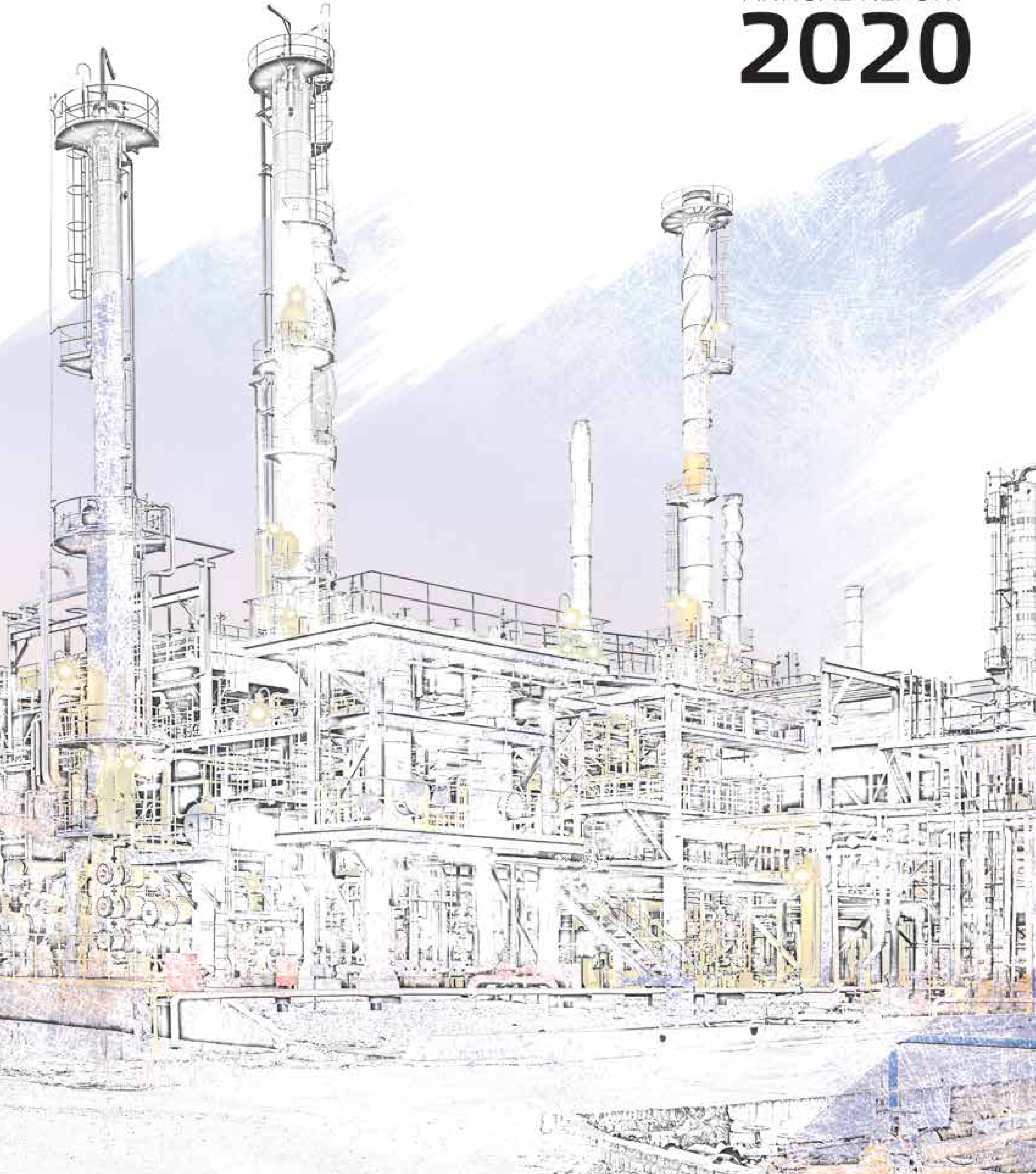
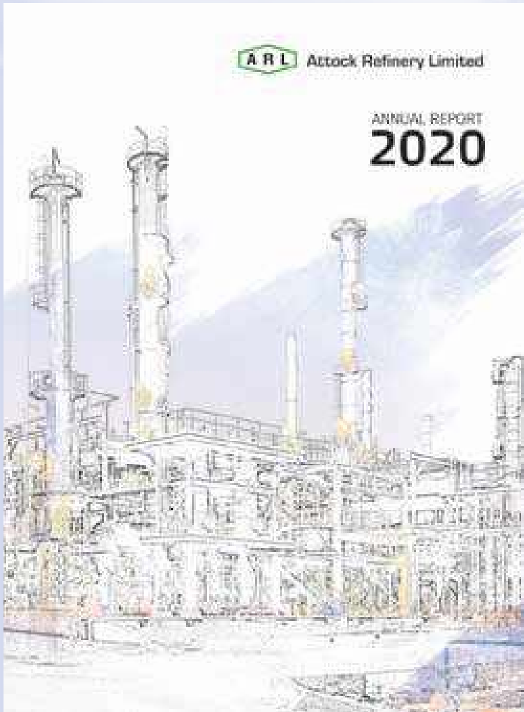
ARL Attock Refinery Limited

ANNUAL REPORT
2020



Refining Sector of Pakistan
– Challenges and Way out



Attock Refinery Limited (ARL) is the pioneer of Oil Refining Industry in Pakistan. The Company has stood the test of time through war and peace since its inception in 1922. Today, ARL has grown into a modern state-of-the-art refinery with a capacity to process 53,400 barrels of crude oil per day.

ARL is fully cognizant of the turbulent times that are being faced by businesses especially in the petroleum sector. Oil touches the lives of every individual in society directly or indirectly and with rise in globalization any local or international disruption directly impacts everyone instantly.

The business environment of the country during the recent past has remained very challenging and disturbing for Oil Refining Sector in Pakistan. The unprecedented devaluation of Pak Rupee against US dollar, overall decline in sales of petroleum products especially Furnace Fuel Oil (FFO) and thin or negative margins have been the major contributors adding to the financial difficulties for the refineries.

On top of this, the spread of COVID-19 pandemic has a meltdown effect on global crude oil and product prices. It has severely impacted the refinery sector in Pakistan and worldwide resulting in shape of reduced sales & steep decline in petroleum product prices. Refineries were carrying huge inventories acquired at higher cost prior to COVID-19 and then prices fell very low resulting in massive inventory losses.

Pakistan's Refining Sector has also been struggling for its survival due to various policy issues over the last two decades mainly due to absence of a comprehensive Refining Policy which could address the complicated challenges of today's refining sector.

The current situation calls for Refineries to go for up-gradation including deep conversion projects. However, these projects are capital intensive requiring around US$ 1 billion per refinery and also require period upto 4-5 years for completion. The Government must support and help out refineries to survive this crucial period as well as enable them to undertake up-gradation projects.

Recently, the Government has allowed use of actual exchange rate for determining import parity price of Motor Sprit and High Speed Diesel. This measure will benefit Refineries to offset heavy exchange loss that seriously impacted them in previous years. The Government has also approved determining prices of petroleum products on fortnightly basis. It is expected that this would have positive impact on supply chain management and profitability. Refineries are also of the view that a better and coordinated planning on the part of the Government can address to a greater extent the problem of non-uplifting of FFO in winter season and its import in summer season.

A Working Group comprising of government officials and representatives of refineries was set up in December 2019 to come up with a comprehensive plan to address the complicated issues of the refining sector. Several meetings of the Working Group have been held and Refineries look forward to finding resolution of their acute problems through long term policy measures.

Contents

Honors & Achievements

17th Annual Environment Excellence Awards 2020 by National Forum for Environment & Health

Asia's Best Stakeholder Reporting Award by Asia Sustainability Reporting Awards 2019

16th Annual Environment Excellence Awards 2019 by National Forum for Environment & Health

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 interest paramount in all our actions.

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

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

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

Strategic Plan

The Company's strategic plans include enhancement of its refining capacity and production of value added and more environment friendly petroleum products to maintain and expand its market in an efficient, effective and economical manner. Projects targeting environmental and community development are also a regular feature of the Company's strategic plans.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PRIOR YEARS

Management believes that our business objectives and strategies are well planned and are aligned with the current challenges of minimizing Furnace Fuel Oil and meeting new specifications of petroleum products.

Company Profile

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

Original paid-up capital of the Company was Rs 80 million which was subscribed by the holding company i.e. AOC, Government of Pakistan, investment companies and general public. The present paid-up capital of the Company is Rs 1,066.163 million.

ARL is the pioneer of crude oil refining in the country with its operations dating back to 1922. Backed by a rich experience of more than 97 years of successful operations, ARL's plants have been gradually upgraded/ replaced with state-of-the-art hardware to remain competitive and meet new challenges and requirements.

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

There were subsequent discoveries of oil at Meyal and Toot (1968). Reservoir studies during the period 1970-78 further indicated high potential for crude oil production of around 20,000 bpd. In 1981, the capacity of Refinery was increased by the addition of two distillation units of 20,000 and 5,000 bpd capacity, respectively. Due to their vintage, the old units for lube/ wax production, as well as Edeleanu, were closed down in 1986. Another expansion and up gradation project was completed in 1999 with the installation of a Heavy Crude Unit of 10,000 bpd and a Catalytic Reformer of 5,000 bpd. In 2000, a Captive Power Plant with installed capacity of 7.5 Megawatt was commissioned.

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

i) Diesel Hydro Desulphurization (DHDS) unit: This has reduced Sulphur contents in the High Speed Diesel to meet Euro II specification;

ii) Preflash unit: This has increased refining capacity by 10,400 bpd;

iii) Light Naphtha Isomerization unit: This has enhanced production of Premium Motor Gasoline by about 20,000 M. Tons per month;

iv) Expansion of existing Captive power plant by 18 MW.

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

Accreditation & Certifications

ISO-9001: 2015
QUALITY MANAGEMENT SYSTEM

ISO-14001 : 2015
ENVIRONMENTAL MANAGEMENT SYSTEM

OHSAS-18001 : 2007
OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES

ISO/IEC-17025 : 2005
LABORATORY MANAGEMENT SYSTEM

IMPLEMENTED AT ARL
ISO 50001
Energy Management System

Series of Firsts & Major Events

1922
First refinery of the region

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

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

First to produce low sulfur furnace – less than 1%

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

First to achieve ISO 9002 certification for quality control laboratory

2001
First major industry to get ISO 9001: 2000 certification

First to produce polymer modified asphalt

2002
First major industry to get ISO 14001 certification

2006
First major industry to get OHSAS 18001 certification

2007

First in Oil and Gas sector to get ISO 17025 accreditation

2008

First HSE Conference

2009

First HR Conference

2012

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

First Plant Maintenance & Operations Conference

2013

Commencement of setting-up of ARL Up-gradation Project

2017

Preflash, ISOM, DHDS & Auxillary units commissioned

2020

First major successful turnaround after upgradation

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

NAPHTHA

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

JET FUEL

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

LIGHT DIESEL OIL (LDO)

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

MINERAL TURPENTINE TAR (MTT)

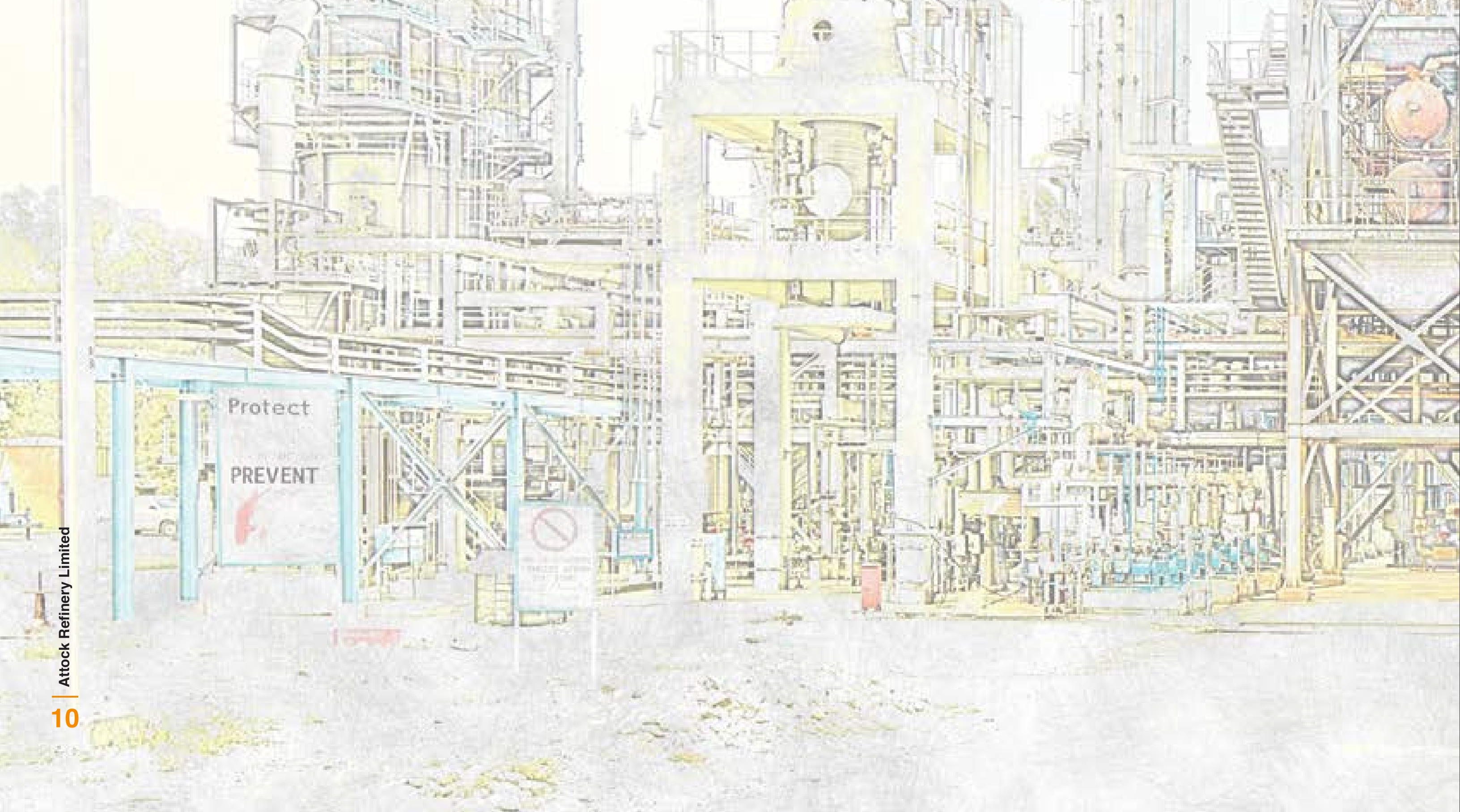
ARL is producing an inexpensive petroleum-based replacement for the vegetable-based turpentine. It is commonly used as paint thinner for oil-based paint and cleaning brushes and as an organic solvent in other applications.

FURNACE FUEL OIL (FFO)

ARL supplies FFO which is a commercial heating oil for burner; it is also used in power plants. Major portion of this fuel is supplied to Independent Power Producers (IPPs) for the production of Electricity. ARL is the only refinery in the country producing Low Sulfur Furnace Fuel Oil (LSFO). ARL is also producing Residual Furnace Fuel Oil (RFO), a special high-viscosity residual oil which requires preheating.

PENETRATION GRADE BITUMEN

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



POLYMER MODIFIED BITUMEN (PMB)

ARL is the only refinery of Pakistan producing this special product. Bitumen is further treated with polymer which enhances consistency, reduces temperature susceptibility, improves stiffness and cohesion, increases flexibility, resilience and toughness, develops binder-aggregate adhesion. It is worth mentioning that Polymer Modified Bitumen produced by ARL had been used for the construction of Islamabad-Peshawar Motorway (M1).

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 producer of PMG in the country. ARL is producing environment friendly low sulfur & low benzene PMG product as per PSQCA and Ministry of Energy (Petroleum Division) Government of Pakistan advised specifications.

KEROSENE OIL

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

HIGH SPEED DIESEL (HSD)

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

SOLVENT OIL

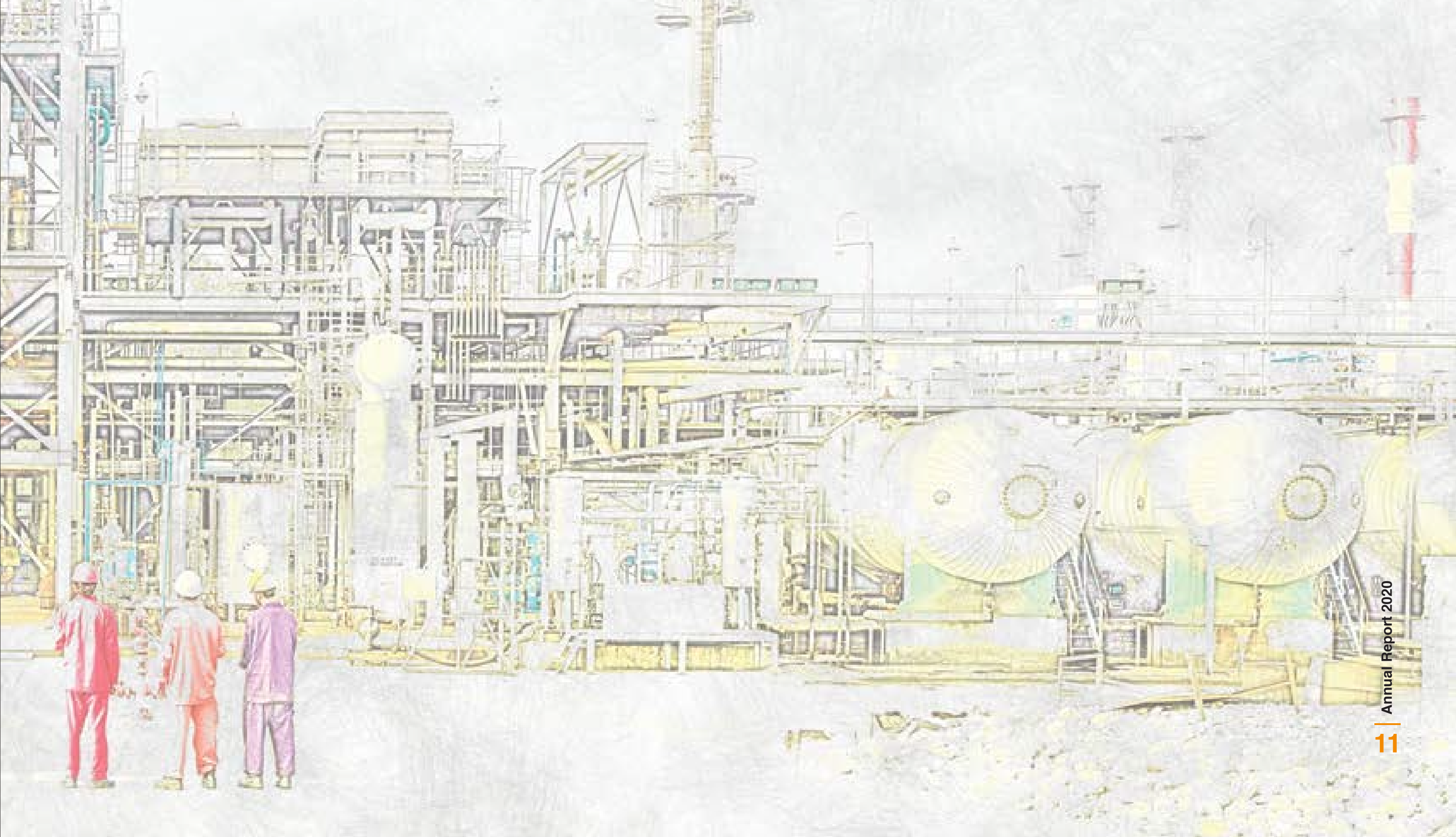
It is a mixture of liquid hydrocarbon obtained from petroleum and used as a solvent for research and commercial purposes. It readily dissolves all petroleum fractions, vegetable oils & fats and organic compounds of sulfur, oxygen and nitrogen.

JUTE BATCHING OIL (JBO)

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

CUTBACK ASPHALTS

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



Board of Directors

Mr. Laith G. Pharaon
Non Executive Director
(Chairman Attock Group of Companies)

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

Other Engagements

Chairman & Director
The Attock Oil Company Limited
Attock Cement Pakistan Limited
Attock Petroleum Limited

Director
Pakistan Oilfields Limited
Attock Gen Limited
National Refinery Limited

Mr. Wael G. Pharaon
Non Executive Director

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

Other Engagements

Director
The Attock Oil Company Limited
Attock Cement Pakistan Limited
Pakistan Oilfields Limited
National Refinery Limited
Attock Petroleum Limited
Attock Gen Limited

Mr. Shuaib A. Malik
Chairman/ Non Executive Director & Alternate Director to Mr. Laith G. Pharaon

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

Other Engagements

Chairman, Chief Executive Officer, Director & Alternate Director
Pakistan Oilfields Limited

Group Chief Executive

Chairman, Director & Alternate Director
National Refinery Limited

Director & Alternate Director
Attock Cement Pakistan Limited
Attock Gen Limited

Chief Executive Officer & Director
The Attock Oil Company Limited
Attock Petroleum Limited

Resident Representative
Pharaon Investment Group Limited (Holding) s.a.l

Mr. Abdus Sattar
Non Executive Director

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

Other Engagements

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

Board of Directors

Mr. Jamil A. Khan
Non Executive Director

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

He joined National Refinery Limited in 2005 immediately after its privatization and is presently serving as its Chief Executive Officer. He is a graduate in aero sciences and holds a degree of Masters in Business Administration (Finance) besides qualifying the directors training program from Pakistan Institute of Corporate Governance (PICG).

Other Engagements

Chief Executive Officer
National Refinery Limited

Mr. Shamim Ahmad Khan
(Independent Non Executive Director)

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

Other Engagements

Chairman & Director
IGI Life Insurance
IGI General Insurance

Director
IGI Holdings Limited
Pakistan Oilfields Limited
Karandaaz

Member Board of Governors
Sustainable Development Policy Institute (SDPI)

Mr. G. A. Sabri
(Independent Non Executive Director)

Mr. G.A. Sabri did his Master's in Chemical Engineering from Punjab University in 1972. He has vast experience in the petroleum sector. He has served in senior positions in the Ministry of Petroleum and Natural Resources as Director General Renewables and Energy Resources, Director General Gas, Director General Oil, Director General Petroleum Concessions, Additional Secretary Petroleum and retired as Special Secretary Petroleum in 2010.

During his service, G.A. Sabri frequently tackled, and accomplished various tasks of national importance. He facilitated the approval and commissioning of PARCO refinery, Bosicar Refinery, White Oil Pipeline Project and Attock Petroleum Ltd. He zealously worked to strengthen policies, drafting concession agreements, both onshore & offshore, rules and the new Petroleum Policy 2008 in house. He was Chairman of two public sector organisations and member of Board of Directors of almost 18 top oil and gas companies from time to time. He remains one of the foremost energy experts of Pakistan.

Other Engagements

President
Tehzib-ul-Akhlaq Trust

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

Mr. Babar Bashir Nawaz has over 31 years of experience with the Attock Group of Companies. During this period, he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Pakistan Limited in 2002. He holds a Master's degree in Business Administration from the Quaid-e-Azam University 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.

Other Engagements

Chief Executive & Director
Attock Cement Pakistan Limited

Director
Attock Petroleum Limited

Alternate Director
Pakistan Oilfields Limited
National Refinery Limited

Mr. M. Adil Khattak
Chief Executive Officer

Mr. M. Adil Khattak, Chief Executive Officer of Attock Refinery Limited (ARL) since 2005 has been associated with The Attock Oil Group for the last 44 years. Mr. Khattak has extensive experience in engineering, maintenance, human resource management, project management and marketing.

Mr. Khattak also holds the positions of Chief Executive Officer of Attock Gen Limited (AGL), Attock Hospital (Pvt.) Limited (AHL) and National Cleaner Production Centre (NCPC). He is Director on the Board of Petroleum Institute of Pakistan (PIP). He is also a Member on the Board of Governors of Lahore University of Management Sciences (LUMS), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) and Sustainable Development Policy Institute (SDPI). Mr. Khattak is President of Attock Sahara Foundation (ASF), 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.

Other Engagements

Director
Petroleum Institute of Pakistan

Chief Executive Officer
Attock Gen Limited
Attock Hospital (Pvt) Limited
National Cleaner Production Centre

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

Board Committees

Audit Committee

Shamim Ahmad Khan
Chairman
(Independent Director)

Shuaib A. Malik
Member

Abdus Sattar
Member

G. A. Sabri
Member
(Independent Director)

Babar Bashir Nawaz
Member
(Alternate Director)

Responsibility

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

HR & Remuneration Committee

G. A. Sabri
Chairman
(Independent Director)

Shuaib A. Malik
Member

Jamil A. Khan
Member

M. Adil Khattak
Member

Responsibility

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

Company Information

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
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor
Ali Sibtain Fazli & Associates
Legal Advisors, Advocates & Solicitors

Share Registrar
CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi-74400.

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

The Management

Left to Right:

Saif-ur-Rehman Mirza
Company Secretary

Anwer Saeed
Manager (HSEQ)

Salman Tariq
AGM (Maintenance)

Javed Iqbal Malik
AGM (HR & A)

M. Adil Khattak
Chief Executive Officer

Ejaz H. Randhawa
DGM (Operations)

Syed Asad Abbas
Chief Financial Officer

Asif Saeed
AGM (C & MM)

Munir A. Temuri
AGM (TS, P&D)

Usman Ishaq Raja
Manager (BR&A)

Saeed Uddin Faruqi
Manager (Engineering)

Management Committees

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

MANAGEMENT COMMITTEE

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

VALUE & ETHICS COMMITTEE

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

SUCCESSION PLANNING AND CAREER MANAGEMENT COMMITTEE

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

ECONO-TECH. COMMITTEE

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

BUDGET COMMITTEE

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

APPRAISAL COMMITTEE

The role of this Committee is to review and propose annual increments and promotions of management staff.

PRICING COMMITTEE

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

CENTRAL HSE COMMITTEE

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

BID EVALUATION COMMITTEE

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

RISK MANAGEMENT & STRATEGIC PLAN COMMITTEE

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

STANDING COMMITTEE FOR GENDER JUSTICE

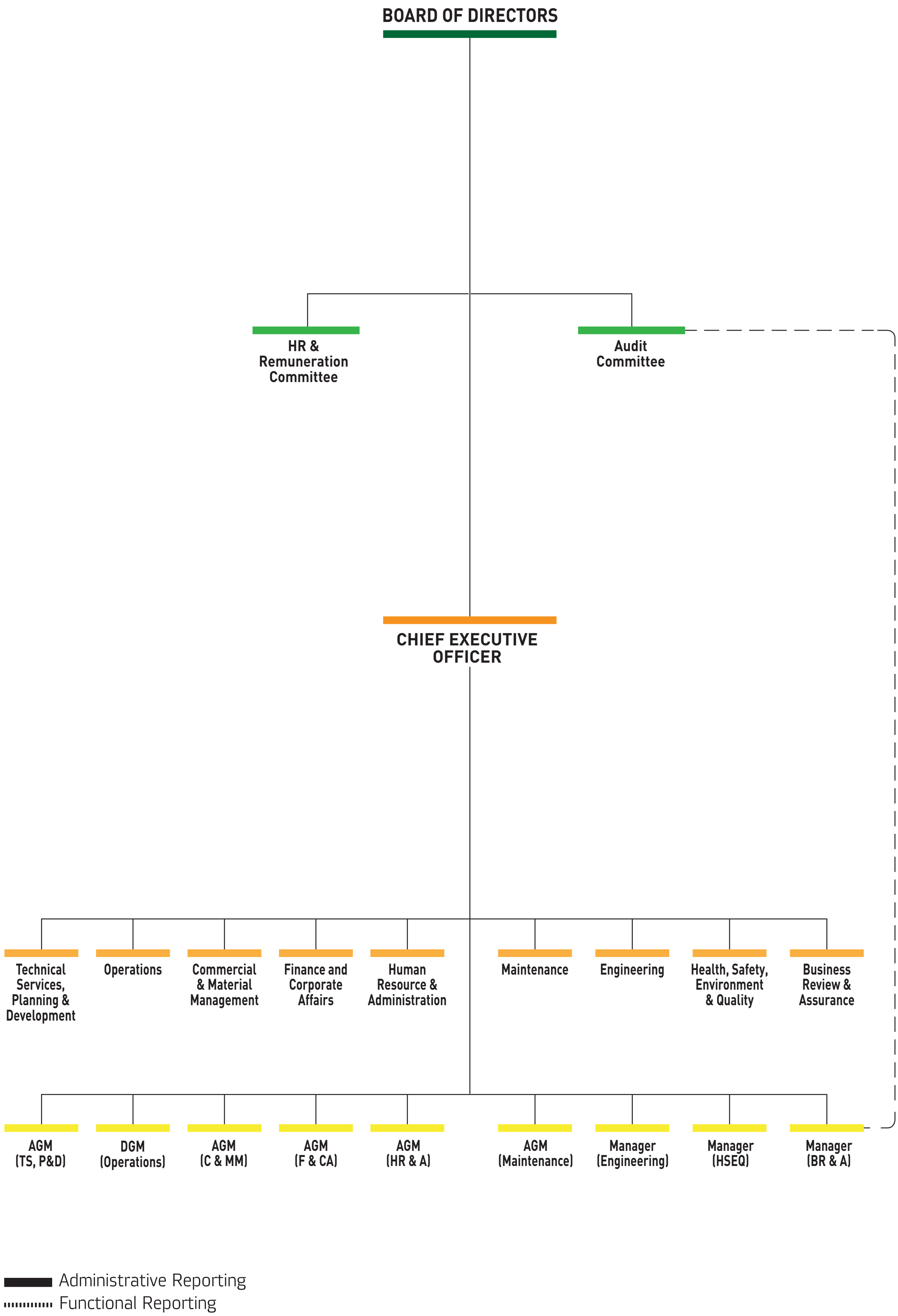
The prime responsibility of this Committee is to safeguard rights of employees and making the work environment free of harassment. In case of any complaint, conduct proper investigation and advise CEO for appropriate action.

TRAINING STEERING & SCHOLARSHIP COMMITTEE

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

For the first time Management Committee Meeting was held outdoor on March 19, 2020 in the wake of COVID -19 Pandemic.

Organogram


BOARD OF DIRECTORS
HR & Remuneration Committee
Audit Committee
CHIEF EXECUTIVE OFFICER
Technical Services, Planning & Development
Operations
Commercial & Material Management
Finance and Corporate Affairs
Human Resource & Administration
Maintenance
Engineering
Health, Safety, Environment & Quality
Business Review & Assurance
AGM (TS, P&D)
DGM (Operations)
AGM (C & MM)
AGM (F & CA)
AGM (HR & A)
AGM (Maintenance)
Manager (Engineering)
Manager (HSEQ)
Manager (BR & A)
Administrative Reporting
Functional Reporting

Health, Safety, Environment & Quality

(HSEQ) Policy

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

HEALTH

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

SAFETY

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

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

ENVIRONMENT

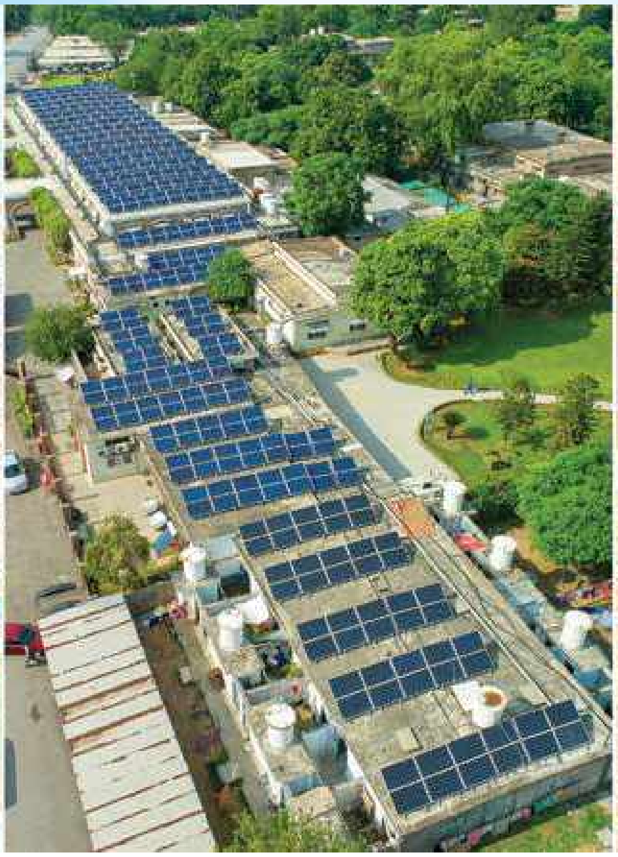
ARL is committed to prevent pollution by the efficient use of energy throughout its operations, recycle and reuse of the effluent wherever possible and use of cost-effective cleaner production techniques that lead to preventive approach for sustainable development.

QUALITY

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

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

Energy Policy



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

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

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

1. **Use of Robust, Scientifically Sound Technology:**
   This will enable the optimization of the existing resources and employing energy efficient equipment while protecting the environment.

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

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

4. **Energy Conservation Awareness:**
   To keep abreast with latest development in energy conservation technologies and inculcate energy conservation culture in all our activities.

Human Resource Policy

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

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

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

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

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

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

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

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

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

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

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

Whistle Blowing Policy

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

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

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

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

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

Code of Conduct for Protection against

Harassment at WorkPlace

Objective:

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

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

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

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

Application:

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

The workplace includes:

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

Explanation:

Definition of Harassment:

For this policy, Harassment is defined as:

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

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

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

Forms of harassment include but not limited to:

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

Roles and Responsibilities:

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

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

The Management is responsible for:

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

Resolution of Harassment Complaints:

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

Complaints:

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

No Reprisal:

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

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

Business Process Re-Engineering, Research & Development

1. Training of staff on Operator Training Simulator (OTS) is an ongoing process to provide hands on training to new inductions. 6-Shift Engineers, 11-Boardmen and 39-field operators were trained in Operations Department to perform independent duties. It has proven to be an excellent tool for providing staff training specifically in situation of high turnover. In addition to OTS training, 15 in house sessions on different areas were carried out to enhance technical skills of Operational staff.

2. To increase the product storage capacity, Tank-340 (4,500 tons) for PMG and Tank-342 (3,000 tons) for FFO were commissioned.

3. Construction of new Sour Water storage tank was completed and it was successfully commissioned. In the past, for any trouble shooting of sour water unit, some of the units had to be shutdown resulting in production loss. With commissioning of new tank, no shutdown is required to carry out any emergency maintenance at Sour Water Unit.

4. A new Fuel Gas Knockout vessel was successfully installed and commissioned at Hydrogen plant. Previously, there was no condensate knockout vessel on fuel gas line coming from Refinery Gas gathering system.

5. Management of Change (MOC) system was developed in-house and implemented in 2017. To improve the system, new workflows for Emergency and temporary jobs were included. In addition HSE and E&I related workflow was improved.

6. Old Catalyst of Reformer plant was replaced with new batch of catalyst. This has resulted in better plant performance. Light Naphtha Hydrotreater catalyst and heavy Naphtha Hydrotreater catalyst were unloaded, screened and reloaded to address high pressure drop issues across the reactors.

   The Pre-Reformer catalyst at the Hydrogen Unit was also replaced successfully. The Shift converter catalyst skimming was carried out to resolve the high pressure drop issue across the reactor.

7. LPG production was restarted at HCU. As a result 20% increase in overall production was achieved.

8. At Reformer plant, replacement and commissioning of Hydrotreater compressor's suction vessel (bigger size) was completed as per designer (UOP) recommendation. This will provide more residence time of gases in vessel and condensate recovery to improve compressor performance and safety.

9. Higher value middle distillates yield was increased by 1% to 2% during light crude charge at HCU, by taking Vacuum Heater in service. This was jointly evaluated by Technical Services and Operations team for implementation.

10. Old flare bottom condensate knock out drum was replaced with a new drum. Additionally, in-house electric ignitor system was installed at old flare. This has facilitated in lightening of flare from manual to electric ignition.

11. PSO pipeline dispatches suspended due to line damage near Sohan River resulting in limitation of supplies to PSO. In order to partially resolve the issue HSD dispatches to PSO through railway were revived from October 2019 after more than 15 years. Tank lorries filling of PMG and HSD also started.

12. PMG and HSD dispatch piping network was up-graded from 6 inches diameter line to 8 inches which has improved pumping rate to OMCs. Additionally, pumping cost has also reduced.

13. Successful commissioning of Humak pumping station including Tube well number 19 was carried out.

Humak pumping station is now an important source of water supplies to ARL. Previously, water tankers were used to supply limited water from Humak to ARL during dry season.

14. Chemical cleaning of Boiler 1 & 3 was performed which provided good results in terms of efficient boiler operation, more heat recovery and steam production.

15. Shahpur/Sohan water supply line near reservoir-3 was isolated to reduce back pressure on Sohan line. As a result energy consumption of Tube well number 6 & 13 and Sohan pumps reduced. The water availability at ARL has also increased.

16. Upgradation of Refinery Fire Alarm & Gas Detection System including replacement of fire break glasses, smoke sensors and gas detectors with upgraded ones was carried out successfully.

17. Replacement of common Slop Oil Tank of HBUs with bigger tank and installation of new Slop Oil Pump was carried out successfully.

18. In-house development of PLC Training Module. This module gives hands-on training to the Instrumentation staff for maintenance and configuration of PLC. Ten engineers and technicians were trained last year.

19. To eliminate manual record keeping for employee training records, the training module available in HRMS was customized and implemented as per user's requirement by ARL-IT. The system covers training courses, training schedules, trainer's information as well as training details. Moreover for proper utilization of the system, the training evaluation module has also been incorporated in the system and user friendly reports have been developed in-house for managements review.

20. To eliminate manual gate passes an automated in house solution for Material Management section has been developed and implemented in order to monitor real time record tracking. The system covers both material receiving and issuance of gate passes and has security matrix which allows user to access according to their limits of authority. Furthermore for smooth running of the system, workflows and email facility along with document attachment option is also incorporated to keep all the stake holders in loop and provides ease in gate pass approval and monitoring. The system is also integrated with Maximo and other related systems for necessary references and validations.

Corporate Social Responsibility

Since its inception in 1922, Attock Refinery Limited (ARL) has been contributing towards CSR, which is an important part of our core values. During these long years, we have taken exhaustive initiatives in this realm and continue to find ways and means to meaningfully contribute towards community welfare activities as enumerated below:

Attock Sahara Foundation (ASF)

a. ASF is a registered Non-Profit Organization (NPO), sponsored by ARL to help and support the less privileged segment of the community through various welfare programs/ schemes which mainly include but not limited to

Apprenticeship Program, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund, Collection and Distribution of Zakat, community development projects like women skill development, capacity building and skill enhancement. In this realm, during the year under review Rs 25.23 million were spent.

b. ASF lays special emphasis to empower and strengthen the less privileged women by imparting different skills and creating awareness to enable them to become earning hands for their families. The programmes for this purpose include stitching, hand and machine embroidery, on job training as beautician, computer training etc. ASF sustains itself through a well-equipped medium size Industrial Stitching Section which is its main source of income to meet its manifesto.

c. During the year ASF also conducted awareness sessions on women health, dengue, malaria, tree plantation, kitchen gardening and organized sports gala for our female employees. ASF also has a play group level school operating on no profit no loss basis.

