private) Limited		
Purchase of services	34,642	23,256
Sales of petroleum products	283	126
Sale of services	3,577	3,612
Attock Leisure and Management Associates (Private) Limited		
Sale of services	9	-
Attock Sahara Foundation		
Purchases of services	4,888	3,923
Sales of services	649	695
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	148,371	202,923
Purchase of services	334,256	59,181
Sale of services	19,983	19,038
Subsidiary Company		
Attock Hospital (Private) Limited		
Purchase of services	54,212	49,806
Sale of services	12,622	11,533
Sale of petroleum products	183	252
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	14,131	13,964
Staff gratuity fund	97,398	212,641
Staff provident fund	26,083	25,983
Contribution to Workers' Profit Participation Fund	53,049	137,189

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

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		Executives	
	2016 Rs '000	2015 Rs '000	2016 Rs '000	2015 Rs '000
Managerial remuneration/ honorarium	7,117	7,030	140,896	124,834
Bonus	3,401	3,239	52,178	46,226
Company's contribution to provident,				
pension and gratuity funds	-	-	31,688	28,627
Housing and utilities	5,292	5,164	129,461	123,185
Leave passage	1,134	897	15,103	11,100
	16,944	16,330	369,326	333,972
Less: charged to Attock Gen Limited	5,083	4,899	-	-
	11,861	11,431	369,326	333,972
No of person(s)	1	1	166	143

37.1 In addition, the Chief Executive and 14 (2015: 13) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 71 (2015: 57) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 48 (2015: 67) executives. Gratuity and pension is payable to the Chief Executive in accordance with the terms of employment while contributions for executives in respect of gratuity and pension are based on actuarial valuation. Leave passage is paid to Chief Executive and all executives in accordance with the terms of employment.

37.2 In addition, meeting fee based on actual attendance was paid to 4 (2015: 4) non-executive directors Rs 2.615 million (2015: Rs 2.541 million), chief executive officer Rs 0.680 million (2015: Rs 0.661 million) and 2 (2015: 2) alternate directors Rs 1.255 million (2015: Rs 1.321 million).

		2016 Rs '000	2015 Rs '000
38.	**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**		
38.1	**Financial assets and liabilities**		
	Financial assets :		
	Loans and receivables		
	Maturity upto one year		
	Trade debts	6,889,427	14,417,778
	Loans, advances, deposits & other receivables	1,511,890	1,375,023
	Cash and bank balances		
	Foreign currency - US $	49,160	47,738
	Local currency	9,634,038	10,646,852
	Maturity after one year		
	Long term loans and deposits	31,289	29,014
		18,115,804	26,516,405
	Financial liabilities :		
	Other financial liabilities		
	Maturity upto one year		
	Trade and other payables	23,008,760	32,136,098
	Long term financing	550,000	550,000
	Maturity after one year		
	Long term financing	14,613,682	11,108,993
		38,172,442	43,795,091

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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

	Rating	2016 Rs '000	2015 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	1,246,682	8,398,133
Counterparties without external credit rating			
Due from associated companies		4,346,919	3,554,477
Others *		1,295,827	2,465,168
		6,889,428	14,417,778
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		1,543,179	1,404,037
Bank balances			
Counterparties with external credit rating			
	A 1+	9,595,475	9,992,960
	A 1	86,784	700,315
		9,682,259	10,693,275

* 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. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) Credit risk

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

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

At June 30, 2016, trade debts of Rs 2,583.31 million (2015: Rs 8,280.50 million) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2016 Rs '000	2015 Rs '000
0 to 6 months	2,583,315	8,280,499
6 to 12 months	-	-
Above 12 months	-	-
	2,583,315	8,280,499

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

b) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains lines of credit as mentioned in note 10 to the financial statements.

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

	Carrying amount	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2016				
Long term financing	14,613,682	3,650,000	550,000	15,210,493
Trade and other payables	23,043,629	23,043,629	23,043,629	-
At June 30, 2015				
Long term financing	11,108,993	11,375,000	550,000	11,560,493
Trade and other payables	31,906,193	31,906,193	31,906,193	-

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

c) **Market risk**

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

i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 49 million (2015: Rs 48 million) and financial liabilities include Rs 651 million (2015: Rs 10,149 million) which were subject to currency risk.

	2016	2015
Rupees per USD		
Average rate	103.13	101.34
Reporting date mid point rate	104.60	101.60

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

Sensitivity analysis

At June 30, 2016, 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 41 million (2015: Rs 677 million) lower/ higher.

ii) **Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 9,683 million (2015: Rs 10,695 million) and Rs 17,892 million (2015: Rs 14,275 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

At June 30, 2016, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 56 million (2015: Rs 24 million) lower/higher, mainly as a result of lower/higher interest income/expense from these financial assets and liabilities.

iii) **Price risk**

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

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

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.

As mentioned in note - 7.1, the Company is subject to pricing formula whereby profits after tax from refinery operations in excess of 50% of the paid up capital as of July 1, 2002, are transferred to special reserve and can only be utilized exculisively for up-gradation of refinery.

38.4 **Fair value of financial assets and liabilities**

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

39. FAIR VALUE HIERARCHY

Fair value of land

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2014. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. The different levels have been defined as follows:

- Level 1

Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

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

		2016 Rs '000	2015 Rs '000
40.	**CASH GENERATED (USED) / FROM OPERATIONS**		
	(Loss) / profit before taxation	(708,212)	966,610
	Adjustments for:		
	Depreciation	152,389	142,280
	Gain on disposal of property, plant and equipment	(5,865)	(4,034)
	Provision for slow moving, obsolete and in transit stores	5,800	10,300
	Workers profit participation fund	-	51,913
	Workers' welfare fund	-	19,727
	Interest income	(535,464)	(1,039,747)
	Finance cost (net)	156,881	315,116
	Effect of exchange rate changes	(1,421)	(1,396)
	Interest on delayed payments	(174,713)	(101,850)
		(1,110,605)	358,919
	Working capital changes		
	(Increase)/decrease in current assets:		
	Stores, spares and loose tools	187,356	(1,232,329)
	Stock-in-trade	(133,509)	4,981,575
	Trade debts	7,547,142	(1,172,050)
	Loans, advances, deposits, prepayments and		
	other receivables	54,373	(1,169,901)
		7,655,362	1,407,295
	Increase/(decrease) in current liabilities:		
	Trade and other payables	(8,740,854)	1,441,480
	Cash generated from operations		
	Payments of WPPF and WWF	(86,333)	(141,060)
	Income taxes paid	(445,265)	(2,666,682)
		(531,598)	(2,807,742)
	Net cash (outflows) / inflows from operating activities	(2,727,695)	399,952

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2016

41. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation	
i) Loans and advances	Non-interest bearing	
ii) Deposits	Non-interest bearing	
iii) Segment revenue	Disclosed in note 35	
iv) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations: 1. Meezan Bank Limited 2. AlBaraka Bank (Pakistan) Limited 3. Dubai Islamic Bank"	
v) Bank balances	**As at June 30, 2016**	Rs '000
	Placed under interest arrangement	9,551,624
	Placed under Shariah permissible arrangement	123,802
		9,675,426
vi) Income on bank deposits including income accrued as at reporting date	**For the year ended June 30, 2016**	
	Placed under interest arrangement	513,387
	Placed under Shariah permissible arrangement	22,077
		535,464
vii) All sources of other income	Disclosed in note 28.2	
viii) Exchange gain	Earned from actual currency	

Disclosures other than above are not applicable to the Company.

42. GENERAL

42.1 Capacity and production

Against the designed annual refining capacity of US barrels 15.050 million (2015: 15.050 million) the actual throughput during the year was US barrels 13.084 million (2015: 15.358 million).

42.2 Number of employees

	2016	2015
Total number of employees at end of the year	882	749
Average number of employees for the year	688	729

42.3 Non-adjusting events after the balance sheet date

42.3.1 The Board of Directors in its meeting held on August 15, 2016 has proposed a final cash dividend for the year ended June 30, 2016 @ Rs 5.00 per share (2015 @ Rs 5.00 per share), amounting to Rs 426,465 thousand (2015 : Rs 426,465 thousand) for approval of the members in the annual general meeting to be held on September 29, 2016.

42.3.2 The Company is liable to pay tax at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. In accordance with the guidance issued by the Institute of Chartered Accountants of Pakistan, liability if any, in respect of income tax due to non-distribution of dividend is recognized when the prescribed time period for distribution of dividend expires.

42.4 Reclassification

Corresponding figures for the year ended June 30, 2015 have been rearranged and reclassified where necessary for more appropriate presentation. Significant rearrangements and reclassifications in the financial statements are as follows:

From	To	Rs '000
Balance sheet:		
Trade debts	Loans, advances, deposits and prepayments	1,235,962
Profit and loss account:		
Other income	Finance cost	98,231

42.5 Rounding off

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

43. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 15, 2016.

-Sd-
Chief Executive

-Sd-
Director

Annual Audited Consolidated Financial Statements

for the year ended June 30, 2016

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, 2016 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, 2016 and the results of their operations for the year then ended.

-Sd-

Chartered Accountants

Islamabad: August 15, 2016

Engagement partner : S. Haider Abbas

Consolidated Balance Sheet

As at June 30, 2016

	Note	2016 Rs '000	2015 Rs '000
EQUITY AND LIABILITIES			
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	29,036,918	25,946,874
		29,889,848	26,799,804
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	10,811,949	10,811,949
		40,701,797	37,611,753
NON CURRENT LIABILITIES			
LONG TERM FINANCING	9	14,613,682	11,108,993
CURRENT LIABILITIES			
Trade and other payables	10	23,096,798	31,950,015
Accrued markup on long term financing	9	266,556	245,983
Current portion of long term financing	9	550,000	550,000
Provision for taxation		3,955,760	3,866,096
		27,869,114	36,612,094
TOTAL EQUITY AND LIABILITIES		83,184,593	85,332,840
CONTINGENCIES AND COMMITMENTS	11		

	Note	2016 Rs '000	2015 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	12,156,008	11,686,366
Capital work-in-progress	13	22,733,687	19,804,158
Major spares parts and stand-by equipment		83,293	86,408
		34,972,988	31,576,932
LONG TERM INVESTMENTS	14	20,787,112	18,055,282
LONG TERM LOANS AND DEPOSITS	15	31,405	29,241
DEFERRED TAXATION	16	654,124	476,723
CURRENT ASSETS			
Stores, spares and loose tools	17	1,815,409	2,008,565
Stock-in-trade	18	6,708,327	6,574,704
Trade debts	19	6,889,447	14,417,800
Loans, advances, deposits, prepayments			
and other receivables	20	1,636,512	1,495,002
Cash and bank balances	21	9,689,269	10,698,591
		26,738,964	35,194,662
TOTAL ASSETS		83,184,593	85,332,840

The annexed notes 1 to 44 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Profit and Loss Account

