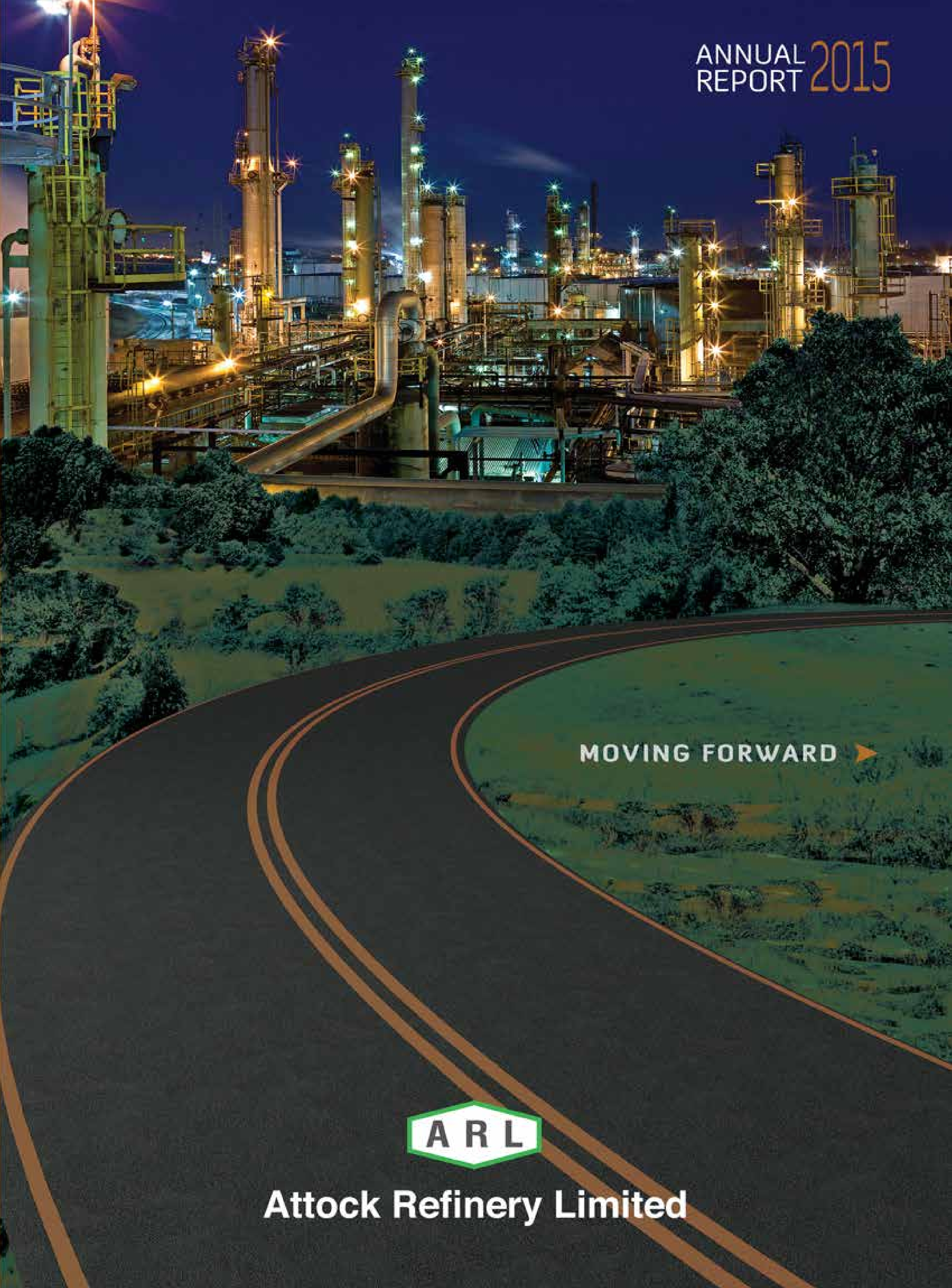
ANNUAL REPORT 2015

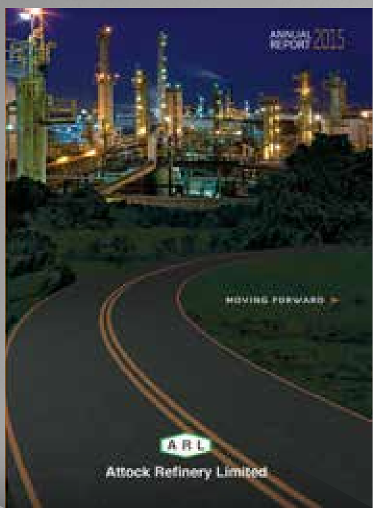


MOVING FORWARD

ARL

Attock Refinery Limited

Moving Forward



Attock Refinery Limited (ARL) is a pioneer in petroleum refining and is the only Refinery in the Northern region of Pakistan. Crude oil was discovered in the Potohar region in 1915 (well before discovery of oil in Saudi Arabia). In its wake a 2,500 barrels per day (bpd) oil refinery, the first one in the Region, was set up in year 1922 at Morgah village, Rawalpindi. Over the years the refining capacity was enhanced and plants and off-site facilities upgraded/replaced and today ARL is a state-of-the-art refinery of 43,000 bpd capacity. ARL has always commanded a position of national strategic importance in its contribution to supplying a wide variety of highest quality and environment friendly, petroleum products to the market utilizing 100% indigenous crude oil and meeting most of the oil demand of Northern Pakistan including the Armed forces, Railways, Independent Power Producers (IPPs) and general public.

The dynamics of the refining business are constantly varying and new challenges have emerged due to environmental concerns, deregulation, economic recession, globalization, technological breakthroughs, crude availability in the region and government policies. As investments take a long time to realize in the refinery business, to outpace these challenges, ARL has been continuously moving forward to meet these tasks head on by acquiring new technologies, capacity enhancement, improving control systems and becoming more environment friendly.

In order to choose a path forward which could be both economically and technically feasible a study for long time outlook of the refinery was conducted through M/s Foster Wheeler of USA. An outline for future upgradations was developed taking into account future product specifications, quality and quantity of feed stock available and market requirements. All the planning finally materialized into the Up-gradation 2013, encompassing the first phase of planning, when the Engineering, Procurement, Construction and Commissioning (EPCC) Contract was awarded to M/s Hyundai Engineering Company (HEC), Korea. The scale of the current Project in terms of cost and complexity was much higher than the previous upgradations done by ARL in the past.

Keeping in view the capital intensive nature of refinery Upgradation and expansion projects the choice of areas which needed immediate

attention to meet both government and commercial interests were prioritized and the work on current Project was undertaken at a cost of around US $ 251 million as a way forward. Basic objective of the Project was to make gasoline and diesel more environmental friendly, enhance refinery capacity and increase gasoline production.

The Project entails a 7,000 bpd Isomerization unit to reduce benzene and sulphur in gasoline and increase gasoline production by 70%, a 12,500 bpd diesel hydrodesulphurization (DHDS) Unit to produce Euro-II compliant diesel and a Preflash unit to enhance refinery capacity by 25%. Other units/works include revamp of existing reformer unit, expansion of power plant and utilities/off-sites and a number of allied units such as Hydrogen Plant, Amine Unit, Sour Water Stripper and Sulfur Unit. Finally the most complicated undertaking is the interconnectivity of the existing refinery, revamped areas with the new installations.

With the Project construction in full swing at numerous sites within the refinery the magnitude of the Project can now be truly realized. Transportation of such huge equipment from port to site was an accomplishment by itself. The equipment size tested the physical limits of the infrastructure from Karachi to Rawalpindi. Finally the arrays of heaters, tower, compressors pumps and vessels were placed in their respective areas and have been intricately connected together. Transformation of these empty sites into a complex filled with state-of-the-art technology and equipment is matter of pride for ARL team.

In parallel, Phase-II of Effluent Treatment plant was initiated which was commissioned in June 2014 and is now completing one year of successful operation. With addition of another Dissolved Air Flotation (DAF) unit for removal of Total Suspended Solids (TSS) and Oil & Grease and Biological treatment plant for the reduction of Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD), alongwith modifications to the existing API separators to improve their efficiency in the Phase II, ARL is now ready to cater for the new refinery complex requirements.

ARL is also moving ahead with strengthening its teams which will be running the new processing units in near future. For effective training of the technical manpower for the expansion & up-gradation Project, state-of- the-art Operator Training Simulator (OTS) has been procured for the major units in parallel. The OTS shall be used as a tool to train the staff off-line on exact plant configurations to enable them to handle equipment, operation, startup, shutdown, emergency handling before placing them for actual operations at the new plants.

After the achievement of current goals and milestones, ARL will continue to move forward on its journey to excel in the refinery sector by adopting new ideas, technologies and strategies to remain competitive in meeting the market requirements.

Contents

Honors & Achievements

Business Excellence Award
2013-14
Global Compact Network Pakistan

Best Corporate Report Award
2013 - Certificate of Merit
(ICAP & ICMAP)

Best Sustainability Report Award
2013 - 3rd Position
(ICAP & ICMAP)

Dr. Ghaith R. Pharaon, Chairman The Attock Oil Group of Companies receiving the Top Companies Award on behalf of Four (4) Group Companies, Attock Refinery Limited, Attock Petroleum Limited, Pakistan Oilfields Limited and National Refinery Limited from The Honourable Prime Minister of Pakistan, Mian Muhammad Nawaz Sharif, at a Ceremony organized in Karachi by The Karachi Stock Exchange Limited to honour the Top 25 Corporates in Pakistan (March 2015).

Vision, Mission & Core Values

VISION

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

MISSION

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

CORE VALUES

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

INTEGRITY & ETHICS

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

QUALITY

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

SOCIAL RESPONSIBILITY

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

LEARNING & INNOVATION

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

TEAM WORK

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

EMPOWERMENT

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

Strategic Plan

The Company's strategic plans include enhancement of its refining capacity and production of better and more environment friendly petroleum products to maintain and expand its market in an efficient, effective and economical manner. Under this plan, the Company has started an up-gradation project comprising of installation of a Pre-flash Unit, an Isomerization Complex a Diesel Hydro Desulfurization Unit and expansion of captive power plant. Projects targeting environmental and social improvement for community development are also regular feature of Company's strategic plans.

Company Profile:

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

Original paid-up capital of the Company was Rs 80 million which was subscribed by the holding company i.e. AOC, Government of Pakistan, investment companies and general public. The present paid-up capital of the Company is Rs 852.93 million.

ARL is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of more than 90 years of successful operations, ARL's plants have been gradually upgraded/ replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements.

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

There were subsequent discoveries of oil at Meyal and Toot (1968). Reservoir studies during the period 1970-78 further indicated high potential for crude oil production of around 20,000 bpd. In 1981, the capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/wax production, as well

as Edeleanu, were closed down in 1986. In 1999, ARL commenced JP-1 pipeline dispatches and in 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned. Another expansion and up gradation project was completed in 1999 with the installation of a Heavy Crude Unit of 10,000 bpd and a Catalytic Reformer of 5,000 bpd. ARL's current nameplate capacity stands at 43,000 bpd and it possesses the capability to process lightest to heaviest (10-65 API) crudes.
ARL's current Expansion/ Up-gradation Projects comprise of Preflash Unit, Naphtha Isomerization unit, Diesel Hydro Desulphurization (DHDS) Unit and expansion of existing Captive Power Plant. This would increase refinery capacity by 10,400 bpd, motor gasoline production would increase by 20,000 Tons per month and would enable ARL to produce Euro II compliant low sulfur diesel. This would also result in expansion of captive power plant by 18 Megawatt. All these projects are expected to be completed by June 30, 2016.
The Company is ISO 9001, ISO 14001, ISO/IEC 17025, OHSAS 18001 certified and is the first refinery in Pakistan to declare implementation of ISO 50001 (Energy Management System).

ACCREDITATION & CERTIFICATIONS

ISO-9001: 2008
QUALITY MANAGEMENT SYSTEM

ISO-14001 : 2004
ENVIRONMENTAL MANAGEMENT SYSTEM

OHSAS-18001 : 2007
OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES

ISO/IEC-17025 : 2005
LABORATORY MANAGEMENT SYSTEM

IMPLEMENTED AT ARL
ISO 50001
Energy Management System

Series of Firsts & Major Events

1922
First refinery of the region

1987
First to start dispensing major products through pipeline using computerized metering system

1998
First to produce low sulfur diesel – less than 0.5%

First to produce low sulfur furnace – less than 1%

1999
First to produce low lead premium gasoline direct from refinery process

First to achieve ISO 9002 certification for quality control laboratory

2001
First major industry to get ISO 9001: 2000 certification

First to produce polymer modified asphalt

2002
First major industry to get ISO 14001 certification

2006
First major industry to get OHSAS 18001 certification

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


2013
Commencement of setting-up of ARL up-gradation project
2012
First in Pakistan to declare implementation of ISO 50001 (Energy Management System)
First Plant Maintenance & Operations Conference
2009
First HR Conference
2008
First HSE Conference

ARL Products

LIQUEFIED PETROLEUM GAS (LPG)

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

SOLVENT OIL

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

NAPHTHA

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

PREMIUM MOTOR GASOLINE (PMG)

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

MINERAL TURPENTINE TAR (MTT)

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

JET FUEL

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

KEROSENE OIL

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

HIGH SPEED DIESEL (HSD)

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

LIGHT DIESEL OIL (LDO)

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

JUTE BATCHING OIL (JBO)

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

FURNACE FUEL OIL (FFO)

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

RESIDUAL FURNACE FUEL OIL (RFO)

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

CUTBACK ASPHALTS

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

POLYMER MODIFIED BITUMEN (PMB)

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

PAVING GRADE ASPHALTS

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

Board of Directors

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

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

Mr. Laith G. Pharaon
Non Executive Director

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

Mr. Wael G. Pharaon
Non Executive Director

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

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

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around 4 decades. He started his career as an Executive Officer in The Attock Oil Company Limited in July 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA. Presently, he is holding the position of Group Chief Executive of the Attock Group of Companies besides being the Director on the Board of all the Companies in the Group.

Board of Directors

Mr. Abdus Sattar
Non Executive Director

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

Mr. Sajid Nawaz
Non Executive Director

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

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

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

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

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

Mr. Tariq Iqbal Khan is a fellow member 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 served on prominent national level committees like 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, GSK, ICI, Siemens, and Packages etc. Presently he is a member of the Boards of Gillette Pakistan Limited, International Steel Limited, Lucky Cement Limited, National Refinery Limited, Pakistan Oilfields Limited, Packages Limited, Silk Bank Limited and PICIC Insurance Limited.

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

Mr. Babar has over 30 years of experience with the Attock Group of Companies. During this period he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Company 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 38 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 Limited and Petroleum Institute of Pakistan (PIP). He is also a Member on the Boards of Governors of Lahore University of Management Sciences (LUMS), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) Cadet College, Hasan Abdal, Sustainable Development Policy Institute (SDPI), Corporate Advisory Committee (NUST), Governing Council (PMQA), National Productivity Organization and Member Board of Studies, (Chemical Engineering), UET, Peshawar. Mr. Khattak is President of Attock Sahara Foundation, an NGO, working for the poor and needy people of Morgah and its surrounding areas.

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

Board Committees

AUDIT COMMITTEE

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

Responsibility

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

HR & REMUNERATION COMMITTEE

• Shuaib A. Malik	Chairman
• Sajid Nawaz	Member
• M. Adil Khattak	Member

Responsibility

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

Photograph of the 177th Board of Directors meeting held in Rawalpindi, Pakistan on August 12, 2015.

TECHNICAL & FINANCE COMMITTEE

- Abdus Sattar — Chairman
- Shuaib A. Malik — Member
- Tariq Iqbal Khan (Alternate Director) — Member
- M. Adil Khattak — Member

Responsibility

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

Group photograph of the Board of Directors.

Company Information

CHIEF EXECUTIVE OFFICER

M. Adil Khattak

CHIEF FINANCIAL OFFICER

Syed Asad Abbas (FCA)

COMPANY SECRETARY

Saif ur Rehman Mirza (FCA)

BANKERS

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

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISOR

Ali Sibtain Fazli & Associates
Legal Advisors, Advocates &
Solicitors

SHARE REGISTRAR

THK Associates (Pvt) Limited
2nd Floor,
State Life Building No.3,
Dr. Ziauddin Ahmed Road,
P.O. Box No. 8533,
Karachi-75530

REGISTERED OFFICE

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

The Management

01 Usman Ishaq Raja
Deputy Manager (BR & A)

02 Khalid Mehmood
Manager (P & D)

03 Arshad Hayee Khan
Manager (Plants)

04 Munir A. Temuri
Senior Manager (TS)

05 M. Aliemuddin
Manager (HSEQ)

06 Javed Iqbal Malik
AGM (HR & A)

07 Malik Masood Sadiq
AGM (C & MM)

08 Ejaz H. Randhawa
DGM (Operations)

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

09 M. Adil Khattak
Chief Executive Officer

10 Syed Asad Abbas
Chief Financial Officer

11 Asif Saeed
Senior Manager (C & MM)

12 Salman Tariq
Senior Manager (Maintenance)

13 Raja Nadeem Khalid
Manager (Maintenance)

14 Nayyer Ahmed
Manager (OM & U)

15 Saif-ur-Rehman Mirza
Company Secretary

Management Committees

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

MANAGEMENT COMMITTEE

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

VALUE & ETHICS COMMITTEE

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

SUCCESSION PLANNING AND CAREER MANAGEMENT COMMITTEE

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

ECONO-TECH. COMMITTEE

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

BUDGET COMMITTEE

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

APPRAISAL COMMITTEE

The role of this Committee is to review and propose annual increments and promotions to all management/ contract staff in each calendar year. The Committee also proposes areas for improvement for each employee.

PRICING COMMITTEE

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

CENTRAL HSE COMMITTEE

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

INFORMATION TECHNOLOGY COMMITTEE

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

RISK MANAGEMENT & STRATEGIC PLAN COMMITTEE

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

REWARDS & RECOGNITION COMMITTEE

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

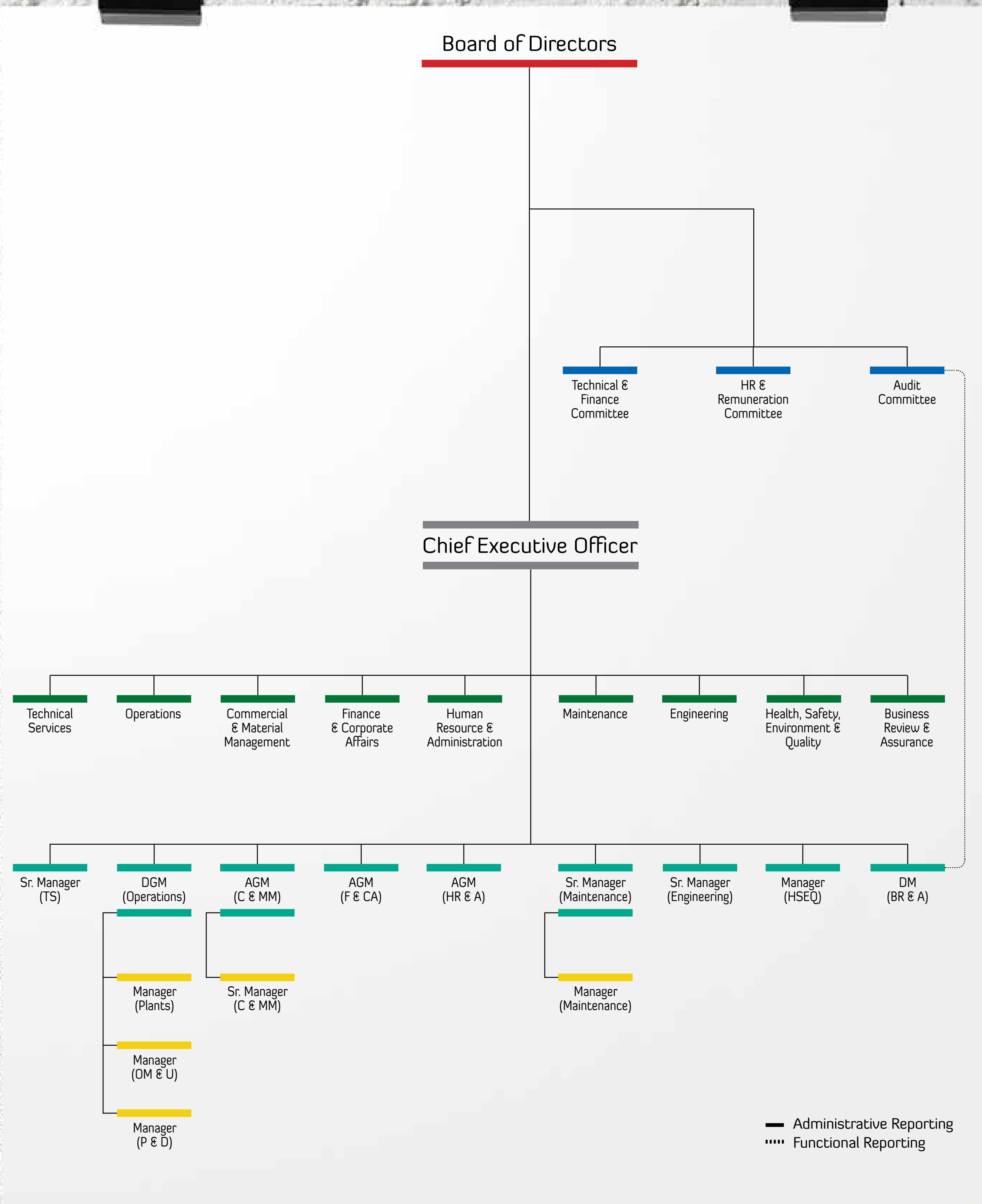
STANDING COMMITTEE FOR GENDER JUSTICE

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

TRAINING STEERING & SCHOLARSHIP COMMITTEE

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

Organogram


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

Health, Safety, Environment & Quality (HSEQ) Policy

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

HEALTH

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

SAFETY

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

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

ENVIRONMENT

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

QUALITY

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

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

Energy Policy

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

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

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

1. **USE OF ROBUST, SCIENTIFICALLY SOUND TECHNOLOGY:**

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

2. **ENERGY MANAGEMENT:**

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

3. **RESPONSIBLE DEVELOPMENT:**

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

4. **ENERGY CONSERVATION AWARENESS:**

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

Human Resource Policy

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

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

Whistle Blowing Policy

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

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

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

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

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

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

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

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

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

Application:

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

The workplace includes:

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

Explanation:

Definition of Harassment:

For this policy, Harassment is defined as:

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

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

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

Forms of harassment include but not limited to:

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

ROLES AND RESPONSIBILITIES:

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

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

The Management is responsible for:

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

RESOLUTION OF HARASSMENT COMPLAINTS:

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

Complaints:

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

NO REPRISAL:

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

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

United Nations Global Compact

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

United Nations Global Compact is not a code of conduct, but rather a voluntary call to action that is being taken by more and more businesses throughout the world. It asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, 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 complacent 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 2014 to February 2015

STATEMENT OF CONTINUED SUPPORT

Attock Refinery Limited (ARL) recognizes UN Global Compact (UNGC) as one of the important Corporate Social Reasonability (CSR) alliances in the world which works in support of a more sustainable and broad based global economy. ARL's dedication for creating value for its stakeholders is connected hand-in-hand with its commitment to CSR which is one of Company's core values. The triple bottom line approach i.e. people, planet & profit is being vigorously followed at ARL.

We believe the call of the Global Compact to companies a noble mission to embrace, support and enact, within their sphere of influence, a set of four areas of human rights, labour standards, environment and anti-corruption. We have adopted all these principles as ways of life, as we believe this compact an exciting venture that is making real difference by developing holistic approach for the organizations. Our company resolves for doing business with care for society and for our future generations; it is not a onetime stand, rather a continuous and enduring journey to achieve wholesome success.

The history of ARL, since its inception, reflects our seriousness of purpose in this regard. ARL's sustainability attributes are based on five pillars of strength i.e. diversification, competitiveness, transparency, synchronized community & social responsibility services, and environmental protection.

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

ARL is proud to be a member of the UNGC having integrated its ten principles in its business activities across the board. The company's commitment to UNGC principles has once again been validated by Global Compact Network Pakistan by declaring ARL as "Co-Lead United Nations Global Compact Champion Organization" in Pakistan by winning the Living the Global Compact Business Excellence Awards 2013-14.

I am delighted with the vitality and growing recognition of the Global Compact worldwide. It is indeed a matter of pride for ARL to renew its continual commitment to be a socially responsible organization by extending full support to UNGC guiding principles leading to fair business practices all over the world.

-Sd-

M. Adil Khattak
Chief Executive Officer

March 02, 2015

Chairman's Review

SHUAIB A. MALIK
Chairman

بسم الله الرحمن الرحيم

It gives me great pleasure to welcome you to the 37th Annual General Meeting of the Company and to present annual review of the results of Company's operations and audited financial statements for the financial year ended June 30, 2015.

NEWLY ELECTED BOARD

I welcome the newly elected Board's members and hope that they will continue to guide management to build a stronger, more vibrant and prosperous Company and to successfully sustain the strategic momentum that has been built over the years.

I would also like to thank the outgoing directors and record my sincere appreciation for their valued services and contributions.

BUSINESS REVIEW

The year under review was a very challenging year for refinery business due to unstable prices of crude oil and products. Sharp decline in prices resulted in heavy inventory losses in earlier quarters of the year. However, with comparatively stabilized prices in later parts of the year, the gross margins slightly improved enabling the Company to earn profit after tax of Rs 405 million from refinery operations as compared to profit of Rs 696 million in last year. Your Board's strategic decision of making investment in non-refinery business continued to provide vital support to the Company's operations. Income from non-refinery operations was Rs 1,409 million (June 30, 2014: Rs 1,847 million). This enabled the Company to earn profit of Rs 1,814 million (June 30, 2014: Rs. 2,543 million). The results of the Company's operations are dealt with in further detail in the annexed Directors' Report and financial statements.

Despite perplexing market situation the Company maintained supply chain and ensured continuous supply of petroleum products by operating at 102% capacity level.

BUSINESS RISKS, CHALLENGES AND FUTURE OUTLOOK

The ongoing ARL up-gradation Project has made good progress in terms of arrival and installation of almost all major equipment. However, due to multiple reasons which were beyond the control of the Company, completion of the Project has been delayed. The matter was strongly taken up with the EPCC Contractor and it has been mutually agreed to extend the Project completion date upto June 2016.

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

EMPLOYEE RELATIONS

The relationship of workers and management continues to be cordial and depicts a will to maintain mutual respect, co-existence and growth on the part of both parties. I would like to appreciate the efforts and dedication of the Company's employees and the Collective Bargaining Agent (CBA) which enabled the management to run the Company in a smooth and efficient manner.

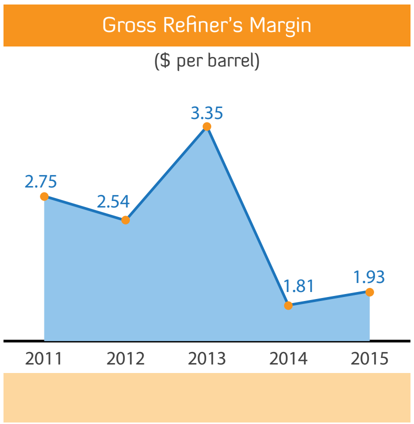
ACKNOWLEDGEMENT

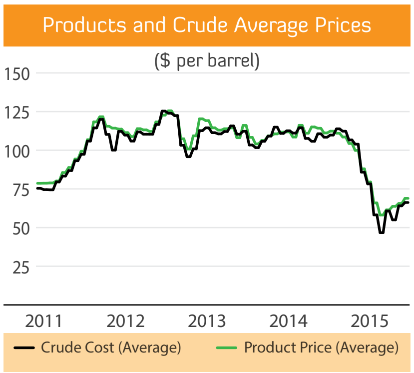
On behalf of the Board, I appreciate the continued support received from the Ministry of Petroleum & Natural Resources and other Government institutions and express gratitude to our valued customers, crude oil suppliers, banks, suppliers and contractors for their continued cooperation.