Community Welfare

The Company supports and arranges multiple community welfare activities for which the expenditure during the year was Rs 7.27 million. Details are as given below:

a. Sports including hockey, cricket, football along with other sports facilities and well maintained play grounds.

b. Patronizing parks, providing potable drinking water and health care to the surrounding communities.

c. Administrative support to schools, mosques and churches in the surrounding area.

d. Financial assistance to an NGO working for the betterment of the visually impaired.

e. Fuel to Garrison Golf Club for promotion of Golf.

f. Annual grants to adjoining Union Councils of Morgah and Kotha Kalan.

g. In collaboration with Attock Hospital (Pvt) Limited (AHL) a subsidiary Company of ARL arranges free medical camps and blood donation campaigns.

h. Seminars on COVID-19 pandemic, Plastic Bags Hazards, Dengue Awareness. Women health, Child Protection were held during the year.

Employment of Special Persons

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

Education/Training

a. The Company is operating an extensive management training program of 1 to 2 years for fresh graduates. The annual expenditure on these training schemes during the year was over Rs 39.09 million.

b. The Company offers scholarships from class 6 to PhD level to employees' children. During the year 43 scholarships were awarded and 15 brilliant students amongst employees' children were recognized by awarding prizes. The Company incurred an annual expenditure of Rs 3.76 million in this respect.

Business Ethics and Anti-Corruption Measures

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

Health, Safety, Environment and Protection Measures

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

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

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

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

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

e. The Company has been installing on-grid solar power systems since last few years. Till now the Company has 3 such systems with total capacity of about 167KW. This initiative of ARL has not only reduced its energy cost but is also a step forward towards generation of green energy to achieve United Nations Sustainable Development Goal of Affordable and Clean energy.

f. Safety Week, Energy Week, World Environment Day, World Safety Day, World Energy Day were observed in collaboration with NCPC and Environmental Protection Agency (EPA) during the year.

Green Environmental Initiatives

a. The Company in collaboration with The Attock Oil Company Limited (AOC) has established Attock Institute of Horticulture (AIH) for the promotion of art and practice of Horticulture in general and to impart knowledge and training to Horticultural professionals and domestic gardeners in particular. Courses include professional Horticulture training duly recognized by Technical Education & Vocational Training Authority (TEVTA) Punjab and kitchen gardening. AIH will become fully operative as soon as the COVID-19 situation eases out.

A view of the Controlled Environment for Biodiversity

The Xerophytic Garden at Morgah Biodiversity Park

b. The Company has established Morgah Biodiversity Park which helps to conserve the Biodiversity of Potohar Region and provides recreation and education to the visitors. The Park also conserves flora and fauna of the Potohar Region. Under Morgah Biodiversity Project, Company has initiated several CSR activities for the benefits of employees and local communities which include production of natural honey, fruits including Peach, Grapes, Citrus, Papaya, Olives and Organic Vegetables. Water Conservation including Kitchen Wastewater Recycling, Rain Water Harvesting for irrigation and Solar Powered Drip & Sprinkler Irrigation Systems.

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

Energy Conservation

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

Industrial Relations/ Workers Welfare

ARL provides maximum benefits to its workers and ensures cordial industrial relations through its Collective Bargaining Agent (CBA). In this context the Company extends following facilities:

a. Provision of highly subsidized food and wheat flour.

b. Every year the Company selects four workers for Hajj and five workers for Umrah along with their spouses or dependents on the Company's expense. The

Company also nominates one Non-Muslim worker along with spouse or dependent, for visiting their sacred places in Pakistan. However, due to the restriction on Hajj consequent to Covid-19 pandemic, the selected workers would perform Hajj next year.

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

d. Free pick and drop facility is provided to the school, college and university going children of the workers.

Covid-19 Pandemic

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

As per SOP effected employees and their families were isolated and extended medical support which resulted in their complete recovery as well as helped to contain the spread of the pandemic. In this context mix of work from home, flexible office timings and online video meetings without compromising standards of work have been adopted and official travelling has been restricted to the most essential.

Contribution to the National Economy

a. The Company's annual contribution to the national exchequer in the form of taxes and duties amounted to over Rs 59.28 billion while foreign exchange savings of US $ 143.62 million were achieved through import substitution and exports.

b. The Company not only operates on 100% indigenous crude oil thus saving on foreign exchange but is a major outlet to the oilfields in the northern part of Pakistan. ARL is also the main source of petroleum products to the civil and defense sectors of the northern region of Pakistan and is a catalyst in the deployment of a large transportation fleet for crude oil and refined products in the private sector.

بسم الله الرحمن الرحيم

Chairman's Review

I am pleased to present annual review as Chairman of the Board of Directors of Attock Refinery Limited for the year ended June 30, 2020.

COVID-19 Pandemic has negatively affected economies all over the world with no exception to Pakistan. Refining sector has been amongst the hardest hit sectors in Pakistan. Continuing with the same Pricing Formula by the Government, without desired changes in the times of extreme volatility and uncertainty added to the sufferings of already troubled refining sector. Unlike other industries, no economic package was announced by the Government for this important segment of the economy. Resultantly, loss for the year was Rs 2,825 million (June 30, 2019: Loss of Rs 5,385 million) which translated into loss per share of Rs 26.50 (June 30, 2019: Loss of Rs 50.51 per share). Refineries need up-gradation for sustainable operations which cannot be done without the Government's support. In this respect various meetings of refineries representatives were held with the Government but no concrete progress has yet been made.

The Board has played a pivotal role in safeguarding interests of the shareholders. The Board has guided the management to face the unforeseen challenges during this crisis. The Board also constituted a special committee to carry out in depth review of the situation and to give recommendations to the Board for providing strategic direction to the management.

The Board has seven Directors including five non-executive and two independent Directors. The Directors have rich and varied experience in the fields of business, refining, finance and regulations. During the year, five board meetings were held. The Board has fulfilled all of its mandatory responsibilities including ensuring compliance with all legal and regulatory requirements by the Company. The Board has constituted Audit and Human Resource and Remuneration Committee. These committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on detailed review of financial statements and effectiveness of internal controls. An annual evaluation of performance of the Board, members of the Board and its Committees was carried out with the help of a formal and effective mechanism. On the basis of the feedback received through this mechanism overall role of the Board has been found to be effective.

I would like to take this opportunity to express my appreciation for the untiring efforts of our employees and express gratitude to all the stakeholders including our valued customers, crude oil suppliers, banks, contractors as well as Ministry of Energy and other organisations for their continued cooperation and support.

August 26, 2020
Rawalpindi

Shuaib A. Malik
Chairman

بسم الله الرحمن الرحيم

Directors' Report

On behalf of the Board of Directors we are presenting, the Company's 42nd Annual Report which includes the Audited Financial Statements of the Company together with Auditors' Report thereon for the year ended June 30, 2020.

1 FINANCIAL RESULTS

During the financial year 2019-20 the Company suffered loss after tax of Rs 3,379 million from refinery operations (June 30, 2019: Loss of Rs 6,541 million). Non-refinery income during the current year was Rs 554 million (June 30, 2019: Rs 1,156 million). Therefore, net loss for the current year was Rs 2,825 million (June 30, 2019: Loss of Rs 5,385 million). This resulted in loss per share of Rs 26.50 (June 30, 2019: Loss per share of Rs 50.51 per share).

The local refining sector has been facing severe challenges over last couple of years mainly due to non-uplifting of Furnace Fuel Oil (FFO) and International Maritime Organization (IMO-2020) sulfur specification issue. The situation worsened after eruption of COVID-19 Pandemic in March, 2020.

Due to the COVID-19 Pandemic, there was drastic reduction in demand of petroleum products and ullage issues. Resultantly prices of petroleum products and crude oil crashed leading to

massive inventory losses and liquidity crunch. To overcome these challenges the Company carefully prepared and implemented a contingency plan. The Company also availed the scheme offered by the Government through State Bank of Pakistan, for deferment in repayment of principal amount of its long term borrowing for a period of one year. Reduction in interest rates and relatively stable exchange rate in comparison to last also provided some relief to the Company.

In order to meet the unforeseen challenges, the Company carefully developed an operational strategy to minimise losses and to make supply of committed quantities of refined products in the greater interest of the country while managing payments to crude suppliers and Government levies, taxes etc.

2 APPROPRIATION AND DIVIDEND

2.1 Appropriation

	2020	2019
	Rs '000	
Loss for the year	(2,824,926)	(5,385,239)
Other comprehensive income/(loss)	29,080	(25,784)
	(2,795,846)	(5,411,023)
Un-appropriated profit b/f	5,807,643	10,398,644
Profit available for appropriation	3,011,797	4,987,621
Appropriation:		
Amount transferred (to)/from special reserve		
for expansion/modernization	-	1,033,255
Bonus shares issued during the year:		
For the year 2017-18 @ 25%	-	(213,233)
Un-appropriated profit c/f	3,011,797	5,807,643

2.2 Dividend

Due to loss suffered by the Company, the Board of Directors has decided not to recommend any cash dividend or bonus shares for the current year (June 30, 2019: Nil).

3 PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE

Principal activities, development and performance of the Company's business during the current financial year were as follows:

During the year, the overall utilization of the refinery capacity was about 69% (June 30, 2019: 93%). Due to the issues emerging from COVID-19 Pandemic, the Company had to face serious issues in supply chain management. With the support and coordinated planning of all concerned departments, extensive exercises of refinery economics and Linear Programming Modeling were carried out to keep the refinery operating at optimal throughput and to minimize the loss. Management of crude receipts, product supply issues, planning of processing units' safety and pricing of products were considered for finding the optimal operations scenarios for implementation.

During the year under review, the refinery's throughput was 1.688 million Tons (June 30, 2019: 2.268 million Tons). Major part of the crude production from the northern region of the country was processed at the refinery.

A total of 1.698 million Tons of crude oil (June 30, 2019: 2.272 million Tons) was received from different oil fields which was processed at various units.

All the crude processing units operated smoothly. The Company supplied 1.568 million Tons (June 30, 2019: 2.210 million Tons) of various petroleum products during the year meeting the standard quality specifications.

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

4 IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT

The Company remains cognizant of its responsibility towards sustainability of healthy environment. In this connection the Company has implemented various procedures for energy management, water preservation, conservation of biodiversity and resource efficiency. All these steps reflect the Company's strong commitment to achieve the ultimate goal to control and minimize the impact on environment. Implementation of energy management Standard ISO-50001, up-gradation of effluent treatment plant and water conservation measures like drip irrigation, waste water recycling/ reuse demonstrate our continuous commitment for environment, safety and quality. The Company's efforts in this regard have been well recognized at the relevant forums in the form of prestigious awards.

5 PRICING FORMULA

The pricing of the Company's petroleum products is carried out under the Import Parity Pricing Formula, as modified from time to time by the Government whereby the cost of crude oil is determined on import parity basis. Product prices are fixed equivalent to the import parity price calculated under prescribed parameters. Among other directives, the Pricing Formula requires refineries to transfer amount of profit above 50% of paid-up share capital as at July 1, 2002 to a Special Reserve account for expansion/modernization.

On the advice of the industry, the Government has finally approved applicability of actual exchange rate on Premier Motor Gasoline (PMG) and High Speed Diesel (HSD) pricing and Oil & Gas Regulatory Authority (OGRA) has notified its applicability with effect from March 01, 2020. Subsequent to the year end, the Government has also approved fortnightly pricing. These measures are expected to make positive impact on refineries profitability.

The refineries have taken up some issues with the Government relating to sudden change in specification of the products and pricing formula.

6 SHARE CAPITAL

The issued, subscribed and paid-up capital of the Company as at June 30, 2020 was Rs 1,066.163 million. As per the pricing formula, the maximum profits available for distribution from refinery operations cannot exceed an amount equivalent to 50% of the paid-up capital of Rs 291.6 million as at July 01, 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.

7 PRINCIPAL RISKS AND UNCERTAINITIES

Under the present pricing formula, the Company remains exposed to the risk of adverse fluctuation in the prices of petroleum products and crude oil. However, these risks have been mitigated to some extent due to change in pricing formula as explained in paragraph 5 above. Due to implementation of IMO 2020 resulting in change in the specifications of FFO, the Company is also exposed to the risks associated with the non-uplifting of FFO. The Company has been taking up the matter with the Government and look forward to formulation and implementation of a Refining Policy which can take care of interests of all stakeholders. Financial risks relating to the business of the Company and the details to manage these risks have been explained in detail in note 39.3 to the financial statements.

8 REFINERY'S FUTURE PLANS FOR EXPANSION AND UP-GRADATION

Upcoming challenges being faced by the refinery includes handling of continuously increasing local crude oil production from northern region of the country and further improvement in product specifications.

As part of its future upgradation, Attock Refinery Limited (ARL) has planned to install a Continuous Catalyst Regeneration (CCR) Unit for further improvement of PMG pool octane, elimination of both octane boosting additives and naphtha exports. The Licensor Front End Engineering Design (FEED)/Basic Engineering Design Package (BEDP) for the Continuous Catalyst Regeneration (CCR) Reformer Unit have been completed by M/s Honeywell UOP, USA. The project aims to enhance PMG production and to improve the octane of PMG pool to meet future euro-specifications.

To cater for future reduced FFO demand, a configuration study was initiated to evaluate the most viable option/ technology for upgradation of Bottom-of-Barrel (BOB) to produce value added products. The study report has been completed and submitted by M/s Honeywell UOP, USA. Since the BOB projects are very capital intensive, dialogue with the Government is underway by the refineries to provide incentives for the projects and to improve the

pricing mechanism to allow the investments and operations on sustainable basis.

ARL has plans to install a state-of-the-art new deep conversion green- field refinery of 50,000 BPD capacity, if sustainable enhanced supplies of local crude from north become available and the Government comes up with policies conducive to such investment.

All of the above mentioned plans are dependent upon availability of sustainable local crude, suitable quality of crude, demand supply situation of petroleum products, the prevalent/future product specifications in the country and the government policies.

9 HUMAN RESOURCE DEVELOPMENT

Human Resource is the backbone of any organization and its most valuable asset. At ARL we are cognizant of the utmost need to maintain a merit based balanced work environment enabling the employees to explore their full potential. Due emphasis is also laid on welfare while ensuring their self-esteem to promote a willing workforce to achieve the Company's objectives. Various steps taken in this realm are:

9.1 Employee Development and Training

Training and development system at ARL aims at developing a workforce which understands the organizational culture and adheres to its values and norms in letter and spirit. Besides specific to job trainings we aim at evolving a workforce in sync with the organizational culture which understands and adheres to its core values and norms in letter and spirit. In this realm, we have devised an all-encompassing training programme comprising specific on-the-job-training including use of highly advanced Operator Training Simulators (OTS) and exposure to variety of off-the-job trainings as speakers/participants in various professional conferences/ workshops held in-house, in Pakistan or abroad. Besides, training need assessment, performance appraisal and staff career planning are an essential part of our training strategy. Due to COVID-19 Pandemic, shift from the classroom training to online training where possible, has become the new normal albeit not compromising our standards.

9.2 Motivational and Encouragement Awards

With a view to encouraging staff in attaining their optimum level of performance, ARL organizes regular quarterly awards ceremonies where star performers of all departments are recognized through commemorative shields and cash awards. These performance awards were awarded in the fields of core performance, safety and housekeeping. In addition to this, four and five employees along with spouses were selected through balloting for Hajj and Umrah respectively. One non-muslim employee with spouse was also selected through balloting for visit of his/her religious holy sites.

10 ORGANIZATIONAL DEVELOPMENT

10.1 6th HSE Conference - December 2019

ARL sixth conference on Health, Safety and Environment closed with a total of 120 participants. HSE professionals, experts and newcomers from 48 industries participated during the one day conference on December 19, 2019 at Morgah Club in Morgah, Rawalpindi.

The conference programme featured the input of 09 speakers from 08 organizations which includes Emerging OHS Challenges and Opportunities, Failure to Achievement; A Success Story, Safety Culture – Failure to Learn, PHA – Risk Assessment and Risk Mitigation, PSM System Implementation in Cement Project, Environmental Sustainability, Life Cycle Assessment of Green House Gases (GHG) and Optimization of Carbon Footprints of ARL and Improving the Safety Performance through Revamped Safety Indicators.

10.2 Energy Week - October 2019

Energy Week was celebrated at ARL from October 21 to October 25, 2019. This celebration was organized in-line with World Energy Day (October 22, 2019).

The purpose of this celebration is to motivate employees, make them energy conscious and strengthen their commitment towards energy conservation at workplace. Talks on energy conservation and use of renewable energy resources were arranged. Energy ideas competition was held, which was open to all internal stakeholders.

10.3 Safety Week - April 2020

ARL seeks to conduct its activities to promote safety culture among its employees and contractors. The Company ensures that every employee works under the safest possible conditions. The Company celebrated safety week in-line with World Safety Day (April 28, 2020) from April 27 to April 30, 2020.

10.4 World Environment Day - June 2020

ARL celebrates World Environment Day every year engaging the surrounding community, Government institutions and its employees in different activities including seminars and awareness sessions on different environmental topics and theme of the year as declared by United Nations Environment Program (UNEP). During 2020, the COVID-19 outbreak affected the observance of celebrations in the form of physical activities and it was limited only to awareness of employees through internal email network. The awareness was communicated through online sources on this years' theme "Biodiversity".

11 CORPORATE SOCIAL RESPONSIBILITY

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

12 CORPORATE AWARDS AND RECOGNITIONS

12.1 Asia Sustainability Reporting Awards (ASRA) 2019

ARL stood as a finalist in the "Asia Sustainability Reporting Awards (ASRA) 2019" in the category of "Best Stakeholder Reporting". ASRA is the highest International Recognition forum for Sustainability Reporting.

13 CORPORATE GOVERNANCE

The Board of Directors and the management remain committed to the principles of good corporate management practices with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the refinery operations and performance to ensure integrity, 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 submitted hereunder:

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

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

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

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

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

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

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

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

ix. All major Government levies in the normal course of business, amounting to Rs 3,765 million, payable as at June 30, 2020 have been cleared subsequent to the year end.

x. The value of investments in employees retirement funds based on the latest unaudited accounts as at June 30, 2020 are as follows:

	Rs in million
Management Staff Pension Fund	1,064
Staff Provident Fund	529
General Staff Provident Fund	459
Gratuity Fund	521

xi. In terms of Regulation 19 of the 2019 Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Directors' Training Program by June 30, 2022. Presently, five (5) directors of the Company meet the exemption requirement of the Directors' Training Program (DTP), while one (1) director has already completed this program. The remaining one (1) director shall obtain certification under the DTP in due course of time. Further, one alternate director and the Chief Executive Officer of the Company have also completed DTP.

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

xiii. The Board of Directors have formulated a Directors' Remuneration Policy its main features includes that every director including alternate directors are entitled to meeting fee as remuneration for attending meetings of the Board of Directors. No remuneration shall be paid for attending General Meeting(s) or meetings of the Committee(s) of the Board and / or any other business meetings of the Company. Aggregate amount of remuneration paid to executive and non-executive directors have been disclosed in note 38.2 of the annexed financial statements.

xiv. Key operating and financial data of last 6 years is annexed. A separate statement of compliance signed by the Chairman and Chief Executive Officer is separately included in this Annual Report.

14 ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

15 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 ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payments of financial commitments.

16 DIRECTORS AND BOARD MEETINGS HELD DURING THE YEAR

16.1 Directors of the Company

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

Sr. No.	Name of Directors	Designation	Gender
1.	Mr. Laith G. Pharaon	Non-Executive Director	Male
2.	Mr. Wael G. Pharaon	Non-Executive Director	Male
3.	Mr. Shuaib A. Malik (Chairman)	Non-Executive Director	Male
4.	Mr. Abdus Sattar	Non-Executive Director	Male
5.	Mr. Jamil A. Khan	Non-Executive Director	Male
6.	Mr. Shamim Ahmad Khan	Independent Director	Male
7.	Mr. G. A. Sabri	Independent Director	Male

16.2 Directors 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:-

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

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

16.3 Meetings held outside Pakistan

During the year ended June 30, 2020, two meetings of Board of Directors were held outside Pakistan to review and approve interim/ annual financial statements of the Company.

17 BOARD COMMITTEES MEETINGS HELD DURING THE YEAR

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

AUDIT COMMITTEE

Sr. No.	Name of Directors	Total number of meetings	Number of meetings attended
1.	Mr. Shamim Ahmad Khan	4	3
2.	Mr. Shuaib A. Malik	4	4
3.	Mr. Abdus Sattar	4	4
4.	Mr. G. A. Sabri	4	3
5.	Mr. Babar Bashir Nawaz	4	4

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Sr. No.	Name of Directors	Total number of meetings	Number of meetings attended
1.	Mr. G. A. Sabri	1	1
2.	Mr. Shuaib A. Malik	1	1
3.	Mr. Jamil A. Khan	1	1
4.	Mr. M. Adil Khattak	1	1

18 AUDITORS

The Auditors Messrs A.F. Ferguson & Co. Chartered Accountants retired and offered themselves for reappointment. The Audit Committee has recommended the reappointment of Messrs A.F. Ferguson & Co. Chartered Accountants as auditors for the financial year ending June 30, 2021 on such terms and conditions and remuneration to be mutually decided.

19 PATTERN OF SHAREHOLDING

The total number of Company's shareholders as at June 30, 2020 was 6,897 as against 6,996 on June 30, 2019. The pattern of shareholding as at June 30, 2020 is included in this Annual Report. All trades in the shares of the Company, if any, carried out by the Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary and their spouses and minor children are disclosed and annexed.

20 EARNINGS/(LOSS) PER SHARE

Based on the net loss for the current year the loss per share was Rs 26.50 (June 30, 2019 loss per share: Rs 50.51).

21 HOLDING COMPANY

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

22 SUBSIDIARY COMPANY

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

23 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company are annexed.

For and on behalf of the Board.

Abdus Sattar
Director

M. Adil Khattak
Chief Executive Officer

August 26, 2020
Rawalpindi

۲۳۔ اشتمال شدہ گوشوارے (CONSOLIDATED ACCOUNTS):

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

بورڈ کی جانب سے

ایم عادل خٹک
چیف ایگزیکٹو آفیسر

عبدالستار
ڈائریکٹر

۲۶ اگست ۲۰۲۰

راولپنڈی

انسانی وسائل ومعاوضہ (HR&R) کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
ا۔	جناب جی اے صابری	ا	ا
۲۔	جناب شعیب اے ملک	ا	ا
۳۔	جناب جمیل اے خان	ا	ا
۴۔	جناب ایم عادل خٹک	ا	ا

۱۸۔ آڈیٹرز:

آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی،چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انھوں نے اگلے سال کے لیے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کمپنی کی اگلے مالی سال کے لیے، جس کا اختتام ۳۰جون ۲۰۲۱ کو ہو گا ایسی شرائط وضوابط اور معاوضہ جس کا تعین باہمی اتفاقِ رائے سے ہو گا، بطور آڈیٹرز تقرر کی سفارش کی ہے۔

۱۹۔ حصہ داران کی تفصیل (PATTERN OF SHAREHOLDING):

کمپنی کے کل حصہ داروں کی تعداد ۳۰ جون ۲۰۲۰ کو ۶,۸۹۷ تھی جبکہ گزشتہ برس ۳۰ جون ۲۰۱۹ کو یہ تعداد ۶,۹۹۶ تھی۔ حصہ داران کی تفصیل (Patteren of Shareholding) اس سالانہ رپورٹ کے ساتھ منسلک ہے۔ کمپنی کے حصص میں ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کے ازواج یا چھوٹے بچوں کی جانب سے کئے گئے ہر لین دین، اگر کوئی ہوا، ان کی تفصیل رپورٹ کے ہمراہ منسلک ہے۔

۲۰۔ فی حصص منافع/ (نقصان) {EARNINGS/ (LOSS) PER SHARE}:

خالص منافع کی بنیاد پر رواں برس کے لیے فی حصص نقصان ۲۶.۵۰ روپے ہے (۳۰جون ۲۰۱۹: نقصان ۵۱.۵۰ روپے)

۲۱۔ محلوک کمپنی (HOLDING COMPANY):

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

۲۲۔ ذیلی کمپنی (SUBSIDIARY COMPANY):

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

۱۶.۲۔ سال کے دوران ڈائریکٹرز کے اجلاس:

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

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب لیث جی فرعون	۵	۵*
۲۔	جناب وائل جی فرعون	۵	۵*
۳۔	جناب شعیب اے ملک (چیئرمین)	۵	۵
۴۔	جناب عبدالستار	۵	۵
۵۔	جناب جمیل اے خان	۵	۵
۶۔	جناب شمیم احمد خان	۵	۴
۷۔	جناب جی اے صابری	۵	۵
۸۔	جناب ایم عادل خٹک (سی ای او)	۵	۵

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

۱۶.۳۔ پاکستان سے باہر منعقد ہونے والے اجلاس:

۳۰جون۲۰۲۰کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے دو اجلاس، کمپنی کے عبوری اور سالانہ آڈٹ شدہ مالیاتی گوشواروں کی نظر ثانی کرنے اور منظوری کرنے کے لئے،ملک سے باہر منعقد ہوئے۔

۱۷۔ سال کے دوران بورڈ کمیٹیوں کے اجلاس:

زیرجائزہ سال میں بورڈ کمیٹیوں کے اجلاسوں کی تفصیل درج ذیل ہے:۔

آڈٹ کمیٹی:

نمبر شمار	ڈائریکٹرز کے نام	منعقدہ اجلاس	شرکت
۱۔	جناب شمیم احمد خان	۴	۳
۲۔	جناب شعیب اے ملک	۴	۴
۳۔	جناب عبدالستار	۴	۴
۴۔	جناب جی اے صابری	۴	۳
۵۔	جناب بابر بشیر نواز	۴	۴

کا انتظام کیا ہے۔اس کے علاوہ بورڈ مسلسل کاروباری انتظام کے حوالے سے تازہ ترین پیش رفت سے خود کو آگاہ رکھتا ہے تاکہ انتظامی حوالے سے بہترین طریقہ کار اختیار کیا جا سکے۔

xiii۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی ایک پالیسی تشکیل دی ہے جس کی اہم خصوصیات میں شامل ہے کہ ہر ایک ڈائریکٹر بشمول متبادل ڈائریکٹر، بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کے لیے فیس بطور معاوضہ لینے کا حقدار ہو گا۔اجلاس عام یا بورڈ کی کمیٹیوں کے اجلاس اور کمپنی کے کاروباری اجلاس میں شرکت کرنے کے لیے کوئی بھی معاوضہ نہیں دیا جائے گا۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو دیے جانے والے معاوضہ کی مجموعی رقم منسلک مالیاتی بیانات کے نوٹ ۳۸.۲ میں ظاہر کر دیا گیا ہے۔

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

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

۱۴۔ مناسب اندرونی مالیاتی ضابطے:

بورڈ نے آڈٹ کمیٹی کو رپورٹنگ کرنے والے اہل فرد کی سربراہی میں ایک آزاد آڈٹ سیکشن ترتیب دیا ہے۔ کمپنی کے اندرونی آڈیٹنگ کا دائرہ واضح طور پر بیان کیا گیا ہے جس میں اس کے "اندرونی کنٹرول سسٹمز" کا جائزہ لینے اور جانچنا وسیع پیمانے پر شامل ہے۔ بورڈ نے سالانہ اندرونی آڈٹ منصوبوں کی بھی منظوری دے دی ہے۔

۱۵۔ کریڈٹ ریٹنگ:

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

۱۶۔ ڈائریکٹرز اور سال کے دوران ہونے والے بورڈ کے اجلاس:

۱۶.۱۔ کمپنی کے ڈائریکٹرز اور ترتیب و تفصیل:

سال کے دوران مندرجہ ذیل افراد کمپنی کے ڈائریکٹرز تھے:

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	جنس
۱۔	جناب لیث جی فرعون	نان ایگزیکٹو ڈائریکٹر	مرد
۲۔	جناب وائل جی فرعون	نان ایگزیکٹو ڈائریکٹر	مرد
۳۔	جناب شعیب اے ملک (چیئرمین)	نان ایگزیکٹو ڈائریکٹر	مرد
۴۔	جناب عبدالستار	نان ایگزیکٹو ڈائریکٹر	مرد
۵۔	جناب جمیل اے خان	نان ایگزیکٹو ڈائریکٹر	مرد
۶۔	جناب شمیم احمد خان	خود مختار ڈائریکٹر	مرد
۷۔	جناب جی اے صابری	خود مختار ڈائریکٹر	مرد

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

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

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

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

ix- اپنی عمومی کاروباری سرگرمیوں کے لیے حکومت کو واجب الادا تمام رقوم جو ۳۰جون ۲۰۲۰ کو واجب الادا تھیں اور جن کی مالیت ۳,۷۶۵ ملین روپے تھی، وہ سال کے اختتام کے بعد ادا کی جا چکی ہیں۔

x- کارکنوں کے ریٹائرمنٹ فنڈ میں کی گئی سرمایہ کاری کل مالیت جو تازہ ترین غیر آڈٹ شدہ مالیاتی کھاتوں ۳۰جون ۲۰۲۰ کے اعدادوشمار سے مرتب کی گئی ہے، درجہ ذیل ہیں: ۔

روپے ملین میں

مینجمنٹ سٹاف پنشن فنڈ	۱,۰۶۴
سٹاف پراویڈنٹ فنڈ	۵۲۹
جنرل سٹاف پراویڈنٹ فنڈ	۴۵۹
گریجویٹی فنڈ	۵۲۱

xi- لِسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ کے ریگولیشن نمبر ۱۹ کی شرط کو پورا کرنے کے لیے کمپنی اپنے تمام ڈائریکٹرز کو ۳۰ جون ۲۰۲۲ تک ڈائریکٹرز ٹریننگ پروگرام (DTP) میں شرکت کی حوصلہ افزائی کرتی ہے۔ فی الوقت پانچ ڈائریکٹرز ایسے ہیں جو DTP سے استثنیٰ کے تقاضوں پر پُورا اترتے ہیں جبکہ ایک ڈائریکٹر پہلے ہی پروگرام مکمل کر چکے ہیں باقی ایک ڈائریکٹرز DTP کے تحت سرٹیفکیٹس مناسب وقت پر حاصل کرلیں گے علاوہ اَزیں ایک متبادل ڈائریکٹر اور کمپنی کے چیف ایگزیکٹو آفیسر بھی DTP مکمل کر چکے ہیں۔

xii- بورڈ اس بات کے لئے مسلسل کوشاں ہے کہ وہ اپنی اور بورڈ کمیٹیوں کی افادیت میں اضافہ کرے۔ "ضابطہ برائے کاروباری نظم و نسق" میں تجویز کردہ طریقہ کار کے مطابق بورڈ نے اپنی اور بورڈ کمیٹیوں کی کارکردگی کا سالانہ جائزہ لینے

۱۱۔ تجارتی اور سماجی ذمہ داری:

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

۱۲۔ تجارتی ایوارڈز اور اعترافات:

۱۲.۱۔ ایشیاء سسٹین ایبیلیٹی رپورٹ ایوارڈ (Asia Sustainability Report Award) (ASRA) ۲۰۱۹:

اٹک ریفائنری لمیٹڈ کو"بیسٹ اسٹیک ہولڈر رپورٹنگ" (Best Stakeholding Reporting) کے زمرے میں "ایشیاء پائیداری رپورٹنگ ایوارڈز (Asia Sustainability Reporting Award) (ASRA) ۲۰۱۹" کے فائنل میں شرکت کااعزاز حاصل ہوا۔ پائیداری رپورٹنگ کے (Sustainability Reporting) کے سلسلے میں(Asia Sustainability Reporting Award) (ASRA) ایک اعلیٰ ترین بین الاقوامی فورم کے طور پر پہچانا جاتاہے۔

۱۳۔ ضابطہ برائے کاروباری نظم و نسق:

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

کمپنی پوری طرح "ضابطہ برائے کاروباری نظم و نسق" پر عمل پیرا ہے اور قواعد و ضوابط کے مطابق درج ذیل مخصوص نکات پیش ہیں۔

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

ii۔ انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طورپر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمدورفت اور کاروباری سرمائے میں ہونے والی تبدیلیاں۔

iii۔ مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں جو منظور شدہ حسابداری کے معیارات سے مطابقت رکھتےہیں جن کا پاکستان میں اطلاق ہوتاہے۔گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

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

۱۰۔ ادارہ جاتی ترقی:

۱۰.۱۔ چھٹی ایچ ایس ای(HSE)کانفرنس:

صحت، حفاظت اور ماحولیات سے متعلق اٹک ریفائنری لمیٹڈ کی چھٹی کانفرنس منعقد ہوئی جس میں کل ۱۲۰ افراد نے شرکت کی۔ مور گاہ کلب راولپنڈی میں ۱۹ دسمبر ۲۰۱۹ کو منعقدہ ایک روزہ کانفرنس کے دوران HSE کے پیشہ ور افراد، ماہرین اور ۴۸ صنعتوں کے پیشہ ور ماہرین اور پہلی دفعہ آنے والے شرکاء نے بھی شرکت کی۔

کانفرنس کے پروگرام میں ۸ تنظیموں کے ۹ مقررین کی مشاورت بھی شامل ہے جس میں ابھرتی ہوئی OHS چیلنجز اور مواقع، حصول میں ناکامی، ایک کامیاب کہانی، سیفٹی کلچر سیکھنے میں ناکامی، PHA کے خطرے کی تشخیص اور تخفیف سیمنٹ پروجیکٹ میں پی ایس ایم (PSM) سسٹم کا نفاذ، ماحولیاتی استحکام، گرین ہاؤس گیسز (Green House Gases) کا دورانیہ حیات کا اندازہ اور اٹک ریفائنری لمیٹڈ کے کاربن اثرات کی اصلاح اور اصلاحی حفاظتی اشارے کے ذریعہ حفاظتی کارکردگی کو بہتر بنانا۔

۱۰.۲۔ انرجی ویک (Energy Week) - اکتوبر ۲۰۱۹ :

۲۱ اکتوبر سے ۲۵ اکتوبر ۲۰۱۹ تک توانائی کا ہفتہ منایا گیا۔ یہ جشن عالمی یوم توانائی کے دن ۲۲ اکتوبر ۲۰۱۹ کے مناسبت سے ترتیب دیا گیا تھا۔

اس جشن کا مقصد ملازمین کی حوصلہ افزائی کرنا، انہیں توانائی کی اہمیت سے آگاہ کرنا اور کام کی جگہ پر توانائی کے تحفظ کے لئے اپنی وابستگی کو مستحکم کرنا ہے۔ توانائی کے تحفظ اور قابل تجدید توانائی وسائل کے استعمال پر بات چیت کا اہتمام کیا گیا۔ توانائی کے متعلق خیالات پر مقابلہ ہوا ، جس میں اٹک ریفائنری لمیٹڈ سے متعلقین بھی شرکت کر سکتے تھے۔

۱۰.۳۔ سیفٹی ویک (Safety Week) - اپریل ۲۰۲۰:

اے آر ایل اپنے ملازمین اور ٹھیکیداروں میں حفاظتی کلچر کو فروغ دینے کے لئے اپنی سرگرمیاں انجام دینے کی کوشش کرتا ہے۔ کمپنی ہر ملازم کو محفوظ ترین حالات کے تحت کام کرنے کو یقینی بناتی ہے۔ کمپنی نے ۲۷ سے ۳۰ اپریل ، ۲۰۲۰ تک عالمی یوم تحفظ دن (۲۸ اپریل، ۲۰۲۰) کی مطابقت کے ساتھ سیفٹی ویک (Safety Week) منایا۔

۱۰.۴۔ عالمی یوم ماحولیات - جون ۲۰۲۰:

اٹک ریفائنری لمیٹڈ ہر سال اقوام متحدہ کے ماحولیاتی پروگرام (UNEP) کے اعلان کردہ ماحولیاتی موضوعات اور اس سال کے موضوعات پر سیمینار اور آگاہی اجلاس سمیت مختلف سرگرمیوں میں ہر سال آس پاس کی کمیونٹی، سرکاری اداروں اور اس کے ملازمین کو شامل کرتے ہوئے اٹک ریفائنری لمیٹڈ عالمی یوم ماحولیات مناتا ہے۔ ۲۰۲۰ کے دوران کویڈ-۱۹ کی وبا پھیلنے کی وجہ سے بہت سارے لوگوں کو اکٹھا ہونے والی تقریبات کو متاثر کیا نتیجتاً یہ اجلاس صرف ای میل نیٹ ورک کے ذریعہ آن لائن منعقد ہو سکے۔ اس سال کے مرکزی خیال، موضوع "بائیو ڈایورسٹی" (Biodiversity) کے بارے میں آگاہی دی گئی۔

دی ہے۔ چونکہ باٹم آف بیرل (Bottom of Barrel) کا منصوبہ بہت بھاری سرمایہ کاری کا حامل ہے، اس لئے تمام ریفائنریز حکومتِ پاکستان کے ساتھ بات چیت جاری رکھی ہوئی ہیں تاکہ پائیدار بنیادوں پر سرمایہ کاری اور کام کی اجازت دینے کے لئے قیمتوں کے طریقہ کار کو بہتر بنایا جا سکے۔

اے آر ایل کا منصوبہ ہے کہ ایک اعلیٰ قسم کی ڈیپ کنوریَن (Deep Conversion) گرین فیلڈ ریفائنری کی تنصیب کی جائے جس کی گنجائش ۵۰،۰۰۰ بیرل فی دن ہو۔ تاہم اس کا انحصار شمال سے خام تیل کی مسلسل فراہمی اور حکومت کی سرمایہ کاری کے لیے سازگار پالیسیوں کے اعلان پر ہے۔

مندرجہ بالا تمام منصوبوں کا انحصار مقامی خام تیل کی پائیدار دستیابی، خام تیل کے مناسب معیار، پٹرولیم مصنوعات کی طلب و رسد کی صورت حال، ملک میں موجودہ / مستقبل کی مصنوعات کی تصریحات کی دستیابی اور حکومت کی پالیسیوں پر ہے۔

۹۔ انسانی وسائل کی ترقی:

کمپنی انسانی وسائل کو اس کا سب سے قیمتی اثاثہ اور ریڑھ کی ہڈی کی مانند تصور کرتی ہے۔ اے آر ایل میں ہم قابلیت پر مبنی متوازن کام کے ماحول کو برقرار رکھنے کیلئے پُرعزم ہے جو ملازمین کو ان کی مکمل صلاحیتوں کی تلاش کرنے کے قابل بناتے ہیں۔ کمپنی اپنے اہداف حاصل کرنے کے لئے ایک تیار افرادی قوت کو فروغ دینے کے لئے ان کی خود اعتمادی کو یقینی بناتے ہوئے فلاح و بہبود پر بھی مناسب زور دیا جاتا ہے کمپنی نے جو اقدامات اُٹھائے ہیں، ان کا خلاصہ پیش کیا جارہا ہے:

۹.۱۔ ملازمین کی ترقی اور تربیت:

