Vision of today is

Tomorrow's Achievement

Annual Report 2015

National Refinery Limited

Contents

COMPANY OVERVIEW

VISION

Our passion is to attain distinctive leadership amongst the corporate success stories of tomorrow.

We at NRL recognize that realization of this passion needs superior professional competencies, continuous value addition and improvising, development of human capital and complete commitment to safety, occupational health and environment.

MISSION

- To remain the premium and preferred supply source for various petroleum products and petrochemicals.
- Offer products that are not only viable in terms of desirability and price but most importantly give true and lasting value to our customers.
- Deliver strong returns on existing and projected investments of our stakeholders by use of specialised and high quality corporate capabilities.
- Business development by adoption of emerging technologies, growth in professional competence, support to innovation, enrichment of human resource and performance recognition.
- Be a responsible corporate citizen by serving the community through a variety of socio-economic acts and maintaining a high level of safety, occupational health and environmental care.

CORE VALUES

Following concepts and ideas guide the Management and Staff of National Refinery Limited in conducting its business practices in most ethical ways:

1. **Ethical Conduct and Integrity**
   We value lifestyle in our organization where ethics like truth, honesty, integrity and fair play are basic ingredients while inter-acting within the organization or dealing with the outside world.

2. **Teamwork and Responsibility**
   We share information and resources and step in to help out other team members. Conflicts are worked out in spite of obstacles and difficulties. We accept responsibility with “can do” attitude.

3. **Customer satisfaction**
   We endeavor to provide quality products to our customers at competitive prices. We value their satisfaction essential for continued growth of our business.

4. **Continuous improvement**
   We generate new ideas and creative approaches to upgrade and update our refinery to best available technology and processes so that our products are at the level of internationally accepted standards.

5. **Profitability**
   We believe in enhancing our profitability to the maximum so that Employees, Shareholders and Government all benefits from it.

6. **Corporate Citizenship**
   As a good Corporate Citizen, we are more than willing and happy to meet our social responsibilities towards the community around us. We are also committed to meet requirements of health, safety and environment.

CORPORATE INFORMATION

Board of Directors
Dr. Ghaith R. Pharaon – Chairman
Alternate Director: Abdus Sattar

Laith G. Pharaon
Alternate Director: Jamil A. Khan

Wael G. Pharaon
Alternate Director: Babar Bashir Nawaz

Shuaib A. Malik
Musa Bojang
Bahauddin Khan
Tariq Iqbal Khan

Chief Executive Officer
Shuaib A. Malik

Chief Financial Officer
Anwar A. Shaikh

Company Secretary
Nouman Ahmed Usmani

Audit Committee

Tariq Iqbal Khan	Chairman
Abdus Sattar Alternate to Dr. Ghaith R. Pharaon	Member
Babar Bashir Nawaz Alternate to Wael G. Pharaon	Member
Bahauddin Khan	Member
Shaikh Ather Ahmed	Secretary

Human Resource and Remuneration (HR&R) Committee

Musa Bojang	Chairman
Bahauddin Khan	Member
Babar Bashir Nawaz Alternate to Wael G. Pharaon	Member
Shuaib A. Malik	Member
Nouman Ahmed Usmani	Secretary

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Solicitors

Ali Sibtain Fazli & Associates

Primary Bankers

MCB Bank Limited
Allied Bank Limited
Habib Bank Limited
Askari Bank Limited
Faysal Bank Limited
United Bank Limited
Samba Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
National Bank of Pakistan
Habib Metropolitan Bank Limited

Share Registrar

THK Associates (Pvt.) Ltd.,
2nd Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road,
Karachi-75530
P. O. Box No. 8533
UAN: + 92-21-111-000-322
Direct: + 92-21-35693094-95
Fax: + 92-21-35655595
Email: secretariat@thk.com.pk
Website: www.thk.com.pk

Registered Office

7-B, Korangi Industrial Area,
P.O. Box 8228, Karachi-74900
UAN: 111-675-675
PABX: + 92-21-35064981-86
+ 92-21-35064977-79
Fax: + 92-21-35054663
+ 92-21-35066705
Website: www.nrlpak.com
E-mail: info@nrlpak.com


OPERATIONS BLOCK

NRL AT A GLANCE

First Lube Refinery

Design Capacity	539,700 Tons per year of Crude processing
Design Capacity	76,200 Tons per year of Lube Base Oils
Date Commissioned	June 1966
Project Cost	Rs. 103.9 million

Fuel Refinery

Before Re-Vamp

Design Capacity	1,500,800 Tons per year of Crude processing
Date Commissioned	April 1977
Project Cost	Rs. 607.5 million

After Re-Vamp

Design Capacity	2,170,800 Tons per year of Crude processing
Date Commissioned	February 1990
Project Cost of Revamping	Rs. 125.0 million

BTX Unit

Design Capacity	25,000 Tons per year of BTX
Date Commissioned	April 1979
Project Cost	Rs. 66.7 million

Second Lube Refinery

Before Re-Vamp

Design Capacity	100,000 Tons per year of Lube Base Oils
Date Commissioned	January 1985
Project Cost	Rs. 2,082.4 million

After Re-Vamp

Design Capacity	115,000 Tons per year of Lube Base Oils
Date Commissioned	June 2008
Project Cost of Revamping	Rs. 585.0 million

Shareholders’ Equity

June 1966	Rs. 20.0 million
June 2015	Rs. 30,133.7 million


USE PPE
SAFETY HELMET
SAFETY SHOES
HAND GLOVES

CORPORATE OBJECTIVES & DEVELOPMENT STRATEGY

National Refinery Limited is a petroleum refining and petrochemical complex engaged in manufacturing and supplying a wide range of fuel products, lubes, BTX, asphalts and specialty products for domestic consumption and export.

NRL objectives and development strategy are aimed at achieving sustainable productivity and profitability and high standards of safety, occupational health and environmental care. This entails human resource re-engineering & development, enhancing value addition, implementing conservation measures and continuing growth through upgradation of existing as well as addition of new facilities. In the changing global environment, corporate objective and development strategy have been defined to meet the challenges of 21st Century.

Corporate Objectives

- Ensure that business policies and targets are in conformity with the national goals.
- Contribute in meeting the country's demand of petroleum and petrochemical products.
- Customer's satisfaction by providing best value and quality products.
- Optimization of the value of barrel of crude oil and cost reduction through conservation measures.
- Achieving and maintaining a high standard of Occupational Health, Safety and Environmental care.
- Ensure reasonable return on the shareholders' existing and projected investments.
- Maintain modern management systems conforming to international standards needed for an efficient organization.

Development Strategy

- Contribute in national efforts towards attaining sustainable self-efficiency in petroleum products.
- Human resource development by upgrading training facilities and exposure to modern technologies/management techniques.
- Balancing and Modernization for energy conservation and enhanced yield of value added products as well as revamping for environment friendly products.
- Expansion of refining capacity by de-bottlenecking and adding new facilities.
- Acquire newer generation technologies for the efficient refinery operations as well as for attaining highest standards of Occupational Health, Safety and Environmental care.
- Acquiring self-sufficiency in re-engineering, design and fabrication of equipments.

DIRECTORS' PROFILE

Name	Other Engagements

Dr. Ghaith R. Pharaon
Chairman and Director
(Non-Executive Director)

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

Director
Pakistan Oilfields Limited
Attock Gen Limited
Attock Leisure & Management Associates (Pvt.) Limited
Attock Refinery Limited
Attock Solar (Pvt.) Limited

Mr. Laith G. Pharaon
(Non-Executive Director)

Director
Attock Petroleum Limited
Pakistan Oilfields Limited
The Attock Oil Company Limited
Attock Refinery Limited
Attock Cement Pakistan Limited
Attock Gen Limited
Attock Leisure & Management Associates (Pvt.) Limited

Mr. Wael G. Pharaon
(Non-Executive Director)

Director
Attock Petroleum Limited
Pakistan Oilfields Limited
The Attock Oil Company Limited
Attock Refinery Limited
Attock Cement Pakistan Limited
Attock Gen Limited
Angoori Heights Development (Pvt.) Limited
Margalla Farm Houses Development (Pvt.) Limited
Rawal Lodges Development (Pvt.) Limited

Mr. Shuaib A. Malik
Deputy Chairman &
Chief Executive Officer
(Executive Director)

Chairman, Chief Executive & Director
Pakistan Oilfields Limited

Chairman & Director
Attock Hospital (Pvt.) Limited
Attock Refinery Limited

Chief Executive & Director
Attock Petroleum Limited
The Attock Oil Company Limited
Attock Information Technology Services (Pvt.) Limited
Angoori Heights Development (Pvt.) Limited
Attock Leisure & Management Associates (Pvt.) Limited
Falcon Pakistan (Pvt.) Limited
Attock Solar (Pvt.) Limited

Director
Attock Cement Pakistan Limited
Attock Gen Limited
Rawal Lodges Development (Pvt.) Limited
Margalla Farm Houses Development (Pvt.) Limited

Resident Director
Pharaon Investment Group Limited Holding SAL

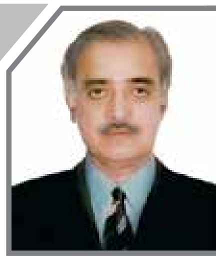
Group Regional Chief Executive

Chairman
NRL Management Staff Pension Fund
NRL Management Staff Gratuity Fund

Name	Other Engagements

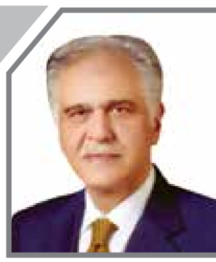
Mr. Musa Bojang
(Independent Director)

Team Leader
Budget & Performance Management Department-
Islamic Development Bank



Mr. Tariq Iqbal Khan
(Independent Director)

Director
Pakistan Oilfields Limited
Gillette Pakistan Limited
International Steels Limited
Lucky Cement Limited
Packages Limited
Silk Bank Limited
FFC Energy Limited
CAS School (Private) Limited



Mr. Bahauddin Khan
(Independent Director)

Chief Operating Officer
Bank Alfalah Limited

Mr. Abdus Sattar
Alternate for
Dr. Ghaith R. Pharaon
(Non-Executive Director)

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

Mr. Babar Bashir Nawaz
Alternate for
Mr. Wael G. Pharaon
(Non-Executive Director)

Director & Chief Executive
Attock Cement Pakistan Limited
Rawal Lodges Development (Pvt.) Limited

Director
Attock Petroleum Limited
Angoori Heights Development (Pvt.) Limited
Margalla Farm Houses Development (Pvt.) Limited
Falcon Pakistan (Pvt.) Limited

Alternate Director
Attock Refinery Limited
Attock Leisure & Management Associates (Pvt.) Limited
Pakistan Oilfields Limited

Mr. Jamil A. Khan
Deputy Managing Director
Alternate for
Mr. Laith G. Pharaon
(Executive Director)

Chairman
NRL Executive Staff Post Retirement Medical Benefit Fund
NRL Non - MPT Staff Gratuity Fund

Trustee
NRL Management Staff Pension Fund
NRL Officers Provident Fund
NRL Workmen Provident Fund
NRL Management Staff Gratuity Fund

CHAIRMAN'S REVIEW

بسم الله الرحمن الرحيم

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors, at the 52nd Annual General Meeting of your Company and to present annual review of results and audited financial statements for the year ended June 30, 2015.

Global economic growth during the outgoing year has witnessed some improvements in macroeconomic indicators of Pakistan. In addition, the Government has signed agreements with China, including agreements for power generation and Pakistan/China Economic Corridor, which are encouraging steps towards the future national economic growth. Government has further reduced mark-up rate to 7% to increase investment activity in the country.

As external factors indicate a favourable outlook, your Company's loss after tax in first six months has turned into profit after tax mainly due to better margins in the last two quarters. During the financial year crude oil prices in the international market took a nose dive from US$ 109 to US$ 44 and then stayed around US $60 in the last quarter. Your Company achieved profit after tax of Rs. 3,709 million as compared to Rs. 962 million in the last year.

After improved margins, fuel segment marginally remained in loss after tax of Rs.81 million as compared to loss after tax of Rs.2,835 million in the last year whereas lube segment maintained its profitability by achieving a profit after tax of Rs.3,790 million compared to Rs.3,797 million.

Desulphurization project to reduce environmental hazard and Isomerization project for profitability are in progress. Chinese contractors are actively working while financial closure has been attained from a Syndicate of Banks. Your company is seriously putting all efforts to maintain the pace of the project and complete the same within the contractual period.

Looking at the financial results and ongoing projects, I would like to appreciate the efforts of the management, employees and all other stakeholders for their untiring efforts and anticipate that company will continue receiving support, confidence and trust of all. Your company will continue to strive through better management and improve efficiency to achieve even better results for the times to come.

Dr. Ghaith R. Pharaon
Chairman

August 12, 2015
Rawalpindi

DIRECTORS' REPORT

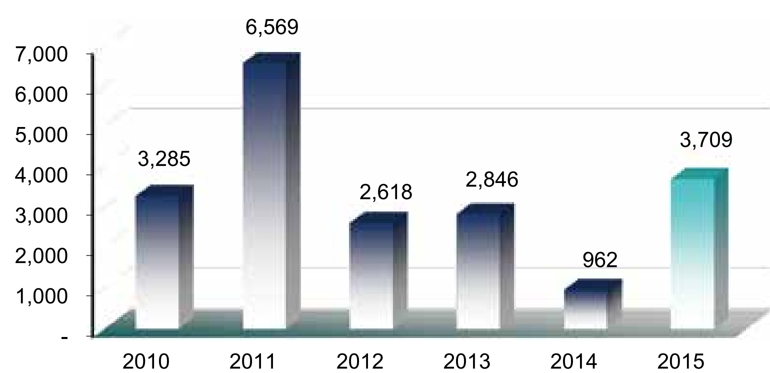
بسم الله الرحمن الرحيم

The Board of Directors is pleased to present the 52nd Annual Report of National Refinery Limited together with the audited financial statements and auditors' report thereon for the year ended June 30, 2015.

Financial Results

Your Company entered into positive zone in the third quarter after facing loss after tax upto December 31, 2014, that included heavy exchange loss. Profitability of the Company further improved in the fourth quarter, with marginal exchange loss. We feel pleasure to announce that the company earned profit after tax of Rs. 3,709 million as compared to Rs. 962 million in last year which is the highest profit in last four years. Profitability improved due to improvement in margins of refined fuel products versus crude oil. Lower prices of crude oil enabled the company to invest unutilized funds to increase the interest income while stable exchange rate during the second half of the year improved the performance.

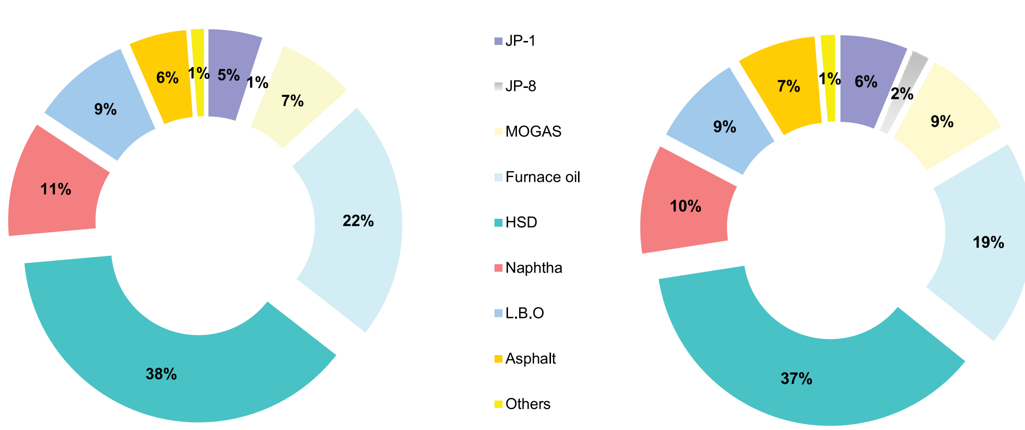
PROFIT AFTER TAX - (Rs in million)



Fuel Segment

Loss after tax in fuel segment continued despite improvement in margins. Fuel segment incurred loss after tax of Rs.81 million as compared to loss after tax of Rs.2,835 million in the same period last year. The prime factor of reduction in losses is better Gross Refining Margin (GRM) and stable exchange rate during the last four months that recovered losses of the previous period. Exchange loss was Rs.851 million as compared to Rs.848 million during last year. However, Price differential claim on High Speed Diesel (HSD) was comparatively on higher side i.e. Rs.1,507 million (2014: Rs.573 million).

2013-2014 SALES VOLUME COMPOSITION 2014-2015



Lube Segment

Lube segment maintained profit after tax of Rs.3,790 million compared to Rs.3,797 million during last year despite reduction in throughput due to turnaround of 26 days.

Local sale volume of Lube Base Oil remained similar to last year, however, export volume of lube base oils was comparatively less due to lower prices in international market. In view of Government initiative for improvement of road infrastructure, Asphalt sale is gaining momentum, resulting in reduction of accumulated inventory at year end and further reduction is foreseen, easing liquidity position of the Company.

Earning Per Share

Earning per share was Rs.46.38 compared to Rs.12.03 in the last year.

Appropriations

Description	2014-15	2013-14
	(Rupees in millions)	
Profit available for appropriation (including Other Comprehensive Income)	4,486	946
Transfer to General Reserves	3,000	-
Final Dividend @ Rs.10 per share (2014: NIL)	800	-

Dividend

The Board of Directors has recommended a final cash dividend @ Rs. 10 per share (100 %) for the year ended June 30, 2015. The dividend recommended is subject to the approval by the shareholders in the Annual General Meeting.

Company Business

The Company is engaged in the business of Crude Oil Refining with three refineries commissioned in the year 1966, 1977 and 1985. The Company was privatized in the year 2005, whereby 51% shares of the Company are held by Attock Group of Companies.

The Company operates its three refineries in two business segments “Fuel Segment” and “Lube Segment”. Fuel Segment is the producer of High Speed Diesel, Naphtha, Motor Gasoline, Liquefied Petroleum Gas, Jet Fuels & Furnace Oil. Lube Segment produces multiple grades of Lube Base Oils, Asphalts, Waxes and Rubber Process Oil and some quantities of fuel products. The products are marketed locally, whereas Naphtha and some quantity of Lube Base Oils are exported. The designed annual processing capacity of Fuel Segment is 2,710,500 M. Tons of Crude Oil and condensate.

Effective May 1, 2015 Government levied Regulatory (later converted to Custom) duty on import of Crude Oil 2%, HSD 2.5%, Mogas 2% and increased the same on Furnace Oil from 5% to 7%. Later on ECC decided that there will be no loss / gain impact of such duty for refineries/OMCs and a mechanism is to be prepared for adjustment of claims, by OGRA and Ministry of Petroleum & Natural Resources (MOP&NR) in consultation with Federal Board of Revenue (FBR).

Future Outlook

Refinery Upgradation Projects

The Company is in process of upgradation of its plant to comply with the Government directives to produce environment friendly HSD and to meet Country's growing demand of motor gasoline in Phase-I. Phase-II shall be considered for implementation after the completion of Phase-I.