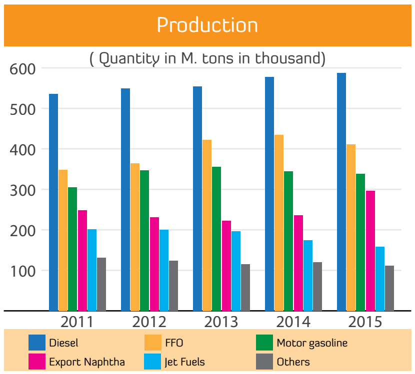
-Sd-

August 12, 2015
Rawalpindi

Shuaib A. Malik
Chairman







Directors' Report

بسم الله الرحمن الرحيم

On behalf of the Board of Directors, I am pleased to present the Company's 37th Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2015.

1. FINANCIAL RESULTS

The financial results for the year ended June 30, 2015 are summarized below:

	Rs in million
Profit before taxation from refinery operations	967
Less: Provision for taxation	562
Profit after taxation from refinery operations	405
Add: Income from non-refinery operations less applicable charges and taxation	1,409
Profit for the year	1,814

Overall Earnings per share during the year was Rs 21.27 per share (June 30, 2014: Rs 29.82 per share).

Due to instability in prices of crude oil and products the Company suffered heavy inventory losses during the year which resulted in lower profits from refinery operations. However, income from non-refinery operations proved to be of great support for all stakeholders and it enabled the Company to close the year at a profit of Rs 1,814 million (June 30, 2014: Rs 2,543 million).

2. PRICING FORMULA

The pricing of the Company's petroleum products is carried out under the Import Parity Pricing Formula. Among other directives, the Pricing Formula requires refineries to deposit on half yearly basis (with final adjustment on annual basis), the amount of profit above 50% of paid-up capital as at July 1, 2002 accumulated in the Special Reserve in an Escrow account. Against the balance of Rs 9,455/- million of the Special Reserve as at June 30, 2015, the Company has incurred capital expenditure of Rs 24,282/- million on up-gradation and expansion projects since July 1, 1997. The capital expenditure incurred over and above the available balance in the Special Reserve has been incurred from the Company's own resources and will be adjusted against accumulation of Special Reserve in future.

The refineries have taken up some issues with the Government relating to pricing mechanism for pricing of few products, removal of capping on dividend and abolition of turnover tax and extension of deadline for completion of DHDS Unit/Isomerization project.

3. DIVIDEND

The Directors have recommended a final cash dividend @ 50% (Rs 5.00 per share). The dividend recommended is subject to approval by the shareholders in the Annual General Meeting.

4. SHARE CAPITAL

The issued, subscribed and paid-up capital of the Company as at June 30, 2015 was Rs 852.93 million. As per the existing pricing formula, the maximum profits available for distribution from refinery operations cannot exceed an amount equivalent to 50% of paid-up capital of Rs 291.6 million existing on 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.

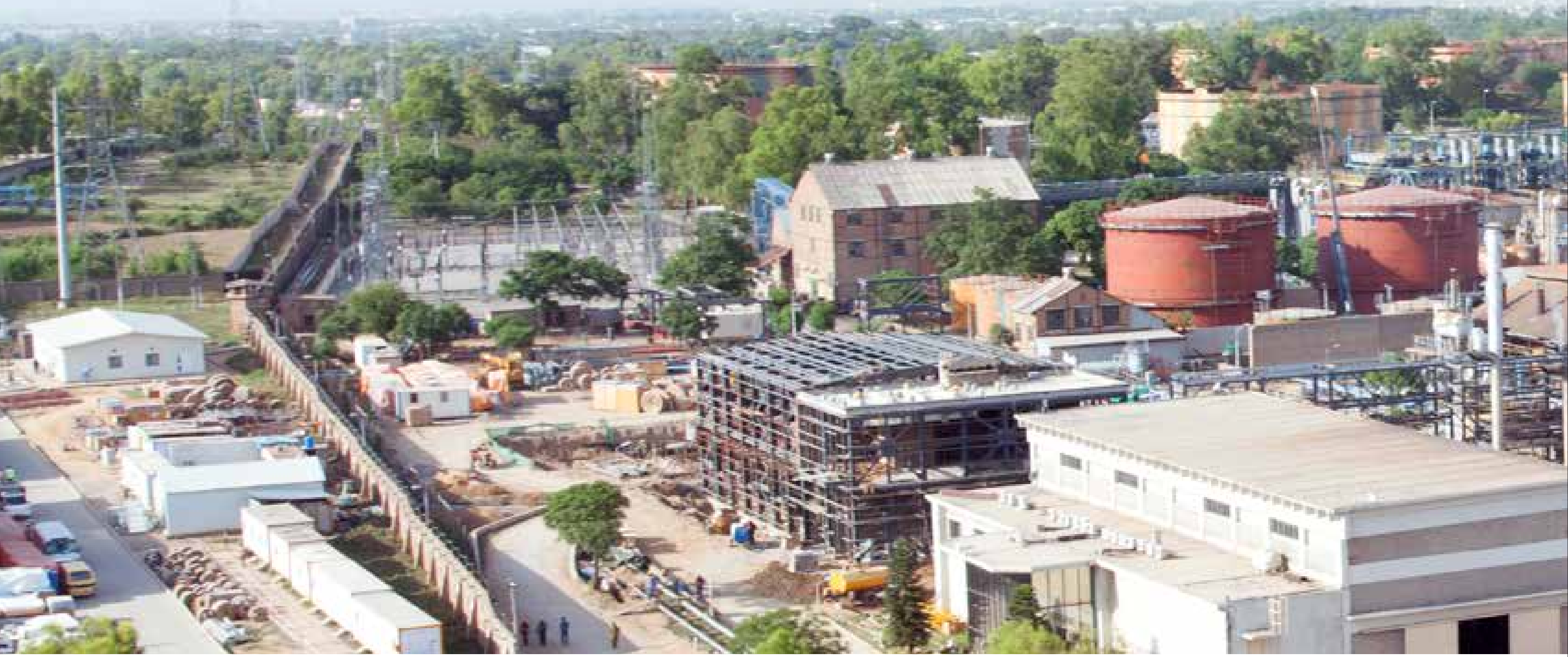
5. REFINERY MANAGEMENT AND OPERATIONS

Despite uncertain market situation, the Company maintained uninterrupted supplies of petroleum products and managed to successfully operate the refinery at 102% capacity. The issue of circular debt has again surfaced in the refinery sector and we urge the Government to settle this issue on a permanent basis.

During the year under review, the refinery's throughput was 15.358 million barrels (June 2014: 15.115 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 15.410 million barrels of crude oil (June 2014: 15.016 million barrels) was received from 37 different oilfields which was processed at various units. Your refinery has the unique capability and distinction of processing varied quality of both heavy and light crude oil produced from fields across the whole country.

All the crude processing units operated smoothly. The Company supplied 1.928 million Tons (June 2014: 1.897 million Tons) of various petroleum products during the year, meeting the standard quality specifications.



6. ONGOING AND FUTURE PROJECTS

6.1 Refinery expansion and up-gradation projects

Being an environmentally conscious and responsible industrial concern, ARL is in the process of upgrading its refining facilities. The planned upgradation will yield green diesel (500 wt ppm) and environment friendly Premier Motor Gasoline (PMG). Following units are under installation:

i) Pre-flash unit (10,400 BPD)

ARL is in the process of installing a state of the art Pre-flash unit of 10,400 barrels per day at one of its existing distillation unit to enhance the crude refining capacity to cater for the additional crude oil availability in its region.

ii) Naphtha Isomerization Unit (7,000 BPD)

Isomerization unit of 7,000 barrels per day is under installation to produce environmental friendly gasoline and enhance its production by 20,000 tons per month.

iii) Diesel Hydrodesulphurization Unit (DHDS) [12,500 BPD]

DHDS unit of 12,500 barrels per day is also being installed to reduce sulfur contents to 500 ppm in high speed diesel to meet Euro-II specifications.

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

To cater for the energy requirements of the upgradation project, capacity of the existing captive power plant is being increased by 18 MW.

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

Engineering, Procurement, Construction and Commissioning (EPCC) contract was awarded to M/s Hyundai Engineering Co. Limited Korea in April 2013. The overall cost of this Up-gradation Project is around US $ 251 million. The Project is financed in the debt equity ratio of 80:20. Long term loan of Rs 22 billion has been arranged through a consortium of local banks.

Detailed Engineering, Civil works, supply of equipment/ material and installation are almost complete. All of the equipment has been received and placed on their respective foundations. Construction activities i.e. remaining civil works like paving and finishing, equipment interconnecting piping, instrument and electrical cable installation, work inside electrical substations and control room etc. are underway.

Due to multiple reasons beyond the control of the Company, it has become necessary to extend the date of Project Completion upto June 30, 2016. The Company and the EPCC Contractor have mutually agreed to this extension. There is however,

no change in the overall budgeted Project cost.

6.2 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 come-up with investment friendly Refining policy.

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

7. BUSINESS PROCESS RE-ENGINEERING, RESEARCH & DEVELOPMENT

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

- Throughput of 42,076 BPCD was achieved in line with the targeted operational plans.
- During the year, the highest throughput of 45,376 BPD was achieved on April 19, 2015. The ever highest throughput remained 47,214 BPD which was achieved on March 14, 2013.
- Yearly Diesel production increased to 586,667 M. tons (2014: 576,595 M. tons). This has been achieved as result of availability of improved crude quality and optimized blending.
- The highest Crude Receipt during the year was 51,644 BBLS on November 2, 2014. The ever highest crude receipt remained 58,873 BBLS which was achieved on October 12, 2002.
- Operator Training Stimulator (OTS) The Model Acceptance Test (MAT) and Factory Acceptance Test (FAT) were successfully carried out in the Contractor's offices in China by ARL technical teams. After the Site Acceptance Test (SAT) at ARL the OTS was successfully commissioned in June 2015 with coordinated efforts of all technical departments. OTS will facilitate for expediting plant operator training for both existing and new plants.

- Planned structured training was conducted for newly hired engineers and apprentices for refinery expansion project.

- In-house Hazard and Operability Study (HAZOP) of all process plants has been successfully completed as per plan.

- Based on an in-house R&D study, an experimental facility for treatment of spent caustic generated at various refinery units has been designed and commissioned. If successful, the treatment of spent caustic before discharge to the effluent system will assist in reducing the load on the Effluent Treatment Plant and will further improve the final effluent quality from the refinery.

- In order to cater for requirement of fresh caustic soda after completion of the refinery up gradation project, a design study was carried out for revamping the existing facility. Implementation work is in progress.

- To reduce pressure drop across the Naphtha Hydrotreater (NHT) reactor, catalyst screening activity was carried out in September 2014. The unit was successfully started up after this activity.

- To avoid possible shutdowns of the Reformer Complex and ensure a longer running time for the NHT/Reformer units, existing bed of ceramic balls is planned to be replaced with a new type of catalyst support called "CatTrap". Work on this project is under progress.

- An in-house simulation study was carried out to assess installation of a trim cooler for better control of the suction temperature of new Recycle compressor (which is the part of existing Reformer Complex revamp). Based on the findings of the report a detailed study by the Licensor is planned.

- The performance of HBU-II Stabilizer on new crude mix started which was limiting the capacity of the unit was resolved after correcting the level of packing in the stabilizer.

- The originally installed common stack (vintage 1938) of heaters at Lummus Plant was replaced with a new stack due to corrosion. The stack has been successfully commissioned.

- A new electric driven vacuum charge pump was installed and commissioned successfully at Lummus Plant to replace the old steam pump.

- A new HSD/Water trim cooler was installed at HCU for better control of the run down temperature at the plant to improve storage and handling safety.

- To cater for the anticipated increase in Nitrogen after completion of the up-gradation project; conceptual development, requirement evaluation and technical review of proposals for a new Nitrogen storage facility were carried out. A contract with M/s Linde Pakistan Limited has been finalized for setting up the facility and provision of nitrogen product.

- As per advise of the Licensor, to avoid contamination of the naphtha feed tanks to Reformer/Isomerization complex with moisture and oxygen, a study was carried out in which a complete Gas Blanketing system for selected Naphtha tanks has been proposed for implementation.

- A survey of steam lines and condition of their insulation

was carried out in line with ISO-50001 (Energy Management System). A standard was developed for proper selection of insulation thickness for different operating conditions to further improve the existing system performance.

- Upgradation of metering system for dispatches to Oil Marketing Companies continued. Meter with advanced features such as customized reports and soft totalizer have been introduced to replace the obsolete ticket printing mechanism.
- E-oil taxation software module was developed in-house to replace manual calculation of Federal Excise Invoices and dispatch vouchers. The new system is more reliable with easy and quicker retrieval of records required by Government agencies.
- Computer software system for calibration for bowsers was developed to minimize the manual record keeping. It will maintain the calibration database and provide the system generated calibration chart.
- One deep water well was developed to augment the existing water resources. This has added 60,000 gallons per day to the system.

8. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is one of the core values of the Company. The Company has a long history of carrying out its obligations as a responsible corporate citizen. Various activities conducted in this area are enumerated below:

8.1 Corporate Philanthropy

- The Company has traditionally been patronizing limited maintenance of parks and sports facilities in the near vicinity of the Company. The cost incurred in this respect during the year amounted to Rs 1.67 million.
- The Company provided financial assistance of Rs 0.54 million to a special school, Pak Darakshan for hearing impaired children and disabled women.

8.2 Energy Conservation

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

8.3 Health, Safety, Environment and Protection Measures

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

- **Observance of International Days and other Events**

  World Environment Day, Energy Week, Safety Week, World Occupational Health & Safety Day and Tree plantation were observed in collaboration with National Cleaner Production Centre Foundation (NCPC).

- **Process Safety Management**

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

- **Best Environmental Practice Adoption Approach**

  The Company is following British Safety Council 5-star Environmental Audit Rating program guidelines. The


Company has set a target for achieving and maintaining 3-star rating this year.

- **On-Grid Solar Power System**

  The Company is also setting-up an On-Grid Solar Power System of 110 Kilowatt at its General Office located at Morgah, Rawalpindi.

- **Morgah Biodiversity Park**

  The Company continues to support the Morgah Biodiversity Park in collaboration with UNESCAP which provides a healthy environment, entertainment and education to the visitors.

8.4 Community Investment and Welfare Schemes

- Attock Sahara Foundation (ASF), Company's sponsored NGO, is playing a vital role in uplifting the economic conditions of the surrounding communities through various welfare activities. ASF's annual expenditure is over Rs 19.14 million. ASF has also established Zakat and Marriage Support Fund for deserving widows, orphans and poor people of the surroundings areas.

- The Company has provided well maintained sports grounds for hockey and cricket alongwith other sports facilities for welfare of the surrounding population living in the vicinity of the Refinery. The total expenditure on such activities amounted to over Rs 2.54 million.

- ARL is also providing education allowance for orphan children and free provision of electricity, gas and water in respect of deceased employees of the Company. The total annual expenditure on this account amounted to Rs 0.79 million.

- In collaboration with Attock Hospital (Pvt) Limited and a Non-Government Organization (NGO), the Company arranged free medical camp for the internally displaced persons (IDPs) at Barakahu, Islamabad. The cost for arranging the medical camp was approximately Rs. 50,000.

8.5 Industrial Relations/Workers Welfare

The Company believes in maintaining cordial industrial relations with its employees and their Collective Bargaining Agent (CBA). The Company provides subsidized food through its dining facilities, subsidized flour on monthly basis, school and college pick and drop for employees' children, awards for good performance and long service and sports and entertainment facilities. The Company nominates, on annual basis, four (4) members of non-management staff through open ballotting for performing Hajj and six (6) staff members for Umrah. This year the Umrah facility was extended to include the employee's spouse as well. The Company nominates on annual basis one non-Muslim worker through open balloting for visiting their sacred places in Pakistan. The total cost incurred in this connection amounted to over Rs 27 million.

8.6 Employment of Special Persons

In order to provide employment opportunities to special persons and to provide them a chance to earn respectable living the Company has allocated a quota for such persons in employment. Emoluments to the tune of Rs 5.14 million were paid to such workers.

8.7 **Business Ethics and Anti-Corruption Measures**

The Company has voluntarily adopted the ten principles of United Nations Global Compact (UNGC) since year 2008 in its business practices in letter and spirit. The Company not only provides equal opportunity for employment but has also set up a special committee on Gender Justice.

8.8 **Rural Development**

The Company is paying an annual contribution of Rs 75,000 to the two adjoining Union Councils i.e. Morgah and Kotha Kalan as contribution towards their development expenditure.

8.9 **Other CSR Activities**

- The Company is also operating an extensive management training program of 1 to 2 years for fresh graduates. The annual expenditure on these training schemes amounts to over Rs 36.28 million.
- The Company offers scholarships from class 6 to PhD to employees' children. During the year 36 scholarships were awarded and 54 bright students amongst employees' children were encouraged through token gifts. The Company has incurred an annual cost of Rs 1.72 million on these scholarships.

8.10 **Contribution to the National Economy**

The contributions made by the Company to the national economy are outlined below:

- Providing an outlet to country's indigenous production of crude oil and more particularly from the Northern Region. Crude oil is received from more than 37 oilfields spread over the country.
- Meeting the petroleum products demand of both the civil and defense sectors.
- Increasing the production of value added deficit product i.e. high speed diesel (HSD) thereby further saving valuable foreign exchange required for its import.
- Generation of Government duties and taxes in the form of excise duty, petroleum development levy and sales tax on sale of petroleum products.
- Deployment of a large transportation fleet for crude oil and products movement.
- Employment and work opportunities.

The Company's annual contribution to the national exchequer in the form of taxes and duties amounted

to over Rs 36.85 billion. Further, foreign exchange savings of US $ 295.90 million were achieved through import substitution and exports.

9. HUMAN RESOURCE DEVELOPMENT

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

9.1 Employee Development and Training

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

9.2 Performance Awards

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

9.3 Safety Awards

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

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

9.4 House Keeping Awards

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

10. ORGANIZATION DEVELOPMENT

Following efforts have been made to ensure organizational development:

10.1 Succession Management

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

The process has been implemented in two phases and executed in line with the international best practices. And by using our in house resources we have been able to save substantial amount which otherwise would have been incurred on hiring a consultant for the purpose.

10.2 Cultivation of Learning Culture

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

i) **Training & Development**

In pursuance of our belief that human resource is our prime resource, we consistently ensure to enhance the capacity of our staff through a well-rounded training and development program. Starting from orientation of new employee where we provide them all the required information and awareness to enable them being productive at a faster pace, on-the-job-training is provided through the training programs for management trainees, Apprentices and interns.

Our other programs include training of the trainers, skill development initiative and considerable number of management skills, professional skills and leadership trainings were imparted to our staff at all levels.

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

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

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

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

ii) **Manpower Rationalization Study 2014**

HR team in coordination with line managers did comprehensive manpower rationalization study during 2014. All the departmental organograms were revised to incorporate emerging requirements of new positons and to delete the redundant positions to optimize the operational efficiency. Similarly, this study catered for the human resource needs of refinery up-gradation project..

11. CORPORATE AWARDS AND RECOGNITIONS

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

i) **Top Companies Award**

ARL along with three other Attock Group Companies was awarded Top Company Award in an auspicious ceremony arranged by Karachi Stock Exchange to honour Top 25 Corporates in Pakistan. This is indeed a remarkable achievement for the Attock Group as well for the individual companies. Realizing importance of this achievement and to encourage this success, Dr. Ghaith R. Pharaon, Chairman Attock Oil Group of Companies, specially visited Pakistan to collect the Award from the Honourable Prime Minister of Pakistan.

ii) **10th EFP Best Practices 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 again won 2nd position award in Oil Gas and Energy Sector Category consecutively. ARL has taken several steps to control the risks posed to its employees which has resulted in the reduction of Total accident/ incident frequency rate from 15 to 2 in the last nine years. ARL Total accident/ incident frequency rate remained 1.5 this year.

iii) **Best Sustainability Report Award 2013**

Attock Refinery Limited (ARL) was awarded third position in the "Best Sustainability Report Award" by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

iv) **Best Corporate Report Award 2013**

The annual report of the Company for the year ended June 30, 2013 was awarded certificate of merit in the Fuel & Energy sector in the Best Corporate Award – 2013, 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.

12. STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors and the Company remain

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

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

- Proper books of accounts of the Company have been maintained.
- The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Appropriate accounting policies have been consistently applied in preparation of financial statements which conform to the Approved Accounting Standards as applicable in Pakistan. The accounting estimates, wherever required, are based on reasonable and prudent judgment.
- 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;
- The system of internal controls are sound in design and are effectively implemented by the management and monitored by the internal auditors as well as the Board of Directors and the Audit Committee. The Board reviews the effectiveness of established internal controls through the Audit Committee and suggests, wherever required, further improvement in the internal control systems.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no reported instance of any material departure from the best practices of Corporate Governance.
- Significant deviations from last year's operating results, future plans and changes, if any, in pricing formula have been separately disclosed, as appropriate, in the Chairman's Review and this Report of the Directors.

- All major Government levies in the normal course of business, amounting to Rs 2,309 million, payable as at June 30, 2015 have been cleared subsequent to the year end.

- The value of investments in employees retirement funds based on the latest unaudited accounts as at 30th June, 2015 are as follows:

	Rs in million
Management Staff Pension Fund	606
Staff Provident Fund	304
General Staff Provident Fund	535
Gratuity Fund	389

- In term of the clause xi of the Code of Corporate Governance, listed companies have to ensure that at least their one director is certified every year till June 30, 2016. Most of the Directors on the Board of ARL either meet the exemption criteria of this requirement or have attained this certification.

- The Board strives to continuously improve its and Board Committees' effectiveness. Board of Directors has developed a mechanism during the year 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.

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

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

13. CREDIT RATING

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

14. DIRECTORS AND COMMITTEES OF THE BOARD

Newly Elected Board

An Extra-Ordinary General Meeting of the shareholders was held on July 14, 2015 at which following seven persons were elected as directors for a fresh term of 3 years commencing from July 18, 2015:

1. Dr. Ghaith R. Pharaon
2. Mr. Laith G. Pharaon
3. Mr. Wael G. Pharaon
4. Mr. Shuaib A. Malik
5. Mr. Abdus Sattar
6. Mr. Sajid Nawaz
7. Mr. Shamim Ahmad Khan (Independent Director)

The Board places on record its appreciation for the valuable services rendered by the outgoing directors.

The newly elected Board of Directors also re-appointed Mr. M Adil Khattak as Chief Executive Officer for a period commencing from July 18, 2015 to December 31, 2015.

Audit Committee

The Board has formed an Audit Committee comprising of following directors:

1. Mr. Tariq Iqbal Khan Alternate Director to Mr. Laith G. Pharaon	Chairman
2. Mr. Abdus Sattar	Member
3. Mr. Sajid Nawaz	Member
4. Mr. Babar Bashir Nawaz Alternate Director to Mr. Wael G. Pharaon	Member

Human Resource & Remuneration (HR&R) Committee

The Board has formed HR&R Committee comprising of following directors:

1. Mr. Shuaib A. Malik	Chairman
2. Mr. Sajid Nawaz	Member
3. Mr. M. Adil Khattak	Member

15. BOARD MEETINGS HELD DURING THE YEAR

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

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

Meetings Held Outside Pakistan

During the year ended June 30, 2015, two meetings of Board of Directors were held outside Pakistan to review and approve annual and half yearly financial statements of the Company.

16. BOARD COMMITTEES MEETINGS HELD DURING THE YEAR

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

Audit Committee

Name of Directors	Total number of meetings	Number of meetings attended
Mr. Munaf Ibrahim *	4	3
Agha Sher Shah *	4	3
Mr. Abdus Sattar	4	4
Mr. Babar Bashir Nawaz	4	4

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

Human Resource & Remuneration (HR & R) Committee

Name of Directors	Total number of meetings	Number of meetings attended
Mr. Shuaib A. Malik	2	2
Mr. Munaf Ibrahim	2	2
Mr. M. Adil Khattak	2	2

17. AUDITORS

The Auditors Messrs A.F. Ferguson & Co. Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs A.F. Ferguson & Co. Chartered Accountants as auditors for the financial year ending on June 30, 2016.

18. SHAREHOLDING

The total number of Company's shareholders as at June 30, 2015 was 3,042 as against 3,849 on June 30, 2014. The pattern of shareholding as at June 30, 2015 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.

19. EARNING PER SHARE

Based on the net profit for the current year the earning per share was Rs 21.27 (June 2014: Rs 29.82).

