

# Annual Report 2017



National Refinery Limited

Refining with  
Vision





IN THE MEMORY OF FOUNDING CHAIRMAN  
ATTOCK GROUP OF COMPANIES IN PAKISTAN



**DR. GHAITH R. PHARAON**



DR. GHAITH RASHAD PHARAON, THE FOUNDING CHAIRMAN OF THE  
ATTOCK GROUP OF COMPANIES IN PAKISTAN BREATHED HIS LAST ON  
JANUARY 06, 2017.

DR. PHARAON WAS A VISIONARY BUSINESS LEADER, INDUSTRIALIST AND  
INVESTOR OF INTERNATIONAL REPUTE. IT WAS BECAUSE OF HIS VISION  
AND GUIDANCE THAT THE ATTOCK GROUP BECAME ONE OF THE LARGEST  
FOREIGN INVESTMENT BUSINESS HOUSE IN THE COUNTRY. HIS TRUST  
AND CONFIDENCE ON THE MANAGEMENT IN PAKISTAN WAS ONE OF THE  
IMPORTANT REASONS FOR SUCCESS OF ATTOCK GROUP.

HE WAS ALWAYS PASSIONATE ABOUT NEW IDEAS / BUSINESS VENTURES  
AND WILL ALWAYS BE REMEMBERED WITH GREAT RESPECT DUE TO HIS  
IMMENSE LOVE FOR PAKISTAN AND HIS ENORMOUS CONTRIBUTION  
TOWARDS THE ECONOMY OF THIS COUNTRY.

THE VACUUM CREATED BY HIS DEATH HAS BEEN FILLED BY THE NEW  
CHAIRMAN MR. LAITH G. PHARAON UNDER WHOSE ABLE LEADERSHIP AND  
GUIDANCE, THE GROUP NOW MOVING TO CARRY FORWARD THE  
LEAGACY AND VISION OF LATE DR. PHARAON.

MAY ALLAH REST HIS SOUL IN ETERNAL PEACE AND GRANT HIM A PLACE  
IN JANNAT UL FIRDOUS. AMEEN





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# Company Overview

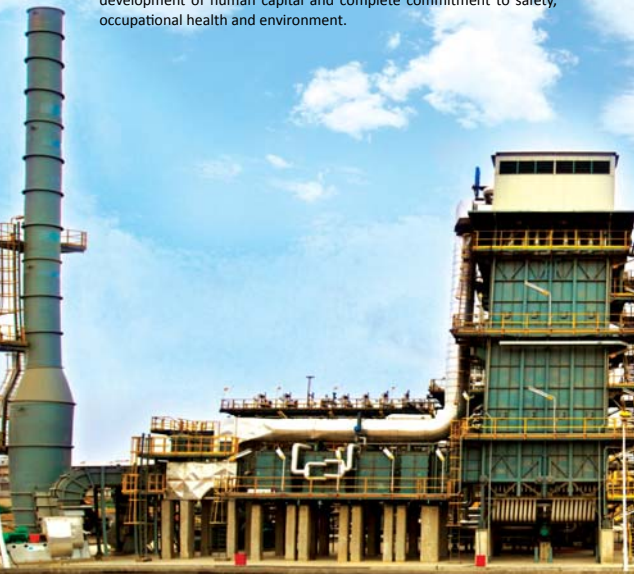




# VISION

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

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





# MISSION

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







## CORE VALUES

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

### 1. Ethical Conduct and Integrity

We value lifestyle in our organization where ethics like truth, honesty, integrity and fair play are basic ingredients while interacting within the organization or dealing with the outside world.

### 2. Teamwork and Responsibility

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

### 3. Customer satisfaction

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

### 4. Continuous improvement

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

### 5. Profitability

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

### 6. Corporate Citizenship

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



## CORPORATE INFORMATION

### Board of Directors

Laith G. Pharaon - Chairman  
Alternate Director: Jamil A. Khan

Wael G. Pharaon  
Alternate Director: Babar Bashir Nawaz

Shuaib A. Malik  
Abdus Sattar  
Zaki Mohamad Mansoor  
Muhammad Naeem  
Tariq Iqbal Khan

### Chief Executive Officer

Shuaib A. Malik

### General Manager Finance and Corporate Affairs & Chief Financial Officer

Anwar A. Shaikh

### Company Secretary

Nouman Ahmed Usmani

### Audit Committee

Tariq Iqbal Khan	Chairman
Abdus Sattar	Member
Babar Bashir Nawaz Alternate Director to Mr. Wael G. Pharaon	Member
Shaikh Ather Ahmed	Secretary

**Human Resource and Remuneration (HR&R) Committee**

Abdus Sattar Chairman

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

Shuaib A. Malik Member

Nouman Ahmed Usmani Secretary

**Auditors**

A. F. Ferguson & Co.  
Chartered Accountants

**Solicitors**

Ali Sibtain Fazli & Associates

**Bankers**

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

**Registered Office**

7-B, Korangi Industrial Area, P.O. Box No. 8228, Karachi-74900

UAN: +92-21-111-675-675

PABX: +92-21-35064981-86

+92-21-35064977-79

Website: [www.nrlpak.com](http://www.nrlpak.com)

E-mail: [info@nrlpak.com](mailto:info@nrlpak.com)

**Share Registrar**

**Central Depository Company of Pakistan Limited**

Share Registrar Department

CDC House, 99-B, Block 'B', S.M.C.H.S.,

Main Shakra-e-Faisal, Karachi – 74400.

Tel: Customer Support Services (Toll Free) 0800-23275

Fax: +92-21-34326053

Email: [info@cdcpak.com](mailto:info@cdcpak.com)

Website: [www.cdcpakistan.com](http://www.cdcpakistan.com)



## NRL AT A GLANCE

### FIRST LUBE REFINERY

Design capacity	3,976,500 barrels per year of Crude processing
Design capacity	533,400 barrels per year of Lube Base Oils
Date Commissioned	June 1966
Project Cost	Rs. 103.9 million

### FUEL REFINERY

#### BEFORE RE-VAMP

Design capacity	11,385,000 barrels per year of Crude processing
Date Commissioned	April 1977
Project Cost	Rs. 607.5 million

#### AFTER FIRST RE-VAMP

Design capacity	16,500,000 barrels per year of Crude processing
Date Commissioned	February 1990
Project Cost of Revamping	Rs. 125.0 million

#### AFTER SECOND RE-VAMP

Design capacity	17,490,000 barrels per year of Crude processing
Date Commissioned	March 2017
Project Cost of Revamping	Rs. 548.0 million

#### DESULPHURIZATION UNIT

Date Commissioned	June 2017
Project Cost	Rs. 26.82 billion

### BTX Unit

Design capacity	180,000 barrels per year of BTX
Date Commissioned	April 1979
Project Cost	Rs. 66.7 million

### SECOND LUBE REFINERY

#### BEFORE RE-VAMP

Design capacity	700,000 barrels per year of Lube Base Oils
Date Commissioned	January 1985
Project Cost	Rs. 2,082.4 million

#### AFTER RE-VAMP

Design capacity	805,000 barrels per year of Lube Base Oils
Date Commissioned	June 2008
Project Cost of Revamping	Rs. 585.0 million

### SHAREHOLDERS' EQUITY

June 1966	Rs. 20.0 million
June 2017	Rs. 43,339.9 million

# CORPORATE OBJECTIVES & DEVELOPMENT STRATEGY

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

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

## Corporate Objectives

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

## Development Strategy

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



## DIRECTORS' PROFILE

### Name



**Mr. Laith G. Pharaon**  
Chairman & Director  
(Non-Executive Director)

### Other Engagements

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

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



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

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



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

**Chairman, Chief Executive & Director**  
Pakistan Oilfields Limited

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

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

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

**Resident Director**  
Pharaon Investment Group Limited Holding SAL

**Group Chief Executive**

**Chairman**  
NRL Management Staff Pension Fund  
NRL Management Staff Gratuity Fund



## DIRECTORS' PROFILE



### Name

**Mr. Zaki Mohamad Mansoer**  
(Independent Director)

### Other Engagements

**Division Manager**  
Resource Mobilization Division, Investment  
Department – Islamic Development Bank, Jeddah



**Mr. Tariq Iqbal Khan**  
(Independent Director)

### Director

Pakistan Oilfields Limited  
Attock Refinery Limited  
International Steels Limited  
Lucky Cement Limited  
Packages Limited  
Silk Bank Limited  
FFC Energy Limited



**Mr. Muhammad Naeem**  
(Independent Director)

National Bank of Pakistan  
Pakistan Stock Exchange Limited



**Mr. Abdus Sattar**  
(Non-Executive Director)

### Director

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



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

### Director & Chief Executive

Attock Cement Pakistan Limited  
Rawal Lodges Development (Pvt.) Limited

### Director

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

### Alternate Director

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



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

### Director

Attock Refinery Limited

### Chairman

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

### Trustee

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



## CHAIRMAN'S REVIEW



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**It is indeed a great privilege for me to welcome you all, on behalf of the Board of Directors, in the 54th Annual General Meeting of your Company and to present annual review of results and audited financial statements for the year ended June 30, 2017.**

Oil importing countries like Pakistan are greatly dependent upon the international crude oil prices to determine its fiscal measures. Due to considerable decline in the crude oil prices in last few years Pakistan has made a significant progress in regaining macroeconomic stability. The Foreign exchange reserves have increased and at the same time foreign direct investment also increased in energy and infrastructure projects promising economic growth of the country.

Fluctuation in the international crude oil prices remained a challenge for your company, however, as a result of intensive efforts, NRL has once again delivered a splendid performance by achieving an all-time high profit after tax of Rs. 8.05 billion compared to Rs. 7.69 billion last year.

Fuel segment of your company showed a profit of Rs. 4.07 billion as compared to profit of Rs. 2.02 billion in the last year. Profitability improved due to improved margins in international market as well as higher sales volume. Net profit after tax of fuel segment also includes

investment tax credit of Rs. 2.02 billion against investments in Diesel Hydro De-Sulphurization project. Profitability of lube segment declined to Rs. 3.98 billion as compared to Rs. 5.67 billion in the last year mainly on account of lower product margins.

It is a great pleasure for me to inform you that your Company has successfully commissioned the Diesel Hydro De-Sulphurization (DHDS) project in June 2017, within the assigned timeline of Government of Pakistan, to produce low sulphur (EURO II Standard) High Speed Diesel (HSD). This would result in increase in revenues by elimination of Price Difference on HSD. However, NRL would like to urge the Government to restore the deemed duty of 9% allowed previously, so that the company can recover its cost of Investment in the DHDS project. The company is fully focusing on commissioning Isomerization project during the first quarter of the financial year 2017-18.

I believe that overall performance of Board of Directors has been good throughout the year. Performance has been self-evaluated, based on internally developed mechanism, in line with the requirements of the Code of Corporate Governance. The Board is composed of an appropriate mix of Directors in terms of relevant experience and skills and its Committees have been operating efficiently. Evident financial results and completion of huge expansion projects clearly mark effectiveness of the role played by the Board in achieving Company's objectives.

On behalf of the Board of Directors, I would like to thank all the shareholders for their trust and support. I am confident that the Company has all the ingredients necessary to achieve the expectations of all its stakeholders.



**Mr. Laith G. Pharaon**  
Chairman

September 11, 2017  
Dubai



## DIRECTORS' REPORT



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**Assalam-o-Alaikum**

The Board of Directors is pleased to present the 54th Annual Report of National Refinery Limited together with the audited financial statements and auditors' report thereon for the year ended June 30, 2017.

### FINANCIAL RESULTS

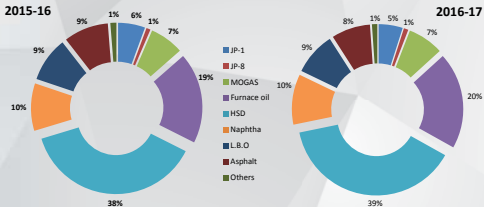
The margins in the year 2017 remained slightly lower than last year, however, in view of increase in sales volume and tax savings due to investment tax credit, your company earned a profit after tax of Rs. 8.05 billion as compared to Rs. 7.69 billion in last year.



### Fuel Segment

The segment posted profit after tax of Rs. 4.07 billion as compared to profit after tax of Rs. 2.02 billion in the last year. Profitability improved due to better margins as a result of pressure on crude oil prices in International Market, while product prices remained favourable. Investment tax credit on commissioning of Diesel Hydro De-Sulphurization plant further improved the profitability.

### Sales Volume Composition

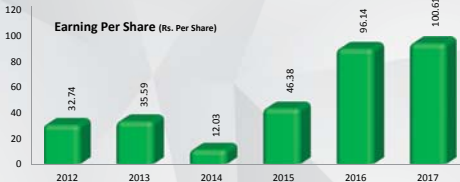


### Lube Segment

The Lube Segment's profitability declined due to higher feed cost and unsymmetrical increase in product prices. The profit after tax for Lube Segment was recorded at Rs. 3.98 billion compared to Rs. 5.67 billion.

### EARNING PER SHARE

Earning per share was Rs. 100.61 compared to Rs. 96.14 of the last year.





## APPROPRIATIONS

Description	2016-17	2015-16
	(Rupees in millions)	
Profit available for appropriation (including Other Comprehensive Income)	4,833	6,264
Transfer to General Reserves	3,000	4,000
Final Dividend @ 225% (2016: 200%)	1,799	1,599

### DIVIDEND

The Board of Directors has recommended a final cash dividend @ Rs. 22.5 per share (225%) for the year ended June 30, 2017. The dividend recommended is subject to the approval by the shareholders in the Annual General Meeting.

### COMPANY BUSINESS

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

The Company operates its three refineries in two business segments "Fuel Segment" and "Lube Segment". Fuel Segment is the producer of High Speed Diesel, Naphtha, Motor Gasoline, Liquefied Petroleum Gas, Jet Fuels & Furnace Oil. Lube Segment produces multiple grades of Lube Base Oils, Bitumen, Furnace oil, Waxes and Rubber Process Oil and some quantities of other fuel products. The products are marketed locally, whereas Naphtha and some quantity of Lube Base Oils are exported.

Government has levied custom duty on import of petroleum products including crude oil. Company recovers the custom duty from sale of petroleum products through prices which are based on actual imports and pay custom duty on import of crude oil. The Mechanism for the adjustment of custom duty on product and crude oil is under review.

### FUTURE OUTLOOK

The management is aware of the challenges ahead and is continuously evolving strategies and adopting appropriate measures to mitigate market risk, meet future challenges and maintain business growth. Recently commissioned Diesel Hydro De-sulphurization plant poses significant future challenges, due to delay in increase of deemed duty from 7.5% to 9% by relevant authorities, rendering the depreciation and other operating expenses being higher than the plant's incremental revenue. Petroleum products market is growing at a promising rate and company has adopted a careful approach to implement future projects.

- **FUTURE PROJECTS**

Following projects have been envisioned to ensure improvement of existing plant, capacity enhancement and improved product mix.

- **Two stage unit at Lube-I Refinery**

The project has been planned to enhance the installed crude oil processing capacity from 12,050 Barrel per stream day (bpsd) to 17,000 bpsd and vacuum fractionation capacity from 5,200 bpsd to 6,600 bpsd. Bids for the EPC job have been received and are under evaluation.

- **Topping Unit and Reformer Unit**

Government of Pakistan has changed the specification of imported Motor Gasoline from 87 RON to 92 RON. Although refineries are allowed to market 90 RON, an opportunity exists to improve the production of NRL to meet the market requirement. For this purpose, NRL is considering to install a Topping Unit with a capacity of 30,000 bbls/day and a Reformer Unit to convert the entire volume of Naphtha into Motor Gasoline. The Front-End Engineering Design (FEED) for the topping unit has already been awarded whereas for the licensing of reformer, proposals are at review stage.

- **Replacement of Fuel and Lube refineries and Utilities Control System with centralized Distributed Control Systems**

Replacement of existing control system of Fuel and Lube refineries and Utilities with Distributed Control System (DCS) will ensure precise quality production, high-integrity process controls, process safeguarding and emergency shutdown, Turbine and Compressor safeguarding, and pipeline monitoring. It will also improve process control and monitoring of plant parameters, availability of customized reports and log sheets, and optimum human resource utilization. The project has already been undertaken and is likely to be completed in three years.

- **101-F-1 Air Pre-Heater Project.**

Installation of Air Pre-Heater at Fuel Refinery is an energy saving and environmental friendly project. Furthermore, Greenhouse gases emissions and carbon foot prints will be reduced by this project. Contract has already been awarded and it is expected that the project will be installed and commissioned by March 2018.

- **Turnaround of Lube – II Refinery**

Company would be undertaking the turnaround of its Lube-II Refinery in the year 2017-18. The turnaround was planned in the year 2016-17. However, due to constraints of space management for new projects, it has been postponed to year 2017-18. This will result in continuous production of plant at optimum level without frequent maintenance requirements.



- **Water Demineralization plant**

It is planned to install a water demineralization plant for Reverse Osmosis. This will help in overcoming the company's water requirements by improving the quality of available water from Reverse Osmosis plants. Civil work is in process and it is expected to be completed by December 2017.

- **New Sea Water Reverse Osmosis Plant**

New sea Water Reverse Osmosis plant with capacity of 250,000 gallons per day is planned to be procured and installed following the completion of Phase-I projects to meet the increased water requirement. Project is under planning stage.

- **Waste heat recovery boiler**

It is planned to utilize the heat energy currently being vented to the atmosphere from the Diesel Generator. Project has been awarded to the contractor and engineering work is in progress with expected date of completion in October 2017.

- **Up gradation of existing Turbo Generator**

Steam Turbine at power generation is being replaced by a multi-extraction back pressure turbine. This will reduce the overall per unit cost of internally generated electricity. The project has been awarded to M/s Siemens Engineering Pakistan and it is expected to be completed by September 2017.

#### **COMPLETED PROJECTS – 2016-17**

Your company successfully completed the following projects during the year 2016-17.

- **Diesel Hydro De-Sulphurization**

In line with the directives of Ministry of Petroleum and Natural Resources to achieve Euro-II standard HSD (less than 500 ppm) NRL successfully implemented the project of Diesel Hydro De-sulphurization (DHDS). The plant has a capacity to reduce sulphur to as low as 10 ppm which may help NRL to meet future requirements. The project was successfully commissioned in June 2017. The project cost of DHDS incurred by the company is Rs. 26.82 billion, without any major increase in revenues as the incentive initially announced by the Government for increasing the deemed duty from 7.5% to 9% has been delayed. The company is in discussion with GoP to allow refineries increase in deemed duty so that the huge investment cost and processing cost could be recovered.

- **CDU Revamp Project**

The implementation of the project has enhanced the installed crude oil processing capacity from 62,000 bpsd to 65,000 bpsd at Crude Distillation Unit of Fuel Refinery.

- **Installation and Commissioning of used Diesel Generator of 8.2 MW**

The energy demand of the company increased due to upgradation projects. In order to meet the power requirement the company procured used Diesel Generator of 8.2 MW



capacity, which was successfully installed. The generator is meeting the company's electricity requirements.

#### **ONGOING PROJECTS – 2017-18**

Following projects are currently being executed by the company which are expected to be completed in 2017-18:

- **Isomerization**  
Isomerization project started two years ago is in commissioning and testing stage. Through Isomerization company would succeed in converting majority of its Naphtha, which has no local market, to Motor Gasoline which would meet the Country's requirements as well as result in fetching higher price.
- **Implementation of DCS at Lube-I Refinery**  
Distributed Control System from YOKOGAWA has been implemented at Lube-I Refinery. The project is under commissioning phase with three units already converted on new system. Remaining one unit is expected to be converted shortly.

#### **PRICING FORMULA**

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

According to the Import Parity Pricing Formula, the distribution of profits from Fuel Segment is restricted to 50% of the paid-up capital as of July 1, 2002 and the remaining amount is to be transferred to special reserves.

#### **RELATIONSHIPS**

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

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

#### **KEY OPERATING AND FINANCIAL DATA**

Key operating and financial data of last six years (2012 – 2017) is shown on page 45.

#### **REFINERIES PRODUCTION**

According to throughput analysis, NRL is currently the second largest refinery of Pakistan with production capacity of 21.47 million barrels (2.83 million M.Tons) per annum. NRL is the only



refinery complex in Pakistan which includes Lube Refinery, producing multiple grades of Lube Base Oils to meet the demand of the Country.

### CREDIT RATINGS

The long-term entity rating of the Company is AA+ (maintained from last four years) and short-term entity rating have been maintained at A1+ (maintained from last thirteen years). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. Pakistan Credit Rating Agency (PACRA) has carried out credit rating assessments.

### RISK & THREATS

- The volatile crude oil and product prices in international market mostly results in narrow margins. In such case the Company periodically reviews its production and sale schedule to minimize the losses. Sharp decline in crude oil prices generally result in inventory losses.
- The Company faces exchange losses due to devaluation of Pak Rupee in making payments of raw material to suppliers in foreign currencies.
- Your Company, being a strategic asset, focuses on security measures including acquiring and installing latest security hardware.

### CORPORATE SOCIAL RESPONSIBILITY

The Company realizes its social responsibility towards the national economy apart from its customers, employees and shareholders. As a responsible corporate citizen, the Company has contributed to different social segments of the economy in various ways for improving quality of life in the country. Recently, Company contributed Rs. 400,000 as a donation to a charitable trust, and Rs. 200,000 has been paid for promotion of education.

Company is ambitious to be recognized as social partner and not only as commercial entity. In this respect, the Company has kept five disabled persons on its manpower strength as prescribed in Sindh Employment Rehabilitation and Welfare Act 2014 and also made payments to Provincial Council for the Rehabilitation of Disabled Persons in lieu of less number of such persons in the Company's employment.