- **Diesel Desulphurization and Isomerization**

  Chinese contractors have started the execution of contract for Diesel desulphurization (DHDS) and Isomerization (ISOM) projects. The company estimates that contract value plus other cost of the project would be US$ 349 million. Initial mobilization advance has been paid by the company to the contractors for supply of plant and machinery and for construction and installation of the plant. The company has entered into syndicate agreement with consortium of banks for financing of these projects for an amount of Rs.24.2 billion at 1.7% above six months KIBOR. The loan is to be repaid in 10 years semi-annual payments with grace period of two years. Government directed to complete the project by 31 December 2015, however, due to various impediments the project would be completed by the mid of 2017, accordingly, your company has applied to government for the extension.

  The Government has agreed to increase the deemed duty on HSD by 1.5% on completion of these projects, which will increase refinery margins. The improved margins due to conversion of Naphtha into Motor gasoline will also contribute favourably to improve company's margins.

- **Other Upgradation Projects**

  These projects are planned in Phase-II of refinery up-gradation projects and award of job to EPC Contractor shall be considered after finalization of Desulphurization and Isomerization projects.

  - **Two Stage Unit at Lube–1 Refinery**

    The project has been planned to enhance the installed crude oil processing capacity from 12,050 Barrel per stream day (bpsd) to 17,000 bpsd and vacuum fractionation capacity from 5,200 bpsd to 6,600 bpsd. Design package and ITB documents for bidding are complete.

  - **101 Crude Distillation Unit at Fuel Refinery**

    The project has been envisioned, to enhance the installed crude oil processing capacity from 50,000 bpsd to 53,000 bpsd at crude distillation unit of fuel refinery. Design package and ITB documents for bidding are complete and the project is expected to be awarded during the year 2015-16.

- **Nitrogen Gas Generator**
  For the purpose of financial economization it is planned to use nitrogen gas as inert media for MEK units and for tank blanketing. Nitrogen gas generator with technology of Pressure Swing Absorption is being planned having capacity of 400 normal cubic meter/hour. The contract for installation is likely to be awarded during the year 2015-16.

- **Reverse Osmosis Plant**
  Considering the scarcity of water and its requirement for refinery operations, Company has planned another 250,000 gallons per day Reverse Osmosis plant on which work is in progress.

- **Up gradation of SAP ERP System from Version 4.6c to SAP ECC6**
  The Company has successfully completed the up-gradation of its ERP system from 4.6c to ECC-6 including additions of certain modules. The new version and modules of SAP has enhanced tool for streamlining the work and for improved management and financial reporting.

Pricing Formula

The Company's Fuel Segment is regulated by Government under the Import Parity Pricing Formula. However, effective from June 1, 2011, the Government de-regulated the prices of motor gasoline, aviation fuel and Light Diesel Oil with the capping that the prices announced by the refineries should not exceed the import prices of the relevant product of Pakistan State Oil average actual import prices of previous month including partially the incidentals. In case these prices are not available then refineries have to fix their prices as per existing Import Parity Pricing Formula.

According to the Import Parity Pricing formula, the distribution of profits from fuel segment is restricted and only 50% of the paid-up capital as of July 1, 2002 can be distributed as dividend to shareholders and the remaining amount is to be transferred to special reserves. Following are the highlights of directives issued last year by Government of Pakistan in this regard:

- Refineries have been restricted to adjust their losses from Special Reserve from the year June 30, 2013 and onwards.
- Refineries have been allowed to utilize the Special Reserves for up-gradation and expansion of fuel refinery operations, subject to government approvals and verification.
- Refineries have been directed to open Escrow Account for the amount held in Special Reserves less amount utilized as above. (Amount available in Special Reserves has been fully utilized in projects)
- Government of Pakistan has agreed to increase the import duty on High Speed Diesel from 7.5% to 9% effective January 1, 2016.

Significant Resources

The Company has sufficient funds in the form of cash and bank balances and short-term investments to maintain its liquidity. The Company is currently managing its liquidity without any long-term and short-term borrowings. With respect to financing of the project, company has entered into Bank syndicate arrangement for which financial closure has been completed.

Relationships

We continue to maintain history of making timely payments for the supply of crude oil to Saudi Aramco and other oil exploration companies operating in Pakistan.

We always endeavour to maintain good relationship with our local suppliers, customers and other business partners involved in the whole supply chain.

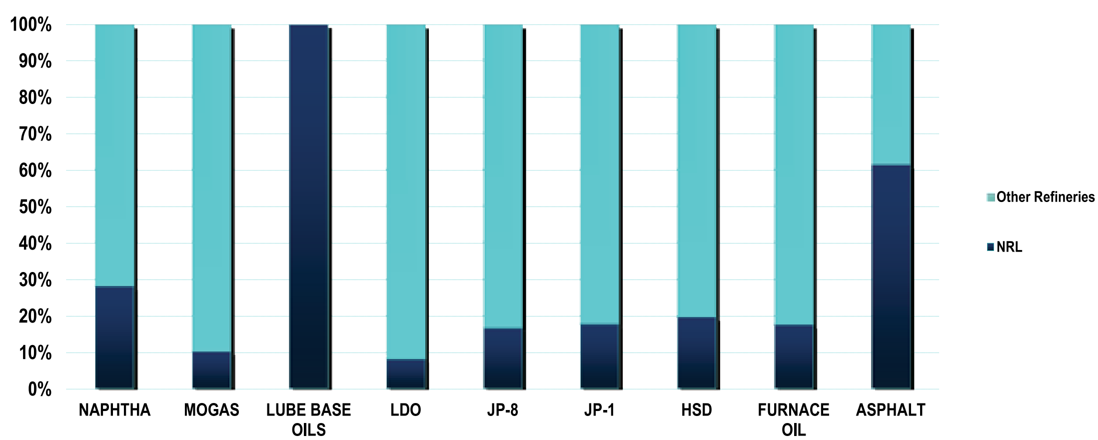
Key Operating and Financial Data

Key operating and financial data of last six years (2010 – 2015) is shown on page 45.

Refineries Production and Product-Wise Share Participation 2013-2014

Based on the latest "Pakistan Oil Report 2013-2014"

According to throughput analysis, NRL is the currently the second largest refinery of Pakistan currently in operation with a production capacity of 2.71 million tons per year. NRL is the only lube refinery of Pakistan producing multiple grades of Lube Base Oils to meet the demand of the Country.



NRL Share In Industry (Source: Pakistan Oil Report)

Credit Ratings

The long term entity rating of the Company is "AA+" (Previous: "AA+"). The short-term entity rating has been maintained at "A1+". These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

Risk & Threats

The volatile crude oil and product prices in international market mostly results in narrow margins. In such case the Company adjusts its throughput to minimize the losses. Sharp decline in crude oil prices may result in inventory losses.

The Company faces exchange losses due to devaluation of Pak rupee in making payments of raw material to suppliers in foreign currencies.

Your Company, being a strategic asset, focuses on security measures including acquiring and installing latest security hardware.

Corporate Social Responsibility

The Company realizes its social responsibility towards the national economy apart from its customers, employees and shareholders. As a responsible corporate citizen, the Company has contributed to different social segments of the economy in various ways for improving quality of life in the country. Recently, Company contributed Rs.100,000 as a donation to Child Association to help deprived children.

During the year company has paid Rs.200,000 to Ziauddin University for advertisement / purchase of souvenirs for students. The company is making such contribution for the betterment of institutions providing education to young generation.

Company is ambitious to be recognized as social partner and not only as commercial entity. In this respect, the Company has kept five disabled persons on its manpower strength as prescribed in Employment and Rehabilitation Ordinance, 1981 and also made payments to National Council for the Rehabilitation of Disabled Persons in lieu of less number of such persons in the Company's employment.

Employees & Management Relations

The cordial relationship between the management and union persisted unabatedly. The productivity achieved reflects the concerted and sincere collective endeavours. The Company lays emphasis on enhancing the sports activities and has provided the required facilities to achieve this objective which may go a long way in maintaining good health of the employees, boosting up their morale and sense of belonging. The major events held during the year are Inter-Department Cricket Tournament, participation of NRL Cricket team in PARCO Cricket Tournament.

Occupational Health, Safety and Environment

We ensure that our manufacturing activities are in line with the Government environmental laws and Company's standard operating procedures and safe work practices to support toward environment protection.

Environmental performance is continuously reviewed at planned intervals to ensure its continuing suitability, adequacy and effectiveness. Opportunities of improvement and need for changes where required are discussed in HSE Committees and Steering Committee meetings. Decisions are taken, where needed, strategies are developed and implemented.

Management is committed towards acquiring excellence in overall performance specially for the conservation of environment, which is evident from implementation of IMS (Integrated Management System) based on ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 standards.

NRL has achieved 22.06 million Safe Hours without Lost Time Injury (LTI) as on June 30, 2015. Your company is doing continuous efforts to ensure the effective application of operational controls for minimizing Occupational Health & Safety risk's and environmental impacts.

Environment Excellence Awards

Company has participated in the following Environment Excellence Awards:

1 National Forum for Environment & Health (NFEH), Excellence award 2015, consecutively winner since last twelve years.

2 Continually participating in the ACCA-WWF Pakistan Best Environment Reporting Awards since 2003 and was winner of the victory stand in 2003, 2009 & 2010.

Your Company is an environmental friendly enterprise in the petroleum-refining sector of the country.

Contribution to National Exchequer

During the financial year, the Company contributed Rs. 40,231 million to the National exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US$ 157 million through the export of Naphtha and Lube Base Oils.

In addition to the above, the Company has paid to government Rs. 4,656 million as discount and windfall levy on account of local crude oil and condensates purchased from oil and gas exploration companies.

Human Resource Development

Human Resource of the Company is playing a very significant role in achieving the short and long term corporate and strategic objectives of the Company. Therefore, your Company focuses special attention on their training and development. Various staff members were nominated for local courses and workshops in different technical and non-technical disciplines. In addition to hands on executive training programs, the Company has also conducted apprenticeship program where theoretical and practical training in Refinery operations and maintenance was imparted which will not only meet the additional requirement of trained manpower for expansion projects of the Company but would extend a great help to the Petroleum Refining industry in the availability of trained manpower.

Corporate Governance

The Company is committed to good corporate governance and has complied with the applicable 'Code of Corporate Governance' contained in the listing regulations of the stock exchanges. As required by the Code, following is the statement in compliance with the Corporate and Financial Reporting Framework of Code of Corporate Governance.

a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.

b) Proper books of account have been maintained in the manner required under the Companies Ordinance 1984.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.

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

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

g) The values of investment of various funds, based on their respective accounts as at 30 June 2015 are as under:

Description	(Rs. in million) Un-audited
Management staff	
Pension Fund	4,087
Provident Fund	846
Post-Retirement Medical Fund	931
Gratuity Fund	10
Non-Management staff	
Gratuity Fund	125
Provident Fund	427

h) Mr. Musa Bojang, a non-resident, Director representing Islamic Development Bank, attended Corporate Governance Program organized by ICLIF Leadership and Governance Centre - a Malaysia based institution, being a foreign training program comparable with Directors' Training Program as specified by the Securities and Exchange Commission of Pakistan.

i) No trade in the shares of the Company was carried out by the Board of Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children except that mentioned in "Pattern of Shareholding".

Composition and Meetings of the Board of Directors

During the financial year 2014-15 five meetings of the Board of Directors were held. The attendance of the Directors is as under:

Name of Directors	Total No. of Meetings	Meetings Attended
Dr. Ghaith R. Pharaon Alternate Director: Mr. Abdus Sattar	5	5
Mr. Laith G. Pharaon Alternate Director: Mr. Jamil A. Khan	5	5
Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz	5	5
Mr. Shuaib A. Malik Deputy Chairman /Chief Executive Officer	5	5
Mr. Musa Bojang – IDB Nominee Alternate Director: Mr. Abdus Sattar	5	5
Mr. Bahauddin Khan – NIT Nominee	5	5
Mr. Tariq Iqbal Khan	5	5

* attended by directors or their alternates on the Board of the Company at the time of relevant meeting.

Human Resource & Remuneration Committee

Meeting of the Committee held and attendance of the members during the period from July 01, 2014 to June 30, 2015:

Name of Directors	Total No. of Meetings	Meetings Attended
Mr. Musa Bojang	1	1
Mr. Bahauddin Khan	1	1
Mr. Babar Bashir Nawaz	1	1
Mr. Shuaib A. Malik	1	1

Audit Committee

The Directors have established Audit Committee. The attendance of the Directors' for Audit Committee meetings for the year ended June 30, 2015 is as follows.

Name of Directors	Total No. of Meetings	Meetings Attended
Mr. Tariq Iqbal Khan	4	4
Mr. Babar Bashir Nawaz	4	4
Mr. Abdus Sattar	4	4
Mr. Bahauddin Khan	4	3

Pattern of Shareholding

Pattern of shareholdings is shown on page 107.

AUDITORS

Present Auditors Messrs A. F. Ferguson & Co., Chartered Accountants retire and offer themselves for reappointment. The Board recommends the reappointment of Messrs A. F. Ferguson & Co., Chartered Accountants as auditors for the financial year ending June 30, 2016.

ACKNOWLEDGEMENT

The Board places on record its appreciation and gratitude to the Company's management and its staff for their untiring efforts. The Board also acknowledges the efforts and contributions of customers, suppliers and other stakeholders for their patronage and business relations.

On behalf of the Board

Shuaib A. Malik
Deputy Chairman &
Chief Executive Officer

August 12, 2015
Rawalpindi


OUR AIM
NO
ACCIDENT

CORPORATE GOVERNANCE

CODE OF CONDUCT

National Refinery Limited (the Company) is engaged in the manufacturing of wide range of petroleum products with the objective to achieve sustainable productivity, profitability and high standards of safety, occupational health and environmental care. This entails human resource development, enhancing value addition, implementing conservation measures and growth by up-gradation and addition of newer generation technologies.

The Company requires all its Board Members and Employees to act within the authority conferred upon them and in the best interests of the Company and observe all the Company's policies and procedures as well as relevant laws and regulations, as are applicable in individual capacity or otherwise, including but not limited to the corporate values, business principles and the acceptable and unacceptable behaviour (hereinafter called the Company's Code of Conduct) embodied in this document.

The Company believes that the credibility, goodwill and repute earned over the years can be maintained through continued conviction in our corporate values of honesty, justice, integrity and respect for people. The Company strongly promotes trust, openness, teamwork and professionalism in its entire business activities.

- The business principles are derived from the above stated corporate values and are applied to all facets of business through well-established procedures. These procedures define behaviour expected from each employee in the discharge of his/her responsibility.

- NRL recognizes following obligations, which need to be discharged with best efforts, commitment and efficiency:

    - Safeguarding of shareholders' interest and a suitable return on equity.
    - Service customers by providing products, which offer value in terms of price, quality, safety and environmental impact.
    - Respect human rights, provide congenial working environment, offer competitive terms of employment, develop human resource and be an equal opportunity employer.
    - Seek mutually beneficial business relationship with contractors, suppliers and investment partners.

- The Company believes that profit is essential for business survival. It is a measure of efficiency and the value that the customer places on products and services produced by the Company.

- The Company requires honesty and fairness in all aspect of its business and in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and accepting of bribe in any form is undesirable.

- The Company is fully committed to reliability and accuracy of financial statements and transparency of transactions in accordance with established procedures and practices.

- The Company does not support any political party or contributes funds to groups having political interests. The Company will however, promote its legitimate business interests through trade associations.

- The Company, consistent with its commitments to sustainable developments, has a systematic approach to the management of health, safety and environment.

- The Company is committed to observe laws of Pakistan and is fully aware of its social responsibility. It would assist the community in activities such as education, sports, environment preservation, training programs, skills development and employment within the parameters of its commercial objectives.

- The Company supports free market system. It seeks to compete fairly and ethically within the framework of applicable competition laws in the country. The Company will not stop others from competing freely with it.

- In view of the critical importance of its business and impact on national economy, the Company provides all relevant information about its activities to legitimate interested parties, subject to any overriding constraints of confidentiality and cost.

- The Company requires all its board members and employees to essentially avoid conflict of interest between private financial and/or other activities and their professional role in the conduct of Company business.

- No board member or employee shall in any manner disclose to any person or cause disclosure of any information or documents, official or otherwise, relating to the Company, except those published, and unless he/she is authorised by the management.

- All papers, books, drawings, sketches, photographs, documents and similar papers containing analysis, formulas, notes or information relating to the Company's business affairs or operations shall always be treated as the Company property, whether prepared by the employee or otherwise and no employee shall be permitted to carry any of these outside business premises unless specifically authorised to do so by the management.

- The Company's property, funds, facilities and services must be used only for authorised purposes.

- The board members or employees of the Company specifically those coming in direct contact with the vendors doing or seeking to do business with the Company shall not receive favours or incur obligations. In case any contractor/supplier to have business relations with the Company happen to be a relative of an official who is entrusted the responsibility of opening/evaluation/award of supply/contract job or with execution or certification of material/services, he/she shall immediately bring the fact to the notice of Managing Director who may entrust the responsibility to another.

- Each employee shall devote his/her full time and energy exclusively to the business and interests of the Company. In particular, no employee (including those on leave) unless otherwise permitted by the Company, shall directly or indirectly engage in any other profession or business or enter the services of or be employed in any capacity for any purpose whatsoever and for any part of his/her time by any other person, government department, firm or company and/or shall not have any private financial dealings with any other persons of firms having business relations with the company for sale or purchase of any materials or equipments or supply of labour or for any other purpose. Every employee shall hold himself in readiness to perform any duties required of him by his/her superiors to the best of his/her ability.

- No board member or employee of the Company shall, directly or indirectly, deal in the shares of the Company in any manner during the closed period, as determined and informed by the Company.

- No board member or employee of the Company shall practice insider trading.

Without prejudice to any penal action defined in any statute, as applicable, against any kind of non-compliances/violations, non-compliance with the Company's Code of Conduct may expose the person involved to disciplinary action as per Company's rules and/or as determined by the management or the Board of Directors of the Company, as the case may be, on case to case basis.

On behalf of the Board

SHUAIB A. MALIK
Deputy Chairman
& Chief Executive Officer

June 18, 2012

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in listing regulations of Stock Exchanges where the shares of the Company are listed, for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

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

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

Category	Names
Independent Directors	Mr. Tariq Iqbal Khan Mr. Musa Bojang Mr. Bahauddin Khan
Executive Directors	Mr. Shuaib A. Malik Mr. Jamil A. Khan Alternate to Mr. Laith G. Pharaon, Director
Non-Executive Directors	Dr. Ghaith R. Pharaon Alternate Director: Mr. Abdus Sattar Mr. Laith G. Pharaon Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz

The independent directors meet the criteria of independence as contained in the Code.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as defaulter by that stock exchange.

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

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

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

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

8. The meetings of the Board were presided over by the Chairman or Deputy Chairman, and the Chief Financial Officer and Company Secretary attended all the meetings. The Board meets at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded, circulated and signed by the Chairman of the meeting of the Board of Directors.

9. The Directors were apprised of their duties and responsibilities from time to time.

10. The Board has approved terms of appointment and remunerations of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.

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

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

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

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

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

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

17. The Board has formed an HR and Remuneration Committee. It comprises of four members, of whom one is non-executive director, one is independent director and the Chairman of the Committee is also an independent director.

18. The Board has set-up an effective internal audit function and that is involved in the Internal

Audit on full time basis relating to the business and other affairs of the Company.

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

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

21. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods for transactions carried out on terms equivalent to those that prevail in the arm's length transactions.

