

# Financial Statements







## Auditor's Report to the Members

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

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

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

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants

Islamabad

August 12, 2015

Engagement partner: Asim Masood Iqbal

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## Balance Sheet

as at June 30, 2015

	Note	2015 Rupees ('000)	2014
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital	6	1,500,000	1,500,000
Issued, subscribed and paid up capital	6	829,440	829,440
Reserves			
Special reserves	7	2,826	96,774
Revenue reserve			
Unappropriated profit		12,727,539	12,873,508
		13,559,805	13,799,722
<b>NON CURRENT LIABILITIES</b>			
Long term deposits	8	604,814	574,881
Provision for deferred income tax	16	-	6,801
		604,814	581,682
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	15,747,035	19,516,149
Provision for current income tax		-	188,311
		15,747,035	19,704,460
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		
		29,911,654	34,085,864

	Note	2015 Rupees ('000)	2014
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	12	2,444,164	1,931,085
Long term investments in associated companies	14	892,123	887,042
Other long term investments	15	403,266	-
Deferred tax asset	16	48,524	-
Long term prepayments	17	-	18,918
<b>CURRENT ASSETS</b>			
Stores and spares		37,198	32,931
Stock in trade	18	5,572,867	6,787,904
Trade debts	19	9,674,833	14,247,856
Income tax refundable		1,261	-
Advances, deposits, prepayments and other receivables	20	534,100	747,398
Short term investments	21	5,437,504	1,782,278
Cash and bank balances	22	4,865,814	7,650,452
		26,123,577	31,248,819
		29,911,654	34,085,864

The annexed notes 1 to 40 form an integral part of these financial statements.



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

## Profit and Loss Account for the year ended June 30, 2015

	Note	2015 Rupees ('000)	2014
Sales	23	205,715,461	240,567,960
Sales tax		(33,985,679)	(35,405,049)
<b>NET SALES</b>		171,729,782	205,162,911
Cost of products sold	24	(166,803,273)	(199,220,617)
<b>GROSS PROFIT</b>		4,926,509	5,942,294
Other income	25	1,148,288	1,375,782
Operating expenses	26	(2,188,975)	(1,936,607)
<b>OPERATING PROFIT</b>		3,885,822	5,381,469
Finance income	27	1,113,259	1,068,205
Finance costs	27	(131,943)	(133,630)
Net finance income	27	981,316	934,575
Share of profit of associated companies	14	4,736	25,044
Other charges	28	(334,019)	(434,523)
<b>PROFIT BEFORE TAXATION</b>		4,537,855	5,906,565
Provision for income tax	29	(1,251,471)	(1,579,801)
<b>PROFIT FOR THE YEAR</b>		3,286,384	4,326,764
Earnings per share - Basic and diluted (Rupees)	30	39.62	52.16

The annexed notes 1 to 40 form an integral part of these financial statements.



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# Statement of Comprehensive Income

for the year ended June 30, 2015

	2015	2014
	Rupees ('000)	
<b>PROFIT FOR THE YEAR</b>	3,286,384	4,326,764
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement loss on staff retirement benefit plan	(2,278)	(12,184)
Current tax relating to remeasurement loss on staff retirement benefit plan	752	4,143
	(1,526)	(8,041)
Share of other comprehensive income / (loss) of associated companies - net of tax	345	(538)
Other comprehensive income / (loss) for the year	(1,181)	(8,579)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	3,285,203	4,318,185

The annexed notes 1 to 40 form an integral part of these financial statements.



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# Cash Flow Statement

for the year ended June 30, 2015

	2015	2014
	Rupees ('000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	177,629,607	201,669,188
Payments for purchase of products and operating expenses	(171,171,973)	(198,437,364)
Other charges paid	(256,581)	(329,092)
Long term deposits received	29,932	309,010
Income tax paid	(1,495,616)	(1,754,929)
<b>Cash flow from operating activities</b>	<b>4,735,369</b>	<b>1,456,813</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(808,421)	(392,261)
Proceeds from sale of property, plant and equipment	11,628	11,852
(Purchase)/encashment of short term and other long term investments - net	(3,799,597)	394,945
Income received on bank deposits, short term and other long term investments	596,434	748,456
Dividend received from associated companies	-	15,575
<b>Cash flow from investing activities</b>	<b>(3,999,956)</b>	<b>778,567</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(3,521,257)	(4,555,092)
<b>Cash used in financing activities</b>	<b>(3,521,257)</b>	<b>(4,555,092)</b>
Effect of exchange rate changes	1,206	(153)
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,784,638)</b>	<b>(2,319,865)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>7,650,452</b>	<b>9,970,317</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>4,865,814</b>	<b>7,650,452</b>

The annexed notes 1 to 40 form an integral part of these financial statements.



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# Statement of Changes in Equity

## for the year ended June 30, 2015

	Share capital	Special reserves	Unappropriated profit	Total
	Rupees ('000)			
<b>BALANCE AS AT JUNE 30, 2013</b>	691,200	85,584	13,266,673	14,043,457
Total comprehensive income for the year:				
Profit for the year	-	-	4,326,764	4,326,764
Other comprehensive income / (loss)	-	-	(8,579)	(8,579)
	-	-	4,318,185	4,318,185
Transferred to special reserves by associated companies				
	-	11,190	(11,190)	-
<b>Transactions with owners:</b>				
Issue of bonus shares @ 20% relating to the year ended June 30, 2013	138,240	-	(138,240)	-
Final cash dividend @ 450% relating to year ended June 30, 2013	-	-	(3,110,400)	(3,110,400)
Interim cash dividend @ 175% relating to year ended June 30, 2014	-	-	(1,451,520)	(1,451,520)
Total transactions with owners	138,240	-	(4,700,160)	(4,561,920)
<b>BALANCE AS AT JUNE 30, 2014</b>	829,440	96,774	12,873,508	13,799,722
Total comprehensive income for the year:				
Profit for the year	-	-	3,286,384	3,286,384
Other comprehensive income / (loss)	-	-	(1,181)	(1,181)
	-	-	3,285,203	3,285,203
Transferred from special reserves by associated companies				
	-	(93,948)	93,948	-
<b>Transactions with owners:</b>				
Final cash dividend @ 300% relating to year ended June 30, 2014	-	-	(2,488,320)	(2,488,320)
Interim cash dividend @ 125% relating to year ended June 30, 2015	-	-	(1,036,800)	(1,036,800)
Total transactions with owners	-	-	(3,525,120)	(3,525,120)
<b>BALANCE AS AT JUNE 30, 2015</b>	829,440	2,826	12,727,539	13,559,805

The annexed notes 1 to 40 form an integral part of these financial statements.



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

Notes

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# Notes to and Forming Part of the Financial Statements

4 for the year ended June 30, 2015

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## 7 1. LEGAL STATUS AND OPERATIONS

8 Attock Petroleum Limited (the Company) was incorporated in Pakistan as a public limited company  
9 on December 3, 1995 and it commenced its operations in 1998. The Company was listed on Karachi  
10 Stock Exchange on March 7, 2005. The registered office of the Company is situated at Attock House,  
11 Morgah, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of  
12 the Company is procurement, storage and marketing of petroleum and related products. Pharaon  
13 Investment Group Limited Holding s.a.l holds 34.38% (2014: 34.38%) shares of the Company.

## 14 2. STATEMENT OF COMPLIANCE

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

## 21 3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

30 Above standards, amendments and interpretations were effective for annual reporting period  
31 beginning on or after January 1, 2015. A brief summary of requirements of these standards is as  
32 below:

### 33 IFRS 10 'Consolidated Financial Statements'

34 The standard requires a parent to present consolidated financial statements as those of a single  
35 economic entity. The standard replaces all the guidance on control and consolidation in IAS  
36 27-Consolidated and separate financial statements and SIC-12, 'Consolidation - special purpose  
37 entities'.

### 38 IFRS 11 'Joint Arrangements'

39 The standard replaces IAS 31 "Interests in Joint Ventures" and requires a party to a joint arrangement  
40 to determine the type of joint arrangement in which it is involved by assessing its rights and

## Notes to and Forming Part of the Financial Statements

obligations and then account for those rights and obligations in accordance with that type of joint arrangement.

**IFRS 12 ‘Disclosure of Interests in Other Entities’**

The standard requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The adoption of the above standard does not have any significant impact on Company’s financial statements except for inclusion of certain additional disclosures related to Company’s interest in joint arrangements and associated companies.

**IFRS 13 ‘Fair Value Measurement’**

The standard replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard and requires certain additional disclosures about fair value measurements.

