Annual Report 2017

Celebrating
Expansion and Up-gradation

A R L Attock Refinery Limited

Celebrating Expansion & Up-gradation

Attock Refinery Limited (ARL) is the pioneer of Pakistan's refining sector. The Company has stood the test of time through war and peace since its inception in 1922.

Since then, the refinery has undergone major transformation through use of advanced processes, emerging technologies and improvement in skill index of its human resources. New standards for efficiency, safety and environment have been achieved, to carry the journey forward that started 95 years ago.

With the blessings of Almighty, in the year 2017 we are celebrating successful completion of the Company's latest and the largest Expansion & Up-gradation Project, worth US$ 251 million.

Quite a long time back, ARL began planning for its expansion and up-gradation primarily as a mean to achieve long term sustainability. Despite ARL's excellent credentials, reputed international EPCC contractors were reluctant to execute the Project owing to country's adverse security situation. Finally, after hectic efforts and due diligence, Hyundai Engineering of South Korea was engaged as EPCC contractor in April 2013.

The Project had stiff timelines to meet the deadlines given by the Government. The work on the Project was marred by numerous unexpected challenges like political sit-ins, poor law and order situation, delays in availability of consultants due to security reasons and adverse changes in custom duty rates/laws applicable to the refineries that could have virtually jeopardized the entire Project. The Company, however proactively, responded to these challenges with commitment and determination which resulted in successful completion of the Project despite all the hurdles and constraints.

The Project mainly comprised of following units:

- Isomerization Unit (Production of Premium Motor Gasoline increased by about 20,000 M. Tons per month);
- Preflash Unit (Refinery capacity increased by 10,400 barrels per day);
- Diesel Hydrodesulphurization (DHDS) Unit (enabled ARL to produce 500 ppm Euro-II High Speed Diesel); and
- Expansion of existing Captive Power Plant by 18 MW.

An unexpected development took place when the Government just before the commissioning of ARL Isomerization Unit moved to higher RON Motor Gasoline specifications in the country. This was a major challenge and the Company had to respond to this situation in a befitting manner. Intensive R&D enabled the Company to upgrade its Motor Gasoline from 87 to 90 RON by February 13, 2017, much before the two years' time frame given by the Government.

The journey of progress and development hasn't stopped here. Technical studies are underway for installation of a state- of- the- art Continuous Catalytic Reformer (CCR), for further improvement of Motor Gasoline specifications along with installation of other process units for deep conversion to enhance volume of value added products.

The almost century long history of ARL is replete with instances of transformation ranging from strategic level to operational level. The core purpose has always been the interests of the Company, shareholders, employees and all other stakeholders while keeping the national interest supreme in all endeavors. ARL believes in continual improvement and progress because a better future cannot be guaranteed otherwise.

Success is vital to any organization. Celebrating success injects life into the organization, making it worthwhile for employees to contribute to the overall objectives of the Company.

As, we celebrate the successful completion of ARL Expansion & Up-gradation Project and other allied R&D activities, we fully remain cognizant of rapidly changing technological, environmental and socio-economic developments. ARL has effectively evolved and adapted to overcome these challenges and make the most of the opportunities for a bright and sustainable future. Our current and previous success stories provide unwavering inspiration to continue and improve upon the glorious traditions handed down through hard work of past generations.

Contents

TRIBUTE TO

Late DR. GHAITH RACHAD PHARAON

FOUNDING CHAIRMAN

ATTOCK GROUP OF COMPANIES

Dr. Ghaith Rachad Pharaon, the founding Chairman of the Attock Group of Companies in Pakistan breathed his last peacefully on January 6, 2017.

Dr. Pharaon was a great business leader of international standing. He always welcomed new ideas and business opportunities. It was because of his keen interest, dynamic leadership along with trust and confidence on the management in Pakistan that enabled the Attock Group to become one of the largest and successful foreign business set-ups in Pakistan.

He had a special place in his heart for Pakistan. He would always be remembered with great respect due to his extra ordinary contribution towards betterment of the economy of Pakistan.

His demise is a big and irreparable loss not only for the Attock Group but for the local as well as international business community. The vacuum created by his death has been filled by the new Chairman Mr. Laith G. Pharaon under whose able leadership and guidance the Group is now moving to carry forward the legacy and vision of late Dr. Pharaon.

May Allah rest his soul in eternal peace and grant him a place in Jannat ul Firdous and give fortitude and courage to his family to bear this loss (Ameen).

HONORS & ACHIEVEMENTS

Certificate of appreciation from NFEH

Finalist Asia Sustainability Reporting Award

1st Prize Award
EFP Best Practices
Award for OSH&E
2016

1st Prize in
Business
Excellence Award
UN Global
Compact

Best Sustainability
Report Award

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 completed 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 its shares are quoted on the Pakistan Stock Exchange Limited. The Company is also registered with Central Depository Company of Pakistan Limited (CDC).

Original paid-up capital of the Company was Rs 80 million which was subscribed by the holding company i.e. AOC, Government of Pakistan, investment companies and general public. The present paid-up capital of the Company is Rs 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 95 years of successful operations, ARL's plants have been gradually upgraded/ replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements.

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

There were subsequent discoveries of oil at Meyal and Toot (1968). Reservoir studies during the period 1970-78 further indicated high potential for crude oil production of around 20,000 bpd. In 1981, the capacity

of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/ wax production, as well as Edeleanu, were closed down in 1986. Another expansion and up gradation project was completed in 1999 with the installation of a Heavy Crude Unit of 10,000 bpd and a Catalytic Reformer of 5,000 bpd. In 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned.

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

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

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

ACCREDITATION & CERTIFICATIONS

ISO-9001: 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

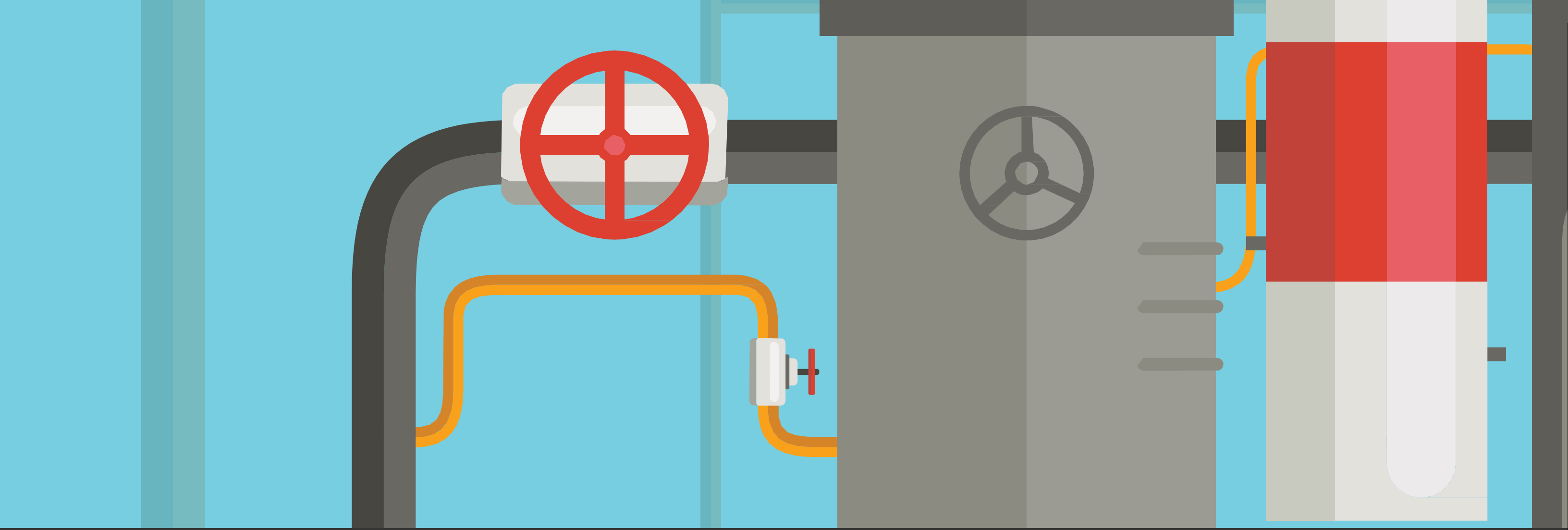
2001
First major industry to get ISO 9001: 2000 certification

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 Plant Maintenance & Operations Conference
First in Pakistan to declare implementation of ISO 50001 (Energy Management System)
2013
Commencement of setting-up of ARL Up-gradation Project
2017
Preflash, ISOM, DHDS & Auxillary units commissioned



ARL Products

LIQUEFIED PETROLEUM GAS (LPG)

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

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. During the year the Company started producing 90 RON PMG.

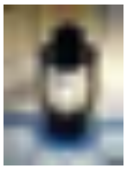
MINERAL TURPENTINE TAR (MTT)

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.

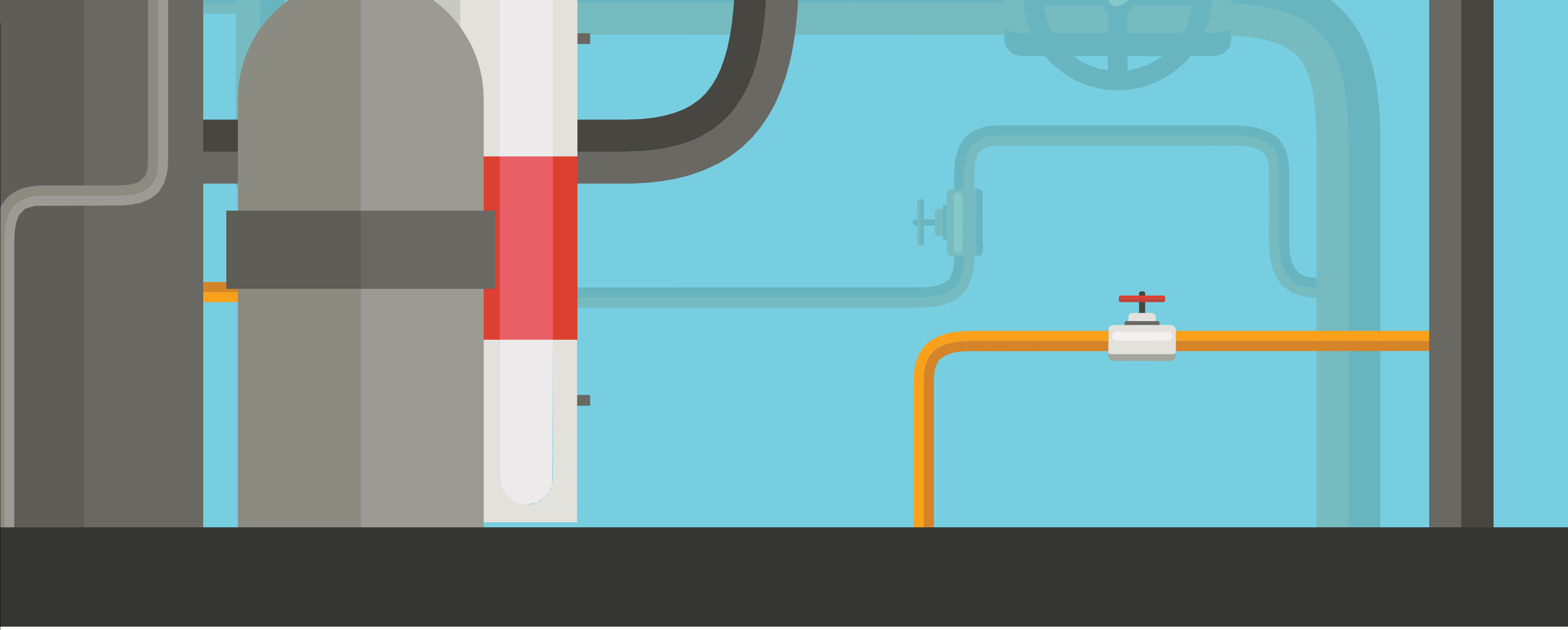
KEROSENE OIL



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 IPPs 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

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

MR. WAEL G. PHARAON
Non Executive Director

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

MR. SHUAIB A. MALIK
Chairman / Non Executive Director

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 a Director on the Board of all the Companies in the Group.

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. Responsibilities included 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. SHAMIM AHMAD KHAN
Independent Non Executive Director
(NIT Nominee)

MR. JAMIL A. KHAN
Non Executive Director

Mr. Sajid Nawaz is currently serving as a Managing Director of Pakistan Oilfields Limited (POL). He has almost 11 years work experience with POL in Senior Management positions. He is currently serving on the Board of Directors of Attock Refinery Limited, Attock Petroleum Limited, Attock Cement Pakistan Limited and POL. Previously he also served as Chief Executive Officer of POL as well 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 POL.

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 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.

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

He joined National Refinery Limited in 2005 immediately after its privatization and is presently serving as Deputy Managing Director and a member of the Board of Directors as an alternate director. He is a graduate in aero sciences and holds a degree of Masters in Business Administration (Finance) besides qualifying the directors training program from Pakistan Institute of Corporate Governance (PICG).

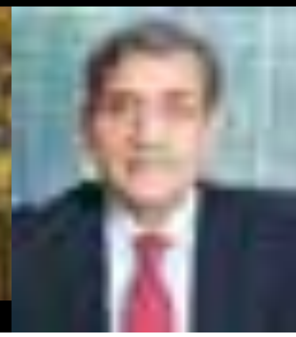
MR. TARIQ IQBAL KHAN
Alternate Director to
Mr. Laith G. Pharaon

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 companies include FFC Energy (Pvt) Limited, Khyber Pakhtunkhaw Oil & Gas Co. Ltd. and CAS Management (Pvt) Ltd.

MR. BABAR BASHIR NAWAZ
Alternate Director to
Mr. Wael G. Pharaon

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 41 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), Sustainable Development Policy Institute (SDPI), Corporate Advisory Committee (NUST), Governing Council (PMQA), National Productivity Organization and Member Board of Studies, 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 IqbalKhan !Alternate Director)	Chairman
Abdus Sattar	Member
Sajid Nawaz	Member
Shamim Ahmad Khan (Independent Direct or)	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 internalcontrolsystem and fulfill other responsibilities under the Code.

HR & REMUNERATION COMMITTEE

ShuaibA.Malik	Chairman
Sajid Nawaz	Member
M. AdiIKhattak	Member

Responsibility

The prime role of the Human Resource & Remunerat ion Committee is to give recommendat ions 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 InternalAudit to the Board. The Committee also considers recommendations of CEO on such matters for key management posit ions.

TECHNICAL & FINANCE COMMITTEE

Abdus Sattar	Chairman
ShuaibA.Malik	Member
Tariq IqbalKhan !Alternate Director)	Member
M. AdiIKhattak	Member

Responsibility

To recommend and review key financialmatters or technicalaspects relating to refinery operat ions/ Up-gradation etc.

PHOTOGRAPH OF THE 187'" BOARD OF DIRECTORS MEETING HELD ON SEPTEMBER 11,2017, IN DUBAI,UNITED ARAB EMIRATES.

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
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
Central Depository Company of Pakistan Limited
Share Registrar Department, CDC
House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400.

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

THE MANAGEMENT

01. **ANWAR SAEED**
Manager (HSEQ)

02. **ASIF SAEED**
Senior Manager (C & MM)

03. **SALMAN TARIQ**
Senior Manager (Maintenance)

04. **KHURRAM JALIL**
Senior Manager (Engineering)

05. **JAVED IQBAL MALIK**
AGM (HR & A)

06. **M. ADIL KHATTAK**
Chief Executive Officer

07. **EJAZ H. RANDHAWA**
DGM (Operations and P&D)

08. **SYED ASAD ABBAS**
Chief Financial Officer

09. **USMAN ISHAQ RAJA**
Deputy Manager (BR&A)

10. **MUNIR A. TEMURI**
Senior Manager (TS)

11. **SAIF-UR-REHMAN MIRZA**
Company Secretary

Management Committees

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

MANAGEMENT COMMITTEE

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

VALUE & ETHICS COMMITTEE

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

SUCCESSION PLANNING AND CAREER MANAGEMENT COMMITTEE

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

ECONO-TECH. COMMITTEE

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

BUDGET COMMITTEE

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

APPRAISAL COMMITTEE

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

PRICING COMMITTEE

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

CENTRAL HSE COMMITTEE

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

BID EVALUATION COMMITTEE

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

RISK MANAGEMENT & STRATEGIC PLAN COMMITTEE

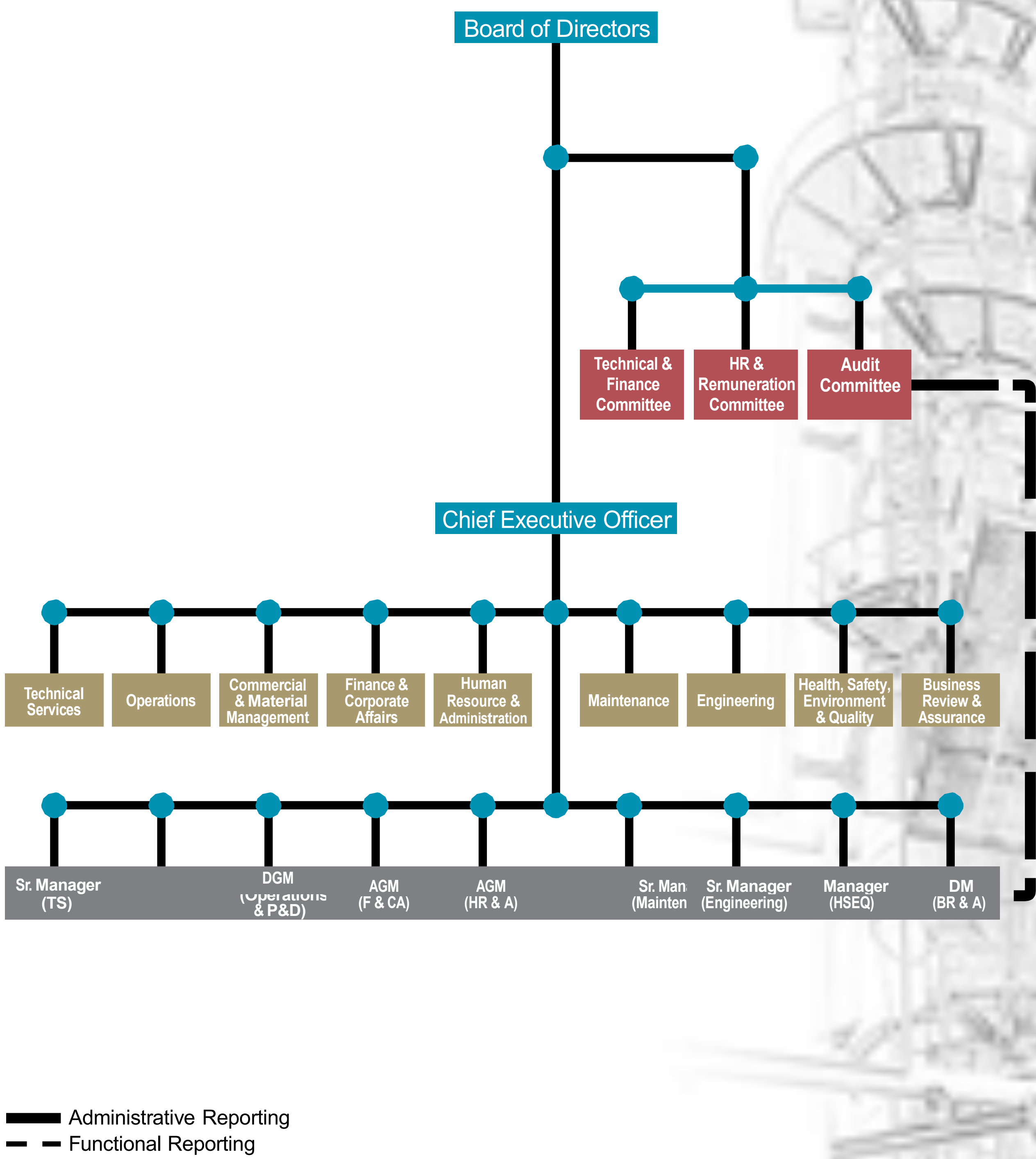
This Committee discusses and decides all matters related to risk management and strategic plan of Attock Refinery Limited.

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

TRAINING STEERING & SCHOLARSHIP COMMITTEE

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

Organogram



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
& P&D)
AGM (F & CA)
AGM (HR & A)
Sr. Man (Mainten
Sr. Manager (Engineering)
Manager (HSEQ)
DM (BR & A)
Administrative Reporting
Functional Reporting

Health, Safety, Environment & Quality
(HSEQ) Policy

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

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

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

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

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

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

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

Energy Policy

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

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

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

1. **USE OF ROBUST, SCIENTIFICALLY SOUND TECHNOLOGY:**
   This will enable the optimization of the existing resources and employing energy efficient equipment while protecting the environment.

2. **ENERGY MANAGEMENT:**
   ARL believes in setting realistic targets pertaining to energy efficiency and conservation and review them periodically to ensure sustainable growth.

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

4. **ENERGY CONSERVATION AWARENESS:**
   To keep abreast with latest development in energy conservation technologies and inculcate energy conservation culture in all our activities.

Human Resource Policy

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

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

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

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

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

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

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

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

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

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

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

Whistle Blowing Policy

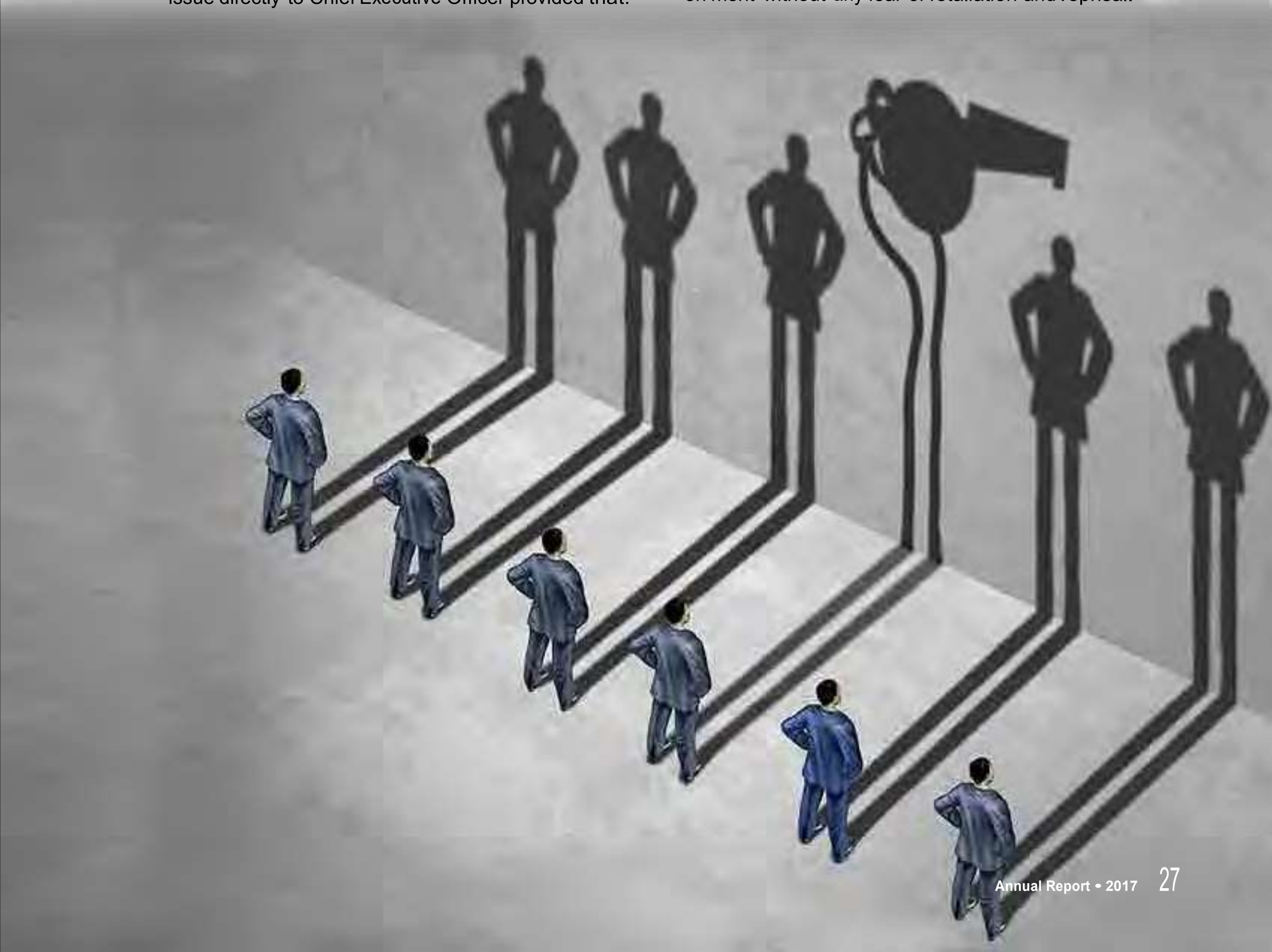
The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company. The Company 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 effect on the place of work or workplace relations.

EXPLANATION:

Definition of Harassment:

For this policy, Harassment is defined as:

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

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

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

Forms of harassment include but not limited to:

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

ROLES AND RESPONSIBILITIES:

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

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

The Management is responsible for:

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

RESOLUTION OF HARASSMENT COMPLAINTS:

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

Complaints:

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

NO REPRISAL:

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

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

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

United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative is a call to action for corporate sector. Attock Refinery Limited adopted it voluntarily during the year 2008 in pursuance of its commitment to sustainable growth while contributing to global priorities. We wish to be among the architects of a better world by becoming key partner in tackling our world's most pressing challenges.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

HUMAN RIGHTS

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

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

LABOR STANDARDS

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

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

Principle 5:
The effective abolition of child labour; and

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

ENVIRONMENT

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

Principle 8:
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 2016 to February 2017

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.

In recognition of ARL's dedication towards the ten principles of UNGC, the Global Compact Network Pakistan (GCNP) has proclaimed first prize in Large Category for our Company for "Living the UN Global Compact Business Excellence Award 2014-15".

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

February 23, 2017

Business Process Re-Engineering,

Research & Development

The Company continued its endeavors to further improving the operational and administrative efficiency in order to have positive impact over product quality and production slate. Some of the major tasks performed in this connection are as follows:

1. ARL had been exploring various ways to improve RON and enhance quantity of PMG. With the unilateral decision of GOP to introduce 92 RON PMG, refineries were directed to produce 90 RON PMG products. Successful commencement of ISOM unit and in-house R&D has enabled ARL to meet the required 90 RON specification and also to maintain the production quantities timely to avoid huge financial impact which would have occurred otherwise due to increased naphtha production/ export. ARL has now been successfully producing PMG of required specification since February 13, 2017.

2. After the Up-gradation Project, production of PMG has increased by 15,000 to 20,000 M. Ton per month. Production of PMG was 463,979 tons in 2016-17. ISOM plant commissioning, Reformer plant revamp and use of NMA contributed to higher production.

3. After revamp; Reformer plant operation was not possible without ISOM new splitter operation. However, in March 2016, an In-House modification at Reformer plant was carried out in consultation with UOP. This enabled ARL to ensure PMG production till commissioning of ISOM plant. Subsequently after commissioning of Isomerization plant in November 2016; Reformer plant was successfully brought back on original designed operating philosophy after necessary changes at Reformer and ISOM in March 2017.

4. ARL has achieved target of 92 RON at 110 % throughput of Reformer unit.

5. ARL is always looking for opportunity of improvement in terms of quality, performance and business. Enhanced diesel production is being managed by Optimized plant operation and offsite blending. Production of diesel has increased by 10,000 to 15,000 M. Ton per month. Diesel production was 643,911 tons in 2016-17.

6. Lummus plant vacuum tower top section had corroded and was replaced safely.

7. Spent Caustic from process units contains environmentally hazardous and odorous contaminants and is difficult to treat through the conventional biological Effluent Treatment Plant (ETP) facility. Anticipating an increase in the spent caustic quantity after Up-gradation Project with addition of new sources and enhanced processing at existing units, after Laboratory scale testing and process R&D work a pilot in-house facility was developed to study various possible techniques for spent caustic treatment. This facility is now successfully handling and treating the total spent caustic produced at

refinery. A permanent treatment facility having improved features and controls (based on this R&D) is planned to be developed in the next stage.

8. Operator Training Simulator (OTS) is a tool which creates real time environment identical to control room for operators to learn/ practice operation of a specific plant and it has been of great use for manpower training for commissioning and sustained operation of new plants.

9. Apart from training needs, OTS also helped in optimizing the following plant operations:
   - ISOM plant reactors temperature increased due to high benzene content in ISOM feed. The feed conditions were simulated in OTS to find ways to control this situation without any plant disturbance.
   - DHDS Unit compressor control loops were simulated in OTS DHDS model to study the suitable control loops. Findings were discussed with the Licensor and changes made in unit control scheme.
   - Dynamics simulation models have been developed to study the effect of modification in Refinery Gas Gathering System, Hydrogen (HYU) plant etc.

10. ARL has taken an initiative recycling 150,000 gallons/day water from Effluent Treatment Plant. Optimized operations of Reverse Osmosis (RO) plant, boilers and cooling towers were managed by blending and using Recycle treated water.

11. Successful commissioning of use of stripped water for desalting purpose at HBU-I helped in optimizing process water consumption.

12. A new water tubewell was developed at Hummak with a capacity of 200,000 gallon per day.

13. Sour Water Unit (SWU) often gets disturbed since plant startup due to choking of process lines and rapid increase in seal water level of Acid flare. Both problems were sorted out in-house by optimizing plant operating conditions. Modified operating conditions also reduced steam consumption by 20 Ton per day.