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

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

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

On behalf of the Board

SHUAIB A. MALIK
Deputy Chairman &
Chief Executive Officer

August 12, 2015

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A. F. FERGUSON & CO.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of National Refinery Limited for the year ended June 30, 2015 to comply with the Code contained in Regulation No. 5.19 of the Karachi Stock Exchange Limited Regulations and Regulation No.35 of Chapter XI contained in the Listing Regulations of the Lahore Stock Exchange and Islamabad Stock Exchange.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Chartered Accountants
Karachi

Dated: 17 August 2015

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THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Board has constituted a fully functional Audit Committee. The features of the terms of reference of the Committee in accordance with the Code of Corporate Governance are as follows:

a) Determination of appropriate measures to safeguard the company's assets;

b) Review of preliminary announcements of results prior to publication;

c) Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:

- major judgemental areas;
- significant adjustments resulting from the audit;
- the going concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards;
- compliance with listing regulations and other statutory and regulatory requirements; and
- significant related party transactions.

d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) Review of management letter issued by external auditors and management's response thereto;

f) Ensuring coordination between the internal and external auditors;

g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed;

h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;

j) Review of company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;

l) Determination of compliance with relevant statutory requirements;

m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;

n) Consideration of any other issue or matter as may be assigned by the Board of Directors; and

o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the company in addition to audit of its financial statements.

TERMS OF REFERENCE OF HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

The Board adopted the responsibilities contained in clause (xxv) of the Code 2012 from (i) to (iv) as the Terms of Reference (TOR) of the HR&R Committee.

The committee shall be responsible for:

i) recommending human resource management policies to the board;

ii) recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;

iii) recommending to the board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit; and

iv) consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO.

STAKEHOLDERS' INFORMATION

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED JUNE 30, 2015

	2015		2014	
	Rupees in million	%	Rupees in million	%
Revenue Generated				
Gross sales revenue	188,935		249,769	
Less: Bought in material and services	142,677		205,968	
	46,258		43,801	
Add: Income from investment	1,107		797	
Other Income	418		639	
	1,525		1,436	
Total Revenue	47,783	100.0%	45,237	100.0%
Revenue Distributed				
To Employees remuneration as:				
Salaries, wages and benefits	1,700	3.5%	1,603	3.6%
To Government as:				
Levies	39,762	83.2%	41,288	91.3%
Company taxation	1,851	3.9%	918	2.0%
Worker's fund	412	0.9%	139	0.3%
	42,025	88.0%	42,345	93.6%
To Shareholders as:				
Cash Dividend	800	1.8%	-	0.0%
Retained in the business :				
Depreciation & Amortization	349	0.6%	327	0.7%
Net earnings	2,909	6.1%	962	2.1%
	3,258	6.7%	1,289	2.8%
	47,783	100%	45,237	100%

SIX YEARS AT A GLANCE

Description		2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
				Rupees in million			
Profit and Loss Account							
Net sales		148,457	207,403	179,184	174,797	148,558	110,186
Cost of sales		141,611	204,350	174,118	170,075	138,551	103,854
Purchases		126,374	200,565	166,130	171,149	141,383	98,964
Gross profit		6,846	3,053	5,067	4,722	10,007	6,333
Operating profit		6,413	2,732	5,347	5,795	10,179	5,831
Profit before tax		5,560	1,880	4,477	4,452	10,029	5,136
Profit after tax		3,709	962	2,846	2,618	6,569	3,285
Balance Sheet							
Share Capital		800	800	800	800	800	800
Reserves		29,334	25,794	25,994	24,491	23,808	18,838
Shareholder equity		30,134	26,594	26,794	25,290	24,607	19,638
Fixed Assets		8,066	5,061	4,363	3,696	3,235	3,248
Current Assets		39,901	47,465	51,232	53,323	53,366	47,868
Current Liabilities		17,163	25,802	28,440	31,492	31,858	31,862
Net current assets/ liabilities		22,738	21,663	22,792	21,831	21,508	16,006

		2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Profitability Ratios							
Gross profit	%	4.61	1.48	2.83	2.70	6.74	5.75
Net profit to sales	%	2.50	0.46	1.59	1.50	4.42	2.98
EBITDA Margin to sales	%	3.98	1.06	2.68	2.72	7.02	5.20
Return on Equity	%	12.31	3.62	10.62	10.35	26.69	16.73
Return on Capital Employed	%	13.08	3.60	10.93	10.50	29.69	17.76
Liquidity Ratios							
Current Ratio	Times	2.32	1.84	1.80	1.69	1.68	1.50
Quick /Acid test ratio	Times	1.53	0.92	1.01	0.89	1.07	1.13
Cash to Current Liabilities	Times	1.01	0.34	0.56	0.32	0.28	0.51
Activity / Turnover Ratios							
Inventory turnover	Days	47.59	40.89	49.54	47.32	40.46	41.68
Debtors turnover	Days	21.17	18.39	24.35	28.18	36.82	50.86
Creditors turnover	Days	45.72	37.60	53.03	55.47	67.63	88.67
Total Assets turnover ratio	Times	3.09	3.93	3.22	3.06	2.62	2.13
Fixed assets turnover ratio	Times	18.40	40.98	41.07	47.30	45.93	33.92
Investment / Market Ratios							
Earnings per share - basic and diluted	Rs.	46.38	12.03	35.59	32.74	82.14	41.08
Price earning ratio	Times	5.00	17.46	6.76	7.07	4.29	4.45
Dividend yield ratio	Times	4.31	-	6.23	6.48	7.10	10.94
Cash Dividend payout ratio	Times	21.56	-	42.17	45.82	30.44	48.69
Dividend cover ratio	Times	4.64	-	2.37	2.18	3.29	2.05
Cash Dividend per share	Rs. /share	10.00	-	15.00	15.00	25.00	20.00
Market value per share at year end	Rs. /share	232	215	241	231	352	183
Breakup value per share	Rs. /share	377	333	336	316	308	246

HORIZONTAL BALANCE SHEET

AS AT JUNE, 30

	2015		2014		2013 - Restated		2012		2011		2010	
	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%
ASSETS												
NON-CURRENT ASSETS												
Fixed assets	8,066.11	248.3%	5,061.22	155.8%	4,362.94	134.3%	3,695.73	113.8%	3,234.79	99.6%	3,248.36	100.0%
Deferred taxation	-	-	165.34	38.2%	-	-	-	-	-	-	432.73	100.0%
Long term loans	42.58	70.9%	41.49	69.1%	52.24	87.0%	65.41	108.9%	62.86	104.7%	60.06	100.0%
Long term deposits	30.19	99.2%	30.19	99.2%	30.19	99.2%	30.19	99.2%	30.17	99.1%	30.44	100.0%
Retirement benefit prepayments	22.40	-	12.71	-	-	-	-	-	-	-	-	-
	8,161.28	216.4%	5,310.95	140.8%	4,445.37	117.9%	3,791.33	100.5%	3,327.82	88.2%	3,771.59	100.0%
CURRENT ASSETS												
Stores, spares and chemicals	1,003.10	110.9%	1,149.43	127.1%	788.08	87.1%	986.57	109.1%	887.29	98.1%	904.37	100.0%
Stock-in-trade	13,585.66	115.2%	23,856.56	202.2%	22,563.75	191.3%	25,359.71	215.0%	19,346.93	164.0%	11,798.20	100.0%
Trade debts	7,253.04	44.5%	10,207.07	62.7%	10,976.99	67.4%	13,262.18	81.4%	14,100.49	86.6%	16,291.70	100.0%
Loans and advances	74.60	348.1%	48.43	226.0%	36.28	169.3%	40.13	187.2%	23.96	111.8%	21.43	100.0%
Trade deposits and short-term prepayments	8.92	54.7%	53.24	326.6%	8.22	50.4%	6.67	40.9%	18.45	113.2%	16.30	100.0%
Interest accrued	32.24	46.6%	40.84	59.0%	86.12	124.4%	110.69	159.9%	57.00	82.3%	69.23	100.0%
Other receivables	547.33	58.1%	301.90	32.1%	274.71	29.2%	248.13	26.4%	932.49	99.0%	941.59	100.0%
Short term investments	123.54	8.0%	3,002.86	193.3%	492.52	31.7%	3,230.47	207.9%	8,941.63	575.5%	1,553.67	100.0%
Tax refunds due from Government - Sales tax	-	-	-	-	-	-	-	-	-	-	62.03	100.0%
Cash and bank balances	17,272.94	106.6%	8,804.87	54.3%	16,004.88	98.7%	10,078.55	62.2%	9,058.20	55.9%	16,209.01	100.0%
	39,901.37	83.4%	47,465.20	99.2%	51,231.55	107.0%	53,323.10	111.4%	53,366.44	111.5%	47,867.53	100.0%
TOTAL ASSETS	48,062.65	93.1%	52,776.15	102.2%	55,676.92	107.8%	57,114.43	110.6%	56,694.26	109.8%	51,639.12	100.0%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Share capital	799.67	100.0%	799.67	100.0%	799.67	100.0%	799.67	100.0%	799.67	100.0%	799.67	100.0%
Reserves	29,334.04	155.7%	25,793.97	136.9%	25,994.04	138.0%	24,490.80	130.0%	23,807.51	126.4%	18,838.31	100.0%
	30,133.71	153.5%	26,593.64	135.4%	26,793.71	136.4%	25,290.47	128.8%	24,607.18	125.3%	19,637.98	100.0%
LIABILITIES												
NON-CURRENT LIABILITIES												
Retirement benefit obligations	594.46	426.2%	380.86	273.0%	396.00	283.9%	131.50	94.3%	179.86	128.9%	139.49	100.0%
Deferred taxation	171.56	-	-	-	47.32	-	200.51	-	48.91	-	-	-
CURRENT LIABILITIES												
Trade and other payables	16,433.02	55.0%	24,931.27	83.4%	26,546.46	88.8%	29,748.89	99.5%	29,400.16	98.4%	29,888.90	100.0%
Provisions	112.36	37.6%	246.19	82.5%	411.40	137.8%	398.91	133.6%	428.68	143.6%	298.57	100.0%
Taxation - provision less payments	617.54	36.9%	624.19	37.3%	1,482.03	88.5%	1,344.15	80.3%	2,029.47	121.2%	1,674.18	100.0%
	17,162.92	53.9%	25,801.65	81.0%	28,439.89	89.3%	31,491.95	98.8%	31,858.31	100.0%	31,861.65	100.0%
TOTAL EQUITY AND LIABILITIES	48,062.65	93.1%	52,776.15	102.2%	55,676.92	107.8%	57,114.43	110.6%	56,694.26	109.8%	51,639.12	100.0%

VERTICAL BALANCE SHEET

AS AT JUNE, 30

	2015		2014		2013 - Restated		2012		2011		2010	
	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%
ASSETS												
NON-CURRENT ASSETS												
Fixed assets	8,066.11	16.7%	5,061.22	9.6%	4,362.94	7.7%	3,695.73	6.4%	3,234.79	5.7%	3,248.36	6.3%
Deferred taxation	-	-	165.34	0.3%	-	-	-	-	-	-	432.73	0.8%
Long term loans	42.58	0.1%	41.49	0.1%	52.24	0.1%	65.41	0.1%	62.86	0.1%	60.06	0.1%
Long term deposits	30.19	0.1%	30.19	0.1%	30.19	0.1%	30.19	0.1%	30.17	0.1%	30.44	0.1%
Retirement benefit prepayments	22.40	0.1%	12.71	0.0%	-	-	-	-	-	-	-	-
	8,161.28	17.0%	5,310.95	10.1%	4,445.37	8.0%	3,791.33	6.6%	3,327.82	5.9%	3,771.59	7.3%
CURRENT ASSETS												
Stores, spares and chemicals	1,003.10	2.1%	1,149.43	2.2%	788.08	1.4%	986.57	1.7%	887.29	1.6%	904.37	1.8%
Stock-in-trade	13,585.66	28.3%	23,856.56	45.2%	22,563.75	40.4%	25,359.71	44.3%	19,346.93	34.1%	11,798.20	22.9%
Trade debts	7,253.04	15.1%	10,207.07	19.3%	10,976.99	19.7%	13,262.18	23.2%	14,100.49	24.9%	16,291.70	31.6%
Loans and advances	74.60	0.2%	48.43	0.1%	36.28	0.1%	40.13	0.1%	23.96	0.0%	21.43	0.0%
Trade deposits and short-term prepayments	8.92	0.0%	53.24	0.1%	8.22	0.0%	6.67	0.0%	18.45	0.0%	16.30	0.0%
Interest accrued	32.24	0.1%	40.84	0.1%	86.12	0.2%	110.69	0.2%	57.00	0.1%	69.23	0.1%
Other receivables	547.33	1.1%	301.90	0.6%	274.71	0.5%	248.13	0.4%	932.49	1.6%	941.59	1.8%
Short term investment	123.54	0.3%	3,002.86	5.7%	492.52	0.9%	3,230.47	5.7%	8,941.63	15.8%	1,553.67	3.0%
Tax refunds due from Government - Sales tax	-	-	-	-	-	-	-	-	-	-	62.03	0.1%
Cash and bank balances	17,272.94	35.8%	8,804.87	16.7%	16,004.88	28.8%	10,078.55	17.8%	9,058.20	16.0%	16,209.01	31.4%
	39,901.37	83.0%	47,465.20	89.9%	51,231.55	92.0%	53,323.10	93.4%	53,366.44	94.1%	47,867.53	92.7%
TOTAL ASSETS	48,062.65	100.0%	52,776.15	100.0%	55,676.92	100.0%	57,114.43	100.0%	56,694.26	100.0%	51,639.12	100.0%
EQUITY AND LIABILITIES												
SHARE CAPITAL AND RESERVES												
Share capital	799.67	1.7%	799.67	1.5%	799.67	1.4%	799.67	1.4%	799.67	1.4%	799.67	1.6%
Reserves	29,334.04	61.0%	25,793.97	48.9%	25,994.04	46.7%	24,490.80	42.9%	23,807.51	42.0%	18,838.31	36.4%
	30,133.71	62.7%	26,593.64	50.4%	26,793.71	48.1%	25,290.47	44.3%	24,607.18	43.4%	19,637.98	38.0%
LIABILITIES												
NON-CURRENT LIABILITIES												
Retirement benefit obligations	594.46	1.2%	380.86	0.7%	396.00	0.7%	131.50	0.2%	179.86	0.3%	139.49	0.3%
Deferred taxation	171.56	0.4%	-	-	47.32	0.1%	200.51	0.4%	48.91	0.1%	-	-
CURRENT LIABILITIES												
Trade and other payables	16,433.02	34.2%	24,931.27	47.2%	26,546.46	47.7%	29,748.89	52.0%	29,400.16	51.8%	29,888.90	57.9%
Provisions	112.36	0.2%	246.19	0.5%	411.40	0.7%	398.91	0.7%	428.68	0.8%	298.57	0.6%
Taxation - provision less payments	617.54	1.3%	624.19	1.2%	1,482.03	2.7%	1,344.15	2.4%	2,029.47	3.6%	1,674.18	3.2%
	17,162.92	35.7%	25,801.65	48.9%	28,439.89	51.1%	31,491.95	55.1%	31,858.31	56.2%	31,861.65	61.7%
TOTAL EQUITY AND LIABILITIES	48,062.65	100.0%	52,776.15	100.0%	55,676.92	100.0%	57,114.43	100.0%	56,694.26	100.0%	51,639.12	100.0%

HORIZONTAL PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED

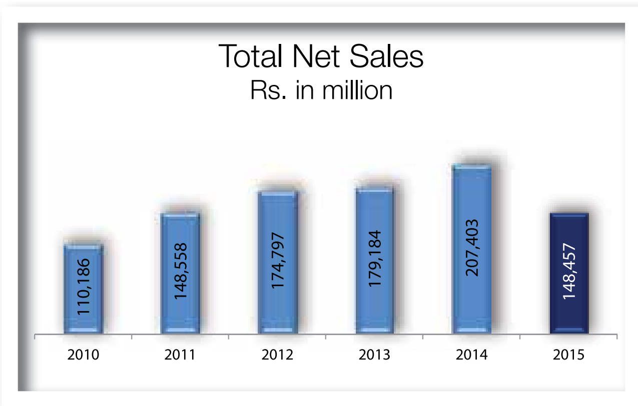
	2015		2014		2013		2012		2011		2010	
	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%
Net sales	148,456.51	134.7%	207,403.26	188.2%	179,184.42	162.6%	174,797.07	158.6%	148,558.50	134.8%	110,186.38	100.0%
Cost of sales	(141,610.76)	136.4%	(204,349.84)	196.8%	(174,117.51)	167.7%	(170,074.58)	163.8%	(138,551.42)	133.4%	(103,853.57)	100.0%
Gross profit	6,845.75	108.1%	3,053.42	48.2%	5,066.91	80.0%	4,722.49	74.6%	10,007.08	158.0%	6,332.81	100.0%
Distribution and marketing expenses	(879.12)	88.3%	(1,090.29)	109.5%	(1,037.57)	104.2%	(1,264.03)	126.9%	(1,136.00)	114.0%	(996.10)	100.0%
Administrative expenses	(649.03)	173.6%	(520.72)	139.3%	(507.51)	135.8%	(464.10)	124.2%	(421.00)	112.6%	(373.78)	100.0%
Other operating income	1,525.32	119.3%	1,436.15	112.4%	2,179.74	170.5%	3,136.82	245.4%	2,497.58	195.4%	1,278.11	100.0%
Other operating expenses	(430.00)	105.0%	(146.60)	35.8%	(354.52)	86.5%	(336.45)	82.1%	(768.58)	187.6%	(409.66)	100.0%
Operating profit	6,412.91	110.0%	2,731.95	46.9%	5,347.05	91.7%	5,794.73	99.4%	10,179.08	174.6%	5,831.38	100.0%
Finance cost	(852.69)	122.6%	(852.32)	122.5%	(870.54)	125.1%	(1,342.86)	193.0%	(150.47)	21.6%	(695.76)	100.0%
Profit before taxation	5,560.22	108.3%	1,879.63	36.6%	4,476.51	87.2%	4,451.87	86.7%	10,028.61	195.3%	5,135.62	100.0%
Taxation	(1,851.24)	100.0%	(917.77)	49.6%	(1,630.86)	88.1%	(1,833.49)	99.1%	(3,460.08)	187.0%	(1,850.81)	100.0%
Profit after taxation	3,708.98	112.9%	961.87	29.3%	2,845.65	86.6%	2,618.38	79.7%	6,568.53	200.0%	3,284.81	100.0%