**IAS 27 ‘Separate Financial Statements (Revised 2011)’**

The standard deals only with accounting for subsidiaries, associates and joint ventures in separate financial statements of the parent company.

**IAS 28 ‘Investment in Associates and joint ventures (Revised 2011)’**

The standard set out the requirements of application of equity method of accounting when accounting for investment in associates and joint ventures.

The adoption of the above standards does not have any material impact on Company’s financial statements except for inclusion of certain additional disclosures related to Company’s interest in joint arrangements and associated companies and classification and accounting of Company’s interest in joint arrangements.

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

**Effective date  
(annual reporting periods  
beginning on or after)**

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

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

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

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

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

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Basis of measurement

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

##### 4.2 Staff retirement benefits

The Company operates following staff retirement benefit funds:

i) Approved defined benefit funded gratuity plan for all eligible employees. The amount arising as a result of measurements on employee retirement benefits are recognised immediately in other comprehensive income. Past service cost and curtailments are recognised in the profit and loss account, in the period in which a change takes place.

Annual provision is made on the basis of actuarial valuation carried out by independent actuary using the Projected Unit Credit Method, related details of which are given in note 32 to the financial statements. Latest valuation was conducted as at June 30, 2015.

ii) Approved contributory provident fund for all employees for which contributions of Rs 9,520 thousand (2014: Rs 8,020 thousand) are charged to income for the year.

##### 4.3 Operating segments

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

##### 4.4 Functional and presentation currency

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

## Notes to and Forming Part of the Financial Statements

	Notes
<b>4.5 Foreign currency transactions and translations</b>	1
Transactions in foreign currencies are converted into Rupees at the rates of exchange ruling on the date of the transaction. All assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items at year-end exchange rates, are charged to income for the year.	2 3 4 5
<b>4.6 Trade and other payables</b>	6 7
Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received whether or not billed to the Company.	8 9 10
<b>4.7 Provisions</b>	11
Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.	12 13 14
<b>4.8 Dividend distribution</b>	15
Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.	16 17 18 19
<b>4.9 Interest in joint arrangements</b>	20
A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement.	21 22 23 24 25 26
The entity has assessed the nature of its joint arrangements and determined that during the year it has entered into a joint operation whereby the parties that have joint control of the arrangement have the rights to the assets, and obligations for the liabilities, relating to the arrangement.	27 28
<b>4.9.1 Joint operations</b>	29 30
The Company reports its interests in joint operations using proportionate consolidation - the Company's share of the assets, liabilities, income and expenses of the joint operations are combined with the equivalent items in the financial statements on a line-by-line basis. Where the Company transacts with its joint operations, unrealised profits and losses are eliminated to the extent of the Company's interest in the joint operation. During 2015, the Company did not have any material transactions with joint operations.	31 32 33 34 35
<b>4.9.2 Joint ventures</b>	36
Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests	37 38 39 40

1 in the joint ventures (which includes any long-term interest that, in substance, form part of the  
2 Company's net investment in the joint venture), the Company does not recognise further losses,  
3 unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised  
4 gains on transactions between the Company and its joint ventures are eliminated to the extent of  
5 the Company's interest in the joint venture.

#### 6 **4.10 Property, plant and equipment**

7 Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any  
8 accumulated impairment loss, if any, except for freehold land and capital work-in-progress which  
9 are stated at cost.

10 Depreciation is charged to income on the straight line method to write off the cost of an asset over  
11 its estimated useful life at the rates specified in note 12.1. Depreciation on additions is charged from  
12 the month in which the asset is available for use and on disposals up to the month preceding month  
13 of disposal.

14 Maintenance and normal repairs are charged to income as and when incurred. Major renewals and  
15 improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on  
16 disposal of assets are included in income.

#### 17 **4.11 Impairment of non-financial assets**

18 Assets that have an indefinite useful life, for example freehold land, are not subject to depreciation  
19 and are tested annually for impairment. Assets that are subject to depreciation are reviewed for  
20 impairment at each balance sheet date, or wherever events or changes in circumstances indicate  
21 that the carrying amount may not be recoverable. An impairment loss is recognised for the amount  
22 for which the assets' carrying amount exceeds its recoverable amount. An asset's recoverable  
23 amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing  
24 impairment, assets are grouped at the lowest levels, for which there are separately identifiable  
25 cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of  
26 the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the  
27 extent that asset's carrying amount does not exceed the carrying amount that would have been  
28 determined, net of depreciation or amortisation, if no impairment loss has been recognised. An  
29 impairment loss or reversal of impairment loss is recognised in income for the year.

#### 30 **4.12 Investments in associated companies**

31 Investments in associated companies are accounted for using the equity method. Under this method  
32 the investments are stated at cost plus the Company's equity in undistributed earnings and losses  
33 after acquisition, less any impairment in the value of individual investment.

34 The Company's share of its associated companies post-acquisition profits or losses is recognised  
35 in profit or loss, and its share of post-acquisition other comprehensive income is recognised in  
36 other comprehensive income. Dividends receivable from associated companies are recognised as a  
37 reduction in the carrying amount of the investment.

38 Unrealised gains on transactions between the Company and its associate are eliminated to the  
39 extent of the Company's interest in the associate.

#### 40 **4.13 Stores and spares**

These are stated at moving average cost less any provision for obsolete and slow moving items.

## Notes to and Forming Part of the Financial Statements

**4.14 Stock in trade**

Stock in trade is valued at the lower of cost, calculated on a first-in first-out basis, and net realisable value. Charges such as excise duty and similar levies incurred on unsold stock of products are added to the value of the stock and carried forward.

Net realisable value signifies the sale price in the ordinary course of business less costs necessary to make the sale.

**4.15 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities are initially recognised at fair value plus transaction costs for all financial assets and liabilities not carried at fair value through profit or loss. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortised cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in income for the year.

**4.16 Financial Assets**

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

**4.16.1 Investment at fair value through profit or loss**

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses charged directly to income. The fair value of such investments is determined on the basis of prevailing market prices. The Company's investments at fair value through profit or loss comprise "Short term investment in mutual funds".

**4.16.2 Held-to-maturity investments**

Investments with fixed payments and maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments and are carried at amortised cost less impairment losses. The Company's held to maturity investments comprise "Other long term investments", "Short term investments" and "Short term deposits".

**4.16.3 Loans and receivables**

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

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1 **4.16.4 Available-for-sale financial assets**

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

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

11 **4.16.5 Impairment**

12 The Company assesses at the end of each reporting period whether there is objective evidence that  
13 a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets  
14 is impaired and impairment losses are incurred only if there is objective evidence of impairment as  
15 a result of one or more events that occurred after the initial recognition of the asset (a 'loss event')  
16 and that loss event (or events) has an impact on the estimated future cash flows of the financial  
17 asset or group of financial assets that can be reliably estimated.

18 **4.17 Offsetting**

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

22 **4.18 Trade debts**

23 Trade debts are recognised initially at fair value and subsequently measured at cost less provision  
24 for doubtful debts. A provision for doubtful debts is established when there is objective evidence  
25 that Company will not be able to collect all amounts due according to the original terms of the  
26 trade debts. Significant financial difficulties of the debtor, probability that the debtor will enter  
27 bankruptcy or financial reorganisation, and default of delinquency in payments are considered  
28 indicators that the trade debt is doubtful. The provision for doubtful debts is charged to income for  
29 the year. When the trade debt is uncollectible, it is written off against the provision. Subsequent  
30 recoveries of amounts previously written off are credited to the income.

31 **4.19 Cash and cash equivalents**

32 For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank  
33 balances and highly liquid short term investments with original maturities of three months or less,  
34 that are readily convertible to known amounts of cash and which are subject to an insignificant risk  
35 of change in value.

36 **4.20 Revenue recognition**

37 Sales revenue is recorded when goods are dispatched and significant risks and rewards of ownership  
38 are transferred to the customer.

39 Commission and handling income is recognised on shipment of products.

40 Income on bank deposits and short term investments is recognised on time proportion basis using  
the effective yield method.

