

2022 ANNUAL REPORT

Refining with Vision



National Refinery Limited



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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 improvising, development of human capital and complete commitment to safety, occupational health and environment.



MISSION

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





CORE VALUES

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

1. Ethical Conduct and Integrity

We value lifestyle in our organization where ethics like truth, honesty, integrity and fair play are basic ingredients while 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 benefit 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

Alternate Director: Shuaib A. Malik

Wael G. Pharaon

Alternate Director: Babar Bashir Nawaz

Shuaib A. Malik - Chairman

Shamim Ahmad Khan

Abdus Sattar

Sajid Nawaz

Khondamir Nusratkhujaev

Chief Executive Officer

Jamil A. Khan

Chief Financial Officer

Nouman Ahmed Usmani

Company Secretary

Muhammad Atta ur Rehman Malik

Audit Committee

Shamim Ahmad Khan

Chairman

Abdus Sattar

Member

Babar Bashir Nawaz

Member

Alternate Director for Mr. Wael G. Pharaon

Shaikh Ather Ahmed

Secretary

Human Resource and Remuneration (HR&R) Committee

Shamim Ahmad Khan

Chairman

Shuaib A. Malik

Member

Babar Bashir Nawaz

Member

Alternate Director for Mr. Wael G. Pharaon

Jamil A. Khan

Member

Nouman Ahmed Usmani

Secretary

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Ali Sibtain Fazli & Associates
Legal Advisors, Advocates & Solicitors

Bankers

Habib Bank Limited
National Bank of Pakistan
Meezan Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Askari Bank Limited
Faysal Bank Limited

BankIslami Pakistan
Industrial & Commercial Bank of China Limited
Dubai Islamic Bank
United Bank Limited
MCB Bank Limited
Samba Bank Limited
Bank AL-Habib Limited

Registered Office

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

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi – 74400.
Tel: (Toll Free) 0800-23275
Fax: +92-21-34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

NRL AT A GLANCE

FIRST LUBE REFINERY

BEFORE RE-VAMP

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

AFTER RE-VAMP

Design capacity	5,610,000 barrels per year of Crude Oil processing
Design capacity	568,860 barrels per year of Lube Base Oils
Date Commissioned	September 2020
Project Cost of Revamping	Rs. 1,562 million

FUEL REFINERY

BEFORE RE-VAMP

Design capacity	11,385,000 barrels per year of Crude Oil 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 Oil 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 Oil processing
Date Commissioned	March 2017
Project Cost of Revamping	Rs. 548.0 million

HSD DESULPHURIZATION AND ASSOCIATED UNITS

Date Commissioned	June 2017
Project Cost	Rs. 26.82 billion

NAPHTHA BLOCK (ISOMERIZATION UNIT)

Date Commissioned	October 2017
Project Cost	Rs. 6.54 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 2007
Project Cost of Revamping	Rs. 585.0 million

SHARE CAPITAL (RS. IN MILLION)

	Fuel	Lube	Total
June 2002	229.171	437.217	666.388
June 2022	275.005	524.661	799.666

SHAREHOLDERS' EQUITY

June 1966	Rs. 20.0 million
June 2022	Rs. 39,819.4 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



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

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 Energy (Pvt.) Limited



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

Director

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



Mr. Shuaib A. Malik
Chairman
(Non-Executive Director)

Chairman, Chief Executive & Director

Pakistan Oilfields Limited

Chairman & Director

Attock Refinery Limited
Attock Hospital (Pvt.) 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 Energy (Pvt.) Limited

Director

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

Resident Representative

Pharaon Investment Group Limited Holding SAL

Group Chief Executive

Chairman

NRL Management Staff Pension Fund
NRL Management Staff Gratuity Fund

DIRECTORS' PROFILE



Mr. Khondamir Nusratkhujaev
(Independent Director)

Manager

Accounting and Reporting at Islamic Development Bank.

Board Member

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).



Mr. Shamim Ahmad Khan
(Independent Director)

Director

Attock Refinery Limited
Pakistan Oilfields Limited
Attock Cement Pakistan Limited
IGI Holdings Limited
IGI Life Insurance Limited
IGI General Insurance Limited



Mr. Sajid Nawaz
(Non-Executive Director)

Director & Managing Director

Pakistan Oilfields 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

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

Alternate Director

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



Mr. Jamil A. Khan
Chief Executive Officer
(Executive Director)

Director

Attock Refinery Limited

Chairman

NRL Executive Staff Post Retirement Medical Benefits Fund
NRL Non - Management 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



I feel immense pleasure to welcome you all at the 59th Annual General Meeting of your Company and present the annual review of results and audited financial statements for the year ended June 30, 2022.

World economy remained exposed to factors that continued to affect any significant growth. Though the impact of COVID-19 pandemic reduced during the year, a new challenge in the form of Russia-Ukraine conflict shadowed the pace of economic development in the west in particular and the world in general.

The increased reliance of Western Europe on the Middle Eastern crude oil steadily increased the prices of petroleum products for the entire world. This had significant impact on balance of payment for Pakistan where the economic situation further deteriorated due to political instability leading to rapid depreciation of Pak Rupee against foreign currencies.

The global demand for fuel products created an opportunity for the crude oil refining sector to derive benefit of better margins. Despite huge foreign exchange loss, your company earned profit after tax of Rs. 9.08 billion during the year as compared to Rs. 1.77 billion during the corresponding period last year.

Throughout the year, the board members kept a careful watch on various domestic and international developments and continued to guide the management during performance reviews so that the Company is steered towards the right direction. Also the Board Audit Committee and the Human Resource Committee stayed aligned with the rapidly changing requirements and assisted the Board to perform to the best possible level. Therefore, the performance of the Board members and the Board and its committees remained quite satisfactory throughout this year.

On behalf of the Board of Directors, I would like to thank all the shareholders for their trust, confidence and continuous support for the company.



Shuaib A. Malik
Chairman

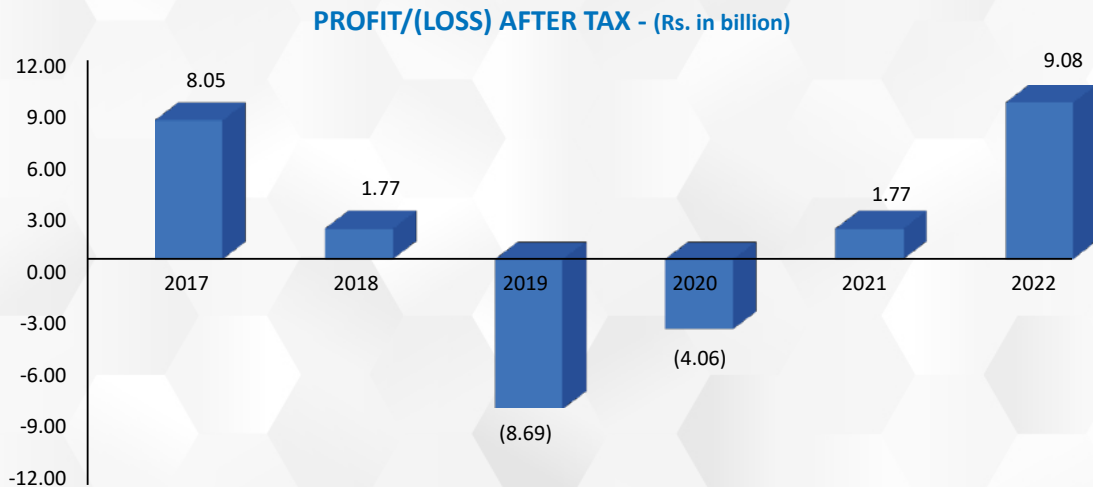
August 16, 2022
Islamabad

DIRECTORS' REPORT

The Board of Directors is pleased to present the 59th Annual Report of National Refinery Limited together with the audited financial statements and auditors' report thereon for the year ended June 30, 2022.

FINANCIAL RESULTS

The company earned profit after tax of Rs. 9.08 billion as compared to profit after tax of Rs. 1.77 billion in last year. The refinery sector witnessed improved margins due to higher demand of petroleum products as the world economies started to resume after more than two years of COVID-19 related restrictions. Russia's full-scale invasion of Ukraine further added uncertainty and volatility in supply of petroleum products which resulted in higher product prices leading to better refining margins especially in last quarter of the year.



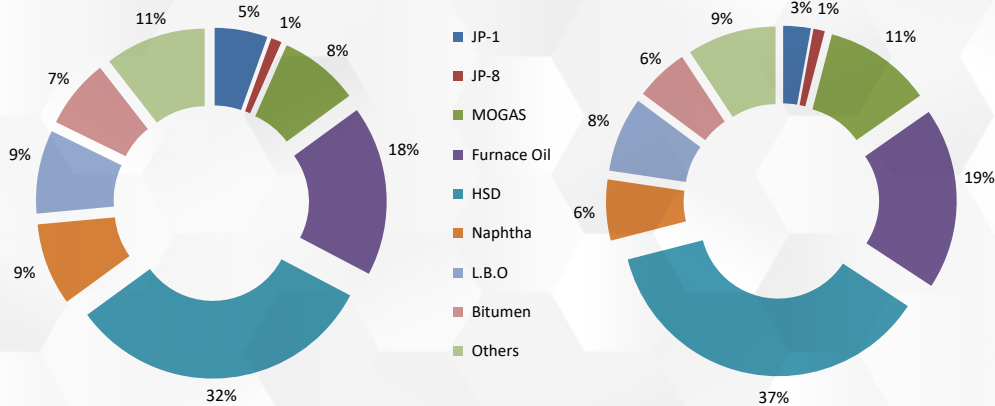
Fuel Segment

Fuel segment earned profit after tax amounting to Rs. 5.97 billion as compared to loss after tax of Rs. 3.03 billion during last year. Higher profits resulted primarily due to improvement in Gross Refining Margins (GRMs) arising from higher prices amid strong demand for finished products and lesser inventory losses owing to rising trend of products' prices during the year. Margins further improved due to production of Euro-V standard High Speed Diesel resulting in entitlement of Euro-V product price and avoiding price differential charge. Depreciation of Pak Rupee against US \$ resulted in substantial exchange loss in current period as compared to exchange gain in the corresponding period. Throughput declined slightly to 63% during 2021-22 as compared to 65% last year mainly due to turnaround of Fuel Refinery and its associated units during the period.

2021-22

PRODUCTION MIX

2020-21



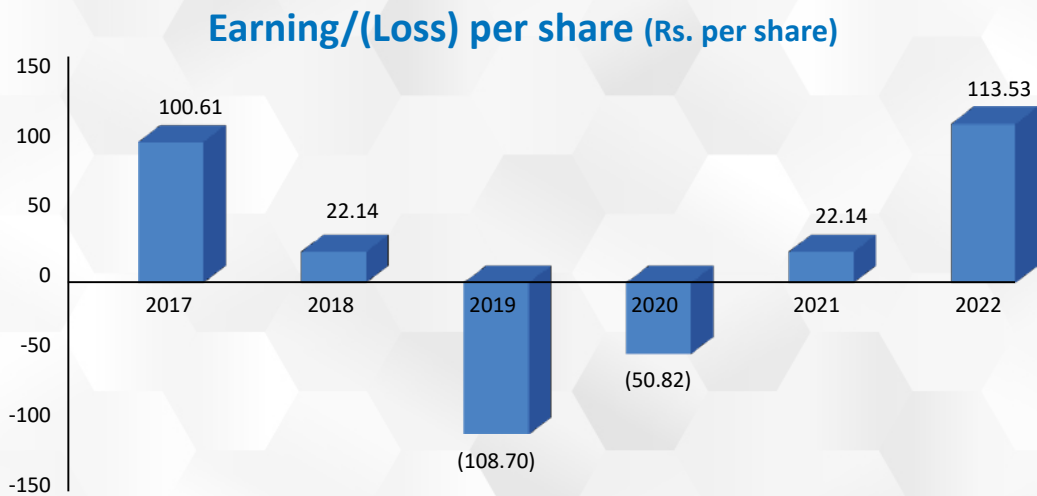
Lube Segment

Lube segment earned net profit of Rs. 3.11 billion as compared to Rs. 4.80 billion for corresponding year. Margins in lube segment declined due to higher feed cost despite increase in sales volume as compared to last year. Export sales of Bitumen improved significantly and your company managed to export 62% higher Bitumen as compared to last year; thereby reducing overall Bitumen inventory level from 33,857 M.Tons last year to 11,205 M.Tons at year-end.

Due to continuing losses in fuel segment during last few years and sharp increase in crude oil prices during the period, the Company’s working capital financing requirement increased considerably. Moreover, due to higher interest rates, the Company incurred financing cost amounting to Rs. 2.89 billion as compared to Rs. 1.57 billion in last year.

EARNINGS PER SHARE

Earnings per share is Rs. 113.53 as compared to Rs. 22.14 per share in last year.



APPROPRIATIONS

Description	2021-22	2020-21
	(Rupees in millions)	
Revenue Reserves – as at July 1,		
Accumulated loss	(10,829)	(12,582)
Gain on revaluation of investment	10	13
General Reserves	31,961	31,961
Profit for the year (including Other Comprehensive loss)	9,032	1,750
Profit from fuel refinery operations transferred to special reserve	(5,852)	-
Accumulated losses from fuel refinery operations set-off against special reserves	5,852	-
Final Dividend @ 150% (2021: 100%)	1,199	800

DIVIDEND

The Board of Directors has recommended a final cash dividend @ Rs. 15.00 per share (150%) for the year ended June 30, 2022. 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. Recent upgradation includes Diesel Hydro Desulphurization and Isomerization units commissioned during the year 2017 and 2018 in order to produce environment friendly low Sulphur HSD ranging from Euro II to Euro V standard and to convert Naphtha into Motor Gasoline respectively. Further, through revamp of fuel and lube – I refinery, company has increased its crude oil processing capacity from 62,050 barrels per day to 70,000 barrels per day and production capacity of lube base oil by 5000 - 6000 MT per year.

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 into 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 and Furnace Oil. Lube Segment produces multiple grades of Lube Base Oils, Bitumen, Furnace oil, Waxes, Rubber Process Oil and some quantities of other fuel products. The products are marketed locally, whereas Naphtha is exported. Some quantities of Lube Base Oils and Bitumen are also exported as per the requirement.

FUTURE OUTLOOK

Business sentiments in the country are facing serious macroeconomic challenges in the form of rising external vulnerability risk which has been amplified by rising inflation, particularly in the context of political instability, substantial depreciation of Pak Rupee against US dollar

and high interest rates. These uncertainties further aggravated due to escalation of the conflict between Russia and Ukraine following the full-scale invasion by Russia at the end of February 2022 resulting in geopolitical instability which led to higher petroleum product prices and supply chain disruptions. Furthermore, negative outlook of the country as well as that of top tier local banks by international credit rating agencies towards the end of the year also exposed the crude oil imports to letter of credit confirmation risk and higher cost. These factors are negatively impacting Company's overall performance. Your Company has been following a vigilant approach by operating its production at optimum level.

The customs duty levied on crude oil in 2015, which was reduced to half by the government through the Finance Act, 2021 has been once again increased to 5% through the Finance Act, 2022, which will not only impact Company's profitability due to increased working capital financing costs, but will also further drain the Company's already cash-strapped position. The recent change in the Government has again slowed down the progress on Refinery Policy which may require a realignment of strategy for further discussions.

FUTURE PROJECTS

Refinery projects involve huge capital investment and accordingly under the prevailing circumstances, your company is continuing its careful approach to start any new project; however, simultaneously the company is continuing to study the possibility of installing the following:

- **Hydrocracker / Bottom of Barrel upgrade**
Upgradation of Furnace Oil to value added products requires a huge capital investment. Your company along with other refineries have jointly undertaken a study for the feasibility of a joint plant. The study has already been awarded to M/s Advisian of UK. It is expected that the study will be finalized soon. Based on the outcome of the study together with improvement in country's overall political and economic conditions as well as finalization of oil refining policy, a future course of action will be decided.
- **CCR (Continuous Catalyst Regeneration) Platforming Unit**
To increase the Gasoline production and to meet the country's Gasoline Euro-V specifications, Company is planning to install a CCR (Continuous Catalyst Regeneration) Platforming unit along with other associated units. The project is in planning phase.
- **Turnaround of Lube-II Refinery**
Company would be undertaking the turnaround of Lube-II Refinery. This will result in continuous production of plant at optimum level without frequent maintenance requirements.

COMPLETED PROJECTS

- **Turnaround of Fuel Refinery**
Turnaround of Fuel Refinery and its associated units which was initiated in December 2021 has been successfully completed in January 2022.

- **Replacement of Utilities Control System with centralized Distributed Control Systems**
Replacement of existing control system of Utilities with Distributed Control System (DCS) was completed successfully at Boiler V and VII in 2020-21 whereas, installation at boiler VI has been completed during the year. The system helps in monitoring of boilers parameters and recording of derived parameters for subsequent analysis.

PRICING