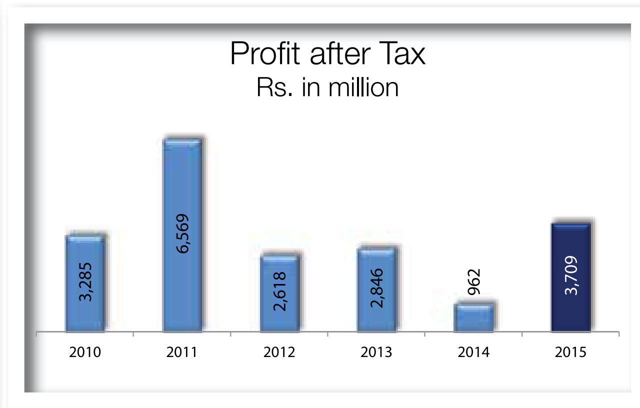
VERTICAL PROFIT & LOSS ACCOUNT

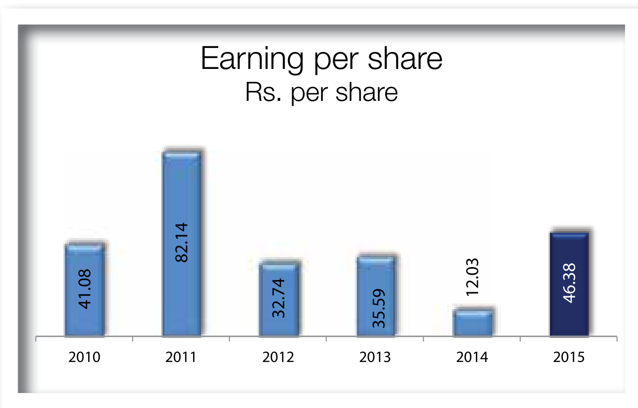
FOR THE YEAR ENDED

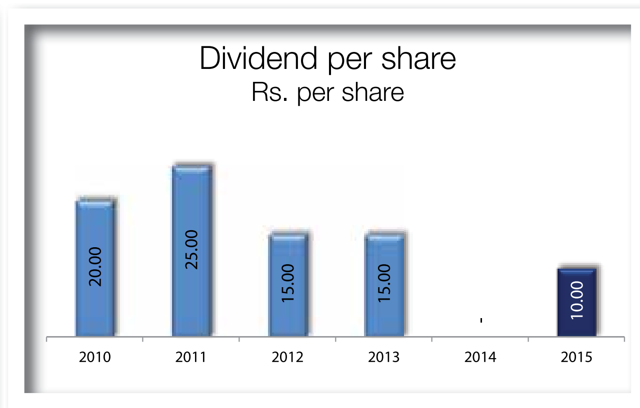
	2015		2014		2013		2012		2011		2010	
	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%	Rupees in million	%
Net sales	148,456.51	100.0%	207,403.26	100.0%	179,184.42	100.0%	174,797.07	100.0%	148,558.50	100.0%	110,186.38	100.0%
Cost of sales	(141,610.76)	-95.4%	(204,349.84)	-98.5%	(174,117.51)	-97.2%	(170,074.58)	-97.3%	(138,551.42)	-93.3%	(103,853.57)	-94.3%
Gross profit	6,845.75	4.6%	3,053.42	1.5%	5,066.91	2.8%	4,722.49	2.7%	10,007.08	6.7%	6,332.81	5.7%
Distribution and marketing expenses	(879.12)	-0.6%	(1,090.29)	-0.5%	(1,037.57)	-0.6%	(1,264.03)	-0.7%	(1,136.00)	-0.8%	(996.10)	-0.9%
Administrative expenses	(649.03)	-0.4%	(520.72)	-0.3%	(507.51)	-0.3%	(464.10)	-0.3%	(421.00)	-0.3%	(373.78)	-0.3%
Other operating income	1,525.32	1.0%	1,436.15	0.7%	2,179.74	1.3%	3,136.82	1.8%	2,497.58	1.7%	1,278.11	1.2%
Other operating expenses	(430.00)	-0.3%	(146.60)	-0.1%	(354.52)	-0.2%	(336.45)	-0.2%	(768.58)	-0.5%	(409.66)	-0.4%
Operating profit	6,412.91	4.3%	2,731.96	1.3%	5,347.05	3.0%	5,794.73	3.3%	10,179.08	6.8%	5,831.38	5.3%
Finance cost	(852.69)	-0.5%	(852.32)	-0.4%	(870.54)	-0.5%	(1,342.86)	-0.8%	(150.47)	-0.1%	(695.76)	-0.6%
Profit before taxation	5,560.22	3.8%	1,879.64	0.9%	4,476.51	2.5%	4,451.87	2.5%	10,028.61	6.7%	5,135.62	4.7%
Taxation	(1,851.24)	-1.3%	(917.77)	-0.4%	(1,630.86)	-0.9%	(1,833.49)	-1.0%	(3,460.08)	-2.3%	(1,850.81)	-1.7%
Profit after taxation	3,708.98	2.5%	961.87	0.5%	2,845.65	1.6%	2,618.38	1.6%	6,568.53	4.4%	3,284.81	3.0%

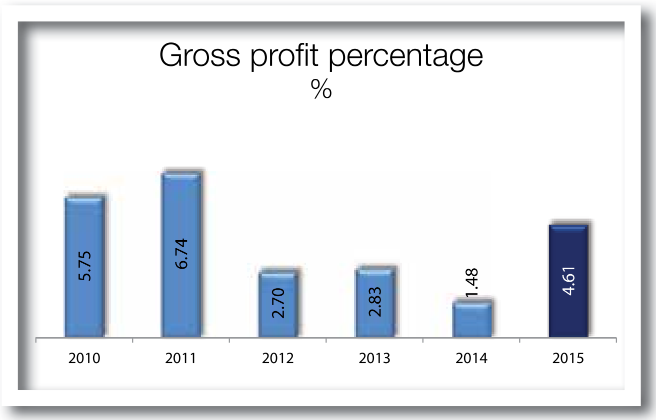
GRAPHICAL REPRESENTATION

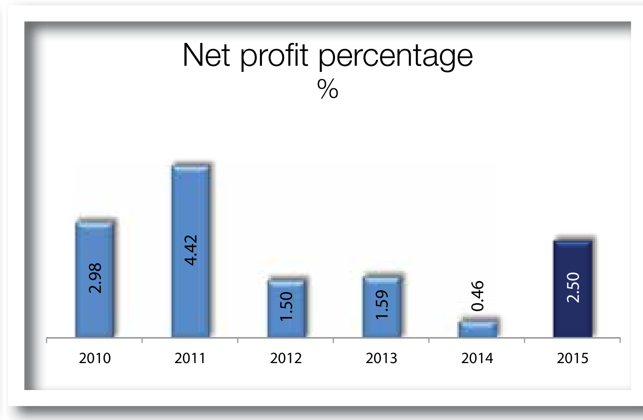




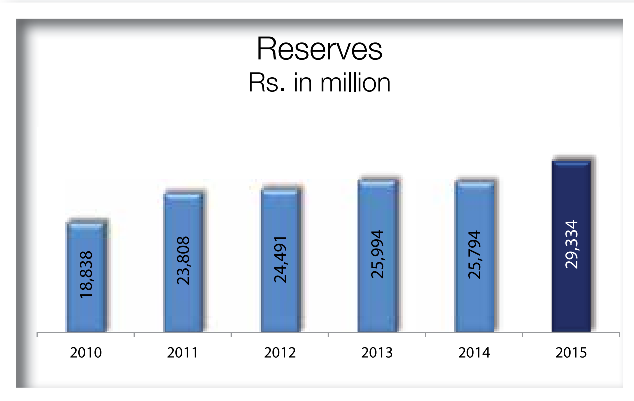


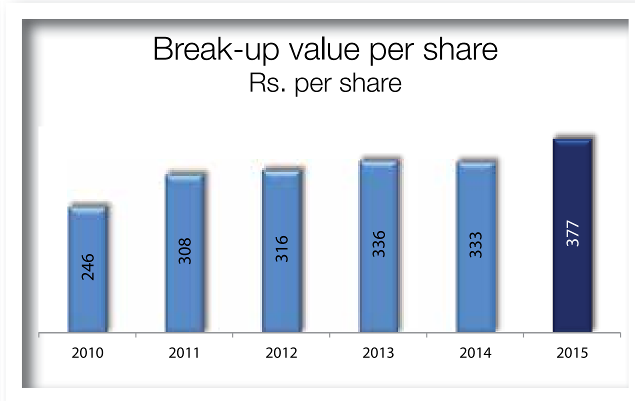


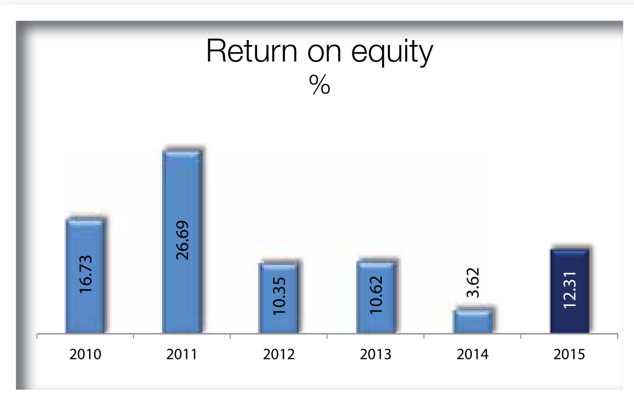


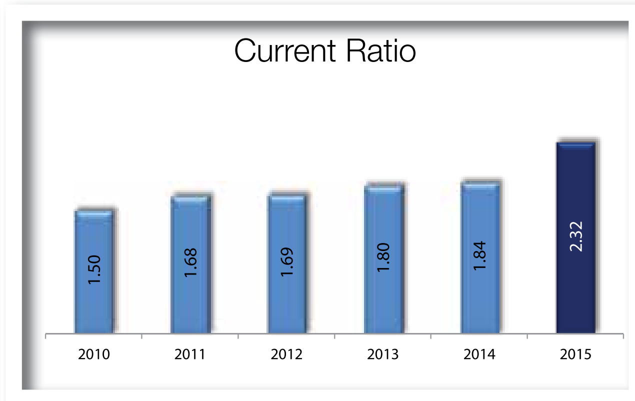


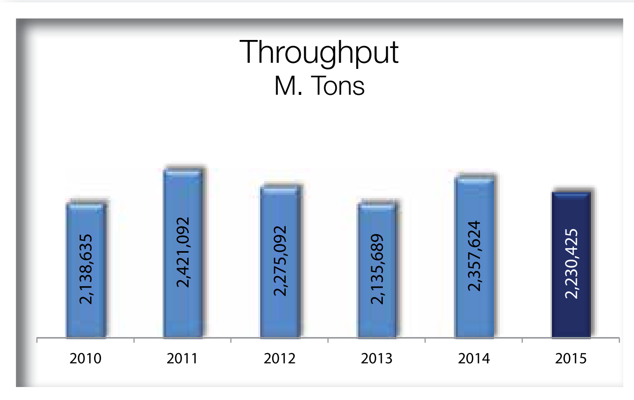
GRAPHICAL REPRESENTATION

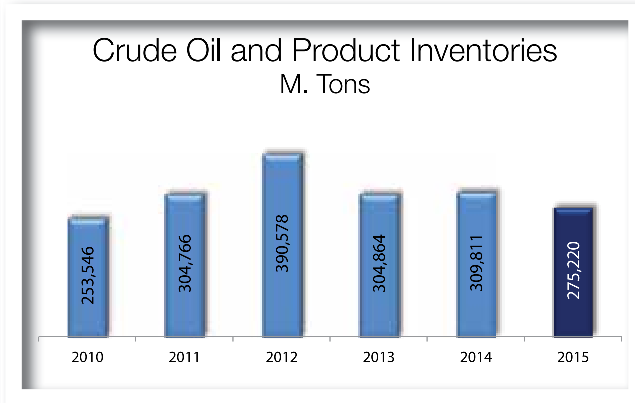








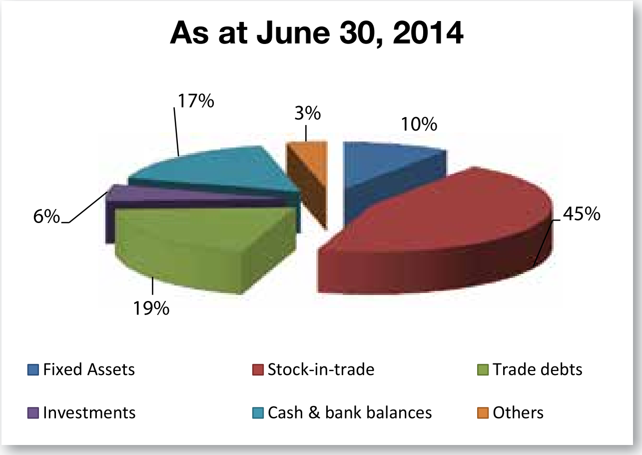


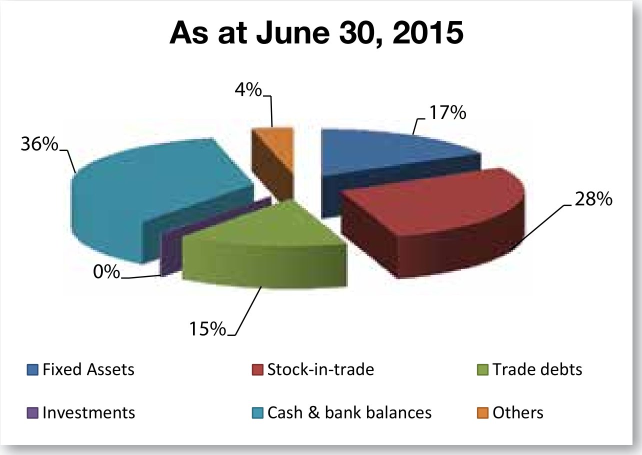


GRAPHICAL REPRESENTATION

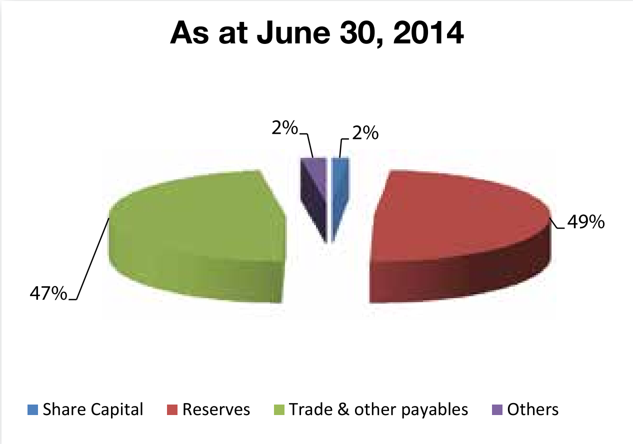
Balance Sheet Composition

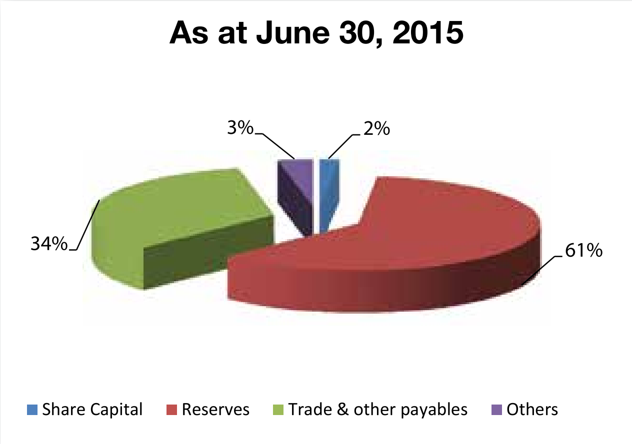
Assets



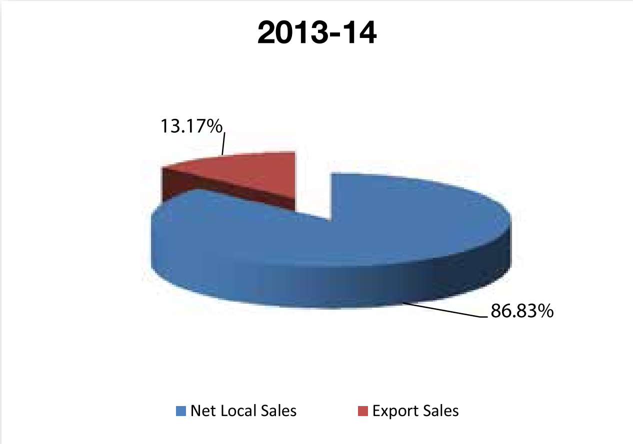


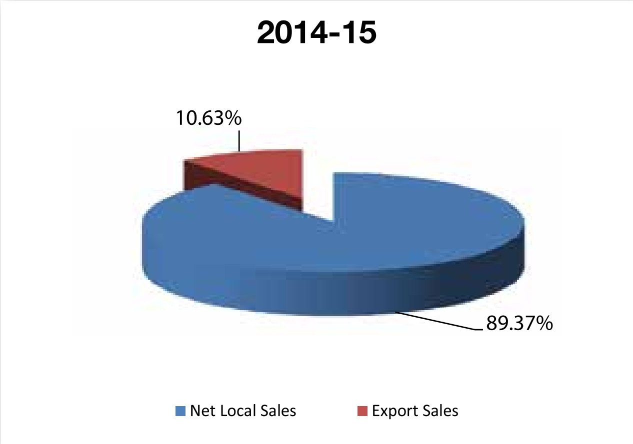
Share Capital, Reserves and Liabilities





Composition of Local and Export Sales





ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE YEAR JUNE 30, 2015


213K-1 S

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A. F. FERGUSON & CO.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of National Refinery Limited as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Chartered Accountants
Karachi

Dated: 17 August 2015

Name of the engagement partner: Farrukh Rehman

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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277924
Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320

BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3	8,066,114	5,061,222
Long term investment	4	-	-
Long term loans	5	42,575	41,486
Long term deposits	6	30,189	30,189
Retirement benefit prepayments	17	22,399	12,711
Deferred taxation	18	-	165,344
		8,161,277	5,310,952
CURRENT ASSETS			
Stores, spares and chemicals	7	1,003,102	1,149,428
Stock-in-trade	8	13,585,660	23,856,560
Trade debts	9	7,253,035	10,207,068
Loans and advances	10	74,602	48,432
Trade deposits and short-term prepayments	11	8,921	53,237
Interest accrued		32,240	40,843
Other receivables	12	547,326	301,904
Short term investments	13	123,543	3,002,863
Cash and bank balances	14	17,272,944	8,804,865
		39,901,373	47,465,200
TOTAL ASSETS		48,062,650	52,776,152
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	799,666	799,666
Reserves	16	29,334,041	25,793,973
		30,133,707	26,593,639
LIABILITIES			
NON-CURRENT LIABILITIES			
Retirement benefit obligations	17	594,464	380,867
Deferred taxation	18	171,555	-
		766,019	380,867
CURRENT LIABILITIES			
Trade and other payables	19	16,433,021	24,931,269
Provisions	20	112,361	246,187
Taxation - provision less payments		617,542	624,190
		17,162,924	25,801,646
TOTAL LIABILITIES		17,928,943	26,182,513
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		48,062,650	52,776,152

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

Chief Executive

Director

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
Gross sales	22	188,935,328	249,769,259
Trade discounts, taxes, duties, levies and price differential	23	(40,478,819)	(42,366,001)
Net sales		148,456,509	207,403,258
Cost of sales	24	(141,610,755)	(204,349,836)
Gross profit		6,845,754	3,053,422
Distribution and marketing expenses	25	(879,124)	(1,090,296)
Administrative expenses	26	(649,030)	(520,716)
Other income	27	1,525,316	1,436,152
Other operating expenses	28	(430,002)	(146,597)
Operating profit		6,412,914	2,731,965
Finance cost	29	(852,694)	(852,319)
Profit before taxation		5,560,220	1,879,646
Taxation	30	(1,851,240)	(917,771)
Profit after taxation		3,708,980	961,875
		(Rupees)	
Earnings per share - basic and diluted	31	46.38	12.03

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

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	(Rupees in thousand)	
Profit after taxation	3,708,980	961,875
Other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurements of post employment benefit obligations - note 17	(163,301)	56,318
Deferred tax thereon	(5,611)	(18,760)
	(168,912)	37,558
Total comprehensive income	3,540,068	999,433

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

Chief Executive

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	32	9,431,735	(1,216,724)
Income tax paid		(1,526,600)	(2,007,030)
(Increase) / decrease in long term loans and advances		(1,089)	10,756
Payment made to staff retirement benefit funds		(82,810)	(102,058)
Net cash flow from / (used in) operating activities		7,821,236	(3,315,056)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,315,468)	(1,025,917)
Purchase of intangible assets		(35,627)	(100)
Proceeds from disposal of property, plant and equipment		4,847	4,131
Return on investments and bank accounts		1,117,499	842,166
Net cash flow used in investing activities		(2,228,749)	(179,720)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,224)	(1,194,855)
Net increase / (decrease) in cash and cash equivalents		5,591,263	(4,689,631)
Cash and cash equivalents at beginning of the year		11,804,769	16,494,400
Cash and cash equivalents at end of the year	33	17,396,032	11,804,769

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

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2015

	SHARE CAPITAL	CAPITAL RESERVES		REVENUE RESERVES		Special reserve (note 16.2)	Total
	Issued, subscribed and paid-up	Capital compensation reserve (note 16.1)	Exchange equalisation reserve	General reserve	Unappropriated profit		
	(Rupees in thousand)						
Balance as at July 1, 2013	799,666	10,142	4,117	19,461,000	2,745,679	3,773,100	26,793,704
Total comprehensive income for the year ended June 30, 2014							
- Profit for the year ended June 30, 2014	-	-	-	-	961,875	-	961,875
- Other comprehensive income for the year ended June 30, 2014	-	-	-	-	37,558	-	37,558
	-	-	-	-	999,433	-	999,433
Transfer to general reserve	-	-	-	1,600,000	(1,600,000)	-	-
Final dividend for the year ended June 30, 2013 - Rs. 15 per share	-	-	-	-	(1,199,498)	-	(1,199,498)
Balance as at June 30, 2014	799,666	10,142	4,117	21,061,000	945,614	3,773,100	26,593,639
Total comprehensive income for the year ended June 30, 2015							
- Profit for the year ended June 30, 2015	-	-	-	-	3,708,980	-	3,708,980
- Other comprehensive income / (loss) for the year ended June 30, 2015	-	-	-	-	(168,912)	-	(168,912)
	-	-	-	-	3,540,068	-	3,540,068
Balance as at June 30, 2015	799,666	10,142	4,117	21,061,000	4,485,682	3,773,100	30,133,707

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

Chief Executive

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

1. LEGAL STATUS AND OPERATIONS

National Refinery Limited was incorporated in Pakistan on August 19, 1963 as a public limited company and its shares are listed on the Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. The registered office of the Company is situated at 7-B, Korangi Industrial Area, Karachi, Pakistan.