### EMPLOYEES & MANAGEMENT RELATIONS

The relationship between the management and employees including workers union continued to be cordial. The productivity achieved reflects the dedicated and sincere collective endeavors. An amicable bargained settlement was arrived at between the Management and the Collective Bargaining Agent for a period of two years which will go a long way to improve the cordial relationship between the two parties in the interest of the Company. In order to provide an opportunity to employees to maintain good health, the Company is continuously encouraging the Sports activities at the Refinery premises which may also boost up their moral and sense of belonging.

### OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

Sustainable development has been at the top of our agenda at all times and in the pursuit of this objective, protection and preservation of the environment has remained an integral component of our operations. Our comprehensive policies always guide us to address environment, safety and occupational health issues with effective implementation through a collaborative mechanism by involving employees, suppliers and customers.

Our dedication towards protecting the environment is evident through our safe operations. We are extremely focused to conserve energy, optimize our resources and mitigate waste generations. We have a comprehensive integrated Management System in place in accordance with the requirements of ISO 14001:2004, OHSAS 18001:2007 and ISO 9001:2008. It has helped us in strengthening environmental awareness and promoting culture of teamwork, empowerment and continuous improvement. We have achieved 26.74 million safe man-hours without Loss Time Injury (LTI) as on June 30, 2017 and believe to set a benchmark in times ahead.

We ensure that our refining activities are in line with the Occupational health safety and environmental legislations, Company's standard operating procedures and safe work practices compliance towards environment protection.

We all are determined and aware of our responsibility towards sustainable development and striving to improve the environmental conditions around us.

### ENVIRONMENT EXCELLENCE AWARDS

Company has participated in the following Environment Excellence Awards:

- 1 National Forum for Environment & Health (NFEH), Excellence award 2017, consecutively winner since last fourteen years.
- 2 Winner ACCA-WWF Pakistan Best Environment Reporting Awards in 2003, 2009 & 2010.

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

### CONTRIBUTION TO NATIONAL EXCHEQUER

During the financial year, the Company contributed Rs. 40.53 billion to the National exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US\$ 106.85 million through the export of Naphtha and Lube Base Oils.

### HUMAN RESOURCE DEVELOPMENT

Human Resource of the Company is playing a very significant role in achieving the short and long term corporate and strategic objectives of the Company. Therefore, your Company focuses special attention on their training and development. Various staff members were nominated for



local and overseas courses and workshops in different technical and non-technical disciplines. In addition to hands on executive training programs, the Company has also conducted Management Trainees and Apprenticeship programs where theoretical and practical training in Refinery operations and maintenance was imparted which will not only meet the additional requirement of trained manpower for expansion projects of the Company but would extend a great help to the Petroleum Refining industry in the availability of trained manpower.

#### **CORPORATE GOVERNANCE**

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

- a. The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- b. Proper books of account have been maintained in the manner required under the Companies Act, 2017.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.

- g. The values of investment of various funds, based on their respective accounts as at 30 June, 2017 are as under:

Description	(Rupees in millions) Un-audited
Management staff	
Pension Fund	4,977
Provident Fund	985
Post-Retirement Medical Fund	1,081
Gratuity Fund	30
Non-Management staff	
Gratuity Fund	98
Provident Fund	422

- h. The directors are either exempt or have already attended the directors' training as required under the Code of Corporate Governance in previous years.
- i. No trade in the shares of the Company was carried out by the Board of Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children except that mentioned in "Pattern of Shareholding".





## Composition and Meetings of the Board of Directors

### Present composition of the Board of Directors

1. Mr. Laith G. Pharaon – Chairman  
Alternate Director: Mr. Jamil A. Khan
2. Mr. Wael G. Pharaon  
Alternate Director: Mr. Babar Bashir Nawaz
3. Mr. Shuaib A. Malik
4. Mr. Abdus Sattar
5. Mr. Zaki Mohamad Mansoer
6. Mr. Muhammad Naeem
7. Mr. Tariq Iqbal Khan

During the financial year 2016-17 five meetings of the Board of Directors were held. The attendance of the Directors is as under:

Name of Directors	Total No of Meetings *	Meetings Attended
Dr. Ghaith R. Pharaon ** Ex-Chairman. Alternate Director: Mr. Abdus Sattar	2	2
Mr. Laith G. Pharaon *** Chairman Alternate Director: Mr. Jamil A. Khan	5	5
Mr. Mofarrih Saeed H. Alghamdi ** / Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz	5	5
Mr. Shuaib A. Malik Deputy Chairman & Chief Executive Officer	5	5
Mr. Abdus Sattar	3	3
Mr. Zaki Mohamad Mansoer – IDB Nominee	5	1
Mr. Shahid Ghaffar**/ Mr. Muhammad Naeem – NIT Nominee	5	4
Mr. Tariq Iqbal Khan	5	5

\* held during the period concerned directors were on Board.

\*\* ceased to be director during the year.

\*\*\* appointed as chairman consequent upon sad demise of Dr. Ghaith R. Pharaon during the year.

### Human Resource & Remuneration Committee

HR Committee consists of three members. Following is the attendance of the members during the period from July 1, 2016 to June 30, 2017:

Name of Directors	Total No of Meeting	Meeting Attended
Mr. Abdus Sattar - Chairman	1	1
Mr. Shuaib A. Malik	1	1
Mr. Babar Bashir Nawaz (Alternate for Mr. Wael G. Pharaon)	1	1

### Audit Committee

Audit committee consists of three members. The attendance of the Directors' for Audit Committee meetings for the year ended June 30, 2017 is as follows:

Name of Directors	Total No of Meetings	Meetings Attended
Mr. Tariq Iqbal Khan	4	4
Mr. Babar Bashir Nawaz (Alternate for Mr. Wael G. Pharaon)	4	4
Mr. Abdus Sattar - Chairman	4	4

### Pattern of Shareholding

Pattern of shareholdings is shown on page 106.

### AUDITORS

Present auditors Messrs. A. F. Ferguson & Co., Chartered Accountants retire and offer themselves for reappointment. The Board recommends the reappointment of Messrs. A. F. Ferguson & Co., Chartered Accountants as auditors for the financial year ending June 30, 2018.



### ACKNOWLEDGEMENT

The Board places on record its appreciation and gratitude to the Company's management and its staff for their efforts to achieve these results. The Board acknowledges the efforts and contributions of customers, suppliers, foreign and local contractors and other stakeholders for their continuous support.

On behalf of the Board.

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Director

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Shuaib A. Malik  
Deputy Chairman &  
Chief Executive Officer

September 11, 2017  
Dubai



# Corporate Governance





## CODE OF CONDUCT

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

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

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

- The business principles are derived from the above stated corporate values and are applied to all facets of business through well-established procedures. These procedures define behavior expected from each employee in the discharge of his/her responsibility.
- NRL recognizes following obligations, which need to be discharged with best efforts, commitment and efficiency:
  - Safeguarding of shareholders' interest and a suitable return on equity.
  - Service customers by providing products, which offer value in terms of price, quality, safety and environmental impact.
  - Respect human rights, provide congenial working environment, offer competitive terms of employment, develop human resource and be an equal opportunity employer.
  - Seek mutually beneficial business relationship with contractors, suppliers and investment partners.
- The Company believes that profit is essential for business survival. It is a measure of efficiency and the value that the customer places on products and services produced by the Company.
- The Company requires honesty and fairness in all aspect of its business and in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and accepting of bribe in any form is undesirable.
- The Company is fully committed to reliability and accuracy of financial statements and transparency of transactions in accordance with established procedures and practices.



- The Company does not support any political party or contributes funds to groups having political interests. The Company will however, promote its legitimate business interests through trade associations.
- The Company, consistent with its commitments to sustainable developments, has a systematic approach to the management of health, safety and environment.
- The Company is committed to observe laws of Pakistan and is fully aware of its social responsibility. It would assist the community in activities such as education, sports, environment preservation, training programs, skills development and employment within the parameters of its commercial objectives.
- The Company supports free market system. It seeks to compete fairly and ethically within the framework of applicable competition laws in the country. The Company will not stop others from competing freely with it.
- In view of the critical importance of its business and impact on national economy, the Company provides all relevant information about its activities to legitimate interested parties, subject to any overriding constraints of confidentiality and cost.
- The Company requires all its board members and employees to essentially avoid conflict of interest between private financial and/or other activities and their professional role in the conduct of Company business.
- No board member or employee shall in any manner disclose to any person or cause disclosure of any information or documents, official or otherwise, relating to the Company, except those published, and unless he/she is authorised by the management.
- All papers, books, drawings, sketches, photographs, documents and similar papers containing analysis, formulas, notes or information relating to the Company's business affairs or operations shall always be treated as the Company property, whether prepared by the employee or otherwise and no employee shall be permitted to carry any of these outside business premises unless specifically authorised to do so by the management.
- The Company's property, funds, facilities and services must be used only for authorised purposes.
- The board members or employees of the Company specifically those coming in direct contact with the vendors doing or seeking to do business with the Company shall not receive favours or incur obligations. In case any contractor/supplier to have business relations with the Company happen to be a relative of an official who is entrusted the responsibility of opening/evaluation/award of supply/contract job or with execution or certification of material/services, he/she shall immediately bring the fact to the notice of Managing Director who may entrust the responsibility to another.
- Each employee shall devote his/her full time and energy exclusively to the business and interests of the Company. In particular, no employee (including those on leave) unless otherwise permitted by the Company, shall directly or indirectly engage in any other

profession or business or enter the services of or be employed in any capacity for any purpose whatsoever and for any part of his/her time by any other person, government department, firm or company and/or shall not have any private financial dealings with any other persons of firms having business relations with the company for sale or purchase of any materials or equipments or supply of labour or for any other purpose. Every employee shall hold himself in readiness to perform any duties required of him by his/her superiors to the best of his/her ability.

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

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

On behalf of the Board



**Shuaib A. Malik**  
Deputy Chairman &  
Chief Executive Officer

June 18, 2012



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

Category	Names
Independent Directors	Mr. Tariq Iqbal Khan Mr. Zaki Mohamad Mansoor Mr. Muhammad Naeem
Executive Directors	Mr. Shuaib A. Malik Mr. Jamil A. Khan Alternate to Mr. Laith G. Pharaon, Director
Non-Executive Directors	Mr. Laith G. Pharaon Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz Mr. Abdus Sattar

The independent directors meet the criteria of independence under clause 5.19.1 (b) of the Rule Book of the Pakistan Stock Exchange's Regulations.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs, or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Three casual vacancies occurring on the board on November 7, 2016, January 6, 2017 and January 15, 2017 were filled up by the directors within 36 days, 12 days and one (01) day respectively.

5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed vision and mission statements, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman or Deputy Chairman, and the Chief Financial Officer and Company Secretary attended all the meetings. The Board meets at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded, circulated and signed by the Chairman of the meeting of the Board of Directors.
9. The Directors were apprised of their duties and responsibilities from time to time.
10. The Board has approved terms of appointment and remunerations of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The CEO and CFO duly endorsed the financial statements of the Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom one is non-executive director, and the Chairman of the Committee is also a non-executive director.
18. The Board has set-up an effective internal audit function and that is involved in the Internal Audit on full time basis relating to the business and other affairs of the Company.



19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The related party transactions have been placed before the audit committee and approved by the Board of Directors along with pricing methods for transactions carried out on terms equivalent to those that prevail in the arm's length transactions.
22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
24. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board

**SHUAIB A. MALIK**  
Deputy Chairman &  
Chief Executive Officer

September 11, 2017



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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of National Refinery Limited for the year ended June 30, 2017 to comply with the Code contained in Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations where the company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Chartered Accountants  
Karachi

Dated: September 14, 2017



## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

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

- a. Determination of appropriate measures to safeguard the company's assets;
- b. Review of preliminary announcements of results prior to publication;
- c. Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
  - Major judgmental areas;
  - Significant adjustments resulting from the audit;
  - The going concern assumption;
  - Any changes in accounting policies and practices;
  - Compliance with applicable accounting standards;
  - Compliance with listing regulations and other statutory and regulatory requirements; and
  - Significant related party transactions.
- d. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e. Review of management letter issued by external auditors and management's response thereto;
- f. Ensuring coordination between the internal and external auditors;
- g. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed;
- h. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i. Ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;
- j. Review of company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

- k. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- l. Determination of compliance with relevant statutory requirements;
- m. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- n. Consideration of any other issue or matter as may be assigned by the Board of Directors; and
- o. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the company in addition to audit of its financial statements.



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

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

The committee shall be responsible for:

- i) Recommending human resource management policies to the board;
- ii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- iii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit; and
- iv) Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO.

# Stakeholders' Information





## STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED JUNE 30, 2017

	2017		2016	
	Rupees in million	%	Rupees in million	%
Gross sales revenue	150,626		141,295	
Bought in material and services	(100,182)		(86,871)	
	50,444		54,424	
Income from investment	401		1,187	
Other Income	324		327	
	725		1,514	
	<u>51,169</u>	<u>100.0%</u>	<u>55,938</u>	<u>100.0%</u>

### Distribution

#### To Employees remuneration as:

Salaries, wages and benefits	1,964	3.8%	1,902	3.4%
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#### To Government as:

Levies	37,651	73.6%	43,342	77.5%
Company taxation	2,439	4.8%	1,894	3.4%
Worker's fund	438	0.9%	748	1.3%
	40,528	79.3%	45,984	82.2%

#### To Shareholders as:

Cash Dividend	1,799	3.5%	1,599	2.8%
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#### Retained in the business:

Depreciation & Amortization	631	1.2%	364	0.7%
Net earnings	6,247	12.2%	6,089	10.9%
	6,878	13.4%	6,453	11.6%

51,169 100.0%

55,938 100.0%

## SIX YEARS AT A GLANCE

Description	2016-17	2015-16	2014-15	2013-14	Revised 2012-13	2011-12
Rupees. in million						
<b>Profit and Loss Account</b>						
Net sales	107,447	93,788	148,457	207,403	179,184	174,797
Cost of sales	97,648	82,745	141,611	204,350	174,118	170,075
Purchases	91,855	75,120	126,374	200,565	166,130	171,149
Gross profit	9,800	11,043	6,846	3,053	5,067	4,722
Operating profit	8,498	10,365	6,413	2,732	5,347	5,795
Profit before tax	8,315	10,089	5,560	1,880	4,477	4,452
Profit after tax	8,046	7,688	3,709	962	2,846	2,618
<b>Balance Sheet</b>						
Share Capital	800	800	800	800	800	800
Reserves	42,540	36,023	29,334	25,794	25,994	24,491
Shareholder equity	43,340	36,822	30,134	26,594	26,794	25,290
Fixed Assets	38,547	23,628	8,066	5,061	4,363	3,696
Current Assets	22,752	29,957	39,901	47,465	51,232	53,323
Current Liabilities	16,683	16,241	17,163	25,802	28,440	31,492
Net current assets/ liabilities	6,069	13,716	22,738	21,663	22,792	21,831
<b>Profitability Ratios</b>						
Gross profit	% 9.12	11.77	4.61	1.48	2.83	2.70
Net profit to sales	% 7.49	8.20	2.50	0.46	1.59	1.50
EBITDA Margin to sales	% 8.33	11.15	3.98	1.06	2.68	2.72
Return on Equity	% 18.56	20.88	12.31	3.62	10.62	10.35
Return on Capital Employed	% 20.07	22.96	13.08	3.60	10.93	10.50
<b>Liquidity Ratios</b>						
Current Ratio	Times 1.36	1.84	2.32	1.84	1.80	1.69
Quick /Acid test ratio	Times 0.71	1.15	1.53	0.92	1.01	0.89
Cash to Current Liabilities	Times 0.17	0.73	1.01	0.34	0.56	0.32
<b>Activity / Turnover Ratios</b>						
Inventory turnover	Days 40.89	54.03	47.59	40.89	49.54	47.32
Debtors turnover	Days 18.98	24.09	21.17	18.39	24.35	28.18
Creditors turnover	Days 31.82	47.38	45.72	37.60	53.03	55.47
Total Assets turnover ratio	Times 1.75	1.75	3.09	3.93	3.22	3.06
Fixed assets turnover ratio	Times 2.79	3.97	18.40	40.98	41.07	47.30
<b>Investment / Market Ratios</b>						
Earnings per share (EPS) and diluted EPS	Rs. 100.61	96.14	46.38	12.03	35.59	32.74
Price earning ratio	Times 7.22	4.94	5.00	17.87	6.76	7.07
Dividend yield ratio	% 3.10	4.21	4.31	-	6.23	6.48
Cash Dividend payout ratio	% 22.36	20.80	21.56	-	42.17	45.82
Dividend cover ratio	Times 4.47	4.81	4.64	-	2.37	2.18
Cash Dividend per share	Rs./share 22.50	20.00	10.00	-	15.00	15.00
Market value per share at year end.	Rs./share 726	475	232	215	241	231
Breakup value per share	Rs./share 542	460	377	333	336	316

# HORIZONTAL BALANCE SHEET

AS AT JUNE, 30

	2017	2016	2015	2014	2013 - Restated	2012
	Response in million	Response in million	Response in million	Response in million	Response in million	Response in million
	%	%	%	%	%	%
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Fixed assets	38,547.16	104.0%	-	-	-	-
Deferred taxation	51.33	78.5%	40.92	62.6%	52.24	79.9%
Long term loans	30.19	10.0%	30.19	100.0%	30.19	100.0%
Long term deposits	5.73	19.0%	30.39	100.0%	30.19	100.0%
Increment benefit prepayments	38,014.53	103.0%	21,703.34	65.3%	8,016.20	23.3%
				53,309.59	148.2%	37,913.31
<b>CURRENT ASSETS</b>						
Stocks, spares and chemicals	908.61	92.1%	907.49	92.0%	1,140.43	116.9%
Stock-in-trade	10,911.02	43.1%	11,252.50	44.4%	13,856.66	51.6%
Trade debts	6,032.87	46.5%	5,287.20	39.9%	7,233.04	54.7%
Loans and advances	64.28	169.2%	84.72	211.1%	74.80	185.9%
Trade deposits and short term prepayments	14.01	210.0%	10.58	158.6%	9.92	133.8%
Interest accrued	15.83	34.3%	28.78	26.0%	32.34	28.3%
Other receivables	674.37	27.8%	504.42	203.1%	547.33	220.6%
Taxation - payments less provision	1,411.12	-	-	-	131.54	13.8%
Short term investments	2,389.49	27.5%	11,870.90	117.8%	13,272.94	171.4%
Cash and bank balances	22,751.60	42.7%	29,956.69	56.2%	35,002.37	74.8%
				47,465.20	89.0%	53,323.10
<b>TOTAL ASSETS</b>	61,385.95	107.5%	53,660.53	94.0%	48,062.67	84.2%
				52,776.15	92.4%	57,134.43
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Share capital	799.67	100.0%	799.67	100.0%	799.67	100.0%
Reserves	42,540.21	173.7%	36,022.78	147.1%	24,334.01	119.8%
				25,793.97	105.3%	24,490.80
	41,333.88	177.4%	36,822.46	145.6%	30,133.71	113.2%
				26,590.64	105.2%	25,290.47
<b>LIABILITIES</b>						
<b>NON - CURRENT LIABILITIES</b>						
Long term borrowing	689.49	-	462.17	35.15%	594.46	46.21%
Interest benefit obligations	204.82	20.4%	135.17	67.51%	171.56	85.50%
Deferred taxation	408.57	20.8%	-	-	-	-
				30.86	289.6%	113.90
				47.32	21.6%	200.51
				24,931.27	83.8%	29,748.89
	36,844.47	59.74%	59,010.59	50.5%	16,431.02	52.2%
	9.75	-	-	-	-	-
	112.36	28.2%	112.36	100.0%	112.36	100.0%
	76.61	-	-	-	-	-
				246.19	61.7%	398.91
				482.03	100.0%	482.03
				617.54	45.9%	1,344.45
	36,681.19	51.0%	56,240.54	51.6%	17,162.92	54.5%
				23,807.63	81.2%	31,491.55
				52,776.15	92.4%	57,134.43
<b>TOTAL EQUITY AND LIABILITIES</b>	61,385.95	107.5%	53,660.53	94.0%	48,062.67	84.2%
				52,776.15	92.4%	57,134.43