## Notes to and Forming Part of the Financial Statements

	Notes
Income on investments in associated companies is recognised using the equity method. Under this method, the Company's share of post-acquisition profit or loss of the associated companies is included in profit and loss account, its share of post-acquisition other comprehensive income or loss is included in statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves. Dividend distribution by the associated companies is adjusted against the carrying amount of the investment.	1 2 3 4 5
Gains or losses resulting from re-measurement of investments at fair value through profit or loss are charged to income.	6 7 8
<b>4.21 Operating lease</b>	9
Lease in which significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases. Payment made under operating leases are charged to income on straight line basis over the period of lease.	10 11 12
<b>4.22 Taxation</b>	13
Provision for current taxation is based on taxable income at the current rates of tax.	14 15
Deferred income tax is accounted for using the balance sheet liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except to the extent that it relates to items recognised in other comprehensive income or directly in the equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.	16 17 18 19 20 21 22 23 24
<b>5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS</b>	25
The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:	26 27 28 29 30
i) Estimate of recoverable amount of investments in associated companies - note 14	31
ii) Provision for taxation - note 29	32
iii) Estimated useful life of property, plant and equipment - note 12.1	33 34
iv) Estimated value of staff retirement benefits obligations - note 32	35
v) Assessment of significant influence in associated companies - note 14.4	36 37 38 39 40

Notes to and Forming Part of the Financial Statements

Notes

	2015	2014
	Rupees ('000)	
<b>6. SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
150,000,000 ordinary shares of Rs 10 each		
(2014: 150,000,000 ordinary shares of Rs 10 each)	1,500,000	1,500,000
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
<b>Shares issued for cash</b>		
5,000,000 ordinary shares of Rs 10 each		
(2014: 5,000,000 ordinary shares of Rs 10 each)	50,000	50,000
<b>Shares issued as fully paid bonus shares</b>		
77,944,000 (2014: 77,944,000) ordinary shares of Rs 10 each	779,440	779,440
82,944,000 (2014: 82,944,000)		
ordinary shares of Rs 10 each	829,440	829,440

The associated company Attock Refinery Limited held 18,144,138 (2014: 18,144,138) ordinary shares at the year end.

**7. SPECIAL RESERVES**

Special reserves include Rs Nil (2014: Rs 94,135 thousand) for expansion and modernisation and Rs 2,826 thousand (2014: Rs 2,639 thousand) on account of maintenance reserve. Reserve for expansion and modernisation represents the Company's share of amount set aside as a special reserve by National Refinery Limited and Attock Refinery Limited, as a result of the directive of the Government to divert net profit after tax (if any) from refinery operations above 50 percent of paid-up capital as at July 1, 2002 to offset against any future loss or to make investment for expansion or upgradation of refineries. Maintenance reserve represents amount retained by Attock Gen Limited (an associate of Attock Refinery Limited) to pay for major maintenance expenses in terms of the Power Purchase Agreement. The amount transferred to special reserve is not available for distribution to the shareholders.

**8. LONG TERM DEPOSITS**

These represent interest free security deposits received from distributors, retailers and contractors and are refundable on cancellation of respective contracts or termination of related services.

## Notes to and Forming Part of the Financial Statements

	2015	2014	Notes
	Rupees ('000)		
<b>9. TRADE AND OTHER PAYABLES</b>			3
Creditors	400,648	57,128	4
Due to related parties (unsecured) - note 9.1	10,162,235	14,651,556	5
Accrued liabilities	2,887,778	2,832,856	6
Advance from customers	1,669,985	1,434,237	7
Retention money	47,355	55,863	8
Workers' welfare fund - note 9.2	551,095	460,433	9
Unclaimed dividend	27,939	24,076	10
	15,747,035	19,516,149	11
<b>9.1 Due to related parties:</b>			12
National Refinery Limited	5,379,834	8,234,634	13
Attock Refinery Limited	4,758,156	6,362,887	14
Pakistan Oilfields Limited	7,552	13,672	15
The Attock Oil Company Limited	1,331	26,742	16
Attock Sahara Foundation	40	105	17
APL Gratuity fund	15,322	13,516	18
	10,162,235	14,651,556	19
<b>9.2 Workers' welfare fund</b>			20
Balance at beginning of the year	460,433	342,491	21
Amount allocated for the year - note 28	90,662	117,942	22
Balance at end of the year	551,095	460,433	23

**10. LETTER OF CREDIT FACILITY**

During the year, the Company has entered into an arrangement with banks for obtaining Letter of Credit facility to import petroleum products and spare parts and materials upto a maximum of Rs 8,900 million (2014: Rs 5,700 million). The facility is secured against first pari passu charge of Rs 11,867 million (2014: 7,600 million) on all present and future current and fixed assets of the Company (excluding land and building). The unavailed facility at June 30, 2015 was Rs 8,897 million (2014: 3,492 million). The facility will expire on January 31, 2016.

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## Notes to and Forming Part of the Financial Statements

Notes

	2015	2014
	Rupees ('000)	
<b>11. CONTINGENCIES AND COMMITMENTS</b>		
<b>11.1 CONTINGENCIES</b>		
(i) Tax contingency related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department. The Company has filed its response against the show cause notice and no further action has yet been taken by the department.	-	332,772
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs.	1,604,562	1,414,017
(iii) Guarantees issued by bank on behalf of the Company	805,839	83,554
(iv) The Company's share of contingencies of associated companies based on financial information of associated companies for the period ended March 31, 2015 (2014: March 31, 2014)	93,805	68,846
<b>11.2 COMMITMENTS</b>		
(i) Capital expenditure commitments	234,254	216,103
(ii) Commitments for import of petroleum products against letter of credit facility	2,844	2,208,451
(iii) Commitments for rentals of assets under operating lease agreements as at June 30, 2015 amounting to Rs 1,553,308 thousand (2014: Rs 1,570,823 thousand) payable as follows:		
Not later than one year	116,037	156,871
Later than one year and not later than five years	388,852	358,637
Later than five years	1,048,419	1,055,315
(iv) The Company's share of commitments of associated companies based on financial information of associated companies for the period ended March 31, 2015 (2014: March 31, 2014)		
- Capital expenditure commitments	286,416	277,859
- Outstanding letters of credit	128,192	186,005
<b>12. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 12.1	2,156,799	1,672,658
Capital work in progress - note 12.2	287,365	258,427
	2,444,164	1,931,085

## Notes to and Forming Part of the Financial Statements

## 12.1 Operating assets

	Freehold land	Leasehold land	Buildings on leasehold land	Pipelines, pumps, tanks and meters	Equipment - signage	Electrical and fire fighting equipment	Furniture, fixture and equipment	Computer and auxiliary equipment	Motor vehicles	Total
<b>As at July 1, 2013</b>										
Cost	192,444	-	136,887	233,532	1,043,790	670,368	123,581	31,573	99,775	2,552,908
Accumulated depreciation	-	-	(29,414)	(42,863)	(385,494)	(369,698)	(45,058)	(22,602)	(77,195)	(983,088)
Net book value	192,444	-	107,473	190,669	658,296	300,670	78,523	8,971	22,580	1,569,820
<b>Year ended June 30, 2014</b>										
Opening net book value	192,444	-	107,473	190,669	658,296	300,670	78,523	8,971	22,580	1,569,820
Reclassification	(173,381)	173,381	(15,487)	15,487	-	-	-	-	-	-
Additions	68,212	-	30,959	124,401	141,124	19,541	11,116	7,245	24,158	426,756
Disposals	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	(1,870)	(1,740)	-	(737)	(1,482)	(12,157)	(17,986)
Accumulated depreciation	-	-	-	1,328	1,688	-	604	1,481	10,835	15,936
Depreciation charge	-	(55,488)*	(6,876)	(542)	(52)	-	(133)	(1)	(1,322)	(2,050)
Closing net book value	87,275	117,893	85,110	(102,888)	(113,125)	(12,588)	(2,821)	(5,028)	(10,613)	(321,868)
<b>As at July 1, 2014</b>										
Cost	87,275	173,381	121,400	279,978	1,166,321	809,752	143,122	37,336	111,776	2,961,678
Accumulated depreciation	-	(55,488)	(36,290)	(55,304)	(487,054)	(481,135)	(57,646)	(26,149)	(76,973)	(1,289,020)
Net book value	87,275	117,893	85,110	224,674	679,267	328,617	85,476	11,187	34,803	1,672,658
<b>Year ended June 30, 2015</b>										
Opening net book value	87,275	117,893	85,110	224,674	679,267	328,617	85,476	11,187	34,803	1,672,658
Additions	101,858	399,928	-	3,015	87,437	113,590	24,034	4,260	40,458	779,483
Disposals	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	(1,765)	(6,619)	-	-	-	(5,746)	(14,130)
Accumulated depreciation	-	-	-	891	4,879	-	-	-	4,065	9,835
Depreciation charge	-	(5,991)	(4,256)	(15,918)	(118,352)	(14,232)	(3,090)	(4,321)	(11,119)	(291,047)
Closing net book value	189,133	511,830	80,854	211,771	652,062	322,115	95,278	11,126	62,461	2,156,799
<b>As at June 30, 2015</b>										
Cost	189,133	573,309	121,400	282,993	1,251,993	916,723	167,156	41,596	146,488	3,727,031
Accumulated depreciation	-	(61,479)	(40,546)	(71,222)	(599,931)	(594,608)	(71,878)	(30,470)	(84,027)	(1,570,232)
Net book value	189,133	511,830	80,854	211,771	652,062	322,115	95,278	11,126	62,461	2,156,799
Annual rate of Depreciation (%)	-	1.82 - 3.03	5	5	10	20	10	20	20	20

\* Depreciation charge of leasehold land in 2014 includes Rs 50 million related to prior years.