اے آر ایل میں ملازمین کی ترقی و تربیت کمپنی کے اس مقصد کو اُجاگر کرتی ہے کہ ایک ایسی افرادی قوت تیار کی جائے جو ادارے کی ثقافت اور ماحول کو سمجھتے ہوں اور میعار اور اقدار پر عمل پیرا ہوں۔ فرائض کی ادائیگی کے ساتھ ساتھ تربیت کے علاوہ کمپنی کا مقصد ادارے کی ثقافت کے ساتھ ہم آہنگی کے لئے ایک افرادی قوت تیار کرنا ہے جو ماحول کے ساتھ ساتھ بنیادی اقدار اور اصولوں کو سمجھتا ہے اور اس کی پاسداری کرتا ہے۔ اس دائرہ کار میں اے آر ایل نے ایک ایسا تربیتی پروگرام ترتیب دیا ہے جو کہ فرائض کی ادائیگی کے ساتھ ساتھ تربیت جس کے اندر اعلیٰ درجے کا آپریٹر ٹریننگ سیمولیٹر (OTS) کا استعمال بھی شامل ہے اور ہمارے ملازمین مُلک کے اندر اور مُلک کے باہر تربیتی پروگرامز اور کانفرنسز میں بطورِ اسپیکر اور شرکاء حصہ لیتے ہیں۔ اس کے علاوہ، تربیت کی ضرورت کی تشخیص، کارکردگی کا اندازہ اور عملہ کیریئر کی منصوبہ بندی ہماری تربیت کی حکمت عملی کا ایک لازمی حصہ ہے۔ کوویڈ-۱۹ کے وبائی مرض کی وجہ سے، جہاں ممکن ہو وہاں کلاس روم کی تربیت سے آن لائن تربیت کی طرف منتقل ہونا، ہمارے معیارات پر سمجھوتہ نہ کرنے کے باوجود ایک نیا معمول بن گیا ہے۔

۹.۲۔ تحریک و ترغیب اور حوصلہ افزائی کے اعزازات:

کارکنان کی بہترین صلاحیتوں سے کام لینے کو یقینی بنانے کے لئے اٹک ریفائنری میں ہر سہ ماہی کے اختتام پر تقریبات کا اہتمام کا کیا جاتا ہے جس میں ہر شعبے کے بہترین کارکنان کو شیلڈ اور نقد انعامات سے نوازا جاتا ہے۔ کارکردگی کے یہ اعزازات بنیادی کارکردگی، تحفظ ، دفتری صفائی ستھرائی اور ادارے کی بہتری جیسے شعبوں میں دیئے جاتے ہیں۔ اس کے علاوہ قرعہ اندازی کے ذریعے چار ملازمین کو شریکِ حیات کے ساتھ حج اور پانچ ملازمین کو شریکِ حیات کے ساتھ عُمرے کے لیے چنا گیا جبکہ ایک غیر مسلم ملازم کو بھی شریکِ حیات کے ساتھ اُن کے مذہبی مقدس مقامات کی زیارتوں کے لیے چنا گیا۔

۶۔ سرمایہ حصص(Share Capital):

کمپنی کے ۳۰جون ۲۰۲۰ تک جاری کردہ، وصول کردہ اور ادا شدہ سرمایہ کا حصہ ۱,۰۶۶.۱۶۳ملین روپے تھا۔ قیمتوں کے تعین کے فارمولے کے مطابق ریفائنری آپریشنز سے زیادہ سے زیادہ دستیاب منافع کی رقم یکم جولائی ۲۰۰۲ تک ادا شدہ سرمایہ ۶. ۲۹۱ملین روپے کے ۵۰ فیصد کے مساوی رقم سے زیادہ تقسیم نہیں ہو سکتی۔

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

۷۔ اہم خطرات اور غیر یقینی عوامل:

قیمتوں کے حالیہ تعین کے فارمولے کے تحت کمپنی پٹرولیم مصنوعات، خام تیل کی قیمتوں کے منفی اتار چڑھاؤ اور شرح مبادلہ کی مد میں نقصان کے خطرے سے دوچار ہے۔ تاہم، قیمتوں کے فارمولے میں تبدیلی کی وجہ سے، جو پیراگراف ۵ کے اوپر بیان کیے گئے ہیں، ان خطرات کو کسی حد تک کم کیا گیا ہے۔IMO-۲۰۲۰ کے نافذ العمل ہونے کی وجہ سے فرنس آئل کی تصریحات میں تبدیلی ہوئی جس کے نتیجے میں، کمپنی کو فرنس آئل کھپت جیسے خطرات کا بھی سامنا ہے۔ کمپنی نے حکومت کے سامنے یہ معاملہ اٹھایا ہے اور ایک ایسی ریفائننگ پالیسی کی تیاری اور اس پر عملدرآمد پر زور دیا ہے جو تمام شراکت داروں کے مفاد کا خیال رکھ سکے۔ کمپنی کے کاروبار سے منسلک مالیاتی خطرات اور ان خطرات پر قابو پانے سے متعلق تفصیلات کو اکاؤنٹس کے نوٹ ۳۹.۳ میں تفصیل سے بیان کیا گیا ہے۔

۸۔ ریفائنری کی وسعت اور تجدید کے منصوبے:

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

پی ایم جی پُول اوکٹین(PMG Pool Octane) کی تصریحات کو مزید بہتر بنانے کے لئے اضافی اوکٹین(Octane) بڑھانے اور نیفتھا ایکسپورٹ (Naphtha Export)کو ختم کرنے کے لیے کانٹینوس کیٹیلیٹک ریفارمر (Continuous Catalytic Reformer) (CCR) لگانے کا منصوبہ اٹک ریفائنری لمیٹڈ(اے آر ایل) کے وسعت کے منصوبوں میں شامل ہے۔ CCR کے لئے لائسنسر فرنٹ انڈ انجینئرنگ ڈیزائن(FEED) (Front End Engineering Design) / بیسک انجینئرنگ ڈیزائن پیکج (BEDP) (Basic Engineering Design Package)کا کام میسرز ہنی ویل یو او پی، یو ایس اے(M/s Honeywell UOP, USA) نے مکمل کر دیا ہے اس منصوبے کا مقصد PMG کی پیداوار کو بڑھانا اور مستقبل کی EURO کی تصریحات کو پورا کرنے کیلئے PMG کے Octane کو تیار کرنا ہے۔

مستقبل میں کم ہونے والی فرنس آئل کی مانگ کی کمی کے پیشِ نظر ایک قابلِ عمل منصوبے کا اندازہ لگانے کیلئے باٹم آف بیرل (Bottom of Barrel) کی اَپ گریڈیشن کی اسٹڈی کا آغاز کر دیا ہے تاکہ قدر میں اضافے والی مصنوعات پیدا کی جاسکیں ۔ اس کی مطالعاتی رپورٹ مکمل ہو چکی ہے اور یہ رپورٹ امریکہ کے میسرز ہنی ویل یو او پی، یو ایس اے(M/s Honeywell UOP, USA) نے فراہم کر

مجموعی طور پر۱.۶۹۸ ملین ٹن خام تیل(۳۰ جون ۲۰۱۹: ۲.۲۷۲ ملین ٹن) مختلف کنوؤں سے حاصل کر کے مختلف یونٹس پر نتھارا اور صاف کیا گیا۔

خام تیل کو نتھارنے والے تمام یونٹس بالکل درست حالت میں کام کررہے ہیں۔ کمپنی نے اس سال۱.۶۳۱ ملین ٹن (۳۰ جون ۲۰۱۹: ۲.۲۱۰ ملین ٹن) مختلف پٹرولیم مصنوعات فراہم کیں جو سب کی سب طے کردہ معیارات کی تصریحات کے عین مطابق تھیں۔

کاروباری عمل کی ری انجینئرنگ، تحقیق اور ترقی کے سلسلے میں تفصیلات سالانہ رپورٹ کے ایک علیحدہ حصے میں دی گئی ہیں۔

۴۔ کمپنی کے کاروبار کے ماحول پر اثرات:

کمپنی صحت مند ماحول کو برقرار رکھنے کی ذمہ داری سے مکمل طور پر آگاہ ہے۔ کمپنی نے توانائی کے انتظام، پانی کے تحفظ، حیاتیاتی تنوع اور وسائل کی استعداد کے تحفظ کے لیے کئی ضابطے / طریقے کار لاگو کیے ہیں تاکہ ماحول پر مرتب ہونے والے منفی اثرات پر قابو پانے اور کم کرنے کے حتمی مقصد کو حاصل کیا جاسکے۔ یہ تمام اقدامات ماحول کی آلودگی پر قابو پانے اور اثرات کم کرنے کے سلسلہ میں کمپنی کے مضبوط عزم کا اعادہ کرتے ہیں۔ توانائی کے انتظام کے معیار ISO-۵۰۰۰۱ پر عمل درآمد، پانی کی صفائی کے پلانٹ کی تجدید اور پانی کے تحفظ کے اقدامات جیسے پانی کے قطروں سے آبپاشی، گندے پانی کو دوبارہ قابلِ استعمال بنانا وغیرہ سے ماحول کے تحفظ کے لیے ہمارے مسلسل عزم کا اظہار ہوتا ہے۔ اس ضمن میں کمپنی کی کوششوں کے اعتراف میں متعلقہ فورمز پر معتبر ایوارڈ دیے گئے ہیں۔

۵۔ قیمتوں کے تعین کا طریقہ:

کمپنی کی پٹرولیم مصنوعات کی قیمتوں کا تعین "درآمدی قیمت سے برابری کا فارمولہ"(Import Parity Pricing Formula) اور حکومت کی طرف سے اس میں کی گئی وقتاً فوقتاً ترامیم کی بنیاد پر کیا جاتا ہے۔ اس فارمولے کے تحت خام تیل کی قیمت کا تعین درآمدی قیمت کی بنیاد پر کیا جاتا ہے۔ تیار کردہ مصنوعات کی قیمت درآمدی قیمت کے مقررہ ضابطوں کے تحت مقرر کی جاتی ہیں۔ حکومت کی دیگر ہدایات کے ساتھ ساتھ ریفائنریاں یکم جولائی ۲۰۰۲ءتک کے سرمایہ حصص سے ۵۰ فیصد سے زیادہ منافع کو ریفائنری کے توسیع و جدت کے لیے "سپیشل ریزور اکاؤنٹ" میں منتقل کریں گی۔

تمام ریفائنریز کے مشورے پر، حکومت نے بالآخر پیٹرولیم موٹر گیسولین(PMG)اورہائی اسپیڈڈیزل(HSD) کی قیمتوں کا تعین کرنے کیلئے اصل زرمبادلہ کی شرح کو لاگو کرنے کی منظوری دے دی ہے اور آئل اینڈ گیس ریگولیٹری اتھارٹی(OGRA)نے اس کا اطلاق یکم مارچ ۲۰۲۰ءسے کر دیا ہے۔ بعد ازاں سال کے اختتام کے بعد، حکومت نے پندرہ دنوں کی قیمتوں کی بنیاد پر پیٹرولیم مصنوعات کی قیمتیں طے کرنے کی منظوری بھی دے دی ہے. توقع کی جاتی ہے کہ ان اقدامات سے ریفائنریز کے منافع پر مثبت اثرات مرتب ہوں گے۔

ریفائنریز نے مصنوعات کی تصریحات میں ہونے والی اچانک تبدیلی اور قیمتوں کے تعین کے نظام سے متعلق حکومت کے ساتھ بعض مسائل اُٹھائے ہیں۔

۲۔ اختصاص اور منافع کا تصرف:

۲.۱ ۔ اختصاص:

	۲۰۲۰	۲۰۱۹
	روپے (ہزار میں)	
نقصان برائے سال	(۲,۸۲۴,۹۲۶)	(۵,۳۸۵,۲۳۹)
دیگر جامع منافع / (نقصان)	۲۹,۰۸۰	(۲۵,۷۸۴)
	(۲,۷۹۵,۸۴۶)	**(۵,۴۱۱,۰۲۳)**
غیر منقسم منافع (پچھلے سالوں کا)	۵,۸۰۷,۶۴۳	۱۰,۳۹۸,۶۴۴
دستیاب منافع برائے اختصاص	**۳,۰۱۱,۷۹۷**	**۴,۹۸۷,۶۲۱**
اختصاص:		
توسیع / جدت پسندی کے لیے خصوصی مختص شدہ فنڈ (کو) / سے منتقل شدہ رقم	-	۱,۰۳۳,۲۵۵
دورانِ سال بونس حصص کا اجراء:		
برائے سال ۱۸- ۲۰۱۷ شرح ٪۲۵	-	(۲۱۳,۲۳۳)
غیر منقسم منافع	**۳,۰۱۱,۷۹۷**	**۵,۸۰۷,۶۴۳**

۲.۲۔ منافع کا تصرف:

دورانِ سال کمپنی کو خسارہ ہونے کی وجہ سے بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ حالیہ سال کیلئے نقد منافع یا بونس شیئرز کیلئے سفارش نہ کی جائے (۳۰جون ۲۰۱۹ : صفر)۔

۳۔ اہم سرگرمیاں، ترقی و کارکردگی:

موجودہ مالی سال کے دوران کمپنی کی اہم کاروباری سرگرمیاں، ترقی اور کارکردگی مندرجہ ذیل تھیں:

اس سال کے دوران، ریفائنری کی استعداد کا مجموعی استعمال تقریباً ۶۹٪ تھا (۳۰ جون ۲۰۱۹: ۹۳٪)۔ کویڈ– ۱۹ کے وبائی مرض سے پیدا ہونے والے اُمور کی وجہ سے کمپنی کو خام تیل اور مصنوعات کی فراہمی کے سلسلہِ انتظام میں مسائل کا سامنا کرنا پڑا۔ تمام متعلقہ محکموں کی معاونت اور مربوط منصوبہ بندی کے ساتھ، ریفائنری کو زیادہ سے زیادہ استعداد پر چلانے اور خسارے کو کم سے کم کرنے کے لئے ریفائنری معاشیات اور خطِ حدبندی (Linear Programming Modelling) کی گئیں۔ نتیجتاً خام تیل کی وُصولی، مصنوعات کی فراہمی، پراسیسنگ یونٹس کی حفاظت کے ساتھ ساتھ ریفائنری کو سب سے بہتر استعداد پر چلانے کیلئے منصوبہ بندی کی گئی۔

زیر جائزہ سال کے دوران ریفائنری کی پیداوار ۱.۵۶۸ ملین ٹن رہی (۳۰ جون ۲۰۱۹: ۲.۲۶۸ ملین ٹن)۔ مُلک کے شمالی علاقے سے نکالے جانے والے تمام خام تیل کا بڑا حصہ، اس ریفائنری پر صاف کیا گیا ہے۔

بسم اللہ الرحمٰن الرحیم

اٹک ریفائنری لمیٹڈ

ڈائریکٹرز کی رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی ۴۲ویں سالانہ رپورٹ جو ۳۰ جون ۲۰۲۰ کو اختتام پذیر ہونے والے مالی سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز رپورٹ پر مشتمل ہے پیش کر رہے ہیں۔

ا۔ مالیاتی نتائج:

مالی سال ۲۰۱۹-۲۰ کے دوران کمپنی کو ریفائنری سرگرمیوں سے ۳,۳۷۹ ملین روپے کا نقصان ہوا (۳۰ جون ۲۰۱۹: ۶,۵۴۱ ملین روپے کا نقصان) جبکہ غیر ریفائنری ذرائع سے ہونے والی آمدن ۵۵۴ ملین روپے رہی (۳۰ جون ۲۰۱۹: ۱,۱۵۶ ملین روپے)۔ اس طرح موجودہ سال کیلئے خالص نقصان ۲,۸۲۵ ملین روپے رہا (۳۰ جون ۲۰۱۹: ۵,۳۸۵ ملین روپے کا نقصان) نتیجتاً فی حصص نقصان ۲۶.۵۰ روپے رہا۔ (۳۰ جون ۲۰۱۹: ۵۰.۵۱ روپے فی حصص نقصان)۔

فرنس آئل (FFO) کی کھپت اور انٹرنیشنل میری ٹائم آرگنائزیشن (International Maritime Organization) کی سلفر صراحت کے مسئلہ کی وجہ سے مقامی ریفائننگ سیکٹر کو پچھلے دو سالوں سے شدید مشکلات کا سامنا کرنا پڑ رہا ہے ۔ مارچ ۲۰۲۰ میں کوویڈ – ۱۹ (COVID-19) کے وبائی مرض کے پھوٹنے کے بعد صورتحال مزید خراب ہو گئی۔

کوویڈ – ۱۹ کے وبائی مرض کی وجہ سے، پٹرولیم مصنوعات کی مانگ میں زبردست کمی واقع ہوئی اور ذخیرہ کرنے کی گنجائش جیسے مسائل بھی پیدا ہوئے۔ نتیجتاً پٹرولیم مصنوعات اور خام تیل کی قیمتوں میں بہت بڑی گراوٹ ہوئی جس کے نتیجے میں بڑے پیمانے پر خام تیل اور پیٹرولیم مصنوعات کے ذخیرہ کی مالیت میں کمی اور نقد اثاثوں میں کمی کا بحران پیدا ہوا۔ ان مشکلات پر قابو پانے کے لئے کمپنی نے ہنگامی منصوبہ تیار کیا اور اسے نافذ کیا۔ کمپنی نے ایک سال کے لئے اپنے طویل مدتی ادھار کی اصل رقم کی ادائیگی کو مؤخر کرنے کے لئے اسٹیٹ بینک آف پاکستان کے توسط سے حکومت کی پیش کردہ اسکیم کا بھی فائدہ اٹھایا۔ سود کی شرحوں میں تخفیف اور پچھلے سال کے مقابلے میں نسبتاً مستحکم زرمبادلہ کی شرح نے بھی کمپنی کو کچھ دادرسی فراہم کی۔

غیر متوقع مشکلات کا مقابلہ کرنے کے لئے اور خسارے کو کم کرنے کے لئے مربوط منصوبہ بندی کی گئی۔ ملکی مفاد کے پیشِ نظر طے شدہ مصنوعات کی مقدار کی فراہمی جاری رکھنے کے ساتھ ساتھ خام تیل مہیا کرنے والے اداروں کو ادائیگی اور سرکاری ٹیکسز کی ادائیگی جاری رکھی۔

Financial Statistical Summary

Attock Refinery Limited

Rupees in million

		2020	2019	2018	2017	2016	2015
TRADING RESULTS							
Sales (Net of Govt. levies)		119,819.44	176,754.54	129,588.62	101,386.94	66,564.92	128,905.43
Reimbursement from/(to) Government		-	-	7.95	24.85	-	-
Turnover		119,819.44	176,754.54	129,596.57	101,411.79	66,564.92	128,905.43
Cost of sales		124,999.91	180,815.67	130,675.23	97,078.92	67,466.75	128,352.37
Gross (loss)/profit		(5,180.47)	(4,061.13)	(1,078.66)	4,332.87	(901.83)	553.06
Administration and distribution cost		857.01	740.48	695.28	644.07	571.08	539.04
Other income		2,780.70	2,779.99	1,977.48	1,434.22	927.38	1,349.64
Non-Refinery income		554.48	1,155.87	1,591.54	1,714.33	1,519.74	1,409.45
Operating (loss)/profit		(2,702.30)	(865.76)	1,795.08	6,837.35	974.21	2,773.11
Financial and other charges		1,424.18	6,770.21	2,819.03	1,465.80	162.68	397.06
(Loss)/profit before tax		(4,126.48)	(7,635.97)	(1,023.95)	5,371.55	811.53	2,376.05
Taxation		(1,301.55)	(2,250.73)	(1,602.93)	(42.11)	(4.82)	561.81
(Loss)/profit after tax		(2,824.92)	(5,385.24)	578.98	5,413.66	816.35	1,814.24
Dividend		-	-	-	(511.76)	(426.47)	(426.47)
Bonus shares		-	-	213.23	-	-	-
Transfer from/(to) special reserves		-	1,033.26	1,012.56	(3,553.53)	-	(259.00)
STATEMENT OF FINANCIAL POSITION SUMMARY							
Paid-up capital		1,066.16	1,066.16	852.93	852.93	852.93	852.93
Reserves		37,029.28	22,193.29	28,767.54	30,227.19	24,399.35	25,445.05
Unappropriated profit brought forward		5,807.65	10,398.64	9,697.79	8,300.70	7,937.28	6,528.17
Shareholder's funds		43,903.09	33,658.09	39,318.26	39,380.82	33,189.56	32,826.15
Financing facilities (Long term including current portion)		7,614.19	10,181.42	14,842.92	19,872.17	15,163.68	11,658.99
Property, plant & equipment (less depreciation)		42,542.75	31,145.02	33,239.76	35,356.80	34,965.03	31,571.32
Net current assets		(10,928.35)	(7,321.81)	4,110.24	7,902.64	(1,102.24)	(1,397.99)
CASH FLOW SUMMARY							
Cash flows from operating activities		(6,137.05)	2,304.92	7,353.16	7,156.81	(2,727.70)	399.96
Cash flows from investing activities		1,562.26	2,596.49	2,491.91	1,963.22	(172.69)	(11,832.72)
Cash flows from financing activities		(3,890.26)	(11,275.19)	(8,542.68)	2,826.74	1,887.58	10,859.03
Increase/(decrease) in cash and cash equivalents		(8,465.05)	(6,373.77)	1,302.39	11,946.77	(1,012.81)	(573.72)
PROFITABILITY RATIOS							
Gross (loss)/profit ratio	%	(4.32)	(2.30)	(0.83)	4.27	(1.35)	0.43
Net (loss)/profit to sales	%	(2.36)	(3.05)	0.45	5.34	1.23	1.41
EBITDA margin to sales	%	(0.46)	(1.70)	2.55	8.78	1.71	2.07
Operating leverage ratio	Time	1.35	(23.87)	(3.21)	11.32	1.26	0.96
Return on equity	%	(6.43)	(16.00)	1.47	13.75	2.46	5.53
Return on capital employed	%	(5.92)	(10.99)	1.02	10.06	1.76	4.77
LIQUIDITY RATIO							
Current ratio	Time	0.76	0.88	1.08	1.23	0.96	0.96
Quick/acid test ratio	Time	0.51	0.66	0.82	1.00	0.65	0.72
Cash to current liabilities	Time	0.18	0.27	0.45	0.63	0.35	0.29
Cash flows from operation to sales	Time	(0.05)	0.01	0.06	0.07	(0.04)	-
ACTIVITY/TURNOVER RATIO							
Inventory turnover ratio	Time	14.55	18.26	16.86	15.63	10.16	14.16
No. of days in inventory	Days	25	20	22	23	36	26
Debtor turnover ratio	Time	9.56	11.25	12.05	14.16	8.41	11.63
No.of days in receivables	Days	38	32	30	26	44	31
Creditor turnover ratio	Time	3.93	5.55	5.75	5.88	3.64	5.87
No. of days in payables	Days	93	66	63	62	101	62
Total assets turnover ratio	Time	1.22	1.70	1.35	1.11	0.88	1.60
Fixed assets turnover ratio	Time	2.82	5.68	3.78	2.87	1.90	4.08
Operating cycle		(30)	(14)	(11)	(13)	(21)	(5)

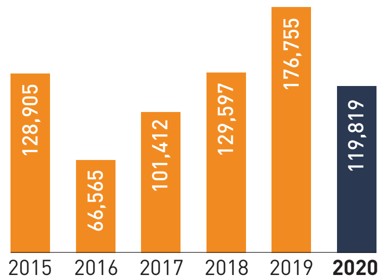
Rupees in million

		2020	2019	2018	2017	2016	2015
INVESTMENT/ MARKET RATIO							
(Loss)/earnings per share (EPS)	Rs	(26.50)	(50.51)	5.43	63.47	9.57	21.27
(on shares outstanding at 30 June)							
Dividend	%	-	-	-	60	50	50
Cash dividend per share	Rs	-	-	-	6.00	5.00	5.00
Bonus share issue	%	-	-	25	-	-	-
Bonus share issue	Rs	-	-	213.23	-	-	-
Price earning ratio	Time	(3.37)	(1.53)	31.71	6.03	29.27	10.74
Price to book ratio	Time	0.10	0.08	0.18	0.36	0.32	0.24
Dividend yield ratio	%	-	-	-	1.57	1.78	2.19
Dividend cover ratio	Time	-	-	-	10.58	1.91	4.25
Dividend payout ratio	%	-	-	-	9.45	52.25	23.51
Break-up value (Rs per share) without surplus							
on revaluation of freehold land	Rs	176.42	202.65	319.67	320.40	262.36	258.10
Break-up value (Rs per share) with surplus							
on revaluation of freehold land	Rs	411.79	315.69	460.98	461.71	389.12	384.86
Break-up value (Rs per share) with investment							
in related party	Rs	411.79	315.69	460.98	461.71	389.12	384.86
Highest market value per share during the year	Rs	137.01	235.52	430.88	508.16	288.77	235.11
Lowest market value per share during the year	Rs	59.32	74.17	187.05	294.14	188.67	146.48
Market value per share at 30th June,	Rs	89.32	77.27	215.31	382.58	280.14	228.45
CAPITAL STRUCTURE RATIOS							
Financial leverage ratio	Time	0.17	0.30	0.38	0.50	0.46	0.36
Debt to equity ratio	%	15 : 85	23 : 77	27 : 73	34 : 66	31 : 69	26 : 74
Weighted average cost of debt	%	10.31	7.07	5.54	5.41	6.77	7.61
Interest cover ratio	Time	(3.48)	(2.97)	0.48	5.42	-	-

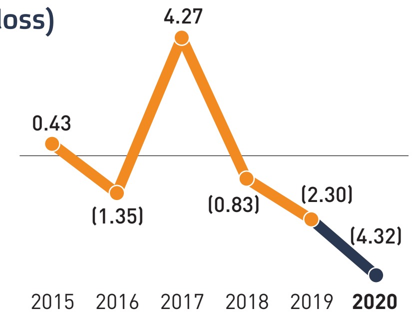
Financial Highlights

Attock Refinery Limited

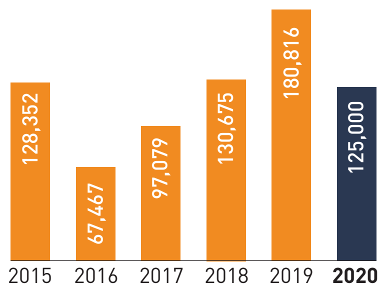
Net Sales
(Rs in million)



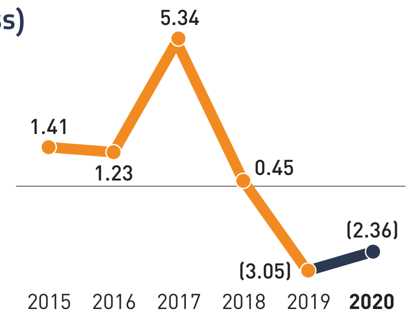
Gross Profit/(loss) Margin
(In Percentage)



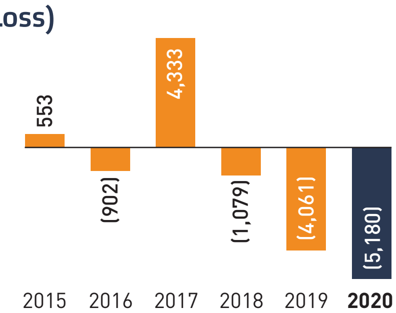
Cost of Sales
(Rs in million)



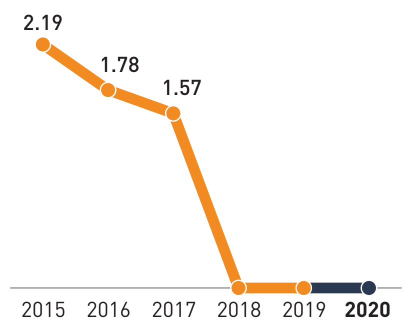
Net Profit/(loss) Margin
(In Percentage)



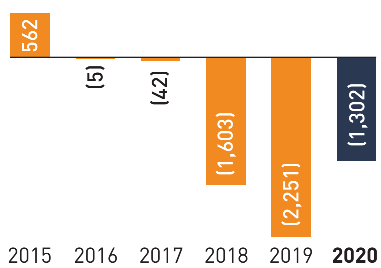
Gross Profit/(Loss)
(Rs in million)



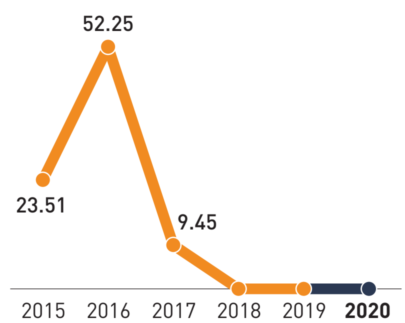
Cash Dividend Yield
(In Percentage)



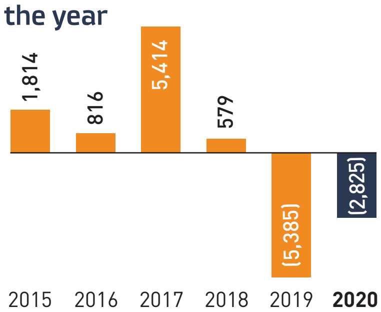
Provision for Taxation
(Rs in million)



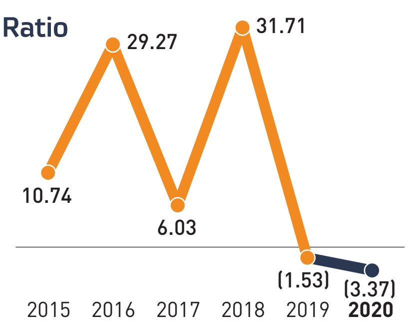
Cash Dividend Payout
(In Percentage)



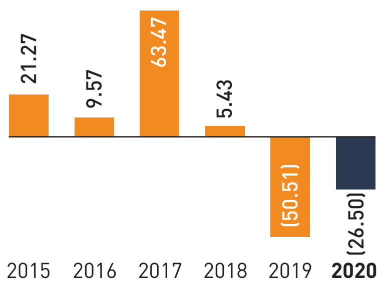
Profit/(loss) for the year
(Rs in million)



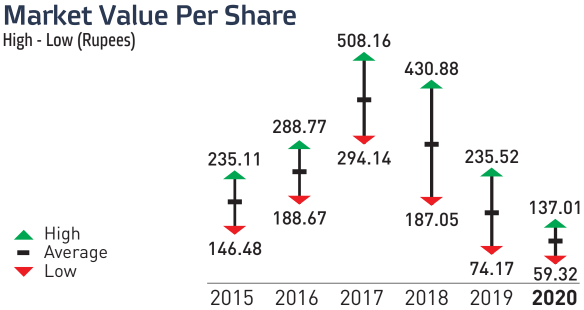
Price Earnings Ratio
(In Percentage)



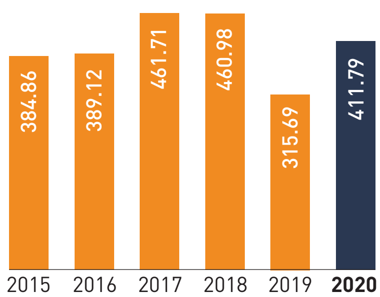
Earnings/(loss) Per Share
(Rupees)



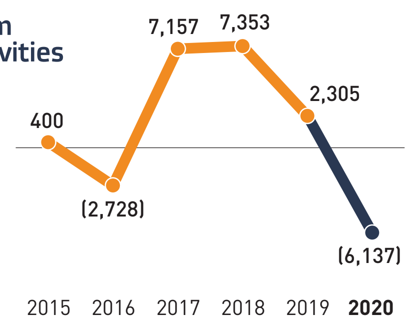
Market Value Per Share
High - Low (Rupees)



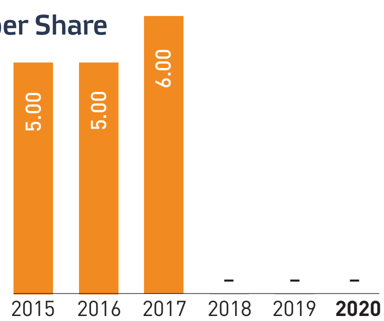
Break-Up Value
(Rs per share)



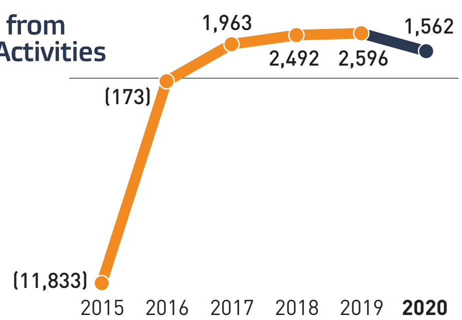
Cash Flow from Operating Activities
(Rs in million)



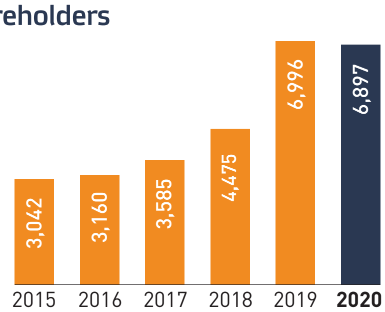
Cash Dividend per Share
(Rupees)



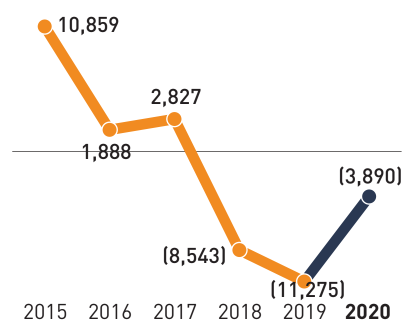
Cash Flow from Investing Activities
(Rs in million)



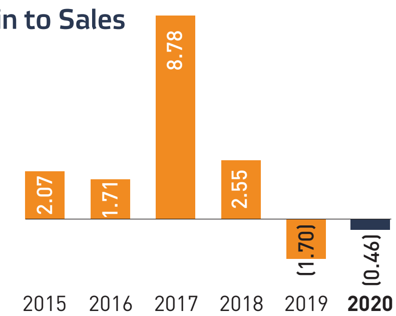
Number of Shareholders
(Numbers)



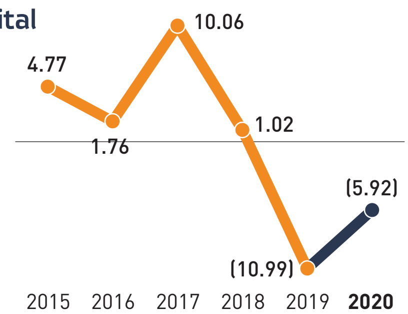
Cash Flow from Financing Activities
(Rs in million)



EBITDA - Margin to Sales
(In Percentage)

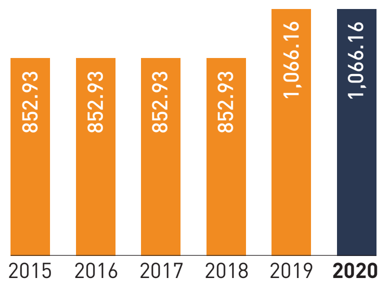


Return on Capital Employed
(In Percentage)

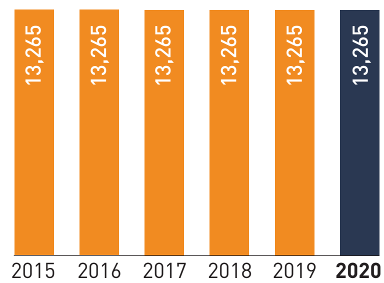


Financial Highlights - Attock Refinery Limited

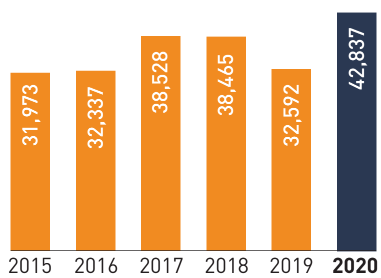
Paid up Capital
(Rs in million)



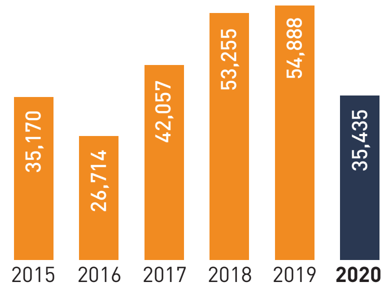
Long Term Investments
(Rs in million)



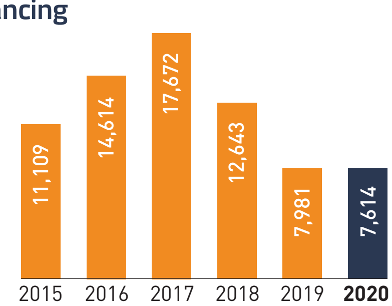
Reserves
(Rs in million)



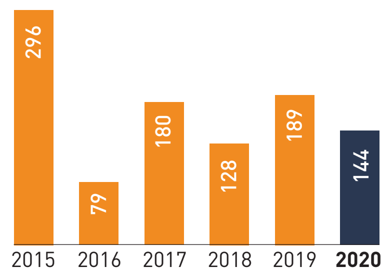
Current Assets
(Rs in million)



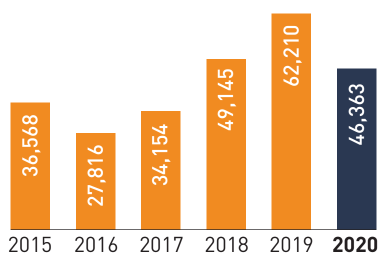
Long Term Financing
(Rs in million)



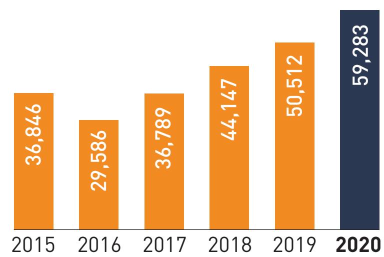
Foreign Exchange Saving
(US$ in million)



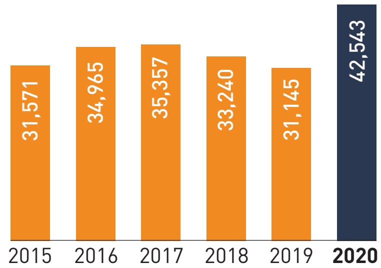
Current Liabilities
(Rs in million)



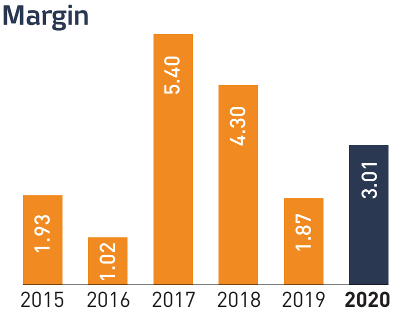
Contribution to National Exchequer
(Rs in million)



Fixed Assets less Depreciation
(Rs in million)



Gross Refinery Margin
(US$ per Barrel)



Share Price Sensitivity Analysis

The Shares of Attock Refinery Limited have been historically viewed as a safe and stable investment, though the recent market recession and weak position of National Economy had a negative influence on the price of the Company's shares.

The Share price varied from a minimum of Rs 59.32 per share to a maximum of Rs 137.01 per share during the year.

The company's impetus towards sustained growth along with signs of stability in macroeconomic factors, may lead to a stable Share price in future. Alternatively, this can be further affected by the following factors:

Government Policies
Government Policies impact the whole business arena adversely or otherwise. Any positive or negative decision by the Government would impact the Company's financial performance.