# VERTICAL BALANCE SHEET

## AS AT JUNE, 20

	2017	2016	2015	2014	2013 - Restated	2012
	Repeatability %	Repeatability %	Repeatability %	Repeatability %	Repeatability %	Repeatability %
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Fixed assets	30,572.16	23,027.52	8,006.11	5,091.22	4,102.94	3,695.57
Deferred taxation	-	-	-	305.34	-	-
Long term loans	51.33	40.02	42.50	41.49	52.24	65.41
Long term deposits	30.19	30.19	30.19	30.19	30.19	30.19
Reinvestment benefit payments	3,147.00	4.38	2,240.00	1,278.00	-	-
	61.00%	23,703.94	8,012.20	5,310.93	4,463.37	3,791.33
			12.1%	10.1%	8.0%	6.3%
<b>CURRENT ASSETS</b>						
Stocks, spares and chemicals	908.01	807.40	1,003.00	1,149.43	788.00	986.57
Debtors-in-trade	10,911.02	11,292.50	11,585.66	23,456.56	22,503.75	25,399.71
Trade debts	6,032.67	5,297.20	7,293.04	10,307.07	10,978.99	13,262.18
Loans and advances	64.28	84.72	74.60	484.43	36.28	40.13
Trade deposits and short-term payments	54.01	10.58	8.92	53.24	8.22	6.67
Interest accrued	53.83	0.00	32.24	40.84	86.12	10.69
Other receivables	0.43	28.78	547.33	301.90	274.71	248.13
Short term investments	1,741.14	504.42	-	3,032.86	409.52	3,200.47
Short term deposits	-	-	123.54	0.00	-	5.78
Cash and bank balances	2,769.40	11,070.90	17,272.94	8,804.87	16,004.88	10,078.55
	37.0%	24,956.59	34,901.37	47,405.20	51,233.55	53,323.10
		55.8%	83.9%	89.3%	92.0%	93.3%
<b>TOTAL ASSETS</b>	<b>63,128.93</b>	<b>53,160.53</b>	<b>43,042.65</b>	<b>52,776.15</b>	<b>55,678.92</b>	<b>57,114.43</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Share capital	799.67	799.67	799.67	799.67	799.67	799.67
Reserves	41,540.21	36,022.78	28,314.04	25,793.97	25,994.04	21,400.80
	65.0%	36,822.45	30,113.71	26,530.64	26,793.71	22,200.47
	70.6%			50.4%	48.1%	44.3%
<b>LIABILITIES</b>						
<b>NON - CURRENT LIABILITIES</b>						
Long term borrowing	689.49	-	-	-	-	-
Reinvestment benefit obligations	254.82	462.17	594.46	380.86	396.00	131.50
Deferred taxation	16,517.59	135.37	171.96	-	47.32	200.51
	0.7%	0.3%	0.4%	0.7%	0.1%	0.4%
<b>CURRENT LIABILITIES</b>						
Trade and other payables	16,481.47	15,030.59	16,433.02	24,933.27	26,546.46	29,788.89
Accrued m/sk-up	9.70	-	-	-	-	-
Provisions	132.36	112.36	112.36	261.19	411.40	308.91
Current tax	76.11	1,097.59	617.54	624.19	1,482.03	2,778.15
Trade receivables	50,681.19	16,240.64	17,162.92	26,801.66	28,439.89	31,491.96
Trade receivables	27.2%	30.2%	35.7%	48.9%	51.1%	55.3%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,128.93</b>	<b>53,160.53</b>	<b>43,042.65</b>	<b>52,776.15</b>	<b>55,678.92</b>	<b>57,114.43</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## HORIZONTAL PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED

	2017	2016	2015	2014	2013	2012
	Rs. in million	Rs. in million	Rs. in million	Rs. in million	Rs. in million	Rs. in million
	%	%	%	%	%	%
Net sales	107,447.44	93,788.38	148,456.51	207,403.26	179,184.42	174,797.07
	61.5%	53.7%	84.9%	118.7%	102.5%	100.0%
Cost of sales	(97,647.94)	(82,745.29)	(141,610.76)	(204,349.84)	(174,117.51)	(170,074.58)
	57.4%	48.7%	83.3%	120.2%	102.4%	100.0%
Gross profit	9,799.50	11,043.09	6,845.75	3,053.42	5,066.91	4,722.49
	20.75%	23.8%	145.0%	64.7%	107.3%	100.0%
Distribution cost	(734.78)	(685.64)	(865.46)	(1,090.29)	(1,037.57)	(1,264.03)
	58.1%	54.2%	68.5%	86.3%	82.1%	100.0%
Administrative expenses	(841.19)	(752.54)	(662.69)	(520.72)	(507.51)	(464.10)
	18.13%	162.2%	142.8%	112.2%	109.4%	100.0%
Other income	724.82	1,514.19	1,525.31	1,436.15	2,179.74	3,136.82
	23.1%	48.3%	48.6%	45.8%	69.5%	100.0%
Other operating expenses	(450.65)	(754.55)	(493.00)	(146.60)	(354.52)	(336.45)
	13.35%	224.3%	127.8%	43.6%	105.4%	100.0%
Operating profit	8,497.70	10,364.55	6,412.91	2,731.96	5,347.05	5,794.73
	14.67%	178.9%	110.7%	47.2%	92.3%	100.0%
Finance cost	(182.53)	(275.52)	(852.68)	(852.32)	(870.54)	(1,342.86)
	13.6%	20.5%	63.5%	63.5%	64.8%	100.0%
Profit before taxation	8,315.17	10,089.03	5,560.23	1,879.64	4,476.51	4,451.87
	18.68%	226.6%	124.9%	42.2%	100.0%	100.0%
Taxation	(269.39)	(2,400.95)	(1,851.25)	(917.77)	(1,630.86)	(1,833.49)
	14.7%	131.0%	101.0%	50.1%	89.0%	100.0%
Profit after taxation	8,045.78	7,688.08	3,708.98	961.87	2,845.65	2,618.38
	30.73%	293.6%	141.7%	36.7%	108.7%	100.0%

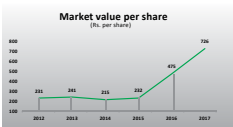
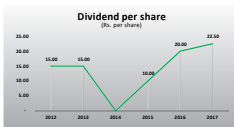
## VERTICAL PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED

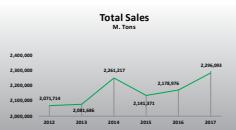
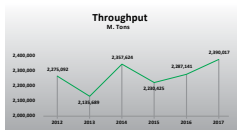
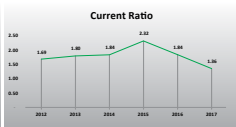
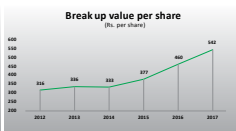
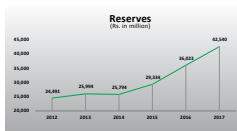
	2017	2016	2015	2014	2013	2012
	Rs. in million	Rs. in million	Rs. in million	Rs. in million	Rs. in million	Rs. in million
	%	%	%	%	%	%
Net sales	1,07,417.44	99,788.38	1,48,456.51	2,07,403.26	179,184.42	174,797.07
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	(97,647.94)	(82,745.29)	(1,41,610.76)	(2,04,349.84)	(174,117.51)	(1,70,074.58)
	-90.9%	-88.2%	-95.4%	-98.5%	-97.2%	-97.3%
<b>Gross profit</b>	<b>9,799.50</b>	<b>11,043.09</b>	<b>6,845.75</b>	<b>3,053.42</b>	<b>5,066.91</b>	<b>4,722.49</b>
	9.1%	11.8%	4.6%	1.5%	2.8%	2.7%
Distribution cost	(734.78)	(685.64)	(865.46)	(1,080.29)	(1,037.57)	(1,264.03)
	-0.7%	-0.7%	-0.6%	-0.5%	-0.6%	-0.7%
Administrative expenses	(841.19)	(752.54)	(662.69)	(520.72)	(507.51)	(464.10)
	-0.8%	-0.8%	-0.4%	-0.3%	-0.3%	-0.3%
Other operating income	724.82	1,514.19	1,525.31	1,456.15	2,179.74	3,136.82
	0.7%	1.6%	1.0%	0.7%	1.2%	1.8%
Other operating expenses	(450.65)	(754.55)	(430.00)	(146.60)	(354.52)	(336.45)
	-0.4%	-0.8%	-0.3%	-0.1%	-0.2%	-0.2%
<b>Operating profit</b>	<b>8,697.70</b>	<b>10,364.55</b>	<b>6,412.91</b>	<b>2,731.96</b>	<b>5,347.05</b>	<b>5,794.73</b>
	7.9%	11.1%	4.3%	1.3%	2.9%	3.3%
Finance cost	(182.53)	(275.52)	(852.68)	(852.32)	(870.54)	(1,342.86)
	-0.2%	-0.3%	-0.6%	-0.4%	-0.5%	-0.8%
<b>Profit before taxation</b>	<b>8,315.17</b>	<b>10,089.03</b>	<b>5,560.23</b>	<b>1,879.64</b>	<b>4,476.51</b>	<b>4,451.87</b>
	7.7%	10.8%	3.7%	0.9%	2.4%	2.5%
Taxation	(269.39)	(2,400.95)	(1,851.25)	(917.77)	(1,630.86)	(1,833.49)
	-0.2%	-2.6%	-1.2%	-0.4%	-0.9%	-1.0%
<b>Profit after taxation</b>	<b>8,045.78</b>	<b>7,688.08</b>	<b>3,708.98</b>	<b>961.87</b>	<b>2,845.65</b>	<b>2,618.38</b>
	7.5%	8.2%	2.5%	0.3%	1.5%	1.5%



## GRAPHICAL REPRESENTATION



## GRAPHICAL REPRESENTATION

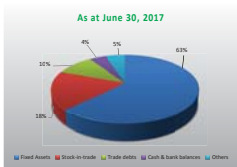
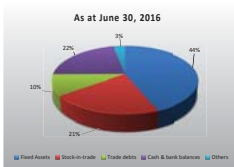




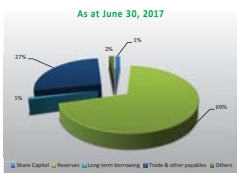
## GRAPHICAL REPRESENTATION

### BALANCE SHEET COMPOSITION

#### Assets

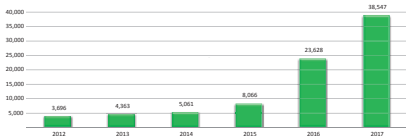


#### Share Capital, Reserves and Liabilities



#### Total Assets

(Rs. in million)



The background of the cover page is a complex, low-poly geometric pattern in various shades of green, ranging from light mint to a darker forest green. The pattern consists of numerous triangles and polygons of varying sizes and orientations, creating a textured, crystalline effect. In the center of the page, there is a large, stylized circular graphic. This graphic is composed of two concentric, thick, curved lines. The outer line is a vibrant teal or cyan color, while the inner line is a medium green. The two lines are not perfectly circular and have small gaps, giving the impression of a stylized 'C' or a partial ring. To the left of this circular graphic, the text "Annual Audited Financial Statements" is written in a clean, sans-serif font. The text is colored in a medium green, matching the inner line of the circular graphic. The overall design is modern and professional, with a strong emphasis on green tones.

Annual Audited  
Financial Statements





**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of National Refinery Limited as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.



Chartered Accountants  
Karachi

Dated: September 14, 2017

Name of the engagement partner: Rashid A. Jafer



# BALANCE SHEET

AS AT JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	3	38,547,362	23,627,920
Long term investment	4	-	-
Long term loans	5	51,333	40,918
Long term deposits	6	30,189	30,189
Retirement benefit prepayments	17	5,468	4,917
		<u>38,634,352</u>	<u>23,703,944</u>
<b>CURRENT ASSETS</b>			
Stores, spares and chemicals	7	908,606	907,495
Stock-in-trade	8	10,931,017	11,252,503
Trade debts	9	6,032,874	5,297,198
Loans and advances	10	64,276	84,718
Trade deposits and short-term prepayments	11	14,013	10,576
Interest accrued		15,831	28,778
Other receivables	12	674,368	504,421
Taxation - payments less provision		1,341,117	-
Cash and bank balances	13	2,769,491	11,870,898
		<u>22,751,593</u>	<u>29,956,587</u>
<b>TOTAL ASSETS</b>		<u><b>61,385,945</b></u>	<u><b>53,660,531</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	14	799,666	799,666
Reserves	15	42,540,214	36,022,777
		<u>43,339,880</u>	<u>36,822,443</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowing	16	689,490	-
Retirement benefit obligations	17	264,824	462,173
Deferred taxation	18	408,566	135,369
		<u>1,362,880</u>	<u>597,542</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	16,484,464	15,030,594
Accrued mark-up	20	9,750	-
Provisions	21	112,361	112,361
Current portion of long-term borrowing	16	76,610	-
Taxation - provision less payments		-	1,097,591
		<u>16,683,185</u>	<u>16,240,546</u>
<b>TOTAL LIABILITIES</b>		<u><b>18,046,065</b></u>	<u><b>16,838,088</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>61,385,945</b></u>	<u><b>53,660,531</b></u>

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

  
Chief Financial Officer

  
Chief Executive

  
Director

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
Gross sales	23	150,625,769	141,294,741
Trade discounts, taxes, duties, levies and price differential	24	(43,178,325)	(47,506,363)
Net sales		107,447,444	93,788,378
Cost of sales	25	(97,647,936)	(82,745,292)
Gross profit		9,799,508	11,043,086
Distribution cost	26	(734,788)	(685,635)
Administrative expenses	27	(841,192)	(752,538)
Other income	28	724,818	1,514,185
Other operating expenses	29	(450,649)	(754,545)
Operating profit		8,497,697	10,364,553
Finance cost	30	(182,526)	(275,527)
Profit before taxation		8,315,171	10,089,026
Taxation	31	(269,390)	(2,400,950)
Profit after taxation		8,045,781	7,688,076
			(Rupees)
Earnings per share - basic and diluted	32	100.61	96.14

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



Chief Financial Officer



Chief Executive



Director



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
Profit after taxation	8,045,781	7,688,076
<b>Other comprehensive income / (loss)</b>		
Items that will not be reclassified to profit and loss account		
Remeasurements of post employment benefit obligations - note 17	74,794	(262,730)
Deferred tax thereon	(3,807)	63,056
	70,987	(199,674)
<b>Total comprehensive income</b>	<b>8,116,768</b>	<b>7,488,402</b>

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

  
Chief Financial Officer

  
Chief Executive

  
Director

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	33	9,098,575	12,407,214
Income tax paid		(2,438,708)	(1,894,031)
(Increase) / decrease in long term loans and advances		(10,415)	1,657
Increase in long term deposits		-	-
Payment made to staff retirement benefit funds		(248,258)	(531,243)
Net cash flow from operating activities		<u>6,401,194</u>	<u>9,983,597</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(15,058,261)	(15,904,106)
Purchase of intangible assets		(35,353)	(6,575)
Proceeds from disposal of property, plant and equipment		-	6,416
Return on investments and bank accounts		413,914	1,190,601
Net cash flow used in investing activities		<u>(14,679,700)</u>	<u>(14,713,664)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(1,589,001)	(795,067)
Proceeds from long term borrowing		766,100	-
Net cash flow used in financing activities		<u>(822,901)</u>	<u>(795,067)</u>
Net decrease in cash and cash equivalents		(9,101,407)	(5,525,134)
Cash and cash equivalents at beginning of the year		<u>11,870,898</u>	<u>17,396,032</u>
Cash and cash equivalents at end of the year	34	<u><u>2,769,491</u></u>	<u><u>11,870,898</u></u>

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



Chief Financial Officer



Chief Executive



Director



# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED JUNE 30, 2017

	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES		Total	
	Issued, subscribed and paid-up	Capital compensation reserve (note 15.1)	Exchange equalisation reserve	Special reserve (note 15.2)	Utilised special reserve (note 15.3)	General reserve		Unappropriated profit
	(Rupees in thousand)							
Balance as at July 1, 2015	799,666	10,142	4,117	3,773,100	-	21,061,000	4,485,682	30,133,707
Total comprehensive income for the year ended June 30, 2016								
- Profit for the year ended June 30, 2016	-	-	-	-	-	-	7,688,076	7,688,076
- Other comprehensive loss for the year ended June 30, 2016	-	-	-	-	-	-	(199,674)	(199,674)
	-	-	-	-	-	-	7,488,402	7,488,402
Transfer to general reserve	-	-	-	-	-	3,000,000	(3,000,000)	-
Final dividend for the year ended June 30, 2015 - Rs. 10 per share	-	-	-	-	-	-	(799,666)	(799,666)
Income of fuel refinery operations transferred to special reserve	-	-	-	1,910,133	-	-	(1,910,133)	-
<b>Balance as at June 30, 2016</b>	<b>799,666</b>	<b>10,142</b>	<b>4,117</b>	<b>5,683,233</b>	<b>-</b>	<b>24,061,000</b>	<b>6,264,285</b>	<b>36,822,443</b>
Total comprehensive income for the year ended June 30, 2017								
- Profit for the year ended June 30, 2017	-	-	-	-	-	-	8,045,781	8,045,781
- Other comprehensive income for the year ended June 30, 2017	-	-	-	-	-	-	70,987	70,987
	-	-	-	-	-	-	8,116,768	8,116,768
Transfer to general reserve	-	-	-	-	-	4,000,000	(4,000,000)	-
Final dividend for the year ended June 30, 2016 - Rs. 20 per share	-	-	-	-	-	-	(1,599,331)	(1,599,331)
Income of fuel refinery operations transferred to special reserve	-	-	-	3,948,681	-	-	(3,948,681)	-
Transfer to utilised special reserve - note 15.3	-	-	-	(9,631,914)	9,631,914	-	-	-
<b>Balance as at June 30, 2017</b>	<b>799,666</b>	<b>10,142</b>	<b>4,117</b>	<b>-</b>	<b>9,631,914</b>	<b>28,061,000</b>	<b>4,833,041</b>	<b>43,130,880</b>

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

  
Chief Financial Officer

  
Chief Executive

  
Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

## 1. LEGAL STATUS AND OPERATIONS

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

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

The Company had initiated contracts for Diesel Hydro De-sulphurisation (DHDS) and Naphtha Isomerisation (ISOM) as part of upgradation and expansion of fuel refinery operations in 2014.

On June 21, 2017 DHDS and its Auxiliary Units have successfully commenced operations and accordingly, these units have been capitalised. Completion of DHDS has enabled the Refinery to comply with the Government directives to produce High Speed Diesel meeting low Sulphur (500 ppm) Euro-II specifications. The DHDS project was completed within the stipulated time as required by the Ministry of Petroleum and Natural Resources.

Naphtha Splitter and Naphtha Hydrotreater units of ISOM project have also been completed on June 21, 2017. However Pentane/Hexane Isomerization unit of ISOM project is in the stage of completion and will be completed in due course of time. Cost incurred in relation to ISOM project will be capitalised once the whole ISOM project is completed and operational for intended use.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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



## 2.1 Basis of preparation

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

## 2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

### i. Taxation

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

### ii. Post employment benefits

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

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

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

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



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

**2.3 Changes in accounting standards, interpretations and pronouncements**

**(a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year and are relevant**

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provides clarification on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2016 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

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

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.



## 2.4 Overall Valuation Policy

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

## 2.5 Property, plant and equipment

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

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

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

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

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

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

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

## 2.6 Intangible assets

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

**2.7 Investments**

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

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

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

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

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

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

**2.8 Stores, spares and chemicals**

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

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

**2.9 Stock-in-trade**

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

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

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

**2.10 Trade debts and other receivables**

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

**2.11 Cash and cash equivalents**

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

**2.12 Staff retirement benefits**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2017

**2.12.1 Defined contribution plan**

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

**2.12.2 Defined benefit plans**

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

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

The Company operates the following schemes:

- i) Funded pension scheme for permanent, regular and full time managerial and supervisory staff of the Company who joined prior to January 01, 2012. Contributions are made to the fund on the basis of actuarial valuation and are charged to income. The most recent valuation of the scheme was carried out as at June 30, 2017, using the 'Projected Unit Credit Method'.
- ii) Funded gratuity scheme for non-management permanent employees of the Company. Provision is made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2017, using the 'Projected Unit Credit Method'.
- iii) Funded medical scheme for management employees who joined the Company prior to September 01, 2006. Provision is made annually to cover obligations under the scheme, by way of a charge to income, calculated in accordance with the actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2017, using the 'Projected Unit Credit Method'.



- iv) Funded gratuity scheme for management employees of the Company joining on or after January 1, 2012. Provision is made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2017, using the 'Projected Unit Credit Method'.

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

Past-service costs are recognised immediately in income.

### 2.13 Compensated absences

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

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to income. The most recent valuation was carried out as at June 30, 2017 using the 'Projected Unit Credit Method'.

### 2.14 Trade and other payables

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

### 2.15 Provisions

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

### 2.16 Taxation

#### 2.16.1 Current

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

#### 2.16.2 Deferred

Deferred tax is accounted for using the liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2017

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

**2.17 Revenue recognition**

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

- a) Local sales of products delivered through pipelines are recorded when products pass through pipelines' flange. Sale of products loaded through gantry is recognised when products are loaded into tank lorries.
- b) Export sales are recorded on the basis of products delivered to tankers.
- c) Handling and storage income, pipelines charges, scrap sales, insurance commission and rental income are recognised on accrual basis.
- d) Return / interest on bank deposits and advances to employees are recognised on accrual basis.
- e) Return / interest on short term investments is recognised using the effective interest method.
- f) Dividend income is recognised as income when the right of receipt is established.