For the year ended June 30, 2016

	Note	2016 Rs '000	2015 Rs '000
Gross sales	22	95,960,398	164,391,917
Taxes, duties, levies and price differential	23	(29,395,474)	(35,486,486)
Net sales		66,564,924	128,905,431
Cost of sales	24	(67,466,755)	(128,352,371)
Gross (loss)/ profit		(901,831)	553,060
Administration expenses	25	(520,546)	(492,554)
Distribution cost	26	(50,538)	(46,483)
Other charges	27	(5,800)	(81,940)
		(576,884)	(620,977)
Other income	28	927,384	1,349,643
Operating (loss)/ profit		(551,331)	1,281,726
Finance cost	29	(156,881)	(315,116)
(Loss)/ profit before taxation from refinery operations		(708,212)	966,610
Provision for taxation	30	4,819	(561,808)
(Loss)/ profit after taxation from refinery operations		(703,393)	404,802
Profit after taxation from non-refinery operations			
Impairment reversal / (loss) on investment in associated company	14	1,071,269	(1,160,218)
(Loss)/ profit of Attock Hospital (Private) Limited	31	(762)	932
Share in profit of associated companies	32	3,232,171	2,233,244
		4,302,678	1,073,958
Profit for the year		3,599,285	1,478,760
Earnings per share - Basic and diluted (Rs)			
Refinery operations		(8.25)	4.75
Non-refinery operations		50.45	12.59
	33	42.20	17.34

The annexed notes 1 to 44 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Statement of Comprehensive Income
For the year ended June 30, 2016

	Note	2016 Rs '000	2015 Rs '000
Profit for the year		3,599,285	1,478,760
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on staff retirement benefit plans	34	(34,226)	(224,852)
Related deferred tax credit		3,318	69,588
Share of other comprehensive loss of associated companies - net of tax		(51,868)	(46,567)
Other comprehensive loss - net of tax		(82,776)	(201,831)
Total comprehensive income for the year		3,516,509	1,276,929

The annexed notes 1 to 44 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Cash Flow Statement
For the year ended June 30, 2016

	2016 Rs '000	2015 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - customers	103,562,219	167,061,785
- others	309,395	279,282
	103,871,614	167,341,067
Cash paid for operating costs	(77,056,385)	(130,149,986)
Cash paid to Government for duties, taxes and other levies	(29,087,416)	(34,120,479)
Income tax paid	(450,695)	(2,670,199)
Net cash (outflows) / Inflows from operating activities	(2,722,882)	400,403
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,495,353)	(14,561,293)
Sale of operating assets	6,412	6,916
Long term loans and deposits	(2,275)	(1,024)
Income on bank deposits received	546,573	1,052,064
Dividends received	1,769,204	1,669,081
Net cash outflows from investing activities	(175,439)	(11,834,256)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	3,650,000	11,375,000
Finance cost	(1,319,015)	(501,627)
Transaction cost on long term financing	(16,942)	(14,328)
Dividends paid	(426,465)	-
Net cash inflows from financing activities	1,887,578	10,859,045
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(1,010,743)	(574,808)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,698,591	11,272,003
Effect of exchange rate changes	1,421	1,396
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,689,269	10,698,591

The annexed notes 1 to 44 form an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2016

	Share capital	Capital reserve	Special reserve for expansion / modernisation	General reserve	Un-appropriated profit	Maintenance reserve	Surplus on revaluation of freehold land	Total
				Rs '000				
Balance at June 30, 2014	852,930	119,708	9,671,143	4,352,380	10,353,318	173,396	10,811,949	36,334,824
Total comprehensive income								
Profit for the year	-	-	-	-	1,478,760	-	-	1,478,760
Other comprehensive loss for the year	-	-	-	-	(201,831)	-	-	(201,831)
	-	-	-	-	1,276,929	-	-	1,276,929
Transfer to special reserve for expansion/								
modernisation - note 7.1	-	-	259,002	-	(259,002)	-	-	-
Transfer to maintenance reserve by an								
associated company - note 7.2	-	-	-	-	(10,005)	10,005	-	-
Balance at June 30, 2015	852,930	119,708	9,930,145	4,352,380	11,361,240	183,401	10,811,949	37,611,753
Distribution to owners:								
Final cash dividend @ 50% related to								
the year ended June 30, 2015	-	-	-	-	(426,465)	-	-	(426,465)
Total comprehensive income								
Profit for the year	-	-	-	-	3,599,285	-	-	3,599,285
Other comprehensive loss for the year	-	-	-	-	(82,776)	-	-	(82,776)
	-	-	-	-	3,516,509	-	-	3,516,509
Transfer to special reserve for expansion/								
modernisation - note 7.1	-	-	-	-	-	-	-	-
Profit after tax from fuel refinery								
operations transferred to special								
reserve for expansion / modernisation								
by associated company- note 7.1	-	-	478,131	-	(478,131)	-	-	-
Transfer to maintenance reserve by an								
associated company - note 7.2	-	-	-	-	(6,868)	6,868	-	-
Transfer to general reserve by an								
associated company	-	-	-	750,000	(750,000)	-	-	-
Balance at June 30, 2016	852,930	119,708	10,408,276	5,102,380	13,216,285	190,269	10,811,949	40,701,797

The annexed notes 1 to 44 form 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, 2016

1. LEGAL STATUS AND OPERATIONS

Attock Refinery Limited (ARL) 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 ARL is situated at Morgah, Rawalpindi. Its shares are quoted on the Pakistan Stock Exchange. It is principally engaged in the refining of crude oil.

ARL 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 ARL. 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 are consolidated financial statements of the ARL Group. 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. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

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

		Effective date (annual reporting periods beginning on or after)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments)	July 1, 2016
IFRS 7	Financial Instruments: Disclosures (Amendments)	July 1, 2016
IFRS 11	Joint Arrangements (Amendments)	January 1, 2017
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2016
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2016
IAS 19	Employee Benefits (Amendments)	January 1, 2016
IAS 27	Separate Financial Statements (Amendments)	January 1, 2016
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2016
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016
IAS 41	Agriculture (Amendments)	January 1, 2016

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation / disclosures. The Company is yet to assess the full impact of the amendments.

3.2 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:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 9	Financial instruments

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

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

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

a) Subsidiary

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

Subsidiary is an entity over which ARL has the control and power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights or otherwise has power to elect and appoint more than one half of its directors. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The assets 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.

b) Associates

Associates are all entities over which the company has significant influence but not control. Investment in associated companies is accounted for using the equity method. Under this method the investments are stated at cost plus the Company's share in undistributed earnings and losses after acquisition, less any impairment in the value of individual investments.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss account where applicable.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

The Company's share of post-acquisition profit is recognised in the profit and loss account, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount adjacent to share of profit/ (loss) of associates in the profit and loss account.

4.3 Dividend and reserves appropriation

Dividend is recognized as a liability in the financial statements in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved

4.4 Employee retirement benefits

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

(i) Defined benefit plans

The ARL group 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 are invested through approved trust funds. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method, related details of which are given in note 29 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year.

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

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

(ii) Defined contribution plans

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

4.5 Employee compensated absences

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

4.6 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is accounted for using the 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 substantially 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 disposal

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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 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.

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

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

Previously, the stock-in-trade was valued at lower of cost on weighted average basis of valuation and net realisable value. During the year, the Company changed its policy for valuation of stock-in-trade from weighted average to First-In-First-Out (FIFO) basis in order to be consistent with industry and group companies practice. Such change in accounting policy has not been accounted for retrospectively and corresponding figures for prior periods have not been restated due to immaterial impact. Had the accounting policy not been changed, stock in trade as at June 30, 2016 and profit before tax from refinery operations for the year ended June 30, 2016 would have been increased by Rs 65.337 million while profit after tax for the year would have increased by Rs 42.150 million.

4.12 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to ARL 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.

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.

4.13 Borrowing costs

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 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

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 of 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 debts and other receivables

Trade debts and other receivables are recognised and carried at their amortised cost less an allowance for any uncollectable amounts. Carrying amounts of trade debts and other receivables are assessed on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

4.18 Earnings per share

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

4.19 Finance income

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

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through the profit and loss account and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit and loss account using effective interest method.

Foreign currency gains and losses are reported separately.

4.20 Contingent Liabilities

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

4.21 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.

4.22 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.

4.23 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.

4.24 Functional and presentation currency

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

4.25 Borrowings

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

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

4.26 Operating segments

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Revaluation surplus on freehold land - note 8

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

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

iv) Provision for taxation - note 30

v) Provision for employees' defined benefit plans - note 34

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

6. SHARE CAPITAL

6.1 Authorised share capital

2016 Number of shares	2015 Number of shares		2016 Rs '000	2015 Rs '000
150,000,000	150,000,000	Ordinary shares of Rs 10 each	1,500,000	1,500,000

6.2 Issued, subscribed and paid up capital

2016 Number of shares	2015 Number of shares		2016 Rs '000	2015 Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
77,293,000	77,293,000	Shares issued as fully paid bonus shares	772,930	772,930
85,293,000	85,293,000		852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2015: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2015: 1,432,000) ordinary shares at the year end.

	2016 Rs '000	2015 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	109,760	109,760
	119,708	119,708
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	9,422,283	9,422,283
Surplus profits of associates under the import parity pricing formula	953,064	474,933
	10,408,276	9,930,145
Revenue reserve		
General reserve	5,102,380	4,352,380
Unappropriated profit	13,216,285	11,361,240
	18,318,665	15,713,620
Maintenance reserve - note 7.2	190,269	183,401
	29,036,918	25,946,874

7.1 Represents amounts retained as per the stipulations of the Government under the pricing formula and is available only for making investment in expansion or Up-gradation of the refinery. Transfer to / from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit / loss on an annual basis.

Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Petroleum & Natural Resources (MP&NR) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 to a Special Reserve Account which shall be available for utilisation exclusively for Up-gradation of refineries. The earlier requirement of opening and maintaining ESCROW account and transferring of the available balance of special reserve to such account has been withdrawn during the year. Further, the deadline for completion of Isomerization complex and Diesel Hydro Desulphurization project has been extended from January 1, 2016 to June 30, 2017. Moreover, the proposal for enhancing the existing 7.5% import duty on High Speed Diesel to 9% (as deemed duty) with effect from January 1, 2016 has also been disallowed. The Company has taken up the matter of withdrawal of additional deemed duty with MP&NR for its restoration.