14. Design changes/ modifications in the refinery need to be managed in a systematic way through the MOC (Management of Change) procedure to ensure safe operations of the process units. To improve monitoring and follow up throughout the entire work cycle from inception to execution, the existing MOC system was successfully automated by developing and implementing complete process flow mapping in MAXIMO (IBM Asset Management software). This entire activity has been carried out with in-house resources.

15. Catalyst impregnation at Kerosene Merox plant was carried out in June 2017 after five years. Results are satisfactory.

16. First time chemical cleaning of HBUs overhead condensers (E-309/E-106) was done which resulted in improved condensers efficiency to achieve maximum throughput at both plants in summer season.

17. HBU-1 charge pump (P-301B) motor was replaced successfully by in-house modification and plant was operated at its designed throughput.

18. To ensure sustainable refinery operations after un-availability of SNGPL gas, a new line was installed from LPG storage bullets to gas gathering system. It helps to support gas requirement at plants as and when needed.

19. New Power Plant was commissioned and integrated with existing Engines.

20. Two year operational spares of ARU project were integrated with existing MAXIMO system.

Corporate Social Responsibillty

Since its inception in 1922, Attock Refinery Limited's contribution towards Corporate Social Responsibility (CSR) has been an important part of our core values. During these long years, we have taken exhaustive initiatives in this realm and continue to find ways and means to meaningfully contribute towards CSR. Various philanthropy, community investment and welfare activities conducted during the year under review are enumerated below:

1. **ATTOCK SAHARA FOUNDATION (ASF)** ASF is our Company sponsored NPO. It is significantly contributing in national wellbeing by playing a vital role in uplifting the socio economic condition of the deprived segment of local community. With an annual expenditure of Rs.19.06 million ASF's prominent undertakings include:

a. Apprenticeship Programme, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund, organized collection and distribution of Zakat and various welfare and community development projects like women skill development, capacity building and skill enhancement.

b. ASF's focus is on enabling women to become earning hands to enhance their family incomes by imparting necessary skills like stitching, hand and machine embroidery, "adda" work, training as beautician, basic and advanced computer training and spoken English skills.

c. ASF has a well equipped medium size Industrial Stitching Section which serves as a major source

of income and sustainability to meet its manifesto while providing employment to widows, physically challenged and special persons.

d. ASF also has a play group level school on "no profit no loss basis" for about 35 children.

e. With the view to augment income of ASF and to provide an opportunity to the local cottage industry (mostly based on the skills imparted to poor women of the area by ASF) as well as recreation facilities to local population, Company organizes a grand ASF Annual Meena Bazaar on its premises. This family event is whole heartedly participated by all and sundry.

2. COMMUNITY WELFARE BY THE COMPANY

a. The Company sponsors well maintained playgrounds for hockey and cricket along with other sports facilities. We also patronize parks and sports facilities in the vicinity of the Company and provide potable water and health care to the surrounding communities. The total expenditure on such activities amounted to over Rs.3.39 million.

b. The Company provides administrative support to schools and mosques in the surrounding area. During the year we spent Rs.2.37 million under this head.

c. We provide financial assistance of Rs.0.54 million to an NGO working for the betterment of the visually impaired.

d. The Company pays Rs.0.75 million per annum to the two adjoining Union Councils i.e. Morgah and Kotha Kalan, as contribution towards their development expenditure.

3. EMPLOYMENT OF SPECIAL PERSONS

The Company not only provides equal employment opportunities to special persons but takes an extra step to help them to earn respectable living. Emoluments to the tune of Rs.4.34 million were spent in this noble cause.

4. EDUCATION/ TRAINING

a. The Company is operating an extensive management training program of 1 to 2 years for fresh graduates. The annual expenditure on these training schemes amounts to over Rs.36.87 million.

b. The Company offers scholarships from class 6 to PhD level to employees' children. During the year forty eight scholarships were awarded and twenty three brilliant students amongst employees' children were recognized by awarding prizes. The Company incurred an annual expenditure of Rs.2.86 million on scholarships.

5. BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Company'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) principles since year 2008 in its business practices leading to fight against corruption in all its forms, including extortion and bribery.

6. 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. The water used in the production process is treated at the Effluent Treatment Plant to ensure that the effluent water leaving the refinery meets the National Environmental Quality Standards (NEQS). This has also helped in conservation and recycling of water.

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

c. The Company has taken a step forward towards achieving excellence in Environmental Management Systems by following British Safety Council 5 Star Environmental Audit Rating program guidelines for adopting best practices. The Company achieved 4 Star rating this year.

d. Hazard and Operability (HAZOP) study is conducted on all process areas at regular intervals to identify and control the hazards at Process units. This year 23 HAZOP (Lummus, Reformer, HBU-I, HCU & HBU-II) recommendations have been successfully implemented.

e. Waste water treatment facility recycles 4,000 liters per day of Canteen wastewater for use in fruit orchard through drip irrigation.

f. The Company is installing roof top solar panel system under a phased programme to maximize use of clean and renewable energy.

g. Safety Week, World Occupational Health & Safety Day, No Littering Day and Global Hand Washing Day were observed in collaboration with National Cleaner Production Centre (NCPC).

7. GREEN ENVIRONMENTAL INITIATIVES

a. The Company has established the Morgah Biodiversity Park which uses recycled water for its orchards through drip & sprinkler irrigation systems. It helps to conserve the biodiversity of the Potohar Region and provides a healthy environment, recreation and education to the visitors.

b. Under Morgah Biodiversity project, the Company has initiated several CSR activities for the benefits of employees and local communities which include natural honey production, fruits like peach, grapes, strawberries, citrus etc. and organic vegetables.

c. The Company plants 10,000 to 12,000 saplings each year which include about 2,000 fruit and indigenous plants. Tree saplings are also being donated to various educational institutions and local communities to enhance the vegetation cover and improve the environmental conditions in the surrounding communities to conserve natural ecosystems for future generations.

d. The Company has also recently planted an Olive orchard on 12 acres in its water pumping area at Shahpur with drip irrigation system in collaboration with the Government of Punjab.

8. ENERGY CONSERVATION

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

9. INDUSTRIAL RELATIONS/ WORKERS WELFARE

The Company extends maximum benefits to its employees and ensures cordial industrial relations with them through the Collective Bargaining Agent (CBA). In this context the Company extends following facilities:

a. The Company provides highly subsidized food through its dining facilities and wheat flour.

b. The Company nominates on annual basis, four members each of Non-Management Staff alongwith their spouses or dependents through open ballot for performing Hajj and Umrah. The Company also nominates on annual basis, one non-Muslim worker alongwith spouse through open ballot for visiting their sacred places in Pakistan. The total cost incurred on this count was over Rs.3.38 million.

c. The Company gives quarterly Good Performance and Long Service awards to its workers.

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

10. 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.36.79 billion while foreign exchange savings of US $ 180 million were achieved through import substitution and exports. Through its recent expansion of refinery capacity the Company has substantially increased production of value added deficit product i.e. high speed diesel (HSD) and motor gasoline thereby further saving valuable foreign exchange.

b. The Company not only operates on 100% indigenous crude oil thus providing a major outlet to more than 39 oilfields spread over the northern part of Pakistan but is the main source of petroleum products to the civil and defence sectors of the Northern Region of Pakistan. It is also a catalyst in the deployment of a large transportation fleet for crude oil and refined products movement.

Chairman's Review

SHUAIB A. MALIK
Chairman

On behalf of the Board of Directors, I am pleased to present the Company's 39th Annual Report which includes review of the Company's operations and the audited financial statements for the year ended June 30, 2017.

BUSINESS REVIEW

Successful completion of the Up-gradation Project was the most applaudable event for the Company during the financial year 2016-17. The Up-gradation Project which took over three years to complete, was in terms of complexity and value, the most sizeable investment project ever taken in the history of the Company. The project team in particular and the Company's management and other stakeholders in general deserve my sincere appreciation and gratitude over successful completion of the project, despite all the challenges and odds. The project is poised to contribute positively towards profitability of the Company, quality of the products and ultimately national economy.

The prices of petroleum products kept on fluctuating during the year. However, the array of fluctuation was not too wide. On the average, the fluctuation in prices of products and crude oil remained in favour of the Company. This favourable factor coupled with good utilization of the recently enhanced capacity along with reversal of provision for a liability relating to prior years and non-refinery income made it possible for the Company to post profit of Rs 5,414 million for the year (June 30, 2016: Rs 816 million). One of the main factors for this unusual difference in the comparative profit figure was the decline in production due to tie-in connection activity of the new units carried out in the preceding year 2016.

BUSINESS RISKS, CHALLENGES AND FUTURE OUTLOOK

Macroeconomic indicators of the country mostly remained stable during the year. However, political instability/ uncertainty and non-fulfillment of incentives committed by the Government with the investors are still major hurdles for making investment in new projects. Similarly, new taxes imposed on undistributed profits and depriving shareholders from their exclusive right to decide declaration of dividend in the light of peculiar circumstances and business model of each company, would negatively impact equity formation to help finance the new projects. In this context we look forward to restoration of the incentive initially announced for setting up DHDS unit which was later withdrawn and not yet restored despite various follow ups by the Company. Similarly, we also urge the Government to rationalize mandatory declaration of dividends and double taxation of the undistributed profits.

Despite all the challenges of doing business in Pakistan, the Company would remain committed to pursue its vision to provide high quality diversified environment-friendly energy resources and petrochemicals.

ACKNOWLEDGEMENT

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

Sd

September 11, 2017
Dubai, United Arab Emirates

Shuaib A. Malik
Chairman

Directors' Report

It gives me immense pleasure to present on behalf of the Board of Directors, the Company's 39th Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2017.

1. FINANCIAL RESULTS

After successful completion of ARL's up-gradation Project, there has been increase in the refinery's throughput capacity as well as increase in volumes of value added products. Overall fluctuation in prices of products and crude oil also remained favourable. Cumulative impact of these favourable factors along with reversal of provision for a liability relating to prior years has enabled the Company to record a profit after tax of Rs 3,699 million from refinery operations (June 30, 2016: Loss of Rs 704 million). Net income from non-refinery operation was Rs 1,715 million (June 30, 2016: Rs 1,520 million). Resultantly, profit earned during the year by the Company was Rs 5,414 million (June 30, 2016: Rs 816 million). Earnings per share for the year was Rs 63.47 (June 30, 2016: Rs 9.57 per share). Due to tie-in connection activity of the new units, there was decline in production and profitability of the Company in the preceding year 2016.

Repayment of the long term loan acquired for the Up-gradation Project has started from April 2017. The Company has made a prepayment of Rs 1 billion in this respect.

2. APPROPRIATION/ DIVIDEND

The Directors have recommended a final cash dividend @ 60% i.e. Rs 6.00 per share (June 30, 2016: 50%). The dividend recommended is subject to approval by the shareholders in the Annual General Meeting.

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.

Your Company has taken up with the Government, the matter of withdrawal of enhancement in deemed duty on High Speed Diesel from 7.5% to 9% as this additional deemed duty was committed by the Government as an incentive for setting up of 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. The Company has also urged the Government for removal of compulsion for declaration of dividend and tax on undistributed profits, as such taxation measures would negatively impact future capital formation of the Company.

4. SHARE CAPITAL

The issued, subscribed and paid-up capital of the Company as at June 30, 2017 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. REFINERY EXPANSION AND UP-GRADATION PROJECTS

5.1 Projects Completed in Year 2017

ARL Up-gradation Project was completed in year 2016-17. All activities of pre-commissioning, commissioning & Demonstration/ Performance Tests were successfully carried out. The Project is comprised of the following units:

i. Pre-flash unit (10,400 BPD) to enhance 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)

After completion of the up-gradation project, refinery's name plate capacity has become 53,400 Barrels per Stream Day (BPSD). All the units are working smoothly. The Project was completed within the budget of US$ 251 million. The matter of claims lodged by the Company against the EPCC Contractor for liquidated damages and the variation orders submitted by the Contractor relating to the Project has been settled amicably between the parties, whereby both parties have mutually agreed to withdraw their claims. The Project will contribute positively towards profitability of the Company, quality of the products and the national economy.

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 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 Up-gradation 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, Delayed Coker and additional reactor at DHDS Unit are being explored. With the setting up of these units, the Company would be able to produce 92 RON gasoline and diesel of Euro III and Euro IV quality.

6. REFINERY MANAGEMENT AND OPERATIONS

The complex start-up and revamping activities relating to the new units were carried out successfully and smoothly. Along with this activity, the Company maintained uninterrupted supplies of petroleum products. During the year, the overall utilization of the refinery capacity remained 98%.

During the year under review, the refinery's throughput was 17.103 million barrels (June 2016: 13.084 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 16.920 million barrels of crude oil (June 2016: 13.188 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 2.162 million Tons (June 2016: 1.584 million Tons) of various petroleum products during the year, meeting the standard quality specifications.

Refinery throughput remained 46,859 BPSD. After revamp the highest throughput achieved was 54,736 BPSD.

7. HUMAN RESOURCE DEVELOPMENT

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

7.1 Training of New Entrants

In connection with the commissioning of new units, over 200 employees have been inducted after thorough screening of the candidates. The next step was to ensure training of these newly recruited employees. In this respect manpower training requirement for new units were accomplished through in-house resources and induction of Operator Training Simulator (OTS).

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 awards 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. In addition to this, four employees along with spouse were selected through balloting for Haj and Umrah, and one Non-Muslim employee with spouse was also selected through balloting for visit of holy sites.

7.4 Manpower Rationalization Study

ARL management has carried out a detailed Manpower Rationalization Study to determine the most efficient level of Human Resource for all categories.

8. ORGANIZATIONAL DEVELOPMENT

8.1 Recruitment Job Portal

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

8.2 Refinery Security Re-vamp

In view of unfavorable national security environment, the ARL security apparatus went through a major re-vamp. In doing so security manpower inside Refinery, main security barriers and General Office has been strengthened. Coverage of CCTV cameras has been enhanced and central control room has been set-up. Private Security Company guards are being replaced with young, physically fit and well trained ARL guards having a higher sense of ownership.

8.3 HR Conference "Passion for People"

HR Conference on the theme of "Passion for People" was organized on April 26, 2017 at ARL. Eminent speakers and participants from diverse industry and academia from more than 30 organizations attended this prestigious event. The purpose of this conference was knowledge sharing and understanding of contemporary challenges faced by HR professionals in today's dynamic and challenging business environment. During the one-day conference, ten papers were presented by eminent HR experts on important aspects of different management skills.

8.4 CBA Agreement

The Agreement 2015-2017 between Management and CBA was signed on November 23, 2016 for a period of two years. The compensation and benefits for workers are revised through this agreement.

9. CORPORATE SOCIAL RESPONSIBILITY

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

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 first position award in Oil Gas and Energy Sector Category.

10.2 Asia Sustainability Reporting Awards 2016

The Company has been voluntarily publishing a sustainability report since past many years to share the steps taken by the Company towards its commitment for sustainable development. These efforts have been well recognized and the Company was awarded Asia Sustainability Reporting Award 2016 by CSRWorks International Pte Limited, Singapore.

10.3 14th Annual Environment Excellence Awards 2017

The Company won "14th Annual Environment Excellence Award 2017" on the platform of "National Forum for Environment and Health". This award is recognition of the tremendous work put in by ARL Health Safety & Environment team.

10.4 United Nations Global Compact Award

United Nations Global Compact Award recognizes and acknowledges global enterprises which integrate the ten principles of United Nations Global Compact into their business philosophy and demonstrate adherence to these principles in practice.

In recognition of adherence towards these principles of UNGC, the Global Compact Network Pakistan (GCNP) awarded first prize in "Large Companies" category to ARL for "Living the UN Global Compact Business Excellence Award 2014-2015" on December 14, 2016.

10.5 Best Corporate Report Award 2015

The annual report of the Company for the year ended June 30, 2015 was awarded 5th position in the Fuel & Energy sector in the Best Corporate Award - 2015, by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) in a ceremony held in Karachi.

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 1,053 million, payable as at June 30, 2017 have been cleared subsequent to the year end.

x. The value of investments in employees retirement funds based on the latest unaudited accounts as at June 30, 2017 are as follows:

	Rs in million
Management Staff Pension Fund	845
Staff Provident Fund	308
General Staff Provident Fund	476
Gratuity Fund	461

xi. Four (4) of the Directors meet the exemption requirement of the Director's Training Program (DTP), while two (2) directors have completed this program. The remaining one (1) director shall obtain certification under the DTP upto June 2018. Further, two alternate directors and the Chief Executive Officer of the Company have also completed the DTP.

xii. The Board strives to continuously improve its own and its 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 a casual vacancy occurred due to sad demise of Dr. Ghaith R. Pharaon. The Board nominated Mr. Jamil A. Khan to fill this vacancy. Another casual vacancy occurred due to resignation of Mr. Mofarrih Saeed H. Alghamdi which was filled by the Board by nominating Mr. Wael G. Pharaon.

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 (Late)	2	2*
Mr. Laith G. Pharaon	5	5*
Mr. Wael G. Pharaon	3	3*
Mr. Mofarrih Saeed H. Alghamdi	2	2*
Mr. Shuaib A. Malik (Chairman)	5	5
Mr. Abdus Sattar	5	5
Mr. Sajid Nawaz	5	5
Mr. Jamil A. Khan	3	3
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 director who could not attend the meeting.

13.2 Meetings Held Outside Pakistan

During the year ended June 30, 2017, no meeting of Board of Directors was held outside Pakistan.

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. Shamim Ahmad Khan	3	2
Mr. Babar Bashir Nawaz	4	4

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, 2018.

16. PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2017 was 3,585 as against 3,160 on June 30, 2016. The pattern of shareholding as at June 30, 2017 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 63.47 (June 2016: Rs 9.57).

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 and are annexed to these accounts.

20. CONSOLIDATED ACCOUNTS

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

Sd

September 11, 2017
Dubai, United Arab Emirates

Shuaib A. Malik
Chairman

۱۶۔ حصہ داران کی تفصیل (Pattern of Shareholding)

کمپنی کے کل حصہ داروں کی تعداد ۳۰ جون ۲۰۱۷ء کو ۳،۵۸۵ ہے جبکہ گزشتہ برس یہ تعداد ۳،۱۶۰ تھی۔ حصہ داران کی تفصیل (Pattern of Shareholding) کی اس رپورٹ کے ساتھ منسلک ہے۔ کمپنی کے حصص میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ان کے ازواج یا چھوٹے بچوں کی جانب سے کئے گئے ہر لین دین، اگر کوئی ہوا، کی تفصیل بھی رپورٹ کے ہمراہ لف ہے۔

۱۷۔ فی حصص آمدن

خالص منافع کی بنیاد پر رواں برس کے لئے فی حصص آمدن ۶۳.۴۷ روپے ہے (جون ۲۰۱۶: ۹.۵۷ روپے)

۱۸۔ مملوک کمپنی (Holding Company)

"دی اٹک آئل کمپنی لمیٹڈ" جو انگلینڈ میں قائم کی گئی ہے، اٹک ریفائنری کمپنی کی ''مملوک کمپنی'' ہے۔

۱۹۔ ذیلی کمپنی (Subsidiary Company)

کمپنی بلاشرکت غیر ایک ذیلی کمپنی 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 ادارے کے اشتمال گوشوارے کی تفصیل لف ہے۔

Sd

شعیب اے ملک
چیئرمین

۱۱ ستمبر ۲۰۱۷ء
دوبئی، متحدہ عرب امارات

۱۳.۴ پاکستان سے باہر منعقد ہونے والے اجلاس

۳۰ جون ۲۰۱۷ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کا کوئی اجلاس پاکستان سے باہر نہیں ہوا۔

۱۴۔ سال کے دوران بورڈ کمیٹیوں کے اجلاس

زیر جائزہ سال میں بورڈ کمیٹیوں کے اجلاسوں کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی:

نام ڈائریکٹر	منعقدہ اجلاس	شرکت
جناب طارق اقبال خان	۴	۴
جناب عبدالستار	۴	۴
جناب ساجد نواز	۴	۴
جناب شمیم احمد خان	۳	۲
جناب بابر بشیر نواز	۴	۴

ایچ آر اینڈ آر (HR & R) کمیٹی:

نام ڈائریکٹر	منعقدہ اجلاس	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 اکاؤنٹنٹس ریٹائرڈ ہو گئے ہیں اور انہوں نے اگلے برس کے لئے اپنی خدمات کی پیش کش کی ہے۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی اگلے مالی سال کے لئے، جس کا اختتام ۳۰ جون ۲۰۱۸ء کو ہوگا بطور آڈیٹرز تقرر کی سفارش کی 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 کی صلاحیت ہے۔

۱۳۔ ڈائریکٹرز اور بورڈ کی کمیٹیاں

۱۳.۱ اس سال ہونے والے بورڈ کے اجلاس

اس سال ڈاکٹر غیث آر فرعون کے افسوسناک انتقال کی وجہ سے ایک آسامی غیر متوقع طور پر خالی ہوئی۔ بورڈ نے جناب جمیل اے خان کو اس عہدے پر مقرر کیا ہے۔ ایک اور غیر متوقع آسامی جناب مفرح سعید ایچ الغامدی کے استعفیٰ کی وجہ سے خالی ہوئی جس پر جناب وائل جی فرعون کو مقرر کیا گیا ہے۔

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

ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
ڈاکٹر غیث آر فرعون (مرحوم)	۲	۲*
جناب لیث جی فرعون	۵	۵*
جناب وائل جی فرعون	۳	۳*
جناب مفرح سعید ایچ الغامدی	۲	۲*
جناب شعیب اے ملک (چیئرمین)	۵	۵
جناب عبدالستار	۵	۵
جناب ساجد نواز	۵	۵
جناب جمیل اے خان	۳	۳
جناب شمیم احمد خان**	۵	۴
جناب ایم عادل خٹک (CEO)	۵	۵

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

**اس ڈائریکٹر کی چھٹی منظور کی گئی جو اجلاس میں شرکت نہ کر سکے۔

ہیں جن کا پاکستان میں اطلاق ہوتا ہے۔ گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

IV۔ پاکستان میں لاگو "انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز" (International Financial Reporting Standards) کو مالیاتی گوشواروں کی تیاری کے لئے بروئے کار لایا جاتا ہے۔ اگر کہیں ان کے سفارش کردہ ضوابط سے انحراف کیا جاتا ہے کو واضح طور پر اس کی بھی نشاندہی اور وضاحت کی جاتی ہے۔

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

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

VII۔ کمپنی میں "ضابطہ برائے کاروباری نظم و نسق" میں بیان کردہ ضابطوں کی کوئی واضح خلاف ورزی سامنے نہیں آئی۔

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

IX۔ اپنی عمومی کاروباری سرگرمیوں کے لئے حکومت کو واجب الادا تمام رقوم جو ۳۰ جون ۲۰۱۷ء کو واجب الادا تھیں اور جن کی مالیت ۱،۰۵۳ ملین روپے تھی، وہ سال کے اختتام کے بعد ادا کی جا چکی ہیں۔

X۔ کارکنوں کے ریٹائرمنٹ فنڈ میں کی گئی سرمایہ کاری کی کل مالیت جو تازہ ترین غیر آڈٹ شدہ مالیاتی کھاتوں ۳۰ جون ۲۰۱۷ء کے اعداد و شمار سے مرتب کی گئی ہے، وہ کچھ یوں ہے۔

	روپے ملین میں
مینجمنٹ اسٹاف پنشن فنڈ	۸۳۵
اسٹاف پراویڈنٹ فنڈ	۳۰۸
جنرل اسٹاف پراویڈنٹ فنڈ	۴۷۶
گریجویٹی فنڈ	۴۶۱

XI۔ چار ڈائریکٹرز ایسے ہیں جو ڈائریکٹرز ٹریننگ پروگرام (DTP) سے استثنٰی کے تقاضوں پر پورا اترتے ہیں جبکہ باقی دو ڈائریکٹرز نے یہ پروگرام مکمل کر لیا ہے۔ باقی ایک ڈائریکٹر ہیں جو جون ۲۰۱۸ء تک DTP کا سرٹیفکیٹ حاصل کر لیں گے۔ اس کے علاوہ دو متبادل ڈائریکٹرز اور کمپنی کے چیف ایگزیکٹو آفیسر بھی DTP مکمل کر چکے ہیں۔

XII۔ بورڈ اس بات کے لئے مسلسل کوشاں ہے کہ وہ اپنی اور بورڈ کمیٹیوں کی افادیت میں اضافہ کرے۔ "ضابطہ برائے کاروباری نظم و نسق" میں تجویز کردہ طریقہ کار کے مطابق بورڈ نے اپنی اور بورڈ کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے کا انتظام کیا ہے۔ اس کے علاوہ بورڈ مسلسل کاروباری انتظام کے حوالے سے تازہ ترین پیش رفت سے اپنے آپ کو آگاہ رکھتا ہے تا کہ انتظامی حوالے سے بہترین طریقہ کار اختیار کیا جا سکے۔

XIII۔ کمپنی کے گزشتہ ۶ برس کے انتظامی و مالی اُمور سے متعلق اعداد و شمار منسلک ہیں۔

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

۱۰.۳ چودھواں (۱۴واں) سالانہ ماحولیاتی اعلیٰ ایوارڈ ۲۰۱۷ء

(14th Annual Environment Excellence Award 2017)

کمپنی نے ماحولیات اور صحت کے قومی فورم پر "۱۴واں سالانہ ماحولیاتی اعلیٰ ایوارڈ ۲۰۱۷" جیت لیا ہے۔ یہ ایوارڈ اے آر ایل کی صحت کے تحفظ اور ماحولیات کی ٹیم کے شاندار کام کا نتیجہ ہے۔

۱۰.۴ یونائیٹڈ نیشنز گلوبل کمپیکٹ ایوارڈ

(United Nations Global Compact Award)

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

یو این جی سی (UNGC) کے اصولوں کے ساتھ اے آر ایل کی وابستگی کے اعتراف میں گلوبل کمپیکٹ نیٹ ورک پاکستان (GCNP) نے اے آر ایل کو ۱۴ دسمبر ۲۰۱۶ کو "بڑی کمپنیوں" کی کیٹیگری میں "لونگ دی یو این گلوبل کمپیکٹ بزنس ایکسیلنس ایوارڈ ۲۰۱۵-۲۰۱۴ء" کے لیے پہلا انعام دیا۔

10.5 بیسٹ کارپوریٹ رپورٹ ایوارڈ ۲۰۱۵

(Best Corporate Report Award 2015)

۳۰ جون ۲۰۱۵ء کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ کو فیول اینڈ انرجی سیکٹر کے بیسٹ کارپوریٹ ایوارڈ ۲۰۱۵ء میں پانچویں پوزیشن ملی تھی۔ کمپنی کو یہ ایوارڈ کراچی میں منعقدہ ایک تقریب کے دوران انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انسٹیٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کی جوائنٹ کمیٹی نے دیا تھا۔

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 لئے شفافیت اور افشائے حقائق پر زور دیتا ہے۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور اس امر کے لئے کوشاں ہیں کہ ریفائنری کی سرگرمیوں اور کارکردگی کو اس طرح فروغ دیں کہ مالی وغیر مالی معاملات سے متعلق تمام معلومات کو مکمل درستگی، جامعیت اور شفافیت کے ساتھ مرتب اور پیش کیا جائے۔

کمپنی پوری طرح "ضابطہ 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 کئے 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 سرمائے میں ہونے والی تبدیلیاں۔

III۔ مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں جو منظور شدہ حسابداری کے معیارات سے مطابقت رکھتے

۸.۳ ایچ آر (HR) کانفرنس "لوگوں کے لئے جذبہ" (Passion for People)

اپریل ۲۰۱۷ میں "لوگوں کے لئے جذبہ" (Passion for People) کے موضوع پر مبنی ایچ آر (HR) کانفرنس منعقد ہوئی۔ جس میں صنعتوں اور تعلیمی شعبے سے تعلق رکھنے والی ۳۰ سے زائد تنظیموں کے مقررین اور شرکاء بھی موجود تھے۔ اس کانفرنس کا مقصد ایک دوسرے کو اپنے علم میں شریک کرنا اور کاروبار کے موجودہ چیلنج سے بھرپور اور متحرک ماحول میں افرادی وسائل کے ماہرین کو درپیش چیلنجز کو بہتر طریقے سے سمجھنا تھا۔ اس ایک روزہ کانفرنس کے دوران افرادی وسائل کے ماہرین کی طرف سے انتظامیہ کی مختلف صلاحیتوں کے اہم پہلوؤں پر دس مقالے بھی پیش کیے گئے۔

۸.۴ سی بی اے (CBA) معاہدہ

انتظامیہ اور سی بی اے کے درمیان ۲۳ نومبر ۲۰۱۶ء کو دو سالہ ۲۰۱۷-۲۰۱۵ء معاہدہ پر دستخط ہوئے۔ اس معاہدے کے ذریعے کارکنان کے معاوضوں اور مراعات پر نظر ثانی کر کے اضافہ کردیا گیا۔

۹۔ تجارتی اور سماجی ذمہ داری

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

۱۰۔ تجارتی ایوارڈز اور اعترافات

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

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 پہلی پوزیشن حاصل کی ہے۔

۱۰.۲ ایشیا میں پائیداری کی رپورٹنگ کے ایوارڈز ۲۰۱۶ء (Asia Sustainability Reporting Awards 2016)