**2.18 Borrowings and their cost**

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

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

**2.19 Foreign currency transactions and translation**

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



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

#### 2.20 Financial assets and liabilities

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

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

#### 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Company.

#### 2.22 Dividends and appropriation to general reserve

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



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**
**3. FIXED ASSETS**

	2017	2016
	(Rupees in thousand)	
Property, plant and equipment		
- Operating assets - note 3.1	30,804,238	3,233,977
- Major spare parts and stand-by equipments - note 3.2	260,153	221,438
- Capital work-in-progress - note 3.3	<u>7,443,967</u>	<u>20,153,752</u>
	<u>38,508,358</u>	<u>23,609,167</u>
Intangible assets - note 3.4	39,004	18,753
	<u>38,547,362</u>	<u>23,627,920</u>

**3.1 Operating assets**

	Leasehold land (note 3.1.2)	Buildings on leasehold land	Plant and machinery (note 3.1.1)	Vehicles	Furniture and fixtures	Computers and other related accessories	Office and other equipments	Total
	(Rupees in thousand)							
<b>Year ended June 30, 2017</b>								
Opening net book value	44,833	188,870	2,379,304	25,460	7,243	7,106	583,161	3,233,977
Additions	-	-	390	17,876	2,239	3,219	26,581	50,305
Transfers from capital work in progress	-	420,895	27,654,179	-	1,406	-	59,106	28,135,586
Written off	-	-	-	-	-	-	-	-
Cost	-	-	(50,621)	-	-	-	-	(50,621)
Accumulated depreciation	-	-	(50,621)	-	-	-	-	(50,621)
Depreciation charge - note 3.1.3	(596)	(20,945)	(510,372)	(7,909)	(1,367)	(5,065)	(69,376)	(615,630)
Closing net book value	<u>44,237</u>	<u>588,820</u>	<u>28,523,501</u>	<u>35,427</u>	<u>8,521</u>	<u>5,260</u>	<u>599,472</u>	<u>30,804,238</u>
<b>As at June 30, 2017</b>								
Cost	60,035	887,787	36,633,685	101,704	21,097	57,972	1,138,469	38,800,749
Accumulated depreciation	(15,798)	(300,967)	(7,110,184)	(66,277)	(11,576)	(52,712)	(538,997)	(8,096,511)
Net book value	<u>44,237</u>	<u>588,820</u>	<u>28,523,501</u>	<u>35,427</u>	<u>8,521</u>	<u>5,260</u>	<u>599,472</u>	<u>30,804,238</u>
<b>Year ended June 30, 2016</b>								
Opening net book value	45,429	168,546	2,040,312	18,314	4,950	10,264	546,648	2,834,463
Additions	-	-	19,059	13,814	1,949	2,140	23,941	60,903
Transfers from capital work in progress	-	35,517	581,424	-	1,503	564	71,220	690,228
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	-	(9,867)	-	-	-	(9,867)
Accumulated depreciation	-	-	-	(8,347)	-	-	-	(8,347)
Written off	-	-	-	(1,720)	-	-	-	(1,720)
Cost	-	-	(9,582)	-	-	(251)	(3,557)	(13,391)
Accumulated depreciation	-	-	9,582	-	-	252	3,557	13,391
Depreciation charge - note 3.1.3	(596)	(17,193)	(261,491)	(4,948)	(1,155)	(5,862)	(58,648)	(349,899)
Closing net book value	<u>44,833</u>	<u>188,870</u>	<u>2,379,304</u>	<u>25,460</u>	<u>7,243</u>	<u>7,106</u>	<u>583,161</u>	<u>3,233,977</u>
<b>As at June 30, 2016</b>								
Cost	60,035	466,892	9,029,737	83,828	17,452	54,753	1,052,782	10,765,479
Accumulated depreciation	(15,202)	(280,022)	(6,650,433)	(58,368)	(10,209)	(47,647)	(469,621)	(7,531,502)
Net book value	<u>44,833</u>	<u>188,870</u>	<u>2,379,304</u>	<u>25,460</u>	<u>7,243</u>	<u>7,106</u>	<u>583,161</u>	<u>3,233,977</u>
Annual Rate of Depreciation %	1	5 to 20	5 to 33.33	20	7.5 to 33.33	10 to 33.33	5 to 33.33	



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

3.1.1 Plant and machinery includes oil terminal, processing plant and storage tanks, power generation plants, pipelines, water, power and other utilities.

3.1.2 Leasehold land includes land subleased to Anoud Power Generation Limited and licensed to the following licensees:

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

The carrying value of each of the above is immaterial.

3.1.3 The depreciation charge for the year has been allocated as follows:

	2017	2016
	(Rupees in thousand)	
Cost of sales - note 25	568,423	305,793
Distribution cost - note 26	10,936	10,970
Administrative expenses - note 27	36,271	33,134
	615,630	349,897

3.1.4 The details of property, plant and equipment written off during the year are as follows:

	Cost	Accumulated depreciation	Net book value	Sale proceeds
	(Rupees in thousand)			
Write down value below Rs. 50,000 each	←—————→			

Plant and Machinery	50,621	50,621	-	-
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	2017	2016
	(Rupees in thousand)	
3.2 Major spare parts and stand-by equipments		
Gross carrying value		
Balance at beginning of the year	323,223	316,762
Additions during the year	92,916	95,934
Transfers made during the year	(55,135)	(89,473)
Balance at end of the year	361,004	323,223
Provision for impairment - note 3.2.1	(100,851)	(101,785)
Net carrying value	260,153	221,438

3.2.1 During the year, net reversal of provision amounting to Rs. 0.93 million (2016: Rs. 15.73 million) has been made.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**
**3.3 Capital work-in-progress**

	Balance as at 1 July 2016	Additions during the year	Transfers	Balance as at 30 June 2017	Balance as at 1 July 2015	Additions during the year	Transfers	Balance as at 30 June 2016
	← (Rupees in thousand) →							
Buildings on leasehold land Refineries upgradation projects - note 3.3.1, 3.3.2 and 15.2	28,124	35,626	(50,361)	13,389	25,618	35,593	(33,087)	28,124
Plant and machinery	19,778,143	13,579,867	(26,816,252)	6,541,758	4,651,181	15,126,962	-	19,778,143
Computer software under development	-	-	-	-	-	2,450	(2,450)	-
Office and other equipments	43,233	19,419	(32,097)	30,555	37,710	56,750	(51,227)	43,233
Advances to contractors / suppliers - note 3.3.3	19,996,229	15,418,809	(28,170,387)	7,244,651	4,922,357	15,770,675	(696,803)	19,996,229
	157,523	132,174	(90,381)	199,316	84,881	136,914	(64,272)	157,523
	<u>20,153,752</u>	<u>15,550,983</u>	<u>(28,260,768)</u>	<u>7,443,967</u>	<u>5,007,238</u>	<u>15,907,589</u>	<u>(761,075)</u>	<u>20,153,752</u>

3.3.1 This includes service contract costs, plant and machinery and advances to contractors and suppliers of plant, machinery and others in relation to the fuel and lube refineries upgradation projects.

These projects have been undertaken to enhance the Company's profitability on a sustainable basis.

3.3.2 This includes capitalised borrowing cost of Rs. 38.3 million (2016: Rs. Nil) at the rate of 7.64% per annum (2016: Nil).

3.3.3 The advances to suppliers does not carry any interest or markup arrangement.

**3.4 INTANGIBLE ASSETS – Computer softwares**

	2017	2016
	(Rupees in thousand)	
Net carrying value		
Balance at beginning of the year	18,753	25,169
Additions during the year	552	-
Transfers during the year	34,801	6,575
Amortisation for the year	(15,102)	(12,991)
Balance at end of the year	<u>39,004</u>	<u>18,753</u>
Gross carrying value		
Cost	133,104	97,751
Accumulated amortisation	(94,100)	(78,998)
Net book value	<u>39,004</u>	<u>18,753</u>

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



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	2017	2016
	(Rupees in thousand)	
<b>4. LONG TERM INVESTMENT</b>		
Available for sale		
Anoud Power Generation Limited [1,080,000 (2016: 1,080,000) Ordinary shares of Rs.10 each, Equity held 9.09 percent (2016: 9.09 percent)]	10,800	10,800
Less: Provision for impairment	<u>10,800</u>	<u>10,800</u>
	<u>-</u>	<u>-</u>
<b>5. LONG TERM LOANS</b>		
Loans - considered good		
Secured - note 5.2		
- Executives	26,177	34,724
- Employees	36,320	18,350
	<u>62,497</u>	<u>53,074</u>
Less: Recoverable within one year shown under current assets - note 10		
- Executives	10,164	10,497
- Employees	1,991	2,310
	<u>12,155</u>	<u>12,807</u>
	50,342	40,267
Unsecured - note 5.3		
- Executives	212	165
- Employees	1,040	652
	<u>1,252</u>	<u>817</u>
Less: Recoverable within one year shown under current assets - note 10		
- Executives	143	48
- Employees	118	118
	<u>261</u>	<u>166</u>
	991	651
	<u>51,333</u>	<u>40,918</u>

**5.1 Reconciliation of the carrying amount of loans:**

	2017			2016		
	Executives	Employees	Total	Executives	Employees	Total
	(Rupees in thousand)					
Balance at beginning of the year	34,889	19,002	53,891	35,247	20,984	56,231
Effect of promotions to Executives	332	(332)	-	844	(844)	-
Add: Disbursements	11,043	25,750	36,793	5,694	10,830	16,524
Less: Recoveries	(19,875)	(7,060)	(26,935)	(6,896)	(11,968)	(18,864)
Balance at end of the year	<u>26,389</u>	<u>37,360</u>	<u>63,749</u>	<u>34,889</u>	<u>19,002</u>	<u>53,891</u>

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- 5.2 The secured loans to executives and employees are for the purchase of motor cars and house building. These are granted in accordance with the terms of their employment and are recoverable in monthly installments over a period ranging between 5 to 10 (2016: 5 to 10) years. Out of these, car loans amounting to Rs. 3.3 million (2016: Rs. 11.3 million) carry interest ranging from 3% to 7% (2016: 3% to 7%) per annum. These loans are secured against original title documents of respective assets.
- 5.3 The unsecured loans to executives and employees are either personal loans or given for the purchase of furniture and motor cycles. These are granted in accordance with the terms of their employment and are recoverable in monthly installments over a period of 4 to 12 (2016: 4 to 12) years and are interest free.
- 5.4 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 26.39 million (2016: Rs. 38.91 million).

	2017	2016
	(Rupees in thousand)	
<b>6. LONG TERM DEPOSITS</b>		
Utilities	14,216	14,216
Others	15,973	15,973
	<u>30,189</u>	<u>30,189</u>
6.1 These deposits do not carry any mark up arrangement.		
<b>7. STORES, SPARES AND CHEMICALS</b>		
<b>In hand</b>		
- Stores	265,010	295,984
- Spares	712,554	703,770
- Chemicals	243,939	195,229
	<u>1,221,503</u>	<u>1,194,983</u>
<b>In transit</b>	47,660	79,127
	<u>1,269,163</u>	<u>1,274,110</u>
Provision for slow moving and obsolete stores, spares and chemicals - note 7.1	(360,557)	(366,615)
	<u>908,606</u>	<u>907,495</u>

- 7.1 The Company made a reversal of provision for slow moving and obsolete stores, spares and chemicals of Rs. 6.06 million (2016: Rs. 35.82 million).



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	2017	2016
	(Rupees in thousand)	
<b>8. STOCK-IN-TRADE</b>		
Crude oil and condensate [including in transit Rs. 20.42 million (2016: Rs. 33.59 million)]	4,567,911	4,998,782
Semi-finished products	2,100,989	1,797,791
Finished products - notes 8.1 and 8.2	4,262,117	4,455,930
	<u>10,931,017</u>	<u>11,252,503</u>

8.1 As at June 30, 2017, stock of finished products has been written down by Rs. 9.43 million (2016: Rs. 283.36 million) to arrive at its net realisable value.

	2017	2016
	(Rupees in thousand)	
<b>8.2</b>		
Includes stocks held with the following third parties:		
Lube base oils for export sales at Keamari terminal		
- Home Products International (Private) Limited	-	3,820
Fuel products for onward sale to customers		
- Pakistan State Oil Company Limited	-	4,723
	<u>-</u>	<u>8,543</u>

**9. TRADE DEBTS - unsecured**

Considered good		
- Related party - Attock Petroleum Limited -note 9.1	3,973,369	3,918,559
- Others - note 9.2	2,059,505	1,378,639
Considered doubtful	7,832	7,832
	6,040,706	5,305,030
Provision for doubtful debts	(7,832)	(7,832)
	<u>6,032,874</u>	<u>5,297,198</u>

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

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

	2017	2016
	(Rupees in thousand)	
More than 6 months	<u>51</u>	<u>51</u>

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10.	<b>LOANS AND ADVANCES</b>	2017	2016
		(Rupees in thousand)	
	Loans - considered good		
	Current portion of long term loans - note 5		
	Secured		
	- Executives	10,164	10,497
	- Employees	1,991	2,310
		<u>12,155</u>	<u>12,807</u>
	Unsecured		
	- Executives	143	48
	- Employees	118	118
		261	166
	Short term loans to employees - unsecured, and interest free	1,043	1,119
	Advances - note 10.1		
	- Executives	2,151	1,759
	- Employees	7,194	6,232
	- Suppliers	41,472	62,635
		50,817	70,626
		<u>64,276</u>	<u>84,718</u>
10.1	These advances do not carry any mark up arrangement.		
11.	<b>TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b>		
	Deposits - note 11.1	2,930	2,469
	Prepayments		
	- Insurance	733	344
	- Others	10,350	7,763
		11,083	8,107
		<u>14,013</u>	<u>10,576</u>
11.1	These deposits do not carry any mark up arrangement.		



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2017	2016
	(Rupees in thousand)	
<b>12. OTHER RECEIVABLES – considered good</b>		
<b>Receivable from related parties:</b>		
- Attock Petroleum Limited	3,425	3,665
- Attock Refinery Limited	-	7,067
- Pakistan Oilfields Limited	41	-
<b>Others:</b>		
- Government of Pakistan - note 12.1	232,809	232,809
- Sales tax receivable - note 12.2	315,476	237,538
- Margins against letter of credit	59,171	8,061
- Workers' profits participation fund - note 12.3	12,341	-
- Pak Arab Refinery Limited - note 12.4	39,516	-
- Various	11,589	15,281
	<u>674,368</u>	<u>504,421</u>
12.1	This represents price differential claims receivable from Government of Pakistan. On behalf of oil refineries, Oil Companies Advisory Committee (OCAC) has presented the claims before the Ministry of Petroleum & Natural Resources (MoPNR), which are under review.	
12.2	This represents receivable on account of sales tax paid to Federal Board of Revenue amounting to Rs. 213.50 million and Rs. 101.98 million in respect of sales tax demand received during the year for the periods July 2013 to June 2014 and June 2016 to September 2016, respectively. The Company has filed appeals against these orders.	
	2017	2016
	(Rupees in thousand)	
<b>12.3 Workers' profits participation fund</b>		
Payable at beginning of the year	(1,891)	(48,616)
Allocation for the year - note 29	(437,659)	(541,891)
Interest on funds utilised in the Company's business - note 30	(349)	(998)
	<u>(439,899)</u>	<u>(591,505)</u>
Amount paid to the Trustees of the Fund	452,240	589,614
Receivable / (payable) at end of the year	<u>12,341</u>	<u>(1,891)</u>
12.4	This represents amount due in respect of sharing of crude oil, freight and other charges paid by the Company on behalf of Pak Arab Refinery Limited.	



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2017	2016
	(Rupees in thousand)	
<b>13. CASH AND BANK BALANCES</b>		
Cash in hand	500	500
With banks on:		
Current accounts	44,494	46,463
Savings accounts - note 13.1	1,088,811	1,887,050
Deposit accounts - notes 13.1 and 13.2	1,635,686	9,936,885
	2,768,991	11,870,398
	<u>2,769,491</u>	<u>11,870,898</u>

- 13.1 These carry mark-up rates varying from 3.75% to 5.95% (2016: 4.00% to 7.60%) per annum.
- 13.2 These will mature latest by June 13, 2018 and include Rs. 435.69 million (2016: Rs. 436.88 million) under lien with banks against bank guarantees issued on behalf of the Company.
- 13.3 All bank accounts are maintained under conventional banking system.

	2017	2016
	(Rupees in thousand)	
<b>14. SHARE CAPITAL</b>		
Number of shares		
<b>Authorised</b>		
100,000,000 Ordinary shares of Rs. 10 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up		
59,450,417 Ordinary shares of Rs. 10 each fully paid in cash	594,504	594,504
6,469,963 Ordinary shares of Rs. 10 each issued for consideration other than cash	64,700	64,700
14,046,180 Ordinary shares of Rs. 10 each issued as fully paid bonus shares	140,462	140,462
	<u>799,666</u>	<u>799,666</u>
	<u>79,966,560</u>	



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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- 14.1 As at June 30, 2017 and 2016, Attock Group holds 51% equity stake in the Company through the following companies:

	2017	2016
	(Number of shares)	
- Attock Refinery Limited	19,991,640	19,991,640
- Pakistan Oilfields Limited	19,991,640	19,991,640
- Attock Petroleum Limited	799,665	799,665

**15. RESERVES**

2017                      2016  
(Rupees in thousand)

**Capital reserves**

Capital compensation reserve - note 15.1	10,142	10,142
Exchange equalisation reserve	4,117	4,117
Special reserve - note 15.2	-	5,683,233
Utilised special reserve - note 15.3	9,631,914	-
	9,646,173	5,697,492

**Revenue reserves**

General reserve	28,061,000	24,061,000
Unappropriated profit	4,833,041	6,264,285
	32,894,041	30,325,285
	42,540,214	36,022,777

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

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

During 2013, Government of Pakistan issued a policy framework for upgradation and expansion of refinery projects which inter alia states that refineries will not be allowed to offset losses, if any, for year ending June 30, 2013 or subsequent years against the amount of profit above 50% accumulated or to be accumulated in the Special Reserve Account as per current pricing formula.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2017

- 15.3 This represents amounts utilized out of the Special Reserve for upgradation and expansion of the refinery. The total amount of capital expenditure capitalised against Refinery upgradation and expansion till June 30, 2017 is Rs. 26.82 billion out of which Rs. 9.63 billion were allocated from special reserves however remaining funds amounting to Rs. 17.19 billion were financed from internal resources.

	2017	2016
	(Rupees in thousand)	
<b>16. LONG-TERM BORROWING</b>		
Syndicated term finance	766,100	-
Less: Current portion of long-term borrowing	(76,610)	-
	689,490	-

- 16.1 The Company has entered into a syndicated finance agreement with a consortium of banks which includes United Bank Limited as the Agent Bank for a term finance facility of Rs. 24.2 billion for the Company's upgradation and expansion projects. During the year the facility has been reduced to Rs. 12.1 billion with all other terms and conditions remaining the same. The facility carries a mark-up of 6 month KIBOR plus 1.70% p.a. which is payable on semi-annual basis. The tenure of this facility is 12 years including the grace period of 2 years completed on May 10, 2017. Upto June 30, 2017 drawdowns amounting to Rs. 766.1 million were made by the Company. The loan has been obtained from banks under conventional banking system.

- 16.2 This facility is secured by first pari passu charge by way of hypothecation over all present and future current assets, movable fixed assets and mortgage over immovable property to the extent of Rs. 32.27 billion.

- 16.3 Outstanding non-funded letter of credit (being sublimit to syndicate term finance) as at June 30, 2017 amounted to Rs. 2.008 billion (2016: Rs. 14.048 billion).

**17. RETIREMENT BENEFIT OBLIGATIONS****17.1 Retirement benefit obligations**

- 17.1.1 The Company operates approved funded pension scheme for permanent management staff who joined prior to January 01, 2012, approved funded gratuity scheme for permanent management employees who joined the Company on or after January 1, 2012, approved funded gratuity scheme for permanent non-management employees and approved funded medical scheme for management employees of the Company who joined prior to September 01, 2006. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2017.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

- 17.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Ordinance 1984; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plans, including investment decisions, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.
- 17.1.3 The latest actuarial valuation of the Plan as at June 30, 2017 was carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuation are as follows:

	2017				2016			
	Pension fund	Medical fund	Non-management gratuity fund	Management gratuity fund	Pension fund	Medical fund	Non-management gratuity fund	Management gratuity fund
← (Rupees in thousand) →								
<b>17.1.4</b> Balance sheet reconciliation								
Present value of defined benefit obligation at June 30 - note 17.1.5	5,027,689	1,256,203	160,825	24,040	4,868,824	1,192,467	164,844	12,678
Fair value of plan assets at June 30 - note 17.1.6	(5,004,088)	(1,078,902)	(96,903)	(29,508)	(4,655,402)	(883,574)	(124,986)	(17,595)
Deficit / (surplus)	23,601	177,301	63,922	(5,468)	213,422	208,893	39,858	(4,917)
<b>17.1.5</b> Movement in the present value of defined benefit obligation								
Balance at July 1	4,868,824	1,192,467	164,844	12,678	4,621,263	911,422	171,785	6,292
Benefits paid by the plan	(363,848)	(46,178)	-	-	(337,437)	(42,476)	(713)	-
Current service cost	62,685	15,818	5,806	6,804	71,456	12,967	7,102	4,274
Interest cost	346,959	86,217	12,034	1,158	444,317	88,598	16,907	817
Transfer from gratuity / (to pension) fund	48,355	-	(48,355)	-	16,599	-	(16,599)	-
Remeasurement on obligation	64,714	7,879	26,496	3,400	52,626	221,956	(13,638)	1,295
Balance at June 30	5,027,689	1,256,203	160,825	24,040	4,868,824	1,192,467	164,844	12,678
<b>17.1.6</b> Movement in the fair value of plan assets								
Balance at July 1	4,655,402	983,574	124,986	17,595	4,074,750	930,494	123,834	9,619
Contributions paid into the plan	178,708	48,033	11,093	10,514	499,690	16,123	8,389	7,041
Transfer from (gratuity) / to pension fund	48,355	-	(48,355)	-	16,599	-	(16,599)	-
Benefits paid by the plan	(363,848)	(46,178)	-	-	(337,437)	(42,476)	(713)	-
Interest income	330,139	71,444	9,244	1,502	388,884	90,373	12,350	1,127
Remeasurement on plan assets	155,332	22,029	25	(103)	12,916	(10,940)	(2,275)	(192)
Balance at June 30	5,004,088	1,078,902	96,903	29,508	4,655,402	883,574	124,986	17,595

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	2017				2016			
	Pension fund	Medical fund	Non-management gratuity fund	Management gratuity fund	Pension fund	Medical fund	Non-management gratuity fund	Management gratuity fund
	(Rupees in thousand)							
<b>17.1.7</b>	<b>Expense recognised in profit and loss account</b>							
Current service cost	62,685	15,818	5,806	6,804	71,456	12,967	7,102	4,274
Net interest (income) / cost	16,820	14,773	2,790	(344)	55,493	(1,775)	4,557	(310)
Expense recognised in profit and loss account	<u>79,505</u>	<u>30,591</u>	<u>8,596</u>	<u>6,460</u>	<u>126,949</u>	<u>11,192</u>	<u>11,659</u>	<u>3,964</u>
<b>17.1.8</b>	<b>Remeasurement recognised in Other Comprehensive Income</b>							
Remeasurement of present value of defined benefit obligation	64,714	7,879	26,496	3,400	52,626	221,956	(13,638)	1,295
Remeasurement of fair value of plan assets	(155,332)	(22,029)	(25)	103	(12,916)	30,940	2,275	102
Remeasurements	<u>(90,618)</u>	<u>(14,150)</u>	<u>26,471</u>	<u>3,503</u>	<u>39,710</u>	<u>232,896</u>	<u>(11,363)</u>	<u>1,497</u>
<b>17.1.9</b>	<b>Net recognised liability / (asset)</b>							
Net liability / (asset) at the beginning of the year	213,422	208,893	39,858	(4,917)	546,513	(19,072)	47,951	(3,327)
Expense recognised in profit and loss account	79,505	30,591	8,596	6,460	126,889	11,192	11,659	3,964
Contribution made to the fund during the year	(178,708)	(48,033)	(11,033)	(30,514)	(499,690)	(16,123)	(8,389)	(7,041)
Remeasurements recognised in other comprehensive income	(90,618)	(14,150)	26,471	3,503	39,710	232,896	(11,363)	1,497
Recognised liability / (asset) at June 30	<u>23,601</u>	<u>(17,300)</u>	<u>63,822</u>	<u>(5,468)</u>	<u>215,432</u>	<u>208,893</u>	<u>39,858</u>	<u>(4,917)</u>
<b>17.1.10</b>	<b>Major categories / composition of plan assets are as follows:</b>							
	Pension fund		Medical fund		Non-management gratuity fund		Management gratuity fund	
	2017	2016	2017	2016	2017	2016	2017	2016
Debt instrument	84.65%	87.92%	71.89%	64.55%	92.75%	95.63%	91.64%	59.96%
Equity	3.16%	2.57%	0.00%	0.00%	4.39%	3.43%	0.00%	0.00%
Mutual funds	11.04%	9.74%	25.51%	35.35%	0.00%	0.00%	0.00%	0.00%
Others	1.14%	-0.23%	2.59%	0.10%	2.86%	0.94%	8.36%	40.04%
<b>17.1.11</b>	<b>Actuarial Assumptions</b>							
Discount rate at June 30	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Future salary increases / increase in cost								
- First year following the valuation	6.75%	6.25%	5.75%	5.25%	6.75%	6.25%	6.75%	6.25%
- Second year following the valuation	6.75%	6.25%	5.75%	5.25%	6.75%	6.25%	6.75%	6.25%
- Third year following the valuation	6.75%	6.25%	5.75%	5.25%	6.75%	6.25%	6.75%	6.25%
- Long term increase	6.75%	6.25%	5.75%	5.25%	6.75%	6.25%	6.75%	6.25%
Expected rate of increase in pension	3.00%	2.50%	-	-	-	-	-	-
Expected retirement age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years

Expected return on plan assets has been determined considering the expected risk adjusted returns available on the assets underlying the current investment policy.