The Company is engaged in the manufacturing, production and sale of large range of petroleum products. The refinery complex of the Company comprises of three refineries, consisting of two lube refineries, commissioned in 1966 and 1985, and a fuel refinery added to the complex in 1977.

During the year, the Company has executed contracts for Diesel De-sulphurisation and Naphtha Isomerisation as part of upgradation and expansion of fuel refinery operations. The estimated project cost is US$ 349 million (Rs. 35.49 billion) whereas these projects are expected to be completed in twenty three months. The arrangement for the funding of the project is disclosed in note 34.3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

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

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical 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. Taxation

The Company recognises provision for income tax based on best current estimates. However, where the final tax outcome is different from the amounts that were initially recorded, such differences impact the income tax provision in the period in which such determination is made.

ii. Post employment benefits

Significant estimates relating to post employment benefits are disclosed in note 17.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

No critical judgment has been used in applying the accounting policies.

2.3 Changes in accounting standards, interpretations and pronouncements

(a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRIC 21, "Levies" a new interpretation is applicable for the Company for the first time for the financial year beginning on July 1, 2014, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Company is not currently subject to significant levies therefore the impact on the Company is not material.

(b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2014 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

(c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning January 1, 2015 that may have an impact on the financial statements of the Company.

- IFRS 10, 'Consolidated financial statement' replaces all of the guidance on control and consolidation in IAS 27, 'Consolidation and separate financial statement', and SIC-12,'Consolidation - special purpose entities'. IAS 27 is renamed 'Separate financial statement', it continue to be a standard dealing solely with separate financial statements. IFRS 10 has the potential to affect all reporting entities (investors) that control one or more investees under the revised definition of control. The standard presently does not impact financial statements of the Company.
- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangement, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.
- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across IFRSs. The requirement do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

2.4 Overall Valuation Policy

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes.

2.5 Property, plant and equipment

These are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and impairment, if any, except major spare parts and stand-by equipments which are stated at cost less accumulated impairment, if any, and capital work-in-progress, which are stated at cost.

Major spare parts and stand-by equipment which qualify as property, plant and equipment when an entity expects to use them during more than one year. Transfers are made to relevant operating assets category as and when such items are available for use.

Capital work-in-progress consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant operating assets category as and when assets are available for use.

Depreciation is charged to income using the straight-line method whereby the cost of an asset is written off over its estimated useful life at the rates stated in note 3.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on disposals up to the month immediately preceding the disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying value of operating assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal or retirement of property, plant and equipment are recognised in income currently.

2.6 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible asset. Direct costs include the purchase cost of software, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method over a period of three years or license period, whichever is shorter.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

2.7 Investments

The Company determines the appropriate classification of its investment at the time of purchase.

Investment in securities which are intended to be held for an undefined period of time are classified as available for sale. These are initially measured at fair value including the transaction costs. Subsequent measurement of investments whose fair value can be reliably measured is stated at fair value with gains or losses taken to other comprehensive income.

Available for sale investments in unlisted securities whose fair value can not be reliably measured are carried at cost less impairment, if any.

Investments with fixed payments and maturity that the Company has positive intent and ability to hold till maturity are classified as held-to-maturity investments. These are measured at amortised cost using effective interest method.

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or loses recognised directly in the profit and loss account. The fair value of such investments is determined on the basis of prevailing market prices. In the case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company.

Impairment, if any is charged to profit and loss account.

2.8 Stores, spares and chemicals

Stores, spares and chemicals, except items in transit, are stated at moving average cost. Cost comprises invoice value and other direct costs. Provision is made for slow moving and obsolete items wherever necessary.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.9 Stock-in-trade

Stock of crude oil is valued at lower of cost, determined on a First-In-First-Out (FIFO) basis and net realisable value. Crude oil in transit is valued at cost comprising invoice value plus other charges incurred thereon.

Stocks of semi-finished and finished products are valued at lower of cost, determined on a FIFO basis and net realisable value. Cost in relation to semi-finished and finished products represents cost of crude oil and an appropriate portion of manufacturing overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

2.10 Trade debts and other receivables

Trade debts and other receivables are carried at invoice value less a provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written-off.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts, short-term investments and loans & receivables with original maturities of three months or less, running finance under mark-up arrangements and short-term finance.

2.12 Staff retirement benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans.

2.12.1 Defined contribution plan

The Company operates an approved contributory provident fund for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% per annum of the basic salary. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

2.12.2 Defined benefit plans

Defined benefit plans define an amount of pension or gratuity or medical benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. These are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related benefit obligation.

The Company operates the following schemes:

i) Funded pension scheme for permanent, regular and full time managerial and supervisory staff of the Company who joined prior to January 01, 2012. Contributions are made to the fund on the basis of actuarial valuation and are charged to income. The most recent valuation of the scheme was carried out as at June 30, 2015, using the 'Projected Unit Credit Method'.

ii) Funded gratuity scheme for non-management permanent employees of the Company. Provision is made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2015, using the 'Projected Unit Credit Method'.

iii) Funded medical scheme for its management employees who joined the Company prior to 1 September 2006. Provision is made annually to cover obligations under the scheme, by way of a charge to income, calculated in accordance with the actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2015, using the 'Projected Unit Credit Method'.

iv) Funded gratuity scheme for management employees of the Company joining on or after January 1, 2012. Provision is made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2015, using the 'Projected Unit Credit Method'.

The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Past-service costs are recognised immediately in income.

2.13 Compensated absences

The Company accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the year.

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to income. The most recent valuation was carried out as at June 30, 2015 using the 'Projected Unit Credit Method'.

2.14 Trade and other payables

Trade and other payables are carried at fair value of the consideration to be paid for goods and services.

2.15 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.16 Taxation

2.16.1 Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

2.16.2 Deferred

Deferred tax is accounted for using the liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the profit and loss account. Deferred income tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.17 Revenue recognition

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

a) Local sales of products delivered through pipelines are recorded when products passes through pipelines' flange. Sale of products loaded through gantry is recognised when products are loaded into tank lorries.

b) Export sales are recorded on the basis of products delivered to tankers.

c) Handling and storage income, pipelines charges, scrap sales, insurance commission and rental income are recognised on accrual basis.

d) Return / interest on bank deposits and advances to employees are recognised on accrual basis.

e) Return / interest on short term investments is recognised using the effective interest method.

f) Dividend income is recognised as income when the right of receipt is established.

2.18 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction cost incurred.

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.

2.19 Foreign currency transactions and translation

The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

Transactions in foreign currencies are converted into Pak Rupees using the exchange rates prevailing on the dates of the transactions. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing on the balance sheet date. Exchange differences are taken to income currently.

2.20 Financial assets and liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Segment reporting

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 Chief Executive Officer of the Company.

2.22 Dividends and appropriation to general reserve

Dividends and appropriation to general reserves are recognised in the financial statements in the period in which these are approved.

3. FIXED ASSETS

	2015	2014
	(Rupees in thousand)	
Property, plant and equipment		
- Operating assets - note 3.1	2,834,463	2,878,179
- Major spare parts and stand-by equipments - note 3.2	199,244	164,123
- Capital work-in-progress - note 3.3	5,007,238	2,017,277
	8,040,945	5,059,579
Intangible assets - note 3.4	25,169	1,643
	8,066,114	5,061,222

3.1 Operating assets

	Leasehold land (note 3.1.1)	Buildings on leasehold land	Oil terminal	Processing plant and storage tanks	Power generation plant	Pipelines	Water, power and other utilities	Vehicles	Furniture and fixtures	Computers and other related accessories	Office and other equipments	Total
	(Rupees in thousand)											
Year ended June 30, 2015												
Opening net book value	46,025	176,538	350,229	1,108,200	32,737	160,909	572,938	16,336	5,274	9,298	399,695	2,878,179
Reclassification												
Cost	-	1,118	(671,304)	364,029	-	120,072	1,658	-	-	-	184,427	-
Depreciation	-	(482)	321,075	(180,178)	-	(77,492)	(1,048)	-	-	-	(61,875)	-
	-	636	(350,229)	183,851	-	42,580	610	-	-	-	122,552	-
Additions including transfers - note 3.1.2	-	7,287	-	138,425	34,510	4,120	19,736	9,730	568	5,187	78,570	298,133
Disposals												
Cost	-	-	-	(581)	-	-	-	(8,366)	-	(56)	(1,266)	(10,269)
Depreciation	-	-	-	581	-	-	-	3,976	-	56	1,262	5,875
	-	-	-	-	-	-	-	(4,390)	-	-	(4)	(4,394)
Written off												
Cost	-	(3,756)	-	(13,867)	-	(831)	(22,782)	-	(35)	(14,928)	(2,023)	(58,222)
Depreciation	-	3,559	-	13,651	-	831	22,637	-	33	14,928	1,276	56,915
	-	(197)	-	(216)	-	-	(145)	-	(2)	-	(747)	(1,307)
Depreciation charge	(596)	(15,718)	-	(150,663)	(24,687)	(29,374)	(53,219)	(3,362)	(890)	(4,221)	(53,418)	(336,148)
Closing net book value	45,429	168,546	-	1,279,597	42,560	178,235	539,920	18,314	4,950	10,264	546,648	2,834,463
As at June 30, 2015												
Cost	60,035	431,375	-	5,626,841	793,837	542,842	1,475,316	79,881	14,000	52,301	961,178	10,037,606
Accumulated depreciation	(14,606)	(262,829)	-	(4,347,244)	(751,277)	(364,607)	(935,396)	(61,567)	(9,050)	(42,037)	(414,530)	(7,203,143)
Net book value	45,429	168,546	-	1,279,597	42,560	178,235	539,920	18,314	4,950	10,264	546,648	2,834,463
Year ended June 30, 2014												
Opening net book value	46,625	178,080	377,978	1,227,299	70,599	178,159	470,514	14,639	5,228	8,845	399,717	2,977,683
Additions including transfers - note 3.1.2	-	13,766	4,092	4,732	574	7,517	146,518	6,112	860	6,343	36,754	227,268
Disposals												
Cost	-	-	-	-	-	-	(1,067)	(7,237)	-	-	(84)	(8,388)
Depreciation	-	-	-	-	-	-	1,067	6,093	-	-	84	7,244
	-	-	-	-	-	-	-	(1,144)	-	-	-	(1,144)
Depreciation charge	(600)	(15,308)	(31,841)	(123,831)	(38,436)	(24,767)	(44,094)	(3,271)	(814)	(5,890)	(36,776)	(325,628)
Closing net book value	46,025	176,538	350,229	1,108,200	32,737	160,909	572,938	16,336	5,274	9,298	399,695	2,878,179
As at June 30, 2014												
Cost	60,035	426,726	671,304	5,138,835	759,327	419,481	1,476,704	78,517	13,467	62,098	701,470	9,807,964
Accumulated depreciation	(14,010)	(250,188)	(321,075)	(4,030,635)	(726,590)	(258,572)	(903,766)	(62,181)	(8,193)	(52,800)	(301,775)	(6,929,785)
Net book value	46,025	176,538	350,229	1,108,200	32,737	160,909	572,938	16,336	5,274	9,298	399,695	2,878,179
Annual Rate of Depreciation %	1	5 & 20	5 to 20	5 to 33.33	7 to 33.33	5 to 8	5 to 33.33	20	7.5 to 33.33	10 to 33.33	5 to 33.33	

3.1.1 Leasehold land includes land subleased / licensed to the following lessees / licensees:

- Pak-Hy Oils (Private) Limited
- Chevron Pakistan Limited
- Pakistan State Oil Company Limited
- PERAC Research & Development Foundation
- Petroleum Packages (Private) Limited
- Anoud Power Generation Limited
- Pakistan Oilfields Limited
- Attock Petroleum Limited

The carrying value of each of the above is immaterial.

3.1.2 During the year, the following amounts have been transferred from capital work-in-progress (note 3.3) to operating assets (note 3.1) and intangible assets (note 3.4):

	2015	2014
	(Rupees in thousand)	
Buildings on leasehold land	4,962	13,766
Processing plant and storage tanks	142,956	4,732
Pipelines	4,120	7,517
Water, power and other utilities	6,819	146,518
Power generation plant	34,510	-
Office and other equipments	50,929	17,361
Intangibles	33,447	-
	277,743	189,894

3.1.3 The details of property, plant and equipment disposed of during the year are as follows:

	Cost	Accumulated depreciation	Net book value	Sales proceeds	Mode of disposal	Particulars of buyer
	(Rupees in thousand)					
Vehicle	1,512	271	1,241	967	Company Policy	Mr. Zaman Bhatti - Executive
"	1,432	419	1,013	733	"	Mr. Khawaja Zafar Jawed - Executive
"	1,393	765	628	692	"	Mr. M. Fahim Siddiqui - Executive
"	1,393	749	644	571	"	Mr. Meraj Ahmed Khawaja - Executive
"	1,318	886	432	432	"	Mr. Anwar Ahmed Sheikh - Executive
"	1,318	886	432	432	"	Mr. Shakil Ahmed Asif - Executive
Written down value below Rs. 50,000 each						
Processing plant and storage tanks	581	581	-	751		
Office and other equipments	1,266	1,262	4	262		
Computer and other related accessories	56	56	-	7		
	10,269	5,875	4,394	4,847		

	2015	2014
	(Rupees in thousand)	
3.2 MAJOR SPARE PARTS AND STAND-BY EQUIPMENTS		
Gross carrying value		
Balance at beginning of the year	289,388	275,062
Additions during the year	171,839	206,064
Transfers made during the year	(144,465)	(191,738)
Balance at end of the year	316,762	289,388
Provision for impairment - note 3.2.1	(117,518)	(125,265)
Net carrying value	199,244	164,123

3.2.1 During the year net reversal of provision amounting to Rs. 7.75 million (2014: Rs. 0.60 million) has been made.

		2015	2014
		(Rupees in thousand)	
3.3	Capital work-in-progress		
	Opening balance	2,017,277	1,232,954
	Additions during the year	3,267,704	974,217
	Transfers during the year - note 3.1.2	(277,743)	(189,894)
	Closing balance - note 3.3.1	5,007,238	2,017,277

3.3.1 As at June 30, 2015 and 2014, capital work-in-progress represents:

	2015	2014
	(Rupees in thousand)	
Buildings on leasehold land	25,618	2,961
Refineries upgradation projects - notes 3.3.1.1, 3.3.1.2 and 16.2	4,651,181	1,777,174
Processing plant and storage tanks	74,938	82,370
Pipelines	62,704	18,116
Water, power and other utilities	52,322	25,667
Power generation plant	17,884	-
Office and other equipments	37,710	64,628
Computer software under development	-	21,668
Advances to contractors / suppliers	84,881	24,693
	5,007,238	2,017,277

3.3.1.1 This relates to cost associated with front end engineering designs and process licenses in relation to the fuel and lube refineries upgradation projects. These projects have been undertaken; (i) to comply with the government's directives to produce High Speed Diesel with low sulphur contents and; (ii) to enhance Company's profitability on a sustainable basis. Further, it include advances given to contractors for the purpose of Engineering, Procurement and Construction (EPC) cost for upgradation of fuel refinery amounting to Rs. 2.37 billion.

3.3.1.2 This includes arrangement fee paid amounting to Rs. 287.37 million for syndicated term finance facility from consortium of banks for amounts upto Rs. 24.2 billion in respect of financing for the refinery upgradation projects.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

		2015	2014
3.4	INTANGIBLE ASSETS – Computer softwares	(Rupees in thousand)	
	Net carrying value		
	Balance at beginning of the year	1,643	3,106
	Additions during the year - note 3.4.1	35,627	100
	Amortisation for the year	(12,101)	(1,563)
	Balance at end of the year	25,169	1,643
	Gross carrying value		
	Cost	91,176	55,549
	Accumulated amortisation	(66,007)	(53,906)
	Net book value	25,169	1,643

Amortisation is charged at the rate of 33.33% per annum.

3.4.1 This includes cost associated with upgradation for Enterprise Resources Planning (ERP) system from previous version.