کمپنی پائیدار ترقی کے حوالے سے گزشتہ کئی برس سے رضاکارانہ طور پر ایک رپورٹ شائع کررہی ہے جس میں اُن اقدامات اور عزم کا ذکر کیا گیا ہے جو کہ کمپنی نے اس حوالے سے کیے ہیں تاکہ دوسروں کو آگاہ کیا جاسکے۔ ان خدمات کے اعتراف میں سی ایس آر ورکس انٹرنیشنل پرائیویٹ لمیٹڈ سنگاپور (CSR Works International Pte. Limited Singapore) نے کمپنی کو ایشیا کی پائیدار رپورٹنگ کا ایوارڈ ۲۰۱۶ء دیا ہے۔

۷.۱ نئے بھرتی کیے گئے افراد کی تربیت

نئے یونٹس کی پیداواری سرگرمی کے لیے موزوں امیدواروں کے کوائف کے بھرپور جائزے کے بعد ۲۰۰ سے زائد نئے ملازمین بھی بھرتی کیے گئے ہیں۔ بعد ازاں ان نئے بھرتی کردہ ملازمین کی تربیت کو یقینی بنایا جاتا تھا۔ اس حوالے سے نئے یونٹس کے لئے افرادی قوت کی تربیت کا کام اندرونی وسائل اور آپریٹر ٹریننگ سیمولیٹر Operator Training Simulator (OTS) کی تنصیب سے پورا کیا گیا۔

۷.۲ کارکنوں کی ترقی و تربیت

ہم اپنے انسانی وسائل کو دستیاب وسائل کا سب سے اہم حصہ سمجھتے ہیں۔ اس لئے ان کی ترقی کے لئے انتظامی اور تکنیکی عملے کی تربیت کا ہمہ گیر عمل جاری رہتا ہے۔ یہ تربیت دراصل ادارے کی کارکردگی کی انتظامی حکمت عملی کا ایک حصہ ہے۔ اس لئے اس عمل میں درکار تربیت کی نشاندہی، کارکنان کے پیشہ ورانہ منصوبے، ماتحت عملے 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 لئے اٹک ریفائنری میں ہر سال کے اختتام پر ایک تقریب کا اہتمام کیا جاتا ہے جس میں ہر شعبے کے بہترین کارکنان کو شیلڈ اور نقد انعامات سے نوازا جاتا ہے۔ کارکردگی کے یہ اعزازات بنیادی کارکردگی، تحفظ، دفتری صفائی ستھرائی اور ادارے کی بہتری جیسے شعبوں میں دیے جاتے ہیں۔ اس کے علاوہ قرعہ اندازی کے ذریعے چار ملازمین کو شریک حیات کے ساتھ عمرے اور حج کے لئے چنا گیا جبکہ ایک غیر مسلم ملازم کو بھی شریک حیات کے ساتھ مقدس مقامات کی زیارتوں کے لئے چنا گیا۔

۷.۴ افرادی قوت کی مناسب سطح کا جائزہ

اے آر ایل انتظامیہ نے تمام شعبوں میں انسانی وسائل کی موجودہ سطح کا جائزہ لینے کے لئے افرادی قوت کی مناسب سطح کا جائزہ کروایا ہے۔

۸۔ ادارہ جاتی ترقی

۸.۱ کمپنی ویب سائٹ پر ملازمتوں کے مواقع کی اطلاع

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

۸.۲ ریفائنری کی سیکیورٹی انتظام میں بہتری

قومی سطح پر سلامتی کی ناقص صورتحال کی وجہ سے اے آر ایل انتظامیہ نے اپنے سیکیورٹی کے نظام میں بڑی اصلاحات کیں۔ اس کام کے دوران ریفائنری کے اندر سیکیورٹی پر مامور افراد کی تعداد بڑھائی گئی، سیکیورٹی کی بیرونی رکاوٹوں کو مضبوط کیا گیا اور جنرل آفس کی سیکیورٹی بڑھائی گئی۔ سی سی ٹی وی کیمرے بھی نصب کیے گئے ہیں اور ایک کنٹرول روم بھی قائم کیا گیا ہے۔ نجی سیکیورٹی کمپنی کے گارڈز کی جگہ اے آر ایل کے نوجوان، صحت مند اور تربیت یافتہ گارڈز تعینات کیے جا رہے ہیں جن میں بہت زیادہ احساس ذمہ داری ہے۔

تجدید کے موجودہ منصوبے کی تکمیل کے بعد اٹک ریفائنری کو یہ صلاحیت حاصل ہو گئی ہے 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 اضافہ کرنے کے لیے جدید ترین مشینوں کی تنصیب کے منصوبے زیر غور ہیں جن میں کانٹینوس کیٹیلیٹک ریفارمر (Continuous Catalytic Reformer) (CCR)، ہائیڈروکریکر (Hydrocracker) اور ڈیلیڈ کوکر (Delayed Coker) بھی شامل ہیں۔ ان یونٹس کے لگانے سے ریفائنری ۹۲ رون (RON 92) گیسولین اور یورو-III اور یورو-IV (Euro-III & IV) معیار کا ڈیزل پیدا کرنے کے قابل ہو جائے گی۔

۶۔ ریفائنری مینجمنٹ اور آپریشنز

نئے یونٹوں سے متعلق مشکل اور پیچیدہ مربوط سرگرمیوں کو کامیابی اور احسن طریقے سے مکمل کیا گیا۔ اس سرگرمی کے ساتھ ساتھ کمپنی نے پٹرولیم مصنوعات کی بلاتعطل رسد بھی برقرار رکھی۔ اس سال کے دوران ریفائنری ۹۸ فیصد استعداد پر کام کرتی رہی ہے۔

اس برس ریفائنری کی پیداوار ۱۷.۱۰۳ ملین بیرل رہی (جون ۲۰۱۶: ۱۳.۰۹۳ ملین بیرل)۔ ملک کے شمالی علاقے سے نکالے جانے والے تمام خام تیل کا اکثر حصہ جس میں بعض تیل کے کنووں کی اضافی پیداوار بھی شامل رہی، اسی ریفائنری پر نکھار اور صاف کیا گیا ہے۔

کل ۱۹.۹۳ ملین بیرل خام تیل ۳۹ مختلف کنووں سے حاصل کیا گیا (جون ۲۰۱۶: ۱۳.۱۸۸ ملین بیرل) جسے مختلف مقامات پر نکھار 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 نکھار اور صاف کر سکتی ہے۔

خام تیل کو نکھارنے والے تمام یونٹس بالکل درست حالت میں کام کر رہے ہیں۔ کمپنی نے اس سال ۲.۱۹۲ ملین ٹن مختلف پٹرولیم مصنوعات فراہم کیں (جون ۲۰۱۶: ۱.۵۸۳ ملین ٹن) جو طے کردہ معیارات کی تصریحات کے عین مطابق تھیں۔

ریفائنری کی پیداواری صلاحیت ۳۶،۸۵۹ BPSD رہی۔ تجدید کے بعد پیداواری صلاحیت کی بلند ترین سطح ۵۳،۰۴۳ BPSD پر پہنچ گئی۔

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 ان کا خلاصہ پیش کیا جا رہا ہے۔

۵۔ ریفائنری کی وسعت اور تجدید کے منصوبے

۵۔۱ ۲۰۱۷ء میں مکمل ہونے والے منصوبے

ریفائنری کی توسیع کا منصوبہ سال ۱۷-۲۰۱۶ء میں مکمل کر لیا گیا۔ تنصیب سے پہلے، تنصیب اور کارکردگی کے مظاہرے کے حوالے سے تمام ٹیسٹ بھی کامیابی سے مکمل کر لیے گئے۔ اس پراجیکٹ میں مندرجہ ذیل یونٹس شامل ہیں:

i۔ پری فلیش یونٹ (Pre-Flash Unit)(۱۰,۳۰۰ بیرل فی دن) ریفائننگ کی صلاحیت میں اضافہ۔

ii۔ نیفتھا آئسومیرائزیشن 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)

ریفائنری کے توسیعی منصوبے کی تکمیل کے بعد ریفائنری کی پیداواری صلاحیت (nameplate) ۵۳,۴۰۰ بیرل فی دن (BPSD) ہو گئی ہے۔ تمام یونٹس معیار کے مطابق کام کر رہے ہیں۔ اس منصوبے کو ۳۵۱ ملین امریکی ڈالر کے بجٹ کے اندر مکمل کیا گیا ہے۔ منصوبے کی تکمیل میں ہونے والی تاخیر کی وجہ سے کمپنی نے ٹھیکیدار پر جرمانہ عائد کیا تھا جبکہ ٹھیکیدار نے مزید ادائیگی کا مطالبہ کیا۔ کمپنی اور ٹھیکیدار کے مابین یہ معاملات بھی خوش اسلوبی سے طے پا گئے ہیں۔ جس کے تحت دونوں فریق باہمی رضامندی سے اپنے مطالبات سے دستبردار ہو گئے ہیں۔ یہ منصوبہ کمپنی کے منافع، مصنوعات کے معیار اور قومی معیشت پر مثبت اثرات مرتب کرنے میں کردار ادا کرے گا۔

۵۔۲ مستقبل کے منصوبے

مستقبل میں ریفائنری کی مزید وسعت اور تجدید کا انحصار کئی عوامل پر ہے جن میں مقامی خام تیل کی پائیدار 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۔

اٹک ریفائنری لمیٹڈ کا منصوبہ ہے کہ ایک اعلیٰ ترین ڈیپ کنورژن (Deep Conversion) ریفائنری 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۔

۳۔ قیمتوں کے تعین کا طریقہ

کمپنی کی پیٹرولیم مصنوعات کی قیمتوں کا تعین "درآمدی قیمت سے برابری کا فارمولا" (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 ۲۰۰۲ تک کے سرمایہ حصص سے ۵۰ فیصد سے زیادہ منافع کو ریفائنری کے توسیع و جدت کے لیے "اسپیشل ریزرو اکاؤنٹ" میں منتقل کریں گی۔

آپ کی کمپنی نے ہائی اسپیڈ ڈیزل کی ۷.۵ فیصد سے ۹ فیصد تک ہونے والے ڈیمڈ ڈیوٹی میں اضافے کی واپسی کا معاملہ حکومت کے ساتھ اٹھایا ہے کیونکہ بنیادی طور پر حکومت کی جانب سے یہ مراعات اس لیے دی گئی تھی کہ ڈیزل ہائیڈرو ڈی سلفرائزیشن Diesel Hydrodesulphurization (DHDS) کے یونٹ پر کی جانے والی سرمایہ کاری کی لاگت پوری کی جاسکے جو کہ کمپنی نے کامیابی سے لگانے کے بعد چلا بھی دیا ہے۔

ریفائنریوں نے حکومت کے سامنے بعض مسائل بھی پیش کیے ہیں جن کا تعلق چند مصنوعات کی قیمتوں کے طریقہ کار کے تعین، کمپنی کے منافع میں حصص پر پابندی کے خاتمے اور غیر تقسیم شدہ منافع پر ٹیکس کی منسوخی کا مسئلہ بھی شامل ہے۔ کیونکہ ٹیکس سے متعلق ایسے اقدامات سے مستقبل میں کمپنی کے سرمائے کی تشکیل پر منفی اثر پڑ سکتا ہے۔

۴۔ سرمایہ حصص Share Capital

کمپنی کے ۳۰ جون ۲۰۱۰ تک جاری کردہ، وصول کردہ اور ادا شدہ سرمایہ کا حصہ ۸۵۲.۹۳ ملین روپے تھا۔ قیمتوں کے تعین کے فارمولے کے مطابق ریفائنری آپریٹرز سے زیادہ سے زیادہ قابل تقسیم 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۔

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

بسم اللہ الرحمٰن الرحیم

اٹک ریفائنری لمیٹڈ

ڈائریکٹرز کی رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی ۳۹ ویں سالانہ رپورٹ جو ۳۰ جون ۲۰۱۷ کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ پر مشتمل ہے، پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

۱۔ مالیاتی نتائج

ریفائنری کے توسیعی منصوبے کی کامیاب تکمیل کے بعد ریفائنری کی پیداواری صلاحیت میں بہتری کے ساتھ ساتھ قدر میں اضافہ والی مصنوعات کا حجم بھی بڑھ گیا ہے۔ مجموعی طور پر مصنوعات اور خام تیل کی قیمتوں میں اتار چڑھاؤ کمپنی کے حق میں رہا۔ ان فائدہ مند عوامل کے مجموعی اثرات اور گزشتہ سالوں سے متعلق ایک تخمینی مالیاتی ذمہ داری کو ختم کرنے کے نتیجہ میں کمپنی ٹیکس ادائیگی کے بعد ریفائنری سرگرمیوں سے ۳،۹۹۹ ملین روپے کا منافع کمانے کے قابل ہوئی (۳۰ جون ۲۰۱۶: ۲۰۳ ملین روپے کا نقصان) جبکہ غیر ریفائنری ذرائع سے ہونے والا منافع ۱،۷۱۵ ملین روپے رہا (۳۰ جون ۲۰۱۶: ۱،۰۲۰ ملین روپے)۔ نتیجتاً کمپنی نے ۵،۷۱۴ ملین روپے کا منافع کمایا (۳۰ جون ۲۰۱۶: ۸۱۶ ملین روپے منافع)۔ اس سال کے لیے فی حصص آمدنی ۶۷.۰۳ روپے رہی (۳۰ جون ۲۰۱۶: ۹.۵۷ روپے فی حصص)۔ نئے پلانٹس کی منسلکہ سرگرمی کی وجہ سے ۲۰۱۶ کے دوران کمپنی کی پیداوار اور منافع میں کمی آئی تھی۔

کمپنی کے توسیعی منصوبے کے لئے حاصل کیے جانے والا طویل المیعاد قرضہ کی ادائیگی اپریل ۲۰۱۷ سے شروع ہو چکی ہے۔ اس سلسلے میں کمپنی نے ایک ملین روپے کی قبل از وقت ادائیگی کر دی ہے۔

۲۔ منافع کا تصرف / ڈیویڈنڈ (Dividend)

ڈائریکٹرز نے حتمی منافع کے لیے بشرح ۶۰ فیصد (۶ روپے فی حصص) کی سفارش کی ہے۔ یہ منافع سالانہ عام اجلاس میں حصص داران کی منظوری کے ساتھ مشروط ہے۔

Financial Statistical Summary

Attock Refinery Limited

		2017	2016	2015	2014	2013	2012
		30 June (Rupees in Million)					
TRADING RESULTS							
Sales (Net of Govt. Levies)		101,386.94	66,564.92	128,905.43	175,067.85	163,300.53	154,381.56
Reimbursement from/ (to) Government		24.85	-	-	-	-	-
Turnover		101,411.79	66,564.92	128,905.43	175,067.85	163,300.53	154,381.56
Cost of Sales		97,078.92	67,466.75	128,352.37	174,930.91	160,259.07	152,362.20
Gross profit/ (loss)		4,332.87	(901.83)	553.06	136.94	3,041.46	2,019.36
Administration and Distribution cost		644.07	571.08	539.04	469.43	398.78	377.63
Other Income		1,434.22	927.38	1,349.64	1,764.18	3,082.10	2,388.77
Non-Refinery Income		1,714.33	1,519.74	1,409.45	1,847.12	1,298.09	1,588.64
Operating profit		6,837.35	974.21	2,773.11	3,278.81	7,022.87	5,619.14
Financial and other charges		1,465.80	162.68	397.06	104.61	954.51	1,259.27
Profit before tax		5,371.55	811.53	2,376.05	3,174.20	6,068.36	4,359.87
Taxation		(42.11)	(4.82)	561.81	630.81	2,142.68	1,625.18
Profit after tax		5,413.66	816.35	1,814.24	2,543.39	3,925.68	2,734.69
Dividend		(511.76)	(426.47)	(426.47)	-	(426.47)	(639.70)
Transfer from/ (to) special reserves		(3,553.53)	-	(259.00)	(550.48)	(2,481.80)	(1,000.25)
BALANCE SHEET SUMMARY							
Paid-up Capital		852.93	852.93	852.93	852.93	852.93	852.93
Reserves		18,174.62	13,587.41	14,633.10	14,739.60	13,133.41	11,368.63
Unappropriated Profit brought forward		8,300.69	7,937.28	6,528.17	4,753.55	4,034.65	2,673.67
Share holder' funds		27,328.24	22,377.62	22,014.20	20,346.09	18,020.99	14,895.23
Financing facilities (Long term including current portion)		19,872.17	15,163.68	11,658.99	480.69	-	-
Property, plant & equipment (less depreciation)		35,356.80	34,965.03	31,571.32	16,858.66	10,015.57	9,840.29
Net current assets		7,902.64	(1,102.24)	(1,397.99)	1,260.78	3,358.31	430.21
CASH FLOW SUMMARY							
Cash flows from operating activities		7,156.81	(2,727.70)	399.96	1,438.58	74.16	4,792.00
Cash flows from investing activities		1,963.22	(172.69)	(11,832.72)	(1,453.25)	2,376.51	2,476.55
Cash flows from financing activities		2,826.74	1,887.58	10,859.03	276.64	(1,291.09)	(1,292.24)
Increase/ (Decrease) in cash and cash equivalents		11,946.77	(1,012.81)	(573.72)	261.97	1,161.30	5,979.39
PROFITABILITY RATIOS							
Gross profit ratio	%	4.27	(1.35)	0.43	0.08	1.86	1.31
Net profit to sales	%	5.34	1.23	1.41	1.45	2.40	1.77
EBITDA margin to sales	%	8.78	1.71	2.07	2.00	3.87	3.01
Operating leverage ratio	Time	11.32	1.14	0.96	(0.17)	13.61	0.71
Return on equity	%	19.81	3.65	8.24	12.50	21.78	18.36
Return on capital employed	%	12.78	2.29	6.66	13.09	23.85	19.99
LIQUIDITY RATIO							
Current ratio	Time	1.23	0.96	0.96	1.04	1.09	1.01
Quick / acid test ratio	Time	1.00	0.65	0.72	0.69	0.76	0.84
Cash to current liabilities	Time	0.63	0.35	0.29	0.31	0.29	0.14
Cash flow from operations to sales	Time	0.07	(0.04)	-	0.01	-	0.03
ACTIVITY/ TURNOVER RATIO							
Inventory turnover ratio	Time	15.63	10.16	14.16	15.02	14.31	14.16
No. of days in inventory	Days	23	36	26	24	26	26
Debtor turnover ratio	Time	14.16	8.41	11.63	14.31	5.97	4.90
No. of days in receivables	Days	26	44	31	26	61	75
Creditor turnover ratio	Time	5.88	3.64	5.87	8.36	4.08	3.40
No. of days in payables	Days	62	101	62	44	90	107
Total assets turnover ratio	Time	1.11	0.88	1.60	2.59	2.53	1.65
Fixed assets turnover ratio	Time	2.87	1.90	4.08	10.38	16.30	15.69
Operating cycle		(13)	(21)	(5)	6	(3)	(6)

		30 June (Rupees in Million)					
		2017	2016	2015	2014	2013	2012
INVESTMENT/ MARKET RATIO							
Earnings per share (EPS)	Rs	63.47	9.57	21.27	29.82	46.03	32.07
(on shares outstanding at 30 June)							
Dividend *	%	60	50	50	-	50	75
Cash dividend per share	Rs	6.00	5.00	5.00	-	5.00	7.50
Price earnings ratio	Time	6.03	29.27	10.74	7.12	5.54	4.09
Dividend yield ratio	%	1.57	1.78	2.19	-	1.96	5.72
Dividend coverage ratio	Time	10.58	1.91	4.25	-	9.21	4.28
Dividend payout ratio	%	9.45	52.25	23.51	-	10.86	23.39
Break-up Value (Rs per share)	Rs	461.71	389.12	384.86	365.31	313.81	277.17
Highest market value per share during the year	Rs	508.16	288.77	235.11	272.81	208.28	136.89
Lowest market value per share during the year	Rs	294.14	188.67	146.48	173.85	123.94	104.42
Market value per share as at 30th June	Rs	382.58	280.14	228.45	212.29	255.15	131.05
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Time	0.73	0.68	0.53	0.02	-	-
Debt to equity ratio		42 : 58	40 : 60	35 : 65	2 : 98	-	-
Weighted average cost of debt	%	5.41	6.77	7.61	7.81	-	-
Interest cover ratio	Time	5.42	-	-	-	-	-

* The Board has proposed a final cash dividend @ 60% in their meeting held on September 11, 2017.

Ratio Analysis

PROFITABILITY RATIOS

Upon successful completion of ARL's Up-gradation Project, there has been an increase in the refinery's throughput capacity by 10,400 BPD and improvement in volumes of value added products. Coupled with above and a favorable trend in international prices of petroleum products and crude oil has resulted in the improvement of profitability ratio of the Company.

LIQUIDITY RATIOS

The Company has improved its liquidity position through proper utilization of its resources. This was a difficult task keeping in view the challenging business environment.

ACTIVITY TURNOVER RATIOS Activity turnover Ratios have overall improved due to favorable pricing trend.

INVESTMENT/ MARKET RATIOS

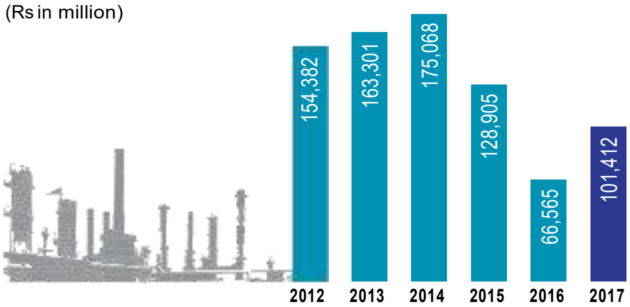
Enhancement in overall profitability of the Company and better management of the resources has resulted in improved investment/ market ratios. During the year the Company announced Rs 6.00 per share as final cash dividend, which has improved the dividend ratio compared to last year.

CAPITAL STRUCTURE RATIOS

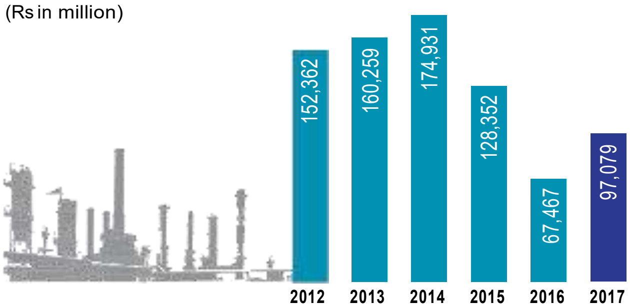
The Company on August 06, 2013 has entered into a syndicated term finance agreement and musharaka agreement with a consortium of local banks which includes Bank AL-Habib Limited as an Agent Bank for a term finance facility of Rs 22 billion for ARL Up-gradation Project for a period of 13 years including grace period of 3 years. During the year, there was a prepayment against said facility of Rs 1 billion and payment of first installment of Rs 550 million.

Financial Highlights
Attock Refinery Limited

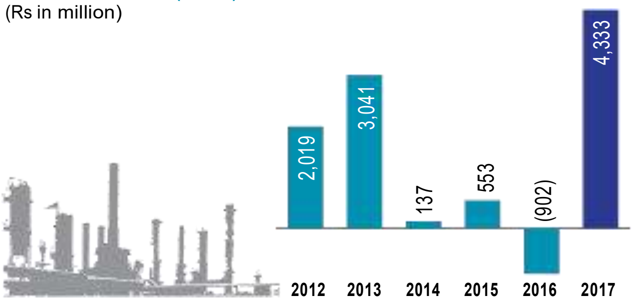
net sales
(Rs in million)



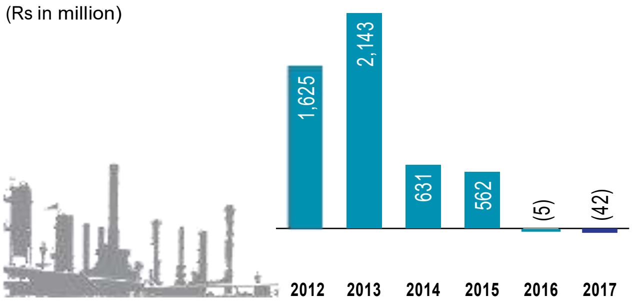
cost of sales
(Rs in million)



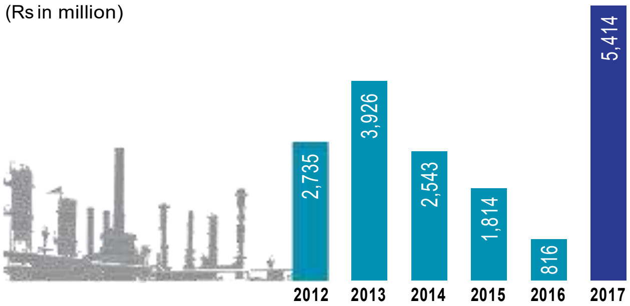
Gross Profit / (Loss)
(Rs in million)



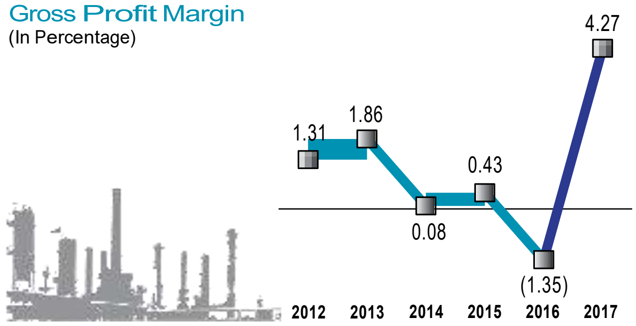
Provision for taxation
(Rs in million)



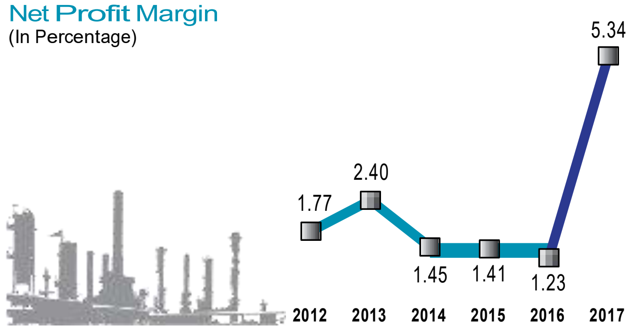
Profit after Taxation
(Rs in million)



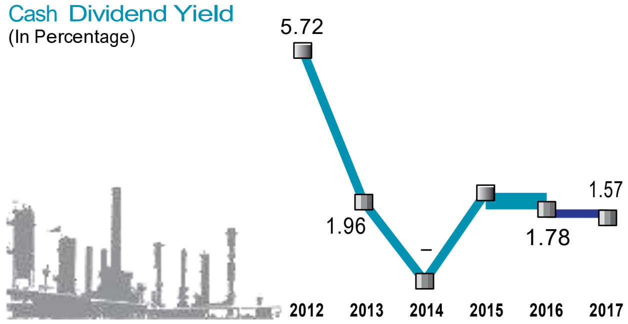
Gross Profit Margin
(In Percentage)



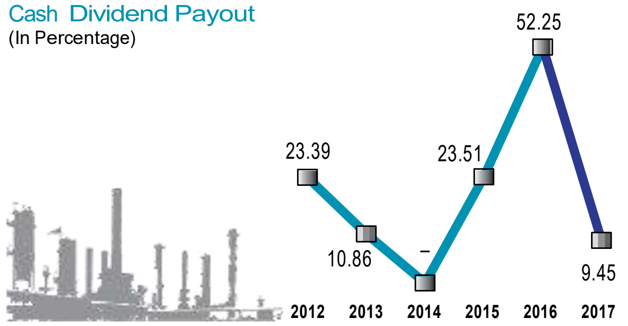
Net Profit Margin
(In Percentage)



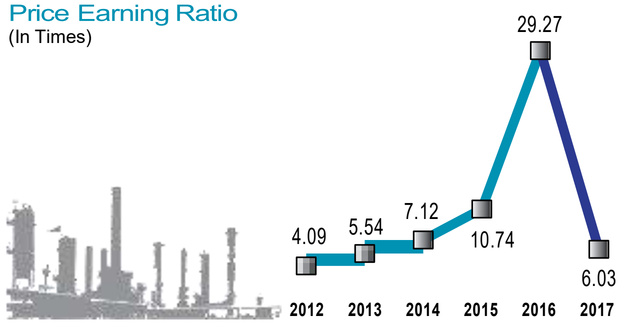
Cash Dividend Yield
(In Percentage)



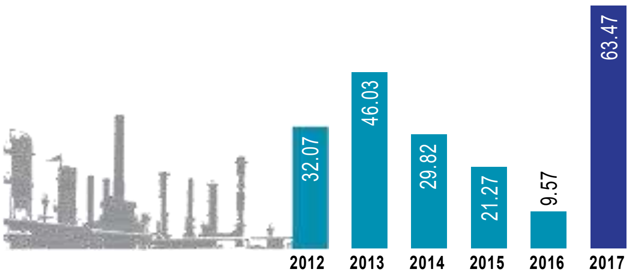
Cash Dividend Payout
(In Percentage)



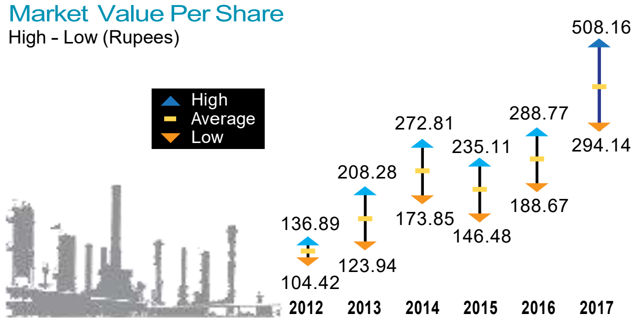
Price Earning Ratio
(In Times)