20. HOLDING COMPANY

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

21. SUBSIDIARY

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

22. CONSOLIDATED ACCOUNTS

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

-Sd-

Shuaib A. Malik
Chairman

Rawalpindi,
August 12, 2015

Financial Statistical Summary
Attock Refinery Limited

30 June (Rupees in Million)

		2015	2014	2013	2012	2011	2010
TRADING RESULTS							
Sales (Net of Govt. Levies)		128,905.43	175,067.85	163,300.53	154,381.56	116,388.37	88,184.03
Reimbursement from/(to) Government		–	–	–	–	9.00	–
Turnover		128,905.43	175,067.85	163,300.53	154,381.56	116,397.37	88,184.03
Cost of Sales		128,352.37	174,930.91	160,259.07	152,362.20	114,900.77	88,693.69
Gross profit		553.06	136.94	3,041.46	2,019.35	1,496.61	(509.66)
Administration and Distribution cost		539.04	469.43	398.78	377.63	315.80	270.12
Other Income		1,447.87	1,764.18	3,082.10	2,388.77	1,565.59	983.33
Non–Refinery Income		1,409.45	1,847.12	1,298.09	1,588.64	1,068.39	602.20
Operating profit		2,871.34	3,278.81	7,022.87	5,619.14	3,814.79	805.75
Financial and other charges		495.29	104.61	954.51	1,259.27	254.12	385.54
Profit before tax		2,376.05	3,174.20	6,068.36	4,359.87	3,560.67	420.21
Taxation		561.81	630.81	2,142.68	1,625.18	1,375.12	293.82
Profit after tax		1,814.24	2,543.39	3,925.68	2,734.69	2,185.55	126.39
Dividend		(426.47)	–	(426.47)	(639.70)	(170.59)	–
Transfer from/(to) special reserves		(259.00)	(550.48)	(2,481.80)	(1,000.25)	(971.36)	475.81
BALANCE SHEET SUMMARY							
Paid–up Capital		852.93	852.93	852.93	852.93	852.93	852.93
Reserves		14,633.10	14,739.60	13,133.41	11,368.63	10,146.66	8,563.31
Unappropriated Profit		6,528.17	4,753.55	4,034.65	2,673.67	1,459.48	857.27
Shareholders' funds		22,014.20	20,346.09	18,020.99	14,895.23	12,459.06	10,273.52
Financing facilities							
(Long term including current portion)		11,658.99	480.69	–	–	–	–
Property, plant & equipment (less depreciation)		31,571.32	16,858.66	10,015.57	9,840.29	9,670.97	2,868.00
Net current assets		(1,397.99)	1,260.78	3,358.31	430.21	(1,743.10)	(3,967.43)
CASH FLOW SUMMARY							
Cash flows from operating activities		498.19	1,438.58	74.16	4,792.00	(1,972.58)	(3,741.38)
Cash flows from investing activities		(11,832.72)	(1,453.25)	2,376.51	2,476.55	1,913.70	1,214.90
Cash flows from financing activities		10,760.80	276.64	(1,291.09)	(1,292.24)	(45.43)	(308.97)
Increase/ (Decrease) in cash and cash equivalents		(573.72)	261.97	1,161.30	5,979.39	(104.14)	(2,833.89)
PROFITABILITY RATIOS							
Gross profit ratio	%	0.43	0.08	1.86	1.31	1.29	(0.58)
Net profit to sales	%	1.41	1.45	2.40	1.77	1.88	0.14
EBITDA margin to sales	%	2.07	2.00	3.87	3.01	3.25	0.70
Operating leverage ratio	Time	0.96	(0.17)	13.61	0.71	20.20	(5.10)
Return on equity	%	8.24	12.50	21.78	18.36	17.54	1.23
Return on capital employed	%	8.57	13.26	23.85	19.99	19.23	1.24
LIQUIDITY RATIO							
Current ratio	Time	0.96	1.04	1.09	1.01	0.96	0.91
Quick/ acid test ratio	Time	0.72	0.69	0.76	0.84	0.69	0.75
Cash to current liabilities	Time	0.29	0.31	0.29	0.14	0.09	0.09
Cash flow from operations to sales	Time	0.00	0.01	0.00	0.03	(0.02)	(0.04)
ACTIVITY/ TURNOVER RATIO							
Inventory turnover ratio	Time	14.16	15.02	14.31	14.16	12.73	14.72
No. of days in inventory	Days	26	24	26	26	29	25
Debtor turnover ratio	Time	11.63	14.31	5.97	4.90	5.04	4.83
No. of days in receivables	Days	31	26	61	75	73	77
Creditor turnover ratio	Time	5.87	8.36	4.08	3.40	3.78	3.31
No. of days in payables	Days	62	44	90	107	97	110
Total assets turnover ratio	Time	1.60	2.59	2.53	1.65	1.83	1.51
Fixed assets turnover ratio	Time	4.08	10.38	16.30	15.69	12.04	30.75
Operating cycle	Time	(5)	6	(3)	(7)	5	(9)

		2015	2014	2013	2012	2011	2010
				30 June (Rupees in Million)			
INVESTMENT/ MARKET RATIO							
Earnings per share (EPS) * (on shares outstanding at 30 June)	Rs	21.27	29.82	46.03	32.07	25.63	1.48
Dividend **	%	50	–	50	75	20	–
Cash dividend per share	Rs	5.00	–	5.00	7.50	2.00	–
Price earning ratio	Time	10.74	7.12	5.54	4.09	4.68	53.96
Dividend yield ratio	%	2.19	–	1.96	5.72	1.67	–
Dividend cover ratio	Time	4.25	–	9.21	4.28	12.82	–
Dividend payout ratio	%	23.51	–	10.86	23.39	7.81	–
Break–Up Value (Rs per share)	Rs	384.86	365.31	313.81	277.17	248.61	143.00
Highest market value per share during the year	Rs	235.11	272.81	208.28	136.89	145.50	169.62
Lowest market value per share during the year	Rs	146.48	173.85	123.94	104.42	122.14	80.59
Market value per share	Rs	228.45	212.29	255.15	131.05	119.86	79.86
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio		0.53	0.02	–	–	–	–
Debt to equity ratio		35 : 65	2 : 98	–	–	–	–
Weighted average cost of debt		7.61%	7.81%	–	–	–	–
Interest cover ratio		–	–	–	–	–	–

* The price earning ratio is without the effect of Bonus issue.
** The Board has proposed a cash dividend @ 50% in their meeting held on August 12, 2015.

Ratio Analysis

PROFITABILITY RATIOS

Gross Profit margin has improved during FY 2014-15 due to favorable fluctuation in international prices of petroleum products and crude oil. However, profit for the year dropped by 28.67% to Rs 1.8 billion in FY 2014-15 from Rs 2.5 billion in FY 2013-14.

During FY 2014-15, the company suffered significant inventory losses arising from unprecedented spell of sharp decline in prices of crude oil and products. Moreover, increase in finance cost; reduction in other income and reduction in non-refinery income are the main reasons for this decrease in profitability, return on equity and return on capital employed ratios.

LIQUIDITY RATIOS

The Company had successfully maintained the liquidity position since inter-corporate circular debt settlement arranged by the Government in June, 2013. Current ratio has decreased due to inventory losses; however, Quick ratio for the year has improved as compared to last year. Keeping in view the challenging business environment along with the execution phase of ARL Up-gradation Project, this was a difficult task to maintain the requisite liquidity ratios.

ACTIVITY TURNOVER RATIOS

Inventory of the Company has slightly declined due to significant decrease in prices of crude oil and products. Receivables of the company has increased, this resulted in decrease in debtors' turnover ratio and increase in number of days in receivables; however, this effect is partially mitigated by the change in creditors' turnover ratio and number of days in payables.

INVESTMENT/ MARKET RATIOS

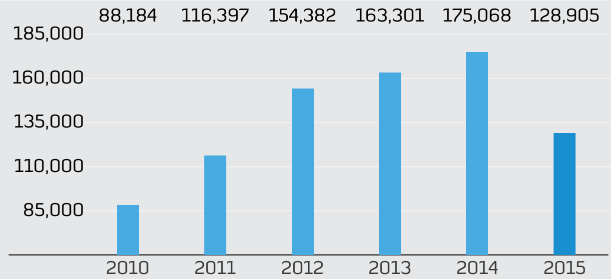
The decline in profitability is the only reason for decrease in EPS; however, income from the strategic investment in non-refinery business and other income have helped the Company to improve its Break-up Value with and without surplus on revaluation ratios. The Company has declared final cash dividend of 50%.

CAPITAL STRUCTURE RATIOS

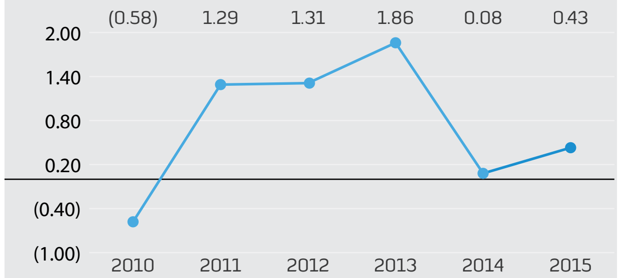
The Company on August 06, 2013 has entered into a syndicated term finance agreement and musharaka agreement with a consortium of local banks which includes Bank AL-Habib Limited as an Agent Bank for a term finance facility of Rs 22 billion for ARL Up-gradation Projects for a period of 12 years including grace period of 2 years. As on June 30, 2015 aggregate drawdown was Rs 12,110 million. (June 30, 2014: Rs 735 million).

Financial Highlights
Attock Refinery Limited

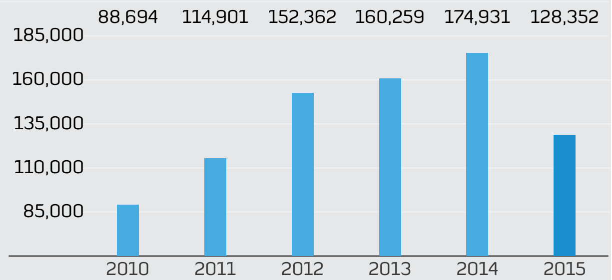
NET SALES
(Rs in million)



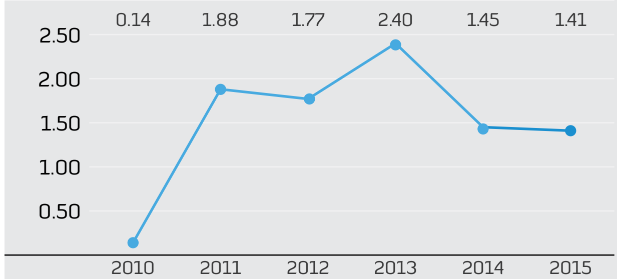
GROSS PROFIT MARGIN
(In Percentage)



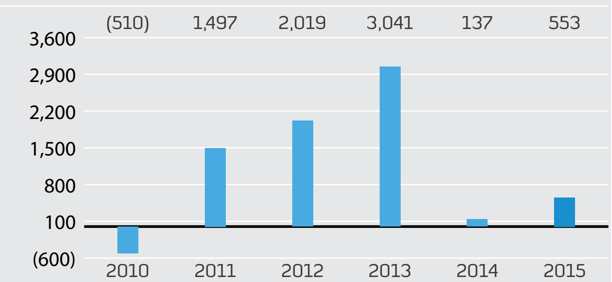
COST OF SALES
(Rs in million)



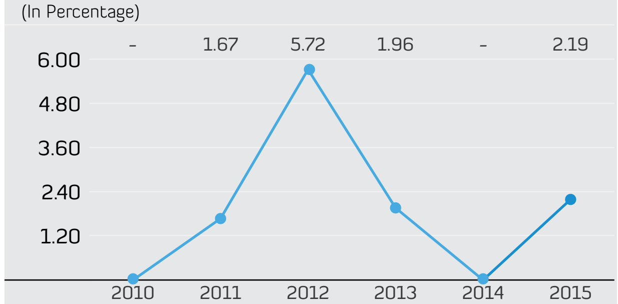
NET PROFIT MARGIN
(In Percentage)



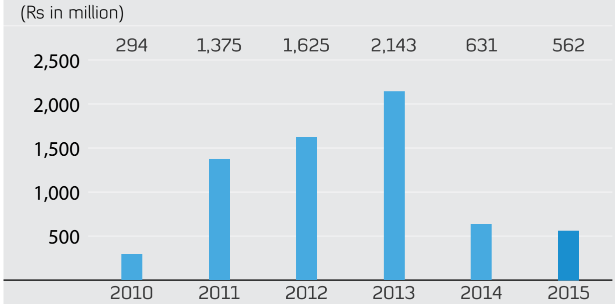
GROSS PROFT / (LOSS)
(Rs in million)



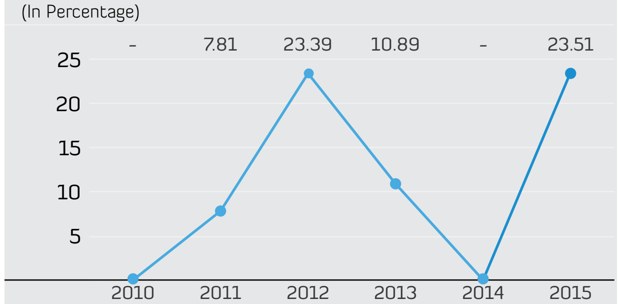
CASH DIVIDEND YIELD
(In Percentage)



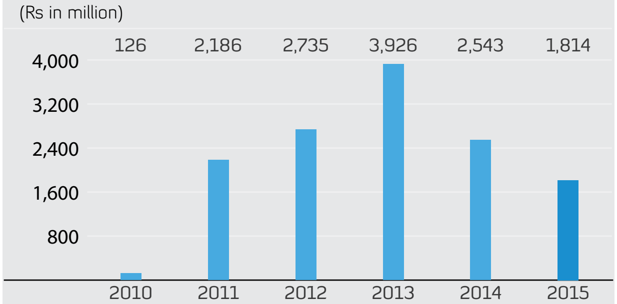
PROVISION FOR TAXATION
(Rs in million)



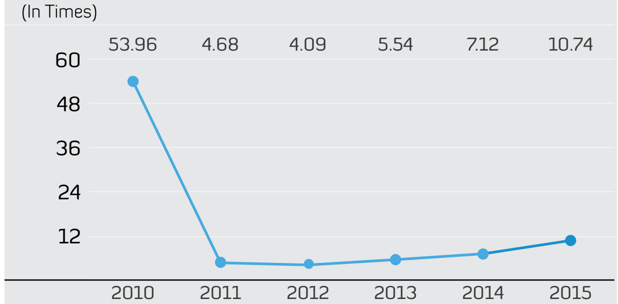
CASH DIVIDEND PAYOUT
(In Percentage)



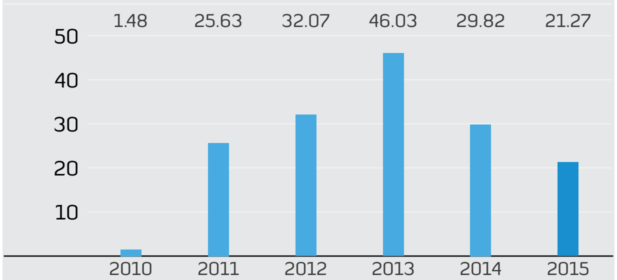
PROFIT AFTER TAXATION
(Rs in million)



PRICE EARNING RATIO
(In Times)

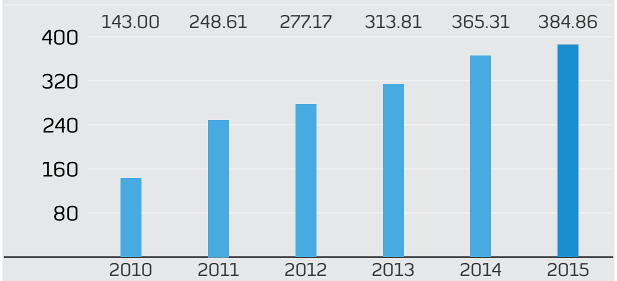


EARNING PER SHARE
(Rupees)

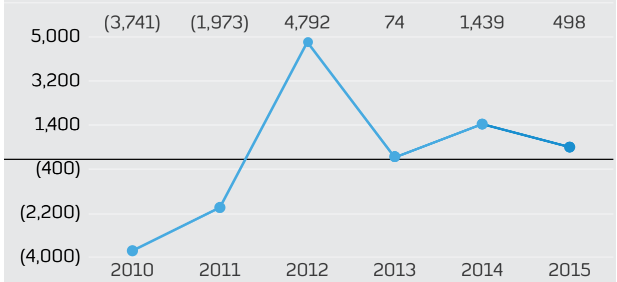


MARKET VALUE PER SHARE
High - Low (Rupees)

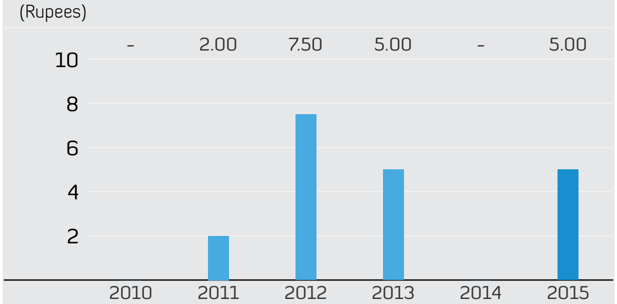
BREAK-UP VALUE
(Rs per share)



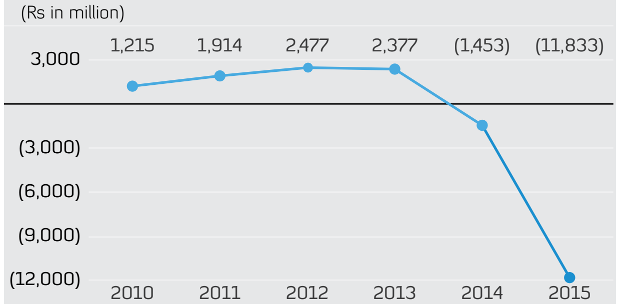
CASH FLOW FROM OPERATING ACTIVITIES
(Rs in million)



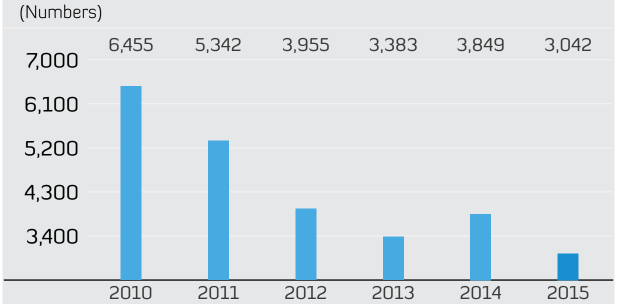
DIVIDEND PER SHARE
(Rupees)



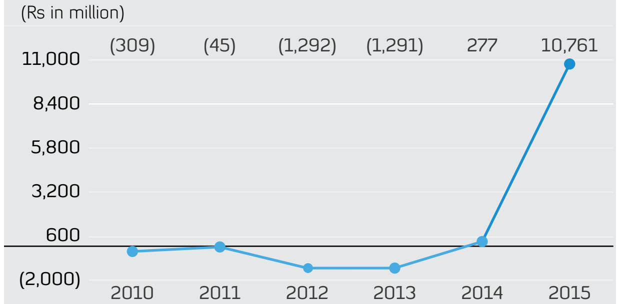
CASH FLOW FROM INVESTING ACTIVITIES
(Rs in million)



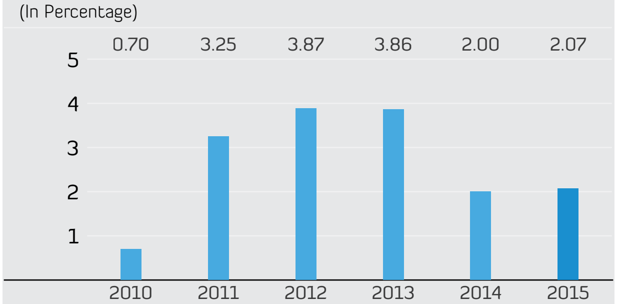
NUMBER OF SHAREHOLDERS
(Numbers)



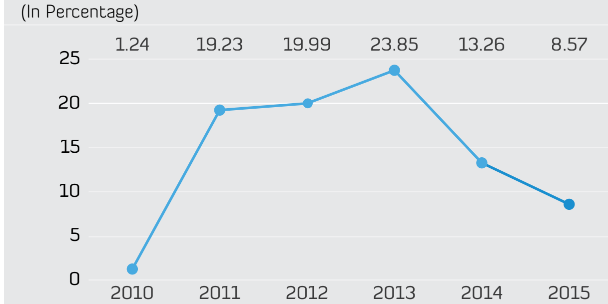
CASH FLOW FROM FINANCING ACTIVITIES
(Rs in million)



EBITDA - MARGIN TO SALES
(In Percentage)

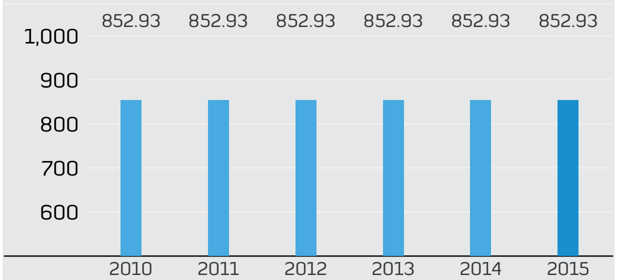


RETURN ON CAPITAL EMPLOYED
(In Percentage)

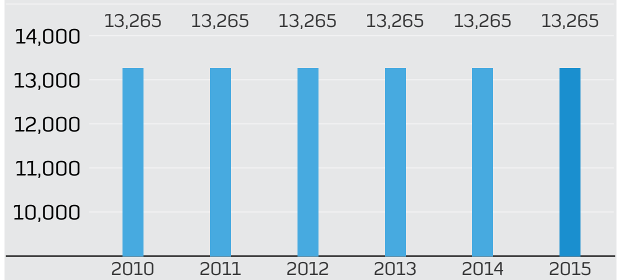


Financial Highlights
Attock Refinery Limited

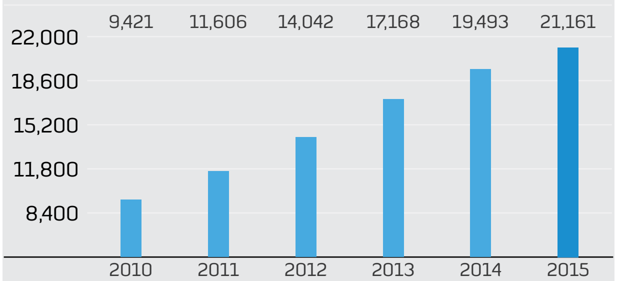
PAID-UP CAPITAL
(Rs in million)



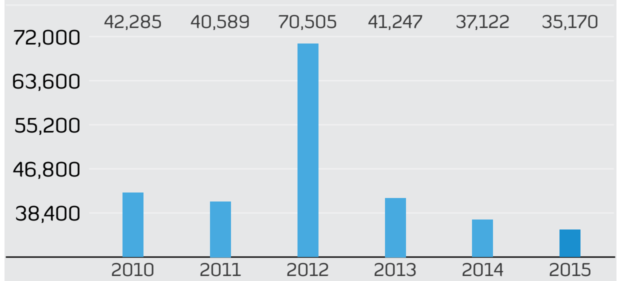
LONG TERM INVESTMENTS
(Rs in million)



RESERVES
(Rs in million))

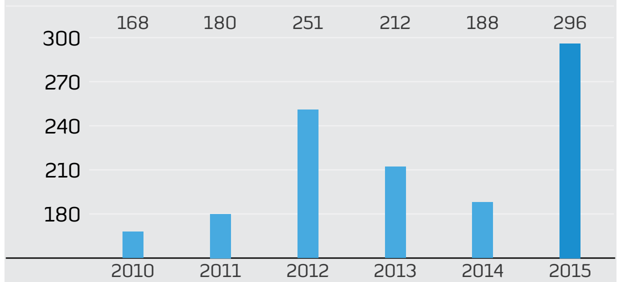


CURRENT ASSETS
(Rs in million)

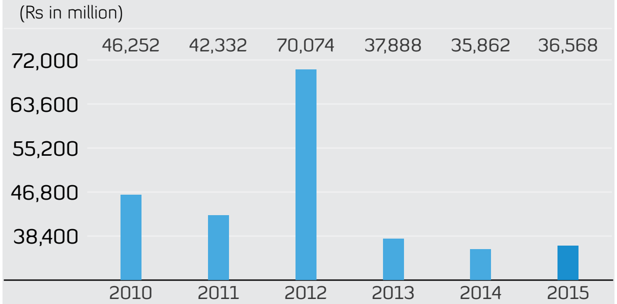


LONG TERM BORROWINGS
(Rs in million)

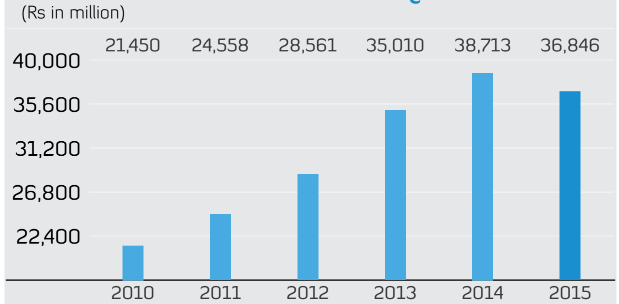
FOREIGN EXCHANGE SAVING
(US$ in million)



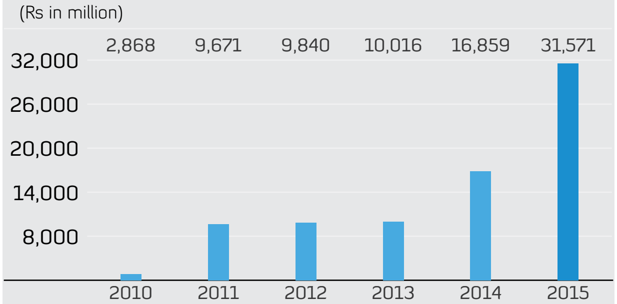
CURRENT LIABILITIES
(Rs in million)



CONTRIBUTION TO NATIONAL EXCHEQUER
(Rs in million)



FIXED ASSETS LESS DEPRECIATION
(Rs in million)



Analysis of Financial Statements
Attock Refinery Limited

ANALYSIS OF BALANCE SHEET

Share capital and Reserve:
Equity grew by 8% from Rs 20,346 million to Rs 22,014 million due to current year profitability.

Long term borrowings:
Long term borrowings have increased from Rs 481 million to Rs 11,109 million in FY 2014-15 to finance the up-gradation project.

Current liabilities:
Trade and other payables have increased during the year in line with the rising business volumes.

Property, plant and equipment:
Property, plant and equipment have witnessed a significant increase due to investment in up-gradation project. Property, plant and equipment represent around 39% of Company's balance sheet size.

Current assets:
Current assets have decreased by 5% from Rs 37,122 million to Rs 35,170 million in FY 2014-15. This decrease is mainly representing decrease in stock-in-trade.

ANALYSIS OF PROFIT AND LOSS

Revenue:
During the current year, sales revenue has decrease by 26% from Rs 175,068 million to Rs 128,905 million due to decrease in prices of petroleum products.

Cost of Sales:
During the period under review, cost of sales decreased by 27% from Rs 174,931 million to Rs 128,352 million due to sharp decline in prices of crude oil in international market.

Administration and distribution cost:
Administration and distribution costs increased by 15% from Rs 469 million in 2014 to Rs 539 million in 2015.

Finance cost:
During the year, finance cost increased from Rs 2 million to Rs 413 million due to fluctuation in US dollar Rupee parity related to Foreign Currency transactions for crude purchases.

Other Income:
Other income decreased by 18% from 1,764 million to Rs 1,448 million mainly on account of decrease in income on bank deposits.

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

Non-refinery income:
Non-refinery income decreased from Rs 1,847 million to Rs 1,409 million due to decrease in dividend income during the year as compared to the last year.

ANALYSIS OF CASH FLOWS STATEMENT

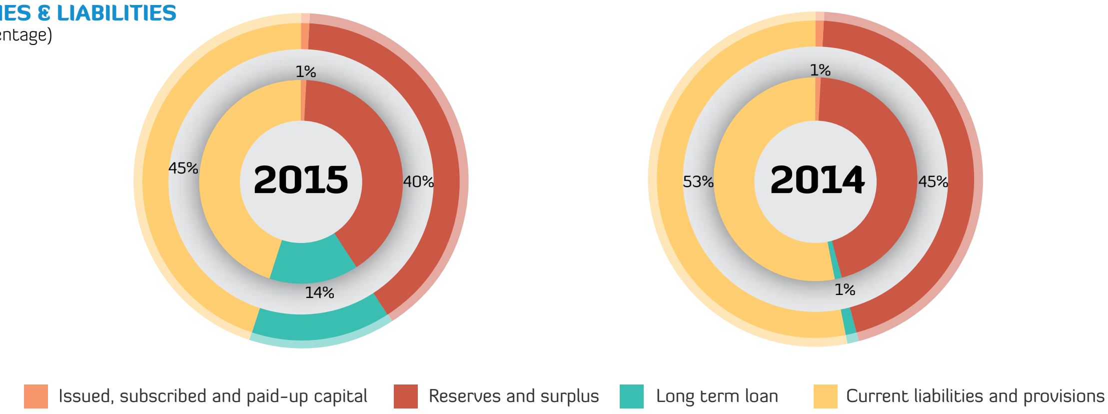
Operation activities:
Cash generated from operations in 2015 has decreased by 65% to Rs 498 million from Rs 1,439 million. The main reasons are excessive payment of income tax relating to priors years and reduced prices of petroleum products in the country.

Investing activities:
Due to cash outflow for up-gradation projects, cash generated from investing activities was decreased by 714%.

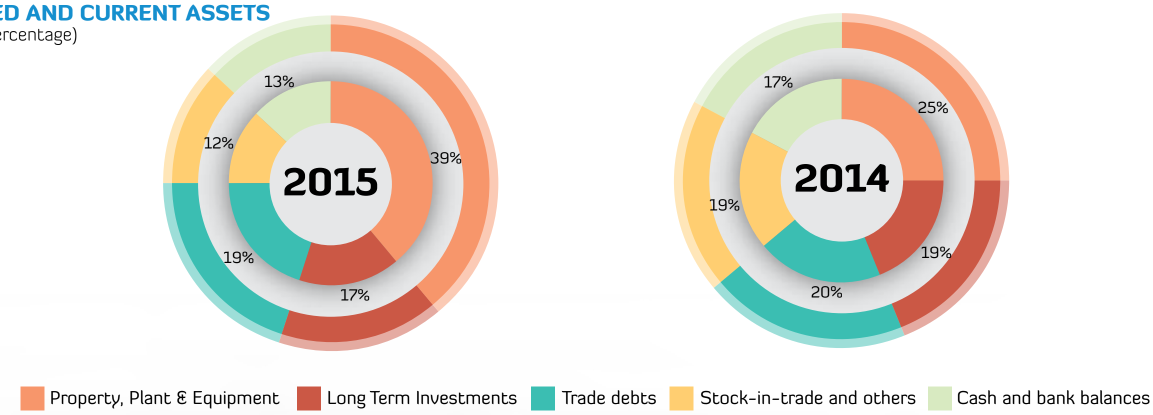
Financing activities:
Cash generated from financing activities increased mainly on account of long term borrowings from consortium of banks to finance the up-gradation project.