		2015	2014
4.	**LONG TERM INVESTMENT**	(Rupees in thousand)	
	Available for sale		
	Anoud Power Generation Limited [1,080,000 (2014: 1,080,000) Ordinary shares of Rs.10 each, Equity held 9.09 percent (2014: 9.09 percent)]	10,800	10,800
	Less: Provision for impairment	10,800	10,800
		-	-

		2015	2014
5.	**LONG TERM LOANS**		
	Loans - considered good		
	Secured - note 5.2		
	- Executives	34,873	38,257
	- Employees	20,289	16,179
		55,162	54,436
	Less: Recoverable within one year shown under current assets - note 10		
	- Executives	10,565	11,521
	- Employees	2,780	2,278
		13,345	13,799
		41,817	40,637
	Unsecured - note 5.3		
	- Executives	374	452
	- Employees	695	747
		1,069	1,199
	Less: Recoverable within one year shown under current assets - note 10		
	- Executives	134	178
	- Employees	177	172
		311	350
		758	849
		42,575	41,486

5.1 Reconciliation of the carrying amount of loans:

	2015			2014		
	Executives	Employees	Total	Executives	Employees	Total
	(Rupees in thousand)					
Balance at beginning of the year	38,709	16,926	55,635	49,091	19,931	69,022
Effect of promotions to Executives	635	(635)	-	2,179	(2,179)	-
Add: Disbursements	10,509	7,900	18,409	7,008	8,505	15,513
Less: Recoveries	(14,606)	(3,207)	(17,813)	(19,569)	(9,331)	(28,900)
Balance at end of the year	35,247	20,984	56,231	38,709	16,926	55,635

5.2 The secured loans to executives and employees are for the purchase of motor cars and house building. These are granted in accordance with the terms of their employment and are recoverable in monthly installments over a period ranging between 5 to 10 (2014: 5 to 10) years. Out of these car loans carry interest ranging from 3% to 7% (2014: 3% to 7%) per annum. These loans are secured against original title documents of respective assets.

5.3 The unsecured loans to executives and employees are either personal loans or given for the purchase of furniture and motor cycles. These are granted in accordance with the terms of their employment and are recoverable in monthly installments over a period of 4 to 12 (2014: 4 to 12) years and are interest free.

	2015	2014
	(Rupees in thousand)	
6. LONG TERM DEPOSITS		
Utilities	14,216	14,216
Others	15,973	15,973
	30,189	30,189
7. STORES, SPARES AND CHEMICALS		
In hand		
- Stores	491,167	495,899
- Spares	682,722	825,762
- Chemicals	219,940	151,657
	1,393,829	1,473,318
In transit	11,839	86,387
	1,405,668	1,559,705
Provision for slow moving and obsolete stores, spares and chemicals - note 7.1	(402,566)	(410,277)
	1,003,102	1,149,428

7.1 The Company made a reversal of provision (net of write off) for slow moving and obsolete stores, spares and chemicals of Rs. 2.36 million (2014: Rs. 15.93 million).

		2015	2014
		(Rupees in thousand)	
8.	**STOCK-IN-TRADE**		
	Crude oil and condensate [including in transit Rs. 85.95 million (2014: Rs. Nil)]	4,541,367	9,062,132
	Semi finished products	1,733,952	2,471,067
	Finished products - notes 8.1 and 8.2	7,310,341	12,323,361
		13,585,660	23,856,560

8.1 As at June 30, stock of finished goods has been written down by Rs. 75.87 million (2014: Rs. 154.71 million) to arrive at its net realisable value.

		2015	2014
		(Rupees in thousand)	
8.2	Includes stocks held with the following third parties:		
	Lube based oils for export sales at Keamari terminal - Home Products International (Private) Limited	118,792	200,164
	Fuel products for onward sale to customers - Pakistan State Oil Company Limited	5,569	63,125
		124,361	263,289

9.	**TRADE DEBTS - unsecured**		
	Considered good		
	- Related party - Attock Petroleum Limited - note 9.1	5,379,667	8,257,036
	- Others - note 9.2	1,873,368	1,950,032
	Considered doubtful	7,832	7,832
		7,260,867	10,214,900
	Provision for doubtful debts	(7,832)	(7,832)
		7,253,035	10,207,068

9.1 There are no trade debts receivable from related party that are past due or impaired.

9.2 The age analysis of debt past due but not impaired is as follows:

	2015	2014
	(Rupees in thousand)	
Up to 3 months	-	424
3 to 6 months	-	314
More than 6 months	184	9,087

	2015	2014
	(Rupees in thousand)	
10. LOANS AND ADVANCES		
Loans - considered good		
Current portion of long term loans - note 5		
Secured		
- Executives	10,565	11,521
- Employees	2,780	2,278
	13,345	13,799
Unsecured		
- Executives	134	178
- Employees	177	172
	311	350
Short term loans to employees - unsecured, interest free	1,112	1,306
Advances		
- Executives	1,864	732
- Employees	881	1,117
- Suppliers	57,089	31,128
	59,834	32,977
	74,602	48,432

	2015	2014
11. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Deposits	1,235	3,264
Prepayments		
- Insurance	564	194
- Advisory and arrangement fee	-	41,745
- Others	7,122	8,034
	7,686	49,973
	8,921	53,237

	2015	2014
12. OTHER RECEIVABLES – considered good	(Rupees in thousand)	
Receivable from related parties:		
- Attock Petroleum Limited	5,331	4,441
- Attock Refinery Limited	13,634	7,026
Others:		
- Government of Pakistan - note 12.1	232,809	232,809
- Workers' profits participation fund - note 19.2	-	18,952
- Sales tax receivable - note 12.2	237,538	-
- Regulatory duty receivable - note 12.3	36,148	-
- Various	21,866	38,676
	547,326	301,904

12.1 This represents price differential claims receivable from Government of Pakistan. On behalf of oil refineries, Oil Companies Advisory Committee (OCAC) has presented the claims before the Ministry of Petroleum & Natural Resources (MoPNR), which are under review.

12.2 This represents receivable on account of sales tax paid to Federal Board of Revenue amounting to Rs. 237.54 million in respect of sales tax demand for the period from July 2009 to June 2010, on account of unitary conversion differences, against an order received during the year. The Company filed an appeal against the order which was subsequently annulled in favour of the Company. The Company has filed refund application with FBR which is in process.

12.3 This represents the differential of regulatory duty levied on import of crude oil and sale of petroleum products based on SROs issued by Government of Pakistan and MoPNR. The Oil and Gas Regulatory Authority (OGRA) has been advised by MoPNR to establish a recovery mechanism through which refineries are expected to operate on no gain / loss basis on this account. The Company is in the process of lodging its claim to OGRA and MoPNR.

	2015	2014
13. SHORT TERM INVESTMENTS	(Rupees in thousand)	
Held to maturity		
3 months treasury bill - at amortised cost - note 13.1	123,543	-
Loans and receivables		
Pakistan Investment Bonds - repo arrangement	-	3,002,863
	123,543	3,002,863

13.1 This is held by the Company's banker on behalf of the Company. The yield on this bill is 6.75% and it will mature on September 3, 2015.

	2015	2014
	(Rupees in thousand)	
14. CASH AND BANK BALANCES		
Cash and pay order in hand	500	138,653
With banks on:		
Current accounts	69,958	46,283
Savings accounts - note 14.1	2,166,799	4,305,415
Deposit accounts - notes 14.1 and 14.2	15,035,687	4,314,514
	17,272,444	8,666,212
	17,272,944	8,804,865

14.1 These carry mark-up rates varying from 4.90% to 9.80% (2014: 6% to 10.10%) per annum.

14.2 These will mature latest by April 30, 2016 and include Rs. 435.99 million (2014: Rs. 365.22 million) under lien with banks against bank guarantees issued on behalf of the Company.

15. SHARE CAPITAL

Number of shares		2015	2014
		(Rupees in thousand)	
Authorised			
100,000,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000
Issued, subscribed and paid-up			
59,450,417	Ordinary shares of Rs. 10 each fully paid in cash	594,504	594,504
6,469,963	Ordinary shares of Rs. 10 each issued for consideration other than cash	64,700	64,700
14,046,180	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	140,462	140,462
79,966,560		799,666	799,666

15.1 As at June 30, 2015 and 2014, Attock Group holds 51% equity stake in the Company through the following companies:

	2015	2014
	(Number of shares)	
- Attock Refinery Limited	19,991,640	19,991,640
- Pakistan Oilfields Limited	19,991,640	19,991,640
- Attock Petroleum Limited	799,665	799,665

16. RESERVES

	2015	2014
Capital reserves		
Capital compensation reserve - note 16.1	10,142	10,142
Exchange equalisation reserve	4,117	4,117
	14,259	14,259
Revenue reserves		
General reserve	21,061,000	21,061,000
Unappropriated profit	4,485,682	945,614
	25,546,682	22,006,614
Special reserve - note 16.2	3,773,100	3,773,100
	29,334,041	25,793,973

16.1 Capital compensation reserve includes net amounts for (a) premature termination of crude oil sales, bareboat charter-party and technical assistance agreements, (b) design defects and terminated service agreements and (c) termination of bareboat charter-party and affreightment agreements.

16.2 As per the Import Parity Pricing (IPP) formula, effective July 1, 2002, certain refineries including the Company have been directed to transfer from their net profit after tax for the year from fuel refinery operations, an amount in excess of 50% of the paid-up share capital, as on July 1, 2002 attributable to fuel segment, to offset against any future losses or to make investment for expansion or upgradation and is therefore not available for distribution.

During 2013, Government of Pakistan issued a policy framework for upgradation and expansion of refinery project which interalia states that:

- refineries will not be allowed to offset losses, if any, for year ending June 30, 2013 or subsequent years against the amount of profit above 50% accumulated or to be accumulated in the Special Reserve Account as per current pricing formula; and

- the amount of profits above 50% will be accumulated in the Special Reserve account as per the pricing formula (including unutilised balance), which shall along with amounts presently available with refineries be deposited on half yearly basis (with final adjustment on annual basis) in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for upgradation of refineries.

- with effect from January 1, 2016, subject to completion of Diesel Hydro Desulphurisation (DHDS) project, the 7.5% deemed duty on High Speed Diesel (HSD) will be enhanced to 9.0% which may remain applicable till the envisaged complete deregulation. Further, penalty clauses will apply in IPP of HSD from January 1, 2016 if the project is not completed by the said date. However the Company has started the DHDS project and has approached the Ministry of Petroleum and Natural Resources (MoPNR) for extension in the time limit for completion of the project by May 2017.

As at June 30, 2015, the Company has incurred capital expenditure of Rs. 4.65 billion (2014: Rs. 1.78 billion) on upgradation and expansion projects. It includes Rs. 4.44 billion (2014: Rs. 1.58 billion) for the upgradation and expansion of fuel refinery operations. The transfer of Special reserve to General reserve in the financial information for the nine months ended March 31, 2015 has been reversed.

17. RETIREMENT BENEFIT OBLIGATIONS

17.1 Retirement benefit obligations

17.1.1 The Company operates approved funded pension scheme for permanent management staff who joined prior to January 01, 2012, approved funded gratuity scheme for permanent management employees who joined the Company on or after January 01, 2012, approved funded gratuity scheme for permanent non-management employees and approved funded medical scheme for management employees of the Company who joined prior to September 01, 2006. Actuarial valuation of the these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2015.

17.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Ordinance, 1984; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plans, including investment decisions, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

17.1.3 The latest actuarial valuation of the Plan as at June 30, 2015 was carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuation are as follows:

	2015				2014			
	Pension fund	Medical fund	Non - management gratuity fund	Management gratuity fund	Pension fund	Medical fund	Non - management gratuity fund	Management gratuity fund
	(Rupees in thousand)							
17.1.4 Balance sheet reconciliation								
Present value of defined benefit obligation at June 30 - note 17.1.5	4,621,263	911,422	171,785	6,292	4,221,851	846,961	152,630	2,683
Fair value of plan assets at June 30 - note 17.1.6	(4,074,750)	(930,494)	(123,834)	(9,619)	(3,885,518)	(857,658)	(108,096)	(4,697)
Deficit / (surplus)	546,513	(19,072)	47,951	(3,327)	336,333	(10,697)	44,534	(2,014)
17.1.5 Movement in the present value of defined benefit obligation								
Balance at July 1	4,221,851	846,961	152,630	2,683	3,871,133	840,730	128,810	795
Benefits paid by the plan	(318,782)	(34,826)	(2,078)	-	(243,402)	(27,534)	(5,720)	-
Current service cost	98,699	13,692	6,370	2,690	99,403	13,753	5,503	1,316
Interest cost	488,164	109,504	20,452	698	389,521	92,267	14,477	232
Remeasurement on obligation	131,331	(23,909)	(5,589)	221	105,196	(72,255)	9,560	340
Balance at June 30	4,621,263	911,422	171,785	6,292	4,221,851	846,961	152,630	2,683
17.1.6 Movement in the fair value of plan assets								
Balance at July 1	3,885,518	857,658	108,096	4,697	3,574,309	780,502	90,649	-
Contributions paid into the plan	67,888	1,620	8,888	4,414	82,920	4,462	10,020	4,656
Benefits paid by the plan	(318,782)	(34,826)	(2,078)	-	(243,402)	(27,534)	(5,720)	-
Interest income	491,675	109,974	14,422	780	390,574	85,270	10,104	-
Remeasurement on plan assets	(51,549)	(3,932)	(5,494)	(272)	81,117	14,958	3,043	41
Balance at June 30	4,074,750	930,494	123,834	9,619	3,885,518	857,658	108,096	4,697

	2015				2014			
	Pension fund	Medical fund	Non - management gratuity fund	Management gratuity fund	Pension fund	Medical fund	Non - management gratuity fund	Management gratuity fund
	(Rupees in thousand)							
17.1.7 Expense recognised in profit and loss account								
Current service cost	98,699	13,692	6,370	2,690	99,403	13,753	5,503	1,316
Net interest (income) / cost	(3,511)	(470)	6,030	(82)	(1,053)	6,997	4,373	232
Expense recognised in profit and loss account	95,188	13,222	12,400	2,608	98,350	20,750	9,876	1,548
17.1.8 Remeasurement recognised in Other Comprehensive Income								
Remeasurement of present value of defined benefit obligation	131,331	(23,909)	(5,589)	221	105,196	(72,255)	9,560	340
Remeasurement of fair value of plan assets	51,549	3,932	5,494	272	(81,117)	(14,958)	(3,043)	(41)
Remeasurements	182,880	(19,977)	(95)	493	24,079	(87,213)	6,517	299
17.1.9 Net recognised liability / (asset)								
Net liability / (asset) at the beginning of the year	336,333	(10,697)	44,534	(2,014)	296,824	60,228	38,161	795
Expense recognised in profit and loss account	95,188	13,222	12,400	2,608	98,350	20,750	9,876	1,548
Contribution made to the fund during the year	(67,888)	(1,620)	(8,888)	(4,414)	(82,920)	(4,462)	(10,020)	(4,656)
Remeasurements recognised in other comprehensive income	182,880	(19,977)	(95)	493	24,079	(87,213)	6,517	299
Recognised liability / (asset) as at June 30	546,513	(19,072)	47,951	(3,327)	336,333	(10,697)	44,534	(2,014)

17.1.10 Major categories / composition of plan assets are as follows:

	Pension fund		Medical fund		Non - management gratuity fund		Management gratuity fund	
	2015	2014	2015	2014	2015	2014	2015	2014
Debt Instrument	85.30%	86.58%	60.11%	62.05%	86.10%	83.46%	54.18%	36.66%
Equity	2.99%	3.34%	0.00%	0.00%	4.44%	7.54%	0.00%	0.00%
Mutual funds	10.00%	9.28%	39.02%	37.92%	0.00%	0.00%	0.00%	0.00%
Others	1.71%	0.80%	0.87%	0.03%	9.46%	9.00%	45.82%	63.34%
17.1.11 Actuarial Assumptions								
Discount rate at June 30	9.75%	13.00%	9.75%	13.00%	9.75%	13.00%	9.75%	13.00%
Future salary increases / increase in cost								
- First year following the valuation	7.00%	8.00%	6.75%	10.00%	9.00%	10.00%	7.00%	8.00%
- Second year following the valuation	7.00%	8.00%	6.75%	10.00%	9.00%	10.00%	7.00%	8.00%
- Third year following the valuation	7.00%	10.00%	6.75%	10.00%	9.00%	10.00%	7.00%	10.00%
- Long term increase	8.00%	12.00%	6.75%	10.00%	8.75%	12.00%	8.75%	12.00%
Expected rate of increase in pension	3.75%	7.00%	-	-	-	-	-	-
Expected retirement age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years

17.1.12 Mortality was assumed to be SLIC (2001-05) table.

17.1.13 In case of the funded plans, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2015 consists of national savings scheme and government securities. The Company believes that national savings scheme offer the best returns over the long term with an acceptable level of risk.

17.1.14 The expected return on plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

The Company's contributions to gratuity, pension and medical benefit funds in 2016 is expected to amount to Rs. 153.70 million.

The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the pension, gratuity and medical benefit funds according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

17.2 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		(Rupees in thousand)	
Discount rate at June 30	0.5%	5,384	6,069
Future salary increases	0.5%	4,881	4,721
Future pension increases	0.5%	5,768	5,315
Future medical increases	0.5%	920	904

If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption 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 the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity, pension and medical benefit liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

17.3 Historical information

	2015	2014	2013	2012	2011
	Rupees in thousand				
Pension fund					
Present value of defined benefit obligation	4,621,263	4,221,851	3,871,133	3,264,638	2,938,458
Fair value of plan assets	(4,074,750)	(3,885,518)	(3,574,309)	(3,252,080)	(2,950,214)
Deficit / (surplus) in the plan	546,513	336,333	296,824	12,558	(11,756)
Experience Adjustments					
Loss on obligation	131,331	105,196	298,281	20,271	223,123
Gain / (loss) on plan assets	51,549	81,117	38,689	(19,252)	104,861
Medical Benefit					
Present value of defined benefit obligation	911,422	846,961	840,730	786,802	728,221
Fair value of plan assets	(930,494)	(857,658)	(780,502)	(712,300)	(651,744)
(Surplus) / deficit in the plan	(19,072)	(10,697)	60,228	74,502	76,477
Experience Adjustments					
(Gain) / loss on obligation	(23,909)	(72,255)	(41,600)	(38,084)	7,611
Gain / (loss) on plan assets	3,932	14,958	2,861	(12,454)	5,708
Gratuity fund - Non-management					
Present value of defined benefit obligation	171,785	152,630	128,810	118,209	90,789
Fair value of plan assets	(123,834)	(108,096)	(90,649)	(73,844)	(59,039)
Deficit in the plan	47,951	44,534	38,161	44,365	31,750
Experience Adjustments					
(Gain) / loss on obligation	(5,589)	9,560	(9,822)	10,361	12,092
Gain / (loss) on plan assets	5,494	3,043	1,437	(775)	1,006
Gratuity fund - management					
Present value of defined benefit obligation	6,292	2,683	795	80	-
Fair value of plan assets	(9,619)	(4,697)	-	-	-
(Surplus) / deficit in the plan	(3,327)	(2,014)	795	80	-
Experience Adjustments					
Loss on obligation	221	340	377	-	-
Gain on plan assets	272	41	-	-	-

17.4 The Company's contributions towards the provident fund for the year ended June 30, 2015 amounted to Rs. 44.57 million (2014: Rs. 44.98 million).

17.5 The weighted average duration of the plans are as follows:

	No. of years
Pension fund	10.2
Gratuity fund - Non-management	10.4
Medical fund	14.7
Gratuity fund - Management	20.5

17.6 Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2015.