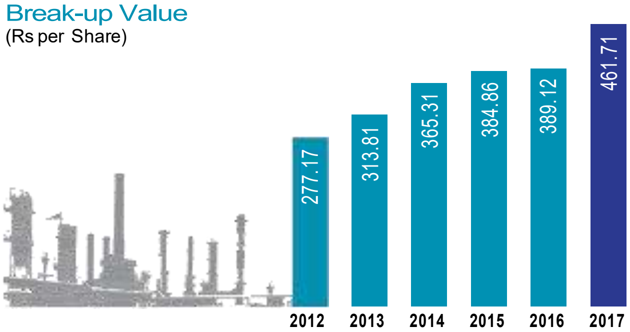
EarningS per Share
(Rupees)



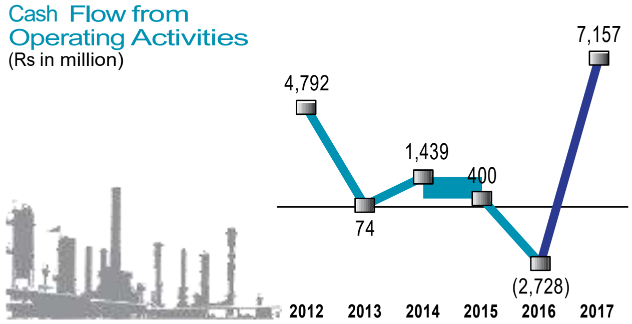
Market Value Per Share
High - Low (Rupees)



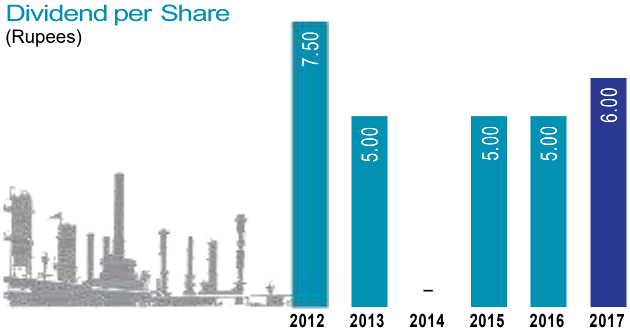
Break-up Value
(Rs per Share)



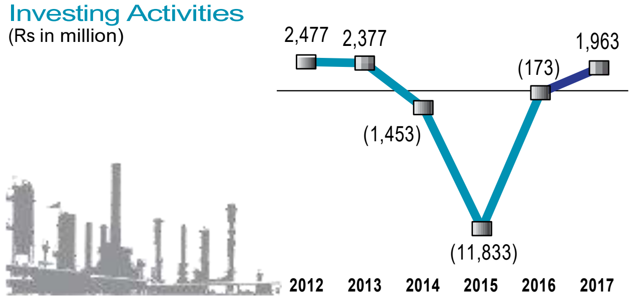
Cash Flow from Operating Activities
(Rs in million)



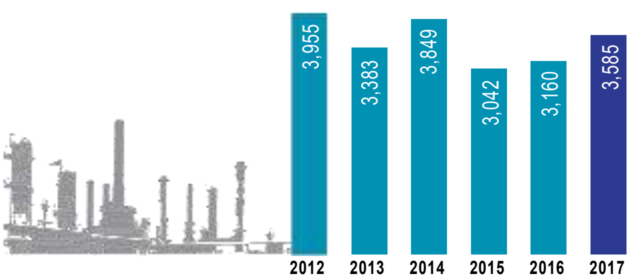
Dividend per Share
(Rupees)



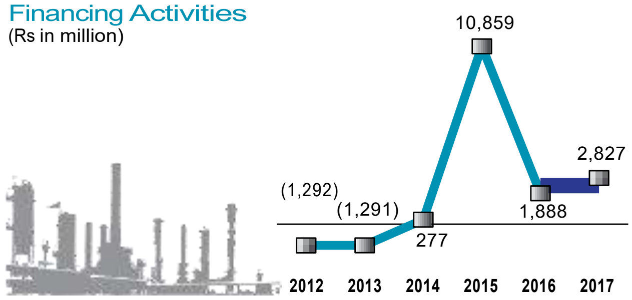
Cash Flow from Investing Activities
(Rs in million)



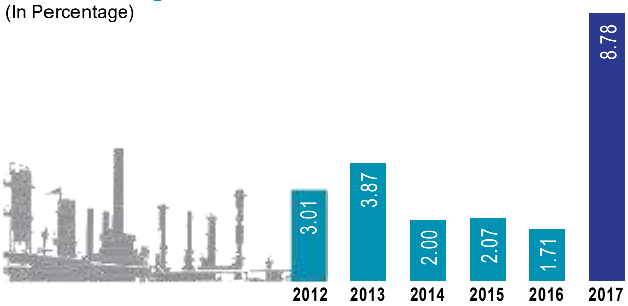
Number of Shareholders
(Numbers)



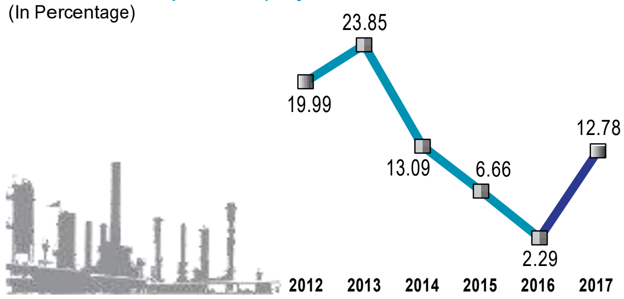
Cash Flow from Financing Activities
(Rs in million)



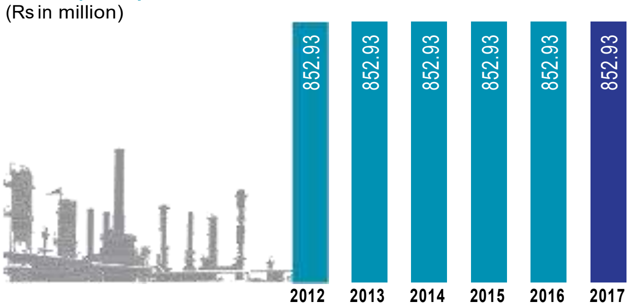
EBITDA - Margin to Sales
(In Percentage)



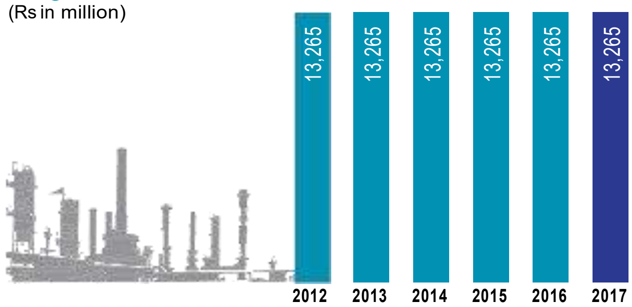
Return on Capital Employed
(In Percentage)



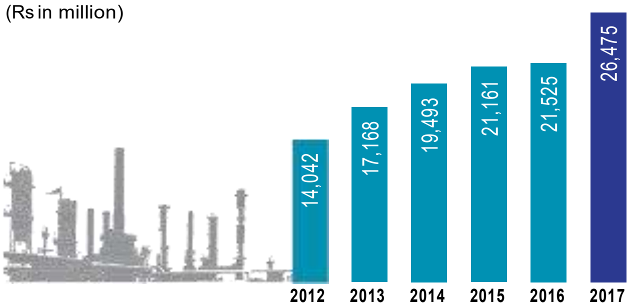
Paid-up Capital
(Rs in million)



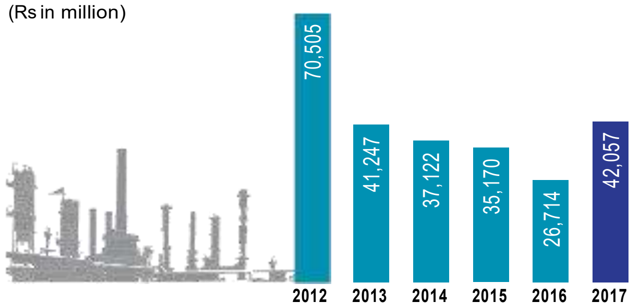
Long Term Investments
(Rs in million)



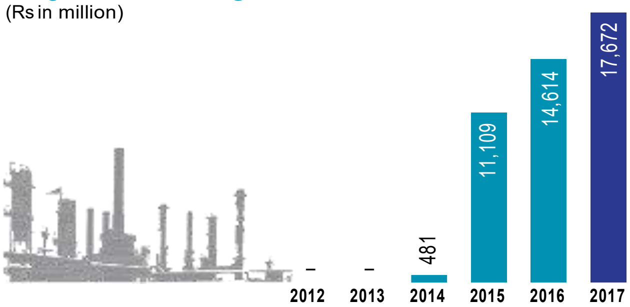
Reserves
(Rs in million)



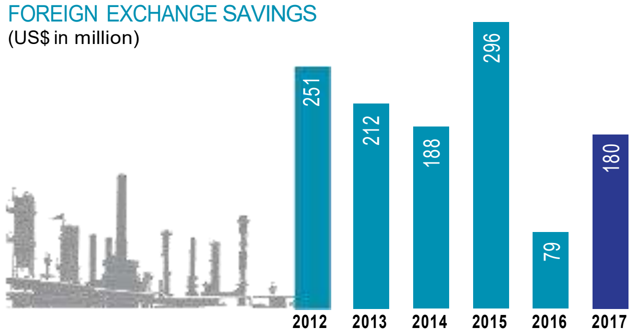
Current Assets
(Rs in million)



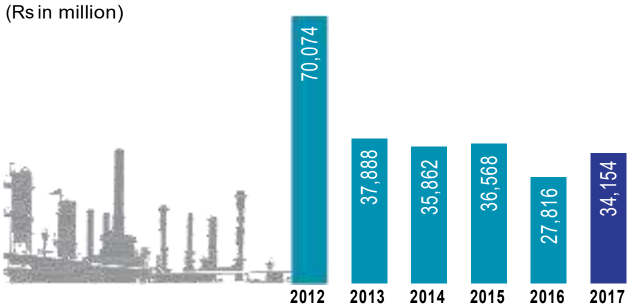
Long Term Financing
(Rs in million)



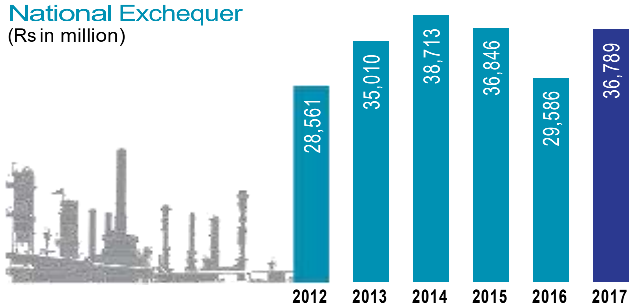
FOREIGN EXCHANGE SAVINGS
(US$ in million)



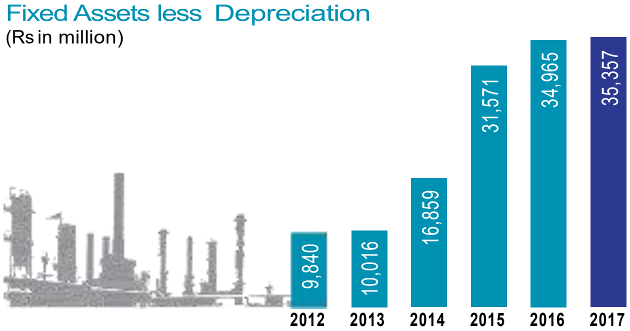
Current Liabilities
(Rs in million)



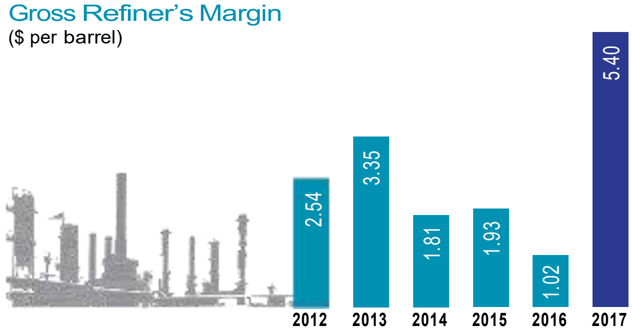
Contribution to National Exchequer
(Rs in million)



Fixed Assets less Depreciation
(Rs in million)



Gross Refiner's Margin
($ per barrel)



Analysis of Financial Statements
Attock Refinery Limited

ANALYSIS OF BALANCE SHEET

Share capital and Reserve:
Equity grew by 22% from Rs 22,378 million to Rs 27,328 million as a result of current year's profitability.

Surplus on revaluation of freehold land: Revaluation of Company's freehold land to current market value has resulted in a surplus in revaluation reserve.

Long term financing:
During the year long term financing has increased from Rs 14,614 million to Rs 17,672 million to finance the ARL Up-gradation Project. After completion of Up- gradation Project there was a prepayment against said facility of Rs 1 billion and payment of first installment of Rs 550 million.

Current liabilities:
Trade and other payables have increased during the year due to increase in prices of crude oil. Further an amount of Rs 2.20 billion, being the current portion of long term finance, is due in next twelve months.

Property, plant and equipment:
Property, plant and equipment have witnessed an increase, due to further investment in Up-gradation Project. Property, plant and equipment represent around 39% of Company's balance sheet.

Current assets:
Current assets have increased by 57% from Rs 26,714 million to Rs 42,057 million during the current financial year, denominated mainly by increased cash and bank balances.

ANALYSIS OF PROFIT AND LOSS

Revenue:
During the current year, sales revenue has increase by 52% from Rs 66,565 million to Rs 101,412 million. This increase reflects upward trend in international prices of Petroleum Products which prevailed during the year as well as increase in Refinery's production after the successful completion of Up-gradation Projects.

Cost of Sales:
During the period under review, cost of sales increased by 44% from Rs 67,467 million to Rs 97,079 million due to upward trend in prices of crude oil as well as increase in Refinery's capacity after Up-gradation Projects.

Administration and distribution cost:
Administration and distribution cost increased by 13% from Rs 571 million in 2016 to Rs 644 million in 2017.

Finance cost:
During the year finance cost has increased as a result of cessation in capitalization of the Finance cost upon completion of ARL Up-gradation Project and charging it to Profit & Loss.

Other Income:
Other income increased by 55% from Rs 927 million to Rs 1,434 million mainly on account of increase in income from bank deposits.

Provision for taxation:
Provision for taxation has decreased due to utilization of tax credit for Balancing Modernization and Replacement (BMR).

Non-refinery income:
Non-refinery income increased from Rs 1,520 million to Rs 1,715 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 inflow of Rs 7,157 million during the year. The main reason was favorable fluctuation in prices of crude oil and petroleum products, along with increase in throughput.

Investing activities:
Cash flow from Investing activities has improved as cash outflow from investing activities decreased significantly during the current Financial Year denominating reduced payments on account of Up-gradation Projects.

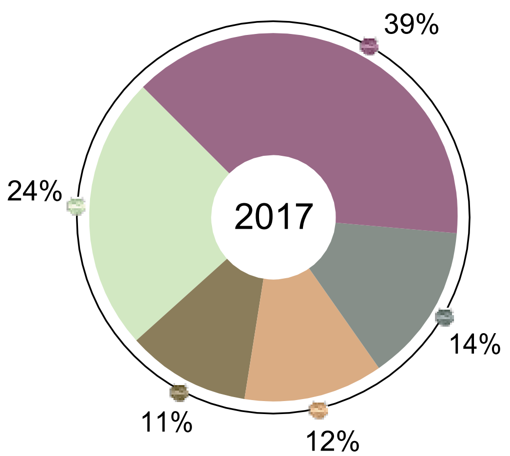
Financing activities:
Cash inflow from Long term financing has increased during the current Financial Year as a result of influx of funds from Loan facility.

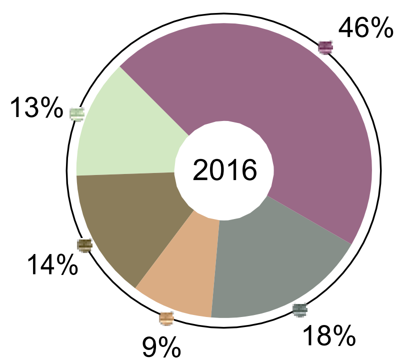
Balance Sheet Composition

Attock Refinery Limited

fixed and current assets

(In percentage)

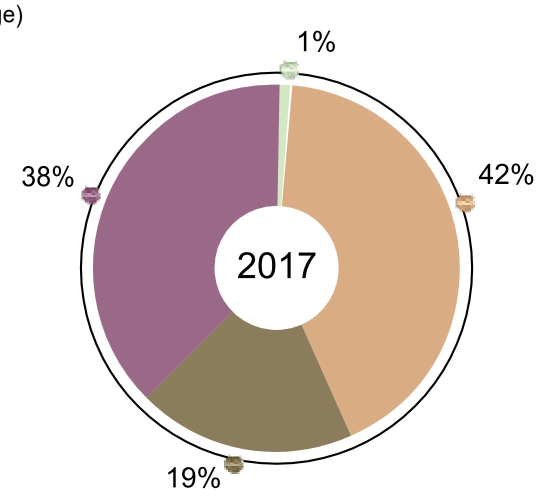


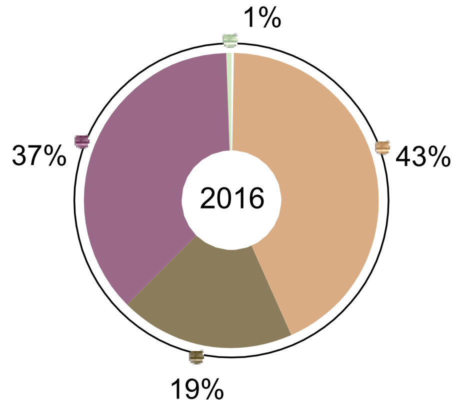


- Property, plant and equipment
- Long term investments
- Trade debts
- Stock-in-trade and others
- Cash and bank balances

Equities and Liabilities

(In percentage)





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

Vertical Analysis

	2017		2016	
	Rs in million	%	Rs in million	%
BALANCE SHEET				
Equity and reserves	27,328.24	29.96	22,377.61	29.59
Surplus on revaluation of freehold land	12,052.57	13.21	10,811.95	14.30
Long term financing	17,672.17	19.38	14,613.68	19.33
Total current liabilities	34,153.92	37.45	27,815.95	36.78
	91,206.90	100.00	75,619.19	100.00
Property, plant and equipment	35,356.80	38.77	34,965.03	46.24
Long term investments	13,264.91	14.54	13,264.92	17.54
Non-current assets	528.63	0.58	675.54	0.89
Stores, spares and loose tools	2,193.27	2.40	1,815.41	2.40
Stock-in-trade	5,712.34	6.26	6,707.64	8.87
Trade debts	10,678.55	11.71	6,889.43	9.11
Loans, advances, deposits, prepayments and other receivables	1,842.29	2.02	1,618.02	2.14
Cash and bank balances	21,630.11	23.72	9,683.20	12.81
	91,206.90	100.00	75,619.19	100.00
PROFIT & LOSS ACCOUNT				
Net Sales	101,411.79	100.00	66,564.92	100.00
Cost of sales	(97,078.92)	(95.73)	(67,466.75)	(101.35)
Gross (loss)/ profit	4,332.87	4.27	(901.83)	(1.35)
Administration expenses	595.02	0.59	520.54	0.78
Distribution cost	49.05	0.05	50.54	0.08
Other charges	202.66	0.20	5.80	0.01
	(846.73)	(0.84)	(576.88)	(0.87)
Other income	1,434.22	1.41	927.38	1.39
Operating profit/ (loss)	4,920.36	4.84	(551.33)	(0.83)
Finance cost	(1,263.14)	(1.25)	(156.88)	(0.25)
(Loss)/ profit before taxation from refinery operations	3,657.22	3.59	(708.21)	(1.08)
Provision for taxation	42.11	0.04	4.82	0.01
(Loss)/ profit after taxation from refinery operations	3,699.33	3.63	(703.39)	(1.07)
Income from non-refinery operations less applicable charges and taxation	1,714.33	1.69	1,519.74	2.28
Profit for the year	5,413.66	5.32	816.35	1.21

2015		2014		2013		2012	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
22,014.20	27.35	20,346.09	30.14	18,020.99	27.87	14,895.22	15.89
10,811.95	13.43	10,811.95	16.02	8,745.22	13.53	8,745.22	9.33
11,108.99	13.80	480.69	0.71	-	-	-	-
36,568.27	45.42	35,861.58	53.13	37,888.48	58.60	70,074.47	74.78
80,503.41	100.00	67,500.31	100.00	64,654.69	100.00	93,714.91	100.00
31,571.32	39.22	16,858.66	24.98	10,015.57	15.50	9,840.29	10.50
13,264.92	16.48	13,264.92	19.65	13,264.92	20.52	13,264.92	14.15
496.89	0.62	254.36	0.38	127.42	0.17	105.02	0.11
2,008.56	2.49	786.54	1.17	688.13	1.06	673.85	0.72
6,574.13	8.17	11,555.71	17.11	11,744.81	18.17	10,650.69	11.37
14,417.78	17.91	13,239.27	19.61	17,499.31	27.07	49,115.76	52.41
1,475.22	1.83	273.93	0.41	309.56	0.48	220.71	0.24
10,694.59	13.28	11,266.92	16.69	11,004.97	17.03	9,843.67	10.50
80,503.41	100.00	67,500.31	100.00	64,654.69	100.00	93,714.91	100.00
128,905.43	100.00	175,067.85	100.00	163,300.53	100.00	154,381.56	100.00
(128,352.37)	(99.57)	(174,930.91)	(99.92)	(160,259.07)	(98.14)	(152,362.20)	(98.69)
553.06	0.43	136.94	0.08	3,041.46	1.86	2,019.36	1.31
492.55	0.38	425.89	0.24	358.36	0.22	340.01	0.22
46.48	0.04	43.53	0.02	40.40	0.02	37.62	0.02
81.94	0.06	102.86	0.06	405.96	0.25	264.53	0.17
(620.97)	(0.48)	(572.28)	(0.32)	(804.72)	(0.49)	(642.16)	(0.41)
1,349.64	1.05	1,764.18	1.01	3,082.10	1.89	2,388.77	1.55
1,281.73	1.00	1,328.84	0.77	5,318.84	3.26	3,765.97	2.45
(315.12)	(0.25)	(1.75)	-	(548.56)	(0.34)	(994.74)	(0.65)
966.61	0.75	1,327.09	0.77	4,770.28	2.92	2,771.23	1.80
(561.81)	(0.44)	(630.81)	(0.36)	(2,142.68)	(1.31)	(1,625.18)	(1.06)
404.80	0.31	696.28	0.41	2,627.60	1.61	1,146.05	0.74
1,409.46	1.09	1,847.13	1.06	1,298.10	0.79	1,588.64	1.03
1,814.26	1.40	2,543.41	1.47	3,925.70	2.40	2,734.69	1.77

Horizontal Analysis

	2017		2016	
	Increase/ (Decrease) from last year		Increase/ (Decrease) from last year	
	Rs in million	%	Rs in million	%
BALANCE SHEET				
Equity and reserves	27,328.24	22.12	22,377.61	1.65
Surplus on revaluation of freehold land	12,052.57	11.47	10,811.95	-
Long term financing	17,672.17	20.93	14,613.68	31.55
Total current liabilities	34,153.92	22.79	27,815.95	(23.93)
	91,206.90	20.61	75,619.19	(6.07)
Property, plant and equipment	35,356.80	1.12	34,965.03	10.75
Long term investments	13,264.91	-	13,264.92	-
Non-current assets	528.63	(21.75)	675.54	35.96
Stores, spares and loose tools	2,193.27	20.81	1,815.41	(9.62)
Stock-in-trade	5,712.34	(14.84)	6,707.64	2.03
Trade debts	10,678.55	55.00	6,889.43	(52.22)
Loans, advances, deposits, prepayments and other receivables	1,842.29	13.86	1,618.02	9.68
Cash and bank balances	21,630.11	123.38	9,683.20	(9.46)
	91,206.90	20.61	75,619.19	(6.07)
PROFIT & LOSS ACCOUNT				
Net Sales	101,411.79	52.35	66,564.92	(48.36)
Cost of sales	(97,078.92)	43.89	(67,466.75)	(47.44)
Gross (loss)/ profit	4,332.87	580.45	(901.83)	(263.06)
Administration expenses	595.02	14.31	520.54	5.68
Distribution cost	49.05	(2.95)	50.54	8.73
Other charges	202.66	3,394.14	5.80	(92.92)
	(846.73)	46.78	(576.88)	(7.10)
Other income	1,434.22	54.65	927.38	(31.29)
Operating profit/ (loss)	4,920.36	992.45	(551.33)	(143.02)
Finance cost	(1,263.14)	705.16	(156.88)	(50.22)
(Loss)/ profit before taxation from refinery operations	3,657.22	616.40	(708.21)	(173.27)
Provision for taxation	42.11	773.65	4.82	100.86
(Loss)/ profit after taxation from refinery operations	3,699.33	625.93	(703.39)	(273.77)
Income from non-refinery operations less applicable charges and taxation	1,714.33	12.80	1,519.74	7.82
Profit for the year	5,413.66	563.15	816.35	(55.01)

2015		2014		2013		2012	
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	%
22,014.20	8.20	20,346.09	12.90	18,020.99	20.99	14,895.22	100.00
10,811.95	-	10,811.95	23.63	8,745.22	-	8,745.22	100.00
11,108.99	2,211.05	480.69	100.00	-	-	-	-
36,568.27	1.97	35,861.58	(5.35)	37,888.48	(45.93)	70,074.47	100.00
80,503.41	19.26	67,500.31	4.40	64,654.69	(31.01)	93,714.91	100.00
31,571.32	87.27	16,858.66	68.32	10,015.57	1.78	9,840.29	100.00
13,264.92	-	13,264.92	-	13,264.92	-	13,264.92	100.00
496.89	95.35	254.36	99.62	127.42	21.33	105.02	100.00
2,008.56	155.37	786.54	14.30	688.13	2.12	673.85	100.00
6,574.13	(43.11)	11,555.71	(1.61)	11,744.81	10.27	10,650.69	100.00
14,417.78	8.90	13,239.27	(24.34)	17,499.31	(64.37)	49,115.76	100.00
1,475.22	438.54	273.93	(11.51)	309.56	40.26	220.71	100.00
10,694.59	(5.08)	11,266.92	2.38	11,004.97	11.80	9,843.67	100.00
80,503.41	19.26	67,500.31	4.40	64,654.69	(31.01)	93,714.91	100.00

128,905.43	(26.37)	175,067.85	7.21	163,300.53	5.78	154,381.56	100.00
(128,352.37)	(26.63)	(174,930.91)	9.16	(160,259.07)	5.18	(152,362.20)	100.00
553.06	303.86	136.94	(95.50)	3,041.46	50.62	2,019.36	100.00
492.55	15.65	425.89	18.84	358.36	5.40	340.01	100.00
46.48	6.78	43.53	7.75	40.40	7.40	37.62	100.00
81.94	(20.34)	102.86	(74.66)	405.96	53.46	264.53	100.00
(620.97)	8.51	(572.28)	(28.88)	(804.72)	25.31	(642.16)	100.00
1,349.64	(23.50)	1,764.18	(42.76)	3,082.10	29.02	2,388.77	100.00
1,281.73	(3.55)	1,328.84	(75.02)	5,318.84	41.23	3,765.97	100.00
(315.12)	17,906.86	(1.75)	(99.68)	(548.56)	(44.85)	(994.74)	100.00
966.61	(27.16)	1,327.09	(72.18)	4,770.28	72.14	2,771.23	100.00
(561.81)	(10.94)	(630.81)	(70.56)	(2,142.68)	31.84	(1,625.18)	100.00
404.80	(41.86)	696.28	(73.50)	2,627.60	129.27	1,146.05	100.00
1,409.46	(23.69)	1,847.13	42.29	1,298.10	(18.29)	1,588.64	100.00
1,814.26	(28.67)	2,543.41	(35.21)	3,925.70	43.55	2,734.69	100.00

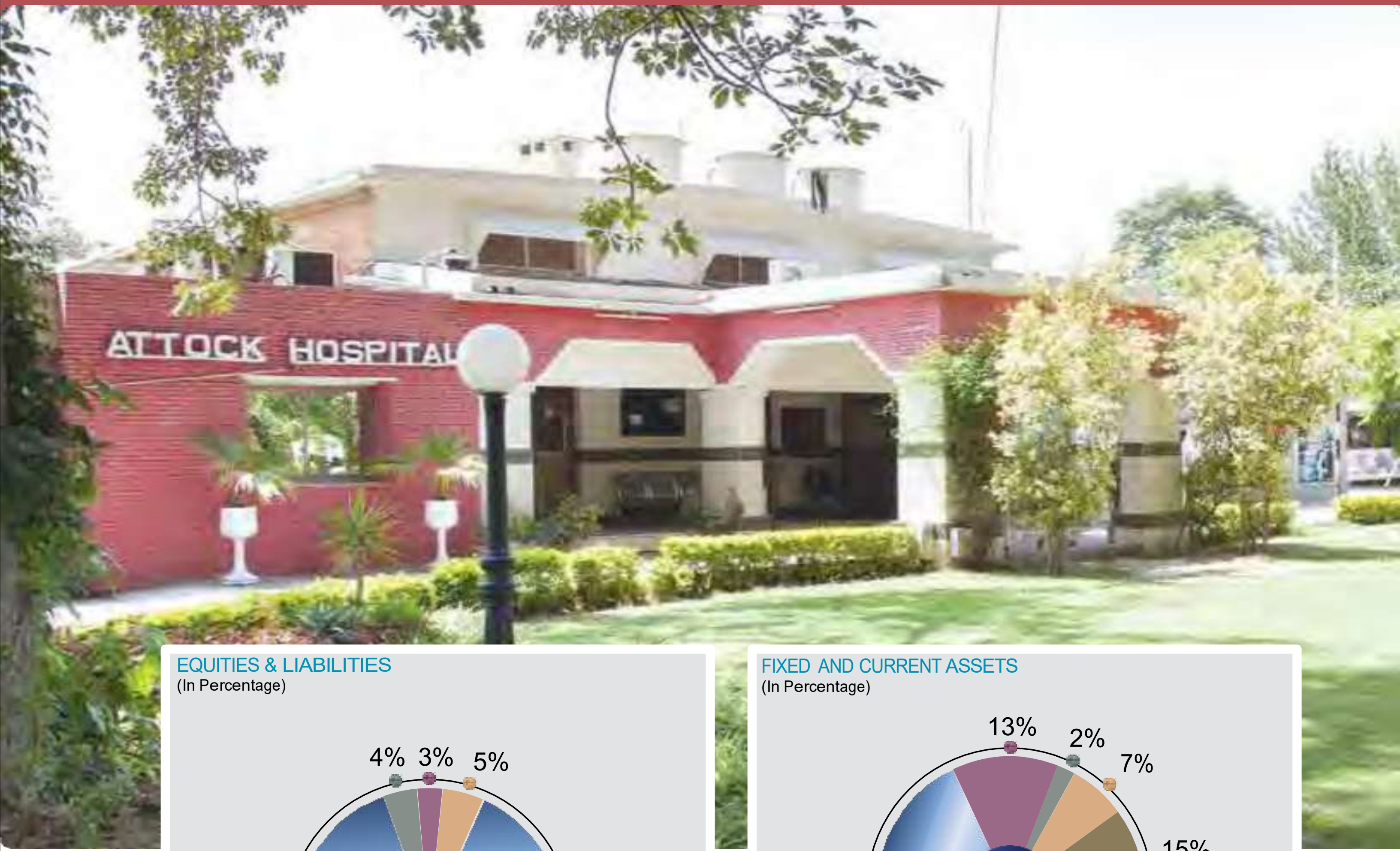
Statement of
Contribution & Value Addition

	2017 Rs '000	2016 Rs '000
VALUE ADDITION DURING THE YEAR		
Employees as remuneration	1,414	1,247
Government as taxes	36,208	29,087
Shareholders as dividends*	512	426
Retained with the business	3,554	-
Foreign exchange savings US$ 180 million		
CONTRIBUTION TO NATIONAL EXCHEQUER		
Government levies on petroleum products	36,208	29,087
Income tax paid	516	445
Import/ export duties	65	54
Total	36,789	29,586

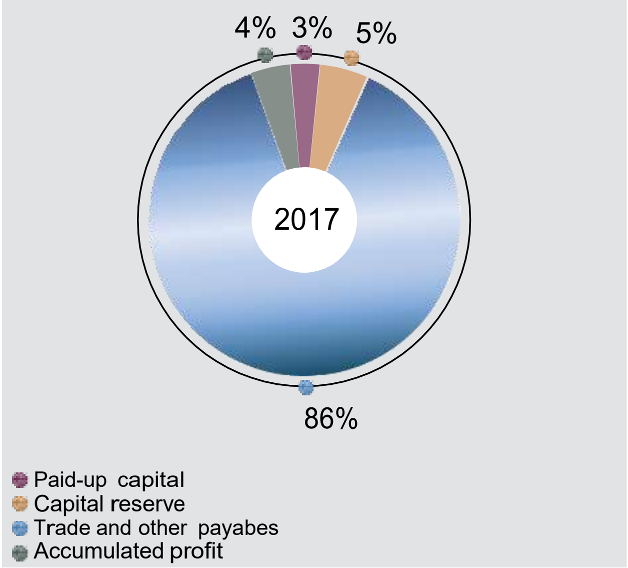
* The Board has proposed a final cash dividend @ 60% in its meeting held on September 11, 2017.