Notes to and Forming Part of the Financial Statements

Notes

**12.2 Capital work in progress**

	Civil works	Pipelines, pumps, tanks and equipment	Advances to contractors	Total
	Rupees ('000)			
As at July 1, 2013	15,527	140,885	136,510	292,922
Additions during the year	21,041	358,723	4,784	384,548
Transfers during the year	(29,064)	(389,979)	-	(419,043)
Balance as at June 30, 2014	7,504	109,629	141,294	258,427
As at July 1, 2014	7,504	109,629	141,294	258,427
Additions during the year	24,130	412,892	-	437,022
Transfers during the year	(4,533)	(274,902)	(128,649)	(408,084)
Balance as at June 30, 2015	27,101	247,619	12,645	287,365

	2015	2014
	Rupees ('000)	
<b>12.3 Cost of Property, plant and equipment held by dealers of retail outlets of the Company are as follows:</b>		
Pipelines, pumps, tanks and meters	645,325	545,324
Equipment - signage	954,322	822,658
Buildings	244,528	218,902
Electric and fire fighting equipment	76,251	60,337

Due to large number of dealers it is impracticable to disclose the name of each person having possession of these assets, as required under Paragraph 5 of Part 1 of the 4th Schedule to the Companies Ordinance, 1984.

The above assets are not in possession of the Company as these have been provided to dealers of retail outlets to facilitate them to promote and sell company's products.

## Notes to and Forming Part of the Financial Statements

**12.4 Property, plant and equipment disposals:**

Items of property, plant and equipment disposed during the year having net book value above Rs 50,000 are as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals	Particulars of purchaser
Rupees ('000)						
Pipelines, pumps, tanks and meters	390	117	273	493	Insurance Claim	EFU General Insurance Ltd
Equipment - signage	851	262	589	1,001	Insurance Claim	EFU General Insurance Ltd
	845	507	338	931	Insurance Claim	EFU General Insurance Ltd
	845	239	606	1,016	Insurance Claim	EFU General Insurance Ltd
	212	129	83	14	Insurance Claim	EFU General Insurance Ltd
	1,045	627	418	454	Insurance Claim	EFU General Insurance Ltd
Motor vehicles	1,940	259	1,681	1,908	Insurance Claim	EFU General Insurance Ltd

**13. INTEREST IN JOINT ARRANGEMENTS**

In March 2015 the Company entered into a joint arrangement with Pakistan State Oil (PSO) for establishment, operation and maintenance of a fuel farm and to operate and maintain the Hydrant Refueling System at the New Islamabad International Airport. Each party has a 50% share in the joint arrangement and it is an un-incorporated joint arrangement. The company has classified this arrangement as a joint operation. Currently the development of fuel farm and refueling system is in inception stage and during the year, the Company did not have any material transaction with the joint operation.

	2015	2014
Rupees ('000)		
<b>14. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES</b>		
Balance at beginning of the year	887,042	878,111
Share of profit of associated companies	33,530	39,383
Impairment loss related to investment in National Refinery Limited	(28,794)	(14,339)
	4,736	25,044
Share of other comprehensive income / (loss) of associated companies	345	(538)
Dividend from associated companies	-	(15,575)
Balance at end of the year	892,123	887,042

**14.1** Share of profit of associated companies is based on the unaudited financial statements for the nine months ended March 31, 2015 (2014: unaudited financial statements for the nine months ended March 31, 2014) since the audited financial statements for the year ended June 30, 2015 are not presently available.

Notes to and Forming Part of the Financial Statements

Notes

	2015	2014
	Rupees ('000)	
<b>14.2</b> The Company's interest in associated companies is as follows:		
<b>National Refinery Limited - Quoted</b>		
799,666 (2014:799,666) fully paid ordinary shares of Rs 10 each including 133,278 (2014: 133,278) bonus shares of Rs 10 each; Cost Rs 321,865 thousand (2014: Rs 321,865 thousand); Quoted market value as at June 30, 2015: Rs 185,570 thousand (2014: Rs 172,224 thousand); %age share holding as at June 30, 2015: 1% (2014: 1%) - note 14.5	531,782	513,996
<b>Attock Refinery Limited - Quoted</b>		
1,432,000 (2014: 1,432,000) fully paid ordinary shares of Rs 10 each including 222,000 (2014: 222,000) bonus shares of Rs 10 each; Cost Rs 310,502 thousand (2014: Rs 310,502 thousand); Quoted market value as at June 30, 2015: Rs 327,140 thousand (2014: Rs 303,999 thousand); %age share holding as at June 30, 2015: 1.68% (2014: 1.68%) - note 14.6	517,781	503,622
<b>Attock Information Technology Services (Private) Limited - Unquoted</b>		
450,000 (2014: 450,000) fully paid ordinary shares of Rs 10 each; Cost Rs 4,500 thousand (2014: Rs 4,500 thousand); Value based on net assets as at March 31, 2015 Rs 13,949 thousand (2014: Rs 12,019 thousand); %age share holding as at June 30, 2015: 10% (2014: 10%)	13,949	12,019
Carrying value on equity method	1,063,512	1,029,637
Less: Impairment loss - National Refinery Limited	(171,389)	(142,595)
	892,123	887,042

All associated companies are incorporated in Pakistan. National Refinery Limited and Attock Refinery Limited are engaged in the manufacturing, production and sale of large range of petroleum products. This is a strategic investment of the Company for vertical integration. Attock Information Technology Services (Private) Limited is engaged in building basic infrastructure, communication and computer installation.

## Notes to and Forming Part of the Financial Statements

**14.3** The tables below provide summarised financial information for associated companies that are material to the Company. The information disclosed reflects the amounts presented in the most recent unaudited financial statements of the relevant associated companies, for the nine months period ended March 31, 2015 (2014: March 31, 2014) and not the reporting entity's share of those amounts. They have been amended to reflect adjustments made by the reporting entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	National Refinery Limited		Attock Refinery Limited	
	Mar 31, 2015	Mar 31, 2014	Mar 31, 2015	Mar 31, 2014
	Rupees ('000)			
<b>Summarised balance sheet</b>				
Current assets	38,653,673	45,824,658	32,133,643	43,942,737
Non-current assets	8,205,776	5,449,867	33,348,321	20,451,647
Current liabilities	(18,629,501)	(24,800,236)	(31,666,684)	(41,454,893)
Non-current liabilities	(517,046)	(540,018)	(10,626,280)	(593,274)
Net assets	27,712,902	25,934,271	23,189,000	22,346,217
<b>Reconciliation to carrying amounts:</b>				
Net assets as at April 1	25,934,271	25,920,945	22,346,217	21,020,508
Effect of change in accounting policy	-	-	-	9,991
Profit for the period	1,745,828	1,287,689	841,825	1,538,425
Other comprehensive income/(loss)	32,803	(74,865)	958	(9,474)
Dividends paid	-	(1,199,498)	-	(213,233)
Net assets as at March 31	27,712,902	25,934,271	23,189,000	22,346,217
Company's percentage shareholding in the associate	1%	1%	1.68%	1.68%
Company's share in carrying value of net assets	277,129	259,343	389,575	375,416
Excess of purchase consideration over share in carrying value of net assets on the date of acquisition	254,653	254,653	128,206	128,206
Carrying amount of investment - before impairment	531,782	513,996	517,781	503,622
Impairment	(171,389)	(142,595)	-	-
Carrying amount of investment	360,393	371,401	517,781	503,622
<b>Summarised statements of comprehensive income</b>				
Revenue	169,900,731	205,611,398	147,355,063	170,326,821
Profit for the period	1,745,828	1,287,689	841,825	1,538,425
Other comprehensive income	32,803	(74,865)	958	(9,474)
Total comprehensive income	1,778,631	1,212,824	842,783	1,528,951

During the year, dividend of Rs Nil (2014: Rs 11,995 thousand) and Rs Nil (2014: Rs 3,580 thousand) was received from National Refinery Limited and Attock Refinery Limited respectively.