Balance Sheet Composition
Attock Refinery Limited

EQUITIES & LIABILITIES
(In Percentage)



FIXED AND CURRENT ASSETS
(In Percentage)



Vertical Analysis

	2015		2014	
	Rs in million	%	Rs in million	%
Balance Sheet				
Equity and reserves	22,014.20	27.35	20,346.09	30.14
Surplus on revaluation of freehold land	10,811.95	13.43	10,811.95	16.02
Long term borrowings	11,108.99	13.80	480.69	0.71
Non–current liabilities	–	–	–	–
Total current liabilities	36,568.27	45.42	35,861.58	53.13
	80,503.41	100.00	67,500.31	100.00
Property, plant and equipment	31,571.32	39.22	16,858.66	24.98
Long term investments	13,264.92	16.48	13,264.92	19.65
Non–current assets	496.89	0.62	254.36	0.38
Stores, spares and loose tools	2,008.56	2.49	786.54	1.17
Stock–in–trade	6,574.13	8.17	11,555.71	17.11
Trade debts	15,653.74	19.44	13,239.27	19.61
Loans, advances, deposits, prepayments and other receivables	239.26	0.30	273.93	0.41
Cash and bank balances	10,694.59	13.28	11,266.92	16.69
	80,503.41	100.00	67,500.31	100.00
Profit & Loss Account				
Net Sales	128,905.43	100.00	175,067.85	100.00
Cost of sales	128,352.37	99.57	174,930.91	99.92
Gross Profit/ (loss)	553.06	0.43	136.94	0.08
Administration expenses	492.55	0.38	425.89	0.24
Distribution cost	46.48	0.04	43.53	0.02
Finance cost	413.35	0.32	1.75	–
Other charges	81.94	0.06	102.86	0.06
	1,034.32	0.80	574.03	0.32
	(481.26)	(0.37)	(437.09)	(0.24)
Other income	1,447.87	1.12	1,764.18	1.01
Profit/ (loss) before taxation from refinery operations	966.61	0.75	1,327.09	0.77
Provision for taxation	561.81	0.44	630.81	0.36
Profit/ (loss) after taxation from refinery operations	404.80	0.31	696.28	0.41
Profit after taxation from non–refinery operations	1,409.46	1.09	1,847.13	1.06
Profit for the year	1,814.26	1.40	2,543.41	1.47

2013		2012		2011		2010	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
18,020.99	27.87	14,895.22	15.89	12,459.06	19.56	10,273.52	17.54
8,745.22	13.53	8,745.22	9.33	8,745.22	13.73	1,923.34	3.28
–	–	–	–	–	–	–	–
–	–	–	–	158.40	0.25	140.02	0.24
37,888.48	58.60	70,074.47	74.78	42,331.76	66.46	46,251.95	78.94
64,654.69	100.00	93,714.91	100.00	63,694.44	100.00	58,588.83	100.00
10,015.57	15.50	9,840.29	10.50	9,670.97	15.18	2,868.00	4.90
13,264.92	20.52	13,264.92	14.15	13,264.92	20.83	13,264.92	22.64
127.42	0.17	105.02	0.11	169.90	0.27	171.39	0.29
688.13	1.06	673.85	0.72	619.92	0.97	581.04	0.99
11,744.81	18.17	10,650.69	11.37	10,872.58	17.07	7,178.85	12.25
17,499.31	27.07	49,115.76	52.41	25,053.68	39.33	30,430.26	51.94
309.56	0.48	220.71	0.24	178.21	0.28	125.95	0.22
11,004.97	17.03	9,843.67	10.50	3,864.28	6.07	3,968.42	6.77
64,654.69	100.00	93,714.91	100.00	63,694.44	100.00	58,588.83	100.00
163,300.53	100.00	154,381.56	100.00	116,397.37	100.00	88,184.03	100.00
160,259.07	98.14	152,362.20	98.69	114,900.76	98.71	88,693.69	100.58
3,041.46	1.86	2,019.36	1.31	1,496.61	1.29	(509.66)	(0.58)
358.36	0.22	340.01	0.22	282.92	0.24	245.29	0.28
40.40	0.02	37.62	0.02	32.88	0.03	24.83	0.03
548.56	0.34	994.74	0.65	45.41	0.04	308.80	0.35
405.96	0.25	264.53	0.17	208.71	0.18	76.75	0.09
1,353.28	0.83	1,636.90	1.06	569.92	0.49	655.67	0.75
1,688.18	1.03	382.46	0.25	926.69	0.80	(1,165.33)	(1.33)
3,082.10	1.89	2,388.77	1.55	1,565.59	1.35	983.34	1.12
4,770.28	2.92	2,771.23	1.80	2,492.28	2.15	(181.99)	(0.21)
2,142.68	1.31	1,625.18	1.06	1,375.12	1.18	293.82	0.33
2,627.60	1.61	1,146.05	0.74	1,117.16	0.97	(475.81)	(0.54)
1,298.10	0.79	1,588.64	1.03	1,068.39	0.92	602.20	0.68
3,925.70	2.40	2,734.69	1.77	2,185.55	1.89	126.39	0.14

Horizontal Analysis

	2015		2014	
	Increase/ (Decrease) from last year		Increase/ (Decrease) from last year	
	Rs in million	%	Rs in million	%
Balance Sheet				
Equity and reserves	22,014.20	8.20	20,346.09	12.90
Surplus on revaluation of freehold land	10,811.95	–	10,811.95	23.63
Long term borrowings	11,108.99	2,211.05	480.69	–
Non–current liabilities	–	–	–	–
Total current liabilities	36,568.27	1.97	35,861.57	(5.35)
	80,503.41	19.26	67,500.30	4.40
Property, plant and equipment	31,571.32	87.27	16,858.66	68.32
Long term investments	13,264.92	–	13,264.92	–
Non–current assets	496.89	95.35	254.36	99.62
Stores, spares and loose tools	2,008.56	155.37	786.54	14.30
Stock–in–trade	6,574.13	(43.11)	11,555.71	(1.61)
Trade debts	15,653.74	18.24	13,239.27	(24.34)
Loans, advances, deposits, prepayments and other receivables	239.26	(12.66)	273.93	(11.51)
Cash and bank balances	10,694.59	(5.08)	11,266.92	2.38
	80,503.41	19.26	67,500.31	4.40
Profit & Loss Account				
Net Sales	128,905.43	(26.37)	175,067.85	7.21
Cost of sales	128,352.37	(26.63)	174,930.91	9.16
Gross Profit/ (loss)	553.06	303.86	136.94	(95.50)
Administration expenses	492.55	15.65	425.89	18.84
Distribution cost	46.48	6.78	43.53	7.75
Finance cost	413.35	23,520.00	1.75	(99.68)
Other charges	81.94	(20.34)	102.86	(74.66)
	1,034.32	80.19	574.03	(57.58)
	(481.26)	10.10	(437.09)	(125.89)
Other income	1,447.87	(17.93)	1,764.18	(42.76)
Profit/ (loss) before taxation from refinery operations	966.61	(27.16)	1,327.09	(72.18)
Provision for taxation	561.81	(10.94)	630.81	(70.56)
Profit/ (loss) after taxation from refinery operations	404.80	(41.86)	696.28	(73.50)
Profit after taxation from non–refinery operations	1,409.46	(23.69)	1,847.13	42.29
Profit for the year	1,814.26	(28.67)	2,543.41	(35.21)

2013		2012		2011		2010	
Increase/ (Decrease) from last year Rs in million	%	Increase/ (Decrease) from last year Rs in million	%	Increase/ (Decrease) from last year Rs in million	%	Increase/ (Decrease) from last year Rs in million	%
18,020.99	20.99	14,895.22	19.55	12,459.06	21.27	10,273.52	100.00
8,745.22	–	8,745.22	–	8,745.22	354.69	1,923.34	100.00
–	–	–	–	–	–	–	100.00
–	–	–	(100.00)	158.40	13.13	140.02	100.00
37,888.48	45.93	70,074.47	65.54	42,331.76	(8.48)	46,251.95	100.00
64,654.69	(31.01)	93,714.91	47.13	63,694.44	8.71	58,588.83	100.00
10,015.57	1.78	9,840.29	1.75	9,670.97	237.20	2,868.00	100.00
13,264.92	–	13,264.92	–	13,264.92	–	13,264.92	100.00
127.42	21.33	105.02	(38.19)	169.90	(0.87)	171.39	100.00
688.13	2.12	673.85	8.70	619.92	6.69	581.04	100.00
11,744.81	10.27	10,650.69	(2.04)	10,872.58	51.45	7,178.85	100.00
17,499.31	(64.37)	49,115.76	96.04	25,053.68	(17.67)	30,430.26	100.00
309.56	40.26	220.71	23.85	178.21	41.49	125.95	100.00
11,004.97	11.80	9,843.67	154.74	3,864.28	(2.62)	3,968.42	100.00
64,654.69	(31.01)	93,714.91	47.13	63,694.44	8.71	58,588.83	100.00
163,300.53	5.78	154,381.56	32.63	116,397.37	31.99	88,184.03	100.00
160,259.07	5.18	152,362.20	32.60	114,900.76	29.55	88,693.69	100.00
3,041.46	50.62	2,019.36	34.93	1,496.61	393.65	(509.66)	100.00
358.36	5.40	340.01	20.18	282.92	15.34	245.29	100.00
40.40	7.40	37.62	14.41	32.88	32.42	24.83	100.00
548.56	(44.85)	994.74	2,090.67	45.41	(85.30)	308.80	100.00
405.96	53.46	264.53	26.75	208.71	171.96	76.75	100.00
1,353.28	(17.33)	1,636.90	187.22	569.92	(13.08)	655.67	100.00
1,688.18	341.41	382.46	(58.73)	926.69	179.52	(1,165.33)	100.00
3,082.10	29.02	2,388.77	52.58	1,565.59	59.21	983.34	100.00
4,770.28	72.14	2,771.23	11.19	2,492.28	1,469.44	(181.99)	100.00
2,142.68	31.84	1,625.18	18.18	1,375.12	368.01	293.82	100.00
2,627.60	129.28	1,146.05	2.59	1,117.16	334.79	(475.81)	100.00
1,298.10	(18.29)	1,588.64	48.69	1,068.39	77.41	602.20	100.00
3,925.70	43.55	2,734.69	25.13	2,185.55	1,629.22	126.39	100.00

Statement of Contribution & Value Addition

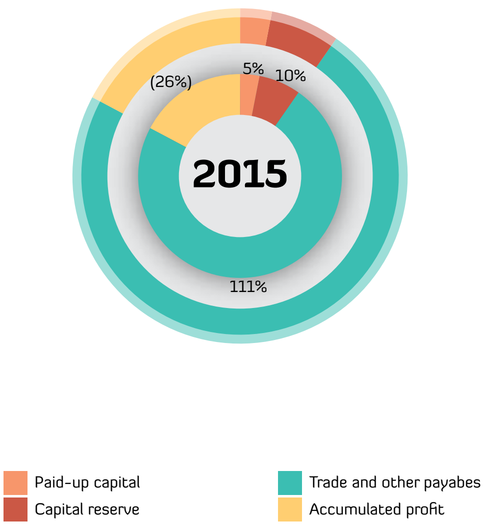
(Rs in million)

	2015	2014
VALUE ADDITION DURING THE YEAR		
Employees as remuneration	1.107	984
Government as taxes	34,120	37,011
Shareholders as dividends *	-	–
Retained with the business	259	550
Foreign exchange savings US$ 296 million		
CONTRIBUTION TO NATIONAL EXCHEQUER		
Government levies on petroleum products	34,120	37,011
Income tax paid	2.667	1,675
Import/ export duties	59	27
Total	36,846	38,713

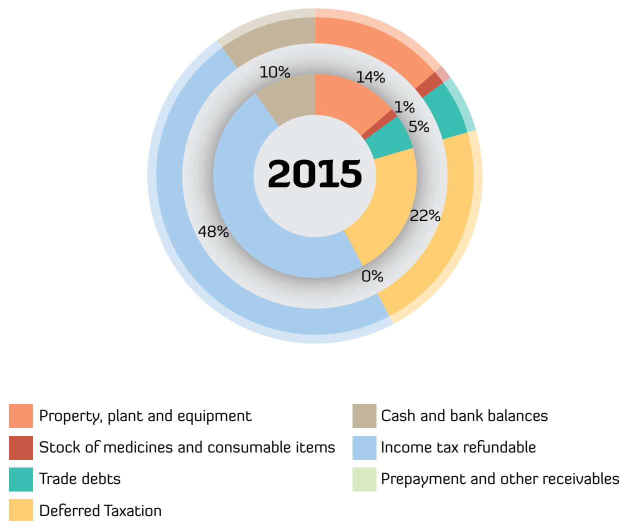
* The Board has proposed a cash dividend @ 50% in their meeting held on August 12, 2015.

Financial Highlights
Attock Hospital (Pvt.) Limited

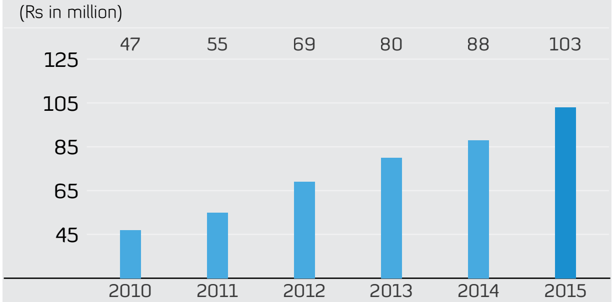
EQUITIES & LIABILITIES
(In Percentage)



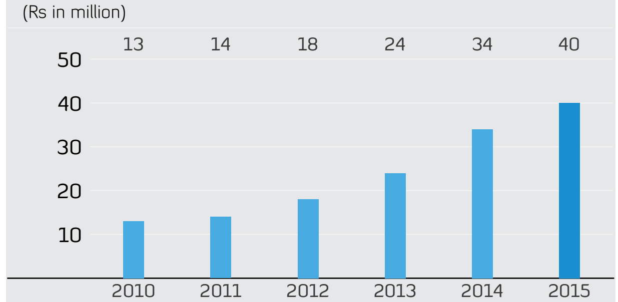
FIXED AND CURRENT ASSETS
(In Percentage)



TOTAL REVENUE INCLUDING OTHER INCOME
(Rs in million)



REVENUE FROM PRIVATE PATIENTS
(Rs in million)



Pattern of Shareholding
as at June 30, 2015

Form 34 (Section 236)

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
755	1	100	33,784
793	101	500	255,723
417	501	1,000	358,128
715	1,001	5,000	1,695,166
145	5,001	10,000	1,121,093
63	10,001	15,000	816,196
21	15,001	20,000	388,628
26	20,001	25,000	628,637
9	25,001	30,000	251,510
5	30,001	35,000	165,370
7	35,001	40,000	270,700
4	40,001	45,000	173,330
10	45,001	50,000	497,185
4	50,001	55,000	212,360
3	55,001	60,000	176,600
1	60,001	65,000	61,200
3	65,001	70,000	207,500
4	70,001	75,000	298,000
2	75,001	80,000	158,300
1	85,001	90,000	85,500
4	95,001	100,000	400,000
3	100,001	105,000	306,874
1	105,001	110,000	110,000
1	115,001	120,000	120,000
1	125,001	130,000	125,600
1	130,001	135,000	135,000
1	135,001	140,000	140,000
1	140,001	145,000	142,000
2	150,001	155,000	306,114
1	160,001	165,000	160,100
1	165,001	170,000	167,300
1	175,001	180,000	175,800
1	185,001	190,000	187,500
2	195,001	200,000	395,500
1	205,001	210,000	210,000
1	210,001	215,000	215,000
1	215,001	220,000	218,500
1	220,001	225,000	223,700
2	225,001	230,000	451,972
1	240,001	245,000	240,200
1	245,001	250,000	250,000
1	285,001	290,000	288,800
1	295,001	300,000	300,000
1	305,001	310,000	308,359
1	320,001	325,000	325,000
2	340,001	345,000	687,000
3	345,001	350,000	1,044,834
1	380,001	385,000	384,300
1	400,001	405,000	400,109
1	445,001	450,000	449,000
1	450,001	455,000	452,562
1	515,001	520,000	520,000
1	695,001	700,000	700,000
1	775,001	780,000	779,900
1	895,001	900,000	898,000
1	910,001	915,000	911,885
1	1,000,001	1,005,000	1,004,400
1	1,430,001	1,435,000	1,432,000
1	1,795,001	1,800,000	1,800,000
1	2,870,001	2,875,000	2,870,757
1	5,160,001	5,165,000	5,160,800
1	7,260,001	7,265,000	7,260,400
1	44,775,001	44,780,000	44,778,824
3,042		**Total**	**85,293,000**

Categories of Shareholders
as at June 30, 2015

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/CDC	Category-wise shares held	%age
1	**Individuals**		2,861	10,134,033	11.88
2	**Investment Companies**		4	79,200	0.09
3	**Joint Stock Companies**		62	1,439,624	1.69
4	**Directors, Chief Executive Officer and their Spouse and Minor Children**		10	344,520	0.40
	Dr. Ghaith R. Pharaon (Director)	24			
	Mr. Laith G. Pharaon (Director)	1			
	Mr. Wael G. Pharaon (Director)	1			
	Mr. Shuaib A. Malik (Director & Chairman)	223,701			
	Mr. Abdus Sattar (Director)	1			
	Mr. Munaf Ibrahim (Director)	100,000			
	Agha Sher Shah (Director)	1,000			
	Mr. Iqbal A. Khwaja (Alternate Director)	15,105			
	Mr. Muhammad Adil Khattak (CEO)	4,687			
5	**Executives**		22	2,708	0.00
6	**Associated Companies, Undertakings and Related Parties**		3	53,471,224	62.69
	The Attock Oil Company Limited	52,039,224			
	Attock Petroleum Limited	1,432,000			
7	**Public Sector Companies and Corporations**		0	0	0.00
8	**Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modarabas & Pension Funds**		37	5,247,862	6.15
9	**Mutual Funds**		32	5,975,599	7.01
	Prudential Stocks Fund Ltd (03360)	8,400			
	MCBFSL - Trustee JS Value Fund	167,300			
	CDC - Trustee JS Large Cap. Fund	300,000			
	CDC - Trustee JS Islamic Fund	215,000			
	CDC - Trustee Alfalah GHP Value Fund	17,000			
	CDC - Trustee Unit Trust of Pakistan	210,000			
	CDC - Trustee JS Aggressive Asset Allocation Fund	45,000			
	CDC - Trustee AKD Index Tracker Fund	7,219			
	MC FSL - Trustee JS KSE-30 Index Fund	1,376			
	CDC - Trustee Al Meezan Mutual Fund	40,000			
	CDC - Trustee NAFA Stock Fund	195,500			
	CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	50,000			
	CDC - Trustee Alfalah GHP Islamic Stock Fund	28,000			
	CDC - Trustee NAFA Islamic Asset Allocation Fund	68,100			
	MC FSL - Trustee JS Growth Fund	700,000			
	CDC - Trustee JS Islamic Pension Savings Fund-Equity Account	25,800			
	CDC - Trustee Alfalah GHP Stock Fund	85,500			
	CDC - Trustee Alfalah GHP Alpha Fund	50,000			
	CDC - Trustee NIT-Equity Market Opportunity Fund	452,562			
	CDC - Trustee NAFA Asset Allocation Fund	78,300			

Category No.	Categories of Shareholders	Number of shares held	Category-wise No. of folios/CDC	Category-wise shares held	%age
	CDC - Trustee AKD Aggressive Income Fund - MT	800			
	CDC - Trustee Alfalah GHP Income Fund - MT	27,500			
	CDC - Trustee KSE Meezan Index Fund	49,785			
	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	10,000			
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	15,000			
	CDC - Trustee NAFA Islamic Pension Fund Equity Account	17,300			
	CDC - Trustee Faysal Savings Growth Fund - MT	40,300			
	CDC - Trustee Faysal Income & Growth Fund - MT	4,000			
	CDC - Trustee National Investment (Unit) Trust	2,870,857			
	CDC - Trustee NAFA Islamic Principal Protected Fund	125,600			
	CDC - Trustee NAFA Islamic Stock Fund	69,400			
10	**Foreign Investors**		8	3,289,230	3.86
11	**Co-operative Societies**		0	0	0.00
12	**Charitable Trusts**		0	0	0.00
13	**Others**		3	5,309,000	6.23
	Total		3,042	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
Employees' Old Age Benefits Institution	Falls in Category # 13	5,160,800	6.05
Total		57,200,024	67.06

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	84,200	-
Maj. (R) Farhat Aziz	Executive	-	1,000
Mr. Jamil A. Bajwa	Executive	1,400	3,300
Mr. Mahmood Akhtar	Executive	-	39

Code of Conduct

INTRODUCTION

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

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

1. Integrity & Ethics

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

i) **Respect, Honesty and Integrity**

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

ii) **Compliance with Laws, Rules and Regulations**

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

iii) **Full and Fair Disclosure**

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

iv) **Prevent Conflict of Interest**

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company. Also no employee will perform any kind of work (involving monitory benefit directly or

otherwise) for a third party without proper approval of CEO.

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

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

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

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

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

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

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

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

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

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

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

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

Bribes, kickbacks and other improper payments shall not be made on behalf of the Company in connection with any of its businesses.

However, tip, gratuity or hospitality may be offered if such act is 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, 2015**

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19.23 (a) of Rule Book KSE and listing regulations of Lahore and Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. The election of board of directors was held on July 14, 2015 and at present the board includes:

Category	Names
Independent Director	Mr. Shamim Ahmad Khan
Executive Directors	–
Non-Executive Directors	Dr. Ghaith R. Pharaon Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. Sajid Nawaz

   The independent director meet the criteria of independence under clause i (b) of the Code.

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

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

4. No casual vacancy occurred on the Board of Directors during the year ended June 30, 2015.

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

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

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

8. The meetings of the Board were presided over by the

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

9. Most of the directors meet the exemption requirement of the Directors' Training Program on the basis of their level of education and length of experience as provided in the Code. The remaining directors shall obtain certification under Directors' Training Program by June 30, 2016.

10. The Board has approved appointment of Chief Financial Officer, 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 Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The directors, Chief Executive Officer 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 Code.

15. The board has formed an Audit Committee. It comprises of four (4) members, of whom all are non-executive directors. The Chairman of the Committee is non-executive director.

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

17. The board has also formed a Human Resource 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 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 Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

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

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

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

23. The board evaluation process has been implemented to evaluate the Board as a whole.

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

-Sd-

(M. ADIL KHATTAK)

Chief Executive Officer

August 12, 2015

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 with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Attock Refinery Limited (the Company) for the year ended June 30, 2015, to comply with the requirements of Listing Regulations No. 35 of the respective Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance 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 inquires of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

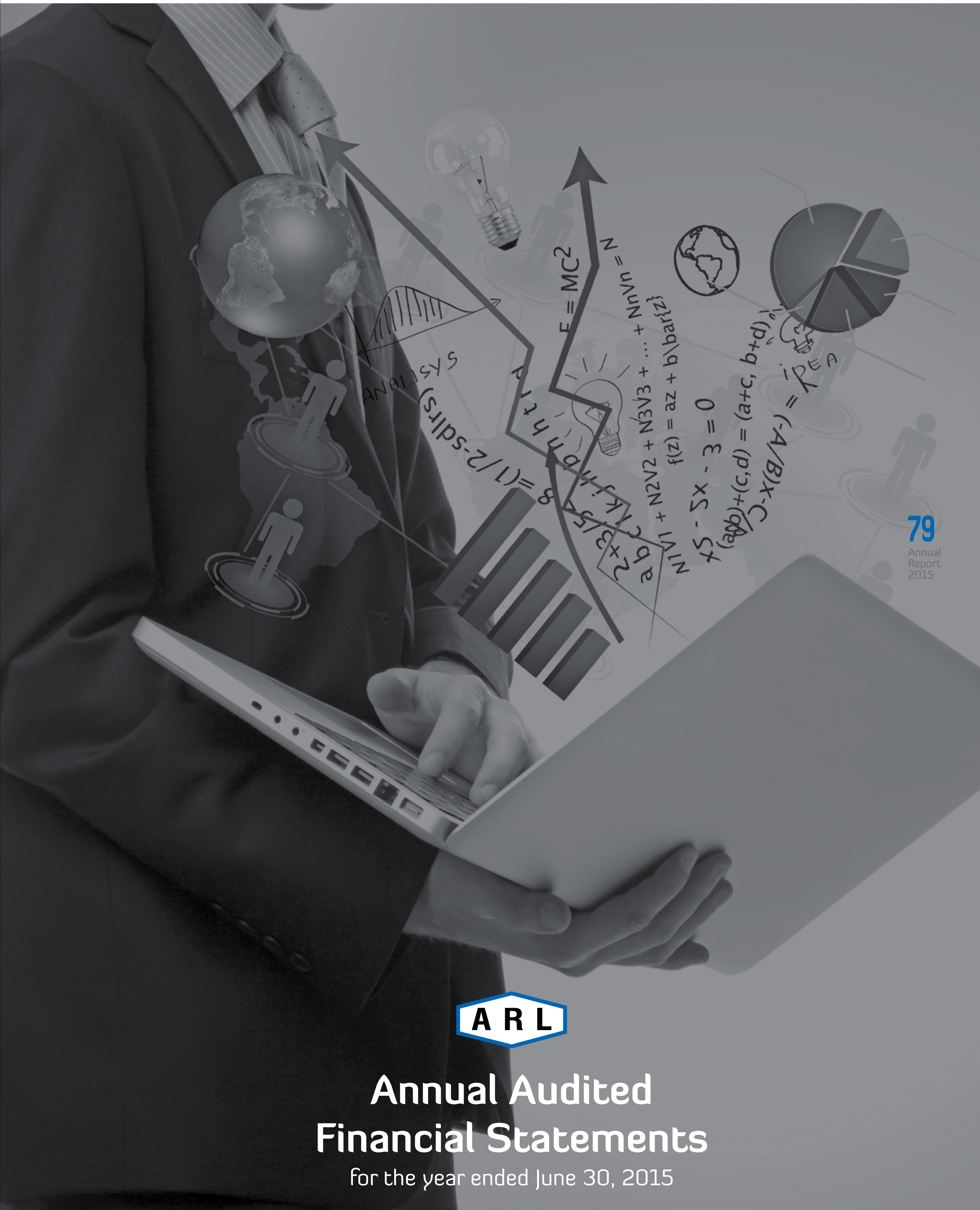
As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and 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 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 related party transactions by the Board 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 of Compliance does not appropriately reflect the Company's Compliance, in all material respect, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

-Sd-

Chartered Accountants
Islamabad : August 12, 2015
Engagement Partner: S. Haider Abbas



ARL

Annual Audited Financial Statements

for the year ended June 30, 2015

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, 2015 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, 2015 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