Financial Highlights

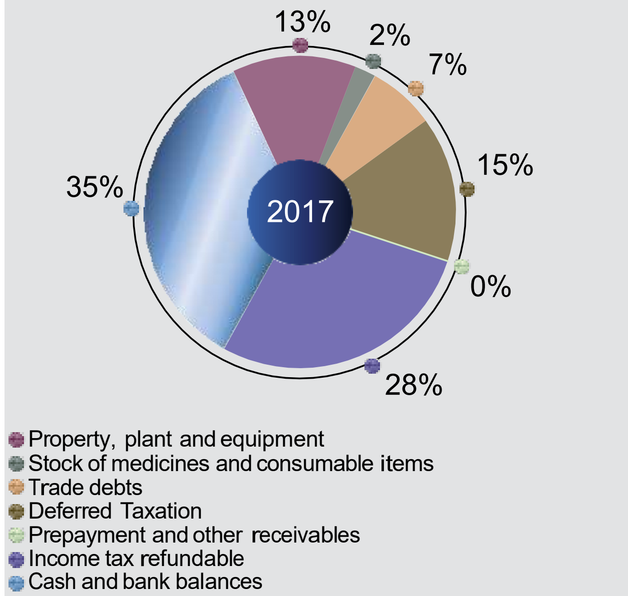
Attock Hospital (Pvt.) Limited



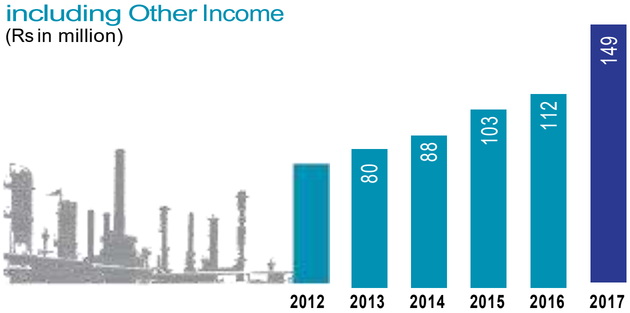
EQUITIES & LIABILITIES
(In Percentage)



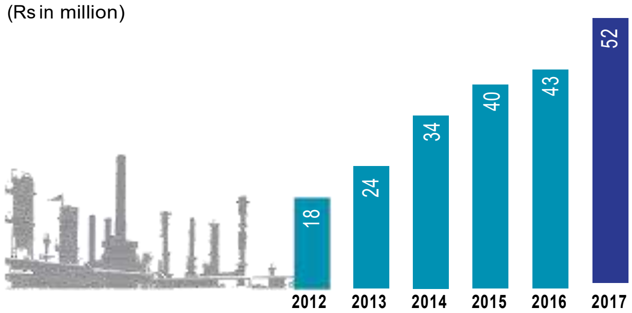
FIXED AND CURRENT ASSETS
(In Percentage)



Total Revenue including Other Income
(Rs in million)



REVENUE FROM PRIVATE PATIENTS
(Rs in million)



Pattern of Shareholding

As at June 30, 2017

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
908	1	100	49,263
994	101	500	331,096
499	501	1,000	430,395
726	1,001	5,000	1,713,329
171	5,001	10,000	1,316,671
73	10,001	15,000	927,209
45	15,001	20,000	822,021
35	20,001	25,000	812,887
19	25,001	30,000	543,149
8	30,001	35,000	267,970
6	35,001	40,000	225,900
2	40,001	45,000	84,412
8	45,001	50,000	392,200
4	50,001	55,000	206,000
5	55,001	60,000	284,600
3	60,001	65,000	190,500
2	65,001	70,000	140,000
7	70,001	75,000	516,833
1	75,001	80,000	75,160
1	80,001	85,000	84,500
4	85,001	90,000	352,800
1	90,001	95,000	91,000
6	95,001	100,000	597,300
2	100,001	105,000	205,224
1	105,001	110,000	107,300
1	110,001	115,000	115,000
2	120,001	125,000	247,000
1	125,001	130,000	129,800
1	140,001	145,000	142,000
6	150,001	155,000	915,714
2	175,001	180,000	355,100
1	180,001	185,000	182,100
1	185,001	190,000	187,500
1	190,001	195,000	191,500
1	195,001	200,000	196,600
2	200,001	205,000	405,600
2	220,001	225,000	446,872
1	235,001	240,000	240,000
1	240,001	245,000	245,000
1	255,001	260,000	257,700
1	285,001	290,000	285,600
2	295,001	300,000	596,100
3	305,001	310,000	922,659
1	345,001	350,000	347,034
1	350,001	355,000	350,109
1	380,001	385,000	380,062
2	385,001	390,000	777,300
1	405,001	410,000	406,800
1	410,001	415,000	413,600
1	415,001	420,000	416,200
1	425,001	430,000	430,000

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
1	440,001	445,000	444,600
1	520,001	525,000	525,000
1	545,001	550,000	550,000
2	645,001	650,000	1,297,107
1	665,001	670,000	668,600
1	690,001	695,000	691,300
1	770,001	775,000	775,000
1	1,140,001	1,145,000	1,142,900
1	1,380,001	1,385,000	1,382,200
1	1,430,001	1,435,000	1,432,000
1	1,540,001	1,545,000	1,543,700
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
3,585	Total		85,293,000

Categories of Shareholders

As at June 30, 2017

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/ CDC	Category-wise shares held	%age
1	**Individuals**		3,316	13,477,053	15.80
2	**Investment Companies**		5	456,300	0.53
3	**Joint Stock Companies**		97	2,572,771	3.02
4	**Directors, Chief Executive Officer and their Spouse and minor Children**		11	269,398	0.32
	Mr. Laith G. Pharaon	1			
	Mr. Wael G. Pharaon	1			
	Mr. Shuaib A. Malik	257,701			
	Mr. Tariq Iqbal Khan	5,001			
	Mrs. Azra Tariq (Wife of Mr. Tariq Iqbal Khan)	2,000			
	Mr. Abdus Sattar	1			
	Mr. Sajid Nawaz	5			
	Mr. Jamil A. Khan	1			
	Mr. M. Adil Khattak	4,687			
5	**Executives**		28	5,563	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**				-
8	**Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modarabas and Pension Funds**		50	4,010,121	4.70

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/ CDC	Category-wise shares held	%age
9	**Mutual Funds**		58	5,791,871	6.79
	CDC - Trustee PICIC Energy Fund	100,000			
	CDC - Trustee AGPF Equity Sub-Fund	1,200			
	CDC - Trustee AKD Index Tracker Fund	7,419			
	CDC - Trustee AKD Opportunity Fund	90,000			
	CDC - Trustee Al Meezan Mutual Fund	196,600			
	CDC - Trustee Alfalah GHP Income Multiplier Fund - MT	21,100			
	CDC - Trustee Alhamra Islamic Stock Fund	97,300			
	CDC - Trustee Askari Asset Allocation Fund	10,500			
	CDC - Trustee Askari Equity Fund	12,000			
	CDC - Trustee Askari High Yield Scheme - MT	204,500			
	CDC - Trustee Atlas Income Fund - MT	87,300			
	CDC - Trustee Dawood Islamic Fund	5,000			
	CDC - Trustee Faysal Asset Allocation Fund	15,000			
	CDC - Trustee Faysal Balanced Growth Fund	10,000			
	CDC - Trustee Faysal Islamic Asset Allocation Fund	30,000			
	CDC - Trustee Faysal Savings Growth Fund - MT	35,500			
	CDC - Trustee First Capital Mutual Fund	3,000			
	CDC - Trustee First Dawood Mutual Fund	5,000			
	CDC - Trustee First Habib Income Fund	19,000			
	CDC - Trustee First Habib Income Fund - MT	4,700			
	CDC - Trustee First Habib Stock Fund	17,800			
	CDC - Trustee KSE Meezan Index Fund	71,533			
	CDC - Trustee Lakson Income Fund - MT	400			
	CDC - Trustee MCB Dynamic Cash Fund - MT	2,000			
	CDC - Trustee MCB Pakistan Stock Market Fund	296,100			
	CDC - Trustee Meezan Asset Allocation Fund	52,000			
	CDC - Trustee Meezan Balanced Fund	154,000			
	CDC - Trustee Meezan Energy Fund	122,000			
	CDC - Trustee Meezan Islamic Fund	1,142,900			
	CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	153,000			
	CDC - Trustee NAFA Income Opportunity Fund - MT	20,600			
	CDC - Trustee NAFA Islamic Active Allocation Equity Fund	84,500			
	CDC - Trustee NAFA Islamic Asset Allocation Fund	150,600			
	CDC - Trustee NAFA Islamic Energy Fund	305,300			
	CDC - Trustee NAFA Islamic Pension Fund Equity Account	13,900			
	CDC - Trustee NAFA Islamic Stock Fund	191,500			
	CDC - Trustee NAFA Multi Asset Fund	29,100			
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	11,300			
	CDC - Trustee NAFA Stock Fund	201,100			
	CDC - Trustee National Investment (Unit) Trust	648,557			
	CDC - Trustee NIT-Equity Market Opportunity Fund	380,062			
	CDC - Trustee Pakistan Income Fund - MT	600			
	CDC - Trustee UBL Growth and Income Fund	309,000			
	CDC - Trustee Unit Trust of Pakistan	20,000			
	CDC - Trustee United Growth and Income Fund - MT	7,300			

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/ CDC	Category-wise shares held	%age
	CDC - Trustee First Habib Islamic Stock Fund	22,000			
	CDC - Trustee NAFA Asset Allocation Fund	39,200			
	CDC - Trustee NAFA Savings Plus Fund - MT	29,100			
	MCFSL - Trustee Askari Islamic Asset Allocation Fund	7,000			
	MCFSL - Trustee JS - Income Fund	36,000			
	MCBFSL - Trustee NAFA Income Fund - MT	182,100			
	MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	35,000			
	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	56,000			
	MCBFSL - Trustee MCB Pakistan Frequent Payout Fund - MT	4,200			
	Prudential Stocks Fund Limited (03360)	8,400			
	M/s National Bank of Pakistan	100			
	Pak Qatar Individual Family Participant Investment Fund	12,500			
	Pak Qatar Individual Family Participant Invest Fund	20,000			
10	**Foreign Investors**		6	1,206,999	1.41
11	**Co-operative Societies**		1	400	-
12	**Charitable Trusts**		6	51,800	0.06
13	**Others**		4	3,979,500	4.67
	Total		3,585	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	20,200	-
Mr. Jamil A. Khan	Director	1	-
Mr. Tariq Iqbal Khan	Alternate Director	5,000	-
Mrs. Azra Tariq (Wife of Mr. Tariq Iqbal Khan)	-	2,000	-
Mr. S. Asad Abbas	Chief Financial Officer	-	1

Code of Conduct

INTRODUCTION

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

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

1. Integrity & Ethics

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

i) Respect, Honesty and Integrity

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

ii) Compliance with Laws, Rules and Regulations

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

iii) Full and Fair Disclosure

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

iv) Prevent Conflict of Interest

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

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

v) Trading in Company's shares

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

vi) Inside information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Quality

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

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

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

3. Social Responsibility

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

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

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

4. Learning and Innovation

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

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

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

5. Team Work

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

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

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

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

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

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

6. Empowerment

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

i) Communication
All communications, whether internal or external, should be accurate, forthright and wherever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue.

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

7. Compliance

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

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

Statement of Compliance

with the Code of Corporate Governance

Name of Company: Attock Refinery Limited
Year ended: June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.24 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	Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. Sajid Nawaz Mr. Jamil A. Khan

   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 January 06, 2017 was filled up by the directors within 18 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. Four (4) of the Directors meet the exemption requirement of the Director's Training Program (DTP), while two (2) directors have completed this program. The remaining one (1) director shall obtain certification under the DTP upto June 2018. Further, two alternate directors and the Chief Executive Officer of the Company have also completed the 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. It comprises of five (5) members including one (1) independent director. All members of the Audit Committee are non-executive directors.

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. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

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

Sd

(M. ADIL KHATTAK)
Chief Executive Officer
September 11, 2017

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, 2017, to comply with the requirements of Clause No. 5.19 of the Pakistan Stock Exchange Limited Regulations issued by Pakistan Stock Exchange Limited where the Company is listed.

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, 2017.

Sd

Chartered Accountants
Islamabad : September 11, 2017
Engagement Partner: S. Haider Abbas

ANNUAL AUDITED FINANCIAL STATEMENTS
for the year ended June 30, 2017

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, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

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

(b) in our opinion

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 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: September 11, 2017

Engagement partner: S. Haider Abbas

BALANCE SHEET
As at June 30, 2017

	Note	2017 Rs '000	2016 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	26,475,311	21,524,684
		27,328,241	22,377,614
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	12,052,576	10,811,949
		39,380,817	33,189,563
NON CURRENT LIABILITIES			
Long term financing	9	17,672,166	14,613,682
CURRENT LIABILITIES			
Trade and other payables	10	28,175,711	23,043,629
Accrued mark-up on long term financing	9	338,226	266,556
Current portion of long term financing	9	2,200,000	550,000
Provision for taxation		3,439,980	3,955,760
		34,153,917	27,815,945
TOTAL EQUITY AND LIABILITIES		91,206,900	75,619,190
CONTINGENCIES AND COMMITMENTS	11		

	Note	2017 Rs '000	2016 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	35,133,344	12,148,054
Capital work-in-progress	13	142,057	22,733,687
Major spares parts and stand-by equipment		81,396	83,293
		35,356,797	34,965,034
LONG TERM INVESTMENTS	14	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	15	34,642	31,289
DEFERRED TAXATION	16	493,985	644,246
CURRENT ASSETS			
Stores, spares and loose tools	17	2,193,275	1,815,409
Stock-in-trade	18	5,712,344	6,707,642
Trade debts	19	10,678,545	6,889,427
Loans, advances, deposits, prepayments			
and other receivables	20	1,842,288	1,618,030
Cash and bank balances	21	21,630,109	9,683,198
		42,056,561	26,713,706
TOTAL ASSETS		91,206,900	75,619,190

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

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

PROFIT AND LOSS ACCOUNT

For the year ended June 30, 2017

	Note	2017 Rs '000	2016 Rs '000
Gross sales	22	139,515,951	95,960,398
Taxes, duties, levies and price differential	23	(38,104,159)	(29,395,474)
Net sales		101,411,792	66,564,924
Cost of sales	24	(97,078,919)	(67,466,755)
Gross profit/ (loss)		4,332,873	(901,831)
Administration expenses	25	595,023	520,546
Distribution cost	26	49,047	50,538
Other charges	27	202,660	5,800
		(846,730)	(576,884)
Other income	28	1,434,222	927,384
Operating profit/ (loss)		4,920,365	(551,331)
Finance cost	29	(1,263,141)	(156,881)
Profit/ (loss) before taxation from refinery operations		3,657,224	(708,212)
Taxation	30	42,111	4,819
Profit/ (loss) after taxation from refinery operations		3,699,335	(703,393)
Income from non-refinery operations less			
applicable charges and taxation	31	1,714,329	1,519,743
Profit for the year		5,413,664	816,350
Earnings/ (loss) per share - Basic and diluted (Rs)			
Refinery operations		43.37	(8.25)
Non-refinery operations		20.10	17.82
	32	63.47	9.57

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

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2017

	Note	2017 Rs '000	2016 Rs '000
Profit for the year		5,413,664	816,350
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on staff retirement benefit plans	33	(52,246)	(28,300)
Related deferred tax credit		15,674	8,490
Effect of change in rate of tax		-	(6,660)
		(36,572)	(26,470)
Surplus on revaluation of freehold land	12.1	1,240,627	-
Other comprehensive income/ (loss) - net of tax		1,204,055	(26,470)
Total comprehensive income for the year		6,617,719	789,880

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

Sd
Syed Asad Abbas
Chief Financial Officer

Sd
M. Adil Khattak
Chief Executive

Sd
Abdus Sattar
Director

CASH FLOW STATEMENT

For the year ended June 30, 2017

	2017 Rs '000	2016 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - customers	135,793,300	103,450,830
- others	564,202	309,395
	136,357,502	103,760,225
Cash paid for operating costs	(92,476,563)	(76,955,240)
Cash paid to Government for duties, taxes and other levies	(36,208,351)	(29,087,415)
Income tax paid	(515,780)	(445,265)
Net cash inflows/ (outflow) from operating activities	7,156,808	(2,727,695)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(953,733)	(2,491,968)
Sale of operating assets	7,685	6,063
Long term loans and deposits	(3,353)	(2,275)
Income received on bank deposits	889,065	546,280
Dividends received	2,023,553	1,769,204
Net cash flows generated/ (used) in the investing activities	1,963,217	(172,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	4,689,509	3,650,000
Transaction cost on long term financing	(6,076)	(16,942)
Finance cost	(1,431,464)	(1,319,015)
Dividends paid	(425,225)	(426,465)
Net cash flows from financing activities	2,826,744	1,887,578
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	11,946,769	(1,012,813)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,683,198	10,694,590
Effect of exchange rate changes	142	1,421
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21,630,109	9,683,198

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

Sd
Syed Asad Abbas
Chief Financial Officer

Sd
M. Adil Khattak
Chief Executive

Sd
Abdus Sattar
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2017

	Share capital	Capital reserve: Special reserve for expansion/ modernisation	Capital reserve: Utilised special reserve for expansion/ modernisation	Capital reserve: Others	Investment reserve	General reserve	Un-appropriated Profit	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance at June 30, 2015	852,930	9,455,212	-	5,948	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	9,455,212	-	5,948	3,762,775	55	8,300,694	10,811,949	33,189,563
Distribution to owners:									
Final cash dividend @ 50% related to the year ended June 30, 2016	-	-	-	-	-	-	(426,465)	-	(426,465)
Total comprehensive income									
Profit for the year	-	-	-	-	-	-	5,413,664	-	5,413,664
Other comprehensive (loss)/ income for the year	-	-	-	-	-	-	(36,572)	1,240,627	1,204,055
	-	-	-	-	-	-	5,377,092	1,240,627	6,617,719
Transfer to special reserve for expansion/ modernisation - note 7.1	-	3,553,535	-	-	-	-	(3,553,535)	-	-
Transfer to utilised special reserve - note 7.2	-	(10,962,934)	10,962,934	-	-	-	-	-	-
Balance at June 30, 2017	852,930	2,045,813	10,962,934	5,948	3,762,775	55	9,697,786	12,052,576	39,380,817

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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 financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with provisions of the repealed Companies Ordinance, 1984. Accordingly, 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 of or directives under the Companies Ordinance, 1984 shall prevail. These are seperate financial statements of the Company.

3. NEW AND REVISED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

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

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2018
IAS 40	Investment Property (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 4	Insurance Contracts (Amendments)	January 1, 2018
IFRS 12	Disclosure of Interests in Other Entities (Amendments)	January 1, 2017
IFRIC 22	Foreign Currency Transactions and Advance	January 1, 2018

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers

IFRS 16 Leases
IFRS 17 Insurance Contracts

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

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

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.

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.

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

4.6 Provisions

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

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

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.

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

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 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 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) Surplus on revaluation of freehold land - note 8

ii) Estimated useful life of operating assets - note 12

iii) Provision for taxation - note 30

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

v) Contingencies - note 11

6. SHARE CAPITAL

6.1 Authorised share capital

2017	2016		2017	2016
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

2017	2016		2017	2016
Number of shares		Ordinary shares of Rs 10 each	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 (2016: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2016: 1,432,000) ordinary shares at the year end.

		2017 Rs '000	2016 Rs '000
7.	**RESERVES AND SURPLUS**		
	Capital reserve		
	Special reserve for expansion/ modernisation - note 7.1	2,045,813	9,455,212
	Utilised special reserve for expansion/ modernisation - note 7.2	10,962,934	-
	Others		
	Liabilities taken over from The Attock Oil Company Limited		
	no longer required	4,800	4,800
	Capital gain on sale of building	654	654
	Insurance and other claims realised relating to		
	pre-incorporation period	494	494
		5,948	5,948
	Revenue reserve		
	Investment reserve - note 7.3	3,762,775	3,762,775
	General reserve	55	55
	Unappropriated profit	9,697,786	8,300,694
		13,460,616	12,063,524
		26,475,311	21,524,684

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 (MPNR) 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 deadline for completion of Isomerization complex and Diesel Hydro Desulphurization (DHDS) project was extended from January 1, 2016 to June 30, 2017. The Company has completed the DHDS and Isomerization project in July 2016 and November 2016 respectively.

Following is the status of special reserve for expansion/ modernization utilzation on up-gradation and expansion projects from July 1, 1997 to June 30, 2017:

	2017 Rs '000	2016 Rs '000
Balance as at July 1	9,455,212	9,455,212
Transfer for the year	3,553,535	-
Transfer to utilised special reserve for expansion/modernisation - note 7.2	(10,962,934)	-
Balance as at June 30	2,045,813	9,455,212

7.2 Represents amounts utilized out of the Special Reserve for expansion/ modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/ mordernisation till June 30, 2017 is Rs 28,179 million including Rs 17,216 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

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

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.

		2017 Rs '000	2016 Rs '000
9.	**LONG TERM FINANCING - secured**		
	From banking companies		
	Syndicated Term Finance note - 9.1	15,380,448	11,808,983
	Musharaka Finance note - 9.2	5,034,006	3,864,555
		20,414,454	15,673,538
	Less: Unamortized transaction cost on financing:		
	Balance as at July 1	243,300	247,208
	Addition during the year	6,076	16,942
	Amortization for the year	(45,314)	(20,850)
	Balance as at June 30	204,062	243,300
		20,210,392	15,430,238
	Current portion of long term financing	(2,200,000)	(550,000)
		18,010,392	14,880,238
	Mark-up payable shown as current liability	(338,226)	(266,556)
		17,672,166	14,613,682

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 13 years including the grace period of 3 years. Upto June 30, 2017 aggregate draw down was Rs 16,575 million (June 30, 2016: Rs 11,874.48 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 47.64% (2016: 62.59%) while its share in Musharaka Assets B is 69.90% (2016: 69.90%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 52.36% (2016: 37.41%) while its share in Musharaka Assets B is 30.10% (2016: 30.10%) respectively. The tenure of this facility is 13 years including the grace period of 3 years. The rental payments under this facility are calculated on the basis of 3 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto June 30, 2017 aggregate draw down was Rs 5,425 million (June 30, 2016: Rs 3,886.01 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 repaid an amount of Rs 1,000 million in respect of facilities referred to in paragraphs 9.1 and 9.2 respectively, which was in addition to the principal payment which became due and was paid during the year.

		2017 Rs '000	2016 Rs '000
10.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 10.1	16,159,357	13,375,507
	Due to The Attock Oil Company Limited - Holding Company	24,006	31,736
	Due to associated companies		
	Pakistan Oilfields Limited	1,221,175	998,212
	Accrued liabilities and provisions note - 10.1	3,874,612	3,723,906
	Due to the Government under pricing formula	2,247,775	1,819,696
	Custom duty payable to Government	3,318,978	958,559
	Advance payments from customers	101,336	34,869
	Sales tax payable	-	1,057,448
	Workers' profit participation fund note - 10.2	83,663	-
	ARL gratuity fund	54,523	28,212
	Staff pension fund	5,536	186,118
	Crude oil freight adjustable through inland freight equalisation margin	20,010	36,809
	Deposits from customers adjustable against freight		
	and Government levies payable on their behalf	376	376
	Payable to statutory authorities in respect of petroleum		
	development levy and excise duty	1,053,049	782,106
	Security deposits	2,417	2,417
	Unclaimed dividends	8,898	7,658
		28,175,711	23,043,629

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 along with accumulated profits amounted to Rs 2,944.91 million (2016: Rs 2,783.31 million).