- 17.1.12 Mortality was assumed to be SLIC (2001-05) table.
- 17.1.13 In case of the funded plans, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2017 consists of national savings scheme and government securities. The Company believes that national savings scheme offer the best returns over the long term with an acceptable level of risk.
- 17.1.14 The expected return on plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

The Company's contributions to gratuity, pension and medical benefit funds in 2018 is expected to amount to Rs. 113.41 million.

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

## 17.2 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
		Rupees in thousand	
Discount rate at June 30	0.5%	(342,814)	377,209
Future salary increases	0.5%	101,882	(97,214)
Future pension increases	0.5%	270,167	(249,130)
Future medical increases	0.5%	10,648	(10,274)

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

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

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

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 FOR THE YEAR ENDED JUNE 30, 2017

	← 2017	2016	2015	2014	→ 2013	
	(Rupees in thousand)					
17.3	Historical information					
	<b>Pension fund</b>					
	Present value of defined benefit obligation	5,027,689	4,868,824	4,621,263	4,221,851	3,871,133
	Fair value of plan assets	(5,004,088)	(4,655,402)	(4,074,750)	(3,885,518)	(3,574,309)
	Deficit in the plan	<u>23,601</u>	<u>213,422</u>	<u>546,513</u>	<u>336,333</u>	<u>296,824</u>
	<b>Experience Adjustments</b>					
	Loss on obligation	64,714	52,626	131,331	105,196	298,281
	Gain / (loss) on plan assets	155,332	12,916	(51,549)	81,117	38,689
	<b>Medical Benefit</b>					
	Present value of defined benefit obligation	1,256,203	1,192,467	911,422	846,961	840,730
	Fair value of plan assets	(1,078,902)	(983,574)	(930,494)	(857,658)	(780,502)
	Deficit / (surplus) in the plan	<u>177,301</u>	<u>208,893</u>	<u>(19,072)</u>	<u>(10,697)</u>	<u>60,228</u>
	<b>Experience Adjustments</b>					
	Loss / (gain) on obligation	7,879	221,956	(23,909)	(72,255)	(41,600)
	Gain / (loss) on plan assets	22,029	(10,940)	(3,932)	14,958	2,861
	<b>Gratuity fund - Non-management</b>					
	Present value of defined benefit obligation	160,825	164,844	171,785	152,630	128,810
	Fair value of plan assets	(96,903)	(124,986)	(123,834)	(108,096)	(90,649)
	Deficit in the plan	<u>63,922</u>	<u>39,858</u>	<u>47,951</u>	<u>44,534</u>	<u>38,161</u>
	<b>Experience Adjustments</b>					
	(Gain) / loss on obligation	26,496	(13,638)	(5,589)	9,560	(9,822)
	Gain / (loss) on plan assets	25	(2,275)	(5,494)	3,043	1,437
	<b>Gratuity fund - management</b>					
	Present value of defined benefit obligation	24,040	12,678	6,292	2,683	795
	Fair value of plan assets	(29,508)	(17,595)	(9,619)	(4,697)	-
	(Surplus) / deficit in the plan	<u>(5,468)</u>	<u>(4,917)</u>	<u>(3,327)</u>	<u>(2,014)</u>	<u>795</u>
	<b>Experience Adjustments</b>					
	Loss on obligation	3,400	1,295	221	340	377
	(Loss) / gain on plan assets	(103)	(192)	(272)	41	-



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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17.4 The Company's contributions toward the provident fund for the year ended June 30, 2017 amounted to Rs. 49.48 million (2016: Rs. 44.95 million).

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

	No. of years
Pension fund	10.16
Gratuity fund - Non-management	10.37
Medical fund	13.07
Gratuity fund - Management	19.61

17.6 Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2017.

2017                      2016  
(Rupees in thousand)

**18. DEFERRED TAXATION**

Debit / (credit) balances arising in respect of:

Provisions for:

- slow moving and obsolete stores, spares and chemicals	124,137	126,062
- duties and taxes	13,185	13,190
- long term investment, doubtful debts, doubtful receivables, staff retirement benefits, pending litigations and others	67,051	75,575
- old outstanding liabilities offered for tax	<u>14,263</u>	<u>124,125</u>
	218,636	338,952
Minimum tax	493,581	-
Alternative corporate tax	787,537	-
Unused investment tax credit	747,253	-
Tax loss	440,270	-
Accelerated tax depreciation and amortisation	(3,095,843)	(474,321)
	<u>(408,566)</u>	<u>(135,369)</u>

18.1 The deferred tax asset on minimum tax, alternative corporate tax, unused investment tax credit and tax loss will be recoverable based on the estimated future taxable income and approved business plans and budgets.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
<b>19. TRADE AND OTHER PAYABLES</b>		
Trade creditors	7,988,321	6,841,409
Due to Government of Pakistan	592,995	816,569
Due to related parties:		
- Attock Petroleum Limited	15,028	17,998
- Attock Refinery Limited	24	-
- Pakistan Oilfields Limited	135,321	114,791
Accrued liabilities - note 19.1	2,070,746	1,150,901
Surplus price differential payable - note 19.2	1,288,745	1,121,352
PMG-RON differential payable - note 19.3	128,589	-
Custom duty payable - note 19.4	851,062	450,494
Sales tax payable	138,180	1,032,285
Retention money	1,795,010	2,000,517
Deposits from contractors	44,224	42,188
Advances from customers	477,850	226,947
Workers' profits participation fund - note 12.3	-	1,891
Workers' welfare fund	69,984	249,862
Income tax deducted at source	11,681	7,722
Unclaimed dividend	82,258	71,928
Excise duty and petroleum levy	788,570	877,811
Others	5,876	5,929
	16,484,464	15,030,594

- 19.1 The Honorable High Court of Sindh through its judgement dated October 26, 2016 held the GIDC Act, 2015, as ultra vires to the Constitution. The Government being aggrieved, preferred Appeal against this order before Divisional Bench of Sindh High Court in relation to one particular company.

The Divisional bench suspended the operations of the judgement and it was later clarified that suspension of operation of the judgement is for such particular company and it is not applicable for other companies. However, considering that GIDC Act, 2015 is still under litigation, NRL continued to provide for GIDC, which amounts to Rs. 414.75 million (2016: Rs. 236.72 million) included in accrued liabilities.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

- 19.2 This includes amount payable in respect of surplus of High Speed Diesel (HSD) price as per Pakistan State Oil Limited's (PSO) actual import price excluding ocean losses over HSD price based on import price parity formula in accordance with the Economic Coordination Committee's decision dated February 26, 2013.
- 19.3 This includes a differential payable as per the defined formula in the notification PL-9 (544)/2015 dated September 5, 2016 issued by the Ministry of Petroleum & Natural Resources which requires the Oil Marketing Companies to import Premium Motor Gasoline (PMG) of 92 Research Octane Number (RON). However, under such notification, refineries are allowed to produce PMG of less than 92 RON and account for the differential.
- 19.4 This represents the differential of custom duty levied on import of crude oil and sale of petroleum products based on SROs issued by the Government of Pakistan and MoPNR. The Oil and Gas Regulatory Authority (OGRA) has been advised by MoPNR to establish a recovery mechanism through which refineries are expected to operate on no gain / loss basis on this account. This mechanism has been prepared and is in review stage.

**20. ACCRUED MARK-UP**

Accrued mark-up comprises of mark-up on syndicated term finance payable.

2017	2016
(Rupees in thousand)	

**21. PROVISIONS**

Duties and taxes - note 21.1	29,006	29,006
Others - note 21.2	83,355	83,355
	<u>112,361</u>	<u>112,361</u>

- 21.1 This represents provision made by the Company in respect of sales tax and central excise duty aggregating to Rs. 29.01 million (2016: Rs. 29.01 million), determined by the Collectorate of Customs, Sales Tax and Central Excise (Adjudication) in 2004 in respect of goods sold by the Company to one of its customers without deduction of sales tax and central excise duties.
- 21.2 This includes Rs. 55.62 million (2016: Rs. 55.62 million) in respect of sales tax and excise duty on account of purchases of crude oil and drums.

**22. CONTINGENCIES AND COMMITMENTS****22.1 Contingencies**

- 22.1.1 Outstanding counter guarantees at the end of the year amounted to Rs. 450.77 million (2016: Rs. 435.99 million).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2017

22.1.2 Claims not acknowledged by the Company as debt at the end of the year amounted to Rs. 4.57 billion (2016: Rs. 4.52 billion). These include claims accumulating to Rs. 4.32 billion (2016: Rs. 4.32 billion) in respect of late payment surcharge claimed by crude oil suppliers and Rs. 56.23 million (2016: Rs. 29.07 million) relating to freight claims.

22.1.3 The Company has raised claims on certain Oil Marketing Companies (OMCs) in respect of interest on late payments against receivables aggregating to Rs. 5.07 billion (2016: Rs. 5.07 billion). However, these have not been recognised in the financial statements as these claims have not been acknowledged by the OMCs.

**22.2 Commitments**

22.2.1 Commitments outstanding for capital expenditures as at June 30, 2017 amounted to Rs. 1.231 billion (2016: Rs. 13.471 billion).

22.2.2 Outstanding letters of credit at the end of the year amounted to Rs. 15.10 billion (2016: Rs. 12.92 billion).

	2017	2016
	(Rupees in thousand)	
<b>23. GROSS SALES</b>		
Local	139,470,102	132,149,231
Exports	11,155,667	9,145,510
	<u>150,625,769</u>	<u>141,294,741</u>
<b>24. TRADE DISCOUNTS, TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>		
Trade discounts	459,009	390,943
Sales tax	27,395,434	33,524,629
Excise duty	634	462
Petroleum levy	10,255,162	9,816,508
Custom duty - note 19.4	3,425,816	1,993,722
Surplus price differential - note 19.2	1,513,681	1,780,099
PMG-RON differential - note 19.3	128,589	-
	<u>43,178,325</u>	<u>47,506,363</u>


**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
	(Rupees in thousand)	
<b>25. COST OF SALES</b>		
Opening stock of semi-finished products	1,797,791	1,733,952
Crude oil, condensate and drums consumed - notes 25.1, 25.2 and 25.3	92,499,350	74,867,463
Stores, spares and chemicals consumed	559,750	597,783
Salaries, wages and staff benefits - note 25.4	1,248,778	1,252,053
Staff transport and canteen	88,279	76,747
Fuel, power and water	2,292,477	2,284,307
Rent, rates and taxes	49,589	33,203
Insurance	206,307	257,900
Contract services	100,419	95,967
Repairs and maintenance	91,461	182,083
Reversal of provision for slow moving and obsolete stores, spares and chemicals	(6,058)	(35,817)
Stores, spares and chemicals written off	-	124
Reversal of provision for impairment of major spare parts and stand-by equipments	(934)	(15,733)
Depreciation - note 3.1	568,423	305,793
Amortisation of intangible assets - note 3.4	3,060	978
Professional charges	8,302	2,263
Consultancy charges	5,392	8,587
Security charges	24,657	23,426
Others	18,069	17,593
	97,757,321	79,954,720
Closing stock of semi-finished products - note 8	(2,100,989)	(1,797,791)
Cost of products manufactured	97,454,123	79,890,881
Opening stock of finished products	4,455,930	7,310,341
Closing stock of finished products - note 8	(4,262,117)	(4,455,930)
	193,813	2,854,411
	97,647,936	82,745,292

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
<b>25.1 Crude oil, condensate and drums consumed</b>		
Crude oil and condensate		
- Opening stock	4,998,782	4,541,367
- Purchases - note 25.2	91,855,005	75,119,788
- Closing stock - note 8	<u>(4,567,911)</u>	<u>(4,998,782)</u>
	92,285,876	74,662,373
Drums	<u>213,474</u>	<u>205,090</u>
	<u>92,499,350</u>	<u>74,867,463</u>
<b>25.2</b>	Certain crude oil and condensate purchases have been recorded based on provisional prices due to non-finalisation of Crude Oil Sale Purchase Agreements (COSA) and may require adjustment in subsequent periods.	
<b>25.3</b>	This is net-off Rs. 495.04 million written back on account of local crude oil, considered no longer payable by the Company.	
<b>25.4</b>	Includes Rs. 73.43 million (2016: Rs. 81.58 million) and Rs. 32.55 million (2016: Rs. 28.49 million) in respect of benefit and defined contribution plans respectively.	
	2017	2016
	(Rupees in thousand)	
<b>26. DISTRIBUTION COST</b>		
Commission on local sales	394,211	357,440
Commission on export sales	111,955	91,909
Export expenses	77,150	69,753
Salaries and staff benefits - note 26.1	80,677	92,576
Depreciation - note 3.1	10,936	10,970
Security charges	36,969	34,870
Repairs and maintenance	4,036	7,482
Pipeline charges	7,547	5,719
Selling expenses	1,487	6,077
Postage and periodicals	3,496	3,874
Staff transport and canteen	3,647	1,735
Others	2,677	3,230
	<u>734,788</u>	<u>685,635</u>
<b>26.1</b>	Includes Rs. 6.99 million (2016: Rs. 8.29 million) and Rs. 3.15 million (2016: Rs. 3.27 million) in respect of defined benefit and defined contribution plans respectively.	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
<b>27. ADMINISTRATIVE EXPENSES</b>		
Salaries and staff benefits - note 27.1	511,061	450,973
Staff transport and canteen	31,301	28,060
Directors' fee	3,870	3,930
Rent, rates and taxes	5,137	12,468
Depreciation - note 3.1	36,271	33,134
Amortisation of intangible assets - note 3.4	12,042	12,013
Legal and professional charges	35,526	17,558
Printing and stationery	6,312	7,252
Contract services	55,092	46,341
Repairs and maintenance	44,894	47,649
Telecommunication	2,902	4,905
Electricity and power	3,685	3,496
Insurance	2,886	2,453
Travelling expenses	2,508	4,172
Postage and periodicals	5,156	5,544
Security charges	62,125	59,854
Others	20,424	12,736
	<u>841,192</u>	<u>752,538</u>

- 27.1 Includes Rs. 44.73 million (2016: Rs. 63.6 million) and Rs. 13.78 million (2016: Rs. 13.19 million) in respect of defined benefit and defined contribution plans respectively.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
<b>28. OTHER INCOME</b>		
Income from financial assets - note 28.1		
Return / interest / mark-up on:		
- PLS savings and deposit accounts - note 28.1	279,572	722,610
- Gain on disposal of investments at fair value through profit or loss - note 28.2	121,395	464,074
- Secured loans to employees and executives - note 5.2	462	482
	401,429	1,187,166
Others		
Handling and storage income	203,184	210,517
Hospitality income	77,473	76,186
Liabilities no longer payable written back	283	404
Profit on disposal of property, plant and equipment	-	4,696
Sale of scrap and empties	28,359	20,613
Pipeline charges recovered	3,687	3,403
Rental income	6,266	5,929
Insurance rebate	2,203	3,513
Others	1,934	1,758
	724,818	1,514,185

28.1 This profit is earned from bank accounts under mark up arrangements maintained with conventional commercial banks.

28.2 These amounts represent gain on Government treasury bills and Pakistan Investment Bonds.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
<b>29. OTHER OPERATING EXPENSES</b>		
Workers' profits participation fund - note 12.3	437,659	541,891
Workers' welfare fund	-	205,899
Auditors' remuneration - note 29.1	12,590	6,505
Corporate Social Responsibility	400	250
	450,649	754,545
<b>29.1 Auditors' remuneration</b>		
Audit fee	2,660	2,420
Taxation services	7,820	1,679
Fee for review of half yearly financial information, special reports and certifications	1,690	1,919
Out-of-pocket expenses	420	487
	12,590	6,505
<b>30. FINANCE COST</b>		
Exchange loss - note 30.1	146,441	260,380
Interest on workers' profits participation fund - note 12.3	349	998
Commitment fee in relation to syndicated term finance facility	34,498	-
Interest on crude oil	-	12,949
Guarantee commission and service charges	965	989
Bank charges	273	211
	182,526	275,527
<b>30.1</b>	This is net of exchange gain on export sales amounting to Rs. 39.55 million 2016: Rs. 50.83 million). This exchange gain / loss relates to actual currency fluctuations and not by derivative financial instruments.	



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2017	2016
	(Rupees in thousand)	
<b>31. TAXATION</b>		
Current		
- for the year - note 31.1, 31.2 and 31.3	-	2,444,554
- for prior year	-	(70,474)
	<u>-</u>	<u>2,374,080</u>
Deferred	269,390	26,870
	<u>269,390</u>	<u>2,400,950</u>

31.1 Current period tax charge is net of tax credit under section 65B of the Income Tax Ordinance, 2001 on fixed asset additions which mainly includes additions in respect of the refinery upgradation project.

31.2 This includes super tax of Rs. Nil (2016: Rs. 269.97 million) as imposed by the Finance Act 2017 and 2016, respectively.

**31.3 Relationship between tax expense and accounting profit**

	2017	2016
	(Rupees in thousand)	
Accounting profit before taxation	<u>8,315,171</u>	<u>10,089,026</u>
Tax at the applicable tax rate of 31% (2016: 32%)	2,577,703	3,228,488
Tax effect of Final Tax Regime	(61,078)	(166,255)
Effect of tax credits	(2,138,131)	(776,974)
Effect of super tax	-	269,969
Effect of income taxable at lower rate	(19,812)	(79,088)
Effect of prior year tax	-	(70,474)
Effect of change in tax rate	(89,292)	(4,716)
Tax expense for the year	<u>269,390</u>	<u>2,400,950</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
<b>32. EARNINGS PER SHARE - basic and diluted</b>		
Profit after taxation (Rupees in thousand)	<u>8,045,781</u>	<u>7,688,076</u>
Weighted average number of ordinary shares in issue (in thousand)	<u>79,967</u>	<u>79,967</u>
Basic earnings per share (Rupees)	<u>100.61</u>	<u>96.14</u>

There were no dilutive potential ordinary shares in issue as at June 30, 2017 and 2016.

	2017 (Rupees in thousand)	2016 (Rupees in thousand)
<b>33. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	8,315,171	10,089,026
<b>Adjustment for non cash charges and other items:</b>		
Depreciation and amortisation	630,732	362,888
Provision for staff retirement benefit funds	125,152	153,704
Reversal of provision for slow moving and obsolete stores, spares and chemicals	(6,058)	(35,817)
Stores, spares and chemicals written off	-	124
Reversal of provision for impairment of major spare parts and stand-by equipments	(934)	(15,733)
Return on investments and bank accounts	(400,967)	(1,186,684)
Profit on disposal of property, plant and equipment	-	(4,696)
Change in working capital - note 33.1	<u>435,479</u>	<u>3,044,402</u>
	<u>9,098,575</u>	<u>12,407,214</u>

**33.1 Change in working capital**

Decrease / (increase) in current assets

Stores, spares and chemicals	4,947	131,300
Stock-in-trade	321,486	2,333,157
Trade debts	(735,676)	1,955,837
Loans and advances	20,442	(10,116)
Deposits and prepayments	(3,437)	(1,655)
Other receivables	(169,947)	42,905

	(562,185)	4,451,428
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Increase / (decrease) in current liabilities

Trade and other payables	997,664	(1,407,026)
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	<u>435,479</u>	<u>3,044,402</u>
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees in thousand)	
<b>34. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u>2,769,491</u>	<u>11,870,898</u>
<b>35. UNAVAILED CREDIT FACILITIES</b>		
Short term running finance - note 35.1	<u>3,950,000</u>	<u>2,000,000</u>
Letters of credit and guarantee - note 35.2	<u>47,755,594</u>	<u>41,424,099</u>

**35.1 Short term running finance**

The rates of mark-up on these finances ranges between 6.22% and 6.65% (2016: 6.55% and 7.53%) per annum, payable quarterly.