Following is the status of utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to June 30, 2016:

	2016 Rs '000	2015 Rs '000
Balance of Special Reserve at year end	9,455,212	9,455,212
Less: Capital expenditure incurred till June 30	27,755,197	24,281,521
(Over)/under spent from Special Reserve	(18,299,985)	(14,826,309)

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

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

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 operating asset of the Company.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

	2016 Rs '000	2015 Rs '000
9. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 9.1	11,808,983	9,155,967
Musharaka Finance - note 9.2	3,864,555	2,996,217
	15,673,538	12,152,184
Less: Unamortized transaction cost on financing:		
Balance at the beginning of the year	247,208	249,797
Addition during the year	16,942	14,328
Amortization for the year	(20,850)	(16,917)
Balance at the end of the year	243,300	247,208
	15,430,238	11,904,976
Current portion of long term financing	(550,000)	(550,000)
	14,880,238	11,354,976
Mark up payable shown as current liability	(266,556)	(245,983)
	14,613,682	11,108,993

9.1 The Company has entered into a syndicated finance agreement with a consortium of banks which includes Bank AL-Habib Limited as the Agent Bank for a term finance facility of Rs 16,575 million for ARL Up-gradation Projects. The facility carries a mark-up of 3 month KIBOR plus 1.70% which will be payable on quarterly basis. The tenure of this facility is 12 years including the grace period of 2 years. Upto June 30, 2016 aggregate draw down was Rs 11,874.48 million (June 30, 2015: Rs 9,124.54 million).

9.2 The Company has obtained musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is 62.59% while its share in Musharaka Assets B is 69.90% respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 37.41% while its share in Musharaka Assets B is 30.10% respectively. The tenure of this facility is 12 years including the grace period of 2 years. The rental payments under this facility are calculated on the basis of 3 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto June 30, 2016 aggregate draw down was Rs 3,886.01 million (June 30, 2015: Rs 2,985.95 million).

9.3 The facilities referred to in notes 9.1 and 9.2 are secured by first pari passu charge by way of hypothecation over all present and future current assets to the extent of Rs 15,000 million. Further, the facility is also secured by first pari passu charge by way of hypothecation over all present and future movable fixed assets of the Company and mortgage over identified immovable property. Until the payment of all the outstanding amounts due by the Company have been paid in full, the Company cannot, except with the prior written consent of the Agent Bank / Investment Agent, permit the collective shareholding of Attock Oil Company Limited in the Company to fall below 51%.

9.4 During the year, the Company rescheduled the facilities referred to in paragraphs 9.1 and 9.2 respectively. As a result of this rescheduling, the grace period is extended by one year from existing 2 years to 3 years ending January 14, 2017 and extension in total tenure of facility from existing 12 years to 13 years. All other terms and conditions of the facilities remain the same.

		2016 Rs '000	2015 Rs '000
10.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 10.1	13,379,122	21,957,936
	Due to The Attock Oil Company Limited - Holding Company	31,714	38,192
	Due to associated companies		
	Pakistan Oilfields Limited	996,504	1,142,588
	National Cleaner Production Centre Foundation	-	6,032
	Accrued liabilities and provisions - note 10.1	3,736,428	3,670,723
	Due to the Government under pricing formula	1,819,696	2,490,606
	Custom duty payable to Government	958,559	36,458
	Sales tax payable	1,057,448	1,558,193
	Payable to statutory authorities inrespect of petroleum		
	development levy and excise duty	782,106	750,607
	Advance payments from customers	34,869	16,078
	General staff provident fund	-	2,167
	Staff provident fund	-	2,337
	ARL gratuity fund	47,207	105,407
	Staff pension fund	205,665	163,191
	Crude oil freight adjustable through inland freight equalisation margin	36,809	-
	Deposits from customers adjustable against freight		
	and Government levies payable on their behalf	376	376
	Security deposits	2,637	2,637
	Unclaimed dividends	7,658	6,487
		23,096,798	31,950,015

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 accounts. The amounts withheld alongwith accumulated profits amounted to Rs 2,783.31 million (2015: Rs 2,615.60 million).

		2016 Rs '000	2015 Rs '000
11.	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies:		
	i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 has been withdrawn. As a result all imports relating to the ARL Up-gradation Project may be subject to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company has filed a writ petition in the Lahore High Court, Rawalpindi Bench. The Honourable Court has granted interim relief by allowing release of the imports against submission of bank guarantees. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. However, Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Honourable Lahore High Court Rawalpindi Bench. These guarantees include an amount of Rs 775 million on account of adjustable/claimable government levies.	1,409,711	1,404,893

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		2016 Rs '000	2015 Rs '000
ii)	Due to circular debt in tle 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 ARL has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
iii)	Due to delay in the completion of ARL Up-gradation Project, the Company has lodged claims against the EPCC contractor for liquidated damages. The EPCC contractor has also lodged certain variation order relating to the project. These claims have not been acknowledged by either party. The matter has not yet been settled and no claims/ counter claims have been recognized in the financial statements.		
iv)	Guarantees issued by banks on behalf of the Company (other than (i) above)	394	2,019
v)	Claims for land compensation contested by ARL	1,300	1,300
vi)	Price adjustment related to crude oil purchases as referred to in note 24.1, the amount of which cannot be presently quantified.		
vii)	The company's share in tax contingency of a associated companies	799,792	660,704
Commitments outstandings:			
i)	ARL Up-gradation Projects (inclusive of foreign currency commitment of US$ 0.53 million (June 30, 2015: US$ 4.95 million)).	1,185,105	2,875,260
ii)	Capital expenditure (other than (i) above)	34,447	65,959
iii)	Letters of credit for purchase of store items	18,304	27,257
iv)	The unutilised letter of credit facility available to the Company at the year end was Rs 15,656.88 million.		
v)	The company's share of commitments of associated companies.		
	Capital expenditures commitments	4,137,970	5,369,458
	Outstanding letters of credit	3,277,985	3,790,600
	Others	355,626	339,864

12. OPERATING ASSETS

	Freehold land (note 12.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rupees ('000)			
As at June 30, 2014							
Cost or valuation	10,866,170	182,799	4,791,600	60,475	93,101	100,623	16,094,768
Accumulated depreciation	-	(79,736)	(4,137,606)	(46,394)	(62,347)	(74,620)	(4,400,703)
Net book value	10,866,170	103,063	653,994	14,081	30,754	26,003	11,694,065
Year ended June 30, 2015							
Opening net book value	10,866,170	103,063	653,994	14,081	30,754	26,003	11,694,065
Additions	-	11,154	97,024	7,400	9,022	14,434	139,034
Disposals							
Cost	-	-	(36,924)	(4,164)	(2,610)	(4,822)	(48,520)
Depreciation	-	-	35,145	4,122	2,356	3,343	44,966
	-	-	(1,779)	(42)	(254)	(1,479)	(3,554)
Depreciation charge	-	(9,450)	(113,222)	(5,111)	(5,157)	(10,239)	(143,179)
Closing net book value	10,866,170	104,767	636,017	16,328	34,365	28,719	11,686,366
As at June 30, 2015							
Cost or valuation	10,866,170	193,953	4,851,700	63,711	99,513	110,235	16,185,282
Accumulated depreciation	-	(89,186)	(4,215,683)	(47,383)	(65,148)	(81,516)	(4,498,916)
Net book value	10,866,170	104,767	636,017	16,328	34,365	28,719	11,686,366
Year ended June 30, 2016							
Opening net book value	10,866,170	104,767	636,017	16,328	34,365	28,719	11,686,366
Additions	-	12,821	520,695	10,675	51,092	27,994	623,277
Disposals							
Cost	-	-	(3,586)	-	(819)	(10,597)	(15,002)
Depreciation	-	-	3,491	-	646	10,572	14,709
	-	-	(95)	-	(173)	(25)	(293)
Depreciation charge	-	(9,863)	(116,242)	(6,773)	(7,880)	(12,584)	(153,342)
Closing net book value	10,866,170	107,725	1,040,375	20,230	77,404	44,104	12,156,008
As at June 30, 2016							
Cost or valuation	10,866,170	206,774	5,368,809	74,386	149,786	127,632	16,793,557
Accumulated depreciation	-	(99,049)	(4,328,434)	(54,156)	(72,382)	(83,528)	(4,637,549)
Net book value	10,866,170	107,725	1,040,375	20,230	77,404	44,104	12,156,008
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

12.1 Freehold land was revalued in May 2014 and the revaluation surplus of Rs 2,067 million was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of fixed assets. Had the freehold land been stated on the historical cost basis, the carrying amount of land would have been Rs 54.221 million (2015: Rs 54.221 million).

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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	1,289	-	129	Company policy	Mr. Khalid Mehmood
	1,289	-	129	Company policy	Mr. M. Irshad Ramay
	1,289	-	129	Company policy	Mr. Nayyer Ahmed
	1,362	-	136	Company policy	Mr. Arshad Hayee Khan
	1,529	25	153	Company policy	Mr. M. Adil Khattak
	1,613	-	950	Tender/ Auction	Mr. Tariq Khan
Others	6,631	268	4,786	Tender/ Auction	Aggregate of other items of operating assets disposed off with individual book values not exceeding Rs 50 thousand.
2016	15,002	293	6,412		
2015	48,520	3,554	6,916		

		2016 Rs '000	2015 Rs '000
12.3	**The depreciation charge for the year has been allocated as follows:**		
	Cost of sales - note 24	131,947	125,405
	Administration expenses - note 25	19,776	16,376
	Distribution cost - note 26	666	499
	Depreciation of subsidiary company	953	899
		153,342	143,179
13.	**CAPITAL WORK-IN-PROGRESS**		
	Balance as at July 1	19,804,158	5,073,763
	Additions during the year - note 13.1	3,360,319	14,830,670
	Transfer to operating assets		
	Buildings on freehold land	(12,820)	(11,154)
	Plant and machinery	(382,367)	(89,121)
	Furniture and fixtures	(35,603)	-
		(430,790)	(100,275)
	Balance as at June 30	22,733,687	19,804,158
	The details are as under:		
	Civil works	16,568	19,335
	ARL Up-gradation Projects	22,569,480	19,287,200
	Plant and machinery	146,639	446,889
	Pipeline project	1,000	1,000
	Advances to contractors / suppliers	-	49,734
		22,733,687	19,804,158

13.1 Financing cost amounting to Rs 1,054.34 million (2015: Rs 568.87 milion) has been capitalized which includes Rs 20.85 million (2015 Rs16.92 million) in respect of amortization of transaction cost on long term financing arranged for the purpose of ARL up-gradation project.

	2016 Rs '000	2015 Rs '000
14. LONG TERM INVESTMENTS		
Balance as at July 1	18,055,282	18,438,278
Share of profit after tax of associated companies	3,481,633	2,492,870
Share in other comprehensive income	(51,868)	(46,567)
Dividend received from associated companies	(1,769,204)	(1,669,081)
Impairment gain / (loss) on investment	1,071,269	(1,160,218)
Balance at June 30	20,787,112	18,055,282

	2016		2015	
	% age holding	Rs '000	% age holding	Rs '000
14.1 Investment in associated companies				
Associated companies				
Quoted				
National Refinery Limited (NRL) - note 14.3	25	11,753,285	25	9,009,832
19,991,640 (2015: 19,991,640) fully paid				
ordinary shares including 3,331,940 (2015:				
3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2016: Rs 9,504				
million (June 30, 2015: Rs 4,639 million)				
Attock Petroleum Limited (APL)	21.88	6,487,462	21.88	6,331,735
18,144,138 (2015: 18,144,138) fully paid				
ordinary shares including 7,644,058 (2015:				
7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2016: Rs 7,939				
million (June 30, 2015: Rs 10,292 million)				
Unquoted				
Attock Gen Limited (AGL)	30	2,529,635	30	2,699,182
7,482,957 (2015: 7,482,957) fully paid ordinary				
shares of Rs 100 each				
Attock Information Technology Services				
(Private) Limited (AITSL)	10	16,730	10	14,533
450,000 (2015: 450,000) fully paid ordinary				
shares of Rs 10 each				
		20,787,112		18,055,282

All associated companies are incorporated in Pakistan. Although ARL has less than 20 percent shareholding in Attock Information Technology Services (Private) Limited, this company has been treated as associate since ARL has representation on its Board of Directors.