Exchange Losses
The company is required to pay a portion of crude oil price in US Dollar.The Company suffers exchange loss due to devaluation of Pak Rupee versus US Dollar.

Inventory Gains/Losses
Ideally, the downstream industries and especially the Refineries should not be affected by the variation in oil prices, as their profits are dependent upon the Refining Margins. However, the variation in oil prices affects the prices of inventories and hence affects the profitability of the Company. Downward trend leads to inventory losses while an increasing trend positively impacts the profitability.

Sales Volume
Operating in an industry where prices are determined by Regulator, the profitability of the Company is highly dependent on profit margins and sales volume which ultimately also affects the share price. Increase in economic activity will lead to better prices and sales volumes.

Analysis of Financial Statements

Attock Refinery Limited

ANALYSIS OF FINANCIAL POSITION

Share capital and Reserve:
Shareholders equity showed an upward trend as a result of revaluation of its freehold land during the year.

Long term financing:
The Company availed the scheme offered by the Government through State Bank of Pakistan, for deferment in repayment of principal amount of its long term financing for a period of one year. As a result of this arrangement current portion of long term financing was transferred in the long term portion.

Current liabilities:
Trade and other payables have decreased during the year, due to decrease in the prices of crude oil. Further current portion of long term financing was transferred in the long term financing due to deferment of repayment of principal amount for one year.

Property, plant and equipment:
Property, plant and equipment have witnessed an upward trend as a result of revaluation of freehold land.

Current assets:
Current Assets have decreased during the current financial year, mainly due to decrease in stock in trade and trade debtors as a result of decrease in prices of crude oil and products.

ANALYSIS OF PROFIT OR LOSS

Revenue:
During the current year, net sales revenue has decreased. This decrease reflects downward trend in international prices of Petroleum Products which prevailed during the year alongwith with reduction in the capacity utilisation.

Cost of Sales:
During the period under review, cost of sales has decreased. This decrease mainly reflects downward trend in prices of crude oil in international market.

Administration, distribution & other costs:
Increase in Administrative, distribution and other cost mainly reflects normal escalation.

Finance cost:
Finance cost has decreased as the company suffered heavy exchange loss of Rs 4.7 billion in 2019 as a result of massive devaluation of Pak rupee against US Dollar.

Other Income:
Other income remained at par from previous year.

Taxation:
Provision for taxation represents 0.75% minimum turnover tax under the Income Tax Ordinance 2001. This was higher than the normal tax liability.

Non-refinery income:
Non-refinery income decreased from Rs 1,156 million to Rs 554 million due to decrease in dividend income from associated companies during the year as compared to the last year.

ANALYSIS OF CASH FLOWS STATEMENT

Operating activities:
There was a net cash outflow of Rs 6,137 million during the year. The main reason was unfavorable fluctuation in prices of crude oil and petroleum products.

Investing activities:
Cash flow from investing activities has decreased due to reduction in dividend income from associated companies as compared to last year.

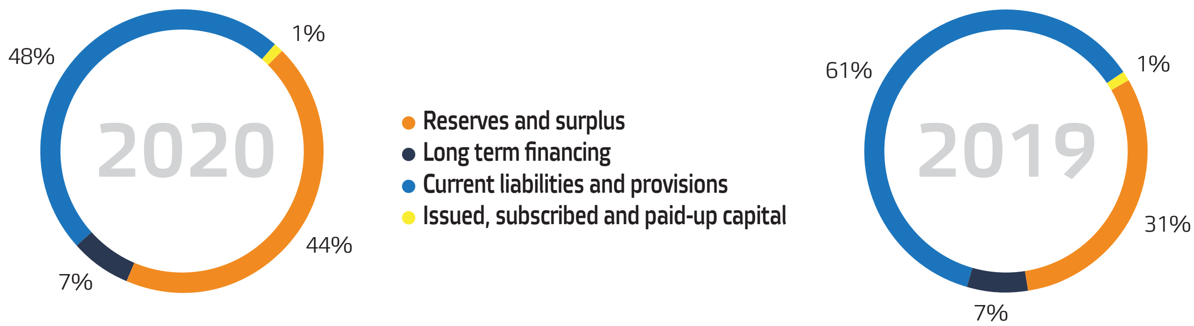
Financing activities:
Cash outflow from financing activities has decreased during the current financial year due to reduction in the exchange loss as a result of stability of Pak. Rupee against US Dollar. Further during the last year in addition to the scheduled quarterly payments, the Company also repaid an amount of Rs 3,000 million relating to long term financing.

Composition of Statement of Financial Position

Attock Refinery Limited

FIXED ASSETS AND CURRENT ASSETS

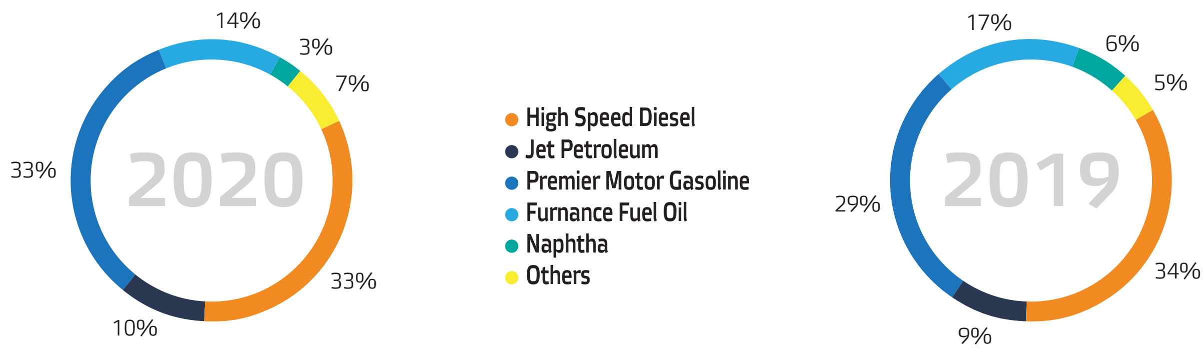
EQUITIES AND LIABILITIES



Segmental Review of Business Performance

Attock Refinery Limited

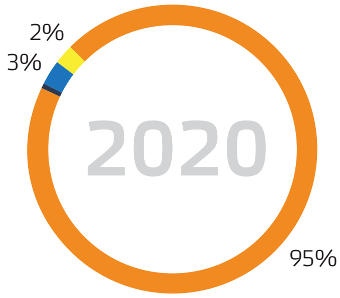
ARL's financial statements have been prepared on the basis of a single reportabl segment. Total sales revenue is broadly divided into following catagories:



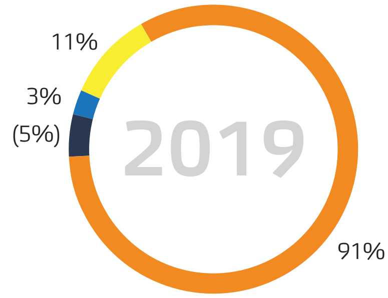
Statement of Value Addition

Attock Refinery Limited

	2020		2019	
	Rs '000	%	Rs '000	%
Gross revenue and other income	177,725,798	-	235,412,004	-
Cost of sales and operating expenses	(121,794,908)	-	(177,549,253)	-
Total value added	55,930,890	-	57,862,751	-
Distribution				
Employee remuneration:	1,598,946	2.86	1,571,785	2.72
Government as:				
Company taxation	(1,230,115)	(2.20)	(2,086,366)	(3.61)
Sales tax, duties and levies	54,499,745	97.44	54,557,248	94.29
WPPF & WWF	-	-	-	-
Shareholders as:				
Dividends	-	-	-	-
Bonus Shares	-	-	-	-
Society as:				
Donation	540	-	684	-
Providers of Finance as:				
Financial charges	1,063,548	1.90	6,623,676	11.45
Retained in Business:				
Depreciation	2,823,152	5.05	2,580,963	4.46
Net earnings	(2,824,926)	(5.05)	(5,385,239)	(9.31)
	55,930,890	100.00	57,862,751	100.00



- Government
- Retained in business
- Employee remuneration
- Provider to finance
- Shareholder
- Society



Statement of Charity Account

Attock Refinery Limited

	2020 Rs '000
Community welfare	7,270
Employment of Special Persons	4,341
Education and training	42,848
Industrial Relations/Workers Welfare	5,242
	59,701

Vertical Analysis

	2020		2019	
	Rs in million	%	Rs in million	%
STATEMENT OF FINANCIAL POSITION				
Equity and reserves	43,903.09	44.80	33,658.09	32.41
Long term financing	7,720.93	7.88	7,981.42	7.69
Total current liabilities	46,363.17	47.32	62,210.13	59.90
	97,987.19	100.00	103,849.64	100.00
Property, plant and equipment	42,542.75	43.42	31,145.02	29.99
Long term investments	13,264.92	13.54	13,264.92	12.77
Non-current assets	6,744.71	6.88	4,551.38	4.38
Stores, spares and loose tools	4,431.07	4.52	3,575.96	3.44
Stock-in-trade	7,163.86	7.31	10,018.66	9.65
Trade debts	12,728.44	12.99	22,411.91	21.58
Loans, advances, deposits, prepayments				
and other receivables	2,988.46	3.05	2,298.20	2.21
Short term investment	-	-	-	-
Cash and bank balances	8,122.98	8.29	16,583.59	15.98
	97,987.19	100.00	103,849.64	100.00
STATEMENT OF PROFIT OR LOSS				
Net sales	119,819.44	100.00	176,754.54	100.00
Cost of sales	(124,999.91)	(104.32)	(180,815.67)	(102.30)
Gross (loss)/profit	(5,180.47)	(4.32)	(4,061.13)	(2.30)
Administration expenses	808.98	0.68	688.46	0.39
Distribution cost	48.03	0.04	52.02	0.03
Other charges	13.11	0.01	5.85	-
	(870.12)	(0.73)	(746.33)	(0.42)
Other income	2,780.70	2.32	2,779.99	1.57
Impairment loss on financial asset	(347.52)	(0.29)	(140.68)	(0.08)
Operating (loss)/profit	(3,617.41)	(3.02)	(2,168.15)	(1.15)
Finance cost	(1,063.55)	(0.89)	(6,623.68)	(3.75)
(Loss)/profit before taxation from refinery operations	(4,680.96)	(3.91)	(8,791.83)	(4.90)
Taxation	1,301.55	1.09	2,250.73	1.27
(Loss)/profit after taxation from refinery operations	(3,379.41)	(2.82)	(6,541.10)	(3.63)
Income from non-refinery operations less applicable				
charges and taxation	554.48	0.46	1,155.86	0.65
(Loss)/profit for the year	(2,824.93)	(2.36)	(5,385.24)	(2.98)

2018		2017		2016		2015	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
39,318.26	38.89	39,380.81	43.17	33,189.56	43.89	32,826.15	40.78
12,642.92	12.50	17,672.17	19.38	14,613.68	19.33	11,108.99	13.80
49,144.86	48.61	34,153.92	37.45	27,815.95	36.78	36,568.27	45.42
101,106.04	100.00	91,206.90	100.00	75,619.19	100.00	80,503.41	100.00
33,239.76	32.88	35,356.80	38.77	34,965.03	46.24	31,571.32	39.22
13,264.92	13.12	13,264.92	14.54	13,264.92	17.54	13,264.92	16.48
1,346.26	1.33	528.63	0.58	675.54	0.89	496.89	0.62
2,905.75	2.87	2,193.27	2.40	1,815.41	2.40	2,008.56	2.49
9,789.00	9.68	5,712.34	6.26	6,707.64	8.87	6,574.13	8.17
15,748.28	15.58	10,678.54	11.71	6,889.43	9.11	14,417.78	17.91
1,871.72	1.85	1,842.29	2.02	1,618.02	2.14	1,475.22	1.83
985.84	0.98	-	-	-	-	-	-
21,954.51	21.71	21,630.11	23.72	9,683.20	12.81	10,694.59	13.28
101,106.04	100.00	91,206.90	100.00	75,619.19	100.00	80,503.41	100.00
129,596.57	100.00	101,411.79	100.00	66,564.92	100.00	128,905.43	100.00
(130,675.23)	(100.83)	(97,078.92)	(95.73)	(67,466.75)	(101.35)	(128,352.37)	(99.57)
(1,078.66)	(0.83)	4,332.87	4.27	(901.83)	(1.35)	553.06	0.43
645.12	0.50	595.02	0.59	520.54	0.78	492.55	0.38
50.16	0.04	49.05	0.05	50.54	0.08	46.48	0.04
(106.27)	(0.08)	202.66	0.20	5.80	0.01	81.94	0.06
(589.01)	(0.46)	(846.73)	(0.84)	(576.88)	(0.87)	(620.97)	(0.48)
1,977.48	1.53	1,434.22	1.41	927.38	1.39	1,349.64	1.05
-	-	-	-	-	-	-	-
309.81	0.24	4,920.36	4.84	(551.33)	(0.83)	1,281.73	1.00
(2,925.30)	(2.26)	(1,263.14)	(1.25)	(156.88)	(0.25)	(315.12)	(0.25)
(2,615.49)	(2.02)	3,657.22	3.59	(708.21)	(1.08)	966.61	0.75
1,602.93	1.24	42.11	0.04	4.82	0.01	(561.81)	(0.44)
(1,012.56)	(0.78)	3,699.33	3.63	(703.39)	(1.07)	404.80	0.31
1,591.54	1.23	1,714.33	1.69	1,519.74	2.28	1,409.46	1.09
578.98	0.45	5,413.66	5.32	816.35	1.21	1,814.26	1.40

Horizontal Analysis

	2020		2019	
	Increase/(Decrease) from last year		Increase/(Decrease) from last year	
	Rs in million	%	Rs in million	%
STATEMENT OF FINANCIAL POSITION				
Equity and reserves	43,903.09	30.44	33,658.09	(14.40)
Long term financing	7,720.93	(3.26)	7,981.42	(36.87)
Total current liabilities	46,363.17	(25.47)	62,210.13	26.59
	97,987.19	(5.65)	103,849.64	2.71
Property, plant and equipment	42,542.75	36.60	31,145.02	(6.30)
Long term investments	13,264.92	-	13,264.92	-
Non-current assets	6,744.71	48.19	4,551.38	238.08
Stores, spares and loose tools	4,431.07	23.91	3,575.96	23.06
Stock-in-trade	7,163.86	(28.49)	10,018.66	2.35
Trade debts	12,728.44	(43.21)	22,411.91	42.31
Loans, advances, deposits, prepayments				
and other receivables	2,988.46	30.03	2,298.20	22.79
Short term investment	-	-	-	(100.00)
Cash and bank balances	8,122.98	(51.02)	16,583.59	(24.46)
	97,987.19	(5.65)	103,849.64	2.71
STATEMENT OF PROFIT OR LOSS				
Net sales	119,819.44	(32.21)	176,754.54	36.39
Cost of sales	(124,999.91)	(30.87)	(180,815.67)	38.37
Gross (loss)/profit	(5,180.47)	27.56	(4,061.13)	276.50
Administration expenses	808.98	17.51	688.46	6.72
Distribution cost	48.03	(7.67)	52.02	3.71
Other charges	13.11	124.10	5.85	(105.50)
	(870.12)	16.59	(746.33)	26.71
Other income	2,780.70	0.03	2,779.99	40.58
Impairment loss on financial asset	(347.52)	147.03	(140.68)	(100.00)
Operating (loss)/profit	(3,617.41)	66.84	(2,168.15)	(799.83)
Finance cost	(1,063.55)	(83.94)	(6,623.68)	126.43
(Loss)/profit before taxation from refinery operations	(4,680.96)	(46.76)	(8,791.83)	236.14
Taxation	1,301.55	(42.17)	2,250.73	40.41
(Loss)/profit after taxation from refinery operations	(3,379.41)	(48.34)	(6,541.10)	546.00
Income from non-refinery operations less applicable				
charges and taxation	554.48	(52.03)	1,155.86	(27.37)
(Loss)/profit for the year	(2,824.93)	(47.54)	(5,385.24)	(1,030.13)

2018		2017		2016		2015	
Increase/(Decrease) from last year		Increase/(Decrease) from last year		Increase/(Decrease) from last year		Increase/(Decrease) from last year	
Rs in million	%	Rs in million	%	Rs in million	%	Rs in million	%
39,318.26	(0.16)	39,380.81	18.65	33,189.56	1.11	32,826.15	100.00
12,642.92	(28.46)	17,672.17	20.93	14,613.68	31.55	11,108.99	100.00
49,144.86	43.89	34,153.92	22.79	27,815.95	(23.93)	36,568.27	100.00
101,106.04	10.85	91,206.90	20.61	75,619.19	(6.07)	80,503.41	100.00
33,239.76	(5.99)	35,356.80	1.12	34,965.03	10.75	31,571.32	100.00
13,264.92	-	13,264.92	-	13,264.92	-	13,264.92	100.00
1,346.26	154.67	528.63	(21.75)	675.54	35.96	496.89	100.00
2,905.75	32.48	2,193.27	20.81	1,815.41	(9.62)	2,008.56	100.00
9,789.00	71.37	5,712.34	(14.84)	6,707.64	2.03	6,574.13	100.00
15,748.28	47.48	10,678.54	55.00	6,889.43	(52.22)	14,417.78	100.00
1,871.72	1.60	1,842.29	13.86	1,618.02	9.68	1,475.22	100.00
985.84	100.00	-	-	-	-	-	-
21,954.51	1.50	21,630.11	123.38	9,683.20	(9.46)	10,694.59	100.00
101,106.04	10.85	91,206.90	20.61	75,619.19	(6.07)	80,503.41	100.00
129,596.57	27.79	101,411.79	52.35	66,564.92	(48.36)	128,905.43	100.00
(130,675.23)	34.61	(97,078.92)	43.89	(67,466.75)	(47.44)	(128,352.37)	100.00
(1,078.66)	(124.89)	4,332.87	580.45	(901.83)	(263.06)	553.06	100.00
645.12	8.42	595.02	14.31	520.54	5.68	492.55	100.00
50.16	2.26	49.05	(2.95)	50.54	8.73	46.48	100.00
(106.27)	(152.44)	202.66	3,394.14	5.80	(92.92)	81.94	100.00
(589.01)	(30.44)	(846.73)	46.78	(576.88)	(7.10)	(620.97)	100.00
1,977.48	37.88	1,434.22	54.65	927.38	(31.29)	1,349.64	100.00
-	-	-	-	-	-	-	-
309.81	(93.70)	4,920.36	992.45	(551.33)	(143.02)	1,281.73	100.00
(2,925.30)	131.59	(1,263.14)	705.16	(156.88)	(50.22)	(315.12)	100.00
(2,615.49)	(171.52)	3,657.22	616.40	(708.21)	(173.27)	966.61	100.00
1,602.93	3,706.53	42.11	773.65	4.82	100.86	(561.81)	100.00
(1,012.56)	(127.37)	3,699.33	625.93	(703.39)	(273.77)	404.80	100.00
1,591.54	(7.16)	1,714.33	12.80	1,519.74	7.82	1,409.46	100.00
578.98	(89.31)	5,413.66	563.15	816.35	(55.01)	1,814.26	100.00

Statement of Contribution & Value Addition

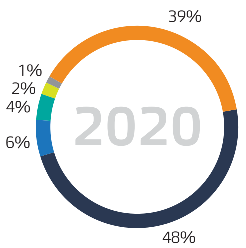
	2020 Rs in million	2019 Rs in million
Value Addition and Distributions		
Employees as Remuneration	1,599	1,572
Government as Taxes	58,421	49,462
Foreign Exchange Savings US$ 144 million		
Contribution to National Exchequer		
Government Levies on Petroleum Products	58,421	49,462
Income Tax Paid	708	781
Import/Export Duties	154	269
	59,283	50,512

Financial Highlights

Attock Hospital (Pvt.) Limited

Equities & Liabilities

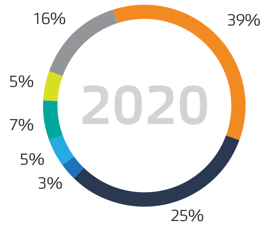
(In Percentage)



- Trade and other payables
- Accumulated profit
- Deferred grant
- Capital reserve
- Paid-up capital
- Long term lease liability

Fixed Assets & Current Assets

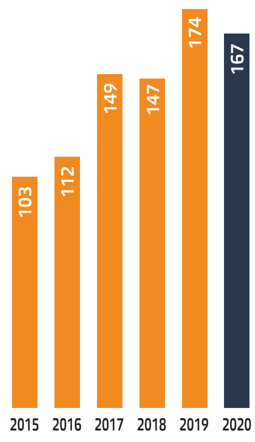
(In Percentage)



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

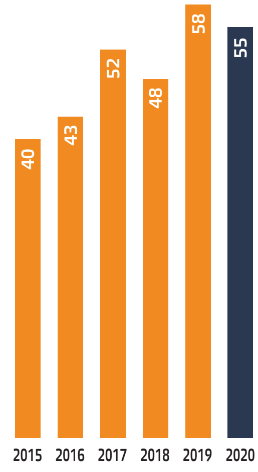
Total Revenue including Other Income

(Rs in million)



Revenue from Private Patients

(Rs in million)



Pattern of Shareholding

As at June 30, 2020

Corporate Universal Identification Number: 0006538 Form-34

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held
1139	1	100	59,466
1945	101	500	623,594
1201	501	1000	1,001,163
1850	1001	5000	4,401,027
333	5001	10000	2,493,362
135	10001	15000	1,722,241
78	15001	20000	1,385,230
37	20001	25000	856,832
24	25001	30000	676,650
22	30001	35000	720,750
10	35001	40000	387,187
15	40001	45000	646,200
9	45001	50000	442,000
7	50001	55000	363,365
6	55001	60000	351,750
5	60001	65000	307,500
2	65001	70000	139,700
7	70001	75000	516,350
3	75001	80000	238,200
3	80001	85000	246,125
2	85001	90000	175,000
2	90001	95000	187,500
6	95001	100000	597,700
1	105001	110000	106,300
1	110001	115000	111,875
2	115001	120000	236,242
3	120001	125000	371,000
1	125001	130000	125,280
1	130001	135000	135,000
1	135001	140000	137,500
1	145001	150000	148,500
1	150001	155000	155,000
1	160001	165000	165,000
1	170001	175000	173,000
1	175001	180000	177,500
1	190001	195000	190,762
2	195001	200000	396,000
6	200001	205000	1,213,280
1	230001	235000	230,875
2	235001	240000	479,000
1	245001	250000	249,500
1	250001	255000	254,100
1	255001	260000	256,250
2	260001	265000	526,000
1	265001	270000	268,750
1	270001	275000	275,000
1	275001	280000	277,340
2	305001	310000	615,386
1	320001	325000	322,125
1	350001	355000	354,875
1	385001	390000	385,448
2	430001	435000	865,042
1	465001	470000	468,827
1	545001	550000	545,071
1	555001	560000	556,250
1	585001	590000	585,300
1	685001	690000	687,300
1	810001	815000	810,625
1	1085001	1090000	1,085,750

Number of Shareholders	Shareholding From	To	Total Shares Held
1	1095001	1100000	1,100,000
1	1130001	1135000	1,133,900
1	1785001	1790000	1,790,000
1	1995001	2000000	2,000,000
1	3060001	3065000	3,063,375
1	9075001	9080000	9,075,500
1	55970001	55975000	55,973,530
6,897			**106,616,250**

Categories of Shareholders

As at June 30, 2020

Category No.	Categories	Number of shares held	%age
1	**Directors/Chief Executive Officer and their spouse and minor children:**		
	Mr. Laith G. Pharaon	1	0.00%
	Mr. Wael G. Pharaon	1	0.00%
	Mr. Shuaib A. Malik	344,576	0.32%
	Mr. Abdus Sattar	1	0.00%
	Mr. Jamil A. Khan	1	0.00%
	Mr. M. Adil Khattak	5,858	0.01%
		350,438	0.33%
2	**Associated Companies, Undertakings and Related Parties:**		
	The Attock Oil Company Limited	65,063,530	61.03%
	Attock Petroleum Limited	1,790,000	1.68%
		66,853,530	62.70%
3	**NIT and ICP**	545,196	0.51%
4	**Banks, Development Financial Institutions and Non-Banking Financial Institutions**	3,837,665	3.60%
5	**Insurance Companies**	656,360	0.62%
6	**Modarabas and Mutual Funds**	1,230,165	1.15%
7	**Shareholders Holding 10%**	65,063,530	61.03%
8	**General Public**		
	a. Local	26,024,101	24.41%
	b. Foreign	42,002	0.04%
9	**Others**		
	Executives	620	-
	Trusts/Funds	789,350	0.74%
	Joint Stock Companies/Others	6,141,373	5.76%
	Foreign Investors	-	-
	Charitable Trusts	145,450	0.14%

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

Name	Designation	No. of shares purchased	No. of shares sold
Mr. Shuaib A. Malik	Chairman & Director	9,300	-
Mr. Muhammad Tahir Hussain	Executive	500	-
Mr. Kashif Ali Makhdoomi	Executive	500	500

Code of Conduct

INTRODUCTION

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

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

1. INTEGRITY & ETHICS

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

i) Respect, Honesty and Integrity

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

ii) Compliance with Laws, Rules and Regulations

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

iii) Full and Fair Disclosure

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

iv) Prevent Conflict of Interest

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

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

v) Trading in Company's shares

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

vi) Inside information

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

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

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

vii) Media relations and disclosures

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

viii) Corporate Opportunities

Directors and Employees are expected not to:

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

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

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

ix) Competition and Fair Dealing

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

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

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

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

x) Protect Health, Safety and Security

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

xi) Record Keeping

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

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

xii) Protection of Privacy and Confidentiality

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

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

xiii) Protection and Proper use of Company's Assets/ Data

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

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

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

xiv) Gift Receiving

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

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

xv) Internet use/Information Technology

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

xvi) Compliance with Business Travel Policies

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

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

2. QUALITY

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

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

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

3. SOCIAL RESPONSIBILITY

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

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

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

4. LEARNING AND INNOVATION

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

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

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

5. TEAM WORK

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

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

i) Equal Employment Opportunity

The Company believes in providing equal opportunity to everyone around. The Company policies in this regard have to be complied with and no discrimination upon race, religion, age,

national origin, gender, or disability is acceptable. No harassment or discrimination of any kind will be tolerated. Directors and employees must comply with standards/laws with regard to child labor and forced labor.

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

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

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

6. EMPOWERMENT

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

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

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

7. COMPLIANCE

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

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

Other Corporate Governance

Decisions taken by the Board and Delegated to Management

The Board of Directors ensures that the management upholds the vision and mission set by the shareholders of the Company. To achieve this objective, policies and objectives are set by the Board in such a manner that implementation by the management results in benefit to the Company. The Board is involved in top-level strategic decisions having long-term implications including major investments, capital financing, capital expenditure, disposal of fixed assets, approval of budgets, approval of financial statements, future projects, acquisitions and dividend declarations etc.

Operational level decisions, having short-term implications, are delegated by the Board to the management including short term investments, sale/purchase contracts, implementation of policies, treasury, taxation and stock management and Board has given them the responsibility of day to day running of the Company.

Board Annual Evaluation

Code of Corporate Governance has been adopted by the Board in its true spirit. The performance of Board and its Committees effectively shapes the overall performance of the Company hence remains crucial. Performance of the Board and Committees can be improved by promoting best practices and professional corporate culture. As required by the Code of Corporate Governance, performance of the Board and its Committees is internally evaluated through a mechanism developed and approved by the Board of Directors to evaluate the efficacy of the Board and its Committees on an annual basis. During the year, the Board and its Committees were evaluated using this mechanism to further improve the effectiveness of the Board. Developments in corporate governance are constantly reviewed and implemented to align the Board with principles of good corporate governance.

Board's Performance Evaluation by External Consultant

The Board's performance was carried out internally and no external consultant was engaged.

Security Clearance of Foreign Directors

Foreign Directors elected on the Board of Attock Refinery Limited requires security clearance from Ministry of Interior through Securities and Exchange Commission of Pakistan (SECP). All legal formalities and requirements have been met and fulfilled in this regard.

Formal Orientation for Directors at Induction

When a new member is taken on board it is ensured that he is provided with a detailed orientation of the Company. Orientation is mainly focused on Company's vision, strategies, core competencies, organisational structure, related parties, major risks (both external and internal) including legal and regulatory risks and role and responsibility of the directors as per regulatory laws applicable in Pakistan along with an overview of the strategic plan, marketing analysis, forecasts, budget and business plan.

Directors' Training Programme

The Company ensures that it congregates requirements of Securities and Exchange Commission of Pakistan (SECP) and complying the requirements of Code in which companies are encouraged that all Directors on their Board have acquired the prescribed certification under Directors' Training Programme (DTP) by June 30, 2022. Most of the directors of ARL meets the exemption requirement of the directors training program. While, one director has already completed this programme and the remaining one director shall obtain certification under the DTP in due course of time.

Investors' Grievance Handling

Investor satisfaction is the prime focus of the Company to retain long lasting relationship with its prestigious investors. The Company's existing and potential investors are allowed access to information regarding Company's operations in addition to details of investments, dividend distribution or circulation of regulatory publications. Investor Grievances are managed centrally by Corporate Affairs Section of the Company. The Section has an effective Investor Grievance redressal mechanism in place to handle investors' queries and complaints promptly and effectively. The Company's grievance handling is supported by a review mechanism to minimize recurrence of similar issues in future. Investors' queries and complaints are dealt with courtesy at all the times. Investors have facility to call on the contact number provided for the purpose on the Company's website.

The Company has maintained an investors' relations section on the website. An email ID is designated for the investors' queries and complaints.

Feedback/complaint forms are available on website where investors can lodge their complaints at any time. Complaints are addressed by designated employees without any delay. The Corporate Affairs Section has maintained a record of complaints mentioning status of pending complaints and their resolution.

Safety of Records of the Company

To ensure prompt and accurate retrieval of records, protection of vital information in the event of disaster and to ensure compliance with legal and regulatory requirements, the Company has an established procedure for preservation of records holding significant value, in line with good governance practices and administrative requirements. Records include books of accounts, documents pertaining to secretarial, legal, taxation and other matters etc. Key records are archived in a manner to protect them from physical deterioration, accidental fire and natural calamities. Documents in physical forms are stored at specifically designated record rooms with proper safety features. Financial data and other records in the ERP system are periodically backed up at various servers and protected under secure access protocols. Paperless environment is also being promoted and an e-record management system is being put in place to safeguard the records of the Company along with optimizing storage spaces.

Role of Chairman & Chief Executive

The Chairman heads the Board of Directors and is appointed by the Board from amongst the Non- Executive directors. Heading the meetings, defining agendas and signing the minutes are the primary responsibilities of the Chairman and making sure that the duties of the Board of Directors are met. He also manages conflicts of interests arising, if any, and makes recommendations to improve performance and effectiveness of the Board. The Chairman, at the start of the term of Directors, intimates them regarding their roles, responsibilities, duties and powers to help them manage the affairs of the Company effectively.

The CEO manages the Company and is responsible for all of its operations. The CEO designs and proposes strategies and implements decisions of the Board. The CEO reports to the Board regarding the Company's performance and profitability along with suggesting improvements to enhance shareholders' wealth.

The Board of Directors has clearly defined and segregated the roles and responsibilities of the Chairman and the CEO.

Audit Committee and Internal Control Framework

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

Name	Designation
Mr. Shamim Ahmad Khan	Chairman (Independent Director)
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member
Mr. G. A. Sabri	Member (Independent Director)
Mr. Babar Bashir Nawaz	Member (Alternate Director)

The Audit Committee met 04 times during the year ended June 30, 2020. The meetings of the Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The agenda of the meetings included discussions on financial matters of the Company along with review of other matters as per the Terms of Reference (ToRs) of the Committee. Head of Internal Audit Department, being the Secretary to the Committee, arranged all the Committee meetings. In addition to the Committee members, the meetings were also attended by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary. The Committee also met with the External Auditors separately in the absence of Head of Internal Audit and CFO to get feedback on the overall control and governance framework within the Company. The Internal Control Framework is a major part of overall governance structure. It is fundamental to the successful operation and day-today running of a business. The scope of internal control is very broad. It encompasses all controls incorporated into the strategic, governance and management processes, covering the Company's entire range of activities and operations and not just those directly related to financial operations and reporting. Internal control as a process designed to provide reasonable assurance regarding the achievement of objectives in relation to the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Internal auditors play an important role in evaluating the effectiveness of control systems and have a significant monitoring role because of authority and independency in the organization. The Head of Internal Audit has direct access to the Committee. Audit observations along with compliance status are regularly presented to the Committee. The role of Internal Audit department includes review of systems within the Company at appropriate intervals to determine whether they are effectively designed and carrying out the functions in accordance with management instructions, policies and procedures and in a manner that is in agreement with Company's objectives and high standard of administrative practices.

Conflict of Interest Management

A formal Code of Conduct is in place governing the actual or perceived conflict of interest relating to the Board members of the Company. Under the guidelines of Code of Conduct every director is required to disclose about his interest in any contract, agreement or appointment etc. These disclosures are circulated to the Board and it is ensured that interested director does not participate in decision making and voting on the subject. The effect to the above facts is recorded in minutes of meeting, if any. Any such conflicts of interests are recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.

Calendar of Major Events

19-Jul-2019	Annual turnaround of Refinery Operations was successfully completed.
17-Sep-2019	Annual General Meeting of shareholders.
19-Oct-2019	Free medical camp was arranged by the Company at Morgah, Rawalpindi.
21-Oct-2019	Energy Week was celebrated at ARL, in-line with World Energy Day (22nd October, 2019).
19-Dec-2019	6th Conference on Health, Safety and Environment was organized.
27-Apr-2020	Safety Week was celebrated at ARL in-line with World Safety Day (28th April, 2020).
29-Apr-2020	Received Asia Sustainability Reporting Award 2019.
05-Jun-2020	World Environment Day was celebrated.

Statement of Compliance

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

Name of Company: **Attock Refinery Limited**
Year ended: **June 30, 2020**

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

1. The total number of directors are seven as per the following:

Gender	Number
Male	7
Female	Nil

2. The composition of the Board as at June 30, 2020 is as follows:

Category	Name
Independent Directors	Mr. Shamim Ahmad Khan Mr. G.A. Sabri
Other Non-executive Directors	Mr. Laith G. Pharaon *(Alternate Director: Mr. Shuaib A. Malik)*
	Mr. Wael G. Pharaon *(Alternate Director: Mr. Babar Bashir Nawaz)*
	Mr. Shuaib A. Malik
	Mr. Abdus Sattar
	Mr. Jamil A. Khan
Executive Directors	Nil
Female Directors	Nil

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

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The Meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of Board;

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

9. In terms of Regulation 19 of the 2019 Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Directors' Training Program (DTP) by June 30, 2022. Presently, five (5) directors of the Company meet the exemption requirement of the DTP, while one (1) director has already completed this program. The remaining one (1) director shall obtain certification under the DTP in due course of time. Further, one alternate director and the Chief Executive Officer (CEO) of the Company have also completed DTP;

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

Committees	Composition/Name
Audit Committee	Mr. Shamim Ahmad Khan **(Chairman)** **Members** Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. G.A. Sabri Mr. Babar Bashir Nawaz (Alternate Director to Mr. Wael G. Pharaon)
HR & Remuneration Committee	Mr. G.A. Sabri (**Chairman**) **Members** Mr. Shuaib A. Malik Mr. Jamil A. Khan Mr. M. Adil Khattak

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

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

Committees	Frequency of meetings
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2020.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2020.

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

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

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

Committee	Reg. No.	Explanation
Risk Management Committee: The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	Risk Management Committee (RMC) at the level of the Company's management is already in place which is headed by the CEO. The CEO briefs the Board about the Committees findings and recommendations for consideration and approval of the Board.

Shuaib A. Malik
Chairman

M. Adil Khattak
Chief Executive Officer

August 26, 2020
Rawalpindi

pwc

A·F·FERGUSON&Co.

Independent Auditor's Review Report

To the members of Attock Refinery Limited

Review Report on the Statement of Compliance

contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Refinery Limited (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

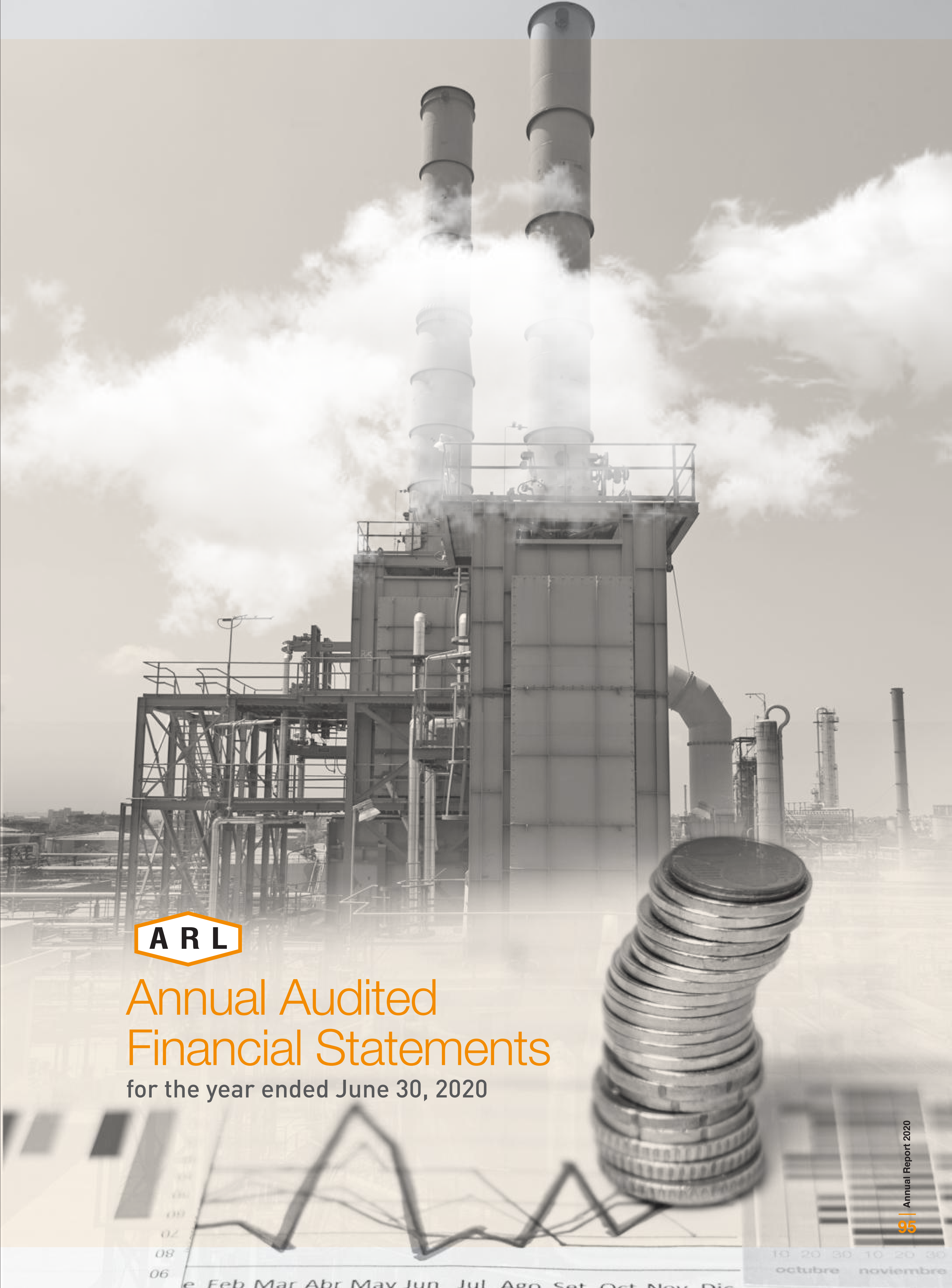
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: September 18, 2020



ARL

Annual Audited Financial Statements

for the year ended June 30, 2020

A·F·FERGUSON&Co.