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- 1 **14.4** Although the Company has less than 20 percent shareholding in National Refinery Limited, Attock  
2 Refinery Limited and Attock Information Technology Services (Private) Limited, these companies  
3 have been treated as associated companies since the Company has representation on their Board of  
4 Directors.
- 5 **14.5** The value of investment in National Refinery Limited as at June 30, 2015 is based on a valuation  
6 analysis carried out by an external investment advisor engaged by the Company. The recoverable  
7 amount has been estimated based on a value in use calculation. These calculations have been made  
8 on discounted cash flow based valuation methodology which assumes an average gross profit margin  
9 of 2.50% (2014: 3.20%), terminal growth rate of 4% (2014: 4%) and capital asset pricing model based  
10 discount rate of 14.34% (2014: 18.62%).
- 11 **14.6** Based on a valuation analysis carried out by the Company, the recoverable amount of investment in  
12 Attock Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated  
13 based on a value in use calculation. These calculations have been made on discounted cash flow  
14 based valuation methodology which assumes gross profit margin of 1.50% (2014: 1.50%), terminal  
15 growth rate of 4% (2014: 4%) and weighted average cost of capital based discount rate of 13.56%  
16 (2014: 19.70%).
- 17 **14.7** Based on unaudited financial statements, Attock Information Technology Services (Private) Limited  
18 has reported profit after tax and total comprehensive income for the twelve months period ended  
19 March 31, 2015 of Rs 1,930 thousand (twelve months period ended March 31, 2014: Rs 1,662  
20 thousand).

	2015	2014
	Rupees ('000)	
<b>15. OTHER LONG TERM INVESTMENTS</b>		
Held to maturity investments in Pakistan Investment Bonds (PIBs) - at amortized cost (note 15.1)	403,266	-

- 27 **15.1** This represents amount invested in Pakistan Investment Bonds at interest rate of 11.25% to 11.50%  
28 per annum having maturity of 3 to 5 years and are due for maturity in the year 2017 to 2019.

	2015	2014
	Rupees ('000)	
<b>16. DEFERRED TAX ASSET/(PROVISION FOR DEFERRED INCOME TAX)</b>		
Deferred tax asset arising in respect of certain provisions	212,915	198,248
Deferred tax liability arising due to accelerated tax depreciation	(164,391)	(205,049)
Deferred tax asset/(provision for deferred income tax)	48,524	(6,801)

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## Notes to and Forming Part of the Financial Statements

	2015	2014
	Rupees ('000)	
<b>17. LONG TERM PREPAYMENTS</b>		
Prepaid rent	18,918	40,268
Less: Shown under current assets - note 20	(18,918)	(21,350)
	-	18,918
<b>18. STOCK IN TRADE</b>		
Petroleum products - note 18.1	5,569,448	6,786,087
Packing material	3,419	1,817
	5,572,867	6,787,904

**18.1** It includes the Company's share of pipeline stock amounting to Rs 3,916,065 thousand (2014: Rs 4,560,654 thousand) and Rs 205,855 thousand (2014: Rs 783,754 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

	2015	2014
	Rupees ('000)	
<b>19. TRADE DEBTS</b>		
Considered good		
Secured	1,833,793	2,479,910
Unsecured		
Due from related parties - note 19.1	4,850,916	5,735,407
Others	2,990,124	6,032,539
	7,841,040	11,767,946
	9,674,833	14,247,856
Considered doubtful - unsecured	49,901	73,665
Provision for doubtful debts	(49,901)	(73,665)
	-	-
	9,674,833	14,247,856
<b>19.1 Due from related parties</b>		
Attock Gen Limited	4,816,682	5,703,054
Pakistan Oilfields Limited	20,171	21,618
Attock Cement Pakistan Limited	14,063	10,434
Attock Refinery Limited	-	301
	4,850,916	5,735,407

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Notes to and Forming Part of the Financial Statements

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	2015	2014
	Rupees ('000)	
<b>20. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances - considered good		
Suppliers	32,873	305,545
Employees against expenses		
Executives	1,454	692
Other employees	1,592	1,592
	3,046	2,284
	35,919	307,829
Trade deposits and short-term prepayments		
Trade deposits		
With related party - The Attock Oil Company Limited	9,085	9,085
Others	11,026	9,491
Short-term prepayments	62,893	63,352
	83,004	81,928
Current account balances with statutory authorities in respect of:		
Sales tax	25,696	27,389
Federal excise duty and petroleum levy	986	986
	26,682	28,375
Accrued income on bank deposits	56,761	23,060
Other receivables		
Price differential claim receivable from the Government	28,528	28,528
Receivable from oil marketing companies under freight pool	284,992	272,685
Due from related parties - unsecured		
Attock Leisure Management Associates	-	12
Attock Cement Pakistan Limited	99	90
Workers' profit participation fund - note 20.1	46,643	33,419
	360,262	334,734
Less: Provision for doubtful receivables	(28,528)	(28,528)
	534,100	747,398
<b>20.1 Workers' profit participation fund</b>		
Balance at beginning of the year	33,419	20,908
Amount allocated for the year - note 28	(243,357)	(316,581)
Amount paid to Fund's trustees	256,581	329,092
Balance at end of the year	46,643	33,419

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## Notes to and Forming Part of the Financial Statements

	2015	2014
	Rupees ('000)	
<b>21. SHORT TERM INVESTMENTS</b>		
Held to maturity investment in treasury bills - at amortized cost - Note 21.1		
Upto three months	-	721,305
Later than three months but not later than six months	3,019,873	570,844
Later than six months but not later than one year	2,417,631	490,129
	5,437,504	1,782,278

**21.1** Short term investments in treasury bills earned interest at effective rate of 8.97% per annum (2014: Rs 9.69% per annum).

	2015	2014
	Rupees ('000)	
<b>22. CASH AND BANK BALANCES</b>		
Cash in hand	4,638	3,625
Bank balances		
On short term deposits	2,900,000	5,100,000
On interest/mark-up bearing saving accounts (includes US \$ 102 thousand; 2014: US \$ 103 thousand)	1,835,141	1,228,385
On current accounts (includes US \$ 158 thousand; 2014: US \$ 169 thousand)	126,035	1,318,442
	4,861,176	7,646,827
	4,865,814	7,650,452

**22.1** Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 8.92% per annum (2014: 9.27% per annum).

	2015	2014
	Rupees ('000)	
<b>23. SALES</b>		
Local sales	205,951,476	241,087,482
Export sales	279,703	122,284
Gross sales	206,231,179	241,209,766
Rebates/discount	(515,718)	(641,806)
	205,715,461	240,567,960

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Notes to and Forming Part of the Financial Statements

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	2015	2014
	Rupees ('000)	
<b>24. COST OF PRODUCTS SOLD</b>		
Opening stock	6,787,904	5,156,298
Purchase of petroleum products and packing material	153,177,059	190,776,426
Petroleum levy	12,170,671	10,075,797
Other levies	240,506	-
	165,588,236	200,852,223
Closing stock	(5,572,867)	(6,787,904)
	166,803,273	199,220,617
<b>25. OTHER INCOME</b>		
Commission and handling income	1,008,568	1,273,489
Tender and joining fee	7,555	15,088
Gain on sale of property, plant and equipment	7,333	9,802
Hospitality income	16,291	11,514
Rental income	74,110	31,717
Others	34,431	34,172
	1,148,288	1,375,782
<b>26. OPERATING EXPENSES</b>		
Salaries and benefits	490,009	475,142
Rent, taxes and other fees - note 26.1	865,856	634,182
Travelling and staff transport	36,262	38,572
Repairs and maintenance	123,076	106,374
Advertising and publicity	9,842	7,369
Printing and stationery	13,166	14,215
Electricity, gas and water	31,566	32,321
Insurance	32,056	31,923
Communication	9,881	9,260
Legal and professional charges	7,600	11,128
Subscription and fees	2,577	2,440
Auditor's remuneration - note 26.2	3,825	2,681
Exchange loss	199,814	61,380
Depreciation - note 12.1	291,047	321,868
(Reversal)/provision for doubtful debts and other receivables	(23,764)	86,121
Trade debts written-off during the year	-	22,652
Others	96,162	78,979
	2,188,975	1,936,607

**26.1** Rent, taxes and other fees include Rs 107,812 thousand (2014: Rs 90,005 thousand) paid under operating lease agreements.