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14.2 The tables below provide summarised financial information for associated companies that are material to the Company. The information disclosed reflects the amounts presented in the audited financial statements of the relevant associates. Adjustments made by the reporting entity when using the equity method, including fair value adjustments have been refelected in these financial statements.

	National Refinery Limited		Attock Petroleum Limited		Attock Gen Limited		Attock Information Technology Services (Pvt) Limited	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	Rupees ('000)		Rupees ('000)		Rupees ('000)		Rupees ('000)	
Summarised balance sheet								
Current assets	29,956,587	39,901,373	26,001,840	26,123,577	9,252,896	10,507,305	141,567	131,692
Non- current assets	23,703,944	8,161,277	4,064,642	3,374,726	8,425,597	8,903,468	43,513	27,458
Current liabilities	(16,240,546)	(17,162,924)	(15,581,980)	(15,747,035)	(6,525,304)	(6,310,117)	(14,039)	(11,504)
Non- current liabilities	(597,542)	(766,019)	(626,159)	(604,814)	(2,721,071)	(4,103,382)	(3,731)	(2,319)
Net assets	36,822,443	30,133,707	13,858,343	13,146,454	8,432,118	8,997,274	167,310	145,327
Reconciliation to carrying amounts:								
Net assets as at July 1	30,133,707	26,593,639	13,146,454	13,388,814	8,997,274	9,187,182	145,327	123,411
Profit for the period	7,688,076	3,708,980	3,783,113	3,283,941	2,432,850	2,816,888	21,983	21,916
Other comprehensive income/(loss)	(199,674)	(168,912)	(2,296)	(1,181)	(4,823)	(13,613)	-	-
Dividends paid	(799,666)	-	(3,068,928)	(3,525,120)	(2,993,183)	(2,993,183)	-	-
Net assets as at June 30	36,822,443	30,133,707	13,858,343	13,146,454	8,432,118	8,997,274	167,310	145,327
Company's percentage shareholding in the associate	25%	25%	21.88%	21.88%	30.00%	30.00%	10.00%	10.00%
Company's share in net assets	9,205,611	7,533,427	3,031,543	2,875,816	2,529,635	2,699,182	16,730	14,533
Excess of purchase consideration over carrying amount at the date acquisition	6,371,654	6,371,654	3,455,919	3,455,919	-	-	-	-
Proportionate share in carrying value of net assets before impairment	15,577,265	13,905,081	6,487,462	6,331,735	2,529,635	2,699,182	16,730	14,533
Impairment	(3,823,980)	(4,895,249)	-	-	-	-	-	-
Carrying amount of investment	11,753,285	9,009,832	6,487,462	6,331,735	2,529,635	2,699,182	16,730	14,533
Summarised statements of comprehensive income								
Revenue	141,294,741	188,935,328	109,234,361	171,729,782	10,592,395	17,236,046	96,338	81,534
Profit for the period	7,688,076	3,708,980	3,783,113	3,283,941	2,432,850	2,816,888	21,983	21,916
Other comprehensive income	(199,674)	(168,912)	(2,296)	(1,181)	(4,823)	(13,613)	-	-
Total comprehensive income	7,488,402	3,540,068	3,780,817	3,282,760	2,428,027	2,803,275	21,983	21,916

During the year, dividend received from National Refinery Limited was Rs 200 million (2015: Rs nil), Attock Petroleum Limited was Rs 671 million (2015: Rs 771 million) and Attock Gen Limited was Rs 898 million (2015: Rs 898 million).

14.3 The carrying value of investment in National Refinery Limited at June 30, 2016 is net of reversal of impairment loss of Rs 1,071,269 thousand (2015: impairment loss Rs 1,160,218 thousand). The carrying value is based on valuation analysis carried out by an external investment advisor engaged by ARL. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes average gross profit margin of 6% (2015: 2.5%), terminal growth rate of 4% (2015: 4%) and weighted average cost of capital model based discount rate of 12.84% (2015: 14.34%).

		2016 Rs '000	2015 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees - considered good - note 15.2		
	Employees	26,220	31,860
	Executives	24,128	13,743
	Amounts due within next twelve months shown	50,348	45,603
	under current assets - note 20	(30,733)	(28,152)
		19,615	17,451
	Security deposits	11,790	11,790
		31,405	29,241

15.1 These are interest free loans to employees 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. Receivable from executives of the Company 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 24.128 million (2015: Rs 14.481 million).

		2016 Rs '000	2015 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives:**		
	Balance as at July 1	13,743	8,650
	Disbursements during the year	29,862	19,510
		43,605	28,160
	Repayments during the year	(19,477)	(14,417)
	Balance as at June 30	24,128	13,743
16.	**DEFERRED TAXATION**		
	The balance of deferred tax is in respect of the following		
	major temporary differences:		
	(Accelerated) depreciation	(72,303)	(23,216)
	Provision for privilege leave	50,740	53,114
	Minimum tax	332,535	332,535
	Unused tax losses	228,628	3,084
	Retirement benefit obligation	114,524	111,206
		654,124	476,723
16.1	**Movement of deferred tax asset during the year**		
	Balance as at the beginnig of the year	476,723	230,500
	Tax charge recognised in profit and loss	174,535	176,186
	Less: (Expense)/ income related to subsidiary accounted for separately	(452)	450
		174,083	176,636
	Tax charge recognised in other comprehensive income	3,318	69,587
	Balance as at the end of the year	654,124	476,723

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16.2 The deferred tax asset recognised in the financial statements represents the management's best estimate of the potential benefit which is expected to be realized in the future years in the form of reduced tax liability as the Company would be able to set off the tax liability in those years against minmum tax and unused tax loss against the profits of future years.

		2016 Rs '000	2015 Rs '000
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit		
	Rs 208.874 million; 2015: Rs 1,282.33 million)	1,404,848	1,753,763
	Spares	533,120	375,492
	Loose tools	799	896
		1,938,767	2,130,151
	Less: Provision for slow moving items - note 17.1	123,358	121,586
		1,815,409	2,008,565
17.1	**Movement in provision for slow moving items**		
	Balances at July 1	121,586	111,286
	Provision for the year	5,800	10,300
	Reversal of provision against stores written off	(4,028)	-
	Balances at June 30	123,358	121,586
18.	**STOCK-IN-TRADE**		
	Crude oil	2,200,687	2,430,346
	Semi-finished products	571,674	765,347
	Finished products - note 18.2	3,935,281	3,378,440
	Medical supplies	685	571
		6,708,327	6,574,704

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 3,759 million (2015: Rs 6,216 million). Adjustments amounting to Rs 411 million (2015: Rs 1,487 million) have been made to closing inventory to write down stocks to their net realisable value.

		2016 Rs '000	2015 Rs '000
18.2	**Stock held by third parties**		
	Napththa		
	At National Refinery Limited	891,463	500,036
	In transit	201,311	250,641
		1,092,774	750,677

19. TRADE DEBTS - unsecured and considered good

Trade debts include Rs 4,347 million (2015: Rs 3,554 million) receivable from associated company, Attock Petroleum Limited.

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

	2016 Rs '000	2015 Rs '000
0 to 6 months	2,552,873	1,369,963
6 to 12 months	-	-
Above 12 months	-	-
	2,552,873	1,369,963

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

	2016 Rs '000	2015 Rs '000
LOANS AND ADVANCES - considered good		
Current portion of long term loans to employees - note 15		
Employees	14,765	19,200
Executives	15,968	8,952
	30,733	28,152
Advances		
Suppliers	21,833	16,843
Employees	5,007	3,723
	26,840	20,566
	57,573	48,718
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	84,333	83,381
	84,619	83,667
OTHER RECEIVABLES - considered good		
Due from associated companies		
Attock Information Technology Services (Private) Limited	340	435
Attock Petroleum Limited	1,375,131	1,239,876
Attock Leisure and Management Associates (Pvt) Limited	8	-
Attock Gen Limited	265	375
Attock Cement Pakistan Limited	1	32
National Cleaner Production Centre Foundation	503	-
Capgas (private) Limited	37	9
National Refinery Limited	24	-
Attock Sahara Foundation	1,062	982
Income accrued on bank deposits	15,346	26,161
Crude oil freight adjustable through inland freight equalisation margin	-	26,598
Workers' profit participation fund - note 20.1	56,950	23,666
Income tax refundable	19,075	19,614
Other receivables	25,578	24,869
	1,494,320	1,362,617
	1,636,512	1,495,002

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		2016 Rs '000	2015 Rs '000
20.1	**Workers' Profit Participation Fund**		
	Balance as at July 1	23,666	17,973
	Amount paid to the fund	86,333	141,060
	Amount allocated for the year - note 27 & 32	(53,049)	(135,367)
	Balance as at June 30	56,950	23,666
21.	**CASH AND BANK BALANCES**		
	Cash in hand	1,124	1,474
	With banks:		
	Local Currency		
	Current accounts	7,122	9,039
	Deposit accounts - note 21.1	3,721,557	2,553,871
	Savings accounts	5,910,306	8,086,469
	Foreign Currency		
	Saving accounts (US $ 470,429; 2015: US $ 470,327)	49,160	47,738
		9,689,269	10,698,591

21.1 Deposit accounts include Rs 2,721.557 million (2015: Rs 2,553.871 million) placed in a 90-day 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.

21.2 Bank deposits of Rs 1,410.11 million (2015: Rs 1,406.91 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.3 Balances with banks include Rs 2.417 million (2015: Rs 2.417 million) in respect of security deposits received from customers etc.

21.4 Weighted average interest / mark-up earned on balances with banks was 6.46% (2015: 8.91%) per annum.

		2016 Rs '000	2015 Rs '000
22.	**GROSS SALES**		
	Local sales (excluding Naphtha export sales)	83,232,333	145,745,898
	Naphtha export sales	13,448,660	24,839,793
	Naphtha export sales related to third party	(720,595)	(6,193,774)
		12,728,065	18,646,019
		95,960,398	164,391,917

		2016 Rs '000	2015 Rs '000
23.	**TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**		
	Sales tax	20,164,736	23,798,594
	Petroleum development levy	7,531,177	10,367,789
	Custom duties and other levies - note 23.1	922,256	36,687
	HSD price differential payable to Government - note 23.2	777,305	1,283,416
		29,395,474	35,486,486

23.1 This includes Rs 922.101 million (2015: Rs 36.458 million) recovered from customers and payable to the Government of Pakistan (GoP) on account of customs duty on PMG and HSD. GoP is yet to devise a mechanism through which the refineries are expected to operate on no gain / loss basis on this account.