		2017 Rs '000	2016 Rs '000
10.2	**Workers' Profit Participation Fund**		
	Balance receivable as at July 1	(56,950)	(23,666)
	Amount paid to the fund	(153,050)	(86,333)
	Amount allocated for the year - note 27 & 31	293,663	53,049
	Balance payable/ (receivable) as at June 30	83,663	(56,950)

			2017 Rs '000	2016 Rs '000
11.	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies:			
	i)	Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result, all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/ claimable government levies. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.	1,326,706	1,409,711
	ii)	Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.		
	iii)	Guarantees issued by banks on behalf of the Company (other than (i) above)	493	394
	iv)	Claims for land compensation contested by the Company	1,300	1,300
	v)	Price adjustment related to crude oil purchases as referred to in note 24.1, the amount of which cannot be presently quantified		
	vi)	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for upgradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016. The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.	464,638	-

		2017 Rs '000	2016 Rs '000
Commitments:			
i)	ARL Up-gradation Projects (inclusive of foreign currency commitment of US$ nil (June 30, 2016: US$ 0.53 million).	-	1,185,105
ii)	Capital expenditure	77,194	34,447
iii)	Letters of credit for purchase of store items	143,871	18,304

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, 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
Year ended June 30, 2017							
Opening net book value	10,866,170	107,725	1,033,770	19,757	76,528	44,104	12,148,054
Additions	-	6,981	23,755,609	9,084	12,432	28,198	23,812,304
Revaluation surplus	1,240,628	-	-	-	-	-	1,240,628
Disposals							
Cost	-	-	(33,334)	(6,941)	(2,033)	(4,307)	(46,615)
Depreciation	-	-	33,334	6,926	1,559	4,307	46,126
	-	-	-	(15)	(474)	-	(489)
Depreciation charge	-	(10,336)	(2,022,588)	(7,429)	(10,728)	(16,072)	(2,067,153)
Closing net book value	12,106,798	104,370	22,766,791	21,397	77,758	56,230	35,133,344
As at June 30, 2017							
Cost or valuation	12,106,798	213,755	29,074,562	74,583	157,269	151,523	41,778,490
Accumulated depreciation	-	(109,385)	(6,307,771)	(53,186)	(79,511)	(95,293)	(6,645,146)
Net book value	12,106,798	104,370	22,766,791	21,397	77,758	56,230	35,133,344
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

12.1 Freehold land was revalued in May 2017 and the revaluation surplus of Rs 1,240.63 million (2016: Rs 10,811.95 million) has been added to the value of freehold land and corresponding amount has been 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 54.22 million (2016: Rs 54.22 million)

Original cost of freehold land	Rs 54,221,409
Book value at the date of valuation	Rs 10,866,170,000
Revalued amount	Rs 12,106,797,500
Dates of valuation	May 17, 2017
Basis of revaluation	Estimated current market value
Name and qualification of independent valuer	Iqbal A. Nanjee & Co.
	Valuation Consultants and Surveyors

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	562	-	507	Tender/ Auction	Mr. Naeem Shahzad
	50	-	390	Tender/ Auction	Mr. Naeem Shahzad
	1,239	-	124	Company policy	Mr. Muhammad Aliemuddin
	34	-	550	Tender/ Auction	Mr. Muhammad Yaqoob
Others	44,730	489	6,114	Tender/ Auction	Aggregate of other items of operating assets disposed off with individual book values not exceeding Rs 50 thousand
2017	46,615	489	7,685		
2016	14,702	198	6,063		

	2017 Rs '000	2016 Rs '000
12.3 The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 24	2,042,846	131,947
Administration expenses - note 25	23,564	19,776
Distribution cost - note 26	743	666
	2,067,153	152,389
13. CAPITAL WORK-IN-PROGRESS		
Balance as at July 1	22,733,687	19,804,158
Additions during the year - note 13.1	1,170,751	3,360,319
Transfer to operating assets		
- Buildings on freehold land	6,981	12,821
- Plant and machinery	23,746,756	382,366
- Furniture and fixtures	8,644	35,603
	(23,762,381)	(430,790)
Balance as at June 30	142,057	22,733,687

	2017 Rs '000	2016 Rs '000
Breakup of the closing balance of capital work-in-progress		
Civil works	15,830	16,568
ARL Up-gradation Project	-	22,569,480
Plant and machinery	125,227	146,639
Pipeline project	1,000	1,000
	142,057	22,733,687

13.1 Financing cost amounting to Rs 265.04 million (June 30, 2016: Rs 1,054.34 million) has been capitalised which includes Rs 11.21 million (June 30, 2016: Rs 20.85 million) in respect of amortization of transaction cost on long term financing arranged for the purpose of ARL up-gradation projects.

14. LONG TERM INVESTMENTS - AT COST

	2017		2016	
	% age holding	Rs '000	% age holding	Rs '000
Associated Companies				
Quoted				
National Refinery Limited (NRL)	25	8,046,635	25	8,046,635
19,991,640 (2016: 19,991,640) fully paid ordinary shares including 3,331,940 (2016: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2017: Rs 14,514 million (June 30, 2016: Rs 9,504 million)				
Attock Petroleum Limited (APL)	21.88	4,463,485	21.88	4,463,485
18,144,138 (2016: 18,144,138) fully paid ordinary shares including 7,644,058 (2016: 7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2017: Rs 11,366 million (June 30, 2016: Rs 7,939 million)				
		12,510,120		12,510,120
Unquoted				
Attock Gen Limited (AGL)	30	748,295	30	748,295
7,482,957 (2016: 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 (2016: 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 (2016: 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.

		2017 Rs '000	2016 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans - secured and considered good - note 15.1		
	Employees	11,596	26,015
	Executives	42,917	24,105
		54,513	50,120
	Amounts due within next twelve months shown		
	under current assets - note 20	(31,880)	(30,621)
		22,633	19,499
	Security deposits	12,009	11,790
		34,642	31,289

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 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 46.63 million (2016: Rs 24.11 million).

		2017 Rs '000	2016 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives:**		
	Balance as at July 1	24,105	13,690
	Disbursements during the year	55,835	29,862
		79,940	43,552
	Repayments during the year	(37,023)	(19,447)
	Balance as at June 30	42,917	24,105
16.	**DEFERRED TAXATION**		
	The balance of deferred tax is in respect of following		
	major temporary differences:		
	Accelerated tax depreciation	(2,085,362)	(71,700)
	Minimum tax	785,230	331,075
	Unused tax losses	1,068,004	225,737
	Alternative corporate tax in excess of minimum tax	102,684	-
	Remeasurement loss on staff retirement benefit plans	124,068	108,394
	Unused tax credit on investment	444,065	-
	Provisions	55,296	50,740
		493,985	644,246
16.1	**Movement of deferred tax asset**		
	Balance as at July 1	644,246	467,881
	Tax charge recognised in profit and loss	(165,935)	174,535
	Tax charge recognised in other comprehensive income	15,674	1,830
	Balance as at June 30	493,985	644,246

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 minimum tax and unused tax loss against the taxable profits of future years.

		2017 Rs '000	2016 Rs '000
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit		
	Rs 327.807 million; 2016: Rs 208.874 million)	1,682,902	1,404,848
	Spares	642,909	533,120
	Loose tools	997	799
		2,326,808	1,938,767
	Less: Provision for slow moving items - note 17.1	133,533	123,358
		2,193,275	1,815,409
17.1	**Movement in provision for slow moving items**		
	Balance at July 1	123,358	121,586
	Provision for the year	10,175	5,800
	Reversal of provision against stores written off	-	(4,028)
	Balance at June 30	133,533	123,358
18.	**STOCK-IN-TRADE**		
	Crude oil	1,382,589	2,200,687
	Semi-finished products	791,726	571,674
	Finished products - note 18.2	3,538,029	3,935,281
		5,712,344	6,707,642

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 3,118.46 million (2016: Rs 3,759.44 million). Adjustments amounting to Rs 553.63 million (2016: Rs 411.01 million) have been made to closing inventory to write down stocks to their net realisable value.

		2017 Rs '000	2016 Rs '000
18.2	**Stock held by third parties**		
	Naphtha		
	At National Refinery Limited	366,263	891,463
	In transit	86,782	201,311
		453,045	1,092,774

19. TRADE DEBTS - unsecured and considered good

Trade debts include Rs 7,290 million (2016: Rs 4,347 million) receivable from associated company, Attock Petroleum Limited.

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

	2017 Rs '000	2016 Rs '000
0 to 6 months	3,883,005	2,552,873
6 to 12 months	1,243,505	-
Above 12 months	-	-
	5,126,510	2,552,873

	2017 Rs '000	2016 Rs '000
20. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
LOANS AND ADVANCES - considered good		
Current portion of long term loans - secured - note 15		
Employees	5,801	14,675
Executives	26,079	15,946
	31,880	30,621
Advances		
Suppliers	64,084	21,833
Employees	3,653	4,983
	67,737	26,816
	99,617	57,437
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	112,126	84,307
	112,412	84,593
OTHER RECEIVABLES - considered good		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	589	1,179
Due from associated companies		
Attock Information Technology Services (Private) Limited	481	340
Attock Petroleum Limited	1,419,677	1,374,800
Attock Leisure and Management Associates (Private) Limited	12	8
Attock Gen Limited	322	232
National Cleaner Production Centre Foundation	3,518	480
National Refinery Limited	3,726	24
Attock Sahara Foundation	994	1,063
Income accrued on bank deposits	30,236	15,345
Sales tax receivable	145,620	-
Workers' profit participation fund - note 10.2	-	56,950
Other receivables	25,084	25,579
	1,630,259	1,476,000
	1,842,288	1,618,030
21. CASH AND BANK BALANCES		
Cash in hand (US $ 4,126; 2016: US $ 2,138)	1,298	939
With banks:		
Local Currency		
Current accounts	7,286	6,833
Deposit accounts - note 21.1	8,883,105	3,721,557
Savings accounts	12,689,007	5,904,709
Foreign Currency		
Saving accounts (US $ 471,502; 2016: US $ 470,429)	49,413	49,160
	21,630,109	9,683,198

21.1 Deposit accounts include Rs 2,883.11 million (2016: Rs 2,721.56 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 Balances with banks include Rs 6,000 million (June 30, 2016: Rs 1,000 million) in respect of deposits placed on 90-days interest-bearing account.

21.3 Bank deposits of Rs 1,327.20 million (2016: Rs 1,410.11 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.4 Balances with banks include Rs 2.42 million (2016: Rs 2.42 million) in respect of security deposits received from customers etc.

21.5 Interest/ mark-up earned on balances with banks ranged between 3.75% to 7.25% (2016: 4.50% to 7.50%) with weighted average rate of 6.10% (2016: 6.46%) per annum.

	2017 Rs '000	2016 Rs '000
22. GROSS SALES		
Local sales (excluding Naphtha export sales)	128,882,780	83,232,333
Naphtha export sales	10,608,323	13,448,660
Naphtha export sales related to third party	-	(720,595)
	10,608,323	12,728,065
Reimbursement due from the Government under import parity pricing formula - note 22.1	24,848	-
	139,515,951	95,960,398

22.1 This represents amount due from the Government of Pakistan on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

22.2 As a result of commencement of new units under the Refinery Up-gradation Project during current year, there was an increase in the throughput of the refinery. Whereas during preceding corresponding year there was decline in production due to tie-in connection activity of the new units.

	2017 Rs '000	2016 Rs '000
23. TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL		
Sales tax	23,230,312	20,164,736
Petroleum development levy	11,873,201	7,531,177
Custom duties and other levies - note 23.1	2,360,571	922,256
HSD price differential - note 23.2	4,848	777,305
PMG RON differential - note 23.3	635,227	-
	38,104,159	29,395,474

23.1 This includes Rs 2,360.37 million (2016: Rs 922.10 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 GoP on account of differential between import parity price of HSD and import price of Pakistan State Oil Company Limited (PSO) relating to the period July 1 to July 3, 2016. After commencement of production of Euro II compliant diesel by the Company with effect from July 4, 2016, this price differential has ceased to arise.

23.3 This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 87/90 RON PMG sold by the Company during the year.

		2017 Rs '000	2016 Rs '000
24.	**COST OF SALES**		
	Opening stock of semi-finished products	571,674	765,347
	Crude oil consumed - note 24.1	87,812,553	63,267,526
	Transportation and handling charges	1,562,521	2,079,710
	Salaries, wages and other benefits - note 24.2	1,013,863	899,793
	Printing and stationery	3,945	3,669
	Chemicals consumed	1,029,130	203,151
	Fuel and power	2,662,637	533,283
	Rent, rates and taxes	57,309	49,885
	Telephone	3,298	2,270
	Professional charges for technical services	5,829	13,035
	Insurance	149,397	114,995
	Repairs and maintenance (including stores and spares consumed Rs 114.23 million; 2016: Rs 143.32 million)	515,146	489,751
	Staff transport and traveling	13,333	13,370
	Cost of receptacles	21,657	20,035
	Research and development	8,255	7,503
	Depreciation - note 12.3	2,042,846	131,947
		97,473,393	68,595,270
	Closing stock of semi-finished products	(791,726)	(571,674)
		96,681,667	68,023,596
	Opening stock of finished products	3,935,281	3,378,440
	Closing stock of finished products	(3,538,029)	(3,935,281)
		397,252	(556,841)
		97,078,919	67,466,755
24.1	**Crude oil consumed**		
	Stock at July 1	2,200,687	2,430,346
	Purchases - note 24.3	86,994,455	63,037,867
		89,195,142	65,468,213
	Stock at June 30	(1,382,589)	(2,200,687)
		87,812,553	63,267,526

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 45.41 million (2016: Rs 61.06 million) and to the Provident Fund Rs 31.47 million (2016: Rs 26.08 million).

24.3 Purchases are net of Rs. 2,120.60 million in respect of reversal of certain accrued charges related to crude purchases for prior periods, considered to be no more payable based on independent legal advice.

		2017 Rs '000	2016 Rs '000
25.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 24.2	365,594	311,293
	Board meeting fee	5,065	4,551
	Transport, traveling and entertainment	17,470	17,790
	Telephone	2,508	2,940
	Electricity, gas and water	16,528	19,098
	Printing and stationery	6,043	6,382
	Auditor's remuneration - note 25.1	6,399	7,988
	Legal and professional charges	14,511	9,512
	Repairs and maintenance	96,560	85,470
	Subscription	13,742	11,742
	Publicity	6,535	6,158
	Scholarship scheme	2,855	2,432
	Rent, rates and taxes	13,834	12,678
	Insurance	914	859
	Donations*	586	740
	Training expenses	2,315	1,137
	Depreciation - note 12.3	23,564	19,776
		595,023	520,546

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

25.1	**Auditor's remuneration**		
	Annual audit	1,670	1,546
	Review of half yearly financial information, audit of consolidated financial statements, employee funds and special certifications	995	2,169
	Tax services	3,516	3,912
	Out of pocket expenses	218	361
		6,399	7,988

		2017 Rs '000	2016 Rs '000
26.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 24.2	32,403	34,228
	Transport, traveling and entertainment	675	492
	Telephone	271	307
	Electricity, gas and water	3,601	4,719
	Printing and stationery	47	100
	Repairs and maintenance including packing and other stores consumed	7,847	6,972
	Rent, rates and taxes	3,460	3,054
	Depreciation - note 12.3	743	666
		49,047	50,538
27.	**OTHER CHARGES**		
	Provision for slow moving store items	10,175	5,800
	Workers' Profit Participation Fund	192,485	-
		202,660	5,800
28.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	903,956	535,464
	Interest on delayed payments	295,223	174,713
	Exchange gain (net) - note 28.1	7,067	-
		1,206,246	710,177
	Income from non - financial assets		
	Income from crude desalter operations - note 28.2	6,297	5,993
	Insurance agency commission	1,110	1,588
	Rental income	94,436	91,833
	Sale of scrap	1,426	9,676
	Profit on disposal of operating assets	7,196	5,865
	Calibration charges	3,779	3,978
	Handling and service charges	104,201	89,217
	Penalties from carriage contractors	577	315
	Miscellaneous - note 28.3	8,954	8,742
		227,976	217,207
		1,434,222	927,384

28.1 This is net of exchange loss of Rs 31.25 million (2016: Rs nil) on realization of Naphtha export proceeds.

		2017 Rs '000	2016 Rs '000
28.2	**Income from crude desalter operations**		
	Income	92,448	65,969
	Less: Operating costs		
	Salaries, wages and other benefits	2,624	1,827
	Chemical consumed	14,661	10,206
	Fuel and power	53,538	37,272
	Repairs and maintenance	15,328	10,671
		86,151	59,976
		6,297	5,993

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

		2017 Rs '000	2016 Rs '000
29.	**FINANCE COST**		
	Exchange loss (net) - note 29.1	-	156,816
	Interest on long term financing	1,527,118	1,054,338
	Bank and other charges	1,067	65
		1,528,185	1,211,219
	Finance cost capitalised - note 29.2	(265,044)	(1,054,338)
		1,263,141	156,881

29.1 This is net of exchange gain of Rs 38.41 million (2016: Rs 68.17 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 7.82% (2016: 7.86%).

		2017 Rs '000	2016 Rs '000
30.	**TAXATION**		
	Current	-	169,716
	Deferred	(42,111)	(174,535)
		(42,111)	(4,819)
30.1	**Relationship between tax expense and accounting profit (refinery operations)**		
	Accounting profit/ (loss) before taxation	3,657,224	(708,212)
	Tax at applicable tax rate of 31% (2016: 32%)	1,133,739	(226,628)
	Tax effect of income taxable at special rates	175,756	162,120
	Effect of tax credit on investment	(1,315,034)	-
	Effect of lower tax rate for deferred taxation	(36,572)	14,164
	Effect of super tax	-	42,435
	Effect of change in tax rate	-	1,890
	Others	-	1,200
		(42,111)	(4,819)

	2017 Rs '000	2016 Rs '000
31. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION		
Dividend income from associated companies		
National Refinery Limited	399,833	199,916
Attock Petroleum Limited	725,765	671,333
Attock Gen Limited	897,955	897,955
	2,023,553	1,769,204
Less: Related charges		
Workers' Profit Participation Fund	101,178	53,049
Workers' Welfare Fund	-	20,159
	(101,178)	(73,208)
Income before taxation from non-refinery operations	1,922,375	1,695,996
Less: Taxation - current	-	176,253
- deferred	208,046	-
	(208,046)	(176,253)
	1,714,329	1,519,743
31.1 Relationship between tax expense and accounting income (non-refinery operations)		
Accounting profit before taxation	1,922,375	1,695,996
Tax at applicable tax rate of 31% (2016: 32%)	595,936	542,719
Effect of inadmissible expenses	31,365	23,427
Tax effect of income taxable at special rates	(419,255)	(389,893)
	208,046	176,253
32. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit/ (loss) after taxation from refinery operations	3,699,335	(703,393)
Income from non-refinery operations less applicable charges and taxation	1,714,329	1,519,743
	5,413,664	816,350
Weighted average number of fully paid ordinary shares ('000)	85,293	85,293
Earnings/ (loss) per share - Basic and diluted (Rs)		
Refinery operations	43.37	(8.25)
Non-refinery operations	20.10	17.82
	63.47	9.57

There was no dilutive effect on basic earnings per share.

33. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2017 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2017	2016	2017	2016
		Rs '000		Rs '000	
a)	**The amounts recognised in the balance sheet:**				
	Present value of defined benefit obligations	850,975	790,068	515,263	476,151
	Fair value of plan assets	(845,439)	(603,950)	(460,740)	(447,939)
	Net liability	5,536	186,118	54,523	28,212
b)	**The amounts recognised in the profit and loss account:**				
	Current service cost	16,352	20,738	14,055	19,482
	Net interest cost	13,030	13,080	1,975	7,760
		29,382	33,818	16,030	27,242
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation as at July 1	790,068	755,843	476,151	478,506
	Current service cost	16,352	20,738	14,055	19,482
	Interest cost	57,135	65,448	32,781	39,720
	Benefits paid	(38,449)	(35,089)	(77,716)	(51,135)
	Benefits payable to outgoing member	-	-	-	(16,397)
	Remeasurement loss/ (gain) on defined benefit obligation	25,869	(16,872)	69,992	5,975
	Present value of defined benefit obligation as at June 30	850,975	790,068	515,263	476,151
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at July 1	603,950	605,606	447,939	389,423
	Expected return on plan assets	44,105	52,368	30,806	31,960
	Contributions	200,179	15,297	51,750	99,053
	Benefits paid	(38,449)	(35,089)	(77,716)	(51,135)
	Benefits payable to outgoing member	-	-	-	(16,397)
	Remeasurement gain/ (loss) on plan assets	35,654	(34,232)	7,961	(4,965)
	Fair value of plan assets as at June 30	845,439	603,950	460,740	447,939
	Actual return on plan assets	79,759	18,136	38,767	26,995

The Company expects to contribute Rs 120 million during 2017 - 2018 to its defined benefit pension and gratuity plans (2016-17: Rs 45 million).

		Funded pension		Funded gratuity	
		2017	2016	2017	2016
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	146,584	130,867	9	8
	Investment in mutual funds	142,250	79,460	68,654	35,000
	Debt instruments	648,055	477,524	403,000	435,609
	Deposits with banks	38,634	8,259	20,751	15,013
	Benefits due	-	-	-	(16,397)
	Share of asset of related parties	(130,084)	(92,160)	(31,674)	(21,294)
		845,439	603,950	460,740	447,939

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	
		2017	2016	2017	2016
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/ gain on obligation				
	(Loss)/ gain due to change in:				
	financial assumptions	(22,916)	5,691	(81)	228
	experience adjustments	(2,953)	11,181	(69,911)	(6,203)
		(25,869)	16,872	(69,992)	(5,975)
	Remeasurement gain/ (loss) on plan assets	35,654	(34,232)	7,961	(4,965)
		9,785	(17,360)	(62,031)	(10,940)
h)	**Principal actuarial assumptions used in the**				
	actuarial valuation are as follows:				
	Discount rate	7.75%	7.25%	7.75%	7.25%
	Expected return on plan assets	7.75%	7.25%	7.75%	7.25%
	Future salary increases	7.00%	6.50%	7.00%	6.50%
	Future pension increases	2.50%	1.75%	N/A	N/A
	Demographic assumptions				
	Rates of employee turnover				
	Management	Low	Low	Low	Low
	Non-management	Nil	Nil	Nil	Nil
	Mortality rates (pre-retirement)	SLIC (2001	SLIC (2001	SLIC (2001	SLIC (2001
		-05)-1 year	-05)-1 year	-05)-1 year	-05)-1 year
	Mortality rates (post retirement)	SLIC (2001	SLIC (2001	N/A	N/A
		-05)-1 year	-05)-1 year		

i) **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	Effect of 1 percent decrease
	Rs '000	Rs '000
Discount rate	1,244,164	1,513,988
Future salary growth	1,422,917	1,314,483
Pension increase	1,457,299	1,288,120

If the life expectancy increases/ decreases by 1 year, the impact on defined benefit obligation would be Rs 7.776 million.

The above sensitivity analysis is 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	20,937	62,935
FY 2018	43,179	107,223
FY 2019	45,494	103,289
FY 2020	48,579	75,230
FY 2021	51,496	61,271
FY 2022-26	324,282	258,721

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2017	11.76	4.27
June 30, 2016	11.59	4.39

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, 2017 are as follows:

	2017 Rs '000	2016 Rs '000
Staff provident fund		
Size of the fund	421,551	356,939
Cost of investments made	308,260	301,132
Fair value of investments made	418,343	354,690
%age of investments made	99.0%	99.3%

	2017		2016	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,323	8%	22,390	7%
Mutual funds	19,681	6%	37,467	13%
Bank deposits	16,283	5%	2,903	1%
Term deposits	248,973	81%	238,373	79%
	308,260	100%	301,133	100%

	2017 Rs '000	2016 Rs '000
General staff provident fund		
Size of the fund	579,729	577,359
Cost of investments made	475,775	544,535
Fair value of investments made	573,657	575,985
%age of investments made	99.0%	99.8%

	2017		2016	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	17,999	4%	18,314	3%
Mutual funds	25,581	5%	39,252	7%
Bank deposits	16,788	4%	3,976	1%
Term deposits	415,407	87%	482,993	89%
	475,775	100%	544,535	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.

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:

	2017 Rs '000	2016 Rs '000
High speed diesel	52,813,387	38,953,827
Jet petroleum	9,819,224	6,827,062
Motor gasoline	36,648,005	19,159,506
Furnace fuel oil	22,164,987	11,387,131
Naphtha	11,352,259	12,728,066
Others	6,718,089	6,904,806
	139,515,951	95,960,398
Less: Duties, taxes and levies	38,104,159	29,395,474
	101,411,792	66,564,924

Revenue from four major customers of the Company constitutes 85% (2016: 88%) of total revenue during the year.

36. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.01% (2016: 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.

	2017 Rs '000	2016 Rs '000
Associated Companies		
Pakistan Oilfields Limited		
Purchase of crude oil	9,050,827	5,802,784
Purchase of gas	9,874	13,300
Purchase of services	6,302	9,740
Sale of petroleum products	96,562	99,409
Sale of services	16,488	14,310
Attock Petroleum Limited		
Sales of petroleum products	29,761,914	20,505,820
Sales of services	97,882	96,349
Purchase of petroleum products	2,123	2,611
Purchases of services	230,225	271,980
Dividend paid	7,160	7,160
Dividend received	725,766	671,333
Interest income on delayed payments	295,223	174,713
National Refinery Limited		
Purchases of services	156,972	196,037
Sales of services	131	430
Dividend received	399,833	199,916

	2017 Rs '000	2016 Rs '000
Attock Cement Pakistan Limited		
Purchase of services	792	345
Sale of services	12	-
Attock Gen Limited		
Sales of petroleum products	1,103	1,307
Land lease income	25,467	24,436
Storage tank lease income	15,385	16,104
Dividend received	897,955	897,955
Income from other services and facilities provided to AGL	18,774	17,560
National Cleaner Production Centre		
Purchase of services	2,396	9,092
Sale of services	17,141	13,817
Sale of petroleum products	-	168
Attock Information Technology Services (Private) Limited		
Purchase of services	43,224	34,642
Sales of petroleum products	244	283
Sale of services	4,164	3,577
Attock Leisure and Management Associates (Private) Limited		
Sale of services	309	9
Attock Sahara Foundation		
Purchases of services	8,053	4,888
Sales of services	684	649
Holding Company		
Attock Oil Company Limited		
Purchases of crude oil	111,855	148,371
Purchases of services	77,086	334,256
Sales of services	25,084	19,983
Dividend paid	260,196	260,196
Subsidiary Company		
Attock Hospital (Private) Limited		
Purchase of services	74,385	54,212
Sale of services	12,444	12,622
Sale of petroleum products	85	183
Other related parties		
Remuneration of Chief Executive and key management		
personnel including benefits and perquisites	658,665	390,154
Directors Fees	5,065	4,551
Contribution to staff retirement benefit plans		
Staff pension fund	200,179	15,297
Staff gratuity fund	51,750	99,053
Staff provident fund	31,472	26,083
Contribution to Workers' Profit Participation Fund	293,663	53,049

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	
	2017	2016	2017	2016
	Rs '000	Rs '000	Rs '000	Rs '000
Managerial remuneration/ honorarium	7,464	7,117	293,631	149,863
Bonus	3,572	3,401	90,437	52,178
Company's contribution to provident,				
pension and gratuity funds	-	-	51,178	31,688
Housing and utilities	5,573	5,292	196,705	129,461
Leave passage	1,134	1,134	14,294	15,103
	17,743	16,944	646,245	378,293
Less: charged to Attock Gen Limited	5,323	5,083	-	-
	12,420	11,861	646,245	378,293
No of person(s)	1	1	319	166

37.1 In addition, the Chief Executive and 20 (2016: 14) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 162 (2016: 71) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 74 (2016: 70) 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 (2016: 4) non-executive directors Rs 2.67 million (2016: Rs 2.62 million), chief executive officer Rs 0.69 million (2016: Rs 0.68 million) and 2 (2016: 2) alternate directors Rs 1.71 million (2016: Rs 1.26 million).

		2017 Rs '000	2016 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	10,678,545	6,889,427
	Loans, advances, deposits & other receivables	1,520,458	1,511,890
	Cash and bank balances		
	Foreign currency - US $	49,413	49,160
	Local currency	21,580,696	9,634,038
	Maturity after one year		
	Long term loans and deposits	34,642	31,289
		33,863,754	18,115,804
	Financial liabilities :		
	Other financial liabilities		
	Maturity upto one year		
	Trade and other payables	21,370,910	18,390,951
	Long term financing	2,200,000	550,000
	Accrued markup on long term financing	338,226	266,556
	Maturity after one year		
	Long term financing	17,672,166	14,613,682
		41,581,302	33,821,189

38.2 Credit quality of financial assets

The credit quality of Company's financial assets has 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	2017 Rs '000	2016 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	1,559,007	1,246,682
Counterparties without external credit rating			
Due from associated companies		7,289,726	4,346,919
Others *		1,829,812	1,295,826
		10,678,545	6,889,427
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		1,555,100	1,543,179
Bank balances			
Counterparties with external credit rating			
	A 1+	21,573,379	9,595,475
	A 1	55,432	86,784
		21,628,811	9,682,259

* 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, 2017, trade debts of Rs 5,126,510 thousand (2016: Rs 2,550,798 thousand) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2017 Rs '000	2016 Rs '000
0 to 6 months	3,883,005	2,550,798
6 to 12 months	1,243,505	-
Above 12 months	-	-
	5,126,510	2,550,798

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, 2017				
Long term financing	17,672,166	4,689,509	2,200,000	18,250,000
Trade and other payables	21,370,910	21,370,910	21,370,910	-
At June 30, 2016				
Long term financing	14,613,682	3,650,000	550,000	15,210,493
Trade and other payables	18,390,951	18,390,951	18,390,951	-

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 (2016: Rs 49 million) and financial liabilities include Rs 3,093 million (2016: Rs 651 million) which were subject to currency risk.

	2017	2016
Rupees per USD		
Average rate	104.62	103.13
Reporting date rate	104.90	104.60

Sensitivity analysis

At June 30, 2017, 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 210 million (2016: Rs 41 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 21,622 million (2016: Rs 9,683 million) and Rs 22,762 million (2016: Rs 17,892 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, 2017, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 8 million (2016: Rs 56 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.

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 to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

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, 2017. 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.

		2017 Rs '000	2016 Rs '000
40.	**CASH GENERATED/ (USED) FROM OPERATIONS**		
	Profit/ (loss) before taxation	3,657,224	(708,212)
	Adjustments for:		
	Depreciation	2,067,153	152,389
	Gain on disposal of property, plant and equipment	(7,196)	(5,865)
	Provision for slow moving, obsolete and in transit stores	10,175	5,800
	Workers profit participation fund	192,485	-
	Interest income	(903,956)	(535,464)
	Finance cost (net)	1,263,141	156,881
	Effect of exchange rate changes	(142)	(1,421)
	Interest on delayed payments	(295,223)	(174,713)
		5,983,661	(1,110,605)
	Working capital changes		
	(Increase)/ decrease in current assets:		
	Stores, spares and loose tools	(388,041)	187,356
	Stock-in-trade	995,298	(133,509)
	Trade debts	(3,722,651)	7,547,142
	Loans, advances, deposits, prepayments and other receivables	28,906	54,373
		(3,086,488)	7,655,362
	Increase/ (decrease) in current liabilities:		
	Trade and other payables	4,928,465	(8,740,854)
	Cash generated from operations		
	Payments of WPPF and WWF	(153,050)	(86,333)
	Income taxes paid	(515,780)	(445,265)
		(668,830)	(531,598)
	Net cash from operating activities	7,156,808	(2,727,695)

41. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 29 of 2016 dated September 5, 2016 issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

	Description	Explanation	
i)	Loans and advances	Non-interest bearing	
ii)	Deposits	Non-interest bearing	
iii)	Segment revenue	Disclosed in note 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. Al Baraka Bank (Pakistan) Limited	
		3. Dubai Islamic Bank	
v)	Bank balances	**As at June 30, 2017**	**Rs '000**
		Placed under interest arrangement	21,519,147
		Placed under Shariah permissible arrangement	109,664
			21,628,811
vi)	Income on bank deposits including income accrued as at reporting date	**For the year ended June 30, 2017**	
		Placed under interest arrangement	897,696
		Placed under Shariah permissible arrangement	6,260
			903,956
vii)	All sources of other income	Disclosed in note 28.3	
viii)	Dividend income	Disclosed in note 31	
ix)	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 18.690 million (2016: 15.050 million) the actual throughput during the year was US barrels 17.103 million (2016: 13.084 million).