## Notes to and Forming Part of the Financial Statements

	2015	2014	Notes
	Rupees ('000)		
<b>26.2 Auditor's remuneration</b>			3
Annual audit	1,438	1,307	4
Review of half yearly financial statements, audit of staff funds and special certifications	764	436	5
Tax services	1,385	700	6
Out of pocket expenses	238	238	7
	3,825	2,681	8
<b>27. FINANCE INCOME AND COSTS</b>			9
<b>Finance income</b>			10
Income on bank deposits	630,135	675,854	11
Income from short term investments measured at amortised cost	251,389	171,509	12
Income from open ended mutual funds measured at fair value through profit or loss	7,506	61,931	13
Mark-up on delayed payments	224,229	158,911	14
	1,113,259	1,068,205	15
<b>Finance cost</b>			16
Bank charges	30,093	28,672	17
Mark-up on delayed payments	101,850	104,958	18
	131,943	133,630	19
Net finance income	981,316	934,575	20
<b>28. OTHER CHARGES</b>			21
Workers' profit participation fund	243,357	316,581	22
Workers' welfare fund	90,662	117,942	23
	334,019	434,523	24
<b>29. PROVISION FOR INCOME TAX</b>			25
Income tax charge			26
- For the year	1,461,000	1,770,000	27
- For prior years	(154,204)	-	28
	1,306,796	1,770,000	29
Deferred income tax (credit)			30
- For the year	(55,325)	(70,101)	31
- For prior years	-	(120,098)	32
	(55,325)	(190,199)	33
	1,251,471	1,579,801	34

## Notes to and Forming Part of the Financial Statements

Notes

	2015 %	2014 %
<b>29.1 Reconciliation of tax charge for the year</b>		
Applicable tax rate	33.00	34.00
Tax effect of income taxed under final tax regime	(4.58)	(5.30)
Effect of provision for super tax	2.88	-
Effect of prior year	(3.40)	-
Tax effect of share of profit of associated companies taxed on the basis of dividend income	(0.02)	(0.14)
Others	(0.30)	(1.82)
Average effective tax rate charged to income	27.58	26.74

**29.2** Corporate tax rate applicable for the year is 33% (2014: 34%).

**29.3** Under Section 5A of the Income Tax Ordinance 2001 as introduced by the Finance Act 2015, public companies are required to pay tax @ 10% of its undistributed revenue reserves which exceed 100% of its paid up capital. The Company has already declared and paid an interim dividend of greater than 50% of its paid up capital during the year ended June 30, 2015 and accordingly requirements of section 5A are not applicable to the Company for the current year.

	2015	2014
<b>30. EARNINGS PER SHARE</b>		
Profit for the year (Rupees in thousand)	3,286,384	4,326,764
Weighted average number of ordinary shares in issue during the year (in thousand)	82,944	82,944
Basic and diluted earnings per share (Rupees)	39.62	52.16

### 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### 31.1 Financial assets and liabilities

	Loans and Receivables	Held to maturity investments	Total
	Rupees ('000)		
<b>June 30, 2015</b>			
<b>Financial Assets</b>			
Maturity up to one year			
Trade debts	9,674,833	-	9,674,833
Advances, deposits and other receivables	408,606	-	408,606
Short term investments	-	5,437,504	5,437,504
Cash and bank balances	1,965,814	2,900,000	4,865,814
Maturity after one year			
Other long term investments	-	403,266	403,266
	12,049,253	8,740,770	20,790,023



Notes

**31.2 Credit quality of financial assets**

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

	Rating	2015 Rupees ('000)	2014
<b>Trade debts</b>			
Counterparties with external credit rating	A1+	1,745,616	1,912,685
	A1	1,829,718	3,436,157
	A2	-	4,346
Counterparties without external credit rating			
Secured against bank guarantee & letter of credit		473,850	2,479,905
Due from related parties		4,850,916	5,735,106
Others		774,733	679,657
		9,674,833	14,247,856
<b>Advances, deposits and other receivables</b>			
Counterparties with external credit rating	A1+	70,010	22,102
	A1	-	958
Counterparties without external credit rating		338,596	324,782
		408,606	347,842
<b>Short term investments</b>			
Counterparties without external credit rating			
Investment in Treasury bills		5,437,504	1,782,278
<b>Bank balances</b>			
Counterparties with external credit rating	A1+	4,860,845	7,517,260
	A1	331	129,552
	A2	-	15
		4,861,176	7,646,827
<b>Other long term investments</b>			
Counterparties without external credit rating			
Investment in Pakistan Investment Bonds		403,266	-

## Notes to and Forming Part of the Financial Statements

**31.3 Financial risk management****31.3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

**(a) Credit risk**

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

The Company's credit risk is primarily attributable to its trade debts and balances at banks. Credit sales are primarily to related parties. The credit risk on liquid funds is limited because counter parties are banks with reasonably high credit ratings.

As of June 30, 2015, trade debts of Rs 3,089,661 thousand (2014: Rs 8,180,989 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2015	2014
	Rupees ('000)	
<b>Due from related parties</b>		
Up to 6 months	2,472,049	2,914,645
6 to 12 months	-	-
12 months and above	-	-
	2,472,049	2,914,645
<b>Others</b>		
Up to 6 months	617,612	5,266,344
6 to 12 months	-	-
12 months and above	-	-
	617,612	5,266,344
	3,089,661	8,180,989

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents.

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

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Notes to and Forming Part of the Financial Statements

Notes

	Less than 1 year	Above 1 year
	Rupees ('000)	
<b>At June 30, 2015</b>		
Long term deposits	-	604,814
Trade and other payables	14,077,050	-
<b>At June 30, 2014</b>		
Long term deposits	-	574,881
Trade and other payables	18,081,912	-

**(c) Market risk**

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Financial assets include Rs 26,188 thousand (2014: Rs 26,306 thousand) and financial liabilities include Rs 591,997 thousand (2014: Rs 541,716 thousand) which were subject to currency risk.

The following significant exchange rates were applied during the year:

	2015	2014
<b>Rupees per USD</b>		
Average rate	100.06	100.47
Reporting date rate	100.67	96.92

At June 30, 2015, if the currency had weakened or strengthened by 10% against USD with all other variables at constant, profit after tax would have been Rs 56,581 thousand (2014: Rs 34,017 thousand) lower/higher.

**(ii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets and liabilities include balances of Rs 13,931,950 thousand (2014: Rs 12,614,368 thousand) and Rs 2,226,724 thousand (2014: Rs 3,292,476 thousand) respectively, which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

At June 30, 2015, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 66,183 thousand (2014: Rs 61,524 thousand) higher/lower, mainly as a result of higher/lower interest income from these financial assets.

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## Notes to and Forming Part of the Financial Statements

**(iii) Other price risk**

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

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

**31.3.2 Capital risk management**

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

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

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

**32. STAFF RETIREMENT BENEFITS**

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

	2015	2014
	Rupees ('000)	
<b>32.1</b> The amounts recognised in the balance sheet:		
Present value of defined benefit obligations	49,188	35,878
Fair value of plan assets	(33,865)	(22,362)
Liability recognised in the balance sheet	15,323	13,516
<b>32.2</b> The amounts recognised in the balance sheet are as follows:		
Liability / (asset) as at July 01,	13,516	(3,050)
Expense recognised in profit and loss account	7,555	9,372
Contributions made during the year	(8,027)	(4,990)
Remeasurement loss recognised in statement of comprehensive income	2,278	12,184
Liability as at June 30,	15,322	13,516

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## Notes to and Forming Part of the Financial Statements

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	2015	2014
	Rupees ('000)	
<b>32.3</b>	The amounts recognised in profit and loss account are as follows:	
Current service cost	6,320	3,514
Interest cost	4,659	2,068
Expected return on plan assets	(3,424)	(2,006)
Past service cost	-	5,796
	7,555	9,372
<b>32.4</b>	Remeasurements recognised in other comprehensive income (OCI) are as follows:	
Remeasurement loss/(gain) on obligations:		
Experience loss	2,401	4,861
Loss from changes in financial assumptions	-	7,281
Gain due to remeasurement of investment return	(123)	(255)
Remeasurement loss of prior period	-	297
	2,278	12,184
<b>32.5</b>	Changes in the present value of defined benefit obligation are as follows:	
Present value of defined obligation as at July 01,	35,878	18,615
Current service cost recognised in profit and loss account	6,320	3,514
Interest cost	4,659	2,068
Remeasurement loss	2,401	12,143
Benefits paid	(70)	(462)
Present value of defined obligation as at June 30,	49,188	35,878
<b>32.6</b>	Changes in fair value of plan assets are as follows:	
Fair value of plan assets as at July 01,	22,361	15,572
Expected return on plan assets	3,424	2,007
Contributions during the year	8,027	4,990
Benefits paid	(70)	(462)
Remeasurement gain on investments	123	255
Fair value of plan assets as at June 30,	33,865	22,362

Actual return on plan assets for the year is Rs 3,531 thousand.