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

**35.2 Letters of credit and guarantee**

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

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

	2017			2016		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	(Rupees in thousand)					
Managerial remuneration	16,606	8,602	428,295	14,602	8,027	385,035
Bonus	5,212	2,096	103,536	3,791	1,469	64,480
Retirement benefits	-	1,997	82,783	-	1,825	85,747
House rent	5,938	2,929	148,110	5,423	2,738	139,943
Conveyance	197	279	22,606	207	293	22,889
Leave benefits	3,502	753	35,444	1,094	1,066	49,534
	<u>31,455</u>	<u>16,656</u>	<u>820,774</u>	<u>25,117</u>	<u>15,418</u>	<u>747,628</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>353</u>	<u>1</u>	<u>1</u>	<u>377</u>

36.1 In addition to the above, fee to executive and non-executive directors during the year amounted to Rs. 1.15 million (2016: Rs. 1.34 million) and Rs. 2.72 million (2016: Rs. 2.59 million) respectively.

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



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 37.1 Financial assets and liabilities

	Interest/mark-up bearing			Non-interest/mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	(Rupees in thousand)						
<b>Financial assets</b>							
<b>Loans and receivables</b>							
Loans and advances	591	2,752	3,343	63,685	48,581	112,266	115,609
Deposits	-	-	-	2,930	30,189	33,119	33,119
Trade debts	-	-	-	6,032,874	-	6,032,874	6,032,874
Accrued interest	-	-	-	15,831	-	15,831	15,831
Other receivables	-	-	-	346,551	-	346,551	346,551
Cash and bank balances	2,724,497	-	2,724,497	44,994	-	44,994	2,769,491
2017	<u>2,725,088</u>	<u>2,752</u>	<u>2,727,840</u>	<u>6,506,865</u>	<u>78,770</u>	<u>6,585,635</u>	<u>9,313,475</u>
2016	<u>11,826,280</u>	<u>8,963</u>	<u>11,835,243</u>	<u>5,724,664</u>	<u>62,144</u>	<u>5,786,808</u>	<u>17,622,051</u>
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	13,580,865	-	13,580,865	13,580,865
Accrued mark-up	-	-	-	9,750	-	9,750	9,750
Long-term borrowing	76,610	689,490	766,100	-	-	-	766,100
2017	<u>76,610</u>	<u>689,490</u>	<u>766,100</u>	<u>13,590,615</u>	<u>-</u>	<u>13,590,615</u>	<u>14,356,715</u>
2016	<u>240,793</u>	<u>-</u>	<u>240,793</u>	<u>11,271,931</u>	<u>-</u>	<u>11,271,931</u>	<u>11,512,724</u>
<b>On balance sheet gap</b>							
2017	<u>2,648,478</u>	<u>(686,738)</u>	<u>1,961,740</u>	<u>(7,083,750)</u>	<u>78,770</u>	<u>(7,004,980)</u>	<u>(5,043,240)</u>
2016	<u>11,585,487</u>	<u>8,963</u>	<u>11,594,450</u>	<u>(5,547,267)</u>	<u>62,144</u>	<u>(5,485,123)</u>	<u>6,109,327</u>
<b>OFF BALANCE SHEET ITEMS</b>							
Commitments for capital expenditure							1,231,289
Letters of credit							15,102,245
Letters of guarantees							450,767
2017							<u>16,784,301</u>
2016							<u>26,823,910</u>

#### 37.2 Financial risk management objectives and policies

##### (i) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as going concern in order to provide returns for shareholders and benefit for other stakeholders. As mentioned in note - 15.2, the Company operates under tariff protection formula for fuel operations whereby profits after tax attributable to fuel segment in excess of 50% of the paid up capital as of July 1, 2002 attributable to fuel segment are transferred to special reserve.

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

##### (ii) Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The financial assets that are subject to credit risk amounted to Rs. 9.04 billion (2016: Rs. 17.33 billion).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2017

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

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

	2017	2016
	(Rupees in thousand)	
Loans and advances	115,609	125,636
Deposits	33,119	32,658
Trade debts	6,032,823	5,297,147
Accrued interest	15,831	28,778
Other receivables	346,551	266,883
Cash and bank balances	<u>2,769,491</u>	<u>11,870,898</u>
	<u>9,313,424</u>	<u>17,622,000</u>

(iii) Foreign exchange risk

Foreign currency risk arises mainly when receivables and payables exist due to transactions in foreign currencies primarily with respect to US Dollar. Financial assets include Rs. 0.37 million (2016: Rs. Nil) and financial liabilities include Rs. 6.01 billion (2016: Rs. 5.29 billion) which are subject to foreign currency risk. The Company believes that it is not materially exposed to foreign exchange risk as its product prices are linked to the currency of its imports.

As at June 30, 2017, if the Pak Rupee had weakened / strengthened by 10% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.56 billion (2016: Rs. 0.53 billion), mainly as a result of foreign exchange losses / gains on translation of US Dollar-denominated trade payables and trade debts.

(iv) Liquidity risk

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

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

(v) Interest rate risk

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

(vi) Fair values of financial assets and liabilities

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



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 38. SEGMENT INFORMATION

- 38.1 The Company's operating segments are organised and managed separately according to the nature of production process for products and services provided, with each segment representing a strategic business unit. The fuel segment is primarily a diverse supplier of fuel products and offers gasoline, diesel oils, and furnace oil. The lube segment mainly provides different types of lube base oils, asphalt, furnace oil, wax free oil and other petroleum products for different sectors of the economy. Inter-segment transfers are made at relevant costs to each segment.
- 38.2 Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets include property, plant and equipment.

The financial information regarding operating segments is as follows:

	FUEL		LUBE		TOTAL	
	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)					
<b>Segment Revenue</b>						
Sales to external customers						
- local, net of discounts, taxes, duties, levies and price differential	65,568,089	55,260,100	30,723,688	29,382,770	96,291,777	84,642,870
- exports	10,740,239	8,316,826	415,428	828,682	11,155,667	9,145,508
	76,308,328	63,576,926	31,139,116	30,211,452	107,447,444	93,788,378
Inter-segment transfers	20,885,008	16,197,083	-	-	20,885,008	16,197,083
Elimination of inter-segment transfers	-	-	-	-	(20,885,008)	(16,197,083)
<b>Net sales</b>	<b>97,193,336</b>	<b>79,774,009</b>	<b>31,139,116</b>	<b>30,211,452</b>	<b>107,447,444</b>	<b>93,788,378</b>
Segment results after tax	4,063,267	2,024,719	3,982,514	5,663,357	8,045,781	7,688,076
Other comprehensive income / (loss)	23,662	(66,558)	47,325	(133,116)	70,887	(199,674)
<b>Total Comprehensive Income</b>	<b>4,086,929</b>	<b>1,958,161</b>	<b>4,029,839</b>	<b>5,530,241</b>	<b>8,116,768</b>	<b>7,488,402</b>
Segment assets	50,638,543	36,624,831	6,438,692	14,116,985	57,077,235	50,741,816
Unallocated assets	-	-	-	-	4,308,710	2,918,715
<b>Total assets</b>	<b>50,638,543</b>	<b>36,624,831</b>	<b>6,438,692</b>	<b>14,116,985</b>	<b>61,385,945</b>	<b>53,660,531</b>
Segment liabilities	16,981,850	14,540,100	655,649	1,051,088	17,637,499	15,600,188
Unallocated liabilities	-	-	-	-	408,566	1,237,900
<b>Total liabilities</b>	<b>16,981,850</b>	<b>14,540,100</b>	<b>655,649</b>	<b>1,051,088</b>	<b>18,046,065</b>	<b>16,838,088</b>
<b>Other Segment Information:</b>						
Capital expenditure	27,595,116	254,617	578,800	368,259	28,173,915	622,876
Unallocated capital expenditure	-	-	-	-	47,328	134,830
	27,595,116	254,617	578,800	368,259	28,221,244	757,706
Depreciation and amortisation	373,705	135,596	257,027	227,292	630,732	362,888
Gain on disposal of investments at fair value	40,465	154,691	80,930	309,383	121,395	464,074
Interest income	93,345	241,031	186,689	482,051	280,034	723,092
Interest expense	116	13,282	233	666	349	13,948
Non-cash expenses other than depreciation	(2,331)	(17,183)	(4,661)	(34,367)	(6,992)	(51,550)
Stock-in-trade written down	9,486	-	-	283,360	9,486	283,360

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2017

- 38.3 The Company sells its manufactured products to Oil Marketing Companies (OMCs) and other organisations / institutions. Out of these, three (2016: two) of the Company's customers contributed towards 72.9% (2016: 61.7%) of the net revenues during the year amounting to Rs. 78.38 billion (2016: Rs. 57.87 billion) and each customer individually exceeds 10% of the net revenues.

**39. TRANSACTIONS WITH RELATED PARTIES**

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

Nature of relationship	Nature of transactions	2017	2016
		(Rupees in thousand)	
Associated companies			
	Sale of petroleum products - note 39.1.1	75,530,422	73,992,869
	Purchase of crude oil and condensate - note 39.1.2	496,455	1,201,839
	Price differential claim paid	109,421	-
	Rental income	5,243	4,773
	Hospitality and storage income	77,474	75,317
	Handling income	156,972	195,874
	Trade discounts and commission on sales	962,642	836,661
	Reimbursement of expenses	4,875	4,246
	Purchase of petroleum products	12,869	14,053
	Purchase of stores	281	-
	Sale of chemicals	-	289
	Dividend paid	815,659	407,829
Post employment staff benefit plans			
	Contributions	297,742	575,486
Key management employees compensation			
	Salaries and other employee benefits	68,433	58,359
	Post retirement benefits	3,059	2,985
	Directors' fees	3,870	3,930

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

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

- 39.2 The related party status of outstanding balances as at June 30, 2017 is included in trade debts, other receivables and trade and other payables. These are settled in the ordinary course of business.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Crude oil - throughput	
Annual designed capacity	Actual throughput
← (In Barrels) →	

#### 40. CAPACITY

2017 - note 40.2

21,466,500	17,800,949
------------	------------

2016

20,476,500	16,970,321
------------	------------

40.1 Actual throughput is less than the designed capacity due to day to day monitoring of throughput based on expected product margins.

40.2 During the year, the Company has increased its crude oil processing capacity by 3,000 barrels per stream day. Such annual designed capacity represents the enhanced capacity as at June 30, 2017 which was increased from the month of March 2017. Consequently, the enhanced capacity was not available to the Company for the whole year.

#### 41. PROVIDENT FUNDS RELATED DISCLOSURE

The following information is based on the un-audited financial statements of the Funds as at June 30, 2017:

	2017	2016
	(Rupees in thousand)	
Size of the fund - Total assets	1,417,086	1,467,908
Fair value of investments	1,410,854	1,374,155
Percentage of investments made	99.56%	93.61%

41.1 The cost of above investment amounted to Rs. 1,238.64 million (2016: Rs. 1,133.53 million).

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

	2017	2016	2017	2016
	(Percentage)		(Rupees in thousand)	
National savings scheme	28%	66%	389,172	910,261
Bank deposits	2%	3%	33,825	42,423
Government securities	46%	8%	643,978	115,030
Equity securities	1%	1%	19,683	18,420
Unit trust schemes	23%	21%	324,196	288,021

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



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
<b>42. NUMBER OF EMPLOYEES</b>		
Number of employees including contractual employees at June 30	<u>1089</u>	<u>1007</u>
Average number of employees including contractual employees during the year	<u>1048</u>	<u>989</u>

**43. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on September 11, 2017 (i) approved transfer of Rs. 3 billion (2016: Rs. 4 billion) from unappropriated profit to general reserve; and (ii) proposed a final cash dividend of Rs. 22.50 per share (2016: Rs. 20 per share) for the year ended June 30, 2017 amounting to Rs. 1,799.25 million (2016: 1,599.33 million).

The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. No provision has been made in this respect as at June 30, 2017.

Further, subsequent to year end the Company has also obtained an interim stay order from the Sindh High Court against the said provision of the law.

**44. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on September 11, 2017 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive



Director





# Pattern of Shareholding Notice & Forms



# PATTERN OF SHAREHOLDING

## AS AT JUNE 30, 2017

FORM 34

NUMBER OF SHARES		NO. OF SHAREHOLDERS	NUMBER OF SHARES HELD	% ON ISSUED
From	To			
1	100	1,636	63,775	0.08
101	500	1,264	353,804	0.44
501	1000	577	446,930	0.56
1001	5000	839	1,959,382	2.45
5001	10000	169	1,246,146	1.56
10001	15000	55	671,922	0.84
15001	20000	26	469,478	0.59
20001	25000	17	390,541	0.49
25001	30000	8	226,740	0.28
30001	35000	7	224,757	0.28
35001	40000	10	386,012	0.48
40001	45000	10	419,750	0.52
45001	50000	4	189,550	0.24
50001	55000	2	104,398	0.13
55001	60000	6	348,746	0.44
60001	65000	2	124,767	0.16
65001	70000	5	338,497	0.42
70001	75000	4	294,678	0.37
75001	80000	1	77,205	0.10
80001	85000	2	169,800	0.21
90001	95000	3	282,888	0.35
95001	100000	2	197,000	0.25
100001	105000	1	104,950	0.13
115001	120000	1	120,000	0.15
120001	125000	1	125,000	0.16
130001	135000	1	131,400	0.16
135001	140000	1	140,000	0.17
145001	150000	1	149,850	0.19
150001	155000	1	154,106	0.19
155001	160000	2	317,650	0.40
160001	165000	3	485,900	0.61
170001	175000	1	174,800	0.22
175001	180000	1	177,650	0.22
185001	190000	1	190,000	0.24
200001	205000	1	202,865	0.25
215001	220000	1	215,700	0.27
230001	235000	1	233,285	0.29
245001	250000	1	250,000	0.31
275001	280000	1	278,658	0.35
280001	285000	2	565,156	0.71
300001	305000	1	301,250	0.38
360001	365000	1	361,185	0.45
365001	370000	1	367,950	0.46
390001	395000	1	393,750	0.49
445001	450000	2	893,639	1.12
455001	460000	1	455,400	0.57
500001	505000	1	502,363	0.63
515001	520000	1	520,000	0.65
525001	530000	1	528,850	0.66
615001	620000	1	616,568	0.77
635001	640000	1	638,250	0.80
775001	780000	1	780,000	0.98
795001	800000	1	799,665	1.00
840001	845000	1	840,054	1.05
1050001	1055000	1	1,053,801	1.32
2335001	2340000	1	2,337,000	2.92
3585001	3590000	1	3,589,819	4.49
11995001	12000000	1	12,000,000	15.00
19990001	19995000	2	39,983,280	50.00
		<u>4,692</u>	<u>79,966,560</u>	<u>100.00</u>

# CATEGORIES OF SHAREHOLDERS

## AS AT JUNE 30, 2017

Categories	Percentage %	Number of Shareholders	Number of Shares held
Directors, Chief Executive Officer, and their spouse(s) and minor children	0.01	7	11,707
Associated Companies	50.00	2	39,983,280
NIT and ICP	2.94	8	2,354,477
Banks, Development Financial Institutions and Non Banking Financial Institutions	1.40	36	1,118,718
Insurance Companies	6.48	14	5,178,289
Modarabas and Mutual Funds	1.03	26	825,547
Shareholders holding 10%			
- Islamic Development Bank, Jeddah	15.00	1	12,000,000
General Public:			
a. Local	12.10	4,449	9,676,427
b. Foreign	0.01	1	500
Joint Stock Companies	1.06	15	844,549
Foreign Investors - other than Individual	6.93	35	5,539,333
Others	3.04	98	2,433,733
	<u>100.00</u>	<u>4,692</u>	<u>79,966,560</u>

### INFORMATION REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

#### Associated Companies

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

#### Mutual Funds (as per LOBO\* from CDC)

CDC - TRUSTEE ATLAS STOCK MARKET FUND	47,500
CDC - TRUSTEE MEEZAN BALANCED FUND	60,000
CDC - TRUSTEE JS ISLAMIC FUND	40,000
CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	12,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	5,493
CDC - TRUSTEE PICIC ENERGY FUND	22,000
CDC - TRUSTEE MEEZAN ISLAMIC FUND	154,106
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	12,650
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	30,000
CDC - TRUSTEE NAFA STOCK FUND	9,350
CDC - TRUSTEE KSE MEEZAN INDEX FUND	53,798
CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	25,000
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	15,500
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	40,000
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	97,000
CDC - TRUSTEE MEEZAN ENERGY FUND	30,000
CDC - TRUSTEE AGPF EQUITY SUB-FUND	450
CDC - TRUSTEE APF-EQUITY SUB FUND	4,500
CDC - TRUSTEE APIF - EQUITY SUB FUND	5,500
CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	95,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,053,801
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	448,055
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVESTMENT FUND	5,000
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVEST FUND	17,000

\* List of Beneficial Owner Report



Categories	Percentage %	Number of Shares held
<b>Directors, Chief Executive Officer, their spouse(s) and minor children</b>		
Mr. Laith G. Pharaon		1
Mr. Wael G. Pharaon		1
Mr. Babar Bashir Nawaz		1
Mr. Shuaib A. Malik		2
Mr. Tariq Iqbal Khan		10,801
Mr. Abdus Sattar		1
Mrs. Shahida Naeem (Spouse of Mr. Muhammad Naeem, Director)		900
<b>Executives</b>		<b>4,598</b>
<b>Public Sector Companies and Corporations</b>		<b>4,992,003</b>
<b>Bank, DFIs, NBFs, Insurance Companies, Takaful, Modarabas and Pension Funds</b>		<b>6,959,677</b>
<b>Shareholders holding 5% or more voting interest</b>		
Attock Refinery Limited	25%	19,991,640
Pakistan Oilfields Limited	25%	19,991,640
Islamic Development Bank, Jeddah	15%	12,000,000

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

Mr. Tariq Iqbal Khan, director purchased 800 shares of the company during the year.

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

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Fifty Fourth (54th) Annual General Meeting** of National Refinery Limited will be held on **Tuesday, October 24, 2017 at 1400 hours at Marriott Hotel, Karachi** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and approve the Audited Financial Statements of the Company for the year ended June 30, 2017 together with the Reports of the Board and the Auditors thereon.
2. To consider and, if thought fit, to approve the payment of Final Cash Dividend at the rate of Rs.22.50/- per share i.e.,225% for the year ended June 30, 2017 as recommended by the Board of Directors.
3. To appoint Company's auditors for the year ending June 30, 2018 and to fix their remuneration.
4. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board



Nouman Ahmed Usmani  
Company Secretary

Karachi:

Dated: October 02, 2017

### NOTES:

#### 1. CLOSURE OF SHARE TRANSFER BOOK

The Register of Members of the Company will remain closed and no transfer of shares will be accepted for registration from **October 18, 2017 to October 24, 2017** (both days inclusive). Transfers received in order at the office of the Company's Share Registrar:

**M/s. Central Depository Company of Pakistan Limited**

Share Registrar Department

CDC House, 99-B, Block 'B', S.M.C.H.S,

Main Shakra-e-Faisal, Karachi-74400.

Telephone (Toll Free) 0800-23275 / Fax: (92-21) 34326053

Email: info@cdcpak.com / Website: www.cdcpakistan.com

at the close of business on **October 17, 2017** will be treated in time for the purpose of determination of entitlement to the transferees.



## 2. FOR APPOINTING PROXIES

- A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her. A proxy need not be a member. Proxy in order to be effective must be duly signed, witnessed and deposited at the office of the Share Registrar not less than 48 hours before the meeting.
- The shareholder/proxy shall produce his/her original CNIC or passport at the time of the meeting.

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

### A. FOR ATTENDING THE MEETING:

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and their registration details are uploaded as per the CDC Regulations, shall authenticate his identity by showing his original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

### B. FOR APPOINTING PROXIES:

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

## 3. VIDEO-LINK FACILITY

At least seven days prior to the date of the meeting, on the demand of members residing in a city who hold at least ten percent of the total paid up capital of the Company, the facility of video-link will be provided to such members in that city enabling them to participate in the annual general meeting through video-link facility.



**4 FORM OF PROXY**

Form of proxy is annexed at the end of annual report as well as available at Company's website i.e., [www.nrlpak.com](http://www.nrlpak.com).

**5. CHANGE OF ADDRESS**

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

**6. COMPUTERIZED NATIONAL IDENTITY CARD NUMBER /NATIONAL TAX NUMBER**

In compliance with regulatory directives issued from time to time, members who have not yet provided their Computerized National Identity Card (CNIC) Numbers and/or National Tax Numbers (NTN), as the case may be, are requested to kindly provide copies of their valid CNIC and/or NTN certificates at the earliest as follows:

- The shareholders who hold Company's shares in physical form are requested to submit the above information to the Share Registrar at the address mentioned above.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant Participant/CDC Investor Account Service.

**7. PAYMENT OF CASH DIVIDEND ELECTRONICALLY – COMPULSORY**

Members of the Company are hereby requested to comply with the provisions of Section 242 of the Companies Act, 2017 and provide the particulars of their bank accounts through E-Dividend Form (annexed at the end of annual report as well as available at Company's website i.e., [www.nrlpak.com](http://www.nrlpak.com)) as dividends payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders instead of through issuance of Dividend Warrants. In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same.

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

Pursuant to the provisions of Finance Act, 2017, effective July 1, 2017, the rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment have been revised as follows:

1.	Rate of tax deduction for filers of income tax returns	15%
2.	Rate of tax deduction for non-filers of income tax returns	20%

In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.