	2017	2016
42.2 Number of employees		
Total number of employees at end of the year	918	882
Average number of employees for the year	924	827

42.3 **Non-adjusting events after the balance sheet date**

42.3.1 The Board of Directors in its meeting held on September 11, 2017 has proposed a final cash dividend for the year ended June 30, 2017 @ Rs 6.00 per share (2016 @ Rs 5.00 per share), amounting to Rs 511,758 thousand (2016: Rs 426,465 thousand) for approval of the members in the annual general meeting to be held on October 19, 2017.

42.3.2 The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. 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 recognised when the prescribed time period for distribution of dividend expires.

Aggrieved by this amendment, the Company subsequent to the year end, has filed a petition in Sindh High Court (Court), Karachi. The Court has granted stay to the Company. No provision has been made in this respect as at June 30, 2017.

42.4 **Reclassification**

Corresponding figure as at June 30, 2016 in respect of special reserve for expansion/ modernisation has been rearranged and reclassified to categorize such reserve as capital reserve, for more appropriate presentation.

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 September 11, 2017.

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

ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended June 30, 2017

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, 2017 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, 2017 and the results of their operations for the year then ended.

Sd

Chartered Accountants
Islamabad: September 11, 2017
Engagement partner: S. Haider Abbas

CONSOLIDATED BALANCE SHEET

As at June 30, 2017

	Note	2017 Rs '000	2016 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	36,002,274	29,036,918
		36,855,204	29,889,848
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	12,052,576	10,811,949
		48,907,780	40,701,797
NON CURRENT LIABILITIES			
Long term financing	9	17,672,166	14,613,682
DEFERRED TAXATION	16	652,945	-
CURRENT LIABILITIES			
Trade and other payables	10	28,221,530	23,096,798
Accrued mark-up on long term financing	9	338,226	266,556
Current portion of long term financing	9	2,200,000	550,000
Provision for taxation		3,439,980	3,955,760
		34,199,736	27,869,114
TOTAL EQUITY AND LIABILITIES		101,432,627	83,184,593
CONTINGENCIES AND COMMITMENTS	11		

	Note	2017 Rs '000	2016 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	12	35,140,631	12,156,008
Capital work-in-progress	13	142,057	22,733,687
Major spares parts and stand-by equipment		81,396	83,293
		35,364,084	34,972,988
LONG TERM INVESTMENTS	14	23,939,539	20,787,112
LONG TERM LOANS AND DEPOSITS	15	34,757	31,405
DEFERRED TAXATION	16	-	654,124
CURRENT ASSETS			
Stores, spares and loose tools	17	2,193,275	1,815,409
Stock-in-trade	18	5,713,476	6,708,327
Trade debts	19	10,678,578	6,889,447
Loans, advances, deposits, prepayments			
and other receivables	20	1,858,901	1,636,512
Cash and bank balances	21	21,650,017	9,689,269
		42,094,247	26,738,964
TOTAL ASSETS		101,432,627	83,184,593

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

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended June 30, 2017

	Note	2017 Rs '000	2016 Rs '000
Gross sales	22	139,515,951	95,960,398
Taxes, duties, levies and price differential	23	(38,104,159)	(29,395,474)
Net sales		101,411,792	66,564,924
Cost of sales	24	(97,078,919)	(67,466,755)
Gross profit/ (loss)		4,332,873	(901,831)
Administration expenses	25	595,023	520,546
Distribution cost	26	49,047	50,538
Other charges	27	202,660	5,800
		(846,730)	(576,884)
Other income	28	1,434,222	927,384
Operating profit/ (loss)		4,920,365	(551,331)
Finance cost	29	(1,263,141)	(156,881)
Profit/ (loss) before taxation from refinery operations		3,657,224	(708,212)
Taxation	30	42,111	4,819
Profit/ (loss) after taxation from refinery operations		3,699,335	(703,393)
Profit after taxation from non-refinery operations			
Impairment reversal on investment in associated company	14	1,254,835	1,071,269
Profit/ (loss) of Attock Hospital (Private) Limited	31	21,982	(762)
Share in profit of associated companies	32	2,438,662	3,232,171
		3,715,479	4,302,678
Profit for the year		7,414,814	3,599,285
Earnings/ (loss) per share - Basic and diluted (Rs)			
Refinery operations		43.37	(8.25)
Non-refinery operations		43.56	50.45
	33	86.93	42.20

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2017

	Note	2017 Rs '000	2016 Rs '000
Profit for the year		7,414,814	3,599,285
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on staff retirement benefit plans	34	(57,980)	(34,226)
Related deferred tax credit		17,394	10,268
Effect of change in rate of tax		-	(6,950)
Share of other comprehensive profit/ (loss) of associated companies - net of tax		17,593	(51,868)
		(22,993)	(82,776)
Surplus on revaluation of freehold land	12.1	1,240,627	-
Other comprehensive income/ (loss) - net of tax		1,217,634	(82,776)
Total comprehensive income for the year		8,632,448	3,516,509

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

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

CONSOLIDATED CASH FLOW STATEMENT
For the year ended June 30, 2017

	2017 Rs '000	2016 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - customers	135,940,118	103,562,219
- others	564,202	309,395
	136,504,320	103,871,614
Cash paid for operating costs	(92,605,439)	(77,056,385)
Cash paid to Government for duties, taxes and other levies	(36,208,351)	(29,087,416)
Income tax paid	(519,894)	(450,695)
Net cash inflows/ (outflows) from operating activities	7,170,636	(2,722,882)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(954,282)	(2,495,353)
Sale of operating assets	7,685	6,412
Long term loans and deposits	(3,353)	(2,275)
Income received on bank deposits	889,623	546,573
Dividends received	2,023,553	1,769,204
Net cash generated/ (used) in investing activities	1,963,226	(175,439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	4,689,509	3,650,000
Transaction cost on long term financing	(6,076)	(16,942)
Finance cost	(1,431,464)	(1,319,015)
Dividends paid	(425,225)	(426,465)
Net cash inflow from financing activities	2,826,744	1,887,578
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	11,960,606	(1,010,743)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,689,269	10,698,591
Effect of exchange rate changes	142	1,421
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21,650,017	9,689,269

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2017

	Share capital	Capital reserve: Special reserve for expansion/ modernisation	Capital reserve: Utilised special reserve for expansion/ modernisation	Capital reserve: Others	General reserve	Un-appropriated profit	Maintenance reserve	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance at June 30, 2015	852,930	9,930,145	-	119,708	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 7.3	-	-	-	-	-	(6,868)	6,868	-	-
Transfer to general reserve by an									
associated company	-	-	-	-	750,000	(750,000)	-	-	-
Balance at June 30, 2016	852,930	10,408,276	-	119,708	5,102,380	13,216,285	190,269	10,811,949	40,701,797
Distribution to owners:									
Final cash dividend @ 50% related to the									
year ended June 30, 2016	-	-	-	-	-	(426,465)	-	-	(426,465)
Total comprehensive income									
Profit for the year	-	-	-	-	-	7,414,814	-	-	7,414,814
Other comprehensive (loss)/ income for the year	-	-	-	-	-	(22,993)	-	1,240,627	1,217,634
	-	-	-	-	-	7,391,821	-	1,240,627	8,632,448
Transfer to special reserve for expansion/									
modernisation - note 7.1	-	3,553,535	-	-	-	(3,553,535)	-	-	-
Profit after tax from fuel refinery operations									
transferred to special reserve by									
associated companies - note 7.1	-	992,968	-	-	-	(992,968)	-	-	-
Transfer to maintenance reserve by an									
associated company - note 7.3	-	-	-	-	-	(6,410)	6,410	-	-
Transfer to general reserve by an									
associated company	-	-	-	-	1,000,000	(1,000,000)	-	-	-
Transfer to utilised special reserve for									
expansion/ modernisation									
by the Company - note 7.1	-	(10,962,934)	10,962,934	-	-	-	-	-	-
by associated company	-	(1,946,032)	1,946,032	-	-	-	-	-	-
Balance at June 30, 2017	852,930	2,045,813	12,908,966	119,708	6,102,380	14,628,728	196,679	12,052,576	48,907,780

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

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

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. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with provisions of the repealed Companies Ordinance, 1984. Accordingly, 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 of or directives under the Companies Ordinance, 1984 shall prevail.

3. NEW AND REVISED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

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

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2017
IAS 12	Income Taxes (Amendments)	January 1, 2017
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2018
IAS 40	Investment Property (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 4	Insurance Contracts (Amendments)	January 1, 2018
IFRS 12	Disclosure of Interests in other entities (Amendments)	January 1, 2017
IFRIC 22	Foreign Currency Transactions and Advance	January 1, 2018

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

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

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

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.

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

Deferred 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.

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

4.7 Provisions

Provisions are recognised when the 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.

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 represents selling prices in the ordinary course of business less costs necessarily to be incurred for its sale.

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 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.

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) Surplus on revaluation of freehold land - note 8
ii) Estimated useful life of operating assets - 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
vi) Contingencies - note 11

6. SHARE CAPITAL

6.1 Authorised share capital

2017	2016		2017	2016
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

2017	2016		2017	2016
Number of shares		Ordinary shares of Rs 10 each	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 (2016: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2016: 1,432,000) ordinary shares at the year end.

	2017 Rs '000	2016 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/ modernisation - note 7.1	2,045,813	9,455,212
Special reserve for expansion/ modernisation of associated company	-	953,064
	2,045,813	10,408,276
Utilised special reserve for expansion/ modernisation - note 7.2	10,962,934	-
Utilised special reserve for expansion/ modernisation of associated company	1,946,032	-
	12,908,966	-
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
Donation received for purchase of hospital equipment	4,000	4,000
Bonus shares issued by associated companies	109,760	109,760
	119,708	119,708
Revenue reserve		
General reserve	6,102,380	5,102,380
Unappropriated profit	14,628,728	13,216,285
	20,731,108	18,318,665
Maintenance reserve - note 7.3	196,679	190,269
	36,002,274	29,036,918

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 (MPNR) 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 deadline for completion of Isomerization complex and Diesel Hydro Desulphurization (DHDS) project was extended from January 1, 2016 to June 30, 2017. The Company has completed the DHDS and Isomerization project in July 2016 and November 2016 respectively.

Following is the status of utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to June 30, 2017:

	2017 Rs '000	2016 Rs '000
Balance as at July 1	9,455,212	9,455,212
Transfer for the year	3,553,535	-
Transfer to utilised special reserve for expansion/ modernisation - note 7.2	(10,962,934)	-
Balance as at June 30	2,045,813	9,455,212

7.2 Represents amounts utilized out of the Special Reserve for expansion/ modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/ mordernisation till June 30, 2017 is Rs 28,179 million including Rs 17,216 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

7.3 Represents amount retained by Attock Gen Limited 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.

	2017 Rs '000	2016 Rs '000
9. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 9.1	15,380,448	11,808,983
Musharaka Finance - note 9.2	5,034,006	3,864,555
	20,414,454	15,673,538
Less: Unamortized transaction cost on financing:		
Balance as at July 1	243,300	247,208
Addition during the year	6,076	16,942
Amortization for the year	(45,314)	(20,850)
Balance as at June 30	204,062	243,300
	20,210,392	15,430,238
Current portion of long term financing	(2,200,000)	(550,000)
	18,010,392	14,880,238
Mark-up payable shown as current liability	(338,226)	(266,556)
	17,672,166	14,613,682

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 13 years including the grace period of 3 years. Upto June 30, 2017 aggregate draw down was Rs 16,575 million (June 30, 2016: Rs 11,874.48 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 47.64% (2016: 62.59%) while its share in Musharaka Assets B is 69.90% (2016: 69.90%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 52.36% (2016: 37.41%) while its share in Musharaka Assets B is 30.10% (2016: 30.10%) respectively. The tenure of this facility is 13 years including the grace period of 3 years. The rental payments under this facility are calculated on the basis of 3 month KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto June 30, 2017 aggregate draw down was Rs 5,425 million (June 30, 2016: Rs 3,886.01 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 repaid an amount of Rs 1,000 million in respect of facilities referred to in paragraphs 9.1 and 9.2 respectively, which was in addition to the principal payment which became due and was paid during the year.

	2017 Rs '000	2016 Rs '000
10. TRADE AND OTHER PAYABLES		
Creditors - note 10.1	16,160,601	13,379,122
Due to The Attock Oil Company Limited - Holding Company	24,001	31,714
Due to associated companies		
Pakistan Oilfields Limited	1,218,186	996,504
Accrued liabilities and provisions - note 10.1	3,890,947	3,736,428
Due to the Government under pricing formula	2,247,775	1,819,696
Custom duty payable to Government	3,318,978	958,559
Advance payments from customers	101,336	34,869
Sales tax payable	-	1,057,448
Workers' profit participation fund - note 10.2	83,663	-
ARL gratuity fund	67,879	47,207
Staff pension fund	23,194	205,665
Crude oil freight adjustable through inland freight equalisation margin	20,010	36,809
Deposits from customers adjustable against freight		
and Government levies payable on their behalf	376	376
Payable to statutory authorities in respect of petroleum		
development levy and excise duty	1,053,049	782,106
Security deposits	2,637	2,637
Unclaimed dividends	8,898	7,658
	28,221,530	23,096,798

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 along with accumulated profits amounted to Rs 2,944.91 million (2016: Rs 2,783.31 million).

		2017 Rs '000	2016 Rs '000
10.2	**Workers' Profit Participation Fund**		
	Balance receivable as at July 1	(56,950)	(23,666)
	Amount paid to the fund	(153,050)	(86,333)
	Amount allocated for the year - note 27 & 32	293,663	53,049
	Balance payable/ (receivable) as at June 30	83,663	(56,950)

		2017 Rs '000	2016 Rs '000
11.	**CONTINGENCIES AND COMMITMENTS**		
	Contingencies:		
	i) Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/ sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/ claimable government levies. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.	1,326,706	1,409,711
	ii) Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/ received on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
	iii) Guarantees issued by banks on behalf of the Company (other than (i) above)	493	394

		2017 Rs '000	2016 Rs '000
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.		
vi)	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for upgradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016.	464,638	-
	The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.		
vii)	The Company's share in tax contingency of associated companies	1,523,411	799,792
Commitments:			
i)	ARL Up-gradation Projects [inclusive of foreign currency commitment of US$ nil (June 30, 2016: US$ 0.53 million)].	-	1,185,105
ii)	Capital expenditure (other than i) above	77,194	34,447
iii)	Letters of credit for purchase of store items	143,871	18,304
iv)	The Company's share of commitments of associated companies.		
	Capital expenditures commitments	1,339,985	4,137,970
	Outstanding letters of credit	3,782,297	3,277,985
	Others	503,985	355,626

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, 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
Year ended June 30, 2017							
Opening net book value	10,866,170	107,725	1,040,375	20,230	77,404	44,104	12,156,008
Additions	-	6,981	23,756,068	9,084	12,522	28,198	23,812,853
Revaluation surplus	1,240,628	-	-	-	-	-	1,240,628
Disposals							
Cost	-	-	(33,371)	(7,536)	(2,166)	(4,307)	(47,380)
Depreciation	-	-	33,371	7,521	1,692	4,307	46,891
	-	-	-	(15)	(474)	-	(489)
Depreciation charge	-	(10,336)	(2,023,510)	(7,565)	(10,886)	(16,072)	(2,068,369)
Closing net book value	12,106,798	104,370	22,772,933	21,734	78,566	56,230	35,140,631
As at June 30, 2017							
Cost or valuation	12,106,798	213,755	29,091,506	75,934	160,142	151,523	41,799,658
Accumulated depreciation	-	(109,385)	(6,318,573)	(54,200)	(81,576)	(95,293)	(6,659,027)
Net book value	12,106,798	104,370	22,772,933	21,734	78,566	56,230	35,140,631
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

12.1 Freehold land was revalued in May 2017 and the revaluation surplus of Rs 1,240.63 million (2016: Rs 10,811.95 million) has been added to the value of freehold land and corresponding amount has been 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 54.22 million (2016: Rs 54.22 million).

Original cost of freehold land	Rs 54,221,409
Book value at the date of valuation	Rs 10,866,170,000
Revalued amount	Rs 12,106,797,500
Date of valuation	May 17, 2017
Basis of revaluation	Estimated current market value
Name and qualification of independent valuer	Iqbal A. Nanjee & Co.
	Valuation Consultants and Surveyors

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	562	-	507	Tender/ Auction	Mr. Naeem Shahzad
	50	-	390	Tender/ Auction	Mr. Naeem Shahzad
	1,239	-	124	Company policy	Mr. Muhammad Aliemuddin
	34	-	550	Tender/ Auction	Mr. Muhammad Yaqoob
Others	44,730	489	5,625	Tender/ Auction	Aggregate of other items of operating assets disposed off with individual book value not exceeding Rs 50 thousand.
2017	46,615	489	7,196		
2016	15,002	293	6,412		

		2017 Rs '000	2016 Rs '000
12.3	**The depreciation charge for the year has been allocated as follows:**		
	Cost of sales - note 24	2,042,846	131,947
	Administration expenses - note 25	23,564	19,776
	Distribution cost - note 26	743	666
	Depreciation of subsidiary company	1,216	953
		2,068,369	153,342
13.	**CAPITAL WORK-IN-PROGRESS**		
	Balance as at July 1	22,733,687	19,804,158
	Additions during the year - note 13.1	1,170,751	3,360,319
	Transfer to operating assets		
	Buildings on freehold land	(6,981)	(12,820)
	Plant and machinery	(23,746,756)	(382,367)
	Furniture and fixtures	(8,644)	(35,603)
		(23,762,381)	(430,790)
	Balance as at June 30	142,057	22,733,687
	Breakup of the closing balance of capital work-in-progress		
	Civil works	15,830	16,568
	ARL Up-gradation Projects	-	22,569,480
	Plant and machinery	125,227	146,639
	Pipeline project	1,000	1,000
		142,057	22,733,687

13.1 Financing cost amounting to Rs 265.04 million (June 30, 2016: Rs 1,054.34 million) has been capitalised which includes Rs 11.21 million (June 30, 2016: Rs 20.85 million) in respect of amortization of transaction cost on long term financing arranged for the purpose of ARL up-gradation projects.

	2017 Rs '000	2016 Rs '000
14. LONG TERM INVESTMENTS		
Balance as at July 1	20,787,112	18,055,282
Share of profit after tax of associated companies	3,903,552	3,481,633
Share in other comprehensive income/ (loss)	17,593	(51,868)
Dividend received from associated companies	(2,023,553)	(1,769,204)
Impairment reversal on investment	1,254,835	1,071,269
Balance as at June 30	23,939,539	20,787,112

	2017		2016	
	% 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	14,637,479	25	11,753,285
19,991,640 (2016: 19,991,640) fully paid ordinary shares including 3,331,940 (2016: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2017: Rs 14,514 million (June 30, 2016: Rs 9,504 million)				
Attock Petroleum Limited (APL)	21.88	6,897,179	21.88	6,487,462
18,144,138 (2016: 18,144,138) fully paid ordinary shares including 7,644,058 (2016: 7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2017: Rs 11,366 million (June 30, 2016: Rs 7,939 million)				
Unquoted				
Attock Gen Limited (AGL)	30	2,384,395	30	2,529,635
7,482,957 (2016: 7,482,957) fully paid ordinary shares of Rs 100 each				
Attock Information Technology Services (Private) Limited (AITSL)	10	20,486	10	16,730
450,000 (2016: 450,000) fully paid ordinary shares of Rs 10 each				
		23,939,539		20,787,112

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 associates since ARL has representation on its Board of Directors.

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 reflected in these financial statements.

	National Refinery Limited		Attock Petroleum Limited		Attock Gen Limited		Attock Information Technology Services (Pvt) Limited	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees ('000)		Rupees ('000)		Rupees ('000)		Rupees ('000)	
Summarised balance sheet								
Current assets	22,751,593	29,956,587	32,500,125	26,001,840	10,957,141	9,252,896	168,655	141,567
Non- current assets	38,634,352	23,703,944	5,303,840	4,064,642	8,000,643	8,425,597	53,880	43,513
Current liabilities	(16,683,185)	(16,240,546)	(21,339,059)	(15,581,980)	(9,791,461)	(6,525,304)	(13,768)	(14,039)
Non- current liabilities	(1,362,880)	(597,542)	(733,581)	(626,159)	(1,218,339)	(2,721,071)	(3,901)	(3,731)
Net assets	43,339,880	36,822,443	15,731,325	13,858,343	7,947,984	8,432,118	204,866	167,310
Reconciliation to carrying amounts:								
Net assets as at July 1	36,822,443	30,133,707	13,858,343	13,146,454	8,432,118	8,997,274	167,310	145,327
Profit for the year	8,045,781	7,688,076	5,194,825	3,783,113	2,506,584	2,432,850	37,557	21,983
Other comprehensive income/ (loss)	70,987	(199,674)	(4,083)	(2,296)	2,465	(4,823)	-	-
Dividends paid	(1,599,331)	(799,666)	(3,317,760)	(3,068,928)	(2,993,183)	(2,993,183)	-	-
Net assets as at June 30	43,339,880	36,822,443	15,731,325	13,858,343	7,947,984	8,432,118	204,867	167,310
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	10,834,970	9,205,611	3,441,261	3,031,543	2,384,395	2,529,635	20,486	16,731
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	17,206,624	15,577,265	6,897,180	6,487,462	2,384,395	2,529,635	20,486	16,731
Impairment	(2,569,145)	(3,823,980)	-	-	-	-	-	-
Carrying amount of investment	14,637,479	11,753,285	6,897,180	6,487,462	2,384,395	2,529,635	20,486	16,731
Summarised statements of comprehensive income								
Revenue	150,625,769	141,294,741	138,660,665	109,234,361	12,386,538	10,592,395	117,112	96,338
Profit for the year	8,045,781	7,688,076	5,194,825	3,783,113	2,506,584	2,432,850	37,557	21,983
Other comprehensive income/ (loss)	70,987	(199,674)	(4,083)	(2,296)	2,465	(4,823)	-	-
Total comprehensive income	8,116,768	7,488,402	5,190,742	3,780,817	2,509,049	2,428,027	37,557	21,983

During the year, dividend received from National Refinery Limited was Rs 400 million (2016: Rs 200 million), Attock Petroleum Limited was Rs 726 million (2016: Rs 671 million) and Attock Gen Limited was Rs 898 million (2016: Rs 898 million).

14.3 The carrying value of investment in National Refinery Limited at June 30, 2017 is net of reversal of impairment loss of Rs 1,254,835 thousand (2016: Rs 1,071,269 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 4% (2016: 6%), terminal growth rate of 4% (2016: 4%) and weighted average cost of capital model based discount rate of 11.70% (2016: 12.84%).

		2017 Rs '000	2016 Rs '000
15.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees - considered good - note 15.2		
	Employees	11,711	26,220
	Executives	42,932	24,128
		54,643	50,348
	Amounts due within next twelve months shown under current assets - note 20	(31,895)	(30,733)
		22,748	19,615
	Security deposits	12,009	11,790
		34,757	31,405

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 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 46.63 million (2016: Rs 24.11 million).

		2017 Rs '000	2016 Rs '000
15.2	**Reconciliation of carrying amount of loans to executives:**		
	Balance as at July 1	24,128	13,743
	Disbursements during the year	55,835	29,862
		79,963	43,605
	Repayments during the year	(37,031)	(19,477)
	Balance as at June 30	42,932	24,128
16.	**DEFERRED TAXATION**		
	Temporary differences between accounting and tax base of non-current assets	(3,241,602)	(72,303)
	Unused tax losses and minimum taxes	1,957,378	561,163
	Unused tax credit on investment	444,065	-
	Remeasurement loss on staff retirement benefit plans	131,918	114,524
	Provisions	55,296	50,740
		(652,945)	654,124
16.1	**Movement of deferred tax asset**		
	Balance as at July 1	654,124	476,723
	Tax charge recognised in profit and loss	(1,321,601)	174,535
	Tax charge related to subsidiary accounted for separately	(2,862)	(452)
		(1,324,463)	174,083
	Tax charge recognised in other comprehensive income	17,394	3,318
	Balance as at June 30	(652,945)	654,124

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 minimum tax and unused tax loss against the taxable profits of future years.

		2017 Rs '000	2016 Rs '000
17.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit Rs 327.807 million;		
	2016: Rs 208.874 million)	1,682,902	1,404,848
	Spares	642,909	533,120
	Loose tools	997	799
		2,326,808	1,938,767
	Less: Provision for slow moving items - note 17.1	133,533	123,358
		2,193,275	1,815,409
17.1	**Movement in provision for slow moving items**		
	Balances at July 1	123,358	121,586
	Provision for the year	10,175	5,800
	Reversal of provision against stores written off	-	(4,028)
	Balances at June 30	133,533	123,358
18.	**STOCK-IN-TRADE**		
	Crude oil	1,382,589	2,200,687
	Semi-finished products	791,726	571,674
	Finished products - note 18.2	3,538,029	3,935,281
	Medical supplies	1,132	685
		5,713,476	6,708,327

18.1 Stock-in-trade include stocks carried at net realisable value of Rs 3,118.46 million (2016: Rs 3,759.44 million). Adjustments amounting to Rs 553.63 million (2016: Rs 411.01 million) have been made to closing inventory to write down stocks to their net realisable value.

		2017 Rs '000	2016 Rs '000
18.2	**Stock held by third parties**		
	Naphtha		
	At National Refinery Limited	366,263	891,463
	In transit	86,782	201,311
		453,045	1,092,774

19. TRADE DEBTS - unsecured and considered good

Trade debts include Rs 7,290 million (2016: Rs 4,347 million) receivable from associated company, Attock Petroleum Limited.

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

	2017 Rs '000	2016 Rs '000
0 to 6 months	3,885,178	2,552,873
6 to 12 months	1,243,505	-
Above 12 months	69	-
	5,128,752	2,552,873

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

	2017 Rs '000	2016 Rs '000
LOANS AND ADVANCES - considered good		
Current portion of long term loans to employees - note 15		
Employees	5,801	14,765
Executives	26,094	15,968
	31,895	30,733
Advances		
Suppliers	64,084	21,833
Employees	4,085	5,007
	68,169	26,840
	100,064	57,573
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	112,150	84,333
	112,436	84,619
OTHER RECEIVABLES - considered good		
Due from associated companies		
Attock Information Technology Services (Private) Limited	481	340
Attock Petroleum Limited	1,420,272	1,375,131
Attock Leisure and Management Associates (Private) Limited	12	8
Attock Gen Limited	446	265
Attock Cement Pakistan Limited	4	1
National Cleaner Production Centre Foundation	3,547	503
Capgas (Private) Limited	27	37
National Refinery Limited	3,726	24
Attock Sahara Foundation	994	1,062
Income accrued on bank deposits	30,236	15,346
Sales tax receivable	145,620	-
Workers' profit participation fund - note 10.2	-	56,950
Income tax refundable	15,952	19,075
Other receivables	25,084	25,578
	1,646,401	1,494,320
	1,858,901	1,636,512

		2017 Rs '000	2016 Rs '000
21.	**CASH AND BANK BALANCES**		
	Cash in hand (US $ 4,126; 2016: US $ 2,138)	1,428	1,124
	With banks:		
	Local Currency		
	Current accounts	7,749	7,122
	Deposit accounts - note 21.1	8,883,105	3,721,557
	Savings accounts	12,708,322	5,910,306
	Foreign Currency		
	Saving accounts (US $ 471,502; 2016: US $ 470,429)	49,413	49,160
		21,650,017	9,689,269

21.1 Deposit accounts include Rs 2,883.11 million (2016: Rs 2,721.56 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 Balances with banks include Rs 6,000 million (2016: Rs 1,000 million) in respect of deposits placed on 90-days interest-bearing account.

21.3 Bank deposits of Rs 1,327.20 million (2016: Rs 1,410.11 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

21.4 Balances with banks include Rs 2.42 million (2016: Rs 2.42 million) in respect of security deposits received from customers etc.

21.5 Interest/ mark-up earned on balances with banks ranged between 3.75% to 7.25% (2016: 4.50% to 7.50%) with weighted average rate of 6.10% (2016: 6.46%) per annum.

		2017 Rs '000	2016 Rs '000
22.	**GROSS SALES**		
	Local sales (excluding Naphtha export sales)	128,882,780	83,232,333
	Naphtha export sales	10,608,323	13,448,660
	Naphtha export sales related to third party	-	(720,595)
		10,608,323	12,728,065
	Reimbursement due from the Government under import parity pricing formula - note 22.1	24,848	-
		139,515,951	95,960,398

22.1 This represents amount due from the Government of Pakistan on account of shortfall in ex-refinery prices of certain petroleum products under the import parity pricing formula.

22.2 As a result of commencement of new units under the Refinery Up-gradation Project during current year, there was an increase in the throughput of the refinery. Whereas during preceding corresponding year there was decline in production due to tie-in connection activity of the new units.