CHARTERED ACCOUNTANTS

KARACHI-LAHORE-ISLAMABAD

pwc

INDEPENDENT AUDITOR'S REPORT

To the members of Attock Refinery Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Attock Refinery Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	**Review of recoverability of deferred tax asset** (Refer note 17 of the financial statements) Under International Accounting Standard 12, Income Taxes, the Company is required to review recoverability of the deferred tax assets recognised in the statement of financial position at each reporting period. Recognition of deferred tax asset position involved managements' estimate of the future available taxable profits of the Company based on an approved business plan. This estimation is inherently uncertain and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses as to determine the availability of future profits against which tax deductions represented by the deferred tax assets can be offset. As at June 30, 2020, the Company carries a net deferred tax asset of Rs 6,705 million in its statement of financial position. We considered this as key audit matter due to significant value of deferred tax asset and assumptions used by management in this area.	Our procedures in relation to this matter included: - Evaluated the appropriateness of components of management's computation including consideration of un-used tax losses, tax credit on investments, minimum tax and alternative corporate tax for which deferred tax assets were recognized. - Analysed the requirements of the Income Tax Ordinance, 2001, in relation to above and considering the factors including aging analysis, expiry periods of relevant deferred tax assets and tax rates enacted. - Assessed the reasonableness of cash flow and taxable profits projections, challenging and performing audit procedures on assumptions such as growth rate, production patterns, future revenue and costs, comparing the assumptions to historical results, considering approved budget comparing the current year's results with prior year forecast and considering other relevant information to assess the quality of Company's forecasting process in determining the projections. - Tested mathematical accuracy of projections along consideration of use of appropriate tax rate as applicable on temporary differences. - Assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures made in the financial statements.

S. No.	Key audit matters	How the matter was addressed in our audit
2.	**Investment in associated company** (Refer note 15 to the financial statements) The Company has investment in its associated company National Refinery Limited (NRL). As at June 30, 2020, the carrying amount of investment in above referred associated company amounted to Rs 8,047 million which carrying value is higher by Rs 5,902 million in relation to the quoted market value of such shares. The Company carries out impairment assessment of the value of investment where there are indicators of impairment. The Company has assessed the recoverable amount of the investment in associated company based on the higher of the value-in-use ("VIU") and fair value. VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows. We considered this as a key audit matter due to significant management judgement involved in the estimation of VIU.	Our procedures in relation to assessment of recoverable amount of investment in associated company included: - Assessed the appropriateness of management's accounting for investment in associated company. - Considered management's process for identifying the existence of impairment indicators in respect of investment in associated company. - Evaluated the independent external investment advisor's competence, capabilities and objectivity. - Assessed the valuation methodology used by the independent external investment advisor. - Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence. - Assessed and tested mathematical accuracy of cash flows projection. - Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions. - Assessed adequacy of the Company's disclosures in the financial statements in this respect.

Information Other than the Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. JehanZeb Amin.

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
Date: September 18, 2020

Statement of Financial Position

As at June 30, 2020

	Note	June 30, 2020 Rs '000	June 30, 2019 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised share capital	7	1,500,000	1,500,000
Issued, subscribed and paid-up capital	7	1,066,163	1,066,163
Reserves and surplus	8	17,743,509	20,539,355
Surplus on revaluation of freehold land	13	25,093,419	12,052,576
		43,903,091	33,658,094
NON CURRENT LIABILITIES			
Long term financing	9	7,614,194	7,981,422
Long term lease liability	10	106,741	-
CURRENT LIABILITIES			
Trade and other payables	11	43,181,953	57,248,556
Accrued mark-up on long term financing	9	204,519	271,166
Current portion of long term financing	9	-	2,200,000
Current portion of lease liability	10	214,899	-
Unclaimed dividends		9,355	9,566
Provision for taxation		2,752,442	2,480,850
		46,363,168	62,210,138
TOTAL EQUITY AND LIABILITIES		97,987,194	103,849,654
CONTINGENCIES AND COMMITMENTS	12		

	Note	June 30, 2020 Rs '000	June 30, 2019 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	13	41,424,612	30,376,904
Capital work-in-progress	14	979,206	622,573
Major spare parts and stand-by equipments		138,935	145,542
		42,542,753	31,145,019
LONG TERM INVESTMENTS	15	13,264,915	13,264,915
LONG TERM LOANS AND DEPOSITS	16	40,103	44,326
DEFERRED TAXATION	17	6,704,608	4,507,066
CURRENT ASSETS			
Stores, spares and loose tools	18	4,431,073	3,575,963
Stock-in-trade	19	7,163,855	10,018,655
Trade debts	20	12,728,442	22,411,912
Loans, advances, deposits, prepayments			
and other receivables	21	2,988,463	2,298,204
Cash and bank balances	22	8,122,982	16,583,594
		35,434,815	54,888,328
TOTAL ASSETS		97,987,194	103,849,654

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

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

Statement of Profit or Loss

For the year ended June 30, 2020

	Note	2020 Rs '000	2019 Rs '000
Gross sales	23	174,319,185	231,311,790
Taxes, duties, levies, discounts and price differential	24	(54,499,745)	(54,557,248)
Net sales		119,819,440	176,754,542
Cost of sales	25	(124,999,908)	(180,815,670)
Gross loss		(5,180,468)	(4,061,128)
Administration expenses	26	808,978	688,462
Distribution cost	27	48,028	52,019
Other charges	28	13,111	5,851
		(870,117)	(746,332)
Other income	29	2,780,700	2,779,987
Impairment loss on financial asset	21.3	(347,521)	(140,683)
Operating loss		(3,617,406)	(2,168,156)
Finance cost	30	(1,063,548)	(6,623,676)
Loss before taxation from refinery operations		(4,680,954)	(8,791,832)
Taxation	31	1,301,553	2,250,727
Loss after taxation from refinery operations		(3,379,401)	(6,541,105)
Income from non-refinery operations less			
applicable charges and taxation	32	554,475	1,155,866
Loss for the year		(2,824,926)	(5,385,239)
(Loss)/Earnings per share - basic and diluted (Rupees)			
Refinery operations		(31.70)	(61.35)
Non-refinery operations		5.20	10.84
	33	(26.50)	(50.51)

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

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

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2020

	Note	2020 Rs '000	2019 Rs '000
Loss for the year		(2,824,926)	(5,385,239)
Other comprehensive income/(loss) for the year			
Items that will not be reclassified to statement of profit or loss :			
Remeasurement gain/(loss) on staff retirement benefit plans	34	40,958	(44,517)
Related deferred tax credit		(11,878)	12,910
Effect of change in rate of tax		-	5,823
Other comprehensive income/(loss) for the year - net of tax		29,080	(25,784)
Surplus on revaluation of freehold land	13.2	13,040,843	-
Total comprehensive income/(loss) for the year		10,244,997	(5,411,023)

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

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Statement of Changes in Equity

For the year ended June 30, 2020

		Capital reserve			Revenue reserve				
	Share capital	Special reserve for expansion/ modernisation	Utilised special reserve for expansion/ modernisation	Others	Investment reserve	General reserve	Un-appropriated Profit	Surplus on revaluation of freehold land	Total
	Rs '000								
Balance as at July 1, 2018	852,930	1,033,255	10,962,934	5,948	3,762,775	55	10,398,644	12,052,576	39,069,117
Distribution to owners:									
Bonus shares @ 25% related to the year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-
Total comprehensive loss - net of tax									
Loss for the year	-	-	-	-	-	-	(5,385,239)	-	(5,385,239)
Other comprehensive loss for the year	-	-	-	-	-	-	(25,784)	-	(25,784)
	-	-	-	-	-	-	(5,411,023)	-	(5,411,023)
Loss from refinery operations transferred from unappropriated profit to Special Reserve - note 8.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-
Balance as at June 30, 2019	1,066,163	-	10,962,934	5,948	3,762,775	55	5,807,643	12,052,576	33,658,094
Total comprehensive income/(loss) - net of tax									
Loss for the year	-	-	-	-	-	-	(2,824,926)	-	(2,824,926)
Other comprehensive income for the year	-	-	-	-	-	-	29,080	13,040,843	13,069,923
	-	-	-	-	-	-	(2,795,846)	13,040,843	10,244,997
Balance as at June 30, 2020	1,066,163	-	10,962,934	5,948	3,762,775	55	3,011,797	25,093,419	43,903,091

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

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Statement of Cash Flows

For the year ended June 30, 2020

	Note	2020 Rs '000	2019 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from			
- customers		184,473,734	224,559,581
- others		260,340	307,130
		184,734,074	224,866,711
Cash paid for operating costs		(131,742,081)	(172,319,147)
Cash paid to Government for duties, taxes and levies		(58,421,327)	(49,461,833)
Income tax paid		(707,713)	(780,806)
Net cash (outflow)/inflow from operating activities		(6,137,047)	2,304,925
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(607,167)	(486,439)
Proceeds against disposal of operating assets		7,491	6,901
Long term loans and deposits		4,223	(2,211)
Income received on bank deposits		1,531,796	1,758,016
Dividends received from associated companies		625,913	1,320,227
Net cash generated from investing activities		1,562,256	2,596,494
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(2,200,000)	(5,200,000)
Repayment of lease liability		(219,045)	-
Transaction cost on long term financing		(500)	(500)
Finance cost		(1,470,502)	(6,074,413)
Dividends paid to the Company's shareholders		(211)	(273)
Net cash outflow from financing activities		(3,890,258)	(11,275,186)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(8,465,049)	(6,373,767)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,583,594	22,940,360
Effects of exchange rate changes on cash and cash equivalents		4,437	17,001
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	42	8,122,982	16,583,594

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

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

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2020

1. LEGAL STATUS AND OPERATIONS

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

The Company is subsidiary of The Attock Oil Company Limited, England and its ultimate parent is Coral Holding Limited (a private limited company incorporated in Malta).

2. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. NEW AND REVISED STANDARDS AND INTERPETATIONS

3.1 IFRS 16 "Leases" became applicable to the Company from July 1, 2019. For related change in accounting policy and impact on Company's financial statements refer note 5.1 to these 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)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 39	Financial instruments: Recognition and Measurement	January 1, 2020
IFRS 3	Business combinations (Amendments)	January 1, 2020
IFRS 7	Financial instruments: Disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020
IFRS 16	Leases (Amendments)	June 1, 2020

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

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

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

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

IFRIC 12 Service concession arrangements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

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

4.2 Dividend and revenue reserves appropriation

Dividend and movement in revenue reserves are recognised in the financial statements in the period in which these are approved.

4.3 Employee retirement benefits

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

(i) Defined benefit plans

The Company operates approved pension fund for its management staff and approved gratuity fund for its management and non-management staff. The investments of pension and gratuity funds are made through approved trust funds. Gratuity is deductible from pension. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 34 to the financial statements. The obligation at the date of statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to statement of profit or loss for the year.

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

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

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

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

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

4.6 Provisions

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

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

a) Cost

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and impairment losses. Freehold land is stated at revalued amount. Capital work-in-progress and major spare parts and standby equipment are stated at cost. Cost in relation to certain plant and machinery items include borrowing cost related to the financing of major projects during construction phase.

b) Revaluation

Increase in the carrying amount arising on revaluation of freehold land are recognised in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of freehold land. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

c) Depreciation

Depreciation on operating assets is calculated using the straight-line method to allocate their cost over their estimated useful life at the rates specified in note 13.1.

d) 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.

e) Gains and losses on disposal

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

4.8 Impairment of non-financial assets

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

4.9 Investments

4.9.1 Investment in subsidiaries

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

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

4.9.2 Investment in associates

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

4.10 Stores, spares and loose tools

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

4.11 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value.

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

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

4.12 Revenue recognition

The Company recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Company expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Company generates revenue by supplying refined petroleum products to the customers, including export of Naphtha product.

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

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

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

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

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

4.13 Functional and presentation currency

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

4.14 Foreign currency transactions and balances

Transactions in foreign currencies are converted into Pakistani Rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the statement of financial position date. Exchange differences are dealt with through the statement of profit or loss.

4.15 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

a) Amortized cost where the effective interest rate method will apply;

b) fair value through profit or loss;

c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or OCI. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

  In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Cash and bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) **Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) **Amortised cost**

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

(iii) Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.17 Earnings per share

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

Basic and diluted EPS relating to Refinery and Non-refinery operations is also calculated in line with the manner described above by dividing the profit or loss attributable to ordinary shareholders from Refinery and Non-refinery operations respectively.

4.18 Finance income

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

4.19 Finance cost

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through the statement of profit or loss and impairment losses recognised on financial assets.

4.20 Contingent Liabilities

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

4.21 Offsetting

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

4.22 Borrowings and their costs

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

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

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. 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.

4.24 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts.

4.25 Loans, advances, deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. The Company assesses on a forward looking basis the expected credit losses associated with the advances, deposits and other receivables. The Company applies the general approach for calculating a lifetime expected credit losses for its loans, advances, deposits and other receivables recognized. The life time expected credit loss is determined at least annually. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

4.26 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and investments that are highly liquid, readily convertible to known amounts of cash with insignificant risk of changes in value and have original maturity period of less than three month from the date of acquisition.

4.27 Trade and other payables

Liabilities for trade and other payables, including payable to related parties, are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.28 Contract liabilities

Under IFRS 15 "Revenue from Contracts with Customers", obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer is presented as contract liability. The contract liabilities of the Company comprises of advance payments from customers for supply of petroleum products as described in note 11.

4.29 Lease liability and right-of-use asset

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

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

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

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

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

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

The Company has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

5. CHANGES IN ACCOUNTING POLICIES

5.1 IFRS 16 - Leases

The Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases - Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the previous standard i.e. lessors continue to classify leases as finance or operating leases. The accounting polices relating to Company's right of use asset and lease liability are disclosed in note 4.29.

The Company has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening statement of financial position on July 1, 2019.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 15.67%.

Following is the impact of IFRS 16 on these financial statements.

	June 30, 2020 Rs '000	July 01, 2019 Rs '000
Impact on statement of financial position		
Increase in property, plant and equipment - Right of use assets	348,225	539,141
Decrease in prepayments - advances, prepayments and other receivables	(77,270)	(65,446)
Increase in total assets	270,955	473,695
Increase in lease liabilities	321,640	473,695
Decrease in net assets	(50,685)	-

	June 30, 2020 Rs '000
Impact on statement of profit or loss	
Increase in finance costs - unwinding of interest on lease liabilities	30,857
Increase/(decrease) in cost of sales:	
- Naphtha expenses on right of use assets	(116,018)
- Depreciation on right of use assets	94,629
- Rent expense	(72,962)
Increase/(decrease) in administrative expenses:	
- Depreciation on right of use assets	132,419
- Rent expense	(13,680)
Increase/(decrease) in selling expenses:	
- Depreciation on right of use assets	-
- Rent expense	(4,560)
Decrease in profit for the year before taxation	50,685

	Rs '000
Lease liabilities and Right of use assets recognised as at July 1, 2019:	
Lease liabilities recognised at July 1, 2019	
Current portion of lease liabilities	202,433
Non - Current lease liabilities	271,262
	473,695
Reconciliation of operating lease commitment with the lease liability as at July 1, 2019	
Operating lease commitments disclosed as at June 30, 2019	-
Increase in lease commitments of cancellable leases included in reasonably certain lease term	576,902
Discounted using the lessee's incremental borrowing rate at the date of initial application	(103,207)
Lease liability recognised as at July 1, 2019	473,695
Right of use assets recognised at July 1, 2019	
Building	255,254
Naphta Storage Tank	283,887
	539,141
Reconciliation of right of use assets with lease liability as at July 1, 2019	
Present value of lease liability	473,695
Prepayments classified as right of use assets	65,446
Right of use assets recognised on statement of financial position as at July 1, 2019	539,141

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Surplus on revaluation of freehold land - note 13.2

ii) Contingencies - note 12

iii) Estimated useful life of operating assets - note 13.1

iv) Deferred taxation - note 17

v) Taxation - note 31

vi) Employees defined benefit plans - note 34

vii) Movement in loss allowances - note 21.3

viii) Right of use asset and lease liability - note 5.1, 10 and 13.5

7. SHARE CAPITAL

7.1 Authorised share capital

2020 Number of shares	2019		2020 Rs '000	2019 Rs '000
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000	1,500,000

7.2 Issued, subscribed and paid up capital

2020 Number of shares	2019	Ordinary shares of Rupees 10 each	2020 Rs '000	2019 Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
98,616,250	98,616,250	Shares issued as fully paid bonus shares	986,163	986,163
106,616,250	106,616,250		1,066,163	1,066,163

The parent company, The Attock Oil Company Limited held 65,063,530 (2019: 65,049,030) ordinary shares and the associated company, Attock Petroleum Limited held 1,790,000 (2019: 1,790,000) ordinary shares at the year end.

	2020 Rs '000	2019 Rs '000
8. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 8.1	-	-
Utilised special reserve for expansion/modernisation - note 8.2	10,962,934	10,962,934
Others		
Liabilities taken over from The Attock Oil Company Limited		
no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to		
pre-incorporation period	494	494
	5,948	5,948
Revenue reserve		
Investment reserve - note 8.3	3,762,775	3,762,775
General reserve	55	55
Unappropriated profit	3,011,797	5,807,643
	6,774,627	9,570,473
	17,743,509	20,539,355

8.1 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 or off setting any loss of the refinery. Transfer to/from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit/loss on an annual basis.

Under the Policy Framework for Up-gradation and Expansion of Refineries 2013, issued by the Ministry of Energy - Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilized in off setting losses of the refinery from refinery operations.

Following is the status of special reserve for expansion/modernization utilization on up-gradation and expansion projects.

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	-	1,033,255
Transfer for the year	-	(1,033,255)
Balance as at end of the year	-	-

8.2 Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/mordernisation till June 30, 2020 is Rs 29,092.62 million including Rs 18,130.69 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

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

	2020 Rs '000	2019 Rs '000
9. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 9.1	5,941,485	7,946,589
Musharaka Finance - note 9.2	1,944,648	2,600,919
	7,886,133	10,547,508
Less: Unamortized transaction cost on financing:		
Balance as at beginning of the year	94,920	153,412
Addition during the year	500	500
Amortization for the year	(28,000)	(58,992)
Balance as at end of the year	67,420	94,920
	7,818,713	10,452,588
Current portion of long term financing - note 9.4	-	(2,200,000)
	7,818,713	8,252,588
Mark-up payable shown as current liability	(204,519)	(271,166)
	7,614,194	7,981,422

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

9.2 The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (2019: nil %) while its share in Musharaka Assets B is 35.37% (2019: 42.80%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2019: 100 %) while its share in Musharaka Assets B is 64.63% (2019: 57.20%) respectively. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

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

9.4 The COVID–19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators/governments across the globe had introduced a host of measures on both the fiscal and economic fronts. The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rates and other regulatory measures to provide an impetus to economic activity including allowing borrowers to defer principle loan payments by one year.

Taking the benefit of above mentioned steps, the Company availed the scheme for deferment in repayment of principal amount of its long term financing for a period of one year and the next installment of Rs 550 million will be due in July 2021.

		2020 Rs '000	2019 Rs '000
10.	**LONG TERM LEASE LIABILITIES**		
	Impact of initial application of IFRS 16	473,695	-
	Additions during the year	-	-
	Lease finance charges	30,857	-
	Lease rentals paid	(219,044)	-
	Remeasurement in lease liability	36,132	-
	Balance at end of the year	321,640	-
	Less: current portion of long term lease liabilities	(214,899)	-
		106,741	-
11.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 11.1	21,236,688	31,766,400
	Unearned revenue - note 23.2	331,943	-
	Due to The Attock Oil Company Limited - Holding Company	148,127	124,811
	Due to associated companies		
	Pakistan Oilfields Limited	1,793,167	2,698,510
	Attock Energy (Private) Limited	1	274
	Accrued liabilities and provisions - note 11.1	4,602,951	4,204,087
	Due to the Government under pricing formula	1,715,915	3,621,492
	Custom duty payable to the Government	8,908,757	11,243,750
	Sales tax payable	1,081,535	1,811,905
	Payable to statutory authorities in respect of petroleum development levy and excise duty	2,683,235	1,633,879
	Advance payments from customers - note 11.2	501,777	30,698
	ARL Gratuity Fund	47,535	72,792
	Crude oil freight adjustable through inland freight equalisation margin	126,879	36,665
	Deposits from customers adjustable against freight and Government levies payable on their behalf	376	376
	Security deposits	3,067	2,917
		43,181,953	57,248,556

11.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,722.85 million (2019: Rs 3,375.65 million).

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

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	30,698	119,274
Revenue recognized during the year	(2,848,504)	(2,150,096)
Advance received during the year	3,319,583	2,061,520
Balance as at end of the year	501,777	30,698

			2020 Rs '000	2019 Rs '000
12.	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies:			
	i)	Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014 in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/claimable government levies. Based on advice from legal advisor, the Company is confident that there are reasonable grounds for a favourable decision and accordingly this has not been recognized as liability in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.	1,326,706	1,326,706
	ii)	Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.		
	iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	344	153
	iv)	Claims for land compensation contested by the Company.	1,300	1,300
	v)	Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 25.1, the amount of which can not be presently quantified.		
	vi)	In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from the respective oil fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain periods prior to signing of aforementioned COSA.	2,484,098	2,484,098

		2020 Rs '000	2019 Rs '000
	In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants, the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of account. The matter is pending for adjudication.		
vii)	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for Up-gradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive had been withdrawn on April 25, 2016. The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.	2,500,895	1,928,344
viii)	The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax does not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (the Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.	418,470	418,470
Commitments:			
i)	Capital expenditure	111,761	146,131
ii)	Letters of credit and other contracts for purchase of store items	159,418	708,583

13. PROPERTY, PLANT AND EQUIPMENT

	2020 Rs '000	2019 Rs '000
Operating assets		
Owned assets - note 13.1	41,076,387	30,376,904
Right of use assets (ROU) - note 13.5	348,225	-
	41,424,612	30,376,904

13.1 Operating Assets

	Freehold land (note 13.2)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rs '000			
As at July 01, 2018							
Cost or valuation	12,106,798	241,408	29,248,918	81,189	164,840	171,420	42,014,573
Accumulated depreciation	-	(119,156)	(8,827,150)	(58,437)	(88,963)	(103,302)	(9,197,008)
Net book value	12,106,798	122,252	20,421,768	22,752	75,877	68,118	32,817,565
Year ended June 30, 2019							
Opening net book value	12,106,798	122,252	20,421,768	22,752	75,877	68,118	32,817,565
Additions	-	5,438	94,080	8,596	4,184	28,221	140,519
Disposals							
Cost	-	-	(12,775)	(4,290)	(3,736)	(9,107)	(29,908)
Accumulated depreciation	-	-	12,717	4,289	3,578	9,107	29,691
	-	-	(58)	(1)	(158)	-	(217)
Depreciation charge	-	(11,020)	(2,526,514)	(8,075)	(11,906)	(23,448)	(2,580,963)
Closing net book value	12,106,798	116,670	17,989,276	23,272	67,997	72,891	30,376,904
As at June 30, 2019							
Cost or valuation	12,106,798	246,846	29,330,223	85,495	165,288	190,534	42,125,184
Accumulated depreciation	-	(130,176)	(11,340,947)	(62,223)	(97,291)	(117,643)	(11,748,280)
Net book value	12,106,798	116,670	17,989,276	23,272	67,997	72,891	30,376,904
Year ended June 30, 2020							
Opening net book value	12,106,798	116,670	17,989,276	23,272	67,997	72,891	30,376,904
Additions	-	2,623	237,500	3,703	7,532	5,784	257,142
Revaluation Surplus	13,040,843	-	-	-	-	-	13,040,843
Disposals							
Cost	-	-	(13,263)	(3,463)	(5,444)	(8,897)	(31,067)
Accumulated depreciation	-	-	13,232	3,458	5,337	6,643	28,670
	-	-	(31)	(5)	(107)	(2,254)	(2,397)
Depreciation charge	-	(9,849)	(2,540,201)	(8,883)	(12,218)	(24,954)	(2,596,105)
Closing net book value	25,147,641	109,444	15,686,544	18,087	63,204	51,467	41,076,387
As at June 30, 2020							
Cost or valuation	25,147,641	249,469	29,554,460	85,735	167,376	187,421	55,392,102
Accumulated depreciation	-	(140,025)	(13,867,916)	(67,648)	(104,172)	(135,954)	(14,315,715)
Net book value	25,147,641	109,444	15,686,544	18,087	63,204	51,467	41,076,387
Annual rate of depreciation (%)	-	5	10	20	10	20	

13.2 Freehold land revalued in May 2020 and the revaluation surplus of Rs 13,040,843 thousand was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of fixed assets. Had the freehold land been stated on the historical cost basis, the carrying amount of land would have been Rs 54.221 million (2019: Rs 54.221 million).

Original cost of freehold land	Rs 54,221,409
Revalued amount	Rs 25,147,640,000
Date of valuation	May 6, 2020
Basis of valuation	Estimated current market value
Name & qualification of independent valuer	Iqbal A. Nanjee & Co.
	Valuation Consultants

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

13.4 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (In acres)
Morgah Rawalpindi	Refinery processing plants, office and staff colony	398.44
Chak Shahpur, Morgah, Rawalpindi	Water wells	44.96
Humak (adjacent DHA II), Islamabad	Water wells	7.34

	2020 Rs '000	2019 Rs '000
13.5 Right of use assets		
Balance at the beginning of the year - unadjusted	-	-
Effect of change in accounting policy due to adoption of IFRS 16 - note 5.1	539,141	-
Balance at the beginning of the year - adjusted	539,141	-
Depreciation for the year	(227,048)	-
Remeasurement in lease liability	36,132	-
Balance at the end of the year	348,225	-

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

	2020 Rs '000	2019 Rs '000
Cost of sales - note 25	2,664,666	2,552,192
Administration expenses - note 26	157,598	27,964
Distribution cost - note 27	888	807
	2,823,152	2,580,963

14. CAPITAL WORK-IN-PROGRESS

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	622,573	303,043
Additions during the year	594,538	415,183
Transfer to operating assets		
- Buildings on freehold land	20,539	5,721
- Plant and machinery	217,366	89,932
	(237,905)	(95,653)
Balance as at end of the year	979,206	622,573
Breakup of the closing balance of capital work-in-progress		
Civil works	3,838	20,781
Plant and machinery	974,368	600,792
Pipeline project	1,000	1,000
	979,206	622,573

	2020 % age holding	2020 Rs '000	2019 % age holding	2019 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 (2019: 19,991,640) fully paid ordinary shares including 3,331,940 (2019: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2020: Rs 2,145 million (June 30, 2019: Rs 2,268 million)				
Attock Petroleum Limited (APL)	21.88	4,463,485	21.88	4,463,485
21,772,966 (2019: 21,772,966) fully paid ordinary shares including 11,272,886 (2019: 11,272,886) bonus shares of Rs 10 each				
Market value as at June 30, 2020: Rs 6,645 million (June 30, 2019: Rs 6,282 million)				
		12,510,120		12,510,120
Unquoted				
Attock Gen Limited (AGL) - note 15.2	30	748,295	30	748,295
7,482,957 (2019: 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 (2019: 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 (2019: 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 in NRL exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes gross profit margin of 3.43% (2019: 3.84%), terminal growth rate of 3% (2019: 3%) and capital asset pricing model based discount rate of 18.20% (2019: 21.16%).

15.2 In October 2017, the Board of Directors of the Company approved to offer 3.95% out of the Company's 30% shareholding in paid up capital of Attock Gen Limited (AGL) to the general public including employees/officers of the Company upon listing of the shares of AGL on the Pakistan Stock Exchange Limited. However, the proposed offer has not yet been made.

		2020 Rs '000	2019 Rs '000
16.	**LONG TERM LOANS AND DEPOSITS**		
	Loans - secured and considered good - note 16.1		
	Employees	65,073	75,092
	Executives	8,279	5,458
		73,352	80,550
	Amounts due within next twelve months shown		
	under current assets - note 21	(46,539)	(49,514)
		26,813	31,036
	Security deposits	13,290	13,290
		40,103	44,326

16.1 These are interest free loans for miscellaneous purposes and are recoverable in 24, 36 and 60 equal monthly installments depending on case to case basis. These loans are secured against outstanding provident fund balance or a third party guarantee. Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive Officer. The maximum amount due from executives of the Company at the end of any month during the year was Rs 14.26 million (2019: Rs 5.46 million).

		2020 Rs '000	2019 Rs '000
17.	**DEFERRED TAXATION**		
	The balance of deferred tax is in respect of following		
	major temporary differences:		
	Accelerated tax depreciation	(1,648,837)	(1,860,012)
	Minimum tax	2,775,774	1,902,584
	Unused tax losses	5,024,118	4,004,840
	Alternative corporate tax in excess of minimum tax	102,684	102,684
	Remeasurement loss on staff retirement benefit plans	169,904	181,782
	Provisions	280,965	175,188
		6,704,608	4,507,066
17.1	**Movement of deferred tax asset**		
	Balance as at beginning of the year	4,507,066	1,304,152
	Tax charge recognised in statement of profit or loss	2,209,420	3,184,181
	Tax charge recognised in other comprehensive income	(11,878)	18,733
	Balance as at end of the year	6,704,608	4,507,066
18.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit amounting to		
	Rs 549.36 million; 2019: Rs 438.41 million)	3,494,553	2,763,814
	Spares	1,097,081	963,039
	Loose tools	988	911
		4,592,622	3,727,764
	Less: Provision for slow moving items - note 18.1	161,549	151,801
		4,431,073	3,575,963

		2020 Rs '000	2019 Rs '000
18.1	**Movement in provision for slow moving items**		
	Balance as at beginning of the year	151,801	145,950
	Reversal of provision against stores written off	(3,363)	-
	Provision for the year	13,111	5,851
	Balance as at end of the year	161,549	151,801
19.	**STOCK-IN-TRADE**		
	Crude oil	1,995,340	2,394,892
	Semi-finished products	1,809,951	1,602,259
	Finished products - note 19.2	3,358,564	6,021,504
		7,163,855	10,018,655

19.1 Stock-in-trade include stocks carried at net realisable value of Rs 3,326.41 million (2019: Rs 7,415.14 million). Adjustments amounting to Rs 509.50 million (2019: Rs 1,657.97 million) have been made to closing inventory to write down stocks to their net realisable value.

		2020 Rs '000	2019 Rs '000
19.2	This includes naphtha stock held by third parties		
	At National Refinery Limited	654,380	1,089,701
	In transit	-	153,162
		654,380	1,242,863

20. TRADE DEBTS - unsecured and considered good

20.1 Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,329.65 million (2019: Rs 10,473.79 million) and Pakistan Oilfields Limited Rs 49.24 million (2019: Rs nil).

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

	2020 Rs '000	2019 Rs '000
0 to 6 months	3,650,831	5,156,315
6 to 12 months	1,692,219	5,017,391
Above 12 months	5,035,844	300,085
	10,378,894	10,473,791

20.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 16,798.92 million (2019: Rs 17,563.93 million).

	2020 Rs '000	2019 Rs '000
21. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Current portion of long term loans - secured - note 16		
Employees	39,489	44,854
Executives	7,050	4,660
	46,539	49,514
Advances		
Suppliers	141,218	51,307
Employees	5,959	5,586
	147,177	56,893
	193,716	106,407
Deposits and prepayments		
Trade deposits	286	286
Short term prepayments	106,058	204,825
	106,344	205,111
Other receivables - considered good		
Due from Subsidiary Company		
Attock Hospital (Private) Limited	3,494	1,052
Due from associated companies		
Attock Information Technology Services (Private) Limited	441	606
Attock Petroleum Limited	3,347,758	2,198,642
Attock Leisure and Management Associates (Private) Limited	436	134
Attock Gen Limited	980	6,901
National Cleaner Production Centre Foundation	762	4,264
National Refinery Limited	10,912	9,735
Attock Sahara Foundation	18	83
Income accrued on bank deposits	28,066	130,830
Staff Pension Fund	14,354	3,221
Workers' Profit Participation Fund - note 21.2	-	-
Other receivables	18,529	21,044
	3,425,750	2,376,512
Loss allowance - note 21.3	(737,347)	(389,826)
	2,988,463	2,298,204

21.1 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 3,326.18 million (2019: Rs 2,253.30 million).

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

	2020 Rs '000	2019 Rs '000
0 to 6 months	1,690,706	749,523
6 to 12 months	4,200	3,674
Above 12 months	1,669,895	1,468,221
	3,364,801	2,221,418

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2020

		2020 Rs '000	2019 Rs '000
21.2	**Workers' profit participation fund**		
	Balance as at beginning of the year	-	20,000
	Interest received from the fund	-	221
	Amount received from the fund	-	(20,221)
	Balance as at end of the year	-	-
21.3	**Movement in loss allowances**		
	Balance as at beginning of the year	389,826	-
	Effect of change in accounting policy due to adoption of IFRS 9	-	249,143
	Balance as at beginning of the year under IFRS 9	389,826	249,143
	Impairment loss on financial asset	347,521	140,683
	Balance as at end of the year	737,347	389,826
22.	**CASH AND BANK BALANCES**		
	Cash in hand (includes US $ 7,393; 2019: US $ 4,228)	2,281	1,324
	With banks:		
	Local currency		
	Current accounts - note 22.6	7,932	8,013
	Deposit accounts - note 22.1, 22.2, 22.3 and 22.6	3,663,055	6,266,548
	Savings accounts	4,371,869	10,233,733
	Foreign currency		
	Saving accounts (US $ 463,090; 2019: US $ 462,927)	77,845	73,976
		8,122,982	16,583,594

22.1 Deposit accounts include Rs 3,663.06 million (2019: Rs 3,266.55 million) placed in a 90-days interest-bearing account consequent to directives of the Ministry on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 11.1.

22.2 Balances with banks include Rs nil (2019: Rs 3,000 million) in respect of deposits placed in 90-days interest-bearing account.

22.3 Bank deposits of Rs 1,327.05 million (2019: Rs 1,326.86 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

22.4 Balances with banks include Rs 3.07 million (2019: Rs 2.92 million) in respect of security deposits received from customers etc.

22.5 Interest/mark-up earned on balances with banks ranged between 6.50% to 15.50% (2019: 4.50% to 13.75%) with weighted average rate of 12.68% (2019: 9.06%) per annum.

22.6 This includes balance aggregating Rs 9.15 million maintained in separate non interest-bearing current bank accounts in respect of unclaimed dividend. In this respect, subsequent to the enactment of Companies (Amendment) Ordinance, 2020, the management has sought clarification on applicability of related provisions of the aforementioned Ordinance to ensure compliance thereof. The movement in unclaimed dividend is as follows:

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	9,685	9,937
Dividend declared	-	-
Interest received	28	21
Less: Dividend paid	(211)	(273)
Balance as at end of the year	9,502	9,685

23. GROSS SALES

	2020 Rs '000	2019 Rs '000
Local sales	171,183,381	221,475,115
Naphtha export sales	3,467,747	9,836,675
Unearned Revenue from June 27 - 30, 2020 - note 23.1	(331,943)	-
	174,319,185	231,311,790

23.1 This represents additional revenue earned at the revised prices notified as at 27 June 2020 by OGRA and the price previously applicable for the month of June 2020 as the same has been netted with the loss sustained in July 2020 to arrive at the upcoming adjustment in petroleum products prices in accordance with the Ministry of Energy - Petroleum Division.

24. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL

	2020 Rs '000	2019 Rs '000
Sales tax	24,868,069	28,557,842
Petroleum development levy	24,057,826	19,736,809
Custom duties and other levies - note 24.1	4,070,233	5,332,283
Discounts	83,690	25,345
PMG RON differential - note 24.2	1,419,927	904,969
	54,499,745	54,557,248

24.1 This includes Rs 4,069.90 million (2019: Rs 4,193.91 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

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

		2020 Rs '000	2019 Rs '000
25.	**COST OF SALES**		
	Opening stock of semi-finished products	1,602,259	1,434,159
	Crude oil consumed - note 25.1	110,686,024	166,189,437
	Transportation and handling charges	368,082	1,105,424
	Salaries, wages and other benefits - note 25.2	1,150,616	1,153,030
	Printing and stationery	3,453	4,947
	Chemicals consumed	2,873,627	4,027,850
	Fuel and power	3,561,758	4,489,999
	Rent, rates and taxes	15,752	73,164
	Telephone	2,257	2,273
	Professional charges for technical services	7,904	8,611
	Insurance	309,430	350,794
	Repairs and maintenance (including stores and spares		
	consumed Rs 439.44 million; 2019: Rs 231.01 million)	842,540	621,842
	Staff transport and traveling	20,537	19,310
	Cost of receptacles	24,046	23,123
	Research and development	13,968	9,637
	Depreciation - note 13.6	2,664,666	2,552,192
		124,146,919	182,065,792
	Closing stock of semi-finished products	(1,809,951)	(1,602,259)
		122,336,968	180,463,533
	Opening stock of finished products	6,021,504	6,373,641
	Closing stock of finished products	(3,358,564)	(6,021,504)
		2,662,940	352,137
		124,999,908	180,815,670
25.1	**Crude oil consumed**		
	Stock as at beginning of the year	2,394,892	1,981,197
	Purchases	110,286,472	166,603,132
		112,681,364	168,584,329
	Stock as at end of the year	(1,995,340)	(2,394,892)
		110,686,024	166,189,437

Certain crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreements (COSA) and may require adjustment in subsequent periods.

25.2 Salaries, wages and other benefits under cost of sales, administration expenses and distribution cost include the Company's contribution to the Pension and Gratuity Fund Rs 52.39 million (2019: Rs 67.10 million) and to the Provident Fund Rs 35.96 million (2019: Rs 38.50 million).