Company Name	Folio/CDS Account No.	Total shares	Principal shareholder		Joint shareholder	
			Name & CNIC No.	Shareholding proportion (No. of shares)	Name & CNIC No.	Shareholding proportion (No. of shares)

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

#### 9. EXEMPTION FROM DEDUCTION OF INCOME TAX/ZAKAT

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

#### 10. UNCLAIMED SHARES / DIVIDEND TO VEST WITH THE FEDERAL GOVERNMENT

Members of the Company are informed that in compliance with the provisions of Section 244 of the Companies Act, 2017, shares / dividend which remain unclaimed or unpaid for a period of three years from the date it is due and payable will be vested with the Federal Government after lapse of the time period as prescribed by the Securities and Exchange Commission of Pakistan, if no claim is made by respective members. Accordingly, all those members whose shares / dividend remain unclaimed or unpaid for the mentioned period are once again requested to lodge their claims as the Company has already dispatched notices in this respect to all such shareholders at their last known addresses, where available with the Company.

#### 11. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2017 have been placed at the Company's website [www.nrlpak.com](http://www.nrlpak.com).

#### 12. TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY

The SECP vide SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Accordingly, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website [www.nrlpak.com](http://www.nrlpak.com), to the Company's Share Registrar. The Company shall, however additionally provide hard copies of the annual report to such members, on request, free of cost.

## اظہارِ تشکر

بورڈ کمیٹی کی انتظامیہ اور اپنے ملازمین کی انتھک محنت کو سراہتے ہوئے ان کا تہہ دل سے شکر گزار ہے، جن کی محنت سے یہ نتائج حاصل ہوئے۔ بورڈ تمام صارفین، سپلائرز، غیر ملکی اور مقامی ٹھیکیداروں اور دیگر اسٹیک ہولڈرز کی کاوشوں اور ان کے مسلسل اعتماد کی مشکور ہے۔

بورڈ کی جانب سے



شعیب اے ملک  
ڈپٹی چیئرمین اور  
چیف ایگزیکٹو آفیسر



ڈائریکٹر

11 ستمبر، 2017

دہلی



## ملازمین کے معاملات کی کمیٹی

اچ آرمیٹی تین ارکان پر مشتمل ہے۔ یکم جولائی، 2016 سے 30 جون، 2017 کی مدت کے دوران ارکان کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	گل اجلاس	اجلاسوں میں شرکت
جناب عبدالستار - چیئرمین	۱	۱
جناب شعیب اے ملک	۱	۱
جناب بابر بشیر نواز (متبادل برائے: جناب وائل جی فرعون)	۱	۱

## آڈٹ کمیٹی

آڈٹ کمیٹی تین ارکان پر مشتمل ہے۔ 30 جون 2017 کو شتم ہونے والے سال کے لئے آڈٹ کمیٹی کے اجلاسوں کے لئے ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

ڈائریکٹرز کے نام	گل اجلاس	اجلاسوں میں شرکت
جناب طارق اقبال خان	۳	۳
جناب بابر بشیر نواز (متبادل برائے: جناب وائل جی فرعون)	۳	۳
جناب عبدالستار	۳	۳

## شیر ہولڈنگ کا خلاصہ

شیر ہولڈنگ کا خلاصہ صفحہ نمبر ۱۰۶ پر دکھایا گیا ہے۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسنز اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اپنے کام سے سبکدوش ہو رہے ہیں اور خود کو دوبارہ تقرری کیلئے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز تجویز کرتے ہیں کہ مالی سال ۲۰۱۸ کے اختتام کے لیے میسرز اے ایف فرگوسنز اینڈ کمپنی کو دوبارہ آڈیٹرز مقرر کیا جائے۔

- کمپنی کے حصص میں بورڈ آف ڈائریکٹرز سی ای او، سی ایف او، کمپنی سیکریٹری، ایگزیکٹوز اور ان کی گیمات اور چھوٹے بچوں کی طرف سے کوئی سودا نہیں کیا گیا سوائے اس کے کہ جن کا ذکر "شیئرز ہولڈنگ کے پینرن میں" کیا گیا ہے۔

## بورڈ آف ڈائریکٹرز کی تشکیل اور ان کے اجلاس

### بورڈ آف ڈائریکٹرز کی موجودہ تشکیل

۱۔ جناب ایف جی فرعون - چیئرمین

مقابل ڈائریکٹر: جناب جمیل اے خان

۲۔ جناب وائل جی فرعون

مقابل ڈائریکٹر: جناب بابر بشیر نواز

۳۔ جناب شعیب اے ملک

۴۔ جناب عبدالستار

۵۔ جناب ذکی محمد منصور

۶۔ جناب محمد نعیم

۷۔ جناب طارق اقبال خان

مالی سال 2016-17 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

ڈائریکٹر کا نام	کل اجلاس*	اجلاسوں میں شرکت
ڈاکٹر عیض آفرعون** - سابقہ چیئرمین (مقابل ڈائریکٹر: جناب عبدالستار)	۲	۲
جناب ایف جی فرعون*** - چیئرمین (مقابل ڈائریکٹر: جناب جمیل اے خان)	۵	۵
جناب فرح سعید ایچ الغامدی** / جناب وائل جی فرعون (مقابل ڈائریکٹر: جناب بابر بشیر نواز)	۵	۵
جناب شعیب اے ملک - ذہنی چیئرمین اور چیف ایگزیکٹو آفیسر	۵	۵
جناب عبدالستار	۳	۳
جناب ذکی محمد منصور - IDB کے نمائندے	۵	۱
جناب شاہ غفار** / جناب محمد نعیم NIT کے نمائندے	۵	۴
جناب طارق اقبال خان	۵	۵

\* جس دوران مختلف ڈائریکٹرز بورڈ پر تھے۔

\*\* سال کے دوران ڈائریکٹریں رہے۔

\*\*\* سال کے دوران ڈاکٹر عیض آفرعون کے انتقال کے بعد چیئرمین نامزد کیے گئے۔



- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے آپریشنز کے نتائج، کمیشن فلو اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
  - کمپنی کے کھاتے کمپنیز ایکٹ 2017 کے تحت مناسب طریقے سے رکھے جا رہے ہیں۔
  - مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور مطلق فیصلوں پر مبنی ہوتے ہیں۔
  - مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
  - انٹرنل کنٹرول کے نظام مضبوط ہیں اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
  - آنے والے سالوں میں لہذا کمپنی کی کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- 30 جون 2017 کو مختلف فنڈز کی سرمایہ کاری کی مالیت مندرجہ ذیل ہیں:

ملین روپے	تفصیل
(غیر آڈٹ شدہ)	
	انتظامی عملے سے متعلق فنڈز
4,977	پینشن فنڈ
985	پروویڈنٹ فنڈ
1,081	بعد ریٹائرمنٹ میڈیکل فنڈ
30	گرجویٹی فنڈ
	غیر انتظامی عملے سے متعلق فنڈز
98	گرجویٹی فنڈ
422	پروویڈنٹ فنڈ

- ڈائریکٹرز گزشتہ سالوں میں ضابطہ برائے کاروباری نظم و نسق کے تحت پہلے سے ہی ڈائریکٹرز کے تربیتی پروگراموں میں شرکت کر چکے ہیں یا مستحق ہیں۔

اس بات کو یقینی بنایا جاتا ہے کہ ہماری ریٹائننگ سرگرمیاں پیشہ ورانہ زندگی میں صحت، حفاظتی اقدامات اور ماحولیات کے قوانین کے مطابق ہیں، کمپنی کے معیاری کام کرنے کے طریقہ کار اور محفوظ کام کے اصول ماحول کے تحفظ کے اقدامات کے مطابق ہیں۔

ہم سب پائیدار ترقی کیلئے اپنی ذمہ داریوں سے آگاہ اور اسکے لیے پرعزم ہیں اور اپنے اردگرد ماحولیاتی حالات کو بہتر بنانے کیلئے کوشاں ہیں۔

## ماحولیاتی اکیسٹینس ایوارڈز

کمپنی مندرجہ ذیل ماحولیاتی اکیسٹینس ایوارڈز میں شریک ہوئی ہے:

نیشنل فورم کے لئے ماحول اور صحت (این ایف ای ایچ) اکیسٹینس ایوارڈز 2017، کمپنی گزشتہ چودہ سال سے یہ ایوارڈ حاصل کر رہی ہے۔

ACCA-WWF پاکستان بہترین ماحول رپورٹنگ ایوارڈز میں 2003، 2009 اور 2010 کا فاتح۔

آپ کی کمپنی ملک کی پیٹرولیم ریٹائننگ سیکٹر میں ایک ماحول دوست انٹر پرائز ہے۔

## قومی خزانے کو کی جانے والی ادائیگی

اس مالی سال کے دوران، کمپنی نے براہ راست اور بالواسطہ ٹیکس کی مدد میں 40.53 ارب روپے قومی خزانے میں جمع کرائے اور ہفتہاویہ ایوب میس کے تیل کی برآمد کے ذریعے 106.85 ملین امریکی ڈالر کا تینتی زرمبادلہ کمایا۔

## انسانی وسائل کی ترقی

کمپنی کے انسانی وسائل مختصر اور طویل مدتی کارپوریٹ اور اسٹریٹجک مقاصد کے حصول میں بہت اہم کردار ادا کر رہے ہیں۔ لہذا، آپ کی کمپنی اپنے ملازمین کی تربیت اور ترقی پر خصوصی توجہ مرکوز کرتی ہے۔ مختلف تکنیکی اور غیر تکنیکی شعبوں میں مقامی اور غیر ملکی کورسز اور ورک شاپس کیلئے مختلف عملے کے ارکان کو نامزد کیا جاتا ہے۔ افسران کے تربیتی پروگراموں کے ساتھ ساتھ، کمپنی اپنے مینجمنٹ ٹرینیز اور اپرنٹس شپ پروگراموں کے ذریعے ریٹائننگ آپریشن اور دیگر بحال کے حوالے سے کتابی اور عملی تربیت فراہم کرتی ہے جو کہ نہ صرف کمپنی کی توسیع کے منصوبوں کے لئے تربیت یافتہ افرادی قوت کے اضافی تقاضوں کو پورا کرتی ہے بلکہ تیل صاف کرنے کی صنعت کے لئے تربیت یافتہ افرادی قوت کی دستیابی کا سبب بنتی ہے۔

## کاروباری نظم و نسق

• کمپنی اچھے کاروباری نظم و نسق پر کاربند رہنے کا نتیجہ کئے ہوئے ہے اور اطلاق شدہ ضابطہ برائے کاروباری نظم و نسق کے ساتھ عمل پیرا ہے جو اسٹاک ایکسچینج کی لسٹنگ کے ضابطے میں موجود ہیں۔ مندرجہ ذیل شقین ضابطہ برائے کاروباری نظم و نسق کے کاروباری اور مالی رپورٹ فریم ورک پر مبنی ہیں:



## کاروباری سماجی ذمہ داری

کمپنی اپنے صارفین، ملازمین اور حصص یافتگان کے علاوہ قومی معیشت کیلئے اپنی سماجی ذمہ داری کا احساس رکھتی ہے۔ ایک ذمہ دار ادارہ کے طور پر، کمپنی نے ملک میں معیار زندگی کو بہتر بنانے کے لئے مختلف طریقوں سے معیشت کے مختلف سماجی کاموں میں اہم کردار ادا کیا ہے۔ حال ہی میں، کمپنی نے 400,000 روپے خیراتی فرسٹ کو عظیمہ کے طور پر دیے ہیں، اور 200,000 روپے تعلیم کی فروغ کیلئے دیے گئے ہیں۔

کمپنی اس بات کیلئے پر عزم ہے کہ اس کے کردار کو نہ صرف ایک تجارتی ادارے کے طور پر بلکہ ایک سوشل پانٹر کے طور پر بھی تسلیم کیا جائے۔ اس سلسلے میں کمپنی نے پانچ معذور افراد کو سندھ ایمپلائمنٹ ریہیبیلیٹیشن اینڈ ویلفیئر ایکٹ 2013 (Sindh Employment Rehabilitation and Welfare Act 2014) کی ہدایت کے مطابق ملازمت دے رکھی ہے اور ایسے افراد کی کمپنی کی ملازمت میں کم تعداد رکھنے کے عوض میں معذور افراد کی بحالی کے لئے صوبائی کونسل برائے معذور افراد کو ادا کی گئیاں بھی کرتی ہے۔

## ملازمین اور انتظامیہ کے تعلقات

انتظامیہ اور ملازمین بشمول یونین کے درمیان خوشگوار تعلقات برقرار ہیں۔ حاصل کردہ پیداوار، اجتماعی اور مخصوص کوششوں کی عکاسی کرتی ہے۔ انتظامیہ اور ورکرز یونین کے درمیان دو سال کے عرصہ کیلئے ایک معاہدہ طے پایا ہے جو کہ کمپنی کے مفاد میں دونوں جماعتوں کے درمیان تعلقات بہتر بنانے میں اہم کردار ادا کرے گا۔ ملازمین کو اچھی صحت برقرار رکھنے کے مواقع فراہم کرنے کیلئے، کمپنی ریفاکٹری کے احاطے میں کھیلوں کی سرگرمیوں کی مسلسل حوصلہ افزائی کرتی ہے تاکہ اسکے ذریعہ اسکے اخلاق اور احساس تعلق برقرار رہیں۔

## پیشہ ورانہ زندگی میں صحت، حفاظت اور ماحول

پائیدار ترقی ہمارے ایجنڈے میں ہمہ وقت سب سے اہم ہے اور اس مقصد کے حصول کے لئے، ماحول کی حفاظت اور تحفظ ہمارے آپریشنز کا ایک لازمی جزو رہا ہے۔ ہماری جامع پالیسیاں ملازمین، سپلائرز اور صارفین کی شمولیت کے باہمی تعاون کے ذریعہ مؤثر نافذ العمل ہونے کیساتھ ماحولیاتی، حفاظت اور کاروباری صحت کے مسائل کو حل کرنے کیلئے ہماری ہمیشہ رہنمائی کرتی ہیں۔

ماحول کی حفاظت کیلئے ہمارا عزم ہمارے محفوظ آپریشن کے ذریعہ عیاں ہے۔ ہم توانائی کی بچت، وسائل کو بہتر بنانے اور ضیاع کو کم کرنے کیلئے انتہائی توجہ مرکوز کئے ہوئے ہیں۔ ہمارے پاس آئی ایس او 18001:2007 OHSAS، 14001:2004 اور آئی ایس او 9001:2008 کی ضروریات کے مطابق ایک جامع مربوط مینجمنٹ سسٹم ہے۔ اسے ماحولیاتی شعور کو مضبوط بنانے اور ٹیم ورک، بااختیار بنانے اور مسلسل بہتری کی ثقافت کو فروغ دینے میں ہماری مدد کی ہے۔ ہم نے 30 جون 2017 تک بغیر کسی حادثے (ایل ٹی آئی) کے 26.74 ملین گھنٹے مکمل کیے ہیں اور آگے آنے والے وقتوں میں ایک معیار مقرر کرنے پر یقین رکھتے ہیں۔



## کاروباری تعلقات

ہم سعودی اراکو اور پاکستان میں سرگرم دیگر تیل کی تلاش کرنے والی کمپنیوں کو خام تیل کی فراہمی کی بروقت ادائیگی کرنے کی تاریخی حیثیت برقرار رکھے ہوئے ہیں۔ ہم سلائی چین جو مقامی سپلائرز، صارفین اور دیگر کاروباری شراکت دار پر مبنی ہے ان کے ساتھ اچھے تعلقات برقرار رکھنے کی کوشش میں مصروف ہیں۔

## کلیدی آپریٹنگ اور مالی اعداد و شمار

کلیدی آپریٹنگ اور گزشتہ چھ سال (2012-2017) کی مالیاتی تفصیل صفحہ نمبر ۴۵ پر دکھائی گئی ہے۔

## ریفائنریز کی پیداوار

پیداوار کے تجزیہ کے مطابق، این آر ایل 21.47 ملین بیرل (2.83 ملین ایم ٹن) سالانہ پیداوار کی صلاحیت کے ساتھ پاکستان کی دوسری سب سے بڑی ریفائنری ہے۔ این آر ایل پاکستان میں واحد ریفائنری کمپلیکس ہے جو لیوب ریفائنری پر مشتمل ہے اور ملک کی ماگک کوپورا کرنے کے لیے لیوب میں آئل کی متعدد درجات کی پیداوار کرتا ہے۔

## کریڈٹ ریٹنگ

کمپنی کے طویل مدتی درجہ بندی AA+ (پچھلے چار سالوں سے برقرار) ہے اور مختصر مدتی درجہ بندی A1+ (پچھلے تیرہ سالوں سے برقرار) ہے۔ یہ درجہ بنیاداً مالیاتی وعدوں کی بروقت ادائیگی کی مضبوط صلاحیت رکھنے کی بناء پر کریڈٹ رسک کی بہت کم امید ظاہر کرتی ہیں۔ یہ درجہ بنیاداً پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) سے کروائی گئی ہیں۔

## پیش نظر خوف و خطرات

• بین الاقوامی مارکیٹ میں خام تیل اور مصنوعات کی قیمتوں میں غیر مستحکم اتار چڑھاؤ کے نتیجے میں مارجنز کم ملتے ہیں۔ ایسی صورت میں کمپنی نقصانات کو کم سے کم کرنے کے لئے وقتاً فوقتاً اپنی پیداوار اور فروخت کے شیڈول کا جائزہ لیتی ہے۔ خام تیل کی قیمتوں میں تیزی سے کمی کی وجہ سے عام طور پر انوینٹری میں مالی نقصانات ہوتے ہیں۔

• کمپنی کو خام مال کی سپلائری اور ادائیگی غیر ملکی کرنسی میں کرنی ہوتی ہے، پاکستانی روپے کی قدر میں کمی کی وجہ سے زرمبادلہ کے نقصان کا سامنا ہوتا ہے۔

• آپ کی کمپنی ایک اسٹراٹجک اثاثہ ہونے کے ناطے سیکیورٹی کے اقدامات پر توجہ مرکوز کرنے سمیت جدید سیکیورٹی ہارڈویئر کا حصول اور تنصیب کر رہی ہے۔



## 8.2 میگا واٹ کے استعمال شدہ ڈیزل جنریٹر کی تنصیب اور کمیشننگ

انجریژیشن منصوبوں کی وجہ سے کپنی کی توانائی کی مانگ میں اضافہ ہوا ہے۔ بجلی کی ضروریات کو پورا کرنے کیلئے کپنی نے 8.2 میگا واٹ صلاحیت کا حامل ایک استعمال شدہ ڈیزل جنریٹر خریدا ہے جو کہ کامیابی سے تنصیب کر دیا گیا۔ یہ جنریٹر کپنی کی بجلی کی ضروریات کو پورا کر رہا ہے۔

## زیر تکمیل منصوبے - 2017-18

فی الوقت مندرجہ ذیل منصوبوں پر کپنی کی جانب سے عمل درآمد کیا جا رہا ہے جن کے 2017-18 میں مکمل ہونے کی امید ہے۔

### آئیسومرا انریشن

دو سال قبل شروع کیا گیا آئیسومرا انریشن منصوبہ کمیشننگ اور ٹیسٹنگ کے مراحل میں ہے۔ آئیسومرا انریشن کے ذریعہ کپنی اپنے بیشتر ٹھنڈے کو بجلی کوئی مقامی مارکیٹ نہیں ہے، پیٹرول میں تبدیل کرنے میں کامیاب ہو جائے گی اور اسکی بدولت بجلی ضروریات کو پورا کرنے کے ساتھ ساتھ اضافی قیمت بھی حاصل ہوگی۔

### لیوب ون ریفاؤنڈری میں ڈی سی ایس کی تنصیب

YOKOGAWA کا ڈسٹری بیوٹڈ کنٹرول سسٹم لیوب ون ریفاؤنڈری میں نصب کیا گیا ہے۔ یہ منصوبہ کمیشننگ مرحلے میں ہے جس میں تین یونٹ نئے سسٹم پر تبدیل ہو چکے ہیں۔ بقیہ ایک یونٹ کو بھی جلد تبدیل کر دیا جائیگا۔

### پرائسنگ فارمولا

کپنی کا فیول سٹیگمٹ حکومت کے امپورٹ پیریٹی پرائسنگ فارمولے کے تحت ریگولیٹ کیا جاتا ہے۔ تاہم، یکم جون، 2011ء سے حکومت نے پیٹرول، ایوی ایشن فیول اور لائٹ ڈیزل آئل کی قیمتوں کو ڈیریگولٹ کرتے ہوئے فیصلہ کیا کہ ریفاؤنڈری کی متعین کردہ قیمتیں متعلقہ پراڈکٹ کی امپورٹ پرائس جو کہ پاکستان اسٹیٹ آئل کی گزشتہ ماہ کی ایورج ایکچول امپورٹ پرائس بشمول جزوی انسڈیٹنگ (incidentals) سے تیار نہیں کر سکی۔ ایسی صورت میں جب قیمتیں مہیا نہ کی جائیں تب ریفاؤنڈری کو موجودہ امپورٹ پیریٹی پرائسنگ فارمولا کے مطابق اپنی قیمتوں کو طے کرنا ہوگا۔

امپورٹ پیریٹی پرائسنگ فارمولا کے مطابق فیول سٹیگمٹ کے منافع کو یکم جولائی، 2002ء کے مطابق موجودہ شدہ سرمایہ کے 50 فیصد تک ڈیویڈنڈ (dividend) کی صورت میں حصص یافتگان کو تقسیم کیا جا سکتا ہے اور باقی رقم کو ایکسٹرنل ریزرو (special reserves) میں منتقل کیا جائیگا۔