		2017 Rs '000	2016 Rs '000
23.	**TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL**		
	Sales tax	23,230,312	20,164,736
	Petroleum development levy	11,873,201	7,531,177
	Custom duties and other levies - note 23.1	2,360,571	922,256
	HSD price differential - note 23.2	4,848	777,305
	PMG RON differential - note 23.3	635,227	-
		38,104,159	29,395,474

23.1 This includes Rs 2,360.37 million (2016: Rs 922.10 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 GoP on account of differential between import parity price of HSD and import price of Pakistan State Oil Company Limited (PSO) relating to the period July 1 to July 3, 2016. After commencement of production of Euro II compliant diesel by the Company with effect from July 4, 2016, this price differential has ceased to arise.

23.3 This represents amount payable to GoP on account of differential between price of PSO's imported 92 RON PMG and 87/90 RON PMG sold by the Company during the year.

		2017 Rs '000	2016 Rs '000
24.	**COST OF SALES**		
	Opening stock of semi-finished products	571,674	765,347
	Crude oil consumed - note 24.1	87,812,553	63,267,526
	Transportation and handling charges	1,562,521	2,079,710
	Salaries, wages and other benefits - note 24.2	1,013,863	899,793
	Printing and stationery	3,945	3,669
	Chemicals consumed	1,029,130	203,151
	Fuel and power	2,662,637	533,283
	Rent, rates and taxes	57,309	49,885
	Telephone	3,298	2,270
	Professional charges for technical services	5,829	13,035
	Insurance	149,397	114,995
	Repairs and maintenance (including stores and spares		
	consumed Rs 114.23 million; 2016: Rs 143.32 million)	515,146	489,751
	Staff transport and traveling	13,333	13,370
	Cost of receptacles	21,657	20,035
	Research and development	8,255	7,503
	Depreciation - note 12.3	2,042,846	131,947
		97,473,393	68,595,270
	Closing stock of semi-finished products	(791,726)	(571,674)
		96,681,667	68,023,596
	Opening stock of finished products	3,935,281	3,378,440
	Closing stock of finished products	(3,538,029)	(3,935,281)
		397,252	(556,841)
		97,078,919	67,466,755

		2017 Rs '000	2016 Rs '000
24.1	**Crude oil consumed**		
	Stock as at July 1	2,200,687	2,430,346
	Purchases - note 24.3	86,994,455	63,037,867
		89,195,142	65,468,213
	Stock as at June 30	(1,382,589)	(2,200,687)
		87,812,553	63,267,526

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 45.41 million (2016: Rs 61.06 million) and to the Provident Fund Rs 31.47 million (2016: Rs 26.08 million).

24.3 Purchases are net of Rs. 2,120.60 million in respect of reversal of certain accrued charges related to crude purchases for prior periods, considered to be no more payable based on independent legal advice.

		2017 Rs '000	2016 Rs '000
25.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 24.2	365,594	311,293
	Board meeting fee	5,065	4,551
	Transport, traveling and entertainment	17,470	17,790
	Telephone	2,508	2,940
	Electricity, gas and water	16,528	19,098
	Printing and stationery	6,043	6,382
	Auditor's remuneration - note 25.1	6,399	7,988
	Legal and professional charges	14,511	9,512
	Repairs and maintenance	96,560	85,470
	Subscription	13,742	11,742
	Publicity	6,535	6,158
	Scholarship scheme	2,855	2,432
	Rent, rates and taxes	13,834	12,678
	Insurance	914	859
	Donations*	586	740
	Training expenses	2,315	1,137
	Depreciation - note 12.3	23,564	19,776
		595,023	520,546

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

		2017 Rs '000	2016 Rs '000
25.1	**Auditor's remuneration**		
	Annual audit	1,670	1,546
	Review of half yearly financial information, audit of consolidated financial statements, employee funds and special certifications	995	2,169
	Tax services	3,516	3,912
	Out of pocket expenses	218	361
		6,399	7,988
26.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 24.2	32,403	34,228
	Transport, traveling and entertainment	675	492
	Telephone	271	307
	Electricity, gas, fuel and water	3,601	4,719
	Printing and stationery	47	100
	Repairs and maintenance including packing and other stores consumed	7,847	6,972
	Rent, rates and taxes	3,460	3,054
	Depreciation - note 12.3	743	666
		49,047	50,538
27.	**OTHER CHARGES**		
	Provision for slow moving store items	10,175	5,800
	Workers' Profit Participation Fund	192,485	-
		202,660	5,800
28.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	903,956	535,464
	Interest on delayed payments	295,223	174,713
	Exchange gain (net) - note 28.1	7,067	-
		1,206,246	710,177
	Income from non - financial assets		
	Income from crude desalter operations - note 28.2	6,297	5,993
	Insurance agency commission	1,110	1,588
	Rental income	94,436	91,833
	Sale of scrap	1,426	9,676
	Profit on disposal of operating assets	7,196	5,865
	Calibration charges	3,779	3,978
	Handling and service charges	104,201	89,217
	Penalties from carriage contractors	577	315
	Miscellaneous - note 28.3	8,954	8,742
		227,976	217,207
		1,434,222	927,384

28.1 This is net of exchange loss of Rs 31.25 million (2016: Rs nil) on realization of Naphtha export proceeds.

		2017 Rs '000	2016 Rs '000
28.2	**Income from crude desalter operations**		
	Income	92,448	65,969
	Less: Operating costs		
	Salaries, wages and other benefits	2,624	1,827
	Chemicals consumed	14,661	10,206
	Fuel and power	53,538	37,272
	Repairs and maintenance	15,328	10,671
		86,151	59,976
		6,297	5,993

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

		2017 Rs '000	2016 Rs '000
29.	**FINANCE COST**		
	Exchange loss (net) - note 29.1	-	156,816
	Interest on long term financing	1,527,118	1,054,338
	Bank and other charges	1,067	65
		1,528,185	1,211,219
	Finance cost capitalised - note 29.2	(265,044)	(1,054,338)
		1,263,141	156,881

29.1 This is net of exchange gain of Rs 38.41 million (2016: Rs 68.17 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 7.82% (2016: 7.86%) per annum.

		2017 Rs '000	2016 Rs '000
30.	**TAXATION**		
	Current	-	169,716
	Deferred	(42,111)	(174,535)
		(42,111)	(4,819)
30.1	**Relationship between tax expense and accounting profit (refinery operations)**		
	Accounting profit/ (loss) before taxation	3,657,224	(708,212)
	Tax at applicable tax rate of 31% (2016: 32%)	1,133,739	(226,628)
	Tax effect of income taxable at special rates	175,756	162,120
	Effect of tax credit on investment	(1,315,034)	-
	Effect of lower tax rate for deferred taxation	(36,572)	14,164
	Effect of super tax	-	42,435
	Effect of change in tax rate	-	1,890
	Others	-	1,200
		(42,111)	(4,819)

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:

	2017 Rs '000	2016 Rs '000
Summarised balance sheet		
Current assets	41,272	28,168
Non- current assets	16,138	17,947
Current liabilities	(49,401)	(56,075)
Net assets	8,009	(9,960)
Summarised statements of comprehensive income		
Revenue - note 31.2	148,449	111,787
Expenses and taxation - note 31.2	126,467	112,549
Profit/ (loss) for the year	21,982	(762)
Other comprehensive loss	(4,014)	(4,438)
Total comprehensive income/ (loss) for the year	17,968	(5,200)
Dividends received	-	-
Summarised statement of cash flow		
Cash flow from operating activities	13,828	4,813
Cash flow from investing activities	9	(2,744)
Cash flow from financing activities	-	-
	13,837	2,069

31.2 The revenue includes amount billed by AHL to ARL amounting to Rs 74.39 million (2016: Rs 54.21 million) and operating expenses include Rs 12.53 million (2016: 12.81 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.

32. SHARE IN PROFIT OF ASSOCIATED COMPANIES

Share in profits of associated companies is based on the audited financial statements of the associated companies for the year ended June 30, 2017 and has been reflected net of taxation, applicable charges in respect of Workers' Profit Participation Fund and Workers' Welfare Fund.

		2017 Rs '000	2016 Rs '000
33.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit/ (loss) after taxation from refinery operations	3,699,335	(703,393)
	Profit after taxation from non-refinery operations	3,715,479	4,302,678
		7,414,814	3,599,285
	Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
	Earnings/ (loss) per share - Basic and diluted (Rs)		
	Refinery operations	43.37	(8.25)
	Non-refinery operations	43.56	50.45
		86.93	42.20

34. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2017 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2017	2016	2017	2016
		Rs '000		Rs '000	
a)	**The amounts recognised in the balance sheet:**				
	Present value of defined benefit obligations	928,339	857,971	533,769	493,550
	Fair value of plan assets	(905,145)	(652,305)	(465,890)	(446,344)
	Net liability	23,194	205,666	67,879	47,206
b)	**The amounts recognised in the profit and loss account:**				
	Current service cost	17,679	22,552	15,013	20,480
	Net interest cost	14,407	14,216	3,191	9,188
		32,086	36,768	18,204	29,668
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation as at July 1	857,971	817,465	493,550	498,037
	Current service cost	17,679	22,552	15,013	20,480
	Interest cost	62,044	70,811	33,997	41,394
	Benefits paid	(41,797)	(37,960)	(78,582)	(55,381)
	Benefits payable to outgoing member	-	-	(1,730)	(17,894)
	Remeasurement loss/ (gain) of defined benefit obligation	32,442	(14,897)	71,521	6,914
	Present value of defined benefit obligation as at June 30	928,339	857,971	533,769	493,550

		Funded pension		Funded gratuity	
		2017	2016	2017	2016
		Rs '000		Rs '000	
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at July 1	652,305	654,274	446,344	392,630
	Expected return on plan assets	47,637	56,595	30,806	32,206
	Contributions	209,245	16,404	60,824	99,985
	Benefits paid	(41,797)	(37,960)	(78,582)	(55,381)
	Benefits payable to outgoing member	-	-	(1,730)	(17,894)
	Remeasurement gain/ (loss) of plan assets	37,755	(37,008)	8,228	(5,202)
	Fair value of plan assets as at June 30	905,145	652,305	465,890	446,344
	Actual return on plan assets	85,392	19,587	39,034	27,004

The Company expects to contribute Rs 124 million (2016-17: Rs 50 million) to its defined benefit pension and gratuity plans during 2017 - 2018.

		Funded pension		Funded gratuity	
		2017	2016	2017	2016
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	293,167	261,734	17	15
	Investment in mutual funds	284,500	158,919	137,309	70,000
	Debt instruments	77,269	16,518	41,502	30,026
	Deposits with banks	1,296,109	955,047	806,000	871,218
	Benefits due	-	-	(1,730)	(17,894)
	Share of asset of related parties	(1,045,900)	(739,913)	(517,208)	(507,021)
		905,145	652,305	465,890	446,344

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	
		2017	2016	2017	2016
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/ gain on obligation				
	(Loss)/ gain due to change in:				
	Financial assumptions	(28,383)	6,237	(85)	240
	Experience adjustments	(4,059)	8,661	(71,436)	(7,154)
		(32,442)	14,898	(71,521)	(6,914)
	Remeasurement gain/ (loss) on plan assets	37,755	(37,008)	8,228	(5,202)
		5,313	(22,110)	(63,293)	(12,116)

		Funded pension		Funded gratuity	
		2017	2016	2017	2016
		Rs '000		Rs '000	
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	7.75%	7.25%	7.75%	7.25%
	Expected return on plan assets	7.75%	7.25%	7.75%	7.25%
	Future salary increases	7.00%	6.50%	7.00%	6.50%
	Future pension increases	2.50%	1.75%	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	Effect of 1 percent decrease
	Rs '000	Rs '000
Discount rate	1,327,090	1,590,583
Future salary growth	1,518,845	1,403,021
Pension increase	1,557,965	1,380,896

If the life expectancy increases/ decreases by 1 year, the impact on defined benefit obligation would be Rs. 8.31 million.

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	22,727	64,948
FY 2018	47,035	109,706
FY 2019	49,644	105,508
FY 2020	53,194	81,212
FY 2021	56,586	61,625
FY 2022-26	352,809	266,310

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2017	11.76	4.27
June 30, 2016	11.59	4.39

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.

35. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2017 are as follows:

	2017	2016
	Rs '000	Rs '000
Staff provident fund		
Size of the fund	447,597	385,662
Cost of investments made	327,306	325,365
Fair value of investments made	444,191	383,232
%age of investments made	99%	99%

	2017		2016	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	24,764	8%	24,191	7%
Mutual Funds	20,897	6%	40,482	12%
Bank deposits	32,672	10%	22,319	7%
Term deposits	248,973	76%	238,373	74%
	327,306	100%	325,365	100%

	2017	2016
	Rs '000	Rs '000
General Staff Provident Fund		
Size of the fund	592,279	588,361
Cost of investments made	486,075	554,911
Fair value of investments made	586,076	586,961
%age of investments made	99%	100%

	2017		2016	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	18,389	4%	18,662	3%
Mutual Funds	26,135	5%	40,000	7%
Bank deposits	26,144	5%	13,256	2%
Term deposits	415,407	86%	482,993	88%
	486,075	100%	554,911	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:

	2017 Rs '000	2016 Rs '000
High Speed Diesel	52,813,387	38,953,827
Jet Petroleum	9,819,224	6,827,062
Motor Gasoline	36,648,005	19,159,506
Furnace Fuel Oil	22,164,987	11,387,131
Naphtha	11,352,259	12,728,066
Others	6,718,089	6,904,806
	139,515,951	95,960,398
Less: Taxes, duties, levies and price differential	38,104,159	29,395,474
	101,411,792	66,564,924

Revenue from four major customers of the Company constitute 85% (2016: 88%) of total revenue during the year.

37. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.01% (2016: 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.

	2017 Rs '000	2016 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Purchase of crude oil	9,050,827	5,802,784
Purchase of gas	9,874	13,300
Purchase of services	6,302	9,740
Sale of petroleum products	96,562	99,409
Sale of services	28,132	22,089

	2017 Rs '000	2016 Rs '000
Attock Petroleum Limited		
Sale of petroleum products	29,761,914	20,505,820
Sale of services	104,656	100,913
Purchase of petroleum products	2,123	2,611
Purchase of services	230,225	271,980
Dividend paid	7,160	7,160
Dividend received	725,766	671,333
Interest income on delayed payments	295,223	174,713
National Refinery Limited		
Purchase of services	156,972	196,037
Sale of services	131	430
Dividend received	399,833	199,916
Attock Cement Pakistan Limited		
Purchase of services	792	345
Sale of services	19	18
Attock Gen Limited		
Sale of petroleum products	1,103	1,307
Land lease income	25,467	24,436
Storage tank lease income	15,385	16,104
Dividend received	897,955	897,955
Income from other services and facilities provided to AGL	19,791	18,262
National Cleaner Production Centre		
Purchase of services	2,396	9,092
Sale of services	17,177	13,848
Sale of petroleum products	-	168
Attock Information Technology Services (Private) Limited		
Purchase of services	43,224	34,642
Sales of petroleum products	244	283
Sale of services	4,164	3,577
Capgas (Private) Limited		
Sale of services	570	480
Attock Leisure & Management Associates (Private) Limited		
Sales of services	309	9
Attock Sahara Foundation		
Purchases of services	8,053	4,888
Sales of services	684	649
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	111,855	148,371
Purchase of services	77,086	334,256
Sale of services	25,156	20,048
Dividend paid	260,196	260,196

	2017 Rs '000	2016 Rs '000
Other related parties		
Remuneration of Chief Executive and key management		
personnel including benefits and perquisites	672,874	412,388
Directors Fees	5,065	4,551
Contribution to staff retirement benefits plans		
Staff pension fund	209,245	16,404
Staff gratuity fund	60,824	99,985
Staff provident fund	32,794	27,298
Contribution to Workers' profit participation fund	293,663	53,049

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	
	2017 Rs '000	2016 Rs '000	2017 Rs '000	2016 Rs '000
Managerial remuneration/ honorarium	7,464	7,117	301,638	161,861
Bonus	3,572	3,401	92,164	55,440
Company's contribution to provident,				
pension and gratuity funds	-	-	52,162	32,977
Housing and utilities	5,573	5,292	199,570	134,195
Leave passage	1,134	1,134	14,920	16,054
	17,743	16,944	660,454	400,527
Less: charged to Attock Gen Limited	(5,323)	(5,083)	-	-
	12,420	11,861	660,454	400,527
No of person(s)	1	1	330	177

38.1 In addition, the Chief Executive and 21 (2016: 15) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 173 (2016: 78) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 81 (2016: 70) 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 (2016: 4) non-executive directors Rs 2.67 million (2016: Rs 2.62 million), chief executive officer Rs 0.69 million (2016: Rs 0.68 million) and 2 (2016: 2) alternate directors Rs 1.71 million (2016: Rs 1.26 million) of the Company.

	2017 Rs '000	2016 Rs '000
39. FINANCIAL INSTRUMENTS		
39.1 Financial assets and liabilities		
Financial assets:		
Loans and receivables		
Maturity upto one year		
Trade debts	10,678,578	6,889,447
Loans, advances, deposits & other receivables	1,521,095	1,511,271
Cash and bank balances		
Foreign currency - US $	49,413	49,160
Local currency	21,600,604	9,640,110
Maturity after one year		
Long term loans and deposits	34,757	31,405
	33,884,447	18,121,393
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	21,325,656	23,061,929
Long term financing	2,200,000	550,000
Accrued markup on long term financing	338,226	266,556
Maturity after one year		
Long term borrowings	17,672,166	14,613,682
	41,536,048	38,492,167

39.2 Credit quality of financial assets

The credit quality of Company's financial assets has 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	2017 Rs '000	2016 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	1,559,007	1,246,682
Counterparties without external credit rating			
Due from associated companies		7,289,726	4,346,918
Others *		1,829,812	1,295,847
		10,678,545	6,889,447
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		1,555,852	1,542,676
Bank balances			
Counterparties with external credit rating			
	A 1+	21,593,157	9,601,361
	A 1	55,432	86,784
		21,648,589	9,688,145

* 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.

At June 30, 2017, trade debts of Rs 5,128,753 thousand (2016: Rs 2,584,267 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2017 Rs '000	2016 Rs '000
0 to 6 months	3,885,179	2,584,247
6 to 12 months	1,243,505	-
Above 12 months	69	20
	5,128,753	2,584,267

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, 2017				
Long term financing	17,672,166	3,650,000	550,000	18,250,000
Trade and other payables	21,325,656	21,325,656	21,325,656	-
At June 30, 2016				
Long term financing	14,613,682	3,650,000	550,000	15,210,493
Trade and other payables	23,061,929	23,061,929	23,061,929	-

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 (2016: Rs 49 million) and financial liabilities include Rs 3,093 million (2016: Rs 651 million) which were subject to currency risk.

	2017	2016
Rupees per USD		
Average rate	104.62	104.13
Reporting date mid point rate	104.90	104.60

Sensitivity analysis

At June 30, 2017, 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 210 million (2016: Rs 41 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 21,641 million (2016: Rs 9,683 million) and Rs 22,817 million (2016: Rs 17,892 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, 2017, if interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 8 million (2016: Rs 56 million) higher/ lower, mainly as a result of higher/ lower interest income/ expense from these financial assets and liabilities.

iii) **Price risk**

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

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

39.3.2 **Capital risk management**

The 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 to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

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

Fair value of land

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2017. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. 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.

	2017 Rs '000	2016 Rs '000
41. CASH GENERATED/ (USED) FROM OPERATIONS		
Profit before taxation	8,847,692	3,850,349
Adjustments for:		
Depreciation	2,068,369	153,342
Gain on disposal of property, plant and equipment	(7,196)	(6,119)
Provision for slow moving, obsolete and in transit stores	10,175	5,800
Workers profit participation fund	192,485	-
Workers' welfare fund	460	115
Interest income	(904,513)	(535,757)
Finance cost (net)	1,263,141	156,881
Effect of exchange rate changes	(142)	(1,421)
Interest on delayed payments	(295,223)	(174,713)
Share of profit in associates	(3,903,552)	(3,481,633)
Impairment reversal on investment in associated company	(1,254,835)	(1,071,269)
	6,016,861	(1,104,425)
Working capital changes		
(Increase)/ decrease in current assets:		
Stores, spares and loose tools	(388,041)	187,356
Stock-in-trade	994,851	(133,623)
Trade debts	(3,722,664)	7,547,144
Loans, advances, deposits, prepayments and other receivables	27,651	55,246
	(3,088,203)	7,656,123
Increase/ (decrease) in current liabilities:		
Trade and other payables	4,914,921	(8,737,552)
Cash generated from operations		
Payments of WPPF and WWF	(153,050)	(86,333)
Income taxes paid	(519,893)	(450,695)
	(672,943)	(537,028)
Net cash from operating activities	7,170,636	(2,722,882)

42. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 29 of 2016 dated September 5, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation	
i) Loans and advances	Non-interest bearing	
ii) Deposits	Non-interest bearing	
iii) Segment revenue	Disclosed in note 36	
iv) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:	
	1. Meezan Bank Limited	
	2. Al Baraka Bank (Pakistan) Limited	
	3. Dubai Islamic Bank	
v) Bank balances	**As at June 30, 2017**	**Rs '000**
	Placed under interest arrangement	21,538,462
	Placed under Shariah permissible arrangement	109,664
		21,648,126
vi) Income on bank deposits including income accrued as at reporting date	**For the year ended June 30, 2017**	
	Placed under interest arrangement	898,253
	Placed under Shariah permissible arrangement	6,260
		904,513
vii) All sources of other income	Disclosed in note 28.3	
viii) Dividend income	Disclosed in note 31	
ix) 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 18.690 million (2016: 15.050 million) the actual throughput during the year was US barrels 17.103 million (2016: 13.084 million).

	2017	2016
43.2 Number of employees		
Total number of employees at the end of the year	980	948
Average number of employees for the year	986	889

43.3 **Non-adjusting events after the balance sheet date**

43.3.1 The Board of Directors in its meeting held on September 11, 2017 has proposed a final cash dividend for the year ended June 30, 2017 @ Rs 6.00 per share (2016 @ Rs 5.00 per share), amounting to Rs 511,758 thousand (2016: Rs 426,465 thousand) for approval of the members in the annual general meeting to be held on October 19, 2017.

43.3.2 The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. 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 recognised when the prescribed time period for distribution of dividend expires.

Aggrieved by this amendment, the Company subsequent to the year end, has filed a petition in Sindh High Court (Court), Karachi. The Court has granted stay to the Company. No provision has been made in this respect as at June 30, 2017.

43.4 **Reclassification**

Corresponding figure as at June 30, 2016 in respect of special reserve for expansion/ modernisation has been rearranged and reclassified to categorize such reserve as capital reserve, for more appropriate presentation.

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 September 11, 2017.

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the Company will be held at **Attock House, Morgah, Rawalpindi, on Thursday, October 19, 2017 at 11:30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Thirty Eighth (38th) Annual General Meeting held on September 29, 2016.
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, 2017.
3. To approve a final cash dividend at the rate of 60% (Rs 6.00 per share), as recommended by the Board of Directors for the year ended June 30, 2017.
4. To appoint auditors for the year ending on June 30, 2018 and fix their remuneration.
5. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

Sd

Saif-ur-Rehman Mirza
Company Secretary

Registered Office:
The Refinery,
Morgah, Rawalpindi
September 27, 2017

NOTES:

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

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

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

iv. Shareholders have the option to attend the AGM through video-link as per the applicable rules and regulations.

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.

NOTICE OF ANNUAL GENERAL MEETING

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

Pursuant to the provisions of Finance Act, 2017, effective July 01, 2017, 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	15%
2.	Rate of tax deduction for non-filer of income tax returns	20%

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 are now mandatory and are 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 October 13, 2017 to October 19, 2017 (both days inclusive). Transfers received in order at the Shares Department of M/s Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi-74400, Pakistan at the close of business on October 12, 2017 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 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of Annual General Meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of Annual General Meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.arl.com.pk to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

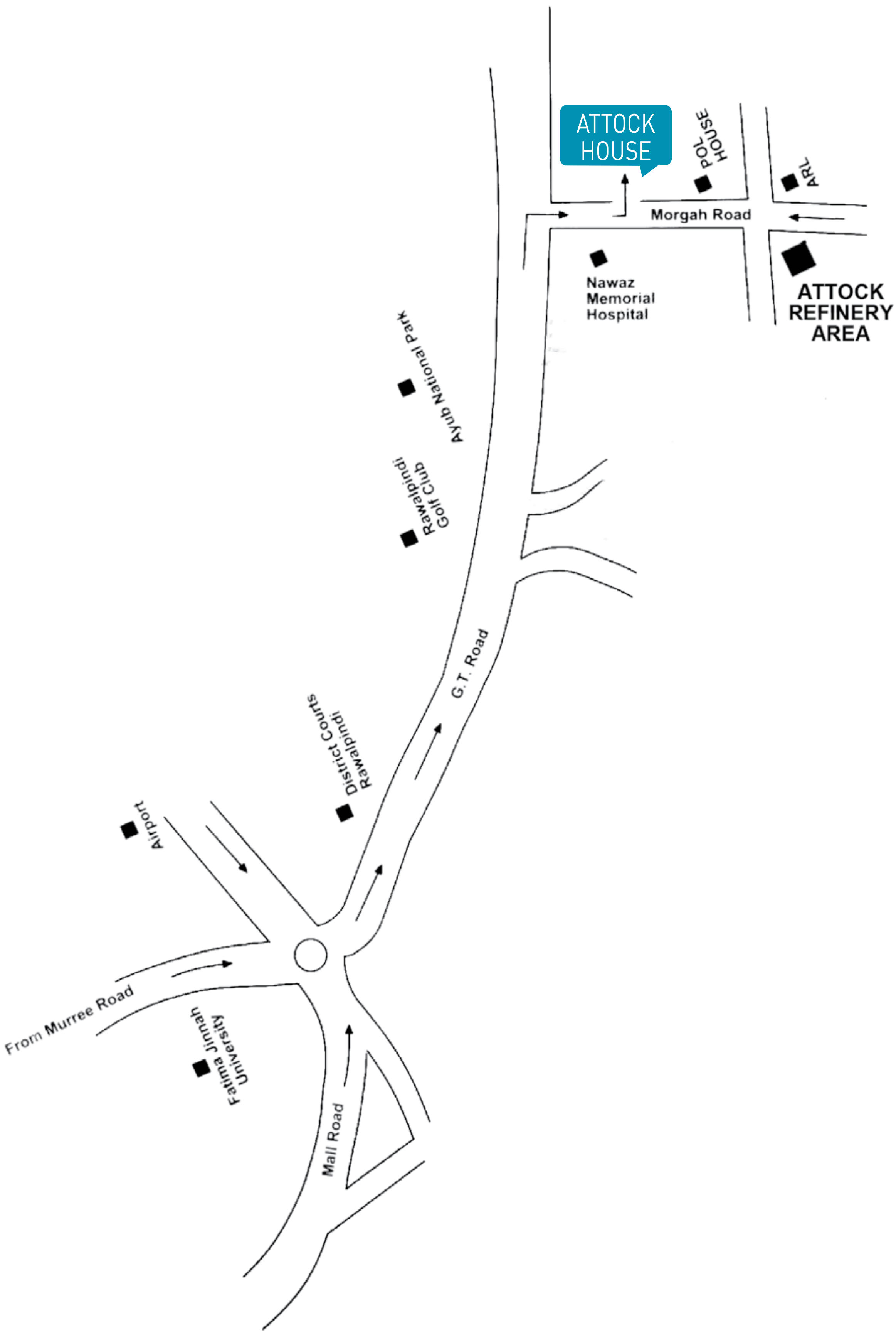
The audited financial statements of the Company for the year ended June 30, 2017 have been made available on the Company's website www.arl.com.pk in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE (MANDATORY):

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividend directly into their bank account, shareholders are requested to fill in E-Dividend Form available on Company's website i.e., www.arl.com.pk and send the duly signed Form along with a copy of CNIC to the Registrar of the Company, M/s Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi-74400, Pakistan in case of physical shares. In case shares are held in CDC then E-Dividend Form must be submitted directly to shareholder's broker/ participant/ CDC account services.

In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same.

AGM LOCATION MAP



GLOSSARY

AGL
Attock Gen Limited

AGM
Annual General Meeting

AHL
Attock Hospital (Pvt.) Limited

AOC
Attock Oil Company Limited

APL
Attock Petroleum Limited

ASF
Attock Sahara Foundation

AITSL
Attock Information Technology Services (Pvt.) Limited

BPD
Barrels Per Day

BR&A
Business Review and Assurance

CBA
Collective Bargaining Agent

CCG
Code of Corporate Governance

CDC
Central Depository Company of Pakistan Limited

CSR
Corporate Social Responsibility

DHDS
Diesel Hydro De-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

NOTES

FORM OF PROXY

Attock Refinery Limited

39th 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 39th Annual General Meeting of the Company to be held on Thursday, October 19, 2017 at 11:30 a.m. at Attock House, Morgah, Rawalpindi and at any adjournment thereof.

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

Signature on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Dated this __________ day of __________ 2017

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. ______________________________

<u>Important:</u>

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. <u>For CDC Account Holders / Corporate Entities:</u>

   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

۳۹واں 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 ۳۹ ویں سالانہ اجلاسِ عام جو کہ بروز جمعرات، ۱۹ اکتوبر ۲۰۱۷ء کو ۱۱:۳۰ بجے صبح منعقد ہو گا 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___________ ۲۰۱۷ء

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
P.O. Refinery, Morgah, Rawalpindi, Pakistan.
Tel: 92-51-5487041-45 Fax: 92-51-5487093 & 5406229
Email: info@arl.com.pk
www.arl.com.pk