23.2 This represents amount payable to the Government of Pakistan on account of differential between import parity price of HSD and import price of Pakistan State Oil Company Limited.

		2016 Rs '000	2015 Rs '000
24.	**COST OF SALES**		
	Opening stock of semi-finished products	765,347	1,291,581
	Crude oil consumed - note 24.1	63,267,526	119,682,035
	Transportation and handling charges	2,079,710	2,040,274
	Salaries, wages and other benefits - note 24.2	899,793	795,246
	Printing and stationery	3,669	3,557
	Chemicals consumed	203,151	299,792
	Fuel and power	533,283	948,704
	Rent, rates and taxes	49,885	48,140
	Telephone	2,270	1,978
	Professional charges for technical services	13,035	6,490
	Insurance	114,995	114,618
	Repairs and maintenance (including stores and spares		
	consumed Rs 143.315 million; 2015: Rs 93.061 million)	489,751	401,323
	Staff transport and traveling	13,370	13,826
	Cost of receptacles	20,035	23,567
	Research and development	7,503	1,091
	Depreciation - note 12.3	131,947	125,405
		68,595,270	125,797,627
	Closing stock of semi-finished products	(571,674)	(765,347)
		68,023,596	125,032,280
	Opening stock of finished products	3,378,440	6,698,531
	Closing stock of finished products	(3,935,281)	(3,378,440)
		(556,841)	3,320,091
		67,466,755	128,352,371

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

		2016 Rs '000	2015 Rs '000
24.1	**Crude oil consumed**		
	Stock at July 1	2,430,346	3,565,596
	Purchases	63,037,867	118,546,785
		65,468,213	122,112,381
	Stock at June 30	(2,200,687)	(2,430,346)
		63,267,526	119,682,035

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

24.2 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 61.06 million (2015: Rs 51.76 million) and to the Provident Fund Rs 26.08 million (2015: Rs 25.98 million).

		2016 Rs '000	2015 Rs '000
25.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 24.2	311,293	278,006
	Board meeting fee	4,551	4,526
	Transport, traveling and entertainment	17,790	19,625
	Telephone	2,940	2,281
	Electricity, gas and water	19,098	13,057
	Printing and stationery	6,382	5,518
	Auditor's remuneration - note 25.1	7,988	4,512
	Legal and professional charges	9,512	27,571
	Repairs and maintenance	85,470	87,124
	Subscription	11,742	11,255
	Publicity	6,158	4,515
	Scholarship scheme	2,432	1,725
	Rent, rates and taxes	12,678	12,664
	Insurance	859	1,624
	Donations*	740	1,574
	Training expenses	1,137	601
	Depreciation - note 12.3	19,776	16,376
		520,546	492,554
	*No director or his spouse had any interest in the donee institutions.		
25.1	**Auditor's remuneration**		
	Annual audit	1,546	1,431
	Review of half yearly accounts, audit of consolidated		
	accounts, staff funds and special certifications	2,169	1,195
	Tax services	3,912	1,674
	Out of pocket expenses	361	212
		7,988	4,512

		2016 Rs '000	2015 Rs '000
26.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 24.2	34,228	31,704
	Transport, traveling and entertainment	492	602
	Telephone	307	249
	Electricity, gas, fuel and water	4,719	4,218
	Printing and stationery	100	140
	Repairs and maintenance including packing and other stores consumed	6,972	6,114
	Rent, rates and taxes	3,054	2,957
	Depreciation - note 12.3	666	499
		50,538	46,483
27.	**OTHER CHARGES**		
	Provision for slow moving stores	5,800	10,300
	Workers' Profit Participation Fund	-	51,913
	Workers' Welfare Fund	-	19,727
		5,800	81,940
28.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	535,464	1,039,747
	Interest on delayed payments	174,713	101,850
		710,177	1,141,597
	Income from non - financial assets		
	Income from crude desalter operations - note 28.1	5,993	5,228
	Insurance agency commission	1,588	3,671
	Rental income	91,833	80,708
	Sale of scrap	9,676	5,314
	Profit on disposal of operating assets	5,865	4,034
	Calibration charges	3,978	4,274
	Handling and service charges	89,217	91,756
	Penalties from carriage contractors	315	6,909
	Miscellaneous - note 28.2	8,742	6,152
		217,207	208,046
		927,384	1,349,643

Notes to and Forming Part of the Consolidated Financial Statements

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		2016 Rs '000	2015 Rs '000
28.1	**Income from crude desalter operations**		
	Income	65,969	81,895
	Less: Operating costs		
	Salaries, wages and other benefits	1,827	2,335
	Chemicals consumed	10,206	13,047
	Fuel and power	37,272	47,644
	Repairs and maintenance	10,671	13,641
		59,976	76,667
		5,993	5,228

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

		2016 Rs '000	2015 Rs '000
29.	**FINANCE COST**		
	Exchange loss - note 29.1	156,816	215,486
	Interest on long term financing	1,054,338	568,865
	Loss on forward foreign exchange contract	-	97,801
	Bank and other charges	65	1,829
		1,211,219	883,981
	Finance cost capitalised - note 29.2	(1,054,338)	(568,865)
		156,881	315,116

29.1 This is net of exchange gain of Rs 68.173 million (2015: Rs 98.23 million) on realization of Naphtha export proceeds.

29.2 The effective interest rate used to determine the amount of financing costs to be capitalised is 7.86% (2015: 8.63%) per anum.

		2016 Rs '000	2015 Rs '000
30.	**PROVISION FOR TAXATION**		
	Current	169,716	737,994
	Deferred	(174,535)	(176,186)
		(4,819)	561,808
30.1	**Relationship between tax expense and accounting profit**		
	Accounting (loss)/ profit before taxation	(708,212)	966,610
	Tax at applicable tax rate of 32% (2015: 33%)	(212,463)	318,981
	Tax effect of income taxable at special rates	162,120	149,208
	Effect of change in tax rate	1,890	945
	Effect of super tax	42,435	92,674
	Others	1,199	-
		(4,819)	561,808

30.2 The Company is liable to pay super tax at the rate of 3 percent of the taxable income initially imposed for the tax year 2015 and extended for the tax year 2016 also.

31. INTEREST IN SUBSIDIARY

Attock Hospital (Private) Limited (AHL) is ARL's wholly owned subsidiary with principal activities of provision of medical services to the Attock Group employees as well as private patients. Unless otherwise stated, it has share capital consisting solely of ordinary shares that are held directly by ARL. AHL was incorporated in Pakistan which is also its principal place of business. There are no significant restrictions on Company's ability to use assets, or settle liabilities of Attock Hospital (Private) Limited.

31.1 Following is the summarised financial information of AHL. The amounts disclosed are before inter-company eliminations:

	2016 Rs '000	2015 Rs '000
Summarised balance sheet		
Current assets	28,168	26,465
Non- current assets	17,947	14,460
Current liabilities	(56,075)	(45,684)
Net assets	(9,960)	(4,759)
Summarised statements of comprehensive income		
Revenue - note 31.2	111,787	103,584
Expenses - note 31.2	(112,549)	(102,652)
(Loss)/ Profit for the year	(762)	932
Other comprehensive loss	(4,438)	(9,120)
Total comprehensive loss for the year	(5,200)	(8,188)
Dividends received	-	-
Summarised statement of cash flow		
Cash flow from operating activities	4,813	450
Cash flow from investing activities	(2,744)	(1,536)
Cash flow from financing activities	-	-
	2,069	(1,086)

31.2 The revenue includes amount billed by AHL to ARL amounting to Rs 54.212 million (2015: Rs 49.806 million) and operating expenses include Rs 12.806 million (2015: 11.785 million) billed by ARL to AHL, which have not been eliminated from revenue and expenses. It is considered that this gives a fairer view of the operating results of ARL since profit from refinery operation are separately presented.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

		2016 Rs '000	2015 Rs '000
32.	**SHARE IN PROFIT OF ASSOCIATED COMPANIES**		
	National Refinery Limited	1,922,019	927,245
	Attock Petroleum Limited	834,695	715,808
	Unrealised (gain) / loss from intra-group		
	transactions included in closing stock in trade	(7,133)	2,559
		827,562	718,367
	Attock Gen Limited	729,855	845,066
	Attock Information Technology Services (Private) Limited	2,197	2,192
		3,481,633	2,492,870
	Less : Related charges		
	Workers' Profit Participation Fund	53,050	83,454
	Workers' Welfare Fund	20,159	31,713
	Taxation - note 32.1	176,253	144,459
		249,462	259,626
		3,232,171	2,233,244

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

		2016 Rs '000	2015 Rs '000
33.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	(Loss)/ profit after taxation from refinery operations	(703,393)	404,802
	Profit after taxation from non-refinery operations	4,302,678	1,073,958
		3,599,285	1,478,760
	Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
	Earnings per share - Basic and diluted (Rs)		
	Refinery operations	(8.25)	4.75
	Non-refinery operations	50.45	12.59
		42.20	17.34

34. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2016 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2016	2015	2016	2015
		Rs '000		Rs '000	
a)	**The amounts recognised in the balance sheet:**				
	Present value of defined benefit obligations	857,971	817,465	493,550	498,037
	Fair value of plan assets	(652,305)	(654,274)	(446,344)	(392,630)
	Net liability	205,666	163,191	47,206	105,407
b)	**The amounts recognised in the profit and loss account:**				
	Current service cost	22,552	16,697	20,480	14,520
	Net interest cost	14,216	(87)	9,188	24,480
		36,768	16,610	29,668	39,000
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation as at July 1	817,465	621,355	498,037	399,620
	Current service cost	22,552	16,697	20,480	14,520
	Interest cost	70,811	80,776	41,394	51,951
	Benefits paid	(37,960)	(35,083)	(55,381)	(46,329)
	Benefits payable to outgoing member	-	-	(17,894)	-
	Remeasurement of defined benefit obligation	(14,897)	133,720	6,914	78,275
	Present value of defined benefit obligation as at June 30	857,971	817,465	493,550	498,037
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at July 1	654,274	613,165	392,630	191,011
	Expected return on plan assets	56,595	80,863	32,206	27,471
	Contributions	16,404	15,111	99,985	213,552
	Benefits paid	(37,960)	(35,083)	(55,381)	(46,329)
	Remeasurement of plan assets	(37,008)	(19,782)	(5,202)	6,925
	Benefits payable to outgoing member	-	-	(17,894)	
	Fair value of plan assets as at June 30	652,305	654,274	446,344	392,630
	Actual return on plan assets	19,587	61,081	27,004	34,396