-Sd-

Chartered Accountants

Islamabad : August 12, 2015

Engagement partner: S. Haider Abbas

Balance Sheet

As at June 30, 2015

	Note	2015 Rs '000	2014 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised share capital	6	1,500,000	1,500,000
Issued, subscribed and paid-up capital	6	852,930	852,930
Reserves and surplus	7	21,161,269	19,493,156
		22,014,199	20,346,086
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	10,811,949	10,811,949
		32,826,148	31,158,035
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	9	11,108,993	480,692
CURRENT LIABILITIES			
Current portion of long term borrowings	9	550,000	-
Short term borrowings	10	-	-
Trade and other payables	11	32,152,176	30,211,256
Provision for taxation		3,866,096	5,650,325
		36,568,272	35,861,581
TOTAL EQUITY AND LIABILITIES		80,503,413	67,500,308
CONTINGENCIES AND COMMITMENTS	12		

	Note	2015 Rs '000	2014 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	13	11,680,749	11,688,827
Capital work-in-progress	14	19,804,158	5,073,763
Stores and spares held for capital expenditure		86,408	96,069
		31,571,315	16,858,659
LONG TERM INVESTMENTS	15	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	16	29,014	27,990
DEFERRED TAXATION	17	467,881	226,383
CURRENT ASSETS			
Stores, spares and loose tools	18	2,008,565	786,536
Stock-in-trade	19	6,574,133	11,555,708
Trade debts	20	15,653,740	13,239,273
Loans, advances, deposits, prepayments			
and other receivables	21	239,260	273,928
Cash and bank balances	22	10,694,590	11,266,916
		35,170,288	37,122,361
TOTAL ASSETS		80,503,413	67,500,308

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

-Sd-
Chief Executive

-Sd-
Director

Profit and Loss Account

For the year ended June 30, 2015

	Note	2015 Rs '000	2014 Rs '000
Sales - net	23	128,905,431	175,067,853
Cost of sales	24	(128,352,371)	(174,930,908)
Gross profit		553,060	136,945
Administration expenses	25	492,554	425,900
Distribution cost	26	46,483	43,531
Finance cost	27	413,347	1,754
Other charges	28	81,940	102,855
		(1,034,324)	(574,040)
		(481,264)	(437,095)
Other income	31	1,447,874	1,764,184
Profit before taxation from refinery operations		966,610	1,327,089
Provision for taxation	32	(561,808)	(630,812)
Profit after taxation from refinery operations		404,802	696,277
Income from non-refinery operations			
less applicable charges and taxation	33	1,409,455	1,847,124
Profit for the year		1,814,257	2,543,401
Earnings per share - Basic and diluted (Rs)			
Refinery operations		4.75	8.16
Non-refinery operations		16.52	21.66
	34	21.27	29.82

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

-Sd-
Chief Executive

-Sd-
Director

Statement of Comprehensive Income

For the year ended June 30, 2015

	Note	2015 Rs '000	2014 Rs '000
Profit for the year		1,814,257	2,543,401
Other comprehensive income			
- Loss on remeasurement of staff retirement benefit plans	29	(211,456)	(7,574)
- Deferred tax credit relating to remeasurement			
of staff retirement plans		65,312	2,499
- Surplus on revaluation of freehold land	13.1	-	2,066,732
Other comprehensive (loss)/income - net of tax		(146,144)	2,061,657
Total comprehensive income for the year		1,668,113	4,605,058

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

-Sd-
Chief Executive

-Sd-
Director

Cash Flow Statement

For the year ended June 30, 2015

	2015 Rs '000	2014 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - customers	166,959,655	227,294,348
- others	377,514	420,372
	167,337,169	227,714,720
Cash paid for operating costs	(130,051,813)	(187,590,317)
Cash paid to Government for duties, taxes and other levies	(34,120,479)	(37,010,700)
Income tax paid	(2,666,683)	(1,675,123)
Net cash flows from operating activities	498,194	1,438,580
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(14,558,833)	(4,871,908)
Sale of operating assets	6,406	5,086
Long term loans and deposits	(1,024)	(11,358)
Income on bank deposits received	1,051,651	1,229,176
Dividends received	1,669,081	2,195,758
Net cash flows used in the investing activities	(11,832,719)	(1,453,246)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings	11,375,000	735,493
Transaction cost on borrowings	(14,328)	(237,525)
Dividends paid	(10)	(212,764)
Finance cost	(599,859)	(8,567)
Net cash flows from financing activities	10,760,803	276,637
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(573,722)	261,971
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11,266,916	11,004,968
EFFECT OF EXCHANGE RATE CHANGES	1,396	(23)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10,694,590	11,266,916

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

-Sd-
Chief Executive

-Sd-
Director

Statement of Changes in Equity

For the year ended June 30, 2015

	Share capital	Capital reserve	Special reserve for expansion / modernisation	Investment reserve	General reserve	Un-appropriated Profit	Surplus on revaluation of freehold land	Total
				Rs'000				
Balance at June 30, 2013	852,930	5,948	8,645,733	3,762,775	55	4,753,552	8,745,217	26,766,210
Distribution to owners:								
Final cash dividend @ 25% related to								
the year ended June 30, 2013	-	-	-	-	-	(213,233)	-	(213,233)
Total comprehensive income								
Profit for the year	-	-	-	-	-	2,543,401	-	2,543,401
Other comprehensive income for the year	-	-	-	-	-	(5,075)	2,066,732	2,061,657
	-	-	-	-	-	2,538,326	2,066,732	4,605,058
Transfer to special reserve for expansion/								
modernisation - note 7.1	-	-	550,477	-	-	(550,477)	-	-
Balance at June 30, 2014	852,930	5,948	9,196,210	3,762,775	55	6,528,168	10,811,949	31,158,035
Total comprehensive income								
Profit for the year	-	-	-	-	-	1,814,257	-	1,814,257
Other comprehensive loss for the year	-	-	-	-	-	(146,144)	-	(146,144)
	-	-	-	-	-	1,668,113	-	1,668,113
Transfer to special reserve for								
expansion / modernisation - note 7.1	-	-	259,002	-	-	(259,002)	-	-
Balance at June 30, 2015	852,930	5,948	9,455,212	3,762,775	55	7,937,279	10,811,949	32,826,148

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

-Sd-
Chief Executive

-Sd-
Director

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2015

1. LEGAL STATUS AND OPERATIONS

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

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

2. STATEMENT OF COMPLIANCE

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

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

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

IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 27	Separate financial statements (revised 2011)
IAS 28	Associates and joint ventures (revised 2011)

IFRS 10 'Consolidated Financial Statements'

The standard requires a parent to present consolidated financial statements as those of a single economic entity. The standard replaces all the guidance on control and consolidation in IAS 27-'Consolidated and separate financial statements' and SIC-12, 'Consolidation - special purpose entities'. The adoption of the standard does not have any impact on the Company's financial statements.

IFRS 11 'Joint Arrangements'

The standard replaces IAS 31 'Interests in Joint Ventures' and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. This standard impacts the decision related to classification and accounting of Company's interest in joint arrangements. The adoption of the standard does not have any impact on the Company's financial statements.

IFRS 12 'Disclosure of Interests in Other Entities'

The standard requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The adoption of the standard has resulted in inclusion of some additional disclosures in the consolidated financial statements related to Company's interest in joint arrangements and associated companies.

IFRS 13 'Fair Value Measurement'

The standard replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The adoption of the standard does not have any material impact on the Company's financial statements.

IAS 27 'Separate financial statements (Revised 2011)'

The standard deals only with accounting for subsidiaries, associates and joint ventures in separate financial statements of the parent company. Adoption of this standard does not have any material impact on the Company's financial statements.

IAS 28 'Investment in associated and joint ventures (Revised 2011)'

The standard set out the requirements of application of equity method of accounting when accounting for investment in associated and joint ventures. Adoption of this standard does not have any material impact on the Company's financial statements.

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

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

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

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

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

3.4 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 29 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year.

Actuarial gains and losses (remeasurement gains / losses) on employees' retirement benefit plans are recognised immediately in other comprehensive income and past service cost is recognized in profit and loss 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 or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

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

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

4.6 Provisions

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

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

a) **Cost**

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land is stated at revalued amount. Capital work-in-progress and 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 13.

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

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

4.12 **Revenue recognition**

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

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

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

ii) Income from crude decanting, crude desalter operations, rental income, handling and service income are recognized on accrual basis.

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

iv) Income on bank deposits is recognised using the effective yield method.

4.13 Borrowing 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 JUDGEMENTS

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

i) Estimated useful life of operating assets - note 13

ii) Revaluation surplus on freehold land - note 13.1

iii) Estimate of recoverable amount of investment in an associated company - note 15

iv) Provision for employees' defined benefit plans - note 29

v) Provision for taxation - note 32

	2015 Rs '000	2014 Rs '000
6. SHARE CAPITAL		
Authorised share capital		
150,000,000 ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid up capital		
8,000,000 ordinary shares of Rs 10 each		
issued for cash	80,000	80,000
Shares issued as fully paid bonus shares		
77,293,000 ordinary shares of Rs 10 each	772,930	772,930
85,293,000 ordinary shares of Rs 10 each	852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2014: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2014: 1,432,000) ordinary shares at the year end.

	2015 Rs '000	2014 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
Liabilities taken over from The Attock Oil Company Limited		
no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to		
pre-incorporation period	494	494
	5,948	5,948
Special reserve for expansion/modernisation - note 7.1		
Additional revenue under processing fee formula related		
to 1990-91 and 1991-92	32,929	32,929
Surplus profits under the import parity pricing formula	9,422,283	9,163,281
	9,455,212	9,196,210
Revenue reserve		
Investment reserve - note 7.2	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	7,937,279	6,528,168
	11,700,109	10,290,998
	21,161,269	19,493,156

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.

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

Following is the status of utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to June 30, 2015:

	2015 Rs '000	2014 Rs '000
Balance of Special Reserve at year end	9,455,212	9,196,210
Less: Capital expenditure incurred till June 30	24,281,521	9,292,916
(Over)/under spent from Special Reserve	(14,826,309)	(96,706)

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

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

8. SURPLUS ON REVALUATION OF FREEHOLD LAND

This represents surplus over book value resulting from revaluation of freehold land as referred to in note 13.1. 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.

	2015 Rs '000	2014 Rs '000
9. LONG TERM BORROWINGS		
Syndicated Term Finance - note 9.1	9,155,967	562,724
Musharka Finance - 9.2	2,996,217	183,659
	12,152,184	746,383
Transaction cost on borrowing	249,797	256,500
Addition during the year	14,328	-
Amortization for the year	(16,917)	(6,703)
Unamortised Transaction cost on borrowings	(247,208)	(249,797)
	11,904,976	496,586
Current portion of long term borrowings	(550,000)	-
	11,354,976	496,586
Mark up payable shown as current liability	(245,983)	(15,894)
	11,108,993	480,692

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 billion for ARL Up-gradation Projects. The facility carries a markup of 3 month KIBOR plus 1.70% which will be payable on quarterly basis. The tenure of this facility is 12 years including the grace period of 2 years. Upto June 30, 2015 aggregate draw down was Rs 9,124.54 million (June 30, 2014: Rs 554.51 million).

9.2 The Company has obtained musharaka finance facility of Rs 5.425 billion 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 billion and Investment Agent's (the Bank) share in Musharaka Assets A is 62.59% while its share in Musharaka Assets B is 69.90% respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 37.41% while its share in Musharaka Assets B is 30.10% respectively. The tenure of this facility is 12 years including the grace period of 2 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto June 30, 2015 aggregate draw down was Rs 2,985.95 million (June 30, 2014: Rs 180.98 million).

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

10. SHORT TERM BORROWINGS

The Company has negotiated running finance facilities with bank and accepted facility offer letters to the extent of Rs 0.5 billion (June 30, 2014: Rs 0.5 billion), which was unutilised at the year end. As and when required, these facilities shall be secured by registered charge over the Company's current assets.

	2015 Rs '000	2014 Rs '000
11. TRADE AND OTHER PAYABLES		
Creditors - note 11.1	21,955,995	18,863,200
Due to The Attock Oil Company Limited - Holding Company	38,201	46,855
Due to associated companies		
Pakistan Oilfields Limited	1,144,008	1,672,975
Attock Petroleum Limited	-	7,611
National Cleaner Production Centre Foundation	6,051	-
Accrued liabilities and provisions - note 11.1	2,932,143	2,745,032
Due to the Government under pricing formula	2,527,064	3,702,570
Advance payments from customers	16,078	9,623
Sales tax payable	1,558,193	1,496,643
Mark up on long term borrowings - note 9	245,983	15,894
Workers' Welfare Fund	724,749	673,309
General staff provident fund	2,167	-
Staff provident fund	2,337	-
ARL gratuity fund	89,083	194,933
Staff pension fund	150,237	7,777
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	750,607	766,024
Security deposits	2,417	1,937
Unclaimed dividends	6,487	6,497
	32,152,176	30,211,256

11.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Petroleum and Natural Resources (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld alongwith accumulated profits amounted to Rs 2,615.60 million (2014: Rs 2,423.86 million).

	2015 Rs '000	2014 Rs '000
12. CONTINGENCIES AND COMMITMENTS		
Contingencies:		
i) Due to circular debt in the oil industry, certain payments due from/ to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
ii) Securities and Exchange Commission of Pakistan (SECP) has raised a demand on the Company to surrender gain on purchase and sale of shares of Attock Petroleum Limited by the Company during the period May, 2008 to August, 2008. Based on legal advice, the Company has contested this demand in Appeal against the SECP order. 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.	52,204	52,204
iii) Consequent to amendment through Finance Act 2013, section 2 (22A) of Sales Tax Act 1990 (the Act) was amended relating to definition of Provincial Sales Tax and claim of input tax paid on provincial services had been disallowed from July 2013 onward. Accordingly the Federal Board of Revenue (FBR) had disallowed claim of sales tax paid on provincial services. The Company filed writ petition in Lahore High Court, Rawalpindi Bench, which granted interim order and provisionally allowed the Company to claim input sales tax paid on Provincial services by filing the sales tax return electronically/ manually. The Company has been claiming the input tax on provincial services on month to month basis. Meanwhile Federal Government, through SRO No. 212(I)/2014 dated March 26, 2014, has defined Provincial Sales Tax for the purpose of input tax. The court in its hearing held on November 6, 2014 has expressed that grievances of the petitioner have not been redressed. The matter is still under adjudication.	869,546	275,056

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2015

		2015 Rs '000	2014 Rs '000
iv)	Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 has been withdrawn. As a result all imports relating to the ARL Up-gradation Project may be subject to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company has filed a writ petition in the Lahore High Court, Rawalpindi bench. The Honourable Court has granted interim relief by allowing release of the imports against submission of bank guarantees. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. However, Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Honourable Lahore High Court Rawalpindi Bench. These guarantees include an amount of Rs 771 million on account of adjustable/claimable government levies.	1,404,893	-
v)	Guarantees issued by banks on behalf of the Company	2,019	394
vi)	Claims for land compensation contested by the Company	1,300	1,300
vii)	Price adjustment related to crude oil purchases as referred to in note 24.1, the amount of which can not be presently quantified		
Commitments:			
i)	ARL Up-gradation Projects (inclusive of foreign currency commitment of US$ 4.95 million (June 30, 2014 : US$ 106.78 million). This includes commitment for payment of bonus amounting to Rs 203.60 million which will be payable to the EPCC Contractor on a prorata basis in case of completion of the Project before one month of the Project completion date.	2,875,260	14,320,644
ii)	Capital expenditure (other than (i) above)	65,959	117,570
iii)	Letters of credit for purchase of store items	27,257	9,582

13. OPERATING ASSETS

	Freehold land (note 13.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rupees ('000)			
As at June 30, 2013							
Cost or valuation	8,799,438	176,530	4,565,204	59,268	81,337	97,970	13,779,747
Accumulated depreciation	-	(70,473)	(4,036,779)	(44,973)	(56,600)	(71,587)	(4,280,412)
Net book value	8,799,438	106,057	528,425	14,295	24,737	26,383	9,499,335
Year ended June 30, 2014							
Opening net book value	8,799,438	106,057	528,425	14,295	24,737	26,383	9,499,335
Additions	-	6,269	213,187	4,961	10,393	7,911	242,721 *
Revaluation surplus	2,066,732	-	-	-	-	-	2,066,732
Disposals							
Cost	-	-	(612)	(5,228)	(1,295)	(5,258)	(12,393)
Depreciation	-	-	612	5,219	927	5,258	12,016
	-	-	-	(9)	(368)	-	(377)
Depreciation charge	-	(9,263)	(91,757)	(5,403)	(4,870)	(8,291)	(119,584)
Closing net book value	10,866,170	103,063	649,855	13,844	29,892	26,003	11,688,827
As at June 30, 2014							
Cost or valuation	10,866,170	182,799	4,777,779	59,001	90,435	100,623	16,076,807
Accumulated depreciation	-	(79,736)	(4,127,924)	(45,157)	(60,543)	(74,620)	(4,387,980)
Net book value	10,866,170	103,063	649,855	13,844	29,892	26,003	11,688,827
Year ended June 30, 2015							
Opening net book value	10,866,170	103,063	649,855	13,844	29,892	26,003	11,688,827
Additions	-	11,154	94,564	7,400	9,022	14,434	136,574 *
Disposals							
Cost	-	-	(34,802)	(4,164)	(2,610)	(4,822)	(46,398)
Depreciation	-	-	34,205	4,122	2,356	3,343	44,026
	-	-	(597)	(42)	(254)	(1,479)	(2,372)
Depreciation charge	-	(9,450)	(112,551)	(4,985)	(5,055)	(10,239)	(142,280)
Closing net book value	10,866,170	104,767	631,271	16,217	33,605	28,719	11,680,749
As at June 30, 2015							
Cost or valuation	10,866,170	193,953	4,837,541	62,237	96,847	110,235	16,166,983
Accumulated depreciation	-	(89,186)	(4,206,270)	(46,020)	(63,242)	(81,516)	(4,486,234)
Net book value	10,866,170	104,767	631,271	16,217	33,605	28,719	11,680,749
Annual rate of Depreciation (%)	-	5	10	20	10	20	

* These include Rs 100.28 million (2014: Rs 219.01 million) transferred from capital work-in-progress during the year.

13.1 Freehold land was revalued in May 2014 and the revaluation surplus of Rs 2,067 million was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of fixed assets.

13.2 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	160	-	1,110	Company policy	Mr. Ghulam Muhammad Khan
	1,239	-	124	Company policy	Mr. Munir A. Temuri
Vehicles	1,752	1,459	1,675	Insurance claim	Insurance claim from EFU General Insurance Company Limited
Others	43,247	913	3,497	Tender/ Auction	Aggregate of other items of operating assets disposed off with individual book values not exceeding Rs 50 thousand
2015	46,398	2,372	6,406		
2014	12,393	377	5,086		

	2015 Rs '000	2014 Rs '000
13.3 The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 24	125,405	104,385
Administration expenses - note 25	16,376	14,659
Distribution cost - note 26	499	540
	142,280	119,584
14. CAPITAL WORK-IN-PROGRESS		
Balance as at July 1	5,073,763	438,710
Additions during the year - note 14.1	14,830,670	4,854,067
	19,904,433	5,292,777
Transfer to operating assets		
- Buildings on freehold land	(11,154)	(6,038)
- Plant and machinery	(89,121)	(212,976)
Balance as at June 30	19,804,158	5,073,763
The details are as under:		
Civil works	19,335	18,290
Plant and machinery	19,783,823	5,054,473
Pipeline project	1,000	1,000
	19,804,158	5,073,763

14.1 This includes borrowing cost amounting to Rs 568.87 million on long term finance capitalized. Finance has been obtained for the purpose of up-gradation projects.

	2015		2014	
	% age holding	Rs '000	% age holding	Rs '000
15. LONG TERM INVESTMENTS - AT COST				
Associated Companies				
Quoted				
National Refinery Limited (NRL) - note 15.1	25	8,046,635	25	8,046,635
19,991,640 (2014: 19,991,640) fully paid ordinary shares including 3,331,940 (2014: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2015: Rs 4,639 million (June 30, 2014: Rs 4,295 million)				
Attock Petroleum Limited (APL)	21.88	4,463,485	21.88	4,463,485
18,144,138 (2014: 18,144,138) fully paid ordinary shares including 7,644,058 (2014: 7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2015: Rs 10,292 million (June 30, 2014: Rs 10,702 million)				
		12,510,120		12,510,120
Unquoted				
Attock Gen Limited (AGL)	30	748,295	30	748,295
7,482,957 (2014: 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 (2014: 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 (2014: 200,000) fully paid ordinary shares of Rs 10 each				
		13,264,915		13,264,915

All associated and subsidiary companies are incorporated in Pakistan.

15.1 Based on a valuation analysis carried out by an external investment advisor engaged by the Company, the recoverable amount of investment exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes average gross profit margin of 2.5% (2014: 3.2%), terminal growth rate of 4% (2014: 4%) and capital asset pricing model based discount rate of 14.34% (2014: 18.62%).

		2015 Rs '000	2014 Rs '000
16.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees - considered good - note 16.1	45,256	42,373
	Amounts due within next twelve months shown		
	under current assets - note 21	(28,032)	(26,173)
		17,224	16,200
	Security deposits	11,790	11,790
		29,014	27,990

16.1 Loans to employees are for miscellaneous purposes which are recoverable in 24, 36, and 60 equal monthly installments depending on case to case basis and are secured by a charge on the asset purchased and/or amount due to the employee against provident fund or a third party guarantee. These are interest free loans. These include an amount of Rs 13.690 million (2014: Rs 8.650 million) receivable from Executives of the Company and does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs 14.481 million (2014: Rs 11.790 million).

16.2 **Reconciliation of carrying amount of loans to executives:**

		2015 Rs '000	2014 Rs '000
	Balance as at July 1	8,650	9,066
	Disbursements during the year	19,457	12,596
		28,107	21,662
	Repayments during the year	(14,417)	(13,012)
	Balance as at June 30	13,690	8,650
17.	**DEFERRED TAXATION**		
	The balance of deferred tax is in respect of the following major		
	temporary differences:		
	Accelerated depreciation	(22,872)	(18,553)
	Provision for privilege leave	13,556	11,918
	Provision for slow moving items	38,908	36,725
	Minimum tax	331,075	154,371
	Others	650	670
		361,317	185,131
	Retirement benefit obligation	106,564	41,252
		467,881	226,383

	2015 Rs '000	2014 Rs '000

18. STORES, SPARES AND LOOSE TOOLS

	2015 Rs '000	2014 Rs '000
Stores (including items in transit		
Rs 1,282.33 million; 2014: Rs 88.65 million)	1,753,763	528,605
Spares	375,492	368,357
Loose tools	896	860
	2,130,151	897,822
Less: Provision for slow moving items - note 18.1	121,586	111,286
	2,008,565	786,536

18.1 Movement in provision for slow moving items

	2015 Rs '000	2014 Rs '000
Balance at July 1	111,286	106,786
Provision for the year	10,300	4,500
	121,586	111,286

19. STOCK-IN-TRADE

	2015 Rs '000	2014 Rs '000
Crude oil	2,430,346	3,565,596
Semi-finished products	765,347	1,291,581
Finished products - note 19.2	3,378,440	6,698,531
	6,574,133	11,555,708

19.1 Stock-in-trade include stocks carried at net realisable value of Rs 6,216 million (2014: Rs 10,793 million). Adjustments amounting to Rs 1,487 million (2014: Rs 798 million) have been made to closing inventory to write down stocks to their net realisable value.

19.2 Stock held by third parties

	2015 Rs '000	2014 Rs '000
Napththa		
At National Refinery Limited	500,036	943,325
In transit	250,641	186,067
	750,677	1,129,392

20. TRADE DEBTS

All debtors are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 4,790 million (2014: Rs 6,397 million) and Pakistan Oilfields Limited Rs nil (2014: Rs 4 million).

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

	2015 Rs '000	2014 Rs '000
0 to 6 months	1,398,908	1,880,310
6 to 12 months	90,257	904,209
Above 12 months	1,123,047	157,555
	2,612,212	2,942,074

		2015 Rs '000	2014 Rs '000
21.	**LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**		
	LOANS AND ADVANCES - CONSIDERED GOOD		
	Current portion of long term loans to employees - note 16	28,032	26,173
	Advances to suppliers	16,843	22,308
	Advances to employees	3,593	3,579
		48,468	52,060
	DEPOSITS AND PREPAYMENTS		
	Trade deposits	286	286
	Short term prepayments	83,356	74,325
		83,642	74,611
	OTHER RECEIVABLES		
	Due from subsidiary company		
	Attock Hospital (Private) Limited	413	488
	Due from associated companies		
	Attock Information Technology Services (Private) Limited	435	88
	Attock Petroleum Limited	3,623	-
	Attock Gen Limited	375	509
	National Cleaner Production Centre Foundation	-	324
	Attock Cement Pakistan Limited	28	-
	National Refinery Limited	-	26
	Attock Sahara Foundation	982	-
	Income accrued on bank deposits	26,161	38,066
	Crude oil freight adjustable through inland freight equalisation margin	26,598	1,446
	Workers' profit participation fund - note 21.1	23,666	17,973
	Forward foreign exchange contracts	-	64,245
	Other receivables	24,869	24,092
		107,150	147,257
		239,260	273,928
21.1	Workers' Profit Participation Fund		
	Balance July 1	17,973	65,958
	Amount paid to the fund	141,060	133,075
		159,033	199,033
	Amount allocated for the year - note 28 and 33	(135,367)	(181,060)
	Balance at June 30	23,666	17,973

	2015 Rs '000	2014 Rs '000
22. CASH AND BANK BALANCES		
Cash in hand	1,315	912
With banks:		
Local Currency		
Current accounts	8,583	5,891
Deposit accounts - note 22.1	2,553,871	2,353,421
Savings accounts	8,083,083	8,860,431
Foreign Currency		
Saving account (US $ 470,327; 2014: US $ 469,420)	47,738	46,261
	10,694,590	11,266,916

22.1 This represents deposits 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 11.1.

22.2 Bank deposits of Rs. 1,406.91 million (2014: Rs 0.394 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

22.3 Balances with banks include Rs 2.417 million (2014: Rs 1.937 million) in respect of security deposits received from customers etc.

22.4 Balances with banks earned weighted average interest / mark-up at the rate of 8.91% (2014: 9.32%) per annum.

	2015 Rs '000	2014 Rs '000
23. SALES		
Gross sales (excluding Naphtha export sales)	145,745,898	189,442,697
Naphtha export sales	24,839,793	33,884,084
Sale proceeds of Naphtha exports related to third parties	(6,193,774)	(11,336,720)
	18,646,019	22,547,364
	164,391,917	211,990,061
Duties, taxes and levies - note 23.1	(34,166,612)	(36,533,178)
HSD price differential payable to Government - note 23.2	(1,283,416)	(389,030)
Regulatory duty - note 23.3	(36,458)	-
	128,905,431	175,067,853
23.1 Duties, taxes and levies		
Sales tax	23,798,594	27,526,002
Petroleum development levy	10,367,789	9,006,739
Custom duties and other levies	229	437
	34,166,612	36,533,178

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

23.3 This represents amount payable to the Government of Pakistan on account of regulatory duty on PMG.

		2015 Rs '000	2014 Rs '000
24.	**COST OF SALES**		
	Opening stock of semi-finished products	1,291,581	958,198
	Crude oil consumed - note 24.1	119,682,035	171,008,784
	Transportation and handling charges	2,040,274	1,796,597
	Salaries, wages and other benefits - note 24.2	795,246	715,037
	Printing and stationery	3,557	3,384
	Chemicals consumed	299,792	301,795
	Fuel and power	948,704	1,027,992
	Rent, rates and taxes	48,140	23,109
	Telephone	1,978	1,864
	Professional charges for technical services	6,490	5,727
	Insurance	114,618	109,305
	Repairs and maintenance (including stores and spares consumed Rs 93.061 million; 2014: Rs 100.407 million)	401,323	281,535
	Staff transport and traveling	13,826	16,158
	Cost of receptacles	23,567	20,075
	Research and development	1,091	133
	Depreciation - note 13.3	125,405	104,385
		125,797,627	176,374,078
	Closing stock of semi-finished products	(765,347)	(1,291,581)
		125,032,280	175,082,497
	Opening stock of finished products	6,698,531	6,546,942
	Closing stock of finished products	(3,378,440)	(6,698,531)
		3,320,091	(151,589)
		128,352,371	174,930,908
24.1	**Crude oil consumed**		
	Stock at July 1	3,565,596	4,239,670
	Purchases	118,546,785	170,334,710
		122,112,381	174,574,380
	Stock at June 30	(2,430,346)	(3,565,596)
		119,682,035	171,008,784

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 51.76 million (2014: Rs 43.30 million) and to the Provident Fund Rs 25.98 million (2014: Rs 21.29 million).