		2020 Rs '000	2019 Rs '000
26.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 25.2	411,986	381,237
	Board meeting fee	8,575	7,778
	Transport, traveling and entertainment	21,811	25,380
	Telephone	2,481	2,432
	Electricity, gas and water	15,157	16,434
	Printing and stationery	5,725	5,979
	Auditor's remuneration - note 26.1	9,493	6,904
	Legal and professional charges	7,309	15,571
	Repairs and maintenance	117,611	116,780
	Subscription	32,839	47,714
	Publicity	4,179	5,623
	Scholarship scheme	3,801	3,366
	Rent, rates and taxes	7,419	19,430
	Insurance	2,179	2,774
	Donations - note 26.2	540	684
	Training expenses	275	2,412
	Depreciation - note 13.6	157,598	27,964
		808,978	688,462
26.1	**Auditor's remuneration**		
	Annual audit	2,200	1,938
	Review of half yearly financial statements, audit of consolidated financial statements, employee funds and special certifications	2,068	1,452
	Tax services	4,202	2,188
	Out of pocket expenses	1,023	1,326
		9,493	6,904

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

		2020 Rs '000	2019 Rs '000
27.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 25.2	34,373	35,299
	Transport, travelling and entertainment	305	523
	Telephone	291	270
	Electricity, gas and water	2,854	2,771
	Printing and stationery	64	99
	Repairs and maintenance including packing and other stores consumed	8,386	7,769
	Rent, rates and taxes	867	4,456
	Legal and professional charges	-	25
	Depreciation - note 13.6	888	807
		48,028	52,019

		2020 Rs '000	2019 Rs '000
28.	**OTHER CHARGES**		
	Provision for slow moving store items	13,111	5,851
		13,111	5,851
29.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	1,429,032	1,784,117
	Interest on delayed payments	1,149,712	784,571
		2,578,744	2,568,688
	Income from non-financial assets		
	Income from crude desalter operations - note 29.1	1,275	3,843
	Insurance agency commission	-	1,339
	Rental income	122,848	101,457
	Sale of scrap	8,129	13,229
	Profit on disposal of operating assets	5,094	6,685
	Calibration charges	4,323	5,433
	Handling and service charges	46,463	72,226
	Penalties from carriage contractors	1,404	234
	Miscellaneous - note 29.2	12,420	6,853
		201,956	211,299
		2,780,700	2,779,987
29.1	**Income from crude desalter operations**		
	Income	64,157	74,551
	Less: Operating costs		
	Salaries, wages and other benefits	1,971	2,219
	Chemical consumed	2,450	2,755
	Fuel and power	39,161	44,035
	Repairs and maintenance	19,300	21,699
		62,882	70,708
		1,275	3,843

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

		2020 Rs '000	2019 Rs '000
30.	**FINANCE COST**		
	Exchange loss (net)	127,797	4,740,183
	Interest on long term financing	904,301	1,882,912
	Interest on lease liability	30,857	-
	Bank and other charges	593	581
		1,063,548	6,623,676

		2020 Rs '000	2019 Rs '000
31.	**TAXATION**		
	Current tax	907,867	933,454
	Deferred tax	(2,209,420)	(3,184,181)
		(1,301,553)	(2,250,727)
31.1	**Relationship between tax expense and accounting loss (refinery operations)**		
	Accounting loss before taxation	(4,680,954)	(8,791,832)
	Tax at applicable tax rate of 29% (2019: 29%)	(1,357,477)	(2,549,631)
	Tax effect of income taxable at special rates	54,949	199,105
	Effect of impairment loss on financial asset	-	(72,251)
	Effect of change in tax rate	-	(5,528)
	Deferred tax asset derecognized on minimum tax	-	176,704
	Others	975	874
		(1,301,553)	(2,250,727)
32.	**INCOME FROM NON-REFINERY OPERATIONS LESS APPLICABLE CHARGES AND TAXATION**		
	Dividend income from associated companies		
	National Refinery Limited	-	199,916
	Attock Petroleum Limited	326,595	671,333
	Attock Gen Limited	299,318	448,978
		625,913	1,320,227
	Taxation - current	(71,438)	(164,361)
		554,475	1,155,866
32.1	**Relationship between tax expense and accounting income (non-refinery operations)**		
	Accounting profit before taxation	625,913	1,320,227
	Tax at applicable tax rate of 29% (2019: 29%)	181,515	382,866
	Tax effect of income taxable at special rates	(110,077)	(218,505)
		71,438	164,361

		2020 Rs '000	2019 Rs '000
33.	**(LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED**		
	Loss after taxation from refinery operations	(3,379,401)	(6,541,105)
	Income from non-refinery operations less		
	applicable charges and taxation	554,475	1,155,866
		(2,824,926)	(5,385,239)
	Weighted average number of fully paid ordinary shares ('000)	106,616	106,616
	(Loss)/earnings per share - Basic and diluted (Rs)		
	Refinery operations	(31.70)	(61.35)
	Non-refinery operations	5.20	10.84
	Loss per share	(26.50)	(50.51)

34. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2020 using the projected unit credit method. Details of the defined benefit plans are:

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
a)	**The amounts recognised in the statement of financial position:**				
	Present value of defined benefit obligations	1,049,391	965,622	568,171	600,976
	Fair value of plan assets	(1,063,744)	(968,843)	(520,636)	(528,184)
	Net (surplus)/liability	(14,353)	(3,221)	47,535	72,792
b)	**The amounts recognised in the statement of profit or loss:**				
	Current service cost	22,048	21,515	21,204	18,922
	Past service cost	-	-	-	7,183
	Net interest (income)/cost	(422)	10,679	9,558	8,805
		21,626	32,194	30,762	34,910
c)	**Movement in the present value of defined benefit obligation:**				
	Present value of defined benefit obligation as at beginning of the year	965,622	977,257	600,976	544,016
	Current service cost	22,048	21,515	21,204	18,922
	Past service cost	-	-	-	7,183
	Interest cost	135,012	87,852	76,253	46,076
	Benefits paid	(52,157)	(46,440)	(94,076)	(79,266)
	Benefits payable to outgoing member	-	-	(11,719)	-
	Remeasurement (gain)/loss on defined benefit obligation	(21,134)	(74,562)	(24,467)	64,045
	Present value of defined benefit obligation as at end of the year	1,049,391	965,622	568,171	600,976

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at beginning of the year	968,843	853,381	528,184	441,880
	Expected return on plan assets	135,434	77,173	66,695	37,271
	Contributions	19,028	139,634	28,787	128,428
	Benefits paid	(52,157)	(46,440)	(94,076)	(79,266)
	Benefits payable to outgoing member	-	-	(11,719)	-
	Bank charges	-	-	4	-
	Remeasurement (loss)/gain on plan assets	(7,404)	(54,905)	2,761	(129)
	Fair value of plan assets as at end of the year	1,063,744	968,843	520,636	528,184
	Actual return on plan assets	128,030	22,268	69,456	37,142

The Company expects to contribute Rs 197 million during the year ending June 30, 2021 to its defined benefit pension and gratuity plans (2020: Rs 59 million).

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	100,453	99,740	5	5
	Investment in mutual funds	10,900	21,572	3,633	5,351
	Debt instruments	1,077,923	942,052	519,462	520,581
	Deposits with banks	59,327	62,471	39,359	37,880
	Others	395	-	-	-
	Share of asset of related parties	(185,254)	(156,992)	(41,823)	(35,633)
		1,063,744	968,843	520,636	528,184

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	
		2020	2019	2020	2019
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement (loss)/gain on obligation				
	(Loss)/gain due to change in:				
	Financial assumptions	(24,584)	74,939	114	4,931
	Experience adjustments	45,718	(377)	24,353	(68,976)
		21,134	74,562	24,467	(64,045)
	Remeasurement (loss)/gain on plan assets	(7,404)	(54,905)	2,761	(129)
		13,730	19,657	27,228	(64,174)

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2020

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	8.50%	14.00%	8.50%	14.00%
	Expected return on plan assets	8.50%	14.00%	8.50%	14.00%
	Future salary increases	7.50%	12.75%	7.50%	12.75%
	Future pension increases	2.50%	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	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year
	Mortality rates (post retirement)	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	N/A	N/A

i) There is no significant risk associated with the plan assets, as significant component thereof comprises of fixed interest rate bearing TDR's and saving accounts with financial institutions having satisfactory credit ratings.

j) **Sensitivity Analysis:**

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

	Effect of 1 percent increase	Effect of 1 percent decrease
	Rs '000	Rs '000
Discount rate	1,478,173	1,785,582
Future salary growth	1,681,355	1,559,620
Pension increase	1,154,858	958,495

If the life expectancy increase by 1 year, the defined benefit obligation would increase by Rs 12.222 million.

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

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

	Pension	Gratuity
	Rs '000	
FY 2021	28,270	89,875
FY 2022	57,903	170,572
FY 2023	61,402	97,294
FY 2024	67,768	100,228
FY 2025	73,653	37,371
FY 2026-30	442,560	226,959

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

	Pension	Gratuity
	Years	
Plan duration		
June 30, 2020	11.05	4.12
June 30, 2019	10.72	3.76

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

35. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on un-audited financial statements for the year ended June 30, 2020 are as follows:

	2020 Rs '000	2019 Rs '000
Staff provident fund		
Size of the fund	558,347	450,857
Cost of investments made	528,506	418,543
Fair value of investments made	554,615	442,738
%age of investments made	99%	98%

	2020		2019	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	32,031	6%	29,979	7%
Mutual funds	9,757	2%	9,131	2%
Bank deposits	42,051	8%	31,384	8%
Term deposits	444,667	84%	348,049	83%
	528,506	100%	418,543	100%

	2020 Rs '000	2019 Rs '000
General staff provident fund		
Size of the fund	472,393	500,266
Cost of investments made	459,028	485,215
Fair value of investments made	469,429	495,447
%age of investments made	99%	99%

	2020		2019	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	23,964	5%	23,954	5%
Mutual funds	10,596	2%	13,023	3%
Bank deposits	8,098	2%	34,800	7%
Term deposits	416,370	91%	413,438	85%
	459,028	100%	485,215	100%

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

36. OPERATING SEGMENTS

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

	2020 Rs '000	2019 Rs '000
High speed diesel	63,044,068	85,264,010
Premier Motor Gasoline	63,445,294	71,268,866
Furnace fuel oil	20,023,865	33,822,241
Jet petroleum	13,493,896	18,369,168
Naphtha	3,467,747	11,015,370
Others	10,844,315	11,572,135
	174,319,185	231,311,790
Less: Taxes, duties, levies, discounts and price differential	54,499,745	54,557,248
	119,819,440	176,754,542

Revenue from four major customers of the Company constitute 90% (2019: 88%) of total revenue during the year.

37. RELATED PARTY TRANSACTIONS

37.1 Attock Oil Company Limited holds 61.03% (2019: 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 38 to the financial statements.

	2020 Rs '000	2019 Rs '000
Associated Companies		
Pakistan Oilfields Limited		
Rental income	755	697
Rental expense	2,861	2,861
Sale of Regulated Petroleum Products	276,363	213,494
Purchase of crude oil	12,751,834	19,028,394
Purchase of gas	15,945	13,671
Pipeline Charges	2,871	1,484
Reimbursement of expenses incurred by POL on behalf of ARL	857	3,228
Reimbursement of expenses incurred by ARL on behalf of POL	19,313	19,096
LPG Handling Charges	1,148	880
Attock Petroleum Limited		
Rental income	1,592	1,409
Interest Income on delayed payments	1,149,712	784,571
Dividend received by ARL from APL	326,594	671,333
Sale of Regulated Petroleum Products	31,552,827	38,050,602
Sale of De-Regulated Petroleum Products	14,729,348	14,783,982
Purchase of Regulated Petroleum Products	7,762	6,670

	2020 Rs '000	2019 Rs '000
Purchase of lube oil	2,067	3,234
Naphtha Export	55,907	167,099
Reimbursement of expenses incurred by ARL on behalf of APL	22,041	18,834
Reimbursement of expenses incurred by APL on behalf of ARL	-	1,483
RFO Handling Charges	25,419	38,025
National Refinery Limited		
Dividend received by ARL from NRL	-	199,916
Naphtha Storage Charges	116,018	123,746
Reimbursement of expenses incurred by ARL on behalf of NRL	580	-
Reimbursement of expenses incurred by NRL on behalf of ARL	153	-
Attock Cement Pakistan Limited		
Reimbursement of expenses incurred by ACL on behalf of ARL	414	360
Reimbursement of expenses incurred by ARL on behalf of ACL	92	-
Attock Gen Limited		
Storage tank lease income	20,126	18,371
Land lease income	36,107	24,188
Dividend received by ARL from AGL	299,318	448,977
Sale of Regulated Petroleum Products	1,670	1,636
Sale of goods	4,034	4,134
Reimbursement of expenses incurred by ARL on behalf of AGL	14,705	6,592
National Cleaner Production Centre Foundation		
Rental income	2,530	2,223
Sale of Regulated Petroleum Products	303	268
Purchase of services	3,548	3,892
Reimbursement of expenses incurred by ARL on behalf of NCPC	22,228	19,665
Attock Information Technology Services (Private) Limited		
Purchase of services	55,267	52,632
Sale of Regulated Petroleum Products	395	441
Reimbursement of expenses incurred by ARL on behalf of AITSL	5,403	5,357
Attock Leisure and Management Associates (Private) Limited		
Sale of Regulated Petroleum Products	254	76
Reimbursement of expenses incurred by ARL on behalf of ALMA	442	107
Attock Sahara Foundation		
Rental income	169	137
Purchase of goods	9,096	11,805
Reimbursement of expenses incurred by ARL on behalf of ASF	746	874
Reimbursement of expenses incurred by ASF on behalf of ARL	250	-
Attock Energy (Private) Limited (Previously Attock Solar (Private) Limited)		
Purchase of goods and services (Solar panels)	3,140	831
Reimbursement of expenses incurred by ARL on behalf of AEPL	864	392

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2020

	2020 Rs '000	2019 Rs '000
Holding Company		
Attock Oil Company Limited		
Rental income	271	257
Rental Expense	117,709	101,310
Purchase of crude oil	361,847	501,560
Sale of Regulated Petroleum Products	130	138
Reimbursement of expenses incurred by AOC on behalf of ARL	7,631	8,236
Reimbursement of expenses incurred by ARL on behalf of AOC	27,055	34,214
Subsidiary Company		
The Attock Hospital (Private) Limited		
Rental income	1,266	1,220
Purchase of services	81,070	87,263
Sale of Regulated Petroleum Products	212	151
Reimbursement of expenses incurred by ARL on behalf of AHL	22,233	14,049
Other related parties		
Remuneration including benefits and perquisites of		
Chief Executive Officer and key management personnel	216,932	184,100
Directors Fees	8,575	7,778
Contribution to staff retirement benefit plans		
Staff Pension Fund	19,028	139,634
Staff Gratuity Fund	28,787	128,427
Staff Provident Fund	35,962	38,497

37.2 Following are the related parties with whom the Company had entered into transactions or have arrangement/agreement in place.

Sr. No.	Company Name	Basis of association	Aggregate % of shareholding
1	The Attock Oil Company Limited (Incorporated in England - Pakistan Branch Office)	Holding Company	61.03%
2	National Refinery Limited	Associated Company	25.00%
3	Attock Petroleum Limited	Associated Company	21.88%
4	Attock Gen Limited	Associated Company	30.00%
5	Attock Information Technology Services (Private) Limited	Associated Company	10.00%
6	Pakistan Oilfields Limited	Associated Company	Nil
7	Attock Cement Pakistan Limited	Associated Company	Nil
8	National Cleaner Production Centre Foundation	Associated Company	Nil
9	Attock Leisure & Management Associates (Private) Limited	Associated Company	Nil
10	Attock Energy (Private) Limited	Associated Company	Nil
11	Attock Hospital (Private) Limited	Wholly owned Subsidiary	100.00%

37.3 Associated Companies incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

Name of undertaking	The Attock Oil Company Limited
Registered address	4, Swan Street, Manchester, England, M4 5JN
Country of incorporation	England
Basis of association	Parent company
Aggregate %age of shareholding	61.03%
Chief Executive Officer	Shuaib A. Malik
Operational status	Private Limited Company
Auditor's opinion on latest available financial statements	Unqualified opinion

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executives	
	2020	2019	2020	2019
	Rs '000	Rs '000	Rs '000	Rs '000
Managerial remuneration/honorarium	10,609	9,273	84,111	65,430
Bonus	3,061	3,609	18,798	21,260
Company's contribution to Provident,				
Pension and Gratuity Funds	-	-	18,014	14,908
Housing and utilities	7,251	6,792	68,397	54,724
Leave passage	1,530	1,250	10,498	6,854
	22,451	20,924	199,818	163,176
Less: charged to Attock Gen Limited	5,337	-	-	-
	17,114	20,924	199,818	163,176
No of person(s)	1	1	35	26

38.1 In addition to above, the Chief Executive Officer and 19 (2019: 19) executives were provided with limited use of the Company's cars. The Chief Executive Officer and all executives were provided with medical facilities. Limited residential telephone facility was also provided to the Chief Executive Officer and 7 (2019: 4) executives. Leave passage is paid to Chief Executive Officer and all executives in accordance with the terms of employment.

Further, based on actual attendance, meeting fee of Rs 6.07 million (2019: Rs 5.29 million) was paid to 5 (2019: 5) Non-Executive Directors, Rs 1.25 million (2019: Rs 1.06 million) to Cheif Executive Officer and Rs 1.25 million (2019: Rs 1.43 million) to 1 (2019: 2) alternate directors of the Company.

	2020 Rs '000	2019 Rs '000
39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT		
39.1 Financial assets and liabilities		
Financial assets classified as amortised cost:		
Maturity upto one year		
Trade debts	12,728,442	22,411,912
Loans, advances, deposits & other receivables	2,741,187	2,042,072
Cash and bank balances		
Foreign currency - US $	79,088	74,652
Local currency	8,043,894	16,508,942
Maturity after one year		
Long term loans and deposits	40,103	44,326
	23,632,714	41,081,904
Financial liabilities classified as amortised cost:		
Maturity upto one year		
Trade and other payables	28,290,733	38,906,832
Unclaimed dividends	9,355	9,566
Long term financing	-	2,200,000
Long term lease liability	214,899	-
Accrued mark-up on long term financing	204,519	271,166
Maturity after one year		
Long term financing	7,614,194	7,981,422
Long term lease liability	106,741	-
	36,440,441	49,368,986

39.2 Credit quality of financial assets

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

	Rating	2020 Rs '000	2019 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	900,266	7,712,750
Counterparties without external credit rating			
Due from associated companies		10,378,894	10,473,791
Others *		1,449,282	4,225,371
		12,728,442	22,411,912
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		2,781,290	2,086,398
Bank balances			
Counterparties with external credit rating	A 1+	8,040,320	16,047,791
	A 1	80,381	534,479
		8,120,701	16,582,270

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

39.3 Financial risk management

39.3.1 Financial risk factors

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

a) Credit risk

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

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

At June 30, 2020, trade debts of Rs 10,378.89 million (2019: Rs 10,473.79 million) were past due but not impaired. The aging analysis of these trade debts is as follows:

	2020 Rs '000	2019 Rs '000
0 to 6 months	3,650,831	5,156,315
6 to 12 months	1,692,219	5,017,391
Above 12 months	5,035,844	300,085
	10,378,894	10,473,791

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.

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

	Carrying amount	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2020				
Long term financing	7,818,713	9,963,889	769,889	9,194,000
Accrued Interest	204,519	204,519	204,519	-
Lease liability	321,640	349,633	223,423	126,210
Trade and other payables	28,290,734	28,290,734	28,290,734	-
At June 30, 2019				
Long term financing	10,452,588	13,551,071	3,506,072	10,044,999
Accrued Interest	271,166	271,166	271,166	-
Long term lease liability	-	-	-	-
Trade and other payables	38,906,832	38,906,832	38,906,832	-

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 79 million (2019: Rs 75 million) and financial liabilities include Rs 3,743 million (2019: Rs 4,502 million) which were subject to currency risk.

	2020	2019
Rupees per USD		
Average rate	158.65	136.39
Reporting date rate	168.60	160.30

Sensitivity analysis

At June 30, 2020, 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 260 million (2019: Rs 314 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 8,113 million (2019: Rs 16,574 million) and Rs 11,369 million (2019: Rs 13,557 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, 2020, if interest rates had been 1% higher/lower with all other variables held constant, loss after tax for the year would have been Rs 23 million (2019: profit Rs 21 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

iii) **Price risk**

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

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

39.3.2 **Capital risk management**

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year.

As mentioned in note - 8.1, the Company is subject to pricing formula whereby profits after tax from refinery operations in excess of 50% of the paid up capital as of July 1, 2002 are transferred to special reserve and can only be utilized to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

39.4 Fair value of financial assets and liabilities

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

40. FAIR VALUE HIERARCHY

Fair value of land

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. The different levels have been defined as follows:

- Level 1

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

- Level 2

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

- Level 3

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

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

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

Notes to and Forming Part of the Financial Statements
For the year ended June 30, 2020

		2020 Rs '000	2019 Rs '000
41.	**CASH GENERATED FROM OPERATIONS**		
	Loss before taxation	(4,680,954)	(8,791,832)
	Adjustments for:		
	Depreciation	2,823,152	2,580,963
	Gain on disposal of property, plant and equipment	(5,094)	(6,685)
	Provision for slow moving store items	13,111	5,851
	Interest income	(1,429,032)	(1,784,117)
	Finance cost (net)	1,063,548	6,623,676
	Effect of exchange rate changes	-	(17,001)
	Interest on delayed payments	(1,149,712)	(784,571)
	Impairment losses on financial asset	347,521	140,683
		(3,017,460)	(2,033,033)
	Working capital changes		
	(Increase)/decrease in current assets:		
	Stores, spares and loose tools	(868,221)	(676,066)
	Stock-in-trade	2,854,800	(229,658)
	Trade debts	10,154,549	(6,752,210)
	Loans, advances, deposits, prepayments and other receivables	(56,278)	(25,641)
		12,084,850	(7,683,575)
	Increase in current liabilities:		
	Trade and other payables	(14,496,724)	12,782,339
	Cash generated from operations		
	Payments of WPPF	-	20,000
	Income taxes paid	(707,713)	(780,806)
		(707,713)	(760,806)
	Net cash generated from operating activities	(6,137,047)	2,304,925

42. CASH AND CASH EQUIVALENTS

This represents cash and bank balances.

43. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

	Description	Explanation	
i)	Loans and advances obtained as per Islamic mode	Disclosed in note 9	
ii)	Deposits	Non-interest bearing	
iii)	Segment revenue	Disclosed in note 36	
iv)	Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations:	
		1. Meezan Bank Limited	
		2. Al-Baraka Bank (Pakistan) Limited	
		3. Dubai Islamic Bank	
		As at June 30, 2020	**Rs '000**
v)	Bank balances	Placed under interest arrangement	8,039,312
		Placed under Shariah permissible arrangement	81,389
			8,120,701
		For the year ended June 30, 2020	
vi)	Income on bank deposits including income accrued as at reporting date	Placed under interest arrangement	1,403,177
		Placed under Shariah permissible arrangement	25,855
			1,429,032
		For the year ended June 30, 2020	
vii)	Interest paid including accrued as a reporting date	Under interest arrangement	681,308
		Under Shariah permissible arrangement	222,993
			904,301
viii)	All sources of other income	Disclosed in note 29	
ix)	Dividend income	Disclosed in note 32	
x)	Exchange gain	Earned from actual currency	

Disclosures other than above are not applicable to the Company.

44. GENERAL

44.1 The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. It resulted in decrease in demand of petroleum products during the lockdown period and consequently decrease in sales during the year. However, the businesses are resuming as per relaxation given by the Authorities. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

44.2 Capacity and production

Against the designed annual refining capacity of US barrels 18.690 million (2019: 18.690 million) the actual throughput during the year was US barrels 12.995 million (2019: 17.467 million). The underutilization was due to the Covid-19 pandemic which resulted in refineries operating at a lower capacity due to the reduced demand of petroleum products during the period from March to June 2020.

	2020	2019
44.3 Number of employees		
Number of employees at June 30		
Permanent	522	576
Contract	353	367
	875	943
Average number of employees for the year		
Permanent	545	597
Contract	360	349
	905	946

44.4 Unavailed credit facilities

The Company has entered into an arrangement with banks for obtaining Letter of Credit and Letter of Guarantee facility to import chemical, spare parts and other materials upto a maximum of Rs 2,978.00 million (2019: Rs 3,228.00 million). The facility is secured against lien on shipping documents. The unavailed facility at June 30, 2020 was Rs 1,436.39 million (2019: Rs 1,134.72 million). The facilities will expire on various dates after June 30, 2020.

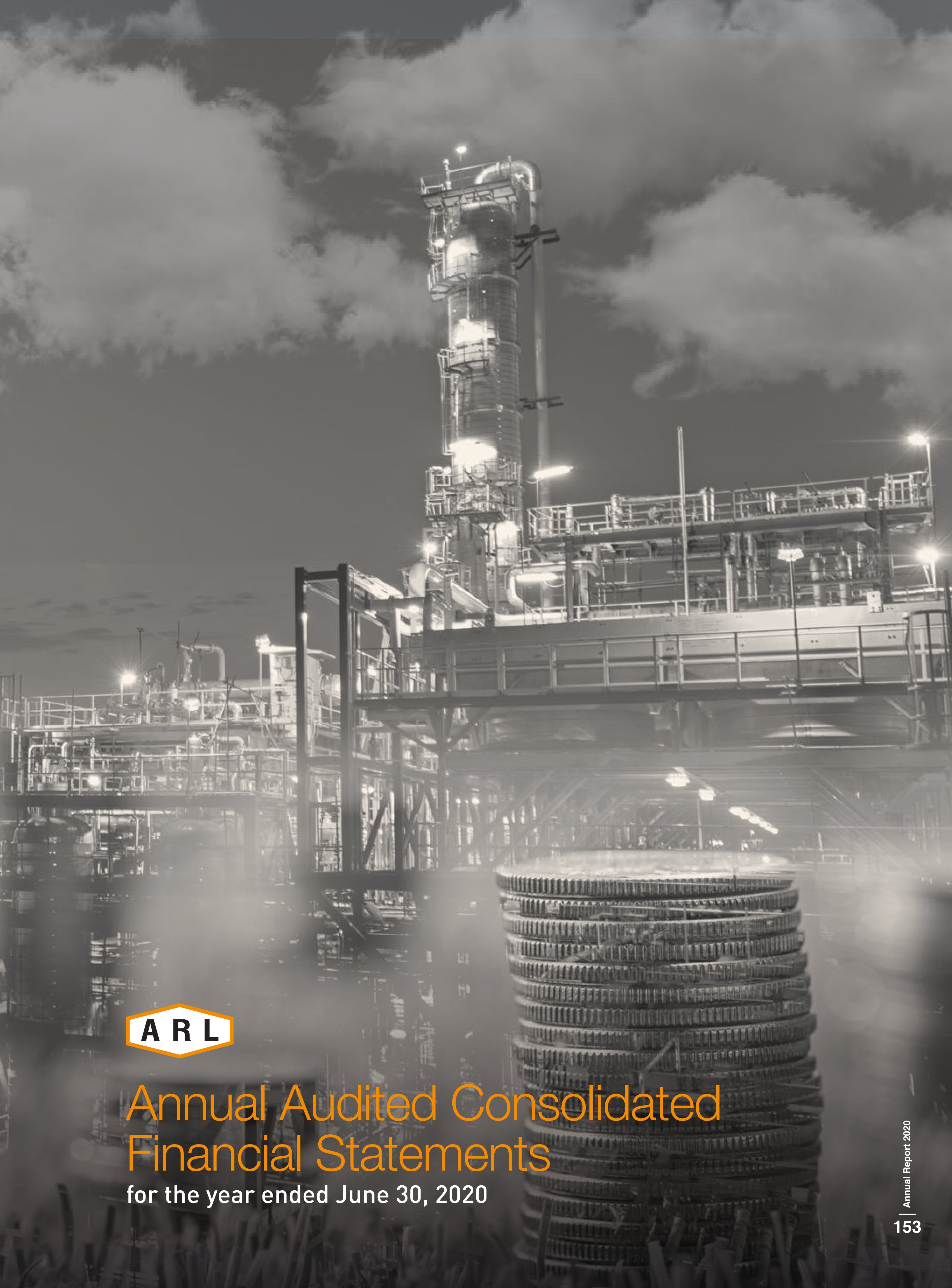
44.5 Rounding off

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

45. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on August 26, 2020.

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



Annual Audited Consolidated Financial Statements

for the year ended June 30, 2020

Independent Auditor's Report
To the members of Attock Refinery Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Attock Refinery Limited (the Group), and its subsidiary, Attock Hospital (Private) Limited which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	**Review of recoverability of deferred tax asset** (Refer note 18 of the consolidated financial statements) Under International Accounting Standard 12, Income Taxes, the Group is required to review recoverability of the deferred tax assets recognised in the consolidated statement of financial position at each reporting period. Recognition of deferred tax asset position involved managements' estimate of the future available taxable profits of the Group based on an approved business plan. This estimation is inherently uncertain and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses as to determine the availability of future profits against which tax deductions represented by the deferred tax assets can be offset. As at June 30, 2020, the Group carries a net deferred tax asset of Rs 6,398 million in its consolidated statement of financial position. We considered this as key audit matter due to significant value of deferred tax asset and assumptions used by management in this area.	Our procedures in relation to this matter included: - Evaluated the appropriateness of components of management's computation including consideration of un-used tax losses, minimum tax and alternative corporate tax for which deferred tax assets were recognized. - Analysed the requirements of the Income Tax Ordinance, 2001, in relation to above and considering the factors including aging analysis, expiry periods of relevant deferred tax assets and tax rates enacted. - Assessed the reasonableness of cash flows and taxable profits projections, challenging and performing audit procedures on assumptions such as growth rate, production patterns, future revenue and costs, comparing the assumptions to historical results, considering approved budget comparing the current year's results with prior year forecast and considering other relevant information to assess the quality of Group's forecasting process in determining the projections. - Tested mathematical accuracy of projections along consideration of use of appropriate tax rate as applicable on temporary differences. - Assessed the appropriateness of management's accounting for deferred taxes and the accuracy of related disclosures made in the consolidated financial statements

S. No	Key audit matters	How the matter was addressed in our audit
2.	**Investment in associated companies**	
	(Refer note 16 to the consolidated financial statements) The Group has investment in its associated companies; National Refinery Limited (NRL) and Attock Petroleum Limited (APL). As at June 30, 2020, the carrying amount of investments in above referred associated companies amounted to Rs 8,396 million and Rs 7,400 million respectively which carrying values are higher by Rs 6,251 million and Rs 755 million respectively in relation to the quoted market value of their respective shares. The Group carries out impairment assessment of the value of investment where there are indicators of impairment. The Group has assessed the recoverable amounts of the investments in associated companies based on the higher of the value-in-use ("VIU") and fair value. The VIU of NRL and APL are based on valuation analysis carried out by an independent external investment advisor and by the management's expert in respective cases. The VIU analysis are based on a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows. We considered this as a key audit matter due to significant management judgement involved in the estimation of VIU.	Our procedures in relation to assessment of recoverable amount of investment in associated companies included: - Assessed the appropriateness of management's accounting for investment in associated companies. - Considered management's process for identifying the existence of impairment indicators in respect of investment in associated companies. - Evaluated the competence, capabilities and objectivity of the respective independent external investment advisor and that of management expert. - Assessed the valuation methodology used by the independent external investment advisor and management expert respectively. - Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor and that, as used by the management's expert, to respective supporting evidence. - Assessed the reasonableness of cash flow projection, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information. - Tested mathematical accuracy of cash flows projection. - Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions. - Assessed the appropriateness of disclosures made in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. JehanZeb Amin.

AFFerguson&Co.

Chartered Accountants
Islamabad
Date: September 18, 2020

Consolidated Statement of Financial Position

As at June 30, 2020

	Note	June 30, 2020 Rs '000	June 30, 2019 Rs '000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised	7	1,500,000	1,500,000
Issued, subscribed and paid-up	7	1,066,163	1,066,163
Reserves and surplus	8	22,735,949	27,380,808
Surplus on revaluation of freehold land	14	25,093,419	12,052,576
		48,895,531	40,499,547
NON CURRENT LIABILITIES			
Long term financing	9	7,614,194	7,981,422
Long term lease liability	10	106,741	-
Deferred grant	11	5,873	4,960
CURRENT LIABILITIES			
Trade and other payables	12	43,207,620	57,285,622
Accrued mark-up on long term financing	9	204,519	271,166
Current portion of long term financing	9	-	2,200,000
Current portion of lease liability	10	214,899	-
Unclaimed dividends		9,355	9,566
Provision for taxation		2,752,443	2,480,850
		46,388,836	62,247,204
TOTAL EQUITY AND LIABILITIES		103,011,175	110,733,133
CONTINGENCIES AND COMMITMENTS	13		

	Note	June 30, 2020 Rs '000	June 30, 2019 Rs '000
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Operating assets	14	41,446,237	30,398,193
Capital work-in-progress	15	979,206	622,573
Major spares parts and stand-by equipment		138,935	145,542
		42,564,378	31,166,308
LONG TERM INVESTMENTS	16	18,520,569	20,709,543
LONG TERM LOANS AND DEPOSITS	17	40,626	44,490
DEFERRED TAXATION	18	6,398,137	3,871,802
CURRENT ASSETS			
Stores, spares and loose tools	19	4,431,073	3,575,963
Stock-in-trade	20	7,166,651	10,020,227
Trade debts	21	12,728,517	22,411,940
Loans, advances, deposits, prepayments			
and other receivables	22	3,002,534	2,310,169
Cash and bank balances	23	8,158,690	16,622,691
		35,487,465	54,940,990
TOTAL ASSETS		103,011,175	110,733,133

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

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Consolidated Statement of Profit or Loss

For the year ended June 30, 2020

	Note	2020 Rs '000	2019 Rs '000
Gross sales	24	174,400,900	231,395,851
Taxes, duties, levies, discounts and price differential	25	(54,499,745)	(54,557,248)
Net sales		119,901,155	176,838,603
Cost of sales	26	(124,999,908)	(180,815,670)
Gross loss		(5,098,753)	(3,977,067)
Administration expenses	27	879,233	738,603
Distribution cost	28	48,028	52,019
Other charges	29	13,424	6,614
		(940,685)	(797,236)
Other income	30	2,784,520	2,782,176
Impairment loss on financial asset	22.3	(347,521)	(140,683)
Operating loss		(3,602,439)	(2,132,810)
Finance cost	31	(1,063,548)	(6,623,676)
Loss before taxation from refinery operations		(4,665,987)	(8,756,486)
Taxation	32	1,292,787	2,240,405
Loss after taxation from refinery operations		(3,373,200)	(6,516,081)
Loss after taxation from non-refinery operations			
Impairment loss on investment in an associated company	16	(1,130,060)	(1,913,702)
Share in loss of associated companies	34	(182,067)	(182,473)
		(1,312,127)	(2,096,175)
Loss for the year		(4,685,327)	(8,612,256)
Loss per share - basic and diluted (Rupees)			
Refinery operations		(31.64)	(61.12)
Non-refinery operations		(12.31)	(19.66)
	35	(43.95)	(80.78)

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

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2020

	Note	2020 Rs '000	2019 Rs '000
Loss for the year		(4,685,327)	(8,612,256)
Other comprehensive income/(loss) for the year			
Items that will not be reclassified to statement of profit or loss:			
Remeasurement gain/(loss) on staff retirement benefit plans	36	45,987	(42,099)
Related deferred tax (charge)/credit		(13,336)	12,209
Effect of change in tax rate		-	7,109
Share of other comprehensive income of associated companies - net of tax		7,918	28,252
		40,569	5,471
Surplus on revaluation of freehold land	14.2	13,040,843	-
Items that will be reclassified to statement of profit or loss			
Change in fair value of long term investment		(101)	(416)
Total comprehensive income/(loss) for the year		8,395,984	(8,607,201)

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

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Consolidated Statement of Changes in Equity

For the year ended June 30, 2020

		Capital reserve				Revenue reserve				
	Share capital	Special reserve for expansion/ modernisation	Utilised special reserve for expansion/ modernisation	Maintenance reserve	Others	General reserve	Un-appropriated profit	Gain/(loss) on revaluation of investment at fair value through OCI	Surplus on revaluation of freehold land	Total
	Rs '000									
Balance as at July 1, 2018	852,930	1,033,255	12,908,966	201,625	119,708	6,852,380	15,081,555	3,753	12,052,576	49,106,748
Distribution to owners:										
Bonus shares @ 25% related to the										
year ended June 30, 2018	213,233	-	-	-	-	-	(213,233)	-	-	-
Bonus share issued by an associated company	-	-	-	-	36,288	-	(36,288)	-	-	-
Total comprehensive (loss)/income - net of tax										
Loss for the year	-	-	-	-	-	-	(8,612,256)	-	-	(8,612,256)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	5,471	(416)	-	5,055
	-	-	-	-	-	-	(8,606,785)	(416)	-	(8,607,201)
Loss from refinery operations transferred from										
unappropriated profit to Special Reserve - note 8.1	-	(1,033,255)	-	-	-	-	1,033,255	-	-	-
Transfer to maintenance reserve by an associated										
company - note 8.3	-	-	-	4,015	-	-	(4,015)	-	-	-
Transfer to general reserve by an associated company	-	-	-	-	-	225,000	(225,000)	-	-	-
Balance as at June 30, 2019	1,066,163	-	12,908,966	205,640	155,996	7,077,380	7,029,489	3,337	12,052,576	40,499,547
Total comprehensive income/(loss) - net of tax										
Loss for the year	-	-	-	-	-	-	(4,685,327)	-	-	(4,685,327)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	40,569	(101)	13,040,843	13,081,311
	-	-	-	-	-	-	(4,644,758)	(101)	13,040,843	8,395,984
Transfer to maintenance reserve by an associated										
company - note 8.3	-	-	-	7,936	-	-	(7,936)	-	-	-
Balance as at June 30, 2020	1,066,163	-	12,908,966	213,576	155,996	7,077,380	2,376,795	3,236	25,093,419	48,895,531

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

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

Consolidated Statement of Cash Flows

For the year ended June 30, 2020

	Note	2020 Rs '000	2019 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from			
– customers		184,637,479	224,729,280
– others		260,340	307,130
		184,897,819	225,036,410
Cash paid for operating costs		(131,901,618)	(172,454,141)
Cash paid to Government for duties, taxes and levies		(58,421,327)	(49,461,833)
Income tax paid		(716,912)	(789,802)
Net cash (outflows)/inflows from operating activities		(6,142,038)	2,330,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(610,405)	(497,708)
Sale of operating assets		7,491	6,901
Long term loans and deposits		3,864	(2,375)
Income received on bank deposits		1,535,475	1,759,990
Dividends received from the associated companies		625,913	1,320,227
Net cash generated from investing activities		1,562,338	2,587,035
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(2,200,000)	(5,200,000)
Repayment of lease liability		(219,045)	-
Grant received for purchase of operating assets		1,520	5,175
Transaction cost on long term financing		(500)	(500)
Finance cost		(1,470,502)	(6,074,413)
Dividends paid to the Shareholders of the Company		(211)	(273)
Net cash out flows from financing activities		(3,888,738)	(11,270,011)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(8,468,438)	(6,352,342)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,622,691	22,958,032
Effect of exchange rate changes on cash and cash equivalent		4,437	17,001
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	44	8,158,690	16,622,691

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

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2020

1. LEGAL STATUS AND OPERATIONS

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

The Company is subsidiary of The Attock Oil Company Limited, England and its ultimate parent is Coral Holding Limited (a private limited company incorporated in Malta).

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

2. STATEMENT OF COMPLIANCE

These are consolidated financial statements of the Group and consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 IFRS 16 "Leases" became applicable to the Group from July 1, 2019. For related change in accounting policy and impact on Group's financial statements refer note 5.1 to these consolidated financial statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 39	Financial instruments: Recognition and Measurement	January 1, 2020
IFRS 3	Business combinations (Amendments)	January 1, 2020
IFRS 7	Financial instruments: Disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020
IFRS 16	Leases (Amendments)	June 1, 2020

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

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

IFRIC 12 Service concession arrangements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 4.8, certain financial instruments which are carried at their fair values and staff retirement gratuity and pension plans which are carried at present value of defined benefit obligation net of fair value of plan assets.