The Company expects to contribute Rs 50 million (2015-16: Rs 66 million) to its defined benefit pension and gratuity plans during 2016-17.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

		Funded pension		Funded gratuity	
		2016	2015	2016	2015
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	261,734	172,996	15	5,008
	Investment in mutual funds	158,919	11,837	70,000	5,000
	Debt instruments	16,518	-	30,026	360,091
	Deposits with banks	955,048	509,822	871,218	41,527
	Others	-	-	-	-
	Benefits due	-	-	(17,894)	-
	Share of asset of related parties	(739,913)	(40,381)	(507,021)	(18,996)
		652,306	654,274	446,344	392,630

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

		Funded pension		Funded gratuity	
		2016	2015	2016	2015
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/ gain on obligation				
	Gain / (loss) due to change in:				
	financial assumptions	6,237	11,483	240	(3,495)
	demographic assumptions	-	(54,106)	-	102
	experience adjustments	8,661	(91,098)	(7,154)	(74,882)
		14,898	(133,721)	(6,914)	(78,275)
	Remeasurement gain/ (loss) on plan assets	(37,008)	(19,782)	(5,202)	6,925
		(22,110)	(153,503)	(12,116)	(71,350)
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	7.25%	9.75%	7.25%	9.75%
	Expected return on plan assets	7.25%	9.75%	7.25%	9.75%
	Future salary increases	6.50%	9.00%	6.50%	9.00%
	Future pension increases	1.75%	4.25%	N/A	N/A
	Demographic assumptions				
	Rates of employee turnover				
	Management	Low	Low	Low	Low
	Non-management	Nil	Nil	Nil	Nil
	Mortality rates (pre-retirement)	SLIC (2001 -05) - 1 year	SLIC (2001 -05) - 1 year	SLIC (2001-05) - 1 year	SLIC (2001-05) - 1 year
	Mortality rates (post retirement)	SLIC (2001-05) - 1 year	SLIC (2001-05) - 1 year	N/A	N/A

i) **Sensitivity Analysis:**

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

	Effect of 1 percent increase Rs '000	Effect of 1 percent decrease Rs '000
Discount rate	1,230,348	1,474,086
Future salary growth	1,406,157	1,302,930
Pension increase	1,442,397	1,281,611

If the life expectancy increase/ decrease by 1 year, the impact on defined benefit obligation would be Rs 7,904 thousand.

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

j) **Projected benefit payments from fund are as follows:**

	Pension	Gratuity
	Rs '000	
FY 2016	22,147	65,136
FY 2017	45,732	89,397
FY 2018	48,121	69,307
FY 2019	50,238	95,865
FY 2020	53,239	67,571
FY 2021-25	319,110	252,158

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2016	11.59	4.39
June 30, 2015	13.10	4.90

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

Notes to and Forming Part of the Consolidated Financial Statements

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35. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2016 are as follows:

	2016 Rs '000	2015 Rs '000
Staff provident fund		
Size of the fund	385,662	403,751
Cost of investments made	325,365	329,457
Fair value of investments made	383,232	400,021
%age of investments made	99%	99%

	2016		2015	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	24,191	7%	24,740	7%
Mutual Funds	40,482	12%	18,400	6%
Bank deposits	22,319	7%	286,317	87%
Term deposits	238,373	74%	-	0%
	325,365	100%	329,457	100%

	2016 Rs '000	2015 Rs '000
General Staff Provident Fund		
Size of the fund	588,361	588,160
Cost of investments made	554,911	546,256
Fair value of investments made	586,961	585,940
%age of investments made	100%	99%

	2016		2015	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	18,662	3%	18,663	3%
Mutual Funds	40,000	7%	15,000	3%
Bank deposits	13,256	2%	512,593	94%
Term deposits	482,993	88%	-	0%
	554,911	100%	546,256	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.

36. 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:

	2016 Rs '000	2015 Rs '000
High Speed Diesel	38,953,827	60,533,350
Jet Petroleum	6,827,062	14,092,258
Motor Gasoline	19,159,506	35,581,780
Furnace Fuel Oil	11,387,131	16,540,018
Naphtha	12,728,066	18,646,019
Others	6,904,806	18,998,492
	95,960,398	164,391,917
Less: Taxes, duties, levies and price differential	29,395,474	35,486,486
	66,564,924	128,905,431

Revenue from four major customers of the Company constitute 88% (2015 : 88%) of total revenue during the year.

37. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.01% (2015: 61.01%) shares of ARL at the year end. Therefore, all subsidiaries and associated undertakings of Attock Oil Company Limited are related parties of ARL. 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 38 to the financial statements.

	2016 Rs '000	2015 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	5,802,784	10,340,461
Purchase of gas	13,300	22,829
Purchase of services	9,740	5,517
Sale of petroleum products	99,409	194,538
Sale of services	22,089	20,761
Attock Petroleum Limited		
Sale of petroleum products	20,505,820	37,158,424
Sale of services	100,913	97,977
Purchase of petroleum products	2,611	2,439
Purchase of services	271,980	384,660
Interest income on delayed payments	174,713	101,850
National Refinery Limited		
Purchase of services	196,037	216,595
Sale of services	430	43

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	2016 Rs '000	2015 Rs '000
Attock Cement Pakistan Limited		
Purchase of services	345	1,042
Sale of services	18	45
Attock Gen Limited		
Sale of petroleum products	1,307	1,461
Land lease income	24,436	19,864
Storage tank lease income	16,104	15,558
Income from other services and facilities provided to AGL	18,262	13,214
National Cleaner Production Centre Foundation		
Purchase of services	9,092	21,410
Sale of services	13,848	11,080
Sale of petroleum products	168	386
Attock Information Technology Services (Private) Limited		
Purchase of services	34,642	23,256
Sale of services	3,577	3,612
Capgas (Private) Limited		
Sale of services	480	269
Attock Leisure & Management Associates (Private) Limited		
Sales of services	9	-
Attock Sahara Foundation		
Purchases of services	4,888	3,923
Sales of services	649	695
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	148,371	202,923
Purchase of services	334,256	59,181
Sale of services	20,048	19,141
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	15,239	15,104
Staff gratuity fund	98,330	213,553
Staff provident fund	27,298	27,269
Contribution to Workers' profit participation fund	53,049	135,367

38. 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		Executives	
	2016 Rs '000	2015 Rs '000	2016 Rs '000	2015 Rs '000
Managerial remuneration/ honorarium	7,117	7,030	152,895	138,484
Bonus	3,401	3,239	55,440	48,703
Company's contribution to provident,				
pension and gratuity funds	-	-	32,977	29,968
Housing and utilities	5,292	5,164	134,195	128,491
Leave passage	1,134	897	16,054	11,897
	16,944	16,330	391,561	357,543
Less: charged to Attock Gen Limited	(5,083)	(4,899)	-	-
	11,861	11,431	391,561	357,543
No of person(s)	1	1	177	153

38.1 In addition, the Chief Executive and 15 (2015: 14) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 78 (2015: 59) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 70 (2015: 74) executives. Gratuity and pension is payable to the Chief Executive in accordance with the terms of employment while contributions for executives in respect of gratuity and pension are based on actuarial valuation. Leave passage is paid to Chief Executive and all executives in accordance with the terms of employment.

38.2 In addition, meeting fee based on actual attendance was paid to 4 (2015: 4) non-executive directors Rs 2.615 million (2015: Rs 2.541 million), chief executive officer Rs 0.680 million (2015: Rs 0.661 million) and 2 (2015: 2) alternate directors Rs 1,255 million (2015: Rs 1.321 million).

Notes to and Forming Part of the Consolidated Financial Statements
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	2016 Rs '000	2015 Rs '000
39. FINANCIAL INSTRUMENTS		
39.1 Financial assets and liabilities		
Financial assets :		
Loans and receivables		
Maturity upto one year		
Trade debts	6,889,447	14,418,277
Loans, advances, deposits & other receivables	1,530,346	1,394,528
Cash and bank balances		
Foreign currency - US $	49,160	47,738
Local currency	9,640,110	10,650,853
Maturity after one year		
Long term loans and deposits	31,405	29,241
	18,140,468	26,540,637
Financial liabilities :		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	23,061,929	31,933,937
Long term financing	550,000	550,000
Maturity after one year		
Long term financing	14,613,682	11,108,993
	38,225,611	43,592,930

39.2 Credit quality of financial assets

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

	Rating	2016 Rs '000	2015 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	1,246,682	8,398,133
Counterparties without external credit rating			
Due from associated companies		4,346,918	3,554,477
Others *		1,295,847	2,465,190
		6,889,447	14,417,800
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		1,561,751	1,423,769
Bank balances			
Counterparties with external credit rating			
	A 1+	9,601,361	9,996,346
	A 1	86,784	700,771
		9,688,145	10,697,117

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

39.3 Financial risk management

39.3.1 Financial risk factors

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

a) Credit risk

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

The company's credit risk is primarily attributable to its trade debts and 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.

Notes to and Forming Part of the Consolidated Financial Statements

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At June 30, 2016, trade debts of Rs 2,584.267 thousand (2015: Rs 8,274.956 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2016 Rs '000	2015 Rs '000
0 to 6 months	2,584,247	8,274,934
6 to 12 months	-	-
Above 12 months	20	22
	2,584,267	8,274,956

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

b) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains lines of credit as mentioned in note 10 to the financial statements.

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

	Carrying amount	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2016				
Long term financing	14,613,682	3,650,000	550,000	15,210,493
Trade and other payables	23,096,798	23,096,798	23,096,798	-
At June 30, 2015				
Long term financing	11,108,993	11,375,000	550,000	11,560,493
Trade and other payables	31,950,015	31,950,015	31,950,015	-

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

c) **Market risk**

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

i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 49 million (2015: Rs 48 million) and financial liabilities include Rs 651 million (2015: Rs 10,149 million) which were subject to currency risk.

	2016	2015
Rupees per USD		
Average rate	103.13	101.34
Reporting date mid point rate	104.60	101.60

Sensitivity analysis

At June 30, 2016, 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 41 million (2015: Rs 677 million) lower/ higher.

ii) **Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial assets and liabilities include balances of Rs 9,683 million (2015: Rs 10,695 million) and Rs 17,892 million (2015: Rs 14,275 million) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities have been indicated in respective notes.

Sensitivity analysis

At June 30, 2016, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 56 million (2015: Rs 24 million) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

iii) **Price risk**

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

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2016

39.3.2 Capital risk management

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

As mentioned in note - 7.1, the Company is subject to pricing formula whereby profits after tax from refinery operations in excess of 50% of the paid up capital as of July 1, 2002, are transferred to special reserve and can only be utilized exclusevely for up-gradation of refinery.