	2015 Rs '000	2014 Rs '000
25. ADMINISTRATION EXPENSES		
Salaries, wages and other benefits -note 24.2	278,006	237,699
Board meeting fee	4,526	5,090
Transport, traveling and entertainment	19,625	21,294
Telephone	2,281	2,159
Electricity, gas and water	13,057	17,840
Printing and stationery	5,518	4,447
Auditor's remuneration - note 25.1	4,512	3,211
Legal and professional charges	27,571	27,319
Repairs and maintenance	87,124	65,177
Subscription	11,255	12,137
Publicity	4,515	4,317
Scholarship scheme	1,725	2,021
Rent, rates and taxes	12,664	5,203
Insurance	1,624	859
Donations*	1,574	672
Training expenses	601	1,796
Depreciation - note 13.3	16,376	14,659
	492,554	425,900

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

	2015 Rs '000	2014 Rs '000
25.1 Auditor's remuneration		
Annual audit	1,431	1,331
Review of half yearly accounts, audit of consolidated accounts, employee funds and special certifications	1,195	1,195
Tax services	1,674	400
Out of pocket expenses	212	285
	4,512	3,211

	2015 Rs '000	2014 Rs '000
26. DISTRIBUTION COST		
Salaries, wages and other benefits - note 24.2	31,704	29,514
Transport, traveling and entertainment	602	732
Telephone	249	293
Electricity, gas and water	4,218	5,936
Printing and stationery	140	113
Repairs and maintenance including packing and other stores consumed	6,114	4,995
Rent, rates and taxes	2,957	1,408
Depreciation - note 13.3	499	540
	46,483	43,531

		2015 Rs '000	2014 Rs '000
27.	**FINANCE COST**		
	Exchange loss	313,717	-
	Interest on long term borrowings	-	1,699
	Loss on forward foreign exchange contract	97,801	-
	Bank and other charges	1,829	55
		413,347	1,754
28.	**OTHER CHARGES**		
	Provision for slow moving store items	10,300	4,500
	Workers' Profit Participation Fund	51,913	71,272
	Workers' Welfare Fund	19,727	27,083
		81,940	102,855

29. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2015 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2015	2014	2015	2014
		Rs '000		Rs '000	
a)	**The amounts recognised in the balance sheet:**				
	Present value of defined benefit obligations	755,843	575,722	478,506	383,861
	Fair value of plan assets	(605,606)	(567,945)	(389,423)	(188,928)
	Net liability	150,237	7,777	89,083	194,933
b)	**The amounts recognised in the profit and loss account:**				
	Current service cost	15,314	19,104	13,619	12,466
	Net interest cost	(48)	656	22,872	17,558
	Past service cost	-	(6,489)	-	-
		15,266	13,271	36,491	30,024
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation as at July 1	575,722	583,806	383,861	375,538
	Transfer to related parties	-	(65,795)	-	(15,770)
		575,722	518,011	383,861	359,768
	Current service cost	15,314	19,104	13,619	12,466
	Interest cost	74,844	55,405	49,902	37,694
	Benefits paid	(32,840)	(28,666)	(46,329)	(34,185)
	Past service cost	-	(6,489)	-	-
	Remeasurement of defined benefit obligation	122,803	18,357	77,453	8,118
	Present value of defined benefit obligation as at June 30	755,843	575,722	478,506	383,861

	Funded pension		Funded gratuity	
	2015	2014	2015	2014
	Rs '000		Rs '000	
d) **Movement in the fair value of plan assets:**				
Fair value of plan assets as at July 1	567,945	574,936	188,928	195,642
Transfer to related parties	-	(68,666)	-	(3,455)
	567,945	506,270	188,928	192,187
Expected return on plan assets	74,892	54,749	27,030	20,136
Contributions	13,963	11,568	212,640	15,913
Benefits paid	(32,840)	(28,666)	(46,329)	(34,185)
Remeasurement of plan assets	(18,354)	24,024	7,154	(5,123)
Fair value of plan assets as at June 30	605,606	567,945	389,423	188,928
Actual return on plan assets	56,538	78,773	34,184	15,013

The Company expects to contribute Rs 61 million to its defined benefit pension and gratuity plans during 2015-2016.

	Funded pension		Funded gratuity	
	2015	2014	2015	2014
	Rs '000		Rs '000	
e) **Plan assets comprise of:**				
Investment in equity securities	172,996	153,690	5,008	-
Investment in mutual funds	11,837	10,454	5,000	5,227
Debt instruments	-	-	360,091	-
Deposits with banks	509,822	483,628	41,526	190,455
Others	-	93	-	-
Benefits due	-	-	-	(1,056)
Share of asset of related parties	(89,049)	(79,920)	(22,202)	(5,698)
	605,606	567,945	389,423	188,928

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	
	2015	2014	2015	2014
	Rs '000		Rs '000	
g) **Remeasurement recognised in OCI:**				
Remeasurement (loss)/ gain on obligation	(122,803)	(18,357)	(77,453)	(8,118)
Remeasurement gain/ (loss) on plan assets	(18,354)	24,024	7,154	(5,123)
	(141,157)	5,667	(70,299)	(13,241)

Notes to and Forming Part of the Financial Statements
For the year ended June 30, 2015

		Funded pension		Funded gratuity	
		2015	2014	2015	2014
		Rs '000		Rs '000	
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	9.75%	13.00%	9.75%	13.00%
	Expected return on plan assets	9.75%	13.00%	9.75%	13.00%
	Future salary increases	9.00%	10.75%	9.00%	10.75%
	Future pension increases	4.25%	7.50%	N/A	N/A
	Demographic assumptions				
	Rates of employee turnover				
	Management	Low	Low	Low	Low
	Non-management	Nil	Nil	Nil	Nil
	Mortality rates (pre-retirement)	SLIC (2001-05) - 1 year	70% EFU (61-66)	SLIC (2001-05) - 1 year	70% EFU (61-66)
	Mortality rates (post retirement)	SLIC (2001-05) - 1 year	70% EFU (61-66)	N/A	N/A

i) **Sensitivity Analysis:**

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

	Effect of 1 percent increase Rs '000	Effect of 1 percent decrease Rs '000
Discount rate	1,127,952	1,362,231
Future salary growth	1,283,799	1,189,177
Pension increase	1,313,325	1,166,541

If the life expectancy increases/ decreases by 1 year, the impact on defined benefit obligation would be Rs 7,219 thousand.

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

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

	Pension	Gratuity
	Rs '000	
FY 2016	37,233	69,664
FY 2017	43,413	91,474
FY 2018	48,358	53,115
FY 2019	52,428	67,425
FY 2020	56,474	91,782
FY 2021-25	373,026	291,345

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2015	13.1	4.9
June 30, 2014	13.1	5.4

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.

30. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2015 are as follows:

	2015 Rs '000	2014 Rs '000
Staff Provident Fund		
Size of the fund	373,031	340,027
Cost of investments made	304,390	266,858
Fair value of investments made	369,585	335,383
%age of investments made	99%	99%

	2015		2014	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	22,858	7%	22,582	9%
Mutual Funds	17,000	6%	8,400	3%
Bank deposits	264,532	87%	235,876	88%
	304,390	100%	266,858	100%

	2015 Rs '000	2014 Rs '000
General Staff Provident Fund		
Size of the fund	576,397	553,943
Cost of investments made	535,331	503,166
Fair value of investments made	574,221	546,176
%age of investments made	99%	99%

	2015		2014	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	18,290	3%	18,282	4%
Mutual Funds	14,700	3%	4,900	1%
Bank deposits	502,341	94%	479,984	95%
	535,331	100%	503,166	100%

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

Notes to and Forming Part of the Financial Statements
For the year ended June 30, 2015

		2015 Rs '000	2014 Rs '000
31.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	1,039,747	1,228,526
	Interest on delayed payments	101,850	104,958
	Gain on forward foreign exchange contracts	-	64,245
	Exchange gain on crude purchases	-	56,129
	Exchange gain on export sales	98,231	82,747
		1,239,828	1,536,605
	Income from non - financial assets		
	Income from crude decanting	-	3,786
	Income from crude desalter operations - note 31.1	5,228	4,652
	Insurance agency commission	3,671	2,496
	Rental income	80,708	77,222
	Sale of scrap	5,314	23,060
	Profit on disposal of operating assets	4,034	4,709
	Calibration charges	4,274	3,397
	Handling and service charges	91,756	89,202
	Penalties from carriage contractors	6,909	13,258
	Old liabilities written back	-	434
	Miscellaneous	6,152	5,363
		208,046	227,579
		1,447,874	1,764,184
31.1	**Income from crude desalter operations**		
	Income	81,895	63,255
	Less: Operating costs		
	Salaries, wages and other benefits	2,335	1,786
	Chemical consumed	13,047	9,973
	Fuel and power	47,644	36,418
	Repairs and maintenance	13,641	10,426
		76,667	58,603
		5,228	4,652
32.	**PROVISION FOR TAXATION**		
	Current	737,994	762,890
	Deferred	(176,186)	(132,078)
		561,808	630,812

	2015 Rs '000	2014 Rs '000
32.1 Relationship between tax expense and accounting profit		
Accounting profit before taxation	966,610	1,327,089
Tax at applicable tax rate of 33% (2014: 34%)	318,981	451,210
Tax effect of income taxable at special rates	149,208	178,670
Effect of change in tax rate	2,250	(1,560)
Effect of super tax	92,674	-
Others	(1,305)	2,492
	561,808	630,812

33. INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION

	2015 Rs '000	2014 Rs '000
Dividend income from associated companies		
National Refinery Limited	-	299,875
Attock Petroleum Limited	771,126	997,928
Attock Gen Limited	897,955	897,955
	1,669,081	2,195,758
Less: Related charges		
Workers' Profit Participation Fund	83,454	109,788
Workers' Welfare Fund	31,713	41,719
Taxation	144,459	197,127
	259,626	348,634
	1,409,455	1,847,124

34. EARNINGS PER SHARE - BASIC AND DILUTED

	2015 Rs '000	2014 Rs '000
Profit after taxation from refinery operations	404,802	696,277
Income from non-refinery operations less applicable charges and taxation	1,409,455	1,847,124
	1,814,257	2,543,401
Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
Earnings per share - Basic and diluted (Rs)		
Refinery operations	4.75	8.16
Non-refinery operations	16.52	21.66
	21.27	29.82

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:

	2015 Rs '000	2014 Rs '000
High Speed Diesel	59,249,934	73,113,698
Jet Petroleum	14,092,258	20,749,501
Motor Gasoline	35,545,322	46,542,616
Furnace Fuel Oil	16,540,018	23,386,986
Naphtha	18,646,019	22,547,364
Others	18,998,492	25,260,866
	163,072,043	211,601,031
Less: Duties, taxes and levies	34,166,612	36,533,178
	128,905,431	175,067,853

Revenue from four major customers of the Company constitute 88% (2014: 87%) of total revenue during the year.

36. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.01% (2014: 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.

	2015 Rs '000	2014 Rs '000
Associated Companies		
Pakistan Oilfields Limited		
Purchase of crude oil	10,340,461	15,115,768
Purchase of gas	22,829	42,982
Purchase of services	5,517	6,134
Sale of petroleum products	194,538	472,324
Sale of services	12,582	13,846
Attock Petroleum Limited		
Sale of petroleum products	37,158,424	49,252,293
Sale of services	94,886	87,522
Purchase of petroleum products	2,439	3,134
Purchase of services	384,660	453,638
Interest income on delayed payments	101,850	104,958
National Refinery Limited		
Purchase of services	216,595	177,888
Sale of services	43	40

	2015 Rs '000	2014 Rs '000
Attock Cement Pakistan Limited		
Purchase of services	1,042	141
Sale of services	137	63
Attock Gen Limited		
Sale of petroleum products	1,461	1,870
Land lease income	19,864	19,242
Storage tanks lease income	15,558	14,638
Income from other services and facilities provided to AGL	12,757	9,877
National Cleaner Production Centre		
Purchase of services	21,410	7,199
Sale of services	10,996	9,846
Sale of petroleum products	386	71
Attock Information Technology Services (Private) Limited		
Purchase of services	23,256	29,451
Sales of petroleum products	126	-
Sale of services	3,612	3,260
Attock Leisure and Management Associates (Private) Limited		
Sale of services	-	258
Sale of petroleum products	-	5,271
Attock Sahara Foundation		
Purchases of services	3,923	-
Sales of services	695	-
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	202,923	325,761
Purchase of services	59,181	62,300
Sale of services	19,038	10,350
Subsidiary Company		
Attock Hospital (Private) Limited		
Purchase of services	49,806	43,869
Sale of services	11,533	8,591
Sale of petroleum products	252	292
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	13,964	11,568
Staff gratuity fund	212,641	15,913
Staff provident fund	25,983	21,292
Contribution to Workers' Profit Participation Fund	137,189	181,060

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
Managerial remuneration/ honorarium	7,030	6,274	-	160	124,834	75,552
Bonus	3,239	2,691	-	-	46,226	26,030
Company's contribution to provident, pension and gratuity funds	-	-	-	-	28,627	18,477
Housing and utilities	5,164	4,569	-	-	123,185	82,453
Leave passage	897	897	-	-	11,100	10,451
	16,330	14,431	-	160	333,972	212,963
Less: charged to Attock Gen Limited	4,899	4,329	-	-	-	-
	11,431	10,102	-	160	333,972	212,963
No of person(s)	1	1	-	1	143	73

37.1 In addition, the Chief Executive and 13 (2014: 13) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 57 (2014: 30) executives were provided with unfurnished accommodation in Company owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 67 (2014: 41) 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 (2014: 4) non-executive directors Rs 2.541 million (2014: Rs 2.587 million), chief executive officer Rs 0.661 million (2014: Rs 0.671 million) and 2 (2014: 2) alternate directors Rs 1.321 million (2014: Rs 1.832 million) of the Company.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 Financial assets and liabilities

	Loans and Receivables	Fair value through profit or loss	Total
	Rs '000	Rs '000	Rs '000
June 30, 2015			
Financial assets :			
Maturity upto one year			
Trade debts	15,653,740	-	15,653,740
Loans, advances, deposits & other receivables	139,061	-	139,061
Cash and bank balances			
Foreign currency - US $	47,738	-	47,738
Local currency	10,646,852	-	10,646,852
Maturity after one year			
Long term loans and deposits	29,014	-	29,014
	26,516,405	-	26,516,405

	Other Financial liabilities	Total
	Rs '000	Rs '000
Financial liabilities :		
Maturity upto one year		
Trade and other payables	32,136,098	32,136,098
Long term borrowings	550,000	550,000
Maturity after one year		
Long term borrowings	11,108,993	11,108,993
	43,795,091	43,795,091

	Loans and Receivables	Fair value through profit or loss	Total
	Rs '000	Rs '000	Rs '000
June 30, 2014			
Financial assets :			
Maturity upto one year			
Trade debts	13,239,273	-	13,239,273
Loans, advances, deposits & other receivables	113,050	64,245	177,295
Cash and bank balances			
Foreign currency - US $	46,261	-	46,261
Local currency	11,220,655	-	11,220,655
Maturity after one year			
Long term loans and deposits	27,990	-	27,990
	24,647,229	64,245	24,711,474

	Other Financial liabilities	Total
	Rs '000	Rs '000
Financial liabilities :		
Maturity upto one year		
Trade and other payables	30,201,633	30,201,633
Maturity after one year		
Long term borrowings	480,692	480,692
	30,682,325	30,682,325

The Company enters into forward exchange contracts with banks to hedge the currency risk on letters of credit related to import of goods and equipment. The notional principal amounts of the outstanding forward foreign exchange contracts for hedging of letters of credit amounted to Rs nil at June 30, 2015 (2014: 6,246.01 million).

38.2 Credit quality of financial assets

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

	Rating	2015 Rs '000	2014 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	8,398,133	2,843,013
Counterparties without external credit rating			
Due from associated companies		4,790,439	6,400,626
Others *		2,465,168	3,995,634
		15,653,740	13,239,273
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		168,075	205,285
Bank balances			
Counterparties with external credit rating			
	A 1+	9,992,960	10,253,235
	A 1	700,315	1,012,769
		10,693,275	11,266,004

* 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, 2015, trade debts of Rs 9,487.26 million (2014: Rs 3,331.89 million) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2015 Rs '000	2014 Rs '000
0 to 6 months	8,273,957	2,269,649
6 to 12 months	90,257	904,209
Above 12 months	1,123,047	158,032
	9,487,261	3,331,890

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

	Carrying amount	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2015				
Long term borrowings	11,658,993	11,375,000	550,000	11,560,493
Trade and other payables	32,152,176	32,152,176	32,152,176	-
At June 30, 2014				
Long term borrowings	480,692	735,492	-	735,492
Trade and other payables	30,211,256	30,211,256	30,211,256	-

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 48 million (2014: Rs 46 million) and financial liabilities include Rs 10,149 million (2014: Rs 14,133 million) which were subject to currency risk.

	2015	2014
Rupees per USD		
Average rate	101.34	102.89
Reporting date mid point rate	101.60	98.65

Sensitivity analysis

At June 30, 2015, 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 677 million (2014: Rs 930 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 10,695 million (2014: Rs 11,260 million) and Rs 14,275 million (2014: Rs 2,905 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, 2015, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 24 million (2014: Rs 90 million) lower/higher, mainly as a result of lower/higher interest income/expense from these financial assets and liabilities.

iii) **Price risk**

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

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

38.3.2 Capital risk management

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

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

39.1 Fair value of land

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

- Level 1
Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3

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

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

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

40. GENERAL

40.1 Capacity and production

Against the designed annual refining capacity of US barrels 15.050 million (2014: 15.050 million) the actual throughput during the year was US barrels 15.358 million (2014: 15.115 million).

	2015	2014
40.2 Number of employees		
Total number of employees at end of the year	749	698
Average number of employees for the year	729	688

40.3 Non-adjusting events after the balance sheet date

40.3.1 The Board of Directors in its meeting held on August 12, 2015 has proposed a final cash dividend for the year ended June 30, 2015 @ Rs 5.00 per share (2014 @ Rs nil per share), amounting to Rs 426,465 thousand (2014 : Rs nil) for approval of the members in the annual general meeting to be held on September 18, 2015.

40.3.2 Through the Finance Act, 2015 income tax was levied at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. In accordance with the guidance issued by the Institute of Chartered Accountants of Pakistan, liability if any, in respect of income tax due to non-distribution of dividend is recognized when the prescribed time period for distribution of dividend expires.

40.4 Rounding off

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

41. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 12, 2015.

-Sd-
Chief Executive

-Sd-
Director

Annual Audited Consolidated Financial Statements

for the year ended June 30, 2015

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, 2015 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, 2015 and the results of their operations for the year then ended.

-Sd-

Chartered Accountants
Islamabad: August 12, 2015
Engagement partner : S. Haider Abbas

Consolidated Balance Sheet

As at June 30, 2015

	Note	2015 Rs '000	2014 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	25,946,874	24,669,945
		26,799,804	25,522,875
SURPLUS ON REVALUATION OF FREEHOLD LAND	8	10,811,949	10,811,949
		37,611,753	36,334,824
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	9	11,108,993	480,692
CURRENT LIABILITIES			
Current portion of long term borrowings	9	550,000	-
Short term borrowings	10	-	-
Trade and other payables	11	32,195,998	30,239,677
Provision for taxation		3,866,096	5,650,324
		36,612,094	35,890,001
TOTAL EQUITY AND LIABILITIES		85,332,840	72,705,517
CONTINGENCIES AND COMMITMENTS	12		

	Note	2015 Rs '000	2014 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	13	11,686,366	11,694,065
Capital work-in-progress	14	19,804,158	5,073,763
Stores and spares held for capital expenditure		86,408	96,069
		31,576,932	16,863,897
LONG TERM INVESTMENTS	15	18,055,282	18,438,278
LONG TERM LOANS AND DEPOSITS	16	29,014	27,990
DEFERRED TAXATION	17	476,723	230,499
CURRENT ASSETS			
Stores, spares and loose tools	18	2,008,565	786,536
Stock-in-trade	19	6,574,704	11,556,329
Trade debts	20	15,654,239	13,239,330
Loans, advances, deposits, prepayments			
and other receivables	21	258,790	290,655
Cash and bank balances	22	10,698,591	11,272,003
		35,194,889	37,144,853
TOTAL ASSETS		85,332,840	72,705,517

The annexed notes 1 to 42 are an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Profit and Loss Account

For the year ended June 30, 2015

	Note	2015 Rs '000	2014 Rs '000
Sales - net	23	128,905,431	175,067,853
Cost of sales	24	(128,352,371)	(174,930,908)
Gross profit		553,060	136,945
Administration expenses	25	492,554	425,900
Distribution cost	26	46,483	43,531
Finance cost	27	413,347	1,754
Other charges	28	81,940	102,855
		(1,034,324)	(574,040)
		(481,264)	(437,095)
Other income	31	1,447,874	1,764,184
Profit before taxation from refinery operations		966,610	1,327,089
Provision for taxation	32	(561,808)	(630,812)
Profit after taxation from refinery operations		404,802	696,277
Profit after taxation from non-refinery operations			
Impairment loss on investment in associated companies	15	(1,160,218)	(325,424)
Profit of Attock Hospital (Private) Limited	33	932	668
Share in profit of associated companies	34	2,233,244	1,947,823
		1,073,958	1,623,067
Profit for the year		1,478,760	2,319,344
Earnings per share - Basic and diluted (Rs)			
Refinery operations		4.75	8.16
Non-refinery operations		12.59	19.03
	40	17.34	27.19

The annexed notes 1 to 42 are an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2015

	Note	2015 Rs '000	2014 Rs '000
Profit for the year		1,478,760	2,319,344
Other comprehensive income			
- (Loss)/ gain on remeasurement of staff retirement benefit plans	29	(224,852)	(8,684)
- Deferred tax credit relating to remeasurement of staff retirement plans		69,588	2,865
- Share of other comprehensive (loss)/ income of associated companies - net of tax		(46,567)	6,131
- Surplus on revaluation of freehold land	13.1	-	2,066,732
Other comprehensive (loss)/ income - net of tax		(201,831)	2,067,044
Total comprehensive income for the year		1,276,929	4,386,388

The annexed notes 1 to 42 are an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Cash Flow Statement

For the year ended June 30, 2015

	2015 Rs '000	2014 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from - customers	167,061,785	227,382,640
- others	377,514	420,373
	167,439,299	227,803,013
Cash paid for operating costs	(130,149,976)	(187,675,087)
Cash paid to Government for duties, taxes and other levies	(34,120,479)	(37,010,700)
Income tax paid	(2,670,199)	(1,678,183)
Net cash flows from operating activities	498,645	1,439,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(14,561,293)	(4,873,369)
Sale of property,plant and equipment	6,916	5,086
Long term loans and deposits	(1,024)	(11,358)
Income on bank deposits received	1,052,064	1,229,658
Dividends received	1,669,081	2,195,758
Net cash (out flows)/ in flow from investing activities	(11,834,256)	(1,454,225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term borrowings	11,375,000	735,493
Finance cost	(599,859)	(8,567)
Transaction cost on borrowings	(14,328)	(237,525)
Dividends paid	(10)	(212,764)
Net cash in flow / (out flow) from financing activities	10,760,803	276,637
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(574,808)	261,455
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11,272,003	11,010,571
EFFECT OF EXCHANGE RATE CHANGES	1,396	(23)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10,698,591	11,272,003

The annexed notes 1 to 42 are an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2015

	Share capital	Capital reserve	Special reserve for expansion / modernisation	General reserve	Un-appropriated Profit	Maintenance reserve	Surplus on revaluation of freehold land	Total
				Rs'000				
Balance at June 30, 2013	852,930	89,468	9,120,666	3,952,380	9,238,767	162,241	8,745,217	32,161,669
Distribution to owners:								
Final cash dividend @ 25% related to								
the year ended June 30, 2013	-	-	-	-	(213,233)	-	-	(213,233)
Total comprehensive income								
Profit for the year	-	-	-	-	2,319,344	-	-	2,319,344
Other comprehensive income for the year	-	-	-	-	312	-	2,066,732	2,067,044
	-	-	-	-	2,319,656	-	2,066,732	4,386,388
Transfer to special reserve for expansion/								
modernisation - note 7.1	-	-	550,477	-	(550,477)	-	-	-
Transfer to maintenance reserve by an								
associated company - note 7.2	-	-	-	-	(11,155)	11,155	-	-
Transfer to general reserve by an								
associated company	-	-	-	400,000	(400,000)	-	-	-
Issue of bonus shares by an associated								
company	-	30,240	-	-	(30,240)	-	-	-
Balance at June 30, 2014	852,930	119,708	9,671,143	4,352,380	10,353,318	173,396	10,811,949	36,334,824
Total comprehensive income								
Profit for the year	-	-	-	-	1,478,760	-	-	1,478,760
Other comprehensive loss for the year	-	-	-	-	(201,831)	-	-	(201,831)
	-	-	-	-	1,276,929	-	-	1,276,929
Transfer to special reserve for expansion/								
modernisation - note 7.1	-	-	259,002	-	(259,002)	-	-	-
Transfer to maintenance reserve by an								
associated company - note 7.2	-	-		-	(10,005)	10,005	-	-
Balance at June 30, 2015	852,930	119,708	9,930,145	4,352,380	11,361,240	183,401	10,811,949	37,611,753

The annexed notes 1 to 42 are an integral part of these financial statements.

-Sd-
Chief Executive

-Sd-
Director

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2015

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

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

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

IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 27	Separate financial statements (revised 2011)
IAS 28	Associates and joint ventures (revised 2011)

IFRS 10 'Consolidated Financial Statements'

The standard requires a parent to present consolidated financial statements as those of a single economic entity. The standard replaces all the guidance on control and consolidation in IAS 27-'Consolidated and separate financial statements' and SIC-12, 'Consolidation - special purpose entities'. The adoption of the standard does not have any impact on the Company's financial statements.

IFRS 11 'Joint Arrangements'

The standard replaces IAS 31 'Interests in Joint Ventures' and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. This standard impacts the decision related to classification and accounting of Company's interest in joint arrangements. The adoption of the standard does not have any impact on the Company's financial statements.

IFRS 12 'Disclosure of Interests in Other Entities'

The standard requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The adoption of the standard has resulted in inclusion of some additional disclosures in the consolidated financial statements related to Company's interest in joint arrangements and associated companies.

IFRS 13 'Fair Value Measurement'

The standard replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The adoption of the standard does not have any material impact on the Company's financial statements.

IAS 27 'Separate financial statements (Revised 2011)'

The standard deals only with accounting for subsidiaries, associates and joint ventures in separate financial statements of the parent company. Adoption of this standard does not have any material impact on the Company's financial statements.

IAS 28 'Investment in associated and joint ventures (Revised 2011)'

The standard set out the requirements of application of equity method of accounting when accounting for investment in associated and joint ventures. Adoption of this standard does not have any material impact on the Company's financial statements.

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

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

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

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

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

3.4 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.

Subsidiaries are all entities 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 29 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year.