4.2 Basis of consolidation

a) Subsidiary

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

The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-company balances and transactions have been eliminated for consolidated purposes.

b) Associates

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

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

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

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

4.3 Dividend and revenue reserves appropriation

Dividend and movement in revenue reserves are recognised in the consolidated financial statements in the period in which these are approved.

4.4 Employee retirement benefits

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

(i) Defined benefit plans

The Group operates approved pension fund for its management staff and approved gratuity fund for its management and non-management staff. The investments of pension and gratuity funds are made through approved trust funds. Gratuity is deductible from pension. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Contributions are made in accordance with actuarial recommendations. Actuarial valuations are conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 36 to the consolidated financial statements. The obligation at the consolidated statement of financial position is measured at the present value of the estimated future cash outflows. All contributions are charged to consolidated statement of profit or loss for the year.

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

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

4.5 Employee compensated absences

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

4.6 Taxation

Income tax expense comprises of current and deferred tax.

Current tax

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

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

Deferred tax

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

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

4.7 Provisions

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

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

a) Cost

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

b) Revaluation

Increase in the carrying amount arising on revaluation of freehold land are recognised in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of freehold land. To the extent that the increase reverses a decrease previously recognised in consolidated statement of profit or loss, the increase is first recognised in consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to consolidated statement of profit or loss.

c) Depreciation

Depreciation on operating assets is calculated using the straight-line method to allocate their cost over their estimated useful life at the rates specified in note 14.1.

d) 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.

e) Gains and losses on disposal

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

4.9 Impairment of non-financial assets

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

4.10 Stores, spares and loose tools

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

4.11 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value.

Stock of medicine and consumable items are valued on the basis of moving average cost less allowance for obsolete items.

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

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

4.12 Revenue recognition

The Group recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Group expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Group generates revenue by supplying refined petroleum products to the customers, including export of Naphtha.

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

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

ii) Income from crude desalter operations, rental income, scrap sales, insurance commission, handling, service income, medical treatment and supplies 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 and its share of post-acquisition movements in reserve is recognised in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment.

4.13 Functional and presentation currency

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

4.14 Foreign currency transactions and balances

Transactions in foreign currencies are converted into Pakistani Rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the consolidated statement of financial position date. Exchange differences are dealt with through the consolidated statement of profit or loss.

4.15 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the consolidated statement of profit or loss.

(i) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

a) Amortized cost where the effective interest rate method will apply;

b) fair value through profit or loss;

c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in consolidated statement of profit or loss and other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(a) **Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

(b) **Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

c) **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;

and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Cash and bank balances

Simplified approach for trade debts

The Group recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Group recognizes an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Write-off

The Group write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

(ii) Financial liabilities

Classification, initial recognition and subsequent measurement

The Group classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) **Fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Group has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) **Amortised cost**
After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the consolidated statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

(iii) **Off-setting financial assets and financial liabilities**
Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position, if the Group has a legally enforceable right to set off the recognized amounts, and the Group either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Group determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.17 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Group applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts.

4.18 Earnings per share

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

Basic and diluted EPS relating to Refinery and Non-refinery operations is also calculated in line with the manner described above by dividing the profit or loss attributable to ordinary shareholders from Refinery and Non-refinery operations respectively.

4.19 Finance income

Finance income comprises interest income on funds placed, dividend income, gain on disposal of assets carried at FVTOCI financial assets and changes in fair value of investments held for trading. Interest income is recognised as it accrues in the consolidated statement of profit or loss, using effective interest method.

4.20 Deferred grant

Grants related to operating assets are accounted for by setting up the grants as deferred grant. These grants are recognised as income on a systematic basis over the useful life of the related asset.

4.21 Contingent Liabilities

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

4.22 Trade and other payables

Liabilities for trade and other payables, including payable to related parties, are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

4.23 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and investments that are highly liquid, readily convertible to known amounts of cash with insignificant risk of changes in value and have original maturity period of less than three month from the date of acquisition.

4.24 Borrowings and their costs

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through the consolidated statement of profit or loss and impairment losses recognised on financial assets.

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

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

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.25 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.

4.26 Contract liabilities

Under IFRS 15 "Revenue from Contracts with Customers", obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer is presented as contract liability. The contract liabilities of the Group comprises of advance payments from customers for supply of petroleum products as described in note 12.2.

4.27 Lease liability and right-of-use asset

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

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

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

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

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

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

The Group has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

4.28 Loans, advances, deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. The Group assesses on a forward looking basis the expected credit losses associated with the advances, deposits and other receivables. The Company applies the general approach for calculating a lifetime expected credit losses for its loans, advances, deposits and other receivables recognized. The life time expected credit loss is determined at least annually. However, an assessment is made at each reporting date to determine whether there is an indication that a financial asset or a group of financial assets may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and impairment loss is recognized for the difference between the recoverable amount and the carrying value.

5. CHANGES IN ACCOUNTING POLICIES

5.1 IFRS 16 - Leases

The Group has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases-Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the previous standard i.e. lessors continue to classify leases as finance or operating leases. The accounting polices relating to Group's right of use asset and lease liability are disclosed in note 4.27.

The Group has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening consolidated statement of financial position on July 1, 2019.

On adoption of IFRS 16, the Group recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on July 1, 2019 was 15.67%.

Following is the impact of IFRS 16 on these consolidated financial statements.

	June 30, 2020 Rs '000	July 01, 2019 Rs '000
Impact on consolidated statement of financial position		
Increase in property, plant and equipment - Right of use assets	348,225	539,141
Decrease in prepayments - advances, prepayments and other receivables	(77,270)	(65,446)
Increase in total assets	270,955	473,695
Increase in lease liabilities	321,640	473,695
Decrease in net assets	(50,685)	-

	June 30, 2020 Rs '000
Impact on consolidated statement of profit or loss	
Increase in finance costs - unwinding of interest on lease liabilities	30,857
Increase/(decrease) in cost of sales:	
- Naphtha expenses on right of use assets	(116,018)
- Depreciation on right of use assets	94,629
- Rent expense	(72,962)
Increase/(decrease) in administrative expenses:	
- Depreciation on right of use assets	132,419
- Rent expense	(13,680)
Increase/(decrease) in selling expenses:	
- Depreciation on right of use assets	-
- Rent expense	(4,560)
Decrease in profit for the year before taxation	**50,685**

	Rs '000
Lease liabilities and Right of use assets recognised as at July 1, 2019:	
Lease liabilities recognised at July 1, 2019	
Current portion of lease liabilities	202,433
Non - Current lease liabilities	271,262
	473,695

Reconciliation of operating lease commitment with the lease liability as at July 1, 2019	
Operating lease commitments disclosed as at June 30, 2019	-
Increase in lease commitments of cancellable leases included in reasonably certain lease term	576,902
Discounted using the lessee's incremental borrowing rate at the date of initial application	(103,207)
Lease liability recognised as at July 1, 2019	473,695

	Rs '000
Right of use assets recognised at July 1, 2019	
Building	255,254
Naphta Storage Tank	283,887
	539,141

Reconciliation of right of use assets with lease liability as at July 1, 2019	
Present value of lease liability	473,695
Prepayments classified as right of use assets	65,446
Right of use assets recognised on statement of financial position as at July 1, 2019	539,141

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Contingencies - note 13

ii) Surplus on revaluation of freehold land - note 14.2

iii) Estimated useful life of operating assets - note 14.1

iv) Estimate of recoverable amount of investment in an associated company - note 16

v) Deferred taxation - note 18

vi) Movement in loss allowances - note 22.3

vii) Taxation - note 32

viii) Employees defined benefit plans - note 36

ix) Right of use asset and lease liability - note 5.1, 10 and 14.5

7. SHARE CAPITAL

7.1 Authorised share capital

2020 Number of shares	2019 Number of shares		2020 Rs '000	2019 Rs '000
150,000,000	150,000,000	Ordinary shares of Rupees 10 each	1,500,000	1,500,000

7.2 Issued, subscribed and paid up capital

2020 Number of shares	2019 Number of shares	Ordinary shares of Rupees 10 each	2020 Rs '000	2019 Rs '000
8,000,000	8,000,000	Fully paid in cash	80,000	80,000
98,616,250	98,616,250	Share issued as fully paid bonus shares	986,163	986,163
106,616,250	106,616,250		1,066,163	1,066,163

The parent company, The Attock Oil Company Limited held 65,063,530 (2019: 65,049,030) ordinary shares and the associated company, Attock Petroleum Limited held 1,790,000 (2019: 1,790,000) ordinary shares at the year end.

	2020 Rs '000	2019 Rs '000
8. RESERVES AND SURPLUS		
Capital reserve		
Special reserve for expansion/modernisation - note 8.1	-	-
Utilised special reserve for expansion/modernisation - note 8.2	10,962,934	10,962,934
Utilised special reserve for expansion/modernisation of associated company	1,946,032	1,946,032
	12,908,966	12,908,966
Maintenance reserve - note 8.3	213,576	205,640
Others		
Liabilities taken over from The Attock Oil Company Limited no longer required	4,800	4,800
Capital gain on sale of building	654	654
Insurance and other claims realised relating to pre-incorporation period	494	494
Donation received for purchase of hospital equipment	4,000	4,000
Bonus shares issued by associated companies	146,048	146,048
	155,996	155,996
Revenue reserve		
General reserve	7,077,380	7,077,380
Transfer of investment	3,236	3,337
Unappropriated profit	2,376,795	7,029,489
	9,457,411	14,110,206
	22,735,949	27,380,808

8.1 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 or off setting any loss of the refinery. Transfer to/from special reserve is recognised at each quarter end and is reviewed for adjustment based on profit/loss on an annual basis.

Under the Policy Framework for Up-gradation and Expansion of Refineries, 2013 issued by the Ministry of Energy - Petroleum Division (the Ministry) as amended from time to time, the refineries are required to transfer the amount of profit above 50% of paid-up capital as at July 1, 2002 into a Special Reserve Account which shall be available for utilisation for Up-gradation of refineries or may also be utilized in off setting losses of the refinery from refinery operations.

Following is the status of utilization out of the Special Reserve on Up-gradation and expansion projects from July 1, 1997 to June 30, 2020:

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	-	1,033,255
Transfer for the year	-	(1,033,255)
Balance as at end of the year	-	-

8.2 Represents amounts utilized out of the Special Reserve for expansion/modernization of the refinery. The total amount of capital expenditure incurred on Refinery expansion/mordernisation till June 30, 2020 is Rs 29,092.62 million including Rs 18,130.69 million spent over and above the available balance in the Special Reserve which has been incurred by the Company from its own resources.

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

	2020 Rs '000	2019 Rs '000
9. LONG TERM FINANCING - secured		
From banking companies		
Syndicated Term Finance - note 9.1	5,941,485	7,946,589
Musharaka Finance - note 9.2	1,944,648	2,600,919
	7,886,133	10,547,508
Less: Unamortized transaction cost on financing:		
Balance as at July 1	94,920	153,412
Addition during the year	500	500
Amortization for the year	(28,000)	(58,992)
Balance as at June 30	67,420	94,920
	7,818,713	10,452,588
Current portion of long term financing - note 9.4	-	(2,200,000)
	7,818,713	8,252,588
Mark-up payable shown as current liability	(204,519)	(271,166)
	7,614,194	7,981,422

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

9.2 The Company obtained Musharaka finance facility of Rs 5,425 million from Bank AL-Habib Limited (the Bank) as the Investment Agent for ARL Up-gradation Projects. The total Musharaka investment amounts to Rs 8,029 million and Investment Agent's (the Bank) share in Musharaka Assets A is nil % (2019: nil %) while its share in Musharaka Assets B is 35.37% (2019: 42.80%) respectively. While the Managing Co-owner's (the Company) share in Musharaka Assets A is 100% (2019: 100 %) while its share in Musharaka Assets B is 64.63% (2019: 57.20%) respectively. The rental payments under this facility are calculated on the basis of 3 months KIBOR plus 1.70% on value of unit purchased on each Musharaka Assets purchase date under Musharaka agreement.

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

9.4 The COVID–19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators/governments across the globe had introduced a host of measures on both the fiscal and economic fronts. The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rates and other regulatory measures to provide an impetus to economic activity including allowing borrowers to defer principle loan payments by one year.

Taking the benefit of above mentioned steps, the Company availed the scheme for deferment in repayment of principal amount of its long term financing for a period of one year and the next installment of Rs 550 million will be due on July 21, 2021.

		2020 Rs '000	2019 Rs '000
10.	**LONG TERM LEASE LIABILITIES**		
	Impact of initial application of IFRS 16	473,695	-
	Additions during the year	-	-
	Lease finance charges	30,857	-
	Lease rentals paid	(219,044)	-
	Remeasurement in lease liability	36,132	-
	Balance at end of the year	321,640	-
	Less: current portion of long term lease liabilities	(214,899)	-
		106,741	**-**
11.	**DEFERRED GRANT**		
	As at July 1		
	Cost	5,175	-
	Accumulated amortization	(215)	-
	Net book value	4,960	-
	Opening book value	4,960	-
	Grant received	1,519	5,175
	Deletions		
	Cost	-	-
	Accumulated amortization	-	-
		-	-
	Amortization charge for the year	(606)	(215)
		5,873	4,960
	As at June 30		
	Cost	6,694	5,175
	Accumulated amortization	(821)	(215)
	Net book value	5,873	4,960

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2020

		2020 Rs '000	2019 Rs '000
12.	**TRADE AND OTHER PAYABLES**		
	Creditors - note 12.1	21,240,821	31,769,084
	Unearned revenue - note 24.1	331,943	-
	Due to The Attock Oil Company Limited - Holding Company	148,115	124,749
	Due to associated companies		
	Pakistan Oilfields Limited	1,790,324	2,694,883
	Attock Energy (Private) Limited	1	274
	Accrued liabilities and provisions - note 12.1	4,629,589	4,227,546
	Due to the Government under pricing formula	1,715,915	3,621,492
	Custom duty payable to Government	8,908,757	11,243,750
	Advance payments from customers - note 12.2	501,777	30,698
	Sales tax payable	1,081,535	1,811,905
	ARL Gratuity Fund	45,066	78,649
	Staff Pension Fund	-	8,535
	Crude oil freight adjustable through inland freight equalisation margin	126,879	36,665
	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	2,683,235	1,633,879
	Security deposits	3,287	3,137
		43,207,620	57,285,622

12.1 These balances include amounts retained from payments to crude suppliers for purchase of local crude as per the directives of the Ministry of Energy - Petroleum Division (the Ministry). Further, as per directive of the Ministry such withheld amounts are to be retained in designated 90 days interest bearing accounts. The amounts withheld along with accumulated profits amounted to Rs 3,722.85 million (2019: Rs 3,375.65 million).

12.2 Advance payments from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note 4.12 is satisfied.

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	30,698	119,274
Revenue recognized during the year	(2,848,504)	(2,150,096)
Advance received during the year	3,319,583	2,061,520
Balance as at end of the year	501,777	30,698

			2020 Rs '000	2019 Rs '000
13.	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies:			
	i)	Consequent to amendment through the Finance Act, 2014, SRO 575(I)/2006 was withdrawn. As a result all imports relating to the ARL Up-gradation Project were subjected to higher rate of customs duties, sales tax and income tax. Aggrieved by the withdrawal of the said SRO, the Company filed a writ petition on August 20, 2014 in the Lahore High Court, Rawalpindi Bench (the Court). The Court granted interim relief by allowing release of the imports against submission of bank guarantees and restrained customs authorities from charging increased amount of customs duty/sales tax. Bank guarantees were issued in favour of Collector of Customs, as per the directives of the Court. These guarantees include amounts aggregating to Rs 731 million on account of adjustable/claimable government levies. Based on advice from legal advisor the Company is confident that there are reasonable grounds for a favourable decision and accordingly this has not been recognized as liability in the financial statements. Several hearings of the case have been held but the matter is still under adjudication.	1,326,706	1,326,706
	ii)	Due to circular debt in the oil industry, certain amounts due from the oil marketing companies (OMCs) and due to crude oil suppliers have not been paid/received on their due dates for payment. As a result the Company has raised claims on OMCs in respect of mark-up on delayed payments as well as received counter claims from some crude oil suppliers which have not been recognized in the financial statements as these have not been acknowledged as debt by either party.		
	iii)	Guarantees issued by banks on behalf of the Company [other than (i) above].	344	153
	iv)	Claims for land compensation contested by ARL.	1,300	1,300
	v)	Price adjustment related to crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreement (COSA) and may require adjustment in subsequent periods as referred to in note 26.1, the amount of which cannot be presently quantified.		
	vi)	In March 2018, Crude Oil Sale and Purchase Agreement (COSA) with effective date of March 27, 2007 was executed between the President of Pakistan and the working interest owners of a Petroleum Concession Agreement (PCA) whereby various matters including the pricing mechanism for crude oil were prescribed. The Company has been purchasing crude oil from respective fields since 2007 and 2009. In this respect, an amount of Rs 2,484 million was demanded from the Company as alleged arrears of crude oil price for certain period prior to signing of aforementioned COSA.	2,484,098	2,484,098

		2020 Rs '000	2019 Rs '000
	In view of the foregoing, the Company filed a writ petition on December 17, 2018 before the Honourable Islamabad High Court (the Court), whereby interim relief was granted to the Company by restraining respondents from charging the premium or discount regarding the supplies of crude oil made to the Company between 2007 to 2012. Based on the Company's assessment of related matter and based on the legal advices obtained from its legal consultants the Company did not acknowledge the related demand and accordingly, not provided for the same in its books of account. The matter is pending for adjudication.		
vii)	Claim by the Company from Government on account of additional deemed duty on High Speed Diesel (HSD). In the Policy Framework of 2013 for upgradation of Refineries, the Government had committed to enhance deemed duty on HSD from 7.5% to 9% subject to setting up of Diesel Hydrodesulphurisation (DHDS) unit. However, this incentive has been withdrawn on April 25, 2016. The Company has strongly taken up with the Government the matter of withdrawal of additional deemed duty as this incentive was primarily given to recover the cost of investment on DHDS unit which the Company has successfully installed and commissioned.	2,500,895	1,928,344
viii)	The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Aggrieved by this amendment, the Company filed a writ petition on August 3, 2017 in Sindh High Court (Court), Karachi. The Court has granted stay to the Company. Subsequently, a notification was issued on February 13, 2018 by the Federal Board of Revenue whereby exemption was granted in the incidental matter to the companies that are subject to restrictions imposed by Government of Pakistan on distribution of dividend. Accordingly, no charge has been recorded for the related tax.	418,470	418,470
ix)	The Company's share in contingency of associated companies.	2,122,458	1,256,295
Commitments:			
i)	Capital expenditure	111,761	146,131
ii)	Letters of credit and other contracts for purchase of store items	159,418	708,583
iii)	The Company's share of commitments of associated companies.		
	Capital expenditures commitments	555,162	1,698,534
	Outstanding letters of credit	508,836	3,632

	2020 Rs '000	2019 Rs '000
14. PROPERTY, PLANT AND EQUIPMENT		
Operating assets		
Owned assets - note 14.1	41,098,012	30,398,193
Right of use assets (ROU) - note 14.5	348,225	-
	41,446,237	30,398,193

14.1 Operating assets

	Freehold land (note 14.2)	Buildings on freehold land	Plant and machinery	Computer equipment	Furniture, fixtures and equipment	Vehicles	Total
				Rs '000			
As at July 1, 2018							
Cost or valuation	12,106,798	241,408	29,271,145	82,653	168,367	171,420	42,041,791
Accumulated depreciation	-	(119,156)	(8,838,809)	(59,356)	(91,222)	(103,303)	(9,211,846)
Net book value	12,106,798	122,252	20,432,336	23,297	77,145	68,117	32,829,945
Year ended June 30, 2019							
Opening net book value	12,106,798	122,252	20,432,336	23,297	77,145	68,117	32,829,945
Additions	-	5,438	103,761	9,110	5,258	28,221	151,788
Disposals							
Cost	-	-	(12,775)	(4,290)	(3,736)	(9,107)	(29,908)
Depreciation	-	-	12,717	4,289	3,578	9,107	29,691
	-	-	(58)	(1)	(158)	-	(217)
Depreciation charge	-	(11,020)	(2,528,418)	(8,255)	(12,182)	(23,448)	(2,583,323)
Closing net book value	12,106,798	116,670	18,007,621	24,151	70,063	72,890	30,398,193
As at June 30, 2019							
Cost or valuation	12,106,798	246,846	29,362,131	87,473	169,889	190,534	42,163,671
Accumulated depreciation	-	(130,176)	(11,354,510)	(63,322)	(99,826)	(117,644)	(11,765,478)
Net book value	12,106,798	116,670	18,007,621	24,151	70,063	72,890	30,398,193
Year ended June 30, 2020							
Opening net book value	12,106,798	116,670	18,007,621	24,151	70,063	72,890	30,398,193
Additions	-	2,623	240,129	3,970	7,873	5,784	260,379
Revaluation Surplus	13,040,843	-	-	-	-	-	13,040,843
Disposals							
Cost	-	-	(13,371)	(3,525)	(5,449)	(8,897)	(31,242)
Depreciation	-	-	13,341	3,520	5,341	6,643	28,845
	-	-	(30)	(5)	(108)	(2,254)	(2,397)
Depreciation charge	-	(9,849)	(2,542,604)	(9,037)	(12,562)	(24,954)	(2,599,006)
Closing net book value	25,147,641	109,444	15,705,116	19,079	65,266	51,466	41,098,012
As at June 30, 2020							
Cost or valuation	25,147,641	249,469	29,588,889	87,918	172,313	187,421	55,433,651
Accumulated depreciation	-	(140,025)	(13,883,773)	(68,839)	(107,047)	(135,955)	(14,335,639)
Net book value	25,147,641	109,444	15,705,116	19,079	65,266	51,466	41,098,012
Annual rate of							
Depreciation (%)	-	5	10	20	10	20	

14.2 Freehold land revalued in May 2020 and the revaluation surplus of Rs 13,040,843 thousand was added to the value of freehold land and corresponding amount was transferred to surplus on revaluation of fixed assets. Had the freehold land been stated on the historical cost basis, the carrying amount of land would have been Rs 54.221 million (2019: Rs 54.221 million).

Original cost of freehold land	Rs	54,221,409
Revalued amount	Rs	25,147,640,000
Date of valuation		May 6, 2020
Basis of valuation		Estimated current market value
Name & qualification of independent valuer		Iqbal A. Nanjee & Co.
		Valuation Consultants

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

14.4 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area (In acres)
Morgah Rawalpindi	Refinery processing plants,office and staff colony	398.44
Chak Shahpur, Morgah, Rawalpindi	Water wells	44.96
Humak (adjacent DHA II), Islamabad	Water wells	7.34

	2020 Rs '000	2019 Rs '000
14.5 Right of use assets		
Balance at the beginning of the year - unadjusted	-	-
Effect of change in accounting policy due to adoption of IFRS 16 - note 5.1	539,141	-
Balance at the beginning of the year - adjusted	539,141	-
Depreciation for the year	(227,048)	-
Remeasurement in lease liability	36,132	-
Balance at the end of the year	348,225	-

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

	2020 Rs '000	2019 Rs '000
Cost of sales - note 26	2,664,666	2,552,192
Administration expenses - note 27	160,500	30,324
Distribution cost - note 28	888	807
	2,826,054	2,583,323

15. CAPITAL WORK-IN-PROGRESS

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	622,573	303,043
Additions during the year	594,538	415,183
Transfer to operating assets		
Buildings on freehold land	20,539	5,721
Plant and machinery	217,366	89,932
	(237,905)	(95,653)
Balance as at end of the year	979,206	622,573

	2020 Rs '000	2019 Rs '000
Breakup of the closing balance of capital work-in-progress		
Civil works	3,838	20,781
Plant and machinery	974,368	600,792
Pipeline project	1,000	1,000
	979,206	622,573

16. LONG TERM INVESTMENTS

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	20,709,543	24,830,227
Share of loss before tax of associated companies	(440,818)	(642,406)
Share in other comprehensive income	7,918	28,252
Dividend received from associated companies	(625,913)	(1,320,227)
Impairment charge on investment	(1,130,060)	(1,913,702)
Effect of changes in accounting policies due to IFRS 9	(101)	(272,601)
Balance as at end of the year	18,520,569	20,709,543

16.1 Investment in associated companies

	2020		2019	
	% age holding	Rs '000	% age holding	Rs '000
Associated companies				
Quoted				
National Refinery Limited (NRL) - note 16.4	25	8,396,490	25	10,535,595
19,991,640 (2019: 19,991,640) fully paid ordinary shares including 3,331,940 (2019: 3,331,940) bonus shares of Rs 10 each				
Market value as at June 30, 2020: Rs 2,145 million (June 30, 2019: Rs 2,268 million)				
Attock Petroleum Limited (APL) - note 16.5	21.88	7,399,825	21.88	7,472,257
21,772,966 (2019: 21,772,966) fully paid ordinary shares including 11,272,886 (2019: 11,272,886) bonus shares of Rs 10 each				
Market value as at June 30, 2020: Rs 6,645 million (June 30, 2019: Rs 6,282 million)				
Unquoted				
Attock Gen Limited (AGL) - note 16.2	30	2,689,167	30	2,672,526
7,482,957 (2019: 7,482,957) fully paid ordinary shares of Rs 100 each				
Attock Information Technology Services (Private) Limited (AITSL)	10	35,087	10	29,165
450,000 (2019: 450,000) fully paid ordinary shares of Rs 10 each				
		18,520,569		20,709,543

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

16.2 In October 2017, the Board of Directors of the Company approved to offer 3.95% out of the Company's 30% shareholding in paid up capital of Attock Gen Limited (AGL) to the general public including employees/officers of the Company upon listing of the shares of AGL on the Pakistan Stock Exchange Limited. However, the proposed offer has not yet been made.

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

	National Refinery Limited		Attock Petroleum Limited		Attock Gen Limited		Attock Information Technology Services (Pvt) Limited	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Rs '000		Rs '000		Rs '000		Rs '000	
Summarised statement of financial position								
Current assets	21,345,597	37,489,001	35,654,693	37,102,945	15,230,175	12,498,330	293,870	233,280
Non- current assets	41,867,193	38,678,349	15,166,745	8,733,270	6,929,934	7,051,665	89,096	86,019
Current liabilities	(32,983,296)	(42,000,571)	(27,908,728)	(26,682,984)	(12,964,018)	(10,641,577)	(22,806)	(21,280)
Non- current liabilities	(492,208)	(293,310)	(4,883,583)	(792,993)	(232,206)	-	(9,283)	(6,364)
Net assets	29,737,286	33,873,469	18,029,127	18,360,238	8,963,885	8,908,418	350,877	291,655
Reconciliation to carrying amounts:								
Net assets as at July 1	33,873,469	43,251,537	18,360,238	17,781,260	8,908,418	8,888,578	291,655	242,355
Effect of changes in accounting policies due to adoption of IFRS 9	(404)	13,346	-	(380,109)	-	(642,986)	-	-
(Loss)/profit for the year	(4,063,762)	(8,692,427)	1,157,897	4,030,019	1,053,025	2,147,324	59,222	49,300
Other comprehensive income/(loss)	27,983	100,679	3,984	(2,004)	169	12,093	-	-
Dividends paid	-	(799,666)	(1,492,992)	(3,068,928)	(997,727)	(1,496,591)	-	-
Net assets as at June 30	29,837,286	33,873,469	18,029,127	18,360,238	8,963,885	8,908,418	350,877	291,655
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	7,459,323	8,468,368	3,943,906	4,016,338	2,689,167	2,672,526	35,087	29,165
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	13,830,977	14,840,022	7,399,825	7,472,257	2,689,167	2,672,526	35,087	29,165
Impairment	(5,434,487)	(4,304,427)	-	-	-	-	-	-
Carrying amount of investment	8,396,490	10,535,595	7,399,825	7,472,257	2,689,167	2,672,526	35,087	29,165
Summarised statements of comprehensive income								
Net revenue	125,612,646	160,906,197	201,078,720	223,054,352	6,961,525	11,197,036	142,949	126,892
(Loss)/profit for the year	(4,063,762)	(8,692,427)	1,157,897	4,030,019	1,053,025	2,147,324	59,222	49,300
Other comprehensive income/(loss)	27,983	100,679	3,984	(2,005)	169	12,093	-	-
Total comprehensive (loss)/income	(4,035,779)	(8,591,748)	1,161,881	4,028,014	1,053,194	2,159,417	59,222	49,300

During the year, dividend received from National Refinery Limited was Rs nil (2019: Rs 200 million), Attock Petroleum Limited was Rs 327 million (2019: Rs 671 million) and Attock Gen Limited was Rs 299 million (2019: Rs 449 million).

16.4 The carrying value of investment in National Refinery Limited at June 30, 2020 is net of impairment loss of Rs 5,434.49 million (2019: Rs 4,304.43 million) 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 3.43% (2019: 3.84%), terminal growth rate of 3% (2019: 3%) and weighted average cost of capital model based discount rate of 18.20% (2019: 21.16%).

16.5 Based on a valuation analysis carried out by the Group, the recoverable amount of investment in Attock Petroleum Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 3.60% (2019: 5.35%), a terminal growth rate of 4% (2019: 4%) and a capital asset pricing model based discount rate of 15.43% (2019: 18.53%).

		2020 Rs '000	2019 Rs '000
17.	**LONG TERM LOANS AND DEPOSITS**		
	Loans to employees - considered good - note 17.1		
	Employees	66,756	75,481
	Executives	8,279	5,458
		75,035	80,939
	Amounts due within next twelve months shown		
	under current assets - note 22	(47,699)	(49,739)
		27,336	31,200
	Security deposits	13,290	13,290
		40,626	44,490

17.1 These are interest free loans for miscellaneous purposes and are recoverable in 24, 36, and 60 equal monthly installments depending on case to case basis. These loans are secured against outstanding provident fund balance or a third party guarantee. Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive Officer. The maximum amount due from executives of the Company at the end of any month during the year was Rs 14.26 million (2019: Rs 5.46 million).

		2020 Rs '000	2019 Rs '000
18.	**DEFERRED TAXATION**		
	Temporary differences between accounting and tax base		
	of non-current assets and investment in associated companies	(1,964,177)	(2,505,338)
	Unused tax losses and mininum taxes	7,902,576	6,010,108
	Deferred grant	1,703	1,438
	Remeasurement loss on staff retirement benefit plans	177,070	190,406
	Provisions	280,965	175,188
		6,398,137	3,871,802
18.1	**Movement of deferred tax asset**		
	Balance as at beginning of the year	3,871,802	43,494
	Tax charge recognised in profit or loss	2,539,609	3,808,475
	Tax charge related to subsidiary accounted for separately	62	515
		2,539,671	3,808,990
	Tax charge recognised in other comprehensive income	(13,336)	19,318
	Balance as at end of the year	6,398,137	3,871,802

		2020 Rs '000	2019 Rs '000
19.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit for an amount of Rs 549.36 million; 2019: Rs 438.41 million)	3,494,553	2,763,814
	Spares	1,097,081	963,039
	Loose tools	988	911
		4,592,622	3,727,764
	Less: Provision for slow moving items - note 19.1	161,549	151,801
		4,431,073	3,575,963
19.1	**Movement in provision for slow moving items**		
	Balances as at beginning of the year	151,801	145,950
	Reversal of provision against stores written off	(3,363)	-
	Provision for the year	13,111	5,851
	Balances as at end of the year	161,549	151,801
20.	**STOCK-IN-TRADE**		
	Crude oil	1,995,340	2,394,892
	Semi-finished products	1,809,951	1,602,259
	Finished products - note 20.2	3,358,564	6,021,504
	Medical supplies	2,796	1,572
		7,166,651	10,020,227

20.1 Stock-in-trade include stocks carried at net realisable value of Rs 3,326.41 million (2019: Rs 7,415.14 million). Adjustments amounting to Rs 509.50 million (2019: Rs 1,657.97 million) have been made to closing inventory to write down stocks to their net realisable value.

		2020 Rs '000	2019 Rs '000
20.2	**This include naphtha stock held by third parties**		
	At National Refinery Limited	654,380	1,089,701
	In transit	-	153,162
		654,380	1,242,863

21. TRADE DEBTS - unsecured and considered good

21.1 Trade debts include amount receivable from associated companies Attock Petroleum Limited Rs 10,329.65 million (2019: Rs 10,473.79 million) and Pakistan Oilfields Limited Rs 49.24 million (2019: Rs nil).

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

	2020 Rs '000	2019 Rs '000
0 to 6 months	3,650,831	5,156,315
6 to 12 months	1,692,294	5,017,391
Above 12 months	5,035,844	300,085
	10,378,969	10,473,791

21.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 16,798.92 million (2019: Rs 17,563.93 million).

	2020 Rs '000	2019 Rs '000
22. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Current portion of long term loans to employees - note 17		
Employees	40,649	45,079
Executives	7,050	4,660
	47,699	49,739
Advances		
Suppliers	141,218	51,307
Employees	6,046	5,586
	147,264	56,893
	194,963	106,632
Deposits and prepayments		
Trade deposits	286	286
Short term prepayments	106,097	204,850
	106,383	205,136
Other receivables - considered good		
Due from associated companies		
Attock Information Technology Services (Private) Limited	441	606
Attock Petroleum Limited	3,348,960	2,200,250
Attock Leisure and Management Associates (Private) Limited	436	134
Attock Gen Limited	1,048	6,983
National Cleaner Production Centre Foundation	764	4,310
Capgas (Private) Limited	48	27
National Refinery Limited	10,912	9,735
Attock Sahara Foundation	313	108
Income accrued on bank deposits	28,536	130,830
Workers' Profit Participation fund 22.1	-	-
Income tax refundable	14,570	14,200
Staff Pension Fund	13,978	-
Other receivables	18,529	21,044
	3,438,535	2,388,227
Loss allowance - note 22.3	(737,347)	(389,826)
	3,002,534	2,310,169

22.1 Workers' profit participation fund

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	-	20,000
Interest received from the fund	-	221
Amount received from the fund	-	(20,221)
Balance as at end of the year	-	-

22.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs 3,336.55 million (2019: Rs 2,268.00 million)

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

	2020 Rs '000	2019 Rs '000
0 to 6 months	1,693,746	779,984
6 to 12 months	4,200	270
Above 12 months	1,669,991	1,475,499
	3,367,937	2,255,753

	2020 Rs '000	2019 Rs '000
22.3 Movement in loss allowances		
Balance as at beginning of the year	389,826	-
Effect of change in accounting policy due to adoption of IFRS 9	-	249,143
Balance as at beginning of the year under IFRS 9	389,826	249,143
Impairment loss on financial asset	347,521	140,683
Balance as at end of the year	737,347	389,826

23. CASH AND BANK BALANCES

	2020 Rs '000	2019 Rs '000
Cash in hand (includes US $ 7,393; 2019: US $ 4,228)	2,397	1,660
With banks:		
Local Currency		
Current accounts - note 23.6	11,831	8,425
Deposit accounts - note 23.1, 23.2, 23.3 and 23.6	3,663,055	6,266,548
Savings accounts	4,403,562	10,272,082
Foreign Currency		
Savings accounts (US $ 463,090; 2019: US $ 462,927)	77,845	73,976
	8,158,690	16,622,691

23.1 Deposit accounts include Rs 3,663.06 million (2019: Rs 3,266.55 million) placed in a 90-days interest-bearing account consequent to directives of the Ministry on account of amounts withheld alongwith related interest earned thereon net of withholding tax, as referred to in note 12.1.

23.2 Balances with banks include Rs nil (2019: Rs 3,000 million) in respect of deposits placed in 90-days interest-bearing account.

23.3 Bank deposits of Rs 1,327.05 million (2019: Rs 1,326.86 million) were under lien with bank against a bank guarantee issued on behalf of the Company.

23.4 Balances with banks include Rs 3.29 million (2019: Rs 3.14 million) in respect of security deposits received from customers etc.

23.5 Interest/mark-up earned on balances with banks ranged between 6.50% to 15.50% (2019: 4.50% to 13.75%) with weighted average rate of 12.68% (2019: 9.06%) per annum.

23.6 This includes balance aggregating Rs 9.15 million maintained in separate non interest-bearing current bank accounts in respect of unclaimed dividend. In this respect, subsequent to the enactment of Companies (Amendment) Ordinance, 2020 in May 2020, the management has sought clarification from SECP on applicability of related provisions introduced by way of the aforementioned ordinance to ensure compliance thereof. The movement in unclaimed dividend is as follows:

	2020 Rs '000	2019 Rs '000
Balance as at beginning of the year	9,685	9,937
Dividend declared	-	-
Interest received	28	21
Less: Dividend paid	(211)	(273)
Balance as at end of the year	9,502	9,685

24. GROSS SALES

- Company		
Local sales	171,183,381	221,475,115
Naphtha export sales	3,467,747	9,836,675
Unearned Revenue from June 27 - 30, 2020 - note 24.1	(331,943)	-
- Subsidiary		
Local sales	81,715	84,061
	174,400,900	231,395,851

24.1 This represents additional revenue earned at the revised prices notified as at 27 June 2020 by OGRA and the price previously applicable for the month of June 2020 as the same has been netted with the loss sustained in July 2020 to arrive at the upcoming adjustment in petroleum products prices in accordance with the Ministry of Energy - Petroleum Division.

25. TAXES, DUTIES, LEVIES, DISCOUNTS AND PRICE DIFFERENTIAL

	2020 Rs '000	2019 Rs '000
Sales tax	24,868,069	28,557,842
Petroleum development levy	24,057,826	19,736,809
Custom duties and other levies - note 25.1	4,070,233	5,332,283
Discounts	83,690	25,345
PMG RON differential - note 25.2	1,419,927	904,969
	54,499,745	54,557,248

25.1 This includes Rs 4,069.90 million (2019: Rs 4,193.91 million) recovered from customers and payable as per Oil and Gas Regulatory Authority directives on account of custom duty on PMG and HSD.

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2020

		2020 Rs '000	2019 Rs '000
26.	**COST OF SALES**		
	Opening stock of semi-finished products	1,602,259	1,434,159
	Crude oil consumed - note 26.1	110,686,024	166,189,437
	Transportation and handling charges	368,082	1,105,424
	Salaries, wages and other benefits - note 26.2	1,150,616	1,153,030
	Printing and stationery	3,453	4,947
	Chemicals consumed	2,873,627	4,027,850
	Fuel and power	3,561,758	4,489,999
	Rent, rates and taxes	15,752	73,164
	Telephone	2,257	2,273
	Professional charges for technical services	7,904	8,611
	Insurance	309,430	350,794
	Repairs and maintenance (including stores and spares consumed Rs 439.44 million; 2019: Rs 231.01 million)	842,540	621,842
	Staff transport and traveling	20,537	19,310
	Cost of receptacles	24,046	23,123
	Research and development	13,968	9,637
	Depreciation - note 14.6	2,664,666	2,552,192
		124,146,919	182,065,792
	Closing stock of semi-finished products	(1,809,951)	(1,602,259)
		122,336,968	180,463,533
	Opening stock of finished products	6,021,504	6,373,641
	Closing stock of finished products	(3,358,564)	(6,021,504)
		2,662,940	352,137
		124,999,908	180,815,670
26.1	**Crude oil consumed**		
	Stock as at beginning of the year	2,394,892	1,981,197
	Purchases	110,286,472	166,603,132
		112,681,364	168,584,329
	Stock as at end of the year	(1,995,340)	(2,394,892)
		110,686,024	166,189,437

26.2 Salaries, wages and other benefits under cost of sales, administration expenses and distribution cost include the Company's contribution to the Pension and Gratuity Fund Rs 57.64 million (2019: Rs 71.86 million) and to the Provident Fund Rs 37.63 million (2019: Rs 40.24 million).