39.4 Fair value of financial assets and liabilities

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

40. FAIR VALUE HIERARCHY

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2014. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. The different levels have been defined as follows:

- Level 1

Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

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

		2016 Rs '000	2015 Rs '000
41.	**CASH GENERATED (USED) / FROM OPERATIONS**		
	Profit before taxation	3,850,349	2,300,780
	Adjustments for:		
	Depreciation	153,342	143,179
	Gain on disposal of property, plant and equipment	(6,119)	(3,362)
	Provision for slow moving, obsolete and in transit stores	5,800	10,300
	Workers profit participation fund	-	51,913
	Workers' welfare fund	115	19,758
	Interest income	(535,757)	(1,040,161)
	Finance cost (net)	156,881	315,116
	Effect of exchange rate changes	(1,421)	(1,396)
	Interest on delayed payments	(174,713)	(101,850)
	Share of profit in associates	(3,481,633)	(2,492,870)
	Impairment loss on investment in associated companies	(1,071,269)	1,160,218
		(1,104,425)	361,625
	Working capital changes		
	(Increase)/decrease in current assets:		
	Stores, spares and loose tools	187,356	(1,232,329)
	Stock-in-trade	(133,623)	4,981,625
	Trade debts	7,547,144	(1,172,492)
	Loans, advances, deposits, prepayments and		
	other receivables	55,246	(1,170,223)
		7,656,123	1,406,581
	Increase/(decrease) in current liabilities:		
	Trade and other payables	(8,737,552)	1,443,455
	Cash generated from operations		
	Payments of WPPF and WWF	(86,333)	(141,060)
	Income taxes paid	(450,695)	(2,670,198)
		(537,028)	(2,811,258)
	Net cash (outflows) / inflows from operating activities	(2,722,882)	400,403

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended June 30, 2016

42. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation	
i) Loans and advances	Non-interest bearing	
ii) Deposits	Non-interest bearing	
iii) Segment revenue	Disclosed in note 36	
iv) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:	
	1. Meezan Bank Limited	
	2. AlBaraka Bank (Pakistan) Limited	
	3. Dubai Islamic Bank"	
v) Bank balances	**As at June 30, 2016**	Rs '000
	Placed under interest arrangement	9,564,343
	Placed under Shariah permissible arrangement	123,802
		9,688,145
vi) Income on bank deposits including income accrued as at reporting date	**For the year ended June 30, 2016**	
	Placed under interest arrangement	513,680
	Placed under Shariah permissible arrangement	22,077
		535,757
vii) All sources of other income	Disclosed in note 28.2	
viii) Exchange gain	Earned from actual currency	

Disclosures other than above are not applicable to the Company.

43. GENERAL

43.1 Capacity and production

Against the designed annual refining capacity of US barrels 15.050 million (2015: 15.050 million) the actual throughput during the year was US barrels 13.084 million (2015: 15.358 million).

43.2 Number of employees

	2016	2015
Total number of employees at the end of the year	948	815
Average number of employees for the year	889	793

43.3 Non-adjusting events after the balance sheet date

43.3.1 The Board of Directors in its meeting held on August 15, 2016 has proposed a final cash dividend for the year ended June 30, 2016 @ Rs per share 5.00 (2015 @ Rs 5.00 per share), amounting to Rs 426,465 thousand (2015 : Rs 426,465 thousand) for approval of the members in the annual general meeting to be held on September 29, 2016.

43.3.2 The Company is liable to pay tax at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. In accordance with the guidance issued by the Institute of Chartered Accountants of Pakistan, liability if any, in respect of income tax due to non-distribution of dividend is recognized when the prescribed time period for distribution of dividend expires.

43.4 Reclassification

Corresponding figures for the year ended June 30, 2015 have been rearranged and reclassified where necessary for more appropriate presentation. Significant rearrangements and reclassifications in the financial statements are as follows:

From	To	Rs '000
Balance sheet:		
Trade debts	Loans, advances, deposits and prepayments	1,236,212
	Long term loans and deposits	227
		1,236,439
Profit and loss account:		
Other income	Finance cost	98,231

43.5 Rounding off

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

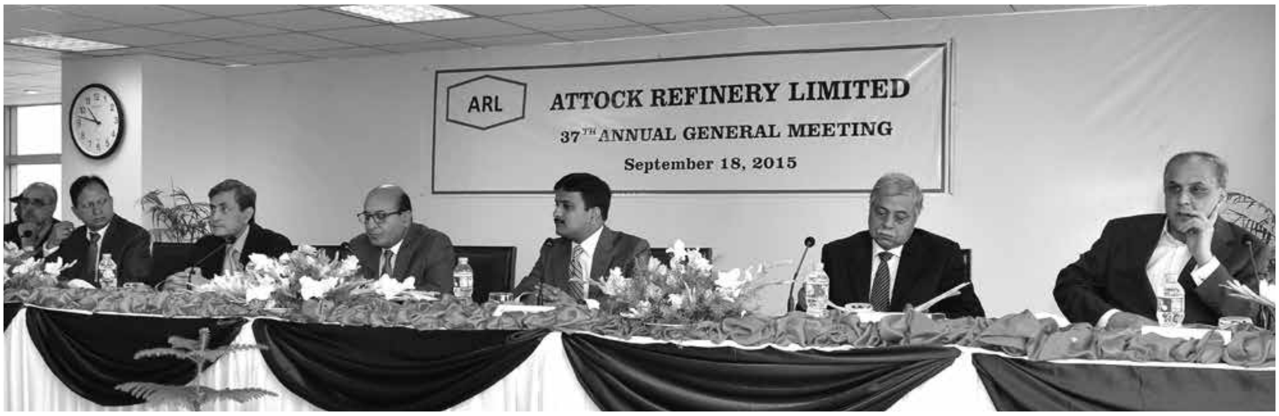
44. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 15, 2016.

-Sd-
Chief Executive

-Sd-
Director

Notice of Annual General Meeting



Notice is hereby given that the 38th Annual General Meeting of the Company will be held at Attock House, Morgah, Rawalpindi, on Thursday, September 29, 2016 at 10:45 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Thirty Seventh (37th) Annual General Meeting held on September 18, 2015.
2. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2016.
3. To approve a final cash dividend at the rate of 50% (Rs 5.00 per share), as recommended by the Board of Directors for the year ended June 30, 2016.
4. To appoint auditors for the year ending June 30, 2017 and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and approve the alteration to be made in the Articles of Association of the Company for the purpose of compliance with the mandatory E-voting requirements as prescribed in the Companies (E-voting) Regulations, 2016 and if thought fit, pass the following resolution as a Special Resolution:

RESOLVED THAT the Articles of Association of the Company be altered as follows:

In Article 59 following line shall be omitted:

> "Except for a proxy appointed by a corporation, no person shall be appointed a proxy who is not a Member qualified to vote".

After Article 59, following new Articles 59 (A) and 59 (B) shall be inserted:

59 (A) The provisions and requirements for E-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of other provisions of these Articles and notwithstanding anything contradictory therein.

59 (B) In case of e-voting, voters may appoint either members or non-members as proxy and the company shall comply with the requirements of the Companies (E-Voting) Regulations, 2016 prescribed under the Companies Ordinance, 1984.

6. To approve transmission of annual audited financial statements, auditor's report and directors' report etc. (annual audited accounts) to members through CD/DVD/USB at their registered address, as allowed by the Securities and Exchange Commission of Pakistan (SECP):

   To consider and if deemed appropriate propose the following resolution:

   "RESOLVED THAT transmission of annual audited financial statements, auditor's report and directors' report etc. (annual audited accounts) to members at their registered addresses in soft form i.e. CD/DVD/USB as notified by SECP vide its SRO No. 470 (I)/2016 dated May 31, 2016 be and is hereby approved".

7. 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

Registered Office:
The Refinery,
Morgah, Rawalpindi
September 7, 2016

Notice of Annual General Meeting

NOTES:

A member may appoint a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized 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 the meeting.

FOR APPOINTING PROXIES:

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

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

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

iv. The proxies shall produce their original CNIC or original passport at the time of meeting.

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

DEDUCTION OF INCOME TAX FOR FILER AND NON FILER AT REVISED RATES:

Pursuant to the provisions of Finance Act, 2016, effective July 01, 2016, applicable rates on payment of dividend have been amended and the rates of deduction of income tax, under Section 150 of Income Tax Ordinance, 2001 have been revised as follows:

1.	Rate of tax deduction for filer of income tax returns	12.50%
2.	Rate of tax deduction for non filer of income tax returns	20.00%

In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The CNIC number/NTN details is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) NUMBER / NATIONAL TAXPAYER NUMBER (NTN):

Members are requested to provide attested photocopy of their CNIC or NTN (in case of corporate entities) directly to our share registrar in order to meet the mandatory requirement of the SECP directives which requires that the dividend warrant should bear CNIC number of the member.

CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 22, 2016 to September 29, 2016 (both days inclusive). Transfers received in order at the Shares Department of M/s THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, P. O. Box No. 8533, Karachi-75530, Pakistan at the close of business on September 21, 2016 will be treated in time for the purpose of payment of final cash dividend, if approved by the shareholders.

CHANGE OF ADDRESS:

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

TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL:

The SECP vide SRO 787 (I)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of Annual General Meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.arl.com.pk, to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2016 have been made available on the Company's website www.arl.com.pk, in addition to annual and quarterly financial statements for the prior years.

DIVIDEND MANDATE OPTION:

In accordance with the SECP's Circular No. 18 of 2012 dated June 05, 2012, the shareholders have been given an opportunity to authorise the Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt for the dividend mandate option as stated, the Dividend Mandate Form, available at Company's website i.e. www.arl.com.pk, needs to be duly filled and submitted to our Share Registrar at the earliest.

STATEMENT UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984

a. **Amendments in the Articles of Association**

   To give effect to the Companies (E-Voting) Regulation 2016, shareholders' approval is being sought to amend the Articles of Association of the Company to enable e-voting.

b. **Transmission of Annual Audited financial statements through CD/DVD/USB**

   The SECP has allowed companies through SRO 470 (I)/2016 dated May 31, 2016 to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report etc. ("annual audited accounts") to its members through CD/DVD/USB at their registered address. Printed copy of above referred statements shall be provided to such members who opt for having hard copy on the Request Form which is available on the website of the Company i.e. www.arl.com.pk.

Notice of Annual General Meeting

STATEMENT UNDER SRO 27(I) / 2012 DATED JANUARY 16, 2012:

Status of the investment in Associated Companies

Information as required under the Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, the status of the investments in Associated Companies against approval given by the shareholders in the Extra Ordinary General Meeting (EOGM) held on 24th November, 2004 in respect of National Refinery Limited (NRL) and EOGM held on 29th June, 2009 in respect of Attock Gen Limited is as under:

1. **Total investment approved:**

   NRL To the extent of maximum 35% of the total shareholding of NRL at a price to be finally accepted by the Privatization Commission.

   AGL To the extent of maximum 35% of the paid up capital of AGL with overall amount not exceeding Rs. 800 million.

2. **Amount of investment made todate:**

   NRL Investment of Rs.8,046.635 million has been made in NRL todate which represents 25% of the total shareholding of NRL.