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

Provision for current taxation is based on taxable income at the current rates of 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 except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

4.7 **Provisions**

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

4.8 Property, plant and equipment 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 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 13.

c) Repairs and maintenance

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

d) Gains and losses on deletion

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

4.9 Impairment of non-financial assets

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

4.10 Stores, spares and loose tools

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

4.11 Stock in trade

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

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

4.12 Revenue recognition

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

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

ii) Income from crude decanting, crude desalter operations, rental income, handling and service income are recognized on accrual basis.

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

iv) Income on bank deposits is recognised using the effective yield method.

v) Income on investment in associated companies is recognised using the equity method. Under this method, the Company's share of post-acquisition profit or loss of the associated company is recognised in the profit and loss account, and its share of post-acquisition movements in reserve is recognised in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment.

4.13 Borrowing costs

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

4.14 Foreign currency transactions and balances

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

4.15 Financial instruments

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

4.16 Financial assets

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

4.16.1 Held-to-maturity investments

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

4.16.2 Loans and receivables

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

4.16.3 Available-for-sale investments

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

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

4.16.4 Investment at fair value through profit or loss

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

4.17 Trade debts and other receivables

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

4.18 Earnings per share

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

4.19 Finance income

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

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

Foreign currency gains and losses are reported separately.

4.20 Contingent Liabilities

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

4.21 Trade and other payables

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

4.22 Offsetting

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

4.23 Cash and cash equivalents

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

4.24 Functional and presentation currency

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

4.25 Borrowings

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

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

4.26 Operating segments

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Revaluation surplus on freehold land - note 8

ii) Estimated useful life of property, plant and equipment - note 13

iii) Estimate of recoverable amount of investment in an associated company - note 15

iv) Provision for employees' defined benefit plans - note 29

v) Provision for taxation - note 32

	2015 Rs '000	2014 Rs '000
6. SHARE CAPITAL		
Authorised share capital		
150,000,000 ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid up capital		
8,000,000 ordinary shares of Rs 10 each		
issued for cash	80,000	80,000
Shares issued as fully paid bonus shares		
77,293,000 ordinary shares of Rs 10 each	772,930	772,930
85,293,000 ordinary shares of Rs 10 each	852,930	852,930

The parent company Attock Oil Company Limited held 52,039,224 (2014: 52,039,224) ordinary shares and the associated company Attock Petroleum Limited held 1,432,000 (2014: 1,432,000) ordinary shares at the year end.

	2015 Rs '000	2014 Rs '000
7. RESERVES AND SURPLUS		
Capital reserve		
Liabilities taken over from The Attock Oil Company Limited		
no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to		
pre-incorporation period	494	494
Donation received for purchase of hospital equipment	4,000	4,000
Bonus shares issued by associated companies	109,760	109,760
	119,708	119,708
Special reserve for expansion/modernisation - note 7.1		
Additional revenue under processing fee formula related		
to 1990-91 and 1991-92	32,929	32,929
Surplus profits under the import parity pricing formula	9,422,283	9,163,281
Surplus profits of associates under the import parity		
pricing formula	474,933	474,933
	9,930,145	9,671,143
Revenue reserve		
General reserve	4,352,380	4,352,380
Unappropriated profit	11,361,240	10,353,318
	15,713,620	14,705,698
Maintenance reserve -note 7.2	183,401	173,396
	25,946,874	24,669,945

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.

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

	2015 Rs '000	2014 Rs '000
Balance of Special Reserve at year end	9,455,212	9,196,210
Less: Capital expenditure incurred till June 30	24,281,521	9,292,916
(Over)/under spent from Special Reserve	(14,826,309)	(96,706)

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

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

8. SURPLUS ON REVALUATION OF FREEHOLD LAND

This represents surplus over book value resulting from revaluation of freehold land as referred to in note 13.1. 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.

	2015 Rs '000	2014 Rs '000
9. LONG TERM BORROWINGS		
Syndicated Term Finance - note 9.1	9,155,967	562,724
Musharka Finance - note 9.2	2,996,217	183,659
	12,152,184	746,383
Transaction cost on borrowing	249,797	256,500
Addition during the year	14,328	-
Amortization for the year	(16,917)	(6,703)
Unamortised Transaction cost on borrowings	(247,208)	(249,797)
	11,904,976	496,586
Current portion of long term borrowings	(550,000)	-
	11,354,976	496,586
Mark up payable shown as current liability	(245,983)	(15,894)
	11,108,993	480,692

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 billion for ARL Up-gradation Projects. The facility carries a markup of 3 month KIBOR plus 1.70% which will be payable on quarterly basis. The tenure of this facility is 12 years including the grace period of 2 years. Upto June 30, 2015 aggregate draw down was Rs 9,124.54 million (June 30, 2014: Rs 554.51 million).

9.2 The Company has obtained musharaka finance facility of Rs 5.425 billion 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 billion and Investment Agent's (the Bank) share in Musharaka Assets A is 62.59% while its share in Musharaka Assets B is 69.90% respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 37.41% while its share in Musharaka Assets B is 30.10% respectively. The tenure of this facility is 12 years including the grace period of 2 years. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement. Upto June 30, 2015 aggregate draw down was Rs 2,985.95 million (June 30, 2014: Rs 180.98 million).

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

10. SHORT TERM BORROWINGS

The Company has negotiated running finance facilities with banks and accepted facility offer letters to the extent of Rs 0.5 billion (June 30, 2014: Rs 0.5 billion), which were unutilised at the year end. As and when required, these facilities shall be secured by registered charge over the Company's current assets.

	2015 Rs '000	2014 Rs '000
11. TRADE AND OTHER PAYABLES		
Creditors - note 11.1	21,957,936	18,865,640
Due to The Attock Oil Company Limited - Holding Company	38,192	46,855
Due to associated companies		
Pakistan Oilfields Limited	1,142,588	1,672,391
Attock Petroleum Limited	-	7,510
National Refinery Limited	6,032	-
Accrued liabilities and provisions - note 11.1	2,945,829	2,757,275
Due to the Government under pricing formula	2,527,064	3,702,570
Advance payments from customers	16,078	9,623
Sales tax payable	1,558,193	1,496,643
Mark up on long term borrowings - note 9	245,983	15,894
Workers' Welfare Fund	724,894	673,423
General staff provident fund	2,167	-
Staff provident fund	2,337	-
ARL gratuity fund	105,407	208,609
Staff pension fund	163,191	8,190
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	750,607	766,024
Security deposits	2,637	2,157
Unclaimed dividends	6,487	6,497
	32,195,998	30,239,677

11.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Petroleum and Natural Resources (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld alongwith accumulated profits amounted to Rs 2,615.60 million (2014: Rs 2,423.86 million).

	2015 Rs '000	2014 Rs '000
12. CONTINGENCIES AND COMMITMENTS		
Contingencies:		
i) Due to circular debt in the oil industry, certain payments due from/ to the oil marketing companies (OMCs) and crude oil suppliers respectively have not been made on their due dates of payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either parties.		
ii) SECP has raised a demand on the Company to surrender gain on purchase and sale of shares of Attock Petroleum Limited by the Company during the period May, 2008 to August, 2008. Based on legal advice, the Company has contested this demand in Appeal against the SECP order. 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	52,204	52,204
iii) Consequent to amendment through Finance Act 2013, section 2 (22A) of Sales Tax Act 1990 (the Act) was amended relating to definition of Provincial Sales Tax and claim of input tax paid on provincial services had been disallowed from July 2013 onward. Accordingly the Federal Board of Revenue (FBR) had disallowed claim of sales tax paid on provincial services. The Company filed writ petition in Lahore High Court, Rawalpindi Bench, which granted interim order and provisionally allowed the Company to claim input sales tax paid on Provincial services by filing the sales tax return electronically/ manually. The Company has been claiming the input tax on provincial services on month to month basis. Meanwhile Federal Government, through SRO No. 212(I)/2014 dated March 26, 2014, has defined Provincial Sales Tax for the purpose of input tax. The court in its hearing held on November 6, 2014 has expressed that grievances of the petitioner have not been redressed. The matter is still under adjudication.	869,546	275,056

		2015 Rs '000	2014 Rs '000
iv)	Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 has been withdrawn. As a result all imports relating to the ARL Up-gradation Project may be subject to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company has filed a writ petition in the Lahore High Court, Rawalpindi bench. The Honourable Court has granted interim relief by allowing release of the imports against submission of bank guarantees. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this liability has not been recognized in the financial statements. However, Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Honourable Lahore High Court Rawalpindi Bench. These guarantees include an amount of Rs 771 million on account of adjustable/claimable government levies.	1,404,893	-
v)	Guarantees issued by banks on behalf of the ARL	2,019	394
vi)	Claims for land compensation contested by ARL	1,300	1,300
vii)	Price adjustment related to crude oil purchases as referred to in note 24.1, the amount of which can not be presently quantified		
viii)	The company's share of contingenties of associated companies.	660,704	510,985
Commitments:			
ARL Up-gradation Projects			
i)	ARL Up-gradation Projects (inclusive of foreign currency commitment of US$ 4.95 million (June 30, 2014 : US$ 106.78 million). This includes commitment for payment of bonus amounting to Rs 203.60 million which will be payable to the EPCC Contractor on a prorata basis in case of completion of the Project before one month of the Project completion date.	2,875,260	14,320,644
ii)	Capital expenditure (other than (i) above)	65,959	117,570
iii)	Letters of credit for purchase of store items	27,257	9,582
iv)	The company's share of commitments of associated companies.		
	- Capital expenditures commitments	5,369,458	154,076
	- Outstanding letters of credit	3,790,600	5,514,557
	- Others	339,864	343,696

13. OPERATING ASSETS

	Freehold land (note 13.1)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rupees ('000)			
As at June 30, 2013							
Cost or valuation	8,799,438	176,530	4,577,922	60,638	83,747	97,970	13,796,245
Accumulated depreciation	-	(70,473)	(4,045,750)	(46,081)	(58,244)	(71,587)	(4,292,135)
Net book value	8,799,438	106,057	532,172	14,557	25,503	26,383	9,504,110
Year ended June 30, 2014							
Opening net book value	8,799,438	106,057	532,172	14,557	25,503	26,383	9,504,110
Additions	-	6,269	214,290	5,065	10,649	7,911	244,184 *
Revaluation surplus	2,066,732	-	-	-	-	-	2,066,732
Disposals							
Cost	-	-	(612)	(5,228)	(1,295)	(5,258)	(12,393)
Depreciation	-	-	612	5,219	927	5,258	12,016
	-	-	-	(9)	(368)	-	(377)
Depreciation charge	-	(9,263)	(92,468)	(5,532)	(5,030)	(8,291)	(120,584)
Closing net book value	10,866,170	103,063	653,994	14,081	30,754	26,003	11,694,065
As at June 30, 2014							
Cost or valuation	10,866,170	182,799	4,791,600	60,475	93,101	100,623	16,094,768
Accumulated depreciation	-	(79,736)	(4,137,606)	(46,394)	(62,347)	(74,620)	(4,400,703)
Net book value	10,866,170	103,063	653,994	14,081	30,754	26,003	11,694,065
Year ended June 30, 2015							
Opening net book value	10,866,170	103,063	653,994	14,081	30,754	26,003	11,694,065
Additions	-	11,154	97,024	7,400	9,022	14,434	139,034 *
Disposals							
Cost	-	-	(36,924)	(4,164)	(2,610)	(4,822)	(48,520)
Depreciation	-	-	35,145	4,122	2,356	3,343	44,966
	-	-	(1,779)	(42)	(254)	(1,479)	(3,554)
Depreciation charge	-	(9,450)	(113,222)	(5,111)	(5,157)	(10,239)	(143,179)
Closing net book value	10,866,170	104,767	636,017	16,328	34,365	28,719	11,686,366
As at June 30, 2015							
Cost or valuation	10,866,170	193,953	4,851,700	63,711	99,513	110,235	16,185,282
Accumulated depreciation	-	(89,186)	(4,215,683)	(47,383)	(65,148)	(81,516)	(4,498,916)
Net book value	10,866,170	104,767	636,017	16,328	34,365	28,719	11,686,366
Annual rate of Depreciation (%)	-	5	10	20	10	20	

* These include Rs 100.28 million (2014: Rs 219.01 million) transferred from capital work-in-progress during the year.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2015

13.1 Freehold land was revalued in May 2014 and the revaluation surplus of Rs 2,067 million was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of fixed assets.

13.2 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	160	-	1,110	Company policy	Mr. Ghulam Muhammad Khan
	1,239	-	124	Company policy	Mr. Munir A. Temuri
Vehicles	1,752	1,459	1,675	Insurance claim	Insurance claim from EFU General Insurance Company Limited
Others	45,369	2,095	4,007	Tender/ Auction	Aggregate of other items of operating assets disposed off with individual book values not exceeding Rs 50 thousand
2015	48,520	3,554	6,916		
2014	12,393	377	5,086		

	2015 Rs '000	2014 Rs '000
13.3 The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 24	125,405	104,385
Administration expenses - note 25	16,376	14,659
Distribution cost - note 26	499	540
Depreciation of subsidiary company	899	1,000
	143,179	120,584
14. CAPITAL WORK-IN-PROGRESS		
Balance as at July 1	5,073,763	438,710
Additions during the year - note 14.1	14,830,670	4,854,067
	19,904,433	5,292,777
Transfer to operating assets		
- Buildings on freehold land	(11,154)	(6,038)
- Plant and machinery	(89,121)	(212,976)
Balance as at June 30	19,804,158	5,073,763
The details are as under:		
Civil works	19,335	18,290
Plant and machinery	19,783,823	5,054,473
Pipeline project	1,000	1,000
	19,804,158	5,073,763

14.1 This includes borrowing cost amounting to Rs 568.87 million on long term finance capitalized. Finance has been obtained for the purpose of up-gradation projects.

	2015 Rs '000	2014 Rs '000
15. LONG TERM INVESTMENTS		
Balance as at July 1	18,438,278	18,656,872
Share of profit after tax of associated companies	2,492,870	2,296,457
Share in other comprehensive income	(46,567)	6,131
Dividend received from associated companies	(1,669,081)	(2,195,758)
Impairment loss on investment	(1,160,218)	(325,424)
Balance at June 30	18,055,282	18,438,278

	2015 % age holding	2015 Rs '000	2014 % age holding	2014 Rs '000
15.1 Investment in Associated Companies				
Associated Companies				
Quoted				
National Refinery Limited (NRL) - note 15.3	25	9,009,832	25	9,285,033
19,991,640 (2014: 19,991,640) fully paid ordinary shares including 3,331,940 (2014: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2015: Rs 4,639 million (June 30, 2014: Rs 4,295 million)				
Attock Petroleum Limited (APL)	21.88	6,331,735	21.88	6,384,749
18,144,138 (2014: 18,144,138) fully paid ordinary shares including 7,644,058 (2014: 7,644,058) bonus shares of Rs 10 each				
Market value as at June 30, 2015: Rs 10,292 million (June 30, 2014: Rs 10,702 million)				
Unquoted				
Attock Gen Limited (AGL)	30	2,699,182	30	2,756,155
7,482,957 (2014: 7,482,957) fully paid ordinary shares of Rs 100 each				
Attock Information Technology Services (Private) Limited	10	14,533	10	12,341
450,000 (2014: 450,000) fully paid ordinary shares of Rs 10 each				
		18,055,282		18,438,278

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.

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

	National Refinery Limited		Attock Petroleum Limited		Attock Gen Limited		Attock Information Technology Services (Pvt) Limited	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	Rupees ('000)							
Summarised balance sheet								
Current assets	39,901,373	47,465,200	26,123,577	31,248,819	10,507,305	12,207,254	131,692	104,385
Non- current assets	8,161,277	5,310,952	3,374,726	2,426,137	8,903,468	9,381,398	27,458	30,706
Current liabilities	(17,162,924)	(25,801,646)	(15,747,035)	(19,704,460)	(6,310,117)	(7,046,028)	(11,504)	(8,623)
Non- current liabilities	(766,019)	(380,867)	(604,814)	(581,682)	(4,103,382)	(5,355,442)	(2,319)	(3,057)
Net assets	30,133,707	26,593,639	13,146,454	13,388,814	8,997,274	9,187,182	145,327	123,411
Reconciliation to carrying amounts:								
Net assets as at July 1	26,593,639	26,793,704	13,388,814	13,673,588	9,187,182	8,462,747	123,411	108,554
Profit for the period	3,708,980	961,875	3,283,941	4,285,725	2,816,888	3,722,615	21,916	14,857
Other comprehensive income/(loss)	(168,912)	37,558	(1,181)	(8,579)	(13,613)	(4,997)	-	-
Dividends paid	-	(1,199,498)	(3,525,120)	(4,561,920)	(2,993,183)	(2,993,183)	-	-
Net assets as at June 30	30,133,707	26,593,639	13,146,454	13,388,814	8,997,274	9,187,182	145,327	123,411
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	7,533,427	6,648,410	2,875,816	2,928,830	2,699,182	2,756,155	14,533	12,341
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	13,905,081	13,020,064	6,331,735	6,384,749	2,699,182	2,756,155	14,533	12,341
Impairment	(4,895,249)	(3,735,031)	-	-	-	-	-	-
Carrying amount of investment	9,009,832	9,285,033	6,331,735	6,384,749	2,699,182.	2,756,155	14,533	12,341
Summarised statements of comprehensive income								
Revenue	188,935,328	249,769,259	171,729,782	205,162,911	17,236,046	22,290,880	2,475,565	68,653
Profit for the period	3,708,980	961,875	3,283,941	4,285,725	2,816,888	3,722,615	21,916	14,857
Other comprehensive income	(168,912)	37,558	(1,181)	(8,579)	(13,613)	(4,997)	-	-
Total comprehensive income	3,540,068	999,433	3,282,760	4,277,146	2,803,275	3,717,618	21,916	14,857

During the year, dividend received from National Refinery Limited was Rs Nil (2014: Rs 1,199 million), Attock Petroleum Limited was Rs 771 million (2014: Rs 998 million) and Attock Gen Limited was Rs 897 million (2014: Rs 897 million).

15.3 The carrying value of investment in National Refinery Limited at June 30, 2015 is net of impairment loss of Rs 1,160,218 thousand (2014 : Rs 325,424 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 2.5% (2014: 3.2%), terminal growth rate of 4% (2014: 4%) and capital asset pricing model based discount rate of 14.34% (2014: 18.62%).

	2015 Rs '000	2014 Rs '000
16. LONG TERM LOANS AND DEPOSITS		
Loans to employees - considered good - note 16.2	45,256	42,373
Amounts due within next twelve months shown		
under current assets -note 21	(28,032)	(26,173)
	17,224	16,200
Security deposits	11,790	11,790
	29,014	27,990

16.1 Loans to employees are for miscellaneous purposes which are recoverable in 24, 36, and 60 equal monthly installments depending on case to case basis and are secured by a charge on the asset purchased and/or amount due to the employee against provident fund or a third party guarantee. These are interest free loans. These include an amount of Rs 13.690 million (2014: Rs 8.650 million) receivable from Executives of the Company and does not include any amount receivable from Directors or Chief Executive. The maximum amount due from executives of the Company at the end of any month during the year was Rs 14.481 million (2014: Rs 11.790 million).

16.2 **Reconciliation of carrying amount of loans to executives:**

	2015 Rs '000	2014 Rs '000
Balance as at July 1	8,650	9,066
Disbursements during the year	19,457	12,596
	28,107	21,662
Repayments during the year	(14,417)	(13,012)
Balance as at June 30	13,690	8,650
17. DEFERRED TAXATION		
The balance of deferred tax is in respect of the following major		
temporary differences:		
(Accelerated)/ decelerated depreciation	(23,216)	(18,904)
Provision for privilege leave	13,556	11,918
Provision for obsolete stores	38,908	36,725
Minimum tax	332,535	155,292
Unused tax losses	3,084	3,180
Others	650	670
	365,517	188,881
Retirement benefit obligation	111,206	41,618
	476,723	230,499

		2015 Rs '000	2014 Rs '000
18.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit		
	Rs 1,282.33 million; 2014: Rs 88.65 million)	1,753,763	528,605
	Spares	375,492	368,357
	Loose tools	896	860
		2,130,151	897,822
	Less: Provision for slow moving items - note 18.1	121,586	111,286
		2,008,565	786,536
18.1	**Movement in provision for slow moving items**		
	Balance at July 1	111,286	106,786
	Provision for the year	10,300	4,500
		121,586	111,286
19.	**STOCK-IN-TRADE**		
	Crude oil	2,430,346	3,565,596
	Semi-finished products	765,347	1,291,581
	Finished products - note 19.2	3,378,440	6,698,531
	Medical supplies	571	621
		6,574,704	11,556,329

19.1 Stock-in-trade include stocks carried at net realisable value of Rs 6,216 million (2014: Rs 10,793 million). Adjustments amounting to Rs 1,487 million (2014: Rs 798 million) have been made to closing inventory to write down stocks to their net realisable value.

		2015 Rs '000	2014 Rs '000
19.2	**Stock held by third parties**		
	Napththa		
	At National Refinery Limited	500,036	943,325
	In transit	250,641	186,067
		750,677	1,129,392

20. TRADE DEBTS

All debtors are unsecured and considered good.

Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 4,790 million (2014: Rs 6,397 million) and Pakistan Oilfields Limited Rs nil (2014: Rs 4 million).

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

	2015 Rs '000	2014 Rs '000
0 to 6 months	1,398,908	1,880,310
6 to 12 months	90,257	904,209
Above 12 months	1,123,047	157,555
	2,612,212	2,942,074

	2015 Rs '000	2014 Rs '000
21. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
LOANS AND ADVANCES - CONSIDERED GOOD		
Current portion of long term loans to employees - note 16	28,032	26,173
Advances to suppliers	16,843	22,308
Advances to employees	3,593	3,579
	48,468	52,060
DEPOSITS AND PREPAYMENTS		
Trade deposits	286	286
Short term prepayments	83,381	74,350
	83,667	74,636
OTHER RECEIVABLES		
Due from associated companies		
Attock Information Technology Services (Private) Limited	435	88
Attock Petroleum Limited	3,914	-
Attock Sahara Foundation	982	-
Attock Gen Limited	375	509
Attock Cement Limited	32	2
National Cleaner Production Centre Foundation	-	341
Capgas (private) Limited	9	39
National Refinary Limited	-	26
Forward exchange contract	-	64,245
Income accrued on bank deposits	26,161	38,066
Crude oil freight adjustable through inland freight equalisation margin	26,598	1,446
Workers' profit participation fund - note 21.1	23,666	17,973
Income tax refundable	19,614	17,133
Other receivables	24,869	24,091
	126,655	163,959
	258,790	290,655

	2015 Rs '000	2014 Rs '000
21.1 Workers' Profit Participation Fund		
Balance July 1	17,973	65,958
Amount paid to the fund	141,060	133,075
	159,033	199,033
Amount allocated for the year - note 28 & 34	(135,367)	(181,060)
Balance at June 30	23,666	17,973

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2015

	2015 Rs '000	2014 Rs '000
22. CASH AND BANK BALANCES		
Cash in hand	1,474	1,134
With banks:		
Local Currency		
Current accounts	9,039	6,068
Deposit accounts - note 22.1	2,553,871	2,353,421
Savings accounts	8,086,469	8,865,119
Foreign Currency		
Saving account (US $ 470,327; 2014: US $ 469,420)	47,738	46,261
	10,698,591	11,272,003

22.1 This represents deposits 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 11.1.

22.2 Bank deposits of Rs. 1,406.91 million (2014: Rs 0.394 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

22.3 Balances with banks include Rs 2.417 million (2014: Rs 1.937 million) in respect of security deposits received from customers etc.

22.4 Balances with banks earned weighted average interest/ mark-up at the rate of 8.91% (2014: 9.32%) per annum.

	2015 Rs '000	2014 Rs '000
23. SALES		
Gross sales (excluding Naphtha export sales)	145,745,898	189,442,697
Naphtha export sales	24,839,793	33,884,084
Sale proceeds of Naphtha exports related to third parties	(6,193,774)	(11,336,720)
	18,646,019	22,547,364
	164,391,917	211,990,061
Duties, taxes and levies - note 23.1	(34,166,612)	(36,533,178)
HSD price differential payable to Government - note 23.2	(1,283,416)	(389,030)
Regulatory duty - note 23.3	(36,458)	-
	128,905,431	175,067,853
23.1 Duties, taxes and levies		
Sales tax	23,798,594	27,526,002
Petroleum development levy	10,367,789	9,006,739
Custom duties and other levies	229	437
	34,166,612	36,533,178

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

23.3 This represents amount payable to the Government of Pakistan on account of regulatory duty on PMG.

		2015 Rs '000	2014 Rs '000
24.	**COST OF SALES**		
	Opening stock of semi-finished products	1,291,581	958,198
	Crude oil consumed - note 24.1	119,682,035	171,008,784
	Transportation and handling charges	2,040,274	1,796,597
	Salaries, wages and other benefits - note 24.2	795,246	715,037
	Printing and stationery	3,557	3,384
	Chemicals consumed	299,792	301,795
	Fuel and power	948,704	1,027,992
	Rent, rates and taxes	48,140	23,109
	Telephone	1,978	1,864
	Professional charges for technical services	6,490	5,727
	Insurance	114,618	109,305
	Repairs and maintenance (including stores and spares		
	consumed Rs 93.061 million; 2014: Rs 100.407 million)	401,323	281,535
	Staff transport and traveling	13,826	16,158
	Cost of receptacles	23,567	20,075
	Research and development	1,091	133
	Depreciation - note 13.3	125,405	104,385
		125,797,627	176,374,078
	Closing stock of semi-finished products	(765,347)	(1,291,581)
		125,032,280	175,082,497
	Opening stock of finished products	6,698,531	6,546,942
	Closing stock of finished products	(3,378,440)	(6,698,531)
		3,320,091	(151,589)
		128,352,371	174,930,908
24.1	**Crude oil consumed**		
	Stock at July 1	3,565,596	4,239,670
	Purchases	118,546,785	170,334,710
		122,112,381	174,574,380
	Stock at June 30	(2,430,346)	(3,565,596)
		119,682,035	171,008,784

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 51.76 million (2014: Rs 43.30 million) and to the Provident Fund Rs 25.98 million (2014: Rs 21.29 million).