The Company expects to contribute Rs 9,123 thousand to its defined benefit gratuity plan during the year 2015-16.

## Notes to and Forming Part of the Financial Statements

	2015	2014
	Total Investment Rupees ('000)	
<b>32.7</b> The major categories of plan assets are as follows:		
Government bonds	39,379	26,370
Bank balance	785	639
Due to The Attock Oil Company Limited	(6,299)	(4,647)
	33,865	22,362

Expected return on plan assets is based on market expectations and dependent upon the assets portfolio of the funds, at the beginning of the year, for returns over the entire life of the related obligation.

	2015	2014
	%	%
<b>32.8</b> Significant actuarial assumptions at the balance sheet date are as follows:		
Discount rate	10.25	13.00
Expected rate of return on plan assets	10.25	13.00
Expected rate of increase in salaries	10.25	13.00

**32.9 Sensitivity analysis**

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

	Defined benefit obligation Effect of 1%	
	increase	decrease
	Rupees ('000)	
Discount rate	(4,927)	5,802
Expected rate of increase in salaries	5,746	(4,969)

**32.10** The weighted average number of years of defined benefit obligation is 12.2 years as at June 30, 2015 (2014: 12.7 years).

**32.11** The Company contributes to gratuity fund on the advice of fund's actuary. The contribution is equal to current service cost with the adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

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Notes to and Forming Part of the Financial Statements

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	2015	2014
	Rupees ('000)	
<b>32.12</b> Salaries, wages and benefits as appearing in note 26 include amounts in respect of the following:		
Provident fund	9,520	8,020
Gratuity fund	7,555	9,372
	17,075	17,392

	Rupees ('000)
<b>32.13</b> Projected benefit payments from gratuity fund are as follows:	
For the year 2016	2,813
For the year 2017	3,514
For the year 2018	4,219
For the year 2019	7,028
For the years 2020-25	46,525

	2015	2014
	Rupees ('000)	
<b>33. APL EMPLOYEES PROVIDENT FUND</b>		
<b>a) Size of the fund</b>	68,780	43,149
Cost of investments made	66,338	42,940
Fair value of investments made	69,346	44,085
	%	%
Percentage of investments made	96	99

	2015		2014	
	Amount	%	Amount	%
	Rupees ('000)		Rupees ('000)	
<b>b) Breakup of investment - at cost</b>				
Treasury Bills	16,199	24	31,441	73
Investment in Pakistan Investment Bonds	48,474	73	9,704	23
Investment in saving account with bank	1,665	3	1,795	4
	66,338	100	42,940	100

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

## Notes to and Forming Part of the Financial Statements

**34. TRANSACTIONS WITH RELATED PARTIES**

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note 35, were as follows:

	2015	2014
	Rupees ('000)	
<b>Associated companies</b>		
<b>Attock Refinery Limited</b>		
Purchase of petroleum products	37,206,118	49,352,023
Purchase of services	110,305	102,129
Late payment charges	101,850	104,958
Sale of petroleum products	8,714	10,258
Commission and handling income	379,996	447,757
<b>National Refinery Limited</b>		
Purchase of petroleum products	77,303,631	100,851,741
Purchase of services	70,067	54,039
Sale of petroleum products	14,068	20,215
Handling income	628,571	825,733
<b>Attock Gen Limited</b>		
Sale of petroleum products	13,615,292	18,869,715
Mark-up earned on late payments	221,839	156,526
<b>Pakistan Oilfields Limited</b>		
Purchase of petroleum products	187,561	273,377
Purchase of services	10,633	7,394
Purchase of property, plant & equipment	-	1,500
Sale of petroleum products	562,472	798,613
Sale of services	1,144	324
CNG Commission income	-	1,690
<b>The Attock Oil Company Limited</b>		
Purchase of services	80,890	105,291
Sale of services	6,920	6,341
<b>Attock Cement Pakistan Limited</b>		
Purchase of services	3,013	2,022
Sale of petroleum products	240,238	261,833
Sale of services	4,090	1,250
<b>Attock Information Technology Services (Private) Limited</b>		
Purchase of services	14,445	7,656
Sale of services	6,544	3,787

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Notes to and Forming Part of the Financial Statements

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	2015	2014
	Rupees ('000)	
Attock Sahara Foundation		
Purchase of goods	1,345	808
Attock Leisure Management Associates		
Purchase of services	1,397	1,724
Attock Hospital (Private) Limited		
Purchase of medical services	2,896	2,575
<b>Other related parties</b>		
Contribution to staff retirement benefit plans		
APL Employees provident fund	9,520	8,020
APL Gratuity fund	8,027	4,990
Contribution to Workers' profit participation fund	243,357	316,581

**35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief Executive		Director		Executives	
	2015	2014	2015	2014	2015	2014
	Rupees ('000)					
Managerial remuneration	12,961	11,659	4,213	3,536	86,930	59,665
Bonus	18,375	14,778	5,672	4,156	42,671	27,451
Company's contribution to provident, pension and gratuity funds	-	-	582	379	10,266	6,552
Housing and utilities	4,550	4,297	1,496	1,312	33,838	23,215
Other perquisites and benefits	1,781	1,522	1,830	1,929	21,927	15,277
Leave passage	1,037	1,037	302	302	489	334
	38,704	33,293	14,095	11,614	196,121	132,494
No. of person(s)	1	1	1	1	67	48

**35.1** The above includes amount charged by an associated company for share of Chief Executive's and one Director's remuneration as approved by the Board of Directors of the Company. In addition, Chief Executive, a Director and certain Executives were also provided with use of Company maintained cars. Further, medical facilities are also provided as per Company policy.

**35.2** In addition, five non-executive directors (2014: four non-executive directors) of the Company were paid meeting fee aggregating Rs 3,844 thousand (2014: Rs 4,882 thousand).

## Notes to and Forming Part of the Financial Statements

**36. SEGMENT REPORTING**

**36.1** As described in note 1 to these financial statements the Company markets petroleum products. Revenue from external customers for products of the Company are as follows:

	2015	2014
	Rupees ('000)	
<b>Product</b>		
High Speed Diesel	83,033,106	105,681,132
Furnace Fuel Oil	51,716,007	57,305,952
Premier Motor Gasoline	36,359,969	38,063,102
Bitumen	14,383,356	13,318,227
Others	20,223,023	26,199,547
	205,715,461	240,567,960

**36.2** There is no single external customer of the Company whose revenue amounts to 10% or more of the Company's total revenue during the year ended June 30, 2015.

**37. NUMBER OF EMPLOYEES**

Total number of employees at the end of year was 312 (2014: 275). Average number of employees were 298 (2014: 263).

**38. CAPACITY AND PRODUCTION**

Considering the nature of the Company's business, the information regarding capacity has no relevance.

**39. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on August 12, 2015 has proposed a final cash dividend for the year ended June 30, 2015 @ Rs 22/- per share, amounting to Rs 1,824,768 thousand for approval of the members in the Annual General Meeting to be held on September 18, 2015.

**40. DATE OF AUTHORISATION**

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



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

Notes

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# Notice of Annual General Meeting

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting (being the 32<sup>nd</sup> General Meeting) of the Company will be held at Attock House, Morgah, Rawalpindi on September 18, 2015 at 11:30 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company together with Directors' and Auditor's Reports for the year ended June 30, 2015.
2. To approve a final cash dividend of 220% i.e. Rs. 22/- per share of Rs. 10/- each, as recommended by the Board of Directors in addition to the interim dividend of Rs. 12.50 per share i.e. 125% already paid to the shareholders thus making a total of Rs. 34.50 per share i.e. 345% for the year ended June 30, 2015.
3. To appoint auditors for the year ending June 30, 2016 and to fix their remuneration.

**BY ORDER OF THE BOARD**



**Rehmat Ullah Bardaie**  
Company Secretary

Registered Office:  
Attock House  
Morgah, Rawalpindi.

August 28, 2015

## NOTES:

The Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 11, 2015 to September 18, 2015 (both days inclusive). Transfers received in order at the office of the Company's share registrar, THK Associates (Private) Limited, 2<sup>nd</sup> Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on September 10, 2015 will be treated in time for the purpose of payment of final cash dividend, if approved by the shareholders.

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

- i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

**FOR APPOINTING PROXIES:**

- i. In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxies shall produce their original CNIC or original passport at the time of meeting.
- v. In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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

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

1	Rate of tax deduction for filers of Income Tax Return	12.50%
2	Rate of tax deduction for non-filers of Income Tax Return	17.50%

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

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

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

## EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

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

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

Members are requested to provide attested photocopy of their CNIC or NTN (in case of corporate entities) directly to our share registrar in order to meet the mandatory requirement of the SECP, SRO 831(I)/2012 dated July 05, 2012 which requires that the dividend warrant should bear CNIC number of the member.