   AGL Investment of Rs. 748.295 million has been made in AGL todate which represents 30% of paid up capital of AGL.

3. **Reasons for not having made complete investment to date:**

   Majority of the investments have been made in both NRL and AGL. The decision for remaining investment will be made in future depending on the improved macroeconomics factors, feasible investment and satisfactory rate of return.

4. **Major change in financial position of investee companies since the date of last resolution:**

   Changes in financial positions are as follows:

i. **Earnings per share**

National Refinery Limited

Year ended June 30, 2005	Year ended June 30, 2015	Year ended June 30, 2016
Rs Per Share		
31.82	46.38	96.14

Attock Gen Limited

Year ended June 30, 2009	Year ended June 30, 2015	Year ended June 30, 2016
Rs Per Share		
24.46	112.93	97.54

ii. **Break-up value per share**

National Refinery Limited

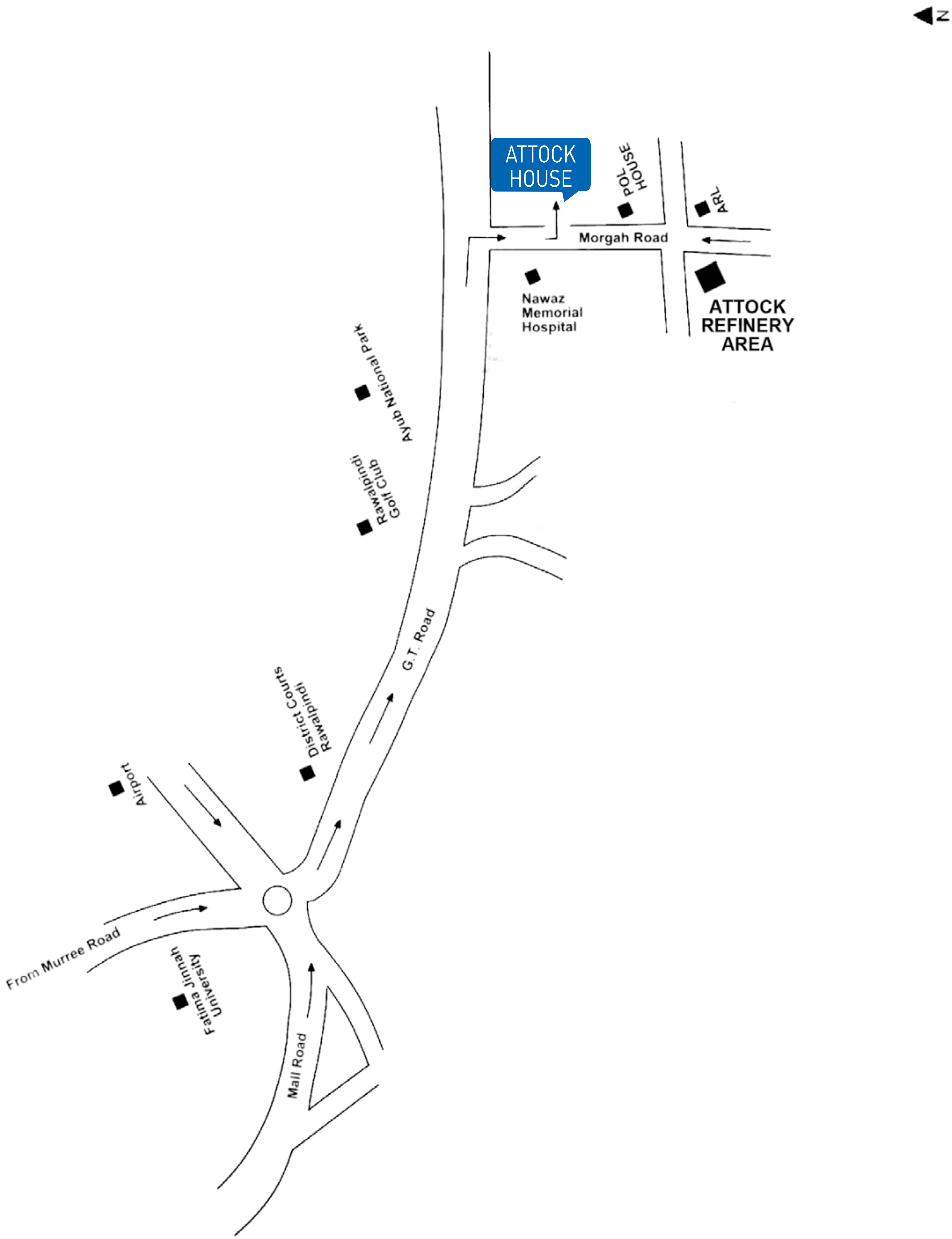
Year ended June 30, 2005	Year ended June 30, 2015	Year ended June 30, 2016
100.60	376.83	460.47

Attock Gen Limited

Year ended June 30, 2009	Year ended June 30, 2015	Year ended June 30, 2016
125.16	360.71	338.05

The above figures are based on latest available financial statements.

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

EPS
Earning Per Share

FFO
Furnace Fuel Oil

GRM
Gross Refiner's Margin

HBU
Howe Baker Unit

HOBC
High Octane Blending Component

HR&A
Human Resource and Administration

HSD
High Speed Diesel

HSEQ
Health Safety Environment and Quality

HSFO
High Sulfur Furnace Fuel Oil

IAS
International Accounting Standards

ICAP
Institute of Chartered Accountants of Pakistan

ICMAP
Institute of Cost and Management Accountants of Pakistan

IFEM
Inland Freight Equalisation Margin

IFRS
International Financial Reporting Standards

IPP
Independent Power Producer

ISO
International Organization for Standardization

JBO
Jute Batching Oil

JPs
Jet Petroleum

LDO
Light Diesel Oil

LPG
Liquefied Petroleum Gas

LSFO
Low Sulfur Furnace Fuel Oil

LSRN
Light Straight Run Naphtha

MTT
Mineral Turpentine Tar

NCPC
National Cleaner Production Centre

NRL
National Refinery Limited

OGRA
Oil and Gas Regulatory Authority

OHSAS
Occupational Health and Safety Management System

OMCs
Oil Marketing Companies

PACRA
The Pakistan Credit Rating Agency Limited

PICG
Pakistan Institute of Corporate Governance

PMB
Polymer Modified Bitumen

PMG
Premium Motor Gasoline

POL
Pakistan Oilfields Limited

PSO
Pakistan State Oil Company Limited

PSQCA
Pakistan Standard Quality Control Authority

RFO
Residual Fuel Oil

SECP
Securities and Exchange Commission of Pakistan

UNGC
United Nations Global Compact

UOP
Universal Oil Products

WPPF
Workers Profit Participation Fund

WWF
Workers Welfare Fund

Form of Proxy

Attock Refinery Limited
38th Annual General Meeting

I / We ____________________

of ____________________

being member(s) of Attock Refinery Limited holding ____________________

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

of ____________________ or failing him / her

____________________ of

____________________ as my / our proxy in my / our

absence to attend and vote for me/us and on my/our behalf, at the 38th Annual General Meeting of the Company to be held on Thursday, September 29, 2016 at 10:45 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 ____________2016

Signature of Shareholder ____________________

Signature of Proxy ____________________

1. WITNESS:

Signature ____________________
Name ____________________
Address ____________________
____
CNIC No. or ☐☐☐☐☐ – ☐☐☐☐☐☐☐ – ☐
Passport No. ____________________

2. WITNESS:

Signature ____________________
Name ____________________
Address ____________________
____
CNIC No. or ☐☐☐☐☐ – ☐☐☐☐☐☐☐ – ☐
Passport No. ____________________

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office, P.O. Refinery, Morgah, Rawalpindi-46600, Pakistan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities :

   In addition to the above the following requirements have to be met:

   i. Attested copies of CNIC or the passport of the 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.

نیابت داری فارم

اٹک ریفائنری لمیٹڈ

۳۸واں سالانہ اجلاس عام

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔سکنہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔بحیثیت ممبر اٹک ریفائنری لمیٹڈ کے۔۔۔۔۔۔۔۔۔۔
عمومی حصص کا مالک ہوں۔ جناب / مسز / محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔سکنہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔یا اُن کی عدم حاضری کی وجہ سے جناب / مسز /
محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔سکنہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کو کمپنی کے ۳۸ویں سالانہ اجلاسِ عام جو کہ بروز جمعرات، ۲۹ستمبر ۲۰۱۶ءکو۴۵:۱۰ بجے صبح منعقد ہوگا یا
اس کے کسی بھی التوائی اجلاس کیلئے میرے/ہمارے نیابت دار کے طور پر مقرر کرتا/ کرتے ہیں کہ وہ میری/ہماری غیر موجودگی میں میری/ہماری جانب سے شرکت کریں اور رائے دہندگی کا استعمال کریں۔

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	پارٹیسپنٹ آئی ڈی	اکاؤنٹ نمبر

پانچ روپے کی رسیدی ٹکٹ پر دستخط

دستخط کمپنی میں محفوظ نمونے کے مطابق ہونے چاہیے

حصہ دار کے دستخط ____________________

نیابت دار کے دستخط ____________________

تاریخ: دن ________ ماہ ____________ ۲۰۱۶ء

۱۔ گواہ:	۲۔ گواہ:
دستخط ____________________	دستخط ____________________
نام ____________________	نام ____________________
پتہ ____________________ ____________________	پتہ ____________________ ____________________

شناختی کارڈ نمبر ____________________ شناختی کارڈ نمبر ____________________

یا یا

پاسپورٹ نمبر ____________________ پاسپورٹ نمبر ____________________

ضروری اُمور:

۱. باضابطہ مکمل شدہ اور دستخط کردہ نیابت داری فارم اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ دفتر پوسٹ بکس ریفائنری، مورگاہ راولپنڈی ۴۶۶۰۰۔ پاکستان میں جمع کرانا ضروری ہے۔

۲. اگر ایک ممبر ایک سے زیادہ نیابت دار مقرر کرتا ہے اور کمپنی میں ایک سے زیادہ نیابت داری کی دستاویزات جمع کرواتا ہے تو ایسی تمام دستاویزات غیر مؤثر ہو جائیں گی۔

۳. **سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے:**

مندرجہ بالا کے علاوہ درج ذیل تقاضے بھی پورے کرنا ہوں گے:۔

(i) نیابت داری فارم کے ساتھ بینیفشیل مالکان اور نیابت دار کا شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی فراہم کرنا ہوں گی۔

(ii) اجلاس کے وقت نیابت دار اپنا اصل شناختی کارڈ یا پاسپورٹ فراہم کرے گا۔

(iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ کے ساتھ نمونے کے دستخط (اگر پیشگی مہیا نہیں کیا گیا) کمپنی کے نیابت داری فارم کے ساتھ پیش کرنا ہوں گے۔

AFFIX
CORRECT
POSTAGE

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

ATTOCK REFINERY LIMITED