## ویسٹ ہیٹ ریکوری بوائز

ڈیزل جزبڑ سے ماحول میں اخراج ہونے والی ہیٹ انرجی کو استعمال کرنے کی منصوبہ بندی کی جارہی ہے۔ منصوبہ ٹھیکہ دار کو دے دیا گیا ہے اور انجینئرنگ کا کام جاری ہے جسکی اکتوبر 2017 تک مکمل ہونے کی امید ہے۔

## موجودہ ٹریبونر جزیئر کی ایگریڈیشن

بجلی کے پیداواری پونٹ میں اسٹیم ٹرین کو پٹی ایکسٹریکشن، بیک پریشر ٹرین سے تبدیل کیا جا رہا ہے۔ یہ اندرونی طور پر بجلی کی پیداواری مجموعی فی پونٹ لاگت کم کر دے گا۔ یہ پراجیکٹ میسرز سٹینس انجینئرنگ پاکستان کو دیا گیا ہے اور اسکے ستمبر 2017 تک مکمل ہونے کی امید ہے۔

## تعمیل شدہ منصوبے۔ 2016-17

آپ کی کمپنی نے سال 2016-17 میں کامیابی کے ساتھ مندرجہ ذیل منصوبے مکمل کیے۔

## ڈیزل ہائیڈرو ڈی سلفیورائزیشن

وزارت پیٹرولیم و قدرتی وسائل کی ہدایت کے مطابق این آر ایل نے EURO II معیار کے ڈیزل (500 پی پی ایم سے کم) کی پیداوار کیلئے کامیابی کیساتھ ڈیزل ہائیڈرو ڈی سلفیورائزیشن (ڈی ایچ ڈی ایس) پلانٹ کو مکمل کر لیا ہے۔ پلانٹ میں سلفر کو کم از کم 10 پی پی ایم تک کم کرنے کی صلاحیت ہے جو مستقبل کی ضروریات کو پورا کرنے میں این آر ایل کی مدد کر سکتا ہے۔ اس منصوبے کو جون 2017 میں کامیابی کیساتھ کمیشن کر لیا گیا ہے۔ آمدنی میں کسی بھی بڑے اضافے کے بغیر کمپنی نے ڈی ایچ ڈی ایس منصوبے کی لاگت پر 26.82 ارب روپے لگائے جبکہ حکومت کی جانب سے ابتدائی اعلان کردہ ڈیونٹی میں 7.5% سے 9% اضافے کے عملدرآمد میں تاخیر ہے۔ کمپنی حکومت کیساتھ ریفرنڈم کو ڈیڈ ڈیونٹی میں اضافہ کرنے کی اجازت دینے کیلئے بات چیت جاری رکھے ہوئے ہے تاکہ بڑی سرمایہ کاری کی لاگت اور پراسیسنگ اخراجات وصول کیے جاسکیں۔

## سی ڈی پور یومپ پراجیکٹ

اس منصوبے کی تکمیل کے ذریعے فیول ریٹائنری کے کروڈ ڈسٹیلیشن پونٹ میں خام تیل کی پیداواری صلاحیت 62,000 بیرل یومیہ سے بڑھ کر 65,000 بیرل یومیہ ہوگئی ہے۔



## فیول اور لیوب ریفاٹری اور یوٹیلٹیز کے کنٹرول سسٹم کی مرکزی ڈسٹری بیوٹڈ کنٹرول سسٹم کے ساتھ تبدیلی

موجودہ فیول اور لیوب ریفاٹریز اور یوٹیلٹیز کے کنٹرول سسٹم کی مرکزی ڈسٹری بیوٹڈ کنٹرول سسٹم (ڈی سی ایس) کے ساتھ تبدیلی درست معیار کی پیداوار، اعلیٰ معیار کے پراسس کنٹرول، پراسس کی حفاظت اور ہنگامی بندش، برہان اور کپریس کی حفاظت اور پائپ لائن کی نگرانی کو یقینی بنائے گی۔ یہ سسٹم پراسس کنٹرول اور پلانٹ پیرامیٹرز کی نگرانی، اپنی ضرورت کے مطابق رپورٹس اور لاگ شیٹس کی دستیابی، اور انسانی وسائل کے بہتر استعمال کو یقینی بنائے گا۔ یہ منصوبہ شروع کیا جا چکا ہے اور اسکے تین سالوں میں مکمل ہونے کی امید ہے۔

### 101-ایف-1 اتر پری ہیٹر پراجیکٹ

فیول ریفاٹری میں اتر پری ہیٹر کی تنصیب توانائی کی بچت اور ماحول دوست منصوبہ ہے۔ مزید برآں، گرین ہاؤس گیس کا اخراج اور کاربن فٹ پرنٹس اس منصوبے کی وجہ سے کم ہو جائیں گے۔ اس کا ٹھیکہ دے دیا گیا ہے اور متوقع ہے کہ اس منصوبے کی تنصیب اور کمیشننگ مارچ 2018 تک مکمل کر لی جائیگی۔

### لیوب ٹور ریفاٹری کا ٹرن ارڈ نڈ

کئی لیوب ٹور ریفاٹری کا ٹرن ارڈ نڈ سال 2017-18 میں کرے گی۔ اس ٹرن ارڈ نڈ کو سال 2016-17 میں کیا جانا تھا۔ تاہم، نئے منصوبوں کی انتظامی پیچیدگیوں کی وجہ سے یہ سال 2017-18 تک ملتوی کر دیا گیا۔ اسکے نتیجے میں مسلسل دیکھ بھال کی ضروریات کے بغیر زیادہ بہتر سطح پر سلسلے کیساتھ پیداوار کی جاسکے گی۔

### واٹر ڈی منرلائزیشن پلانٹ

ریورس اوسموسس کیلئے واٹر ڈی منرلائزیشن پلانٹ کی تنصیب کی منصوبہ بندی کی گئی ہے۔ ریورس اوسموسس پلانٹ موجودہ پانی کے معیار کو بہتر بناتے ہوئے کئی کی پانی کی ضروریات پر قابو پانے میں مدد دے گا۔ تعمیراتی کام جاری ہے اور اسکے دسمبر 2017 تک مکمل ہونے کی امید ہے۔

### نیوسی واٹر ریورس اوسموسس پلانٹ

پانی کی اضافی ضروریات کو پورا کرنے کیلئے پہلے مرحلے کے منصوبوں کی تکمیل کے بعد 250,000 گیلن پومر صلاحیت کے حامل نیوسی واٹر ریورس اوسموسس پلانٹ کی خریداری اور تنصیب کرنے کا منصوبہ ہے۔ یہ پروجیکٹ ابھی منصوبہ بندی کے مرحلے میں ہے۔

## مستقبل کا منظر نامہ

منجنت آگے آنے والے چیلنجوں سے آگاہ ہے اور مسلسل ترقیاتی حکمت عملی تیار کر رہی ہے اور مارکیٹ رسک کو کم کرنے، مستقبل کے چیلنجوں کو پورا کرنے اور کاروباری ترقی کو برقرار رکھنے کے لئے مناسب اقدامات اختیار کر رہی ہے۔ حال ہی میں کمیشن کئے گئے ڈیزل ہائیڈروڈی سلفیورائزیشن پلانٹ، متعلقہ حکام کی جانب سے ڈیڈ ڈیوٹی میں 7.5% سے 9% کے اضافہ میں تاخیر اور اضافی ڈیپریسییشن اور دیگر آپریٹنگ اخراجات پلانٹ کی اضافی آمدنی سے زیادہ ہونے کی بناء پر مستقبل کا اہم چیلنج ہے۔ پیٹرولیم مصنوعات کی مارکیٹ اچھی شرح سے بڑھ رہی ہے اور مستقبل کے منصوبوں کو تکمیل کرنے کیلئے کمپنی نے محتاط رویہ اپنایا ہوا ہے۔

## مستقبل کے منصوبے

مندرجہ ذیل منصوبے موجودہ پلانٹ کی بہتری کو یقینی بنانے، پیداواری صلاحیت بڑھانے اور مصنوعات کے بہتر مرکب کیلئے تھوڑے گئے ہیں:

### لیوب۔ ون ریفاؤنڈری میں ٹو اسٹریج یونٹ

اسکی منصوبہ بندی خام تیل کی پراسیسنگ صلاحیت کو 12,050 بیرل یومیہ پیداوار سے 17,000 بیرل یومیہ پیداوار اور وکیوم فیکیشن کی صلاحیت 5,200 بیرل یومیہ پیداوار سے 6,600 بیرل یومیہ پیداوار تک بڑھانے کیلئے کی گئی ہے۔ ای پی سی کام کیلئے بولیاں موصول ہو چکی ہیں جو کہ زبردست ہیں۔

### ٹانپنگ یونٹ اور ریفاؤنڈری یونٹ

حکومت پاکستان نے درآمد شدہ پیٹرول کی اسٹیکفیکیشن کو 87 RON سے 92 RON میں تبدیل کر دی ہیں۔ اگرچہ ریفاؤنڈری کو 90 RON کو مارکیٹ کرنے کی اجازت ہے، تاہم کمپنی کے پاس ملک کی ضروریات کو پورا کرنے کے لیے اپنی مصنوعات کو بہتر بنانے کا موقع میسر ہے۔ اسی کو مد نظر رکھتے ہوئے، کمپنی نافٹھا کے پورے حجم کو پیٹرول میں تبدیل کرنے کیلئے 30,000 بیرل یومیہ صلاحیت کے حامل ایک ٹانپنگ یونٹ اور ریفاؤنڈری یونٹ کی تنصیب پر غور کر رہی ہے۔ ٹانپنگ یونٹ کیلئے فرنٹ اینڈ انجینئرنگ ڈیزائن (FEED) ایوارڈ کر دیا گیا ہے جبکہ ریفاؤنڈری کے اسٹیکس کیلئے تجاویز کا جائزہ لیا جا رہا ہے۔



## منافع کا تصرف

2015-16 ملین روپے	2016-17 ملین روپے	تفصیل
6,264	4,833	تصرف کے لیے دستیاب منافع (دیگر جامع آمدنی سمیت)
4,000	3,000	منتقلی جزل ریزرو
1,599	1,799	فائل ڈیویڈنڈ (2016: 225%) (200%)

## ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 30 جون 2017 کو ختم ہونے والے سال کے لیے حتمی کیش ڈیویڈنڈ 22.50 روپے فی حصص کی سفارش کی ہے۔ ڈیویڈنڈ کی سفارش سالانہ جزل میٹنگ میں حصص یافتگان کی منظوری سے مشروط ہے۔

## کمپنی کا کاروبار

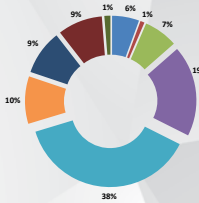
کمپنی تین ریفاٹریوں کی مدد سے خام تیل صاف کرنے کے کاروبار میں مصروف عمل ہے۔ جن کو 1966، 1967 اور 1985 میں کمیشن کیا گیا۔ 2005 میں کمپنی کی نجکاری کی گئی اور 51% حصص انک گروپ کی ملکیت میں ہیں۔

کمپنی کی تینوں ریفاٹریوں کے دو کاروباری شعبہ جات فیول سیکینیٹ اور لیوب سیکینیٹ ہیں۔ فیول سیکینیٹ کی پیداوار میں ہائی سپیڈ ڈیزل، نیٹھا، موٹر گیسولین، مائع پیٹرولیم گیس، جیٹ ایندھن اور فرنس آئل شامل ہیں۔ لیوب سیکینیٹ میں لیوب ہیں آئلز، تارکول، فرنس آئل، موم، ربڑ بنانے کا تیل اور کچھ مقدار دیگر فیول پروڈکٹس کی شامل ہیں۔ تمام مصنوعات کی مارکیٹنگ مقامی طور پر کی جارہی ہے، سوائے نیٹھا اور کچھ مقدار لیوب ہیں آئل کے جو برآمد کی جاتی ہیں۔

حکومت نے پیٹرولیم مصنوعات بشمول خام تیل کی درآمد پر کسٹم ڈیوٹی عائد کر دی ہے۔ کمپنی کو پیٹرولیم مصنوعات کی فروخت پر درآمدی قیمتوں کے لاگو ہونے کی وجہ سے کسٹم ڈیوٹی حاصل ہوتی ہے۔ مصنوعات اور خام تیل پر کسٹم ڈیوٹی کی ایڈجسٹمنٹ کا طریقے کار زیر غور ہے۔

## فروخت کے حجم کا مرکب

2015-16



2016-17

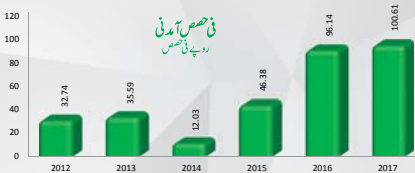


## لیوب سیکمیٹ

لیوب سیکمیٹ کا منافع خام مال کی لاگت میں اضافے اور مصنوعات کی قیمتوں کے غیر متوازن اضافہ ہونے کی وجہ سے کم ہوا۔ لیوب سیکمیٹ کا ٹیکس کے بعد منافع 3.98 ارب روپے ریکارڈ کیا گیا جبکہ گزشتہ سال کا منافع 5.67 ارب روپے تھا۔

## فی حصص آمدنی

اس سال فی حصص آمدنی 100.61 روپے رہی جبکہ گزشتہ سال 96.14 روپے تھی۔





## ڈائریکٹرز رپورٹ

# بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



اسلام علیکم

بورڈ آف ڈائریکٹرز 30 جون 2017 کو مکمل ہونے والے سال کے لیے پیشکش ریٹائزمنٹ کی لمیٹڈ کی 54 ویں سالانہ رپورٹ جمع آڈٹ شدہ مالیاتی گوشوارے اور ان پراڈیٹری رپورٹ مسزٹ کے ساتھ پیش کرتے ہیں۔

## مالیاتی نتائج

سال 2017 میں مارجنز گزشتہ سال سے تھوڑے کم رہے۔ تاہم، فروخت کی مقدار میں اضافے اور سرمایہ کاری ٹیکس کرڈٹ کی بناء پر ٹیکس کی بچت کی وجہ سے آپ کی کمپنی نے گزشتہ سال کے 7.69 ارب روپے کے مقابلے میں اس سال 8.05 ارب روپے کا ٹیکس کے بعد منافع کمایا۔

## ٹیکس کے بعد منافع (ارب روپے)



## فیول سیکمنٹ

فیول سیکمنٹ نے ٹیکس کے بعد 4.07 ارب روپے کا منافع کمایا جبکہ گزشتہ سال ٹیکس کے بعد 2.02 ارب روپے کا منافع تھا۔ منافع میں اضافے کی وجہ بہتر مارجن ہیں جو کہ بین الاقوامی مارکیٹ میں خام تیل کی قیمتوں میں دباؤ کے نتیجے میں حاصل ہوئے جبکہ مصنوعات کی قیمتیں بھی مناسب رہیں۔ ڈیزل ہائیڈرو ڈی سلفیورائزیشن پلانٹ کی کمیشننگ پراسرماہیہ کاری ٹیکس کرڈٹ کی دستیابی کے باعث فیول سیکمنٹ کے منافع میں مزید اضافہ ہوا۔



# FORM OF PROXY

## 54TH ANNUAL GENERAL MEETING

### NATIONAL REFINERY LIMITED

I \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member of NATIONAL REFINERY LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my proxy, and failing him, \_\_\_\_\_ of \_\_\_\_\_ another Member of the Company to vote for me and on my behalf at the 54th Annual General Meeting of the Company to be held on the 24th day of October 2017 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signed by the said Member

#### Signed in the presence of:

- |  |  |
|--|--|
| <p>1. Signature: _____</p> <p>Name: _____</p> <p>Address: _____</p> <p>CNIC/Passport No. _____</p> | <p>2. Signature: _____</p> <p>Name: _____</p> <p>Address: _____</p> <p>CNIC/Passport No. _____</p> |
|--|--|

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

Signature on revenue stamp of appropriate value  
(To the extent applicable)

(\*) Upon failing of appointed Proxy.

## Notes:

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member.
2. This Proxy Form, duly completed and signed, together with Board Resolution / Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar, Share Registrar Department, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Telephone 0800-23275, Fax: (92-21) 34326053 not later than 48 hours before the time of holding the meeting.
3. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.
4. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
5. Attested copies of CNIC or the passport of the beneficial owners and of the proxy shall be provided with the proxy form.
6. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
7. In the case of joint holders the vote of the senior who tenders a vote whether in person or by Proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
8. The proxy shall produce his / her original CNIC or passport at the time of the meeting.

**Central Depository Company of Pakistan Limited**

Share Registrar Department

CDC House, 99-B, Block 'B', S.M.C.H.S.,

Main Shahra-e-Faisal, Karachi -74400.

UAN: 111-111-500 Toll Free: 0800-23275

Fax: (92-21) 34326053 Email: info@cdcpak.com

Website: www.cdcpakistan.com

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۲۔ پرائسی کا ہر لحاظ سے مکمل، دستخط شدہ مبلغ ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی اگر کوئی ہو یا کسی نوٹرانز ڈکانی اور اجلاس شروع ہونے سے ۴۸ گھنٹے قبل کمپنی کے چیئر رجسٹرار سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس بی-99، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400، ٹیلیفون نمبر 0800-23275، فیکس نمبر 34326053 (92-21) تک موصول ہونا لازمی ہے۔

۳۔ پرائسی منتخب کرتے ہوئے رکن یا اس کے اٹارنی کا پرائسی فارم پر دستخط کرنا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں پرائسی فارم پر کمپنی کی سیل (Seal) کا لگا ہونا لازمی ہے۔

۴۔ پرائسی فارم میں کسی قسم کی تبدیلی کیلئے پرائسی منتخب کرنے والے کے دستخط ہونا ضروری ہے۔

۵۔ پیشکش اونرز (رکن) اور پرائسی کے کپیڈرانز ذوقی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل بھی پرائسی فارم کے ساتھ منسلک کرنی ہوگی۔

۶۔ اگر کوئی ممبر ایک سے زیادہ پرائسی منتخب کرے اور یا ایک سے زیادہ پرائسی فارم کمپنی میں جمع کرانے ایسی صورت میں تمام پرائسی فارمز غیر موثر قرار پائیں گے۔  
۷۔ مشترکہ حصہ دار ہونے کی صورت میں جگانا ممبر رجسٹر میں پہلے درج ہوگا (سینئر)۔ اسکا اپنا یا اسکے منتخب پرائسی کا ووٹ قابل قبول ہوگا نسبت دیگر مشترکہ حصہ داروں کے ووٹ کے۔

۸۔ پرائسی کو اجلاس کے وقت اپنا اصل کپیڈرانز ذوقی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

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Website: www.cdcpakistan.com

# پراکسی فارم ۵۴ واں سالانہ اجلاس عام نیشنل ریفرنسری لمیٹڈ

میں \_\_\_\_\_ کا/کی \_\_\_\_\_ ضلع \_\_\_\_\_ بحیثیت رکن نیشنل ریفرنسری لمیٹڈ محترم / محترمہ \_\_\_\_\_ ضلع \_\_\_\_\_ کو اپنا پراکسی یا ان کی غیر موجودگی کی صورت میں کچنی کے / کی دوسرے / دوسری رکن محترم / محترمہ \_\_\_\_\_ ضلع \_\_\_\_\_ کو اپنے ایما پر ۲۳ اکتوبر، ۲۰۱۷ یا اسکے اتوار کی صورت میں متبادل تاریخ کو منظور ہونے والے کچنی کے ۵۴ ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے کے لئے اپنا پراکسی مقرر کرتا / کرتی ہوں۔

رکن کے دستخط

آج بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ ۲۰۱۷ کو دستخط کئے گئے۔

گواہان:

2:-

1:-

دستخط:

دستخط:

نام:

نام:

پتہ:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:

درکار معلومات	رکن کیلئے	پراکسی کیلئے	* متبادل پراکسی کیلئے
	(شیر ہولڈر)	(بصورت رکن)	(بصورت رکن)
حصص کی تعداد			
فولڈ نمبر			
سی ڈی سی			متعلقہ شریک آئی ڈی
اکاؤنٹ نمبر			اکاؤنٹ نمبر

مناسب قیمت کے  
موصول ٹکٹ پر دستخط  
(فائل قبول تک)

\* پراکسی کی غیر موجودگی کی صورت میں

نوٹ:-

1. ایک ممبر جو سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی کا اہل ہے اپنے بجائے شرکت کرنے اور حق رائے دہی کے لئے ایک پراکسی مقرر کر سکتا ہے۔  
پراکسی کا ممبر ہونا ضروری نہیں۔

# E-DIVIDEND

## Members of National Refinery Limited

Pursuant to the provisions of Section 242 of the Companies Act, 2017 and SECP's circular No. 18/2017, every listed company is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders.

In compliance with the said requirements, in order to receive your all future dividends, as and when declared, directly into your Bank Account, you are required to provide the information as contained in the below mentioned form and send the same to the Company's Share Registrar, if the shares are held in physical form or to your brokers/Central Depository Company Limited, if the shares are held in the electronic form.

### E-DIVIDEND FORM

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

It is stated that the above-mentioned information is correct, and that I will intimate the changes in the above-mentioned information to your broker/CDC/Company's Share Registrar as soon as they occur.

\_\_\_\_\_  
Signature of the Member/Shareholder

Date: \_\_\_\_\_

Note:

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

**Central Depository Company of Pakistan Limited**

Share Registrar Department

CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahr-e-Faisal, Karachi -74400.

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\*Mobile apps are also available for download for android and ios devices



**National Refinery Limited**

7-B, Korangi Industrial Area, P.O. Box 9228, Karachi.  
UAN: 111-675-675, Fax: +92-21 35054663, +92-21 35068705  
Website: [www.nrlpak.com](http://www.nrlpak.com) E-mail: [info@nrlpak.com](mailto:info@nrlpak.com)