		2020 Rs '000	2019 Rs '000
27.	**ADMINISTRATION EXPENSES**		
	Salaries, wages and other benefits - note 26.2	447,862	406,899
	Board meeting fee	8,575	7,778
	Transport, traveling and entertainment	22,161	25,798
	Telephone	2,551	2,533
	Electricity, gas and water	28,246	23,844
	Printing and stationery	6,581	6,852
	Auditor's remuneration - note 27.1	9,709	7,104
	Legal and professional charges	7,359	15,724
	Repairs and maintenance	134,457	128,894
	Subscription	32,839	47,714
	Publicity	4,179	5,623
	Scholarship scheme	3,801	3,366
	Rent, rates and taxes	7,419	20,280
	Insurance	2,179	2,774
	Donations - note 27.2	540	684
	Training expenses	275	2,412
	Depreciation - note 14.6	160,500	30,324
		879,233	738,603

27.1	**Auditor's remuneration**		
	Annual audit	2,416	2,138
	Review of half yearly financial statements, audit of consolidated financial statements, employee funds and special certifications	2,068	1,452
	Tax services	4,202	2,188
	Out of pocket expenses	1,023	1,326
		9,709	7,104

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

28.	**DISTRIBUTION COST**		
	Salaries, wages and other benefits - note 26.2	34,373	35,299
	Transport, traveling and entertainment	305	523
	Telephone	291	270
	Electricity, gas, fuel and water	2,854	2,771
	Printing and stationery	64	99
	Repairs and maintenance including packing and other stores consumed	8,386	7,769
	Rent, rates and taxes	867	4,456
	Legal and professional charges	-	25
	Depreciation - note 14.6	888	807
		48,028	52,019

		2020 Rs '000	2019 Rs '000
29.	**OTHER CHARGES**		
	Provision for slow moving store items	13,111	5,851
	Workers' Welfare Fund	313	763
		13,424	6,614
30.	**OTHER INCOME**		
	Income from financial assets		
	Income on bank deposits	1,433,181	1,786,091
	Interest on delayed payments	1,149,712	784,571
		2,582,893	2,570,662
	Income from non-financial assets		
	Income from crude desalter operations - note 30.1	1,275	3,843
	Insurance agency commission	-	1,339
	Rental income	121,913	101,457
	Sale of scrap	8,129	13,229
	Amortization of deferred grant	606	215
	Profit on disposal of operating assets	5,094	6,685
	Calibration charges	4,323	5,433
	Handling and service charges	46,463	72,226
	Penalties from carriage contractors	1,404	234
	Miscellaneous - note 30.2	12,420	6,853
		201,627	211,514
		2,784,520	2,782,176
30.1	**Income from crude desalter operations**		
	Income	64,157	74,551
	Less: Operating costs		
	Salaries, wages and other benefits	1,971	2,219
	Chemicals consumed	2,450	2,755
	Fuel and power	39,161	44,035
	Repairs and maintenance	19,300	21,699
		62,882	70,708
		1,275	3,843

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

		2020 Rs '000	2019 Rs '000
31.	**FINANCE COST**		
	Exchange loss (net)	127,797	4,740,183
	Interest on long term financing	904,301	1,882,912
	Interest on lease liability	30,857	-
	Bank and other charges	593	581
		1,063,548	6,623,676

		2020 Rs '000	2019 Rs '000
32.	**TAXATION**		
	Current tax	916,695	944,291
	Deferred tax	(2,209,482)	(3,184,696)
		(1,292,787)	(2,240,405)
32.1	**Relationship between tax expense and accounting loss (refinery operations)**		
	Accounting loss before taxation	(4,665,987)	(8,756,486)
	Tax at applicable tax rate of 29% (2019: 29%)	(1,353,136)	(2,539,381)
	Tax effect of income taxable at special rates	59,374	199,105
	Effect of impairment loss on financial asset	-	(72,251)
	Effect of change in tax rate	-	(5,457)
	Deferred tax asset derecognized on minimum tax	-	176,704
	Others	975	875
		(1,292,787)	(2,240,405)

33. INTEREST IN SUBSIDIARY

The Company holds 100% shares in the subsidiary. The principal activities of the subsidiary are provision of medical services to the employees of the Group Companies as well as private patients. The Company was incorporated in Pakistan and its principal place of business is Morgah, Rawalpindi in Pakistan. There are no significant restrictions on Company's ability to use assets, or settle liabilities of Attock Hospital (Private) Limited.

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

	2020 Rs '000	2019 Rs '000
Summarised statement of financial position		
Current assets	61,846	60,624
Non- current assets	30,627	29,630
Current liabilities	(35,728)	(45,026)
Non- current liabilities	(6,692)	(4,960)
Net assets	50,053	40,268
Summarised statements of other comprehensive income		
Revenue	162,785	171,324
Expenses and taxation	156,570	148,491
Profit for the year	6,215	25,023
Other comprehensive income	3,571	3,003
Total comprehensive income for the year	9,786	28,026
Summarised statement of cash flows		
Cash flows from operating activities	(4,991)	25,545
Cash flows from investing activities	83	(9,296)
Cash flows from financing activities	1,520	5,175
	(3,388)	21,424

34. SHARE IN LOSS OF ASSOCIATED COMPANIES

Share in profit/(loss) of associated companies is based on the audited financial statements of the associated companies for the year ended June 30, 2020 and has been reflected net of taxation, applicable charges in respect of Workers' Profit Participation Fund and Workers' Welfare Fund. Taxation is based on presumptive tax rate applicable to dividend income from associated companies.

	2020 Rs '000	2019 Rs '000
35. LOSS PER SHARE - BASIC AND DILUTED		
Loss after taxation from refinery operations	(3,373,200)	(6,516,081)
Loss after taxation from non-refinery operations	(1,312,127)	(2,096,175)
	(4,685,327)	(8,612,256)
Weighted average number of fully paid ordinary shares ('000)	106,616	106,616
Loss per share - Basic and diluted (Rs)		
Refinery operations	(31.64)	(61.12)
Non-refinery operations	(12.31)	(19.66)
	(43.95)	(80.78)

36. EMPLOYEES' DEFINED BENEFIT PLANS

The latest actuarial valuation of the employees' defined benefit plans was conducted at June 30, 2020 using the projected unit credit method. Details of the defined benefit plans are:

	Funded pension		Funded gratuity	
	2020	2019	2020	2019
	Rs '000		Rs '000	
a) The amounts recognised in the statement of financial position:				
Present value of defined benefit obligations	1,138,144	1,046,939	590,101	623,819
Fair value of plan assets	(1,152,121)	(1,038,404)	(545,036)	(545,172)
Net (surplus)/liability	(13,977)	8,535	45,065	78,647
b) The amounts recognised in the statement of profit or loss:				
Current service cost	23,590	23,055	22,557	27,353
Net interest cost	1,119	11,967	10,372	9,481
	24,709	35,022	32,929	36,834
c) Movement in the present value of defined benefit obligation:				
Present value of defined benefit obligation as at July 1	1,046,939	1,060,600	623,819	566,829
Current service cost	23,590	23,055	22,557	27,353
Interest cost	146,355	95,325	79,340	48,054
Benefits paid	(56,868)	(50,451)	(96,956)	(82,381)
Benefits payable to outgoing member	-	-	(11,719)	-
Remeasurement (gain)/loss of defined benefit obligation	(21,872)	(81,590)	(26,940)	63,964
Present value of defined benefit obligation as at June 30	1,138,144	1,046,939	590,101	623,819

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
d)	**Movement in the fair value of plan assets:**				
	Fair value of plan assets as at July 1	1,038,404	921,777	545,172	457,135
	Expected return on plan assets	145,236	83,358	68,968	38,573
	Contributions	31,918	143,209	35,824	132,080
	Benefits paid	(56,868)	(50,451)	(96,956)	(82,381)
	Benefits payable to outgoing member	-	-	(11,719)	-
	Bank charges	-	-	4	-
	Remeasurement (loss)/gain of plan assets	(6,569)	(59,489)	3,743	(235)
	Fair value of plan assets as at June 30	1,152,121	1,038,404	545,036	545,172
	Actual return on plan assets	138,667	23,869	72,711	38,338

The Company expects to contribute Rs 211 million during the year ending June 30, 2020 to its defined benefit pension and gratuity plans (2019: Rs 62 million).

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
e)	**Plan assets comprise of:**				
	Investment in equity securities	100,453	199,480	5	10
	Investment in mutual funds	10,900	43,144	3,633	10,702
	Deposits with banks	1,077,923	124,943	519,462	75,760
	Debt instruments	59,327	1,884,104	39,359	1,041,163
	Benefits due	395	-	-	-
	Share of asset of related parties	(96,877)	(1,213,267)	(17,423)	(582,463)
		1,152,121	1,038,404	545,036	545,172

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	
		2020	2019	2020	2019
		Rs '000		Rs '000	
g)	**Remeasurement recognised in OCI:**				
	Remeasurement gain/(loss) on obligation				
	Gain/(loss) due to change in:				
	Financial assumptions	(26,702)	81,077	(146)	5,225
	Experience adjustments	48,574	513	27,086	(69,189)
		21,872	81,590	26,940	(63,964)
	Remeasurement (loss)/gain on plan assets	(6,569)	(59,489)	3,743	(235)
		15,303	22,101	30,683	(64,199)

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2020

		Funded pension		Funded gratuity	
		2020	2019	2020	2019
		Rs '000		Rs '000	
h)	**Principal actuarial assumptions used in the actuarial valuation are as follows:**				
	Discount rate	8.50%	14.00%	8.50%	14.00%
	Expected return on plan assets	8.50%	14.00%	8.50%	14.00%
	Future salary increases	7.50%	12.75%	7.50%	12.75%
	Future pension increases	2.50%	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	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year
	Mortality rates (post retirement)	SLIC (2001 -05)-1 year	SLIC (2001 -05)-1 year	N/A	N/A

i) There is no significant risk associated with the plan assets, as significant component thereof comprises of fixed interest rate bearing TDR's and saving accounts with financial institutions having satisfactory credit ratings.

j) **Sensitivity Analysis:**

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

	Effect of 1 percent increase	Effect of 1 percent decrease
	Rs '000	Rs '000
Discount rate	1,578,132	1,908,823
Future salary growth	1,795,732	1,666,671
Pension increase	1,252,516	1,039,283

If the life expectancy increase by 1 year, the impact on defined benefit obligation increase by Rs 13.261 million.

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

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

	Pension	Gratuity
	Rs '000	
FY 2021	31,030	96,957
FY 2022	63,530	171,068
FY 2023	67,144	97,755
FY 2024	73,623	100,655
FY 2025	79,871	40,814
FY 2026-30	479,813	242,799

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

	Pension	Gratuity
	Years	
Plan Duration		
June 30, 2020	11.05	4.12
June 30, 2019	10.72	3.76

m) 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.

37. DEFINED CONTRIBUTION PLAN

Details of the provident funds based on unaudited financial statements for the year ended June 30, 2020 are as follows:

	2020 Rs '000	2019 Rs '000
Staff provident fund		
Size of the fund	589,855	480,605
Cost of investments made	558,330	445,798
Fair value of investments made	585,912	471,568
%age of investments made	99%	98%

	2020		2019	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	33,839	6%	31,931	7%
Mutual Funds	10,308	2%	9,726	2%
Bank deposits	44,423	8%	56,092	13%
Term deposits	469,760	84%	348,049	78%
	558,330	100%	445,798	100%

	2020 Rs '000	2019 Rs '000
General Staff Provident Fund		
Size of the fund	485,928	515,292
Cost of investments made	472,180	499,341
Fair value of investments made	482,879	509,871
%age of investments made	99%	98%

	2020		2019	
	Rs '000	%age	Rs '000	%age
Breakup of investment - at cost				
Shares	24,650	5%	24,651	5%
Mutual Funds	10,900	2%	13,402	2%
Bank deposits	8,330	2%	47,850	10%
Term deposits	428,300	91%	413,438	83%
	472,180	100%	499,341	100%

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

38. OPERATING SEGMENTS

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

	2020 Rs '000	2019 Rs '000
High Speed Diesel	63,044,068	85,264,010
Premier Motor Gasoline	63,445,294	71,268,866
Furnace Fuel Oil	20,023,865	33,822,241
Jet petroleum	13,493,896	18,369,168
Naphtha	3,467,747	11,015,370
Others	10,926,030	11,656,196
	174,400,900	231,395,851
Less: Taxes, duties levies, discounts and price differential	54,499,745	54,557,248
	119,901,155	176,838,603

Revenue from four major customers of the Company constitute 90% (2019: 88%) of total revenue during the year.

39. RELATED PARTY TRANSACTIONS

Attock Oil Company Limited holds 61.03% (2019: 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 Officer, directors and executives is disclosed in note 40 to the financial statements.

	2020 Rs '000	2019 Rs '000
Associated companies		
Pakistan Oilfields Limited		
Rental income	755	697
Rental expense	2,861	2,861
Sale of hospital and medical services by AHL	13,502	12,585
Sale of Regulated Petroleum Products	276,363	213,494
Purchase of crude oil	12,751,834	19,028,394
Purchase of gas	15,945	13,671
Pipeline Charges	2,871	1,484
Reimbursement of expenses incurred by POL on behalf of ARL	857	3,228
Reimbursement of expenses incurred by ARL on behalf of POL	19,313	19,096
LPG Handling Charges	1,148	880
Attock Petroleum Limited		
Rental income	1,592	1,409
Interest Income on delayed payments	1,149,712	784,571
Dividend received by ARL from APL	326,594	671,333
Sale of hospital and medical services by AHL	9,884	9,186
Sale of Regulated Petroleum Products	31,552,827	38,050,602
Sale of De-Regulated Petroleum Products	14,729,348	14,783,982

	2020 Rs '000	2019 Rs '000
Purchase of Regulated Petroleum Products	7,762	6,670
Purchase of lube oil	2,067	3,234
Naphtha Export	55,907	167,099
Reimbursement of expenses incurred by ARL on behalf of APL	22,041	18,834
Reimbursement of expenses incurred by APL on behalf of ARL	-	1,483
RFO Handling Charges	25,419	38,025
National Refinery Limited		
Dividend received by ARL from NRL	-	199,916
Naphtha Storage Charges	116,018	123,746
Reimbursement of expenses incurred by ARL on behalf of NRL	580	-
Reimbursement of expenses incurred by NRL on behalf of ARL	153	-
Attock Cement Pakistan Limited		
Sale of hospital and medical services by AHL	11	14
Reimbursement of expenses incurred by ACL on behalf of ARL	414	360
Reimbursement of expenses incurred by ARL on behalf of ACL	92	-
Attock Gen Limited		
Storage tank lease income	20,126	18,371
Land lease income	36,107	24,188
Dividend received by ARL from AGL	299,318	448,977
Sale of Regulated Petroleum Products	1,670	1,636
Sale of goods	4,034	4,134
Sale of hospital and medical services by AHL	897	1,055
Reimbursement of expenses incurred by ARL on behalf of AGL	14,705	6,592
National Cleaner Production Centre Foundation		
Rental income	2,530	2,223
Sale of hospital and medical services by AHL	58	103
Sale of Regulated Petroleum Products	303	268
Purchase of goods and services	3,994	4,160
Reimbursement of expenses incurred by ARL on behalf of NCPC	22,228	19,665
Attock Information Technology Services (Private) Limited		
Purchase of services	55,489	52,632
Sale of Regulated Petroleum Products	395	441
Reimbursement of expenses incurred by ARL on behalf of AITSL	5,403	5,357
Capgas (Private) Limited		
Sale of services	556	613
Attock Leisure & Management Associates (Private) Limited		
Sale of Regulated Petroleum Products	254	76
Reimbursement of expenses incurred by ARL on behalf of ALMA	442	107
Attock Sahara Foundation		
Rental income	169	137
Purchase of goods and services	9,096	11,805
Sale of hospital and medical services by AHL	1,341	858
Reimbursement of expenses incurred by ARL on behalf of ASF	746	874
Reimbursement of expenses incurred by ASF on behalf of ARL	250	-

	2020 Rs '000	2019 Rs '000
Attock Energy (Private) Limited [Previously Attock Solar (Private) Limited]		
Purchase of goods and services (Solar panels)	3,140	831
Reimbursement of expenses incurred by ARL on behalf of AEPL	864	392
Holding Company		
Attock Oil Company Limited		
Rental income	271	257
Rental Expense	117,709	101,310
Purchase of crude oil	361,847	501,560
Sale of Regulated Petroleum Products	130	138
Sale of hospital and medical services by AHL	130	161
Reimbursement of expenses incurred by AOC on behalf of ARL	7,631	8,236
Reimbursement of expenses incurred by ARL on behalf AOC	27,055	34,214
Other related parties		
Remuneration including benefits and perquisites of		
Chief Executive Officer and key management personnel	216,932	184,100
Directors Fees	8,575	7,778
Contribution to staff retirement benefits plans		
Staff Pension Fund	31,918	143,210
Staff Gratuity Fund	35,824	132,080
Staff Provident Fund	37,627	40,235

39.1 Following are the related parties with whom the Company had entered into transactions or have arrangement/ agreement in place.

Sr. No.	Company Name	Basis of association	Aggregate % of shareholding
1	The Attock Oil Company Limited		
	(Incorporated in England - Pakistan Branch Office)	Holding Company	61.03%
2	National Refinery Limited	Associated Company	25.00%
3	Attock Petroleum Limited	Associated Company	21.88%
4	Attock Gen Limited	Associated Company	30.00%
5	Attock Information Technology Services (Pvt.) Ltd.	Associated Company	10.00%
6	Pakistan Oilfields Limited	Associated Company	Nil
7	Attock Cement Pakistan Limited	Associated Company	Nil
8	National Cleaner Production Centre Foundation	Associated Company	Nil
9	Attock Leisure & Management Associates (Pvt.) Ltd.	Associated Company	Nil
10	Attock Energy (Pvt.) Limited	Associated Company	Nil
11	Attock Hospital (Pvt.) Limited	Wholly owned Subsidiary	100.00%

39.2 Associated Companies incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

Name of undertaking	The Attock Oil Company Limited
Registered Address	4, Swan Street Manchester, England, M4 5JN
Country of Incorporation	England
Basis of association	Parent Company
Aggregate %age of Shareholding	61.03%
Chief Executive Officer	Shuaib A. Malik
Operational status	Private Limited Company
Auditor's opinion on latest available financial statements	Unqualified Opinion

40. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executives	
	2020 Rs '000	**2019 Rs '000**	**2020 Rs '000**	**2019 Rs '000**
Managerial remuneration/honorarium	10,609	9,273	84,111	65,430
Bonus	3,061	3,609	18,798	21,260
Company's contribution to Provident,				
Pension and Gratuity Funds	-	-	18,014	14,908
Housing and utilities	7,251	6,792	68,397	54,724
Leave passage	1,530	1,250	10,498	6,854
	22,451	20,924	199,818	163,176
Less: charged to Attock Gen Limited	5,337	-	-	-
	17,114	20,924	199,818	163,176
No of person(s)	1	1	35	26

40.1 In addition to above, the Chief Executive Officer and 19 (2019: 19) executives were provided with limited use of the Company's cars. The Chief Executive Officer and all executives were provided with medical facilities. Limited residential telephone facility was also provided to the Chief Executive Officer and 7 (2019: 4) executives. Leave passage is paid to Chief Executive Officer and all executives in accordance with the terms of employment.

40.2 Further, based on actual attendance, meeting fee of Rs 6.07 million (2019: Rs 5.29 million) was paid to 5 (2019: 5) Non-Executive Directors, Rs 1.25 million (2019: Rs 1.06 million) to Cheif Executive Officer and Rs 1.25 million (2019: Rs 1.43 million) to 1 (2019: 2) alternate directors of the Company.

40.3 In terms of the definition of executive specified per the provision of the Companies Act 2017, there were no employees of the subsidiary to be reported in the category of executives.

41. FINANCIAL INSTRUMENTS

41.1 Financial assets and liabilities

	2020 Rs '000	2019 Rs '000
Financial assets:		
Amortisesd cost		
Maturity upto one year		
Trade debts	12,728,517	22,411,940
Loans, advances, deposits & other receivables	2,755,219	2,054,012
Cash and bank balances		
Foreign currency - US $	79,088	74,652
Local currency	8,079,602	16,548,039
Maturity after one year		
Long term loans and deposits	40,626	44,490
	23,683,052	41,133,133
Financial liabilities:		
Other financial liabilities		
Maturity upto one year		
Trade and other payables	28,316,401	38,943,898
Unclaimed dividends	9,355	9,566
Long term borrowings	-	2,200,000
Long term lease liability	214,899	-
Accrued mark-up on long term financing	204,519	271,166
Maturity after one year		
Long term financing	7,614,194	7,981,422
Long term lease liability	106,741	-
	36,466,109	49,406,052

41.2 Credit quality of financial assets

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

	Rating	2020 Rs '000	2019 Rs '000
Trade debts			
Counterparties with external credit rating	A 1+	900,266	7,712,750
Counterparties without external credit rating			
Due from associated companies		10,378,894	10,473,791
Others *		1,449,357	4,225,399
		12,728,517	22,411,940
Loans, advances, deposits and other receivables			
Counterparties without external credit rating		2,795,845	2,098,502

	Rating	2020 Rs '000	2019 Rs '000
Bank balances			
Counterparties with external credit rating	A 1+	8,075,912	16,085,686
	A 1	80,381	535,345
		8,156,293	16,621,031

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

41.3 Financial risk management

41.3.1 Financial risk factors

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

a) Credit risk

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

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

At June 30, 2020, trade debts of Rs 10,378.97 million (2019: Rs 10,477.30 million) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2020 Rs '000	2019 Rs '000
0 to 6 months	3,650,831	5,159,728
6 to 12 months	1,692,294	5,017,391
Above 12 months	5,035,844	300,181
	10,378,969	10,477,300

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

The table below analysis the contractual maturities of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 Year	Above 1 year
	Rs '000	Rs '000	Rs '000	Rs '000
At June 30, 2020				
Long term financing	7,818,713	9,963,889	769,889	9,194,000
Accrued Interest	204,519	204,519	204,519	-
Lease liability	321,640	349,633	223,423	126,210
Trade and other payables	28,316,401	28,316,401	28,316,401	-
Unclaimed dividend	9,355	9,355	9,355	-
At June 30, 2019				
Long term financing	10,452,588	13,551,071	3,506,072	10,044,999
Accrued Interest	271,166	271,166	271,166	-
Lease liability	-	-	-	-
Trade and other payables	38,943,898	38,943,898	38,943,898	-

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

c) **Market risk**

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

i) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. Financial assets include Rs 79 million (2019: Rs 75 million) and financial liabilities include Rs 3,743 million (2019: Rs 4,502 million) which were subject to currency risk.

	2020	2019
Rupees per USD		
Average rate	158.65	136.39
Reporting date rate	168.60	160.30

Sensitivity analysis

At June 30, 2020, 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 260 million (2019: Rs 314 million) lower/higher.

ii) **Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets and liabilities include balances of Rs 8,144 million (2019: Rs 16,574 million) and Rs 11,369 million (2019: Rs 13,557 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, 2020, if interest rates had been 1% higher/lower with all other variables held constant, loss after tax for the year would have been Rs 22 million (2019: profit Rs 22 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

iii) Price risk

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

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

41.3.2 Capital risk management

The 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 Group's approach to the capital management during the year.

As mentioned in note - 8.1, the Company is subject to pricing formula whereby profits after tax from refinery operations in excess of 50% of the paid up capital as of July 1, 2002 are transferred to special reserve and can only be utilized to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

41.4 Fair value of financial assets and liabilities

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

42. FAIR VALUE HIERARCHY

Fair value of land

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at June 30, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'. The different levels have been defined as follows:

- **Level 1**

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

- **Level 2**

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

- **Level 3**

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

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

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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2020

		2020 Rs '000	2019 Rs '000
43.	**CASH GENERATED FROM OPERATIONS**		
	Loss before taxation	(6,236,865)	(11,312,594)
	Adjustments for:		
	Depreciation	2,826,054	2,583,323
	Gain on disposal of property, plant and equipment	(5,094)	(6,685)
	Provision for slow moving store items	13,111	5,851
	Workers' Welfare Fund	313	763
	Amortization of deferred grant	(606)	(215)
	Interest income	(1,433,181)	(1,786,091)
	Finance cost (net)	1,063,548	6,623,676
	Effect of exchange rate changes	-	(17,001)
	Interest on delayed payments	(1,149,712)	(784,571)
	Share of loss in associates	440,818	642,406
	Impairment loss on investment in associated company	1,130,060	1,913,702
	Impairment loss on financial asset	347,521	140,683
		(3,004,033)	(1,996,753)
	Working capital changes		
	(Increase)/decrease in current assets:		
	Stores, spares and loose tools	(868,221)	(676,066)
	Stock-in-trade	2,853,576	(230,401)
	Trade debts	10,154,502	(6,752,210)
	Loans, advances, deposits, prepayments and other receivables	(57,544)	(22,519)
		12,082,313	(7,681,196)
	Increase/(decrease) in current liabilities:		
	Trade and other payables	(14,503,406)	12,778,385
	Cash generated from operations		
	Payments of WPPF	-	20,000
	Income taxes paid	(716,912)	(789,802)
		(716,912)	(769,802)
	Net cash outflows/inflows from operating activities	(6,142,038)	2,330,634

44. CASH AND CASH EQUIVALENTS

This represents cash and bank balances.

45. DISCLOSURE FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under paragraph 10 of part 1 of the forth schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

	Description	Explanation	
i)	Loans and advances obtained as		
	per Islamic mode	Disclosed in note 9	
ii)	Deposits	Non-interest bearing	
iii)	Segment revenue	Disclosed in note 38	
iv)	Relationship with banks having	Following is the list of banks with which the Company has a	
	Islamic windows	relationship with Islamic window of operations:	
		1. Meezan Bank Limited	
		2. Al-Baraka Bank (Pakistan) Limited	
		3. Dubai Islamic Bank	
		As at June 30, 2020	**Rs '000**
v)	Bank balances	Placed under interest arrangement	8,071,004
		Placed under Shariah permissible arrangement	85,289
			8,156,293
		For the year ended June 30, 2020	
vi)	Income on bank deposits including	Placed under interest arrangement	1,407,326
	income accrued as at reporting date	Placed under Shariah permissible arrangement	25,855
			1,433,181
		For the year ended June 30, 2020	
vii)	Interest paid including accrued as at	Placed under interest arrangement	681,308
	reporting date	Placed under Shariah permissible arrangement	222,993
			904,301
viii)	All sources of other income	Disclosed in note 30	
ix)	Exchange gain	Earned from actual currency	

Disclosures other than above are not applicable to the Company.

46 GENERAL

46.1 The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. It resulted in decrease in demand of petroleum products during the lockdown period and consequently decrease in sales during the year. However, the businesses are resuming as per relaxation given by the Authorities. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

46.2 Capacity and production

Against the designed annual refining capacity of US barrels 18.690 million (2019: 18.690 million) the actual throughput during the year was US barrels 12.995 million (2019: 17.467 million). The underutilization was due to the Covid-19 pandemic which resulted in refineries operating at a lower capacity due to the reduced demand of petroleum products during the lock down period from March to June 2020.

Total capacity of the hospital is 46 beds (2019: 46 beds).

	2020	2019
46.3 Number of employees		
Number of employees at June 30		
Permanent	556	612
Contract	384	398
	940	1010
Average number of employees for the year		
Permanent	580	631
Contract	389	380
	969	1011

46.4 Unavailed credit facilities

The Company has entered into an arrangement with banks for obtaining Letter of Credit and Letter of Guarantee facility to import chemical, spare parts and other materials upto a maximum of Rs 2,978.00 million (2019: Rs 3,228.00 million). The facility is secured against lien on shipping documents. The unavailed facility at June 30, 2020 was Rs 1,436.39 million (2019: Rs 1,134.72 million). The facilities will expire on various dates after June 30, 2020.

46.5 Rounding off

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

47. DATE OF AUTHORISATION

These consolidated financial statements have been authorised for issue by the Board of Directors of the Company on August 26, 2020

Syed Asad Abbas
Chief Financial Officer

M. Adil Khattak
Chief Executive Officer

Abdus Sattar
Director

Notice of Annual General Meeting

Notice is hereby given that the 42nd Annual General Meeting of the Company will be held at Attock House, Morgah, Rawalpindi, on October 19, 2020 at 11:00 a.m. through video link, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and approve the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2020.
2. To appoint auditors for the year ending on June 30, 2021 and to fix their remuneration.
3. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

Saif

Saif-ur-Rehman Mirza
Company Secretary

Registered Office:
The Refinery,
Morgah, Rawalpindi
September 28, 2020

NOTES:

Covid-19 Contingency Planning for Annual General Meeting (AGM):
In light of the threat posed by the COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) has advised companies to modify their usual planning for general meetings in order to ensure safety and well-being of shareholders and the public at large through Circular No. 5 of 2020 dated March 17, 2020 and Circular No. 25 of 2020 dated August 31, 2020.

Notice of Annual General Meeting

Accordingly, the Company will be convening its Annual General Meeting (AGM) via video link while ensuring compliance with the quorum requirements. To attend the AGM through video-link members are requested to register them by providing the following information with the Company Secretary office at the earliest but not later than 48 hours before the time of the AGM i.e. before 11:00 a.m. on October 17, 2020:

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	Cell No.	Email Address

Shareholders are requested to provide active mobile number and email address to ensure timely communication.

The above mentioned information can be provided through following modes:

a) Mobile/WhatsApp: 0312-5066389
b) Email: 42agm@arl.com.pk

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 17, 2020 by 11:00 a.m. Shareholders are also encouraged to provide their comments and queries on the agenda items of the AGM through above contact number/email address which will be appropriately addressed in the meeting.

Members will be registered, after necessary verification as per the above requirement. The registered members will be provided video-link by the Company via email.

FOR ATTENDING THE MEETING:

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

ii. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by sharing a copy of his/her CNIC or passport through email (as mentioned in the notes) at least 48 hours before the AGM.

iii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be shared through email (as mentioned in the notes) (unless it has been provided earlier) at least 48 hours before the AGM.

FOR APPOINTING PROXIES:

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

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

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

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

v. Proxies attending meeting on behalf of members are also required to provide below information for the purpose of attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

Name of Proxy	CNIC No.	Folio No./CDC Account No.	Cell No.	Email Address

COMPUTERIZED NATIONAL IDENTITY CARD NUMBER/NATIONAL TAX NUMBER

In compliance with regulatory directives issued from time to time, members who have not yet provided their Computerized National Identity Card (CNIC) Numbers and/or National Tax Numbers (NTN), as the case may be, are requested to kindly provide copies of their valid CNIC and/or NTN certificates at the earliest as follows:

- The shareholders who hold Company's shares in physical form are requested to submit the above information to the Share Registrar of the Company.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant Participant/CDC Investor Account Service.

DEDUCTION OF INCOME TAX FOR FILER AND NON FILER:

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment, if any, effective July 1, 2020 are as follows:

1.	Rate of tax deduction for persons appearing in Active Taxpayer List (ATL)	15%
2.	Rate of tax deduction for persons not appearing in Active Taxpayer List (ATL)	30%

In case of Joint account, each holder is to be treated individually as appearing in ATL or not appearing in ATL and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

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

The CNIC/NTN number is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued and updated by the Federal Board of Revenue (FBR) in a timely manner.

EXEMPTION FROM DEDUCTION OF INCOME TAX/ZAKAT:

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

CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 13, 2020 to October 19, 2020 (both days inclusive). Transfers received in order at the office of Share Registrar M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan at the close of business on October 12, 2020 will be treated in time for the purpose of Annual General Meeting.

Notice of Annual General Meeting

CIRCULATION/TRANSMISSION OF ANNUAL REPORTS THROUGH ELECTRONIC FORM:

The SECP vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of Annual General Meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of Annual General Meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website www.arl.com.pk to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

CONSENT FOR VIDEO CONFERENCE FACILITY:

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

The Company Secretary
Attock Refinery Limited,
Refinery Post Office,
Morgah, Rawalpindi.

CHANGE OF ADDRESS:

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

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2020 have been made available on the Company's website www.arl.com.pk in addition to annual and quarterly financial statements for the prior years.

PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE (MANDATORY):

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

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

UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

The Shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

Glossary

AGL
Attock Gen Limited

AGM
Annual General Meeting

AHL
Attock Hospital (Pvt.) Limited

AOC
Attock Oil Company Limited

APL
Attock Petroleum Limited

ASF
Attock Sahara Foundation

AITSL
Attock Information Technology Services (Pvt.) Limited

BPD
Barrels Per Day

BR&A
Business Review and Assurance

CBA
Collective Bargaining Agent

CCG
Code of Corporate Governance

CDC
Central Depository Company of Pakistan Limited

CSR
Corporate Social Responsibility

DHDS
Diesel Hydro De-Sulpurization

EPS
Earning Per Share

FFO
Furnace Fuel Oil

GRM
Gross Refiner's Margin

HBU
Howe Baker Unit

HOBC
High Octane Blending Component

HR&A
Human Resource and Administration

HSD
High Speed Diesel

HSEQ
Health Safety Environment and Quality

HSFO
High Sulfur Furnace Fuel Oil

IAS
International Accounting Standards

ICAP
Institute of Chartered Accountants of Pakistan

ICMAP
Institute of Cost and Management Accountants of Pakistan

IFEM
Inland Freight Equalisation Margin

IFRS
International Financial Reporting Standards

IPP
Independent Power Producer

ISO
International Organization for Standardization

JBO
Jute Batching Oil

JPs
Jet Petroleum

LDO
Light Diesel Oil

LPG
Liquefied Petroleum Gas

LSFO
Low Sulfur Furnace Fuel Oil

LSRN
Light Straight Run Naphtha

MTT
Mineral Turpentine Tar

NCPC
National Cleaner Production Centre

NRL
National Refinery Limited

OGRA
Oil and Gas Regulatory Authority

OHSAS
Occupational Health and Safety Management System

OMCs
Oil Marketing Companies

PACRA
The Pakistan Credit Rating Agency Limited

PICG
Pakistan Institute of Corporate Governance

PMB
Polymer Modified Bitumen

PMG
Premium Motor Gasoline

POL
Pakistan Oilfields Limited

PSO
Pakistan State Oil Company Limited

PSQCA
Pakistan Standard Quality Control Authority

RFO
Residual Fuel Oil

SECP
Securities and Exchange Commission of Pakistan

UNGC
United Nations Global Compact

UOP
Universal Oil Products

WPPF
Workers Profit Participation Fund

WWF
Workers Welfare Fund

This page is intentionally left blank

Form of Proxy

Attock Refinery Limited

42nd Annual General Meeting

I / We ______________________________

of ______________________________

being member(s) of Attock Refinery Limited holding ______________________________

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

of ______________________________ or failing him / her

______________________________ of

______________________________ as my / our proxy in my / our

absence to attend and vote for me/us and on my/our behalf, at the 42nd Annual General Meeting of the Company to be held at Attock House, Morgah, Rawalpindi, on Monday, October 19, 2020 at 11:00 a.m., through video link, and at any adjournment thereof.

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

Signature on Fifty Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Dated this __________ day of __________ 2020

Signature of Shareholder ______________________________

Signature of Proxy ______________________________

1. WITNESS:

Signature ______________________________
Name ______________________________
Address ______________________________

CNIC No. or

Passport No. ______________________________

2. WITNESS:

Signature ______________________________
Name ______________________________
Address ______________________________

CNIC No. or

Passport No. ______________________________

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office, P.O. Refinery, Morgah, Rawalpindi-46600, Pakistan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities:
   In addition to the above the following requirements have to be met:
   - i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
   - ii. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

AFFIX
CORRECT
POSTAGE

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

نیابت داری فارم

اٹک ریفائنری لمیٹڈ

۴۲واں سالانہ اجلاس عام

میں/ہم-------------------------------سکنہ-------------------------------بحیثیت ممبر اٹک ریفائنری لمیٹڈ کے---------- عمومی حصص کا مالک ہوں۔ جناب / مسز / محترمہ-------------------سکنہ ----------------یا اُن کی عدم حاضری کی وجہ سے جناب / مسز / محترمہ-------------------سکنہ--------------------------- کو کمپنی کے ۴۲ویں سالانہ اجلاسِ عام، بذریعہ وڈیو لنک، جو کہ بروز پیر، ۱۹ اکتوبر ۲۰۲۰ء کو ۱۱:۰۰ بجے صبح، اٹک ہاؤس، مور گاہ، راولپنڈی میں منعقد ہو گا یا اس کے کسی بھی التوائی اجلاس کیلئے میرے / ہمارے نیابت دار کے طور پر مقرر کرتا / کرتے ہیں کہ وہ میری / ہماری غیر موجودگی میں میری/ہماری جانب سے شرکت کریں اور رائے دہندگی کا استعمال کریں۔

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	پارٹیسپنٹ آئی ڈی	اکاؤنٹ نمبر

پچاس روپے کی
رسیدی ٹکٹ
پر دستخط

دستخط کمپنی میں محفوظ نمونے کے مطابق ہونے چاہیے

حصہ دار کے دستخط ____________________

نیابت دار کے دستخط ____________________

تاریخ : دن ________ ماہ ____________ ۲۰۲۰ء

ا۔ گواہ:	۲۔ گواہ:
دستخط ____________	دستخط ____________
نام ____________	نام ____________
پتہ ____________	پتہ ____________

شناختی کارڈ نمبر ____________ شناختی کارڈ نمبر ____________

یا یا

پاسپورٹ نمبر ____________ پاسپورٹ نمبر ____________

ضروری اُمور:

۱. باضابطہ مکمل شدہ اور دستخط کردہ نیابت داری فارم اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ دفتر پوسٹ بکس ریفائنری، مور گاہ راولپنڈی ۔ ۴۶۶۰۰ پاکستان میں جمع کرانا ضروری ہے۔

۲. اگر ایک ممبر ایک سے زیادہ نیابت دار مقرر کرتا ہے اور کمپنی میں ایک سے زیادہ نیابت داری کی دستاویزات جمع کرواتا ہے تو ایسی تمام دستاویزات غیر مؤثر ہو جائیں گی۔

۳. **سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے:**

مندرجہ بالا کے علاوہ درج ذیل تقاضے بھی پورے کرنا ہوں گے:۔

(i) نیابت داری فارم کے ساتھ حصہ داران اور نیابت دار کا شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی فراہم کرنا ہوں گی۔

(ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ کے ساتھ نمونے کے دستخط (اگر پیشگی مہیا نہیں کیا گیا) کمپنی کے نیابت داری فارم کے ساتھ پیش کرنا ہوں گے۔

AFFIX
CORRECT
POSTAGE

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

Attock Refinery Limited

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