	2015	2014
	(Rupees in thousand)	
18. DEFERRED TAXATION		
Debit / (Credit) balances arising in respect of:		
Provisions for:		
- slow moving & obsolete stores, spares and chemicals	149,775	156,603
- duties and taxes	14,113	14,331
- long term investment, doubtful debts, doubtful receivables, staff retirement benefits, pending litigations and others	3,496	3,501
- old outstanding liabilities offered for tax	148,733	142,696
	316,117	317,131
Minimum tax	-	366,803
Accelerated tax depreciation and amortisation	(487,672)	(518,590)
	(171,555)	165,344
19. TRADE AND OTHER PAYABLES		
Trade creditors	10,924,859	18,005,884
Due to Government of Pakistan	1,191,153	1,973,811
Due to related parties:		
- Attock Petroleum Limited	4,497	26,553
- Attock Refinery Limited	-	6,575
- Pakistan Oilfields Limited	339,013	842,851
Accrued liabilities	694,161	681,244
Surplus price differential payable - notes 19.1 and 12.3	633,967	429,011
Sales tax payable	1,447,775	1,606,115
Retention money	43,270	18,766
Deposits from contractors	33,615	33,332
Advances from customers	169,181	292,455
Workers’ profits participation fund - note 19.2	48,616	-
Workers' welfare fund	145,368	70,255
Income tax deducted at source	13,355	260,491
Unclaimed dividend	67,329	68,553
Excise duty and petroleum levy	668,648	604,912
Others	8,214	10,461
	16,433,021	24,931,269

19.1 This represents amount payable in respect of surplus of High Speed Diesel (HSD) price as per Pakistan State Oil Limited's (PSO) actual import price excluding ocean losses over HSD price based on import price parity formula in accordance with the Economic Coordination Committee's decision dated February 26, 2013.

	2015	2014
	(Rupees in thousand)	
19.2 Workers' profits participation fund		
Receivable / (payable) at beginning of the year	18,952	(16,256)
Allocation for the year - note 28	(298,615)	(101,049)
Interest on funds utilised in the Company's business - note 29	-	(1,904)
	(279,663)	(119,209)
Amount paid to the Trustees of the Fund	231,047	138,161
(Payable) / receivable at end of the year	(48,616)	18,952

20. PROVISIONS

	2015	2014
Duties and taxes - note 20.1	29,006	29,006
Others - note 20.2	83,355	217,181
	112,361	246,187

20.1 These represent provisions for:

	2015	2014
Sales tax and central excise duty - note 20.1.1	29,006	29,006
	29,006	29,006

20.1.1 This represents provision made by the Company in respect of sales tax and central excise duty aggregating to Rs. 29.01 million (2014: Rs. 29.01 million), determined by the Collectorate of Customs, Sales Tax and Central Excise (Adjudication) in 2004 in respect of goods sold by the Company to one of its customer without deduction of sales tax and central excise duties.

20.2 This includes Rs. 55.62 million (2014: Rs. 55.62 million) in respect of sales tax and excise duty on account of purchases of crude oil and drums.

20.3 Reconciliation of provisions

	2015	2014
	(Rupees in thousand)	
Balance at the beginning of the year	246,187	411,401
Payment	(90,000)	-
Reversal - note 27.1	(43,826)	(165,214)
Balance at the end of the year	112,361	246,187

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 Outstanding counter guarantees at the end of the year amounted to Rs. 456.43 million (2014: Rs. 365.22 million).

21.1.2 Claims not acknowledged by the Company as debt at the end of the year amounted to Rs. 4.53 billion (2014: Rs. 4.53 billion). These include claims accumulating to Rs. 4.31 billion (2014: Rs. 4.31 billion) in respect of late payment surcharge claimed by crude oil suppliers and Rs. 16.45 million (2014: Rs. 16.45 million) relating to freight claims.

21.1.3 The Company has raised claims on certain Oil Marketing Companies (OMCs) in respect of interest on late payments against receivables aggregating to Rs. 5.07 billion (2014: Rs. 5.07 billion). However, these have not been recognised in the financial statements as these claims have not been acknowledged by the OMCs.

21.2 Commitments

21.2.1 Commitments outstanding for capital expenditures as at June 30, 2015 amounted to Rs. 21.26 billion (2014: Rs. 426.87 million).

21.2.2 Outstanding letters of credit at the end of the year amounted to Rs. 15.10 billion (2014: Rs. 19.87 billion).

22. GROSS SALES

	2015	2014
	(Rupees in thousand)	
Local	173,147,074	222,444,797
Exports	15,788,254	27,324,462
	188,935,328	249,769,259

	2015	2014
	(Rupees in thousand)	
23. TRADE DISCOUNTS, TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL		
Trade discounts	716,335	1,078,559
Sales tax	28,217,415	32,321,508
Excise duty	557	495
Petroleum levy	9,791,884	8,392,121
Regulatory duty - note 12.3	245,500	-
Surplus price differential - note 19.1	1,507,128	573,318
	40,478,819	42,366,001
24. COST OF SALES		
Opening stock of semi-finished products	2,471,067	2,906,729
Crude oil, condensate and drums consumed - notes 24.1 and 24.2	130,933,521	197,525,738
Stores, spares and chemicals consumed	592,627	563,626
Salaries, wages and staff benefits - note 24.3	1,085,405	1,056,818
Staff transport and canteen	104,555	114,645
Fuel, power and water	2,238,402	2,358,527
Rent, rates and taxes	101,781	43,962
Insurance	228,339	260,433
Contract services	59,240	61,235
Repairs and maintenance	193,359	89,837
Reversal of provision for slow moving and obsolete stores, spares and chemicals	(10,103)	(16,538)
Stores, spares and chemicals written off	5,389	-
Depreciation - note 3.1	297,625	290,036
Amortisation of intangible assets - note 3.4	556	-
Professional charges	3,205	3,159
Consultancy charges	5,278	7,725
Security charges	12,931	6,312
Others	8,510	11,471
	135,860,620	202,376,986
Closing stock of semi-finished products - note 8	(1,733,952)	(2,471,067)
Cost of products manufactured	136,597,735	202,812,648
Opening stock of finished products	12,323,361	13,860,549
Closing stock of finished products - note 8	(7,310,341)	(12,323,361)
	5,013,020	1,537,188
	141,610,755	204,349,836

		2015	2014
		(Rupees in thousand)	
24.1	Crude oil, condensate and drums consumed		
	Crude oil and condensate		
	- Opening stock	9,062,132	5,796,476
	- Purchases	126,373,531	200,565,489
	- Closing stock - note 8	(4,541,367)	(9,062,132)
		130,894,296	197,299,833
	Drums	39,225	225,905
		130,933,521	197,525,738

24.2 Cost of local crude oil and condensate consumed in respect of non-finalised Crude Oil Sale Purchase Agreements (COSA) has been recorded provisionally in accordance with Petroleum Concession Agreement.

24.3 Includes Rs.75.42 million (2014: Rs. 85.39 million) and Rs. 28.03 million (2014: Rs.31.22 million) in respect of defined benefit and defined contribution plans respectively.

		2015	2014
		(Rupees in thousand)	
25.	**DISTRIBUTION AND MARKETING EXPENSES**		
	Commission on local sales	465,947	548,469
	Commission on export sales	158,616	274,226
	Export expenses	86,072	139,798
	Salaries and staff benefits - note 25.1	74,335	57,858
	Depreciation - note 3.1	22,980	22,313
	Security charges	18,283	8,925
	Repairs and maintenance	11,024	10,460
	Bad debts written off	10,293	-
	Pipeline charges	7,951	5,566
	Selling expenses	7,031	6,942
	Postage and periodicals	6,570	3,637
	Staff transport and canteen	6,024	6,910
	Others	3,998	5,192
		879,124	1,090,296

25.1 Includes Rs. 6.62 million (2014: Rs. 7.24 million) and Rs. 2.99 million (2014: Rs. 2.56 million) in respect of defined benefit and defined contribution plans respectively.

26. ADMINISTRATIVE EXPENSES

	2015	2014
	(Rupees in thousand)	
Salaries and staff benefits - note 26.1	394,980	332,913
Staff transport and canteen	41,043	34,274
Directors' fee	4,079	2,905
Rent, rates and taxes	4,167	2,131
Depreciation - note 3.1	15,543	13,279
Amortisation of intangible assets - note 3.4	11,545	1,563
Legal and professional charges	7,652	1,889
Printing and stationery	5,606	5,872
Contract services	47,070	26,090
Repairs and maintenance	44,432	42,221
Telecommunication	5,555	6,540
Electricity and power	3,397	3,972
Insurance	1,392	1,027
Travelling expenses	2,727	10,826
Postage and periodicals	5,116	7,375
Security charges	43,386	21,178
Others	11,340	6,661
	649,030	520,716

26.1 Includes Rs. 41.38 million (2014: Rs. 37.90 million) and Rs.12.79 million (2014: Rs.11.20 million) in respect of defined benefit and defined contribution plans respectively.

27. OTHER INCOME

	2015	2014
	(Rupees in thousand)	
Income from financial assets		
Return / interest / mark-up on:		
- PLS savings and deposit accounts	680,695	652,296
- Secured loans to employees and executives	556	597
- Treasury bills	169,396	99,335
- Pakistan Investment Bonds	256,301	45,218
	1,106,948	797,446
Others		
Handling and storage income	228,532	210,609
Hospitality income	65,098	50,243
Liabilities no longer payable written back - note 27.1	95,639	321,411
Profit on disposal of property, plant and equipment	453	2,987
Sale of scrap and empties	5,092	32,043
Pipeline charges recovered	6,799	5,371
Rental income	8,612	8,495
Profit commission	5,814	6,504
Others	2,329	1,043
	1,525,316	1,436,152

27.1 This includes write back of liabilities considered no longer payable accumulating to Rs. 51.6 million in respect of reversal of amounts payable to local crude oil suppliers and Rs. 43.8 million consequent to settlement of a legal case with a supplier.

	2015	2014
	(Rupees in thousand)	
28. OTHER OPERATING EXPENSES		
Workers' profits participation fund - note 19.2	298,615	101,049
Workers' welfare fund	113,474	38,360
Auditors' remuneration - note 28.1	6,654	7,088
Corporate Social Responsibility	100	100
Property, plant and equipment written off	1,307	-
Others	9,852	-
	430,002	146,597
28.1 Auditors' remuneration		
Audit fee	2,200	2,000
Taxation services	2,499	3,427
Fee for review of half yearly financial information, special reports and certifications	1,543	1,240
Out-of-pocket expenses	412	421
	6,654	7,088
29. FINANCE COST		
Exchange loss - note 29.1	851,258	848,465
Interest on workers' profits participation fund	-	1,904
Guarantee commission and service charges	1,316	1,517
Bank charges	120	433
	852,694	852,319

29.1 This is net of exchange gain on export sales amounting Rs. 72.26 million (2014: Rs. 116.59 million).

	2015	2014
	(Rupees in thousand)	
30. TAXATION		
Current		
- for the year - note 30.1	1,606,351	1,175,376
- for prior year	(86,399)	(26,182)
	1,519,952	1,149,194
Deferred	331,288	(231,423)
	1,851,240	917,771

30.1 This includes one-time super tax of Rs. 164.74 million imposed for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance 2001 (as inserted by Finance Act 2015).

30.2 Relationship between tax expense and accounting profit

	2015	2014
	(Rupees in thousand)	
Accounting profit before taxation	5,560,220	1,879,646
Tax at the applicable tax rate of 33% (2014: 34%)	1,834,873	639,080
Tax effect of expenses not allowed for tax	-	34
Tax effect of Final Tax Regime	13,744	327,039
Effect of tax credits	(68,149)	(13,716)
Effect of super tax	164,743	-
Effect of income taxable at lower rate	(1,615)	(1,679)
Effect of prior year tax	(86,399)	(26,182)
Effect of change in tax rate	(5,957)	(6,805)
Tax expense for the year	1,851,240	917,771

31. EARNINGS PER SHARE - basic and diluted

	2015	2014
Profit after taxation (Rupees in thousand)	3,708,980	961,875
Weighted average number of ordinary shares in issue (in thousand)	79,967	79,967
Basic earnings per share (Rupees)	46.38	12.03

There were no dilutive potential ordinary shares in issue as at June 30, 2015 and 2014.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

		2015	2014
		(Rupees in thousand)	
32.	**CASH GENERATED FROM / (USED IN) OPERATIONS**		
	Profit before taxation	5,560,220	1,879,646
	Adjustment for non cash charges and other items:		
	Depreciation and amortisation	348,249	327,191
	Provision for staff retirement benefit funds	123,418	130,524
	Mark-up on late payment to supplier	-	-
	Reversal of provision for slow moving and obsolete stores, spares and chemicals	(10,103)	(16,538)
	Stores, spares and chemicals written off	5,389	-
	Bad debts written off	10,293	-
	Return on investments and bank accounts	(1,106,392)	(796,849)
	Profit on disposal of property, plant and equipment	(453)	(2,987)
	Property, plant and equipment written off	1,307	-
	Decrease / (Increase) in working capital - note 32.1	4,499,807	(2,737,711)
		9,431,735	(1,216,724)
32.1	Decrease / (Increase) in working capital		
	Decrease / (Increase) in current assets		
	Stores, spares and chemicals	143,293	(345,416)
	Stock-in-trade	10,270,900	(1,292,806)
	Trade debts	2,943,740	769,924
	Loans and advances	(26,170)	(12,156)
	Deposits and prepayments	44,316	(45,016)
	Other receivables	(245,422)	(27,193)
		13,130,657	(952,663)
	(Increase) / Decrease in current liabilities		
	Trade and other payables	(8,497,024)	(1,619,834)
	Provisions	(133,826)	(165,214)
		4,499,807	(2,737,711)

	2015	2014
	(Rupees in thousand)	
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,272,944	8,804,865
Short term investments	123,088	2,999,904
	17,396,032	11,804,769
34. UNAVAILED CREDIT FACILITIES		
Short term running finance - note 34.1	2,000,000	1,000,000
Letters of credit and guarantee - note 34.2	35,444,742	37,781,480
Syndicate term finance - note 34.3	24,200,000	-
Letter of credit (sublimit to the syndicate term finanace) - note 34.3	20,993,481	-

34.1 Short term running finance

The rates of mark-up on these finance ranges between 7.25% and 10.95% (2014: 9.39% and 10.73%) per annum, payable quarterly.

The facilities are secured against joint pari passu charge on Company's stocks, receivables and other current assets.

34.2 Letters of credit and guarantee

The facilities are secured by way of pari passu charge against hypothecation of Company's plant and machinery and ranking charge on Company's stocks, receivables and other current assets.

34.3 Syndicate term finance

The Company has entered into a syndicated finance agreement with a consortium of banks which includes United Bank Limited as the Agent Bank for a term finance facility of Rs. 24.2 billion for the Company's upgradation and expansion projects. The facility carries a mark-up of 6 month KIBOR plus 1.7% p.a. which will be payable on semi-annually basis. The tenure of this facility is 12 years including the grace period of 2 years. Upto June 30, 2015 no draw down was made.

This facility is secured by first pari passu charge by way of hypothecation over all present and future current assets, movable fixed assets and mortgage over immovable property to the extent of Rs. 32.27 billion. Further, a non-funded letter of credit facility (being sublimit to syndicate term finance) has been established for financing the Diesel De-sulphurisation and Naphtha Isomerisation as part of upgradation and expansion of fuel refinery operations.

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2015			2014		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	(Rupees in thousand)					
Managerial remuneration	12,207	6,630	365,004	9,828	5,806	331,239
Bonus	3,415	1,361	67,137	1,538	630	33,700
Retirement benefits	-	1,698	85,466	-	1,613	88,491
House rent	4,886	2,547	142,871	4,154	2,358	134,266
Conveyance	253	358	29,902	316	448	37,514
Leave benefits	991	542	34,843	853	506	33,647
	21,752	13,136	725,223	16,689	11,361	658,857
Number of person(s)	1	1	377	1	1	372

35.1 In addition to the above, fee to executive and non-executive directors during the year amounted to Rs. 1.16 million (2014: Rs. 0.77 million) and Rs. 2.92 million (2014: Rs. 2.14 million) respectively.

35.2 The Chief Executive, executive director and some of the executives of the Company are provided with free use of Company's cars and additionally, the Chief Executive, executive director and executives are also entitled to medical benefits and club subscriptions in accordance with their terms of service.

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

36.1 Financial assets and liabilities

	Interest/mark-up bearing			Non-interest/mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	**Total**
	(Rupees in thousand)						
Financial assets							
Loans and receivables							
Loans and advances	2,258	9,335	11,593	72,344	33,240	105,584	117,177
Deposits	-	-	-	1,235	30,189	31,424	31,424
Trade debts	-	-	-	7,253,035	-	7,253,035	7,253,035
Accrued interest	-	-	-	32,240	-	32,240	32,240
Other receivables	-	-	-	273,640	-	273,640	273,640
Cash and bank balances	17,202,486	-	17,202,486	70,458	-	70,458	17,272,944
Short term investments	123,543	-	123,543	-	-	-	123,543
2015	17,328,287	9,335	17,337,622	7,702,952	63,429	7,766,381	25,104,003
2014	11,624,498	7,458	11,631,956	10,753,613	64,217	10,817,830	22,449,786
Financial liabilities							
Trade and other payables	254,392	-	254,392	13,051,719	-	13,051,719	13,306,111
2015	254,392	-	254,392	13,051,719	-	13,051,719	13,306,111
2014	241,365	-	241,365	21,426,665	-	21,426,665	21,668,030
On balance sheet gap							
2015	17,073,895	9,335	17,083,230	(5,348,767)	63,429	(5,285,338)	11,797,892
2014	11,383,133	7,458	11,390,591	(10,673,052)	64,217	(10,608,835)	781,756

OFF BALANCE SHEET ITEMS

Commitments for capital expenditure	21,262,965
Letters of credit	15,097,871
Letters of guarantees	456,433
2015	36,817,269
2014	20,658,919

36.2 Financial risk management objectives and policies

(i) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as going concern in order to provide returns for shareholders and benefit for other stakeholders. As mentioned in note - 16.2, the Company operates under tariff protection formula for fuel operations whereby profits after tax attributable to fuel segment in excess of 50% of the paid up capital as of July 1, 2002 attributable to fuel segment are transferred to special reserve.

During the year, the Company has executed long term financing agreements to fund the Diesel De-sulphurisation and Naphtha Isomerisation projects.

(ii) Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The financial assets that are subject to credit risk amounted to Rs. 24.69 billion (2014: Rs. 19.08 billion).

The Company monitors its exposure to credit risk on an ongoing basis at various levels. The Company believes that it is not exposed to any major concentration of credit risk as it operates in an essential products industry and has as customers only a few sound organisations.

The carrying values of financial assets which are neither past due nor impaired are as under:

	2015	2014
	(Rupees in thousand)	
Loans and advances	117,177	58,790
Deposits	31,424	33,453
Trade debts	7,252,851	10,197,243
Accrued interest	32,240	40,843
Other receivables	273,640	301,904
Short term investments	123,543	3,002,863
Cash and bank balances	17,272,944	8,804,865
	25,103,819	22,439,961

(iii) Foreign exchange risk

Foreign currency risk arises mainly when receivables and payables exist due to transactions in foreign currencies primarily with respect to US Dollar. Financial assets include Rs. 0.22 billion (2014: Nil) and financial liabilities include Rs. 1.28 billion (2014: Rs. 13.83 billion) which are subject to foreign currency risk. The Company believes that its not materially exposed to foreign exchange risk as its product prices are linked to the currency of its imports.