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2015

		2015 Rs '000	2014 Rs '000
25.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 24.2	278,006	237,699
	Board meeting fee	4,526	5,090
	Transport, traveling and entertainment	19,625	21,294
	Telephone	2,281	2,159
	Electricity, gas and water	13,057	17,840
	Printing and stationery	5,518	4,447
	Auditor's remuneration - note 25.1	4,512	3,211
	Legal and professional charges	27,571	27,319
	Repairs and maintenance	87,124	65,177
	Subscription	11,255	12,137
	Publicity	4,515	4,317
	Scholarship scheme	1,725	2,021
	Rent, rates and taxes	12,664	5,203
	Insurance	1,624	859
	Donations*	1,574	672
	Training expenses	601	1,796
	Depreciation - note 13.3	16,376	14,659
		492,554	425,900

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

25.1	Auditor's remuneration		
	Annual audit	1,431	1,331
	Review of half yearly accounts, audit of consolidated accounts, employee funds and special certifications	1,195	1,195
	Tax services	1,674	400
	Out of pocket expenses	212	285
		4,512	3,211

26.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 24.2	31,704	29,514
	Transport, traveling and entertainment	602	732
	Telephone	249	293
	Electricity, gas and water	4,218	5,936
	Printing and stationery	140	113
	Repairs and maintenance including packing and other stores consumed	6,114	4,995
	Rent, rates and taxes	2,957	1,408
	Depreciation - note 13.3	499	540
		46,483	43,531

	2015 Rs '000	2014 Rs '000
27. FINANCE COST		
Exchange loss	313,717	-
Interest on long term borrowings	-	1,699
Loss on forward foreign exchange contract	97,801	-
Bank and other charges	1,829	55
	413,347	1,754
28. OTHER CHARGES		
Provision for slow moving store items	10,300	4,500
Workers' Profit Participation Fund	51,913	71,272
Workers' Welfare Fund	19,727	27,083
	81,940	102,855

29. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2015 using the projected unit credit method. Details of the defined benefit plans are:

	Funded pension		Funded gratuity	
	2015	2014	2015	2014
	Rs '000		Rs '000	
a) The amounts recognised in the balance sheet:				
Present value of defined benefit obligations	817,465	621,355	498,037	399,620
Fair value of plan assets	(654,274)	(613,165)	(392,630)	(191,011)
Net liability	163,191	8,190	105,407	208,609
b) The amounts recognised in the profit and loss account:				
Current service cost	16,697	20,178	14,520	13,217
Net interest cost	(87)	659	24,480	18,758
Past service cost	-	(6,489)	-	-
	16,610	14,348	39,000	31,975
c) Movement in the present value of defined benefit obligation:				
Present value of defined benefit obligation as at July 1	621,355	584,330	399,620	386,928
Transfer to related parties	-	(25,635)	-	(14,775)
	621,355	558,695	399,620	372,153
Current service cost	16,697	20,178	14,520	13,217
Interest cost	80,776	59,765	51,951	39,056
Benefits paid	(35,083)	(30,779)	(46,329)	(34,185)
Past service cost	-	(6,489)	-	-
Remeasurement of defined benefit obligation	133,720	19,985	78,275	9,379
Present value of defined benefit obligation as at June 30	817,465	621,355	498,037	399,620

		Funded pension		Funded gratuity	
		2015	2014	2015	2014
		Rs '000		Rs '000	
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at July 1	613,165	574,936	191,011	195,642
	Transfer to related parties	-	(28,506)	-	(2,459)
		613,165	546,430	191,011	193,183
	Expected return on plan assets	80,863	59,105	27,471	20,299
	Contributions	15,111	12,564	213,552	16,880
	Benefits paid	(35,083)	(30,779)	(46,329)	(34,185)
	Remeasurement of plan assets	(19,782)	25,845	6,925	(5,166)
	Fair value of plan assets as at June 30	654,274	613,165	392,630	191,011
	Actual return on plan assets	61,081	84,950	34,396	15,133

The Company expects to contribute Rs 66 million to its defined benefit pension and gratuity plans during 2015-2016.

		Funded pension		Funded gratuity	
		2015	2014	2015	2014
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	172,996	153,690	5,008	-
	Investment in mutual funds	11,837	10,454	5,000	5,227
	Debt instruments	-	-	360,091	-
	Deposits with banks	509,822	483,628	41,527	190,455
	Others	-	93	-	-
	Benefits due	-	-	-	(1,056)
	Share of asset of related parties	(40,381)	(34,700)	(18,996)	(3,616)
		654,274	613,165	392,630	191,011

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	
		2015	2014	2015	2014
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/ gain on obligation	(133,720)	(16,729)	(78,275)	(6,857)
	Remeasurement gain/ (loss) on plan assets	(19,782)	22,203	6,925	(5,081)
		(153,502)	5,474	(71,350)	(11,938)

	Funded pension		Funded gratuity	
	2015	2014	2015	2014
	Rs '000		Rs '000	
h) **Principal actuarial assumptions used in the actuarial valuation are as follows:**				
Discount rate	9.75%	13.00%	9.75%	13.00%
Expected return on plan assets	9.75%	13.00%	9.75%	13.00%
Future salary increases	9.00%	10.75%	9.00%	10.75%
Future pension increases	4.25%	7.50%	N/A	N/A
Demographic assumptions				
Rates of employee turnover				
Management	Low	Low	Low	Low
Non-management	Nil	Nil	Nil	Nil
Mortality rates (pre-retirement)	SLIC (2001-05) - 1 year	70% EFU (61-66)	SLIC (2001-05) - 1 year	70% EFU (61-66)
Mortality rates (post retirement)	SLIC (2001-05) - 1 year	70% EFU (61-66)	N/A	N/A

i) **Sensitivity Analysis:**

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

	Effect of 1 percent increase Rs '000	Effect of 1 percent decrease Rs '000
Discount rate	1,200,967	1,453,211
Future salary growth	1,368,247	1,267,322
Pension increase	1,401,072	1,242,034

If the life expectancy increases/ decreases by 1 year, the impact on defined benefit obligation would be Rs 7,649 thousand.

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

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

	Pension	Gratuity
	Rs '000	
FY 2016	39,881	71,466
FY 2017	46,848	95,257
FY 2018	52,325	54,826
FY 2019	56,953	69,553
FY 2020	61,607	93,768
FY 2021-25	421,298	305,180

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2015	13.1	4.9
June 30, 2014	13.1	5.4

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.

30. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2015 are as follows:

	2015 Rs '000	2014 Rs '000
Staff Provident Fund		
Size of the fund	403,751	372,411
Cost of investments made	329,457	292,273
Fair value of investments made	400,021	367,324
%age of investments made	99%	99%

	2015		2014	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	24,740	8%	25,533	9%
Mutual Funds	18,400	6%	8,944	3%
Bank deposits	286,317	87%	257,796	88%
	329,457	100%	292,273	100%

	2015 Rs '000	2014 Rs '000
General Staff Provident Fund		
Size of the fund	588,160	528,832
Cost of investments made	546,256	490,061
Fair value of investments made	585,940	525,430
%age of investments made	99%	99%

	2015		2014	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	18,663	5%	24,069	5%
Mutual Funds	15,000	8%	37,365	8%
Bank deposits	512,593	87%	428,627	87%
	546,256	100%	490,061	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.

	2015 Rs '000	2014 Rs '000
31. OTHER INCOME		
Income from financial assets		
Income on bank deposits	1,039,747	1,228,526
Interest on delayed payments	101,850	104,958
Gain on forward foreign exchange contracts	-	64,245
Exchange gain on crude purchases	-	56,129
Exchange gain on export sales	98,231	82,747
	1,239,828	1,536,605
Income from non - financial assets		
Income from crude decanting	-	3,786
Income from crude desalter operations - note 31.1	5,228	4,652
Insurance agency commission	3,671	2,496
Rental income	80,708	77,222
Sale of scrap	5,314	23,060
Profit on disposal of operating assets	4,034	4,709
Calibration charges	4,274	3,397
Handling and service charges	91,756	89,202
Penalties from carriage contractors	6,909	13,258
Old liabilities written back	-	434
Miscellaneous	6,152	5,363
	208,046	227,579
	1,447,874	1,764,184
31.1 Income from crude desalter operations		
Income	81,895	63,255
Less: Operating costs		
Salaries, wages and other benefits	2,335	1,786
Chemical consumed	13,047	9,973
Fuel and power	47,644	36,418
Repairs and maintenance	13,641	10,426
	76,667	58,603
	5,228	4,652
32. PROVISION FOR TAXATION		
Current	737,994	762,890
Deferred	(176,186)	(132,078)
	561,808	630,812

		2015 Rs '000	2014 Rs '000
32.1	**Relationship between tax expense and accounting profit**		
	Accounting profit before taxation	966,610	1,175,500
	Tax at applicable tax rate of 33% (2014: 34%)	318,981	451,210
	Tax effect of income taxable at special rates	149,208	178,670
	Effect of change in tax rate	2,250	(1,560)
	Effect of super tax	92,674	-
	Others	(1,305)	2,492
		561,808	630,812

33. 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.

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

	2015 Rs '000	2014 Rs '000
Summarised balance sheet		
Current assets	26,465	23,667
Non- current assets	14,460	9,355
Current liabilities	45,684	29,592
Net assets	(4,759)	3,430
Summarised statements of comprehensive income		
Revenue - note 33.2	103,584	88,004
Expenses - note 33.2	102,652	87,336
Profit for the year	932	668
Other comprehensive income	(9,120)	(744)
Total comprehensive income for the year	(8,188)	(76)
Dividends received	-	-
Summarised statement of cash flow		
Cash flow from operating activities	450	465
Cash flow from investing activities	(1,536)	(981)
Cash flow from financing activities	-	-
	(1,086)	(516)

33.2 The revenue includes amount billed by AHL to ARL amounting to Rs 49,806 thousand (2014 : Rs 43,869 thousand) and operating expenses include Rs. 11,785 thousand (2014 : 8,774 thousand) 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.

	2015 Rs '000	2014 Rs '000
34. SHARE IN PROFIT OF ASSOCIATED COMPANIES		
National Refinery Limited	927,245	240,469
Attock Petroleum Limited	715,808	941,041
Add / Less : Unrealised (loss) / profit from intra-group		
transactions included in closing stock in trade	2,559	(3,324)
	718,367	937,717
Attock Gen Limited	845,066	1,116,785
Attock Information Technology Services (Private) Limited	2,192	1,486
	2,492,870	2,296,457
Less : Related charges		
Workers' Profit Participation Fund	83,454	109,788
Workers' Welfare Fund	31,713	41,719
Taxation - note 34.1	144,459	197,127
	259,626	348,634
	2,233,244	1,947,823

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

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:

	2015 Rs '000	2014 Rs '000
High Speed Diesel	59,249,934	73,113,698
Jet Petroleum	14,092,258	20,749,501
Motor Gasoline	35,545,322	46,542,616
Furnace Fuel Oil	16,540,018	23,386,986
Naphtha	18,646,019	22,547,364
Others	18,998,492	25,260,866
	163,072,043	211,601,031
Less: Duties, taxes and levies	(34,166,612)	(36,533,178)
	128,905,431	175,067,853

Revenue from four major customers of the Company constitute 88% (2014: 87%) of total revenue during the year.

36. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.01% (2014: 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 37 to the financial statements.

	2015 Rs '000	2014 Rs '000
Associated Companies		
Pakistan Oilfields Limited		
Purchase of crude oil	10,340,461	15,115,768
Purchase of gas	22,829	42,982
Purchase of services	5,517	6,134
Sale of petroleum products	194,538	472,324
Sale of services	20,761	19,859
Attock Petroleum Limited		
Sale of petroleum products	37,158,424	49,252,293
Sale of services	97,977	90,034
Purchase of petroleum products	2,439	3,134
Purchase of services	384,660	453,638
Interest income on delayed payments	101,850	104,958
National Refinery Limited		
Purchase of services	216,595	177,888
Sale of services	43	40
Attock Cement Pakistan Limited		
Purchase of services	1,042	141
Sale of services	45	65
Attock Gen Limited		
Sale of petroleum products	1,461	1,870
Land lease income	19,864	19,242
Storage tanks lease income	15,558	14,638
Income from other services and facilities provided to AGL	13,214	10,343
National Cleaner Production Centre		
Purchase of services	21,410	7,199
Sale of services	11,080	9,864
Sale of petroleum products	386	71
Attock Information Technology Services (Private) Limited		
Purchase of services	23,256	29,451
Sale of services	3,612	3,260
Sui Southern Gas Company Limited		
Purchase of crude oil		25,090
Capgas (Private) Limited		
Sale of services	269	336
Attock Leisure and Management Associates (Private) Limited		
Sale of services	-	258
Sale of petroleum products	-	5,271
Attock Sahara Foundation		
Purchases of services	3,923	-
Sales of services	695	-

	2015 Rs '000	2014 Rs '000
Holding Company		
Attock Oil Company Limited		
Purchase of crude oil	202,923	325,761
Purchase of services	59,181	62,300
Sale of services	19,141	10,395
Other related parties		
Contribution to staff retirement benefits plans		
Staff pension fund	15,104	13,779
Staff gratuity fund	213,553	16,670
Staff provident fund	27,269	22,369
Contribution to Workers' Profit Participation Fund	135,367	181,060
Amounts paid to:		
Staff Pension Fund	15,104	13,779
Staff Provident Fund	213,553	16,670
Worker's Profit Participation Fund	27,269	22,369
	255,926	52,818

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
Managerial remuneration/ honorarium	7,030	6,274	-	160	138,484	81,053
Bonus	3,239	2,691	-	-	48,703	27,443
Company's contribution to provident,						
pension and gratuity funds	-	-	-	-	29,968	19,065
Housing and utilities	5,164	4,569	-	-	128,491	84,999
Leave passage	897	897	-	-	11,897	10,756
	16,330	14,431	-	160	357,543	223,316
Less: charged to Attock Gen Limited	(4,899)	(4,329)	-	-	-	-
	11,431	10,102	-	160	357,543	223,316
No of person(s)	1	1	-	1	153	76

37.1 In addition, the Chief Executive and 14 (2014: 14) executives were provided with limited use of the Company's cars. The Chief Executive and all executives were provided with medical facilities and 57 (2014: 30) executive were provided with unfurnished accommodation in ARL owned bungalows. Limited residential telephone facility was also provided to the Chief Executive and 74 (2014: 43) 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 (2014: 4) non-executive directors Rs 2.541 million (2014: Rs 2.587 million), chief executive officer Rs 0.661 million (2014: Rs 0.671 million) and 2 (2014: 2) alternate directors Rs 1.321 million (2014: Rs 1.832 million) of the Company.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 Financial assets and liabilities

	Loans and Receivables	Fair value through profit or loss	Total
	Rs '000	Rs '000	Rs '000
June 30, 2015			
Financial assets :			
Maturity upto one year			
Trade debts	15,654,239	-	15,654,239
Loans, advances, deposits & other receivables	158,566	-	158,566
Cash and bank balances			
Foreign currency - US $	47,738	-	47,738
Local currency	10,650,853	-	10,650,853
Maturity after one year			
Long term loans and deposits	29,014	-	29,014
	26,540,410	-	26,540,410

	Other Financial liabilities	Total
	Rs '000	Rs '000
Financial liabilities :		
Maturity upto one year		
Trade and other payables	32,179,920	32,179,920
Long term borrowings	550,000	550,000
Maturity after one year		
Long term borrowings	11,108,993	11,108,993
	43,838,913	43,838,913

	Loans and Receivables	Fair value through profit or loss	Total
	Rs '000	Rs '000	Rs '000
June 30, 2014			
Financial assets :			
Maturity upto one year			
Trade debts	13,239,330	-	13,239,330
Loans, advances, deposits & other receivables	129,752	64,245	193,997
Cash and bank balances			
Foreign currency - US $	46,261	-	46,261
Local currency	11,224,608	-	11,224,608
Maturity after one year			
Long term loans and deposits	27,990	-	27,990
	24,667,941	64,245	24,732,186

	Other Financial liabilities	Total
	Rs '000	Rs '000
Financial liabilities :		
Maturity upto one year		
Trade and other payables	30,230,054	30,230,054
Maturity after one year		
Long term borrowings	480,692	480,692
	30,710,746	30,710,746

The Company entered into forward exhange contracts with banks to hedge the currency risk on letters of credit related to import of goods and equipment. The notional principal amounts of the outstanding forward foreign exchange contracts for hedging of letters of credit amounted to Rs nil at June 30, 2015 (2014: 6,246.01 million).

38.2 Credit quality of financial assets

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

	Rating	2015 Rs '000	2014 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	8,398,133	2,843,013
Counterparties without external credit rating			
Due from associated companies		4,790,439	6,400,626
Others *		2,465,667	3,995,691
		15,654,239	13,239,330
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		187,580	205,285
Bank balances			
Counterparties with external credit rating			
	A 1+	9,996,346	10,258,079
	A 1	700,771	1,012,789
		10,697,117	11,270,868

* 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 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, 2015, trade debts of Rs 9,488,307 thousand (2014 : Rs 3,331,967 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows :

	2015 Rs '000	2014 Rs '000
0 to 6 months	8,274,934	2,269,657
6 to 12 months	90,257	904,209
Above 12 months	1,123,116	158,101
	9,488,307	3,331,967

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

	Carrying amount	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2015				
Long term borrowings	11,108,993	11,375,000	550,000	10,825,000
Trade and other payables	32,195,998	32,195,998	32,195,998	-
At June 30, 2014				
Long term borrowings	480,692	735,492	-	735,492
Trade and other payables	30,239,677	30,239,677	30,239,677	-

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 48 million (2014: Rs 46 million) and financial liabilities include Rs 10,149 million (2014: Rs 14,133 million) which were subject to currency risk.

	2015	2014
Rupees per USD		
Average rate	101.34	102.89
Reporting date mid point rate	101.60	98.65

Sensitivity analysis

At June 30, 2015, 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 677 million (2014: Rs 930 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 10,699 million (2014 : Rs 11,265 million) and Rs 14,275 million (2014 : Rs 2,905 million) respectively, which are subject to interest rate risk.

Had interest rates been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 24 million (2014 : Rs 90 million) higher / lower.

Sensitivity analysis

At June 30, 2015, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 24 million (2014: Rs 90 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 and the company is not subject to externally imposed capital requirement.

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

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

- Level 1
Quoted prices (unadjusted) in active market for identical assets/ liabilities.

- Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

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

	2015 Rs '000	2014 Rs '000
40. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation from refinery operations	404,802	696,277
Profit after taxation from non-refinery operations	1,073,958	1,623,067
	1,478,760	2,319,344
Number of fully paid weighted average ordinary shares ('000)	85,293	85,293
Earnings per share - Basic and diluted (Rs)		
Refinery operations	4.75	8.16
Non-refinery operations	12.59	19.03
	17.34	27.19

41. GENERAL

41.1 Capacity and production

Against the designed annual refining capacity of US barrels 15.050 million (2014: 15.050 million) the actual throughput during the year was US barrels 15.358 million (2014: 15.115 million).

	2015	2014
41.2 Number of employees		
Total number of employees at end of the year	815	730
Average number of employees for the year	793	720

41.3 Non-adjusting events after the balance sheet date

41.3.1 The Board of Directors in its meeting held on August 12, 2015 has proposed a final cash dividend for the year ended June 30, 2015 @ Rs 5.00 per share (2014 @ Rs nil per share), amounting to Rs 426,465 thousand (2014 : Rs nil) for approval of the members in the annual general meeting to be held on September 18, 2015.

41.3.2 Through the Finance Act, 2015 income tax was levied at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. In accordance with the guidance issued by the Institute of Chartered Accountants of Pakistan, liability if any, in respect of income tax due to non-distribution of dividend is recognized when the prescribed time period for distribution of dividend expires.

41.4 Rounding off

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

42. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 12, 2015.

-Sd-
Chief Executive

-Sd-
Director

Notice of Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting of the Company will be held at Attock House, Morgah, Rawalpindi on Friday, September 18, 2015 at 10:45 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Nineteenth (19th) Extra-Ordinary General Meeting held on July 14, 2015.

2. To receive, consider and approve the audited financial statements of the Company together with the Directors' and Auditor's Reports for the year ended June 30, 2015.

3. To approve a final cash dividend at the rate of 50% (Rs 5.00 per share), as recommended by the Board of Directors for the year ended June 30, 2015.

4. To appoint auditors for the year ending on June 30, 2016 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
August 27, 2015

NOTES:

PARTICIPATION IN THE ANNUAL GENERAL MEETING:

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

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

A. FOR ATTENDING THE MEETING:

i. In case of individuals, the account 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 identity by showing their original Computerised National Identity Card (CNIC), or original passport at the time of attending the meeting.

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

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

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

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

CONFIRMATION FOR FILING STATUS OF INCOME TAX RETURN FOR APPLICATION OF REVISED RATES PURSUANT TO THE PROVISIONS OF FINANCE ACT, 2015.

Pursuant to the provisions of Finance Act, 2015, Effective July 01, 2015, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

1.	Rate of tax deduction for filer of income tax returns	12.50%
2.	Rate of tax deduction for non filer of income tax returns	17.50%

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 the Company by sending following detail on the registered address of the Company and the members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) are requested to send a copy of detail regarding tax payment status also to the relevant member stock exchange and CDC if maintaining CDC investor account, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS ID/AC#	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (No. of Shares)

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

SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND

In order to comply with the requirements of Securities & Exchange Commission of Pakistan (SECP)'s SRO 19(I)/2014 dated January 10, 2014 those shareholders who have not yet submitted attested copy of their valid CNICs are once again requested to provide the same with their folio numbers to the Company's Share Registrar, M/s THK Associates (Pvt) Limited. Members holding shares in CDC / Participants accounts are also requested to provide the attested copy of their CNIC to their CDC Participant / Investor Account Services.

CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS TO SHAREHOLDERS THROUGH EMAIL

The directive of SECP contained in SRO 787(1)/2014 dated September 8, 2014, whereby Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate annual balance sheet, profit and loss account, auditor's report and directors' report etc. (Audited Financial Statements) along with notice of annual general meeting (Notice) to its members through e-mail. Members are requested to provide their email addresses on registered address of the Company.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange and CDC if maintaining CDC investor account.

CLOSURE OF SHARE TRANSFER BOOKS:

Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from September 11, 2015 to September 18, 2015 (both days inclusive). Transfers received in order at the Shares Department of M/s THK Associates (Pvt.) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, P. O. Box No. 8533, Karachi-75530, Pakistan at the close of business on September 10, 2015 will be treated in time for the purpose of payment of final cash dividend, if approved by the shareholders.

CHANGES IN ADDRESS:

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

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2015 have been made available on the Company's website www.arl.com.pk in addition to annual and quarterly financial statements for the prior year.

STATEMENT UNDER SECTION 160(1) (B) OF THE COMPANIES ORDINANCE, 1984

STATEMENT UNDER SRO 27(I)/ 2012 DATED JANUARY 16, 2012:

Status of the investment in Associated Companies

Information as required under the Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, the status of the investments in Associated Companies against approval given by the shareholders in the EOGM held on 24th November, 2004 in respect of National Refinery Limited (NRL) and EOGM held on 29th June, 2009 in respect of Attock Gen Limited is as under:

1. **Total investment approved:**

   NRL To the extent of maximum 35% of the total shareholding of NRL at a price to be finally accepted by the privitization commission.

   AGL To the extent of maximum 35% of the paid up capital of AGL with overall amount not exceeding Rs 800 million.

2. **Amount of investment made todate:**

NRL Investment of Rs 8,046.635 million has been made in NRL to date which represents 25% of the total shareholding of NRL.

AGL Investment of Rs 748.295 million has been made in AGL to date which represents 30% of paid up capital of AGL.

3. **Reasons for not having made complete investment to date:**

Majority of the investments have been made in both NRL and AGL. The decision for remaining investment will be made in future depending on the improved macroeconomics factors, feasible investment and satisfactory rate of return.

4. **Major change in financial position of investee companies since the date of last resolution:**

Changes in financial positions are as follows:

i. Earnings per share

National Refinery Limited

Year ended June 30, 2005	Year ended June 30, 2014	Year ended June 30, 2015
	Rs Per Share	
31.82	12.03	46.38

Attock Gen Limited

Year ended June 30, 2009	Year ended June 30, 2014	Year ended June 30, 2015
	Rs Per Share	
24.46	149.24	112.93

ii. Break-up value per share

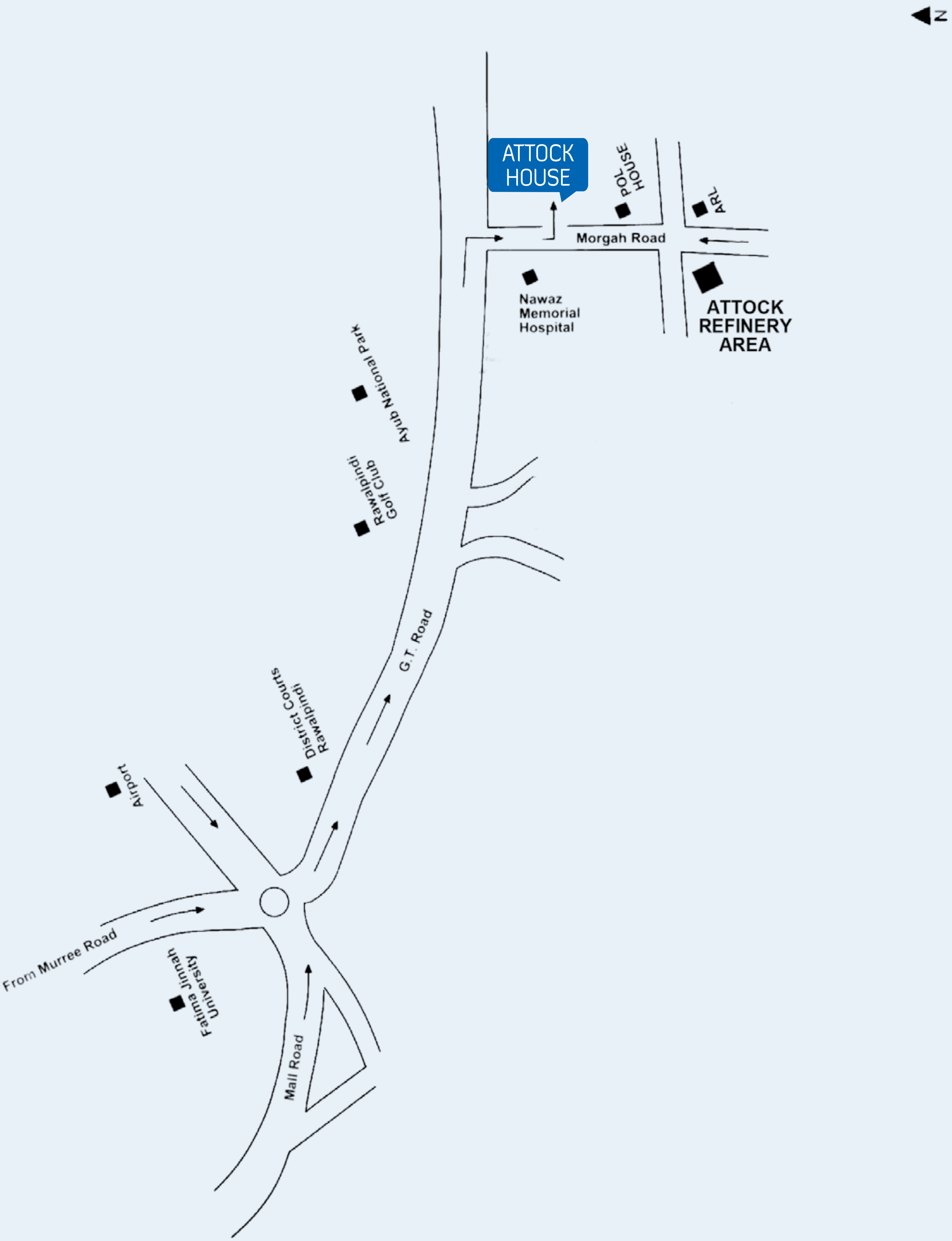
National Refinery Limited

Year ended June 30, 2005	June 30, 2014	June 30,2015
100.60	332.56	376.83

Attock Gen Limited

Year ended June 30, 2009	June 30, 2014	June 30,2015
125.16	368.32	360.71

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

SKO
Superior Kerosene Oil

SOIL
Solvent Oil

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
37th Annual General Meeting

I / We ______________________________

of ______________________________

being member(s) of Attock Refinery Limited holding ______________________________

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

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

______________________________ of ______________________________

another member of the Company as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 37th Annual General Meeting of the Company to be held on Friday, September 18, 2015 at 10:45 a.m. at Attock House, Morgah, Rawalpindi and at any adjournment thereof.

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

Signature on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Dated this __________ day of ______________ 2015

Signature of Shareholder ______________________________

Signature of Proxy ______________________________

1. WITNESS:

Signature ______________________________
Name ______________________________
Address ______________________________

____

CNIC No. or | | | | | | – | | | | | | | | – | |

Passport No. ______________________________

2. WITNESS:

Signature ______________________________
Name ______________________________
Address ______________________________

____

CNIC No. or | | | | | | – | | | | | | | | – | |

Passport No. ______________________________

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office, P.O. Refinery, Morgah, Rawalpindi-46600, Pakistan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities :

   In addition to the above the following requirements have to be met:

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

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

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

AFFIX
CORRECT
POSTAGE

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

ATTOCK REFINERY LIMITED
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