## CHANGE OF ADDRESS:

Members are requested to promptly notify any change of address to the Company's share registrar.

## AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2015 have been made available on the Company's website [www.apl.com.pk](http://www.apl.com.pk), in addition to annual and quarterly financial statements for the prior years.

## DIVIDEND MANDATE OPTION:

In accordance with the SECP's Circular No. 18 of 2012 dated June 05, 2012, the shareholders have been given an opportunity to authorise the Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt for the dividend mandate option as stated, the Dividend Mandate Form available at Company's website i.e. [www.apl.com.pk](http://www.apl.com.pk) needs to be duly filled and submitted to our share registrar at the earliest.

## STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

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

#### Status of the investment in Associated Companies

Information as required under the Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, the status of the investments in associated companies against approval held by the Company in the AGM held on September 27, 2007 is as under:

#### 1. Total investment approved:

The Company has approved equity investment in the following associated companies to the extent of maximum 2.5% of the paid up capital of each investee company with overall amount not exceeding Rs. 2,500 million:

National Refinery Limited	(NRL)
Attock Refinery Limited	(ARL)
Pakistan Oilfields Limited	(POL)
Attock Cement Pakistan Limited	(ACPL)

**2. Amount of Investment made to date:**

Except for ARL, no investment has been made in any other associated concern. Investment of Rs. 310.502 million has been made against this approval to date which represents 1.679% of paid up capital of Attock Refinery Limited.

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

Partial investment has been made in ARL and no investment has been made in other associated companies due to change in the Government policies, less than satisfactory growth and improvement in GDP and other macroeconomic indicators respectively. The investment will be made in future depending on the improved macroeconomic factors, feasible investment environment and satisfactory rate of return.

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

Changes in financial position are as follow:

**i. Earnings per share (restated):**

Name of the Company	Year ended June 30, 2007	Year ended June 30, 2014	Nine Months ended March 31, 2015*
Rs. Per Share			
NRL	52.56	12.03	14.53
ARL	8.78	29.82	14.30
POL	25.11	54.48	31.14
ACPL	9.18	17.59	14.35

**ii. Break-up value per share:**

Name of the Company	March 31, 2007	June 30, 2014	March 31, 2015*
Rs. Per Share			
NRL	164.21	333.00	346.56
ARL	90.62	238.54	252.84
POL	92.30	148.79	132.44
ACPL	44.52	73.75	73.60

\* The above figures are based on latest available financial statements.

# Definition and glossary of terms

## Profitability ratios

Profitability ratios measure Company's ability to generate earnings relative to sales, assets and equity.

## Liquidity ratios

Liquidity ratios determine a company's ability to pay-off its short-terms obligations.

## Activity Ratios

Activity ratios measure the company's ability, to convert working capital items into cash or sales and fixed assets effectiveness to generate net sales.

## Investment ratios

Investment ratios measure the ability of a Company to earn an adequate return for its shareholders.

## Market ratios

Market value ratios determine if a company is over or undervalued in relation to the market value of net assets.

## Capital Structure Ratios

The capital structure determines how a Company finances its overall operations and growth by using different sources of funds.

## DuPont Analysis

DuPont analysis demonstrates the grossing up effect of profit margin, total assets turnover and leverage into Return on equity (ROE) of the company.

# Glossary

ACPL	Attock Cement Pakistan Limited
AGM	Annual General Meeting
AITSL	Attock Information Technology Services (Pvt.) Limited
APL	Attock Petroleum Limited
ARL	Attock Refinery Limited
ATM	Automated Teller Machine
AWT	Army Welfare Trust
BPPL(MKTG)	Byco Petroleum Pakistan Limited (Marketing)
BTCPL	Bakri Trading Company Pakistan Limited
BTL	Below The Line
CAA	Civil Aviation Authority
CAGR	Compounded Annual Growth Rate
CDA	Capital Development Authority
CDC	Central Depository Company of Pakistan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNIC	Computerized National Identity Card
CNG	Compressed Natural Gas
COCO	Company Owned Company Operated
CPL	Chevron Pakistan Limited
CSR	Corporate Social Responsibility
CPR	Cardio Pulmonary Resuscitation
DHA	Defence Housing Authority
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
EHS	Environment Health and Safety
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
FO	Furnace Oil
GDP	Gross Domestic Product
GIK	Ghulam Ishaq Khan Institute of Technology
GoP	Government of Pakistan
HBL	Habib Bank Limited
HOBC	High Octane Blended Component
HR	Human Resource
HRS	Hydrant Refueling System
HRMS	Human Resource Management System
HSD	High Speed Diesel
HSE	Health, Safety and Environment

HSFO	High Sulphur Furnace Oil
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost & Management Accountants of Pakistan
IFAC	International Federation of Accountants
ISO	International Organization for Standardization
IT	Information Technology
JV	Joint Venture
KPK	Khyber Pakhtunkhwa
KW	Kilo Watt
LED	Light Emitting Diode
LNG	Liquefied Natural Gas
LSFO	Low Sulphur Furnace Oil
LUMS	Lahore University of Management Sciences
M-2	Lahore Islamabad Motorway
M.TON	Metric Ton
MBA	Masters in Business Administration
MBT	Machike Bulk Oil Terminal
MIS	Management Information System
MP & NR	Ministry of Petroleum & Natural Resources
MSDS	Material Safety Data Sheet
NFR	Non Fuel Retail facilities
NOC	No Objection Certificate
NRL	National Refinery Limited
NUST	National University of Science & Technology
OCAC	Oil Companies Advisory Council
OGDCL	Oil & Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OMC	Oil Marketing Company
OOTCL	Overseas Oil Trading Company Pakistan
OPEC	Organization of the Petroleum Exporting Countries
OSHA	Occupational Safety Health Administration
PARCO	Pak-Arab Refinery Company
PIM	Pakistan Institute of Management
PMDC	Pakistan Mineral Development Corporation
PMG	Premier Motor Gasoline
POL	Pakistan Oilfields Limited
PPL	Pakistan Petroleum Limited
PSOCL	Pakistan State Oil Company Limited

Pvt.	Private
RBT	Rawalpindi Bulk Oil Terminal
RD & HR	Retail Development and Human Resource
Rs	Rupees
RVI	Retail Visual Identity
SECP	Securities and Exchange Commission of Pakistan
SNGPL	Sui-Northern Gas Pipelines Limited
SPL	Shell Pakistan Limited
SRO	Statutory Regulatory Order
SSGCL	Sui-Southern Gas Company Limited
TOR	Terms of Reference
TPPL	Total-Parco Pakistan Limited
UK	United Kingdom
USA	United States of America
US\$/USD	United States Dollar
VFD	Variable Frequency Drive
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund



# Form of Proxy

20<sup>th</sup> Annual General Meeting

ATTOCK PETROLEUM LIMITED

I/We M/s \_\_\_\_\_ of \_\_\_\_\_ being a member(s) of Attock Petroleum Limited and holding \_\_\_\_\_ ordinary shares as per Share Register Folio No. \_\_\_\_\_ CDC Participant I.D. No. \_\_\_\_\_ CNIC No./Passport No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote and act for me/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on September 18, 2015 at 11:30 a.m. at Attock House, Morgah, Rawalpindi and at any adjournment thereof.



\_\_\_\_\_  
Signature of Shareholder  
(The signature should agree with the  
specimen registered with the Company)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015 Signature of Proxy \_\_\_\_\_

Witnesses:

1. Signature: \_\_\_\_\_ 2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_

CNIC/ Passport No. \_\_\_\_\_ CNIC/ Passport No. \_\_\_\_\_

### Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company at Attock House, Morgah, Rawalpindi not less than 48 hours before the time of holding the meeting.
2. For CDC Account Holders / Corporate Entities  
In addition to the above the following requirements have to be met.
  - I. Attested copies of CNIC or the passport of the shareholders and the proxy shall be provided with the proxy form.
  - II. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
  - III. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

AFFIX  
CORRECT  
POSTAGE

The Secretary,  
Attock Petroleum Limited  
Attock House, Morgah  
Rawalpindi, Pakistan.

**Attock Petroleum Limited**

Attock House, Morgah, Rawalpindi, Pakistan.

Tel: +92-51-5127250-54, Fax: +92-51-5127272

Email: [contact@apl.com.pk](mailto:contact@apl.com.pk)



**Attock**

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