As at June 30, 2015, if the Pakistan Rupee had weakened / strengthened by 10% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.11 billion (2014: Rs. 1.38 billion), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables and trade debts.

(iv) Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements.

(v) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Company is exposed to cash flow interest rate risk on its syndicate term finance which is priced at 1.7% above six months KIBOR.

(vi) Price risk

The Company is not exposed to any price risk with respect to its investments in Treasury Bills.

(vii) Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

37. SEGMENT INFORMATION

37.1 The Company's operating segments are organised and managed separately according to the nature of production process for products and services provided, with each segment representing a strategic business unit. The fuel segment is primarily a diverse supplier of fuel products and offers gasoline, diesel oils, and furnace oil. The lube segment mainly provides different types of lube base oils, asphalt, wax free oil and other petroleum products for different sectors of the economy. Inter-segment transfers are made at relevant costs to each segment.

37.2 Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets include property, plant and equipment.

The financial information regarding operating segments is as follows:

	FUEL		LUBE		TOTAL	
	2015	2014	2015	2014	2015	2014
	(Rupees in thousand)					
Segment Revenue						
Sales to external customers						
- local, net of discounts, taxes, duties, levies and price differential	91,688,706	128,791,591	40,979,549	51,287,205	132,668,255	180,078,796
- exports	14,449,008	23,234,879	1,339,246	4,089,583	15,788,254	27,324,462
	106,137,714	152,026,470	42,318,795	55,376,788	148,456,509	207,403,258
Inter-segment transfers	29,639,635	43,820,063	-	-	29,639,635	43,820,063
Elimination of inter-segment transfers	-	-	-	-	(29,639,635)	(43,820,063)
Net sales	135,777,349	195,846,533	42,318,795	55,376,788	148,456,509	207,403,258
Segment results after tax	(80,958)	(2,835,105)	3,789,938	3,796,980	3,708,980	961,875
Other comprehensive income	(56,304)	12,519	(112,608)	25,039	(168,912)	37,558
Total Comprehensive income / (loss)	(137,262)	(2,822,586)	3,677,330	3,822,019	3,540,068	999,433
Segment assets	26,480,454	31,513,855	19,618,154	19,702,044	46,098,608	51,215,899
Unallocated assets	-	-	-	-	1,964,042	1,560,253
Total assets	26,480,454	31,513,855	19,618,154	19,702,044	48,062,650	52,776,152
Segment liabilities	16,100,022	24,400,760	1,039,824	1,157,561	17,139,846	25,558,321
Unallocated liabilities	-	-	-	-	789,097	624,192
Total liabilities	16,100,022	24,400,760	1,039,824	1,157,561	17,928,943	26,182,513
Other Segment Information:						
Capital expenditure	119,240	19,180	136,003	164,990	255,243	184,170
Unallocated capital expenditure	-	-	-	-	78,517	43,198
	119,240	19,180	136,003	164,990	333,760	227,368
Depreciation and amortisation	129,701	109,799	218,548	217,392	348,249	327,191
Interest income	368,982	265,815	737,966	531,631	1,106,948	797,446
Interest expense	-	635	-	1,269	-	1,904
Non-cash expenses other than depreciation	8,721	(5,513)	(3,142)	(11,025)	5,579	(16,538)
Stock-in-trade written down	51,409	154,712	24,457	-	75,867	154,712

37.3 The Company sells its manufactured products to Oil Marketing Companies (OMCs) and other organisations / institutions. Out of these, two (2014: two) of the Company's customers contributed towards 70.82% (2014: 71.98%) of the net revenues during the year amounting to Rs. 95.70 billion (2014: Rs. 129.62 billion) and each customer individually exceeds 10% of the net revenues.

38. TRANSACTIONS WITH RELATED PARTIES

38.1 The following transactions were carried out with related parties during the year:

Nature of relationship	Nature of transactions	2015	2014
		(Rupees in thousand)	
Associated companies			
	Sale of petroleum products - note 38.1.1	101,731,635	125,700,517
	Purchase of crude oil and condensate - note 38.1.2	2,307,717	2,906,613
	Rental income	4,624	4,843
	Hospitality income	65,057	50,243
	Handling income	216,595	177,888
	Trade discounts and commission on sales	1,316,578	1,901,255
	Reimbursement of expenses	3,590	3,609
	Purchase of petroleum products	14,412	19,592
	Dividend paid	-	611,744
Post employment staff benefit plans			
	Contributions	126,274	143,179
Key management employees compensation			
	Salaries and other employee benefits	51,180	41,197
	Post retirement benefits	2,641	2,479
	Directors' fees	4,079	2,905

38.1.1 Sales of petroleum products to associated companies are based on prices fixed by Oil & Gas Regulatory Authority, import prices of Pakistan State Oil, Company announced prices.

38.1.2 Purchase of crude oil and condensate from associated company is based on price mechanism provided in its respective Petroleum Concession Agreement till finalisation of Crude Oil / Condensate Sale and Purchase Agreements.

38.2 The related party status of outstanding balances as at June 30, 2015 is included in trade debts, other receivables and trade and other payables. These are settled in ordinary course of business.

	Annual designed throughput capacity	Actual throughput 2015	Actual throughput 2014
	(In Metric Tons)		
39. CAPACITY			
Fuel section - throughput of crude oil - note 39.1	2,710,500	2,230,425	2,357,624
Lube section - throughput of reduced crude oil	620,486	629,716	684,021

39.1 Reduction is due to day to day monitoring of throughput based on expected product margins.

40. PROVIDENT FUNDS RELATED DISCLOSURE

The following information is based on un-audited financial statements of the Funds as at June 30, 2015:

	2015	2014
	(Rupees in thousand)	
Size of the fund - Total assets	1,380,329	1,298,536
Fair value of investments	1,273,519	1,191,016
Percentage of investments made	92%	92%

40.1 The cost of above investments amounted to Rs. 1,053.4 million (2014: Rs. 1,072.3 million).

40.2 The break-up of fair value of investments is as follows:

	2015	2014	2015	2014
	Percentage		(Rupees in thousand)	
National savings scheme	64%	60%	820,610	709,230
Bank deposits	2%	4%	21,968	42,450
Government securities	10%	13%	125,263	152,478
Equity securities	1%	2%	19,904	24,848
Unit trust schemes	23%	21%	285,774	262,010

40.3 The investments out of provident fund have been made in accordance with the provision of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
41. NUMBER OF EMPLOYEES		
Number of employees including contractual employees at June 30	947	945
Average number of employees including contractual employees during the year	946	902

42. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on August 12, 2015 (i) approved transfer of Rs. 3 billion (2014: Rs. Nil) from unappropriated profit to general reserve; and (ii) proposed a final cash dividend of Rs. 10 per share (2014: Rs. Nil per share) for the year ended June 30, 2015 amounting to Rs. 799.67 million (2014: Nil).

The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

43. DATE OF AUTHORISATION FOR ISSUE

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

Chief Executive

Director

PATTERN OF SHARE HOLDING
NOTICE & FORMS


B3-S-08

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2015

Form-34

NUMBER OF SHARES From	To	NO. OF SHAREHOLDERS	NUMBER OF SHARES HELD	% ON ISSUED
1	100	1,526	48,571	0.06
101	500	1,152	313,025	0.39
501	1,000	538	416,358	0.52
1001	5,000	821	1,910,889	2.39
5,001	10,000	138	1,012,762	1.27
10,001	15,000	45	563,295	0.71
15,001	20,000	28	500,747	0.62
20,001	25,000	24	565,367	0.68
25,001	30,000	7	196,395	0.25
30,001	35,000	8	263,342	0.33
35,001	40,000	5	190,912	0.24
40,001	45,000	3	131,116	0.16
45,001	50,000	3	144,300	0.18
50,001	55,000	3	158,000	0.20
55,001	60,000	3	176,406	0.22
60,001	65,000	2	126,317	0.16
65,001	70,000	2	134,829	0.17
70,001	75,000	5	366,478	0.46
75,001	80,000	1	79,700	0.10
80,001	85,000	3	250,411	0.31
85,001	90,000	3	262,600	0.33
90,001	95,000	1	93,900	0.12
95,001	100,000	4	398,000	0.50
115,001	120,000	1	115,600	0.14
120,001	125,000	1	125,000	0.16
130,001	135,000	1	132,385	0.17
140,001	145,000	2	282,700	0.35
145,001	150,000	2	300,000	0.38
150,001	155,000	1	150,800	0.19
155,001	160,000	1	158,700	0.20
180,001	185,000	1	184,200	0.23
185,001	190,000	2	376,460	0.47
200,001	205,000	1	205,000	0.26
230,001	235,000	1	233,285	0.29
235,001	240,000	1	240,000	0.30
265,001	270,000	1	268,658	0.34
340,001	345,000	1	341,600	0.43
345,001	350,000	1	350,000	0.44
355,001	360,000	1	358,596	0.45
360,001	365,000	1	361,185	0.45
445,001	450,000	1	445,584	0.56
455,001	460,000	1	455,400	0.57
470,001	475,000	1	474,000	0.59
500,001	505,000	1	502,363	0.63
635,001	640,000	1	635,900	0.80
680,001	685,000	1	684,200	0.86
795,001	800,000	1	799,665	1.00
840,001	845,000	1	841,800	1.05
865,001	870,000	1	869,554	1.08
870,001	875,000	1	870,055	1.09
1,160,001	1,165,000	1	1,161,600	1.45
3,585,001	3,590,000	1	3,589,819	4.49
4,165,001	4,170,000	1	4,165,451	5.21
11,995,001	12,000,000	1	12,000,000	15.00
19,990,001	19,995,000	2	39,983,280	50.00
		4,361	79,966,560	100.00

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2015

Categories	Percentage %	Number of Shareholders	Number of Shares held
Directors, Chief Executive Officer, and their spouse(s) and minor children	0.03	7	20,008
Associated Companies	50.00	2	39,983,280
NIT and ICP	7.40	8	5,917,627
Banks, Development Financial Institutions and Non Banking Financial Institutions	2.75	28	2,200,704
Insurance Companies	6.13	8	4,899,189
Modarabas and Mutual Funds	1.61	26	1,291,016
Shareholders holding 10% - Islamic Development Bank	15.00	1	12,000,000
General Public:			
a. Local	9.40	4,120	7,522,479
b. Foreign	0.29	73	229,423
Joint Stock Companies	1.10	13	876,281
Foreign Investors - other than Individual	3.86	11	3,085,502
Others	2.43	64	1,941,051
	100.00	4,361	79,966,560

INFORMATION REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

Associated Companies

Attock Refinery Limited	19,991,640
Pakistan Oilfields Limited	19,991,640

Mutual Funds (as per LOBO* from CDC)

CDC-Trustee MCB Pakistan Stock Market Fund	341,600
CDC-Trustee Pakistan Strategic Allocation Fund	100
CDC-Trustee Meezan Balanced Fund	2,500
CDC-Trustee Alfalah GHP Value Fund	54,500
CDC-Trustee AKD Index Tracker Fund	5,560
CDC-Trustee Al Meezan Mutual Fund	1,800
CDC-Trustee Meezan Islamic Fund	3,056
CDC-Trustee NAFA Stock Fund	184,200
CDC-Trustee NAFA Multi Asset Fund	18,300
CDC-Trustee Alfalah GHP Islamic Stock Fund	52,500
CDC-Trustee NAFA Islamic Asset Allocation Fund	70,400
CDC-Trustee KASB Asset Allocation Fund	75,000
CDC-Trustee MCB Pakistan Asset Allocation Fund	2,200
CDC-Trustee Alfalah GHP Stock Fund	141,900
CDC-Trustee Alfalah GHP Alpha Fund	79,700
CDC-Trustee Crosby Dragon Fund	24,600
CDC-Trustee NAFA Asset Allocation Fund	17,300
CDC-Trustee NAFA Pension Fund Equity Sub-Fund Account	12,900
CDC-Trustee NAFA Islamic Pension Fund Equity Account	14,400
CDC-Trustee NAFA Islamic Principal Protected Fund - II	85,100
CDC-Trustee NAFA Islamic Stock Fund	59,700
CDC-Trustee NIT-Equity Market Opportunity Fund	870,055
CDC-Trustee National Investment (Unit) Trust	4,165,451
NH Capital Fund Ltd	1,200

* List of Beneficial Owner Report

Categories	Percentage %	Number of Shares held
Directors, Chief Executive Officer, their spouse(s) and minor children		
Dr. Ghaith R. Pharaon		1
Mr. Laith G. Pharaon		1
Mr. Wael G. Pharaon		1
Mr. Shuaib A. Malik		2
Mr. Tariq Iqbal Khan		20,001
Mr. Babar Bashir Nawaz		1
Mr. Abdus Sattar		1
Executives		1,598
Public Sector Companies and Corporations		4,964,420
Banks, DFIs, NBFCs, Insurance Companies, Takaful, Modarabas & Pension Funds		7,808,324
Shareholders holding 5% or more voting interest		
Attock Refinery Limited	25%	19,991,640
Pakistan Oilfields Limited	25%	19,991,640
Islamic Development Bank	15%	12,000,000
NIT & ICP	7%	5,917,627

Trade in the shares of the Company carried out by directors, executives, their spouse(s) and minor children

One of the executives has purchased 500 shares of the company during the year.

The expression "executive" means the CEO, CFO, Head of Internal Audit, Company Secretary and other employees of the Company drawing annual basic salary of Rs.738,000 including all employees of Finance Divison.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Fifty Second (52nd) Annual General Meeting** of National Refinery Limited will be held on Monday, September 21, 2015 at 1600 hours at Marriott Hotel, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and approve the Audited Accounts of the Company for the year ended June 30, 2015 together with the Directors' Report and the Auditors' Report thereon.

2. To consider and, if thought fit, to approve the payment of Final Cash Dividend at the rate of Rs.10/- per share i.e. 100% for the year ended June 30, 2015 as recommended by the Board of Directors.

3. To appoint Company's auditors for the year ending June 30, 2016 and to fix their remuneration.

4. Any other business with the permission of the Chair.

By Order of the Board

Nouman Ahmed Usmani
Company Secretary

Karachi:
Dated: August 31, 2015

NOTES:

1. The Register of Members of the Company will remain closed and no transfer of shares will be accepted for registration from September 11, 2015 to September 21, 2015 (both days inclusive). Transfers received in order at the office of the Share Registrar:

   THK Associates (Pvt.) Ltd., Second Floor, State Life Building-3,
   Dr. Ziauddin Ahmed Road, Karachi-75530,
   Telephone No. 021-111-000-322, Fax No. 0213-5655595, Email: secretariat@thk.com.pk

   at the close of business on September 10, 2015 will be in time for the purpose of determination of entitlement to the transferees.

2. A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a member.

   Proxy in order to be effective must be duly signed, witnessed and deposited at the office of the Share Registrar not less than 48 hours before the meeting.

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

4. Shareholders are requested to promptly notify the office of the Share Registrar of any change in their addresses.

5. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the meeting:

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

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

B. For appointing proxies:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

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

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

(iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.

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

6. Form of proxy is attached to the notice of meeting being sent to the members.

7. In compliance with the directives issued by the Securities and Exchange Commission of Pakistan and/or Federal Board of Revenue from time to time, members who have not yet provided their dividend mandate information and/or CNIC and/or NTN (as the case may be) are requested to kindly provide the same 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 at the address mentioned above.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant Participant/CDC Investor Account Service.

Members are also requested to update their tax paying status (Filer/Non-Filer) to the Company's Share Registrar.

The above information may please be provided as follows:

Folio/ CDC ID/AC#	Name	National Tax #	CNIC # (in case of individuals)	Income tax return for the year 2014 filed (Yes or No)

This would enable us to process future dividend payments, if any, in accordance with the tax payment status of the members in pursuant to the provisions of Finance Act, 2015, effective July 1, 2015 whereby the rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment have been revised as follows:

1.	Rate of tax deduction for filer of income tax returns	12.5%
2.	Rate of tax deduction for non-filers of income tax return	17.5%

The audited financial statement of the Company for the year ended June 30, 2015 have been placed at the Company's website www.nrlpak.com

FORM OF PROXY

52nd Annual General Meeting
NATIONAL REFINERY LIMITED

I ________________________________ of ______________________________ in the district of _________________________ being a Member of NATIONAL REFINERY LIMITED hereby appoint ____________________________ of ____________________ as my proxy, and failing him, _________________ of __________________ another Member of the Company to vote for me and on my behalf at the 52nd Annual General Meeting of the Company to be held on the 21st day of September 2015 and at any adjournment thereof.

Signed this ________ day of _________ 2015.

Signed by the said Member

Signed in the presence of:

1. Signature: ___________________
   Name: ___________________
   Address: ___________________
   CNIC/Passport No.____________

2. Signature: ___________________
   Name: ___________________
   Address: ___________________
   CNIC/Passport No.____________

Information required		For Member (Shareholder)	For Proxy	For alternate Proxy (*)
			(if member)	
Number of shares held				
Folio No.				
CDC Account No.	Participant I.D.			
	Account No.			

(*) Upon failing of appointed Proxy.

Affix Revenue Stamp of Rs.5/

Notes:

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member.

2. This Proxy Form, duly completed and signed, together with Board Resolution / Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with our Share Registrar, THK Associates (Pvt.) Ltd., 2nd Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi-75530, Telephone No. 021-111-000-322, not later than 48 hours before the time of holding the meeting.

3. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.

4. Any alteration made in this instrument of proxy should be initialled by the person who signs it.

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

6. 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.

7. In the case of joint holders the vote of the senior who tenders a vote whether in person or by Proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

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

AFFIX
CORRECT
POSTAGE

THK Associates (Pvt.) Ltd.,

2nd Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi-75530,
Telephone No. 021-111-000-322

DIVIDEND MANDATE FORM

Members of National Refinery Limited

Subject: Dividend Mandate Form

It is to inform you that under section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his / her / its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan from time to time relating to the subject you being the registered shareholder of National Refinery Limited are hereby given the opportunity to authorize the Company to directly credit in your bank account cash dividend,if any, declared by the Company in future.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS.

Do you wish the cash dividend declared by the Company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick "√" any of the following boxes:

YES NO

If yes, then please provide the following information:

(i) Shareholder's Detail	
Name of the shareholder	
Folio No. / CDC No.	
CNIC No.	
Passport No. (in case of Foreign Shareholder)	
Land Line Phone No.	
Cell No.	
(ii) Shareholder's Bank Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

The Company is hereby authorized to directly credit cash dividend declared by it, if any, from time to time, in the above-mentioned bank account.

It is stated that the above-mentioned information is correct, and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as they occur.

Signature of the Member/Shareholder

Date: ______________

Note:

- The shareholders who hold shares in physical form are requested to submit the attached Dividend Mandate Form after duly filled in to the Share Registrar concerned.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit this form directly to relevant Participant/ CDC Investor Account Service.
- Please attach attested photocopy of the CNIC/Passport (as the case may be).

AFFIX
CORRECT
POSTAGE

THK Associates (Pvt.) Ltd.,

2nd Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi-75530,
Telephone No. 021-111-000-322

National Refinery Limited

7-B, Korangi Industrial Area, P.O. Box 8228, Karachi-74900
UAN No. 111-675-675 Fax: +92-21 35054663, +92-21 35066705
Website: www.nrlpak.com E-mail: info@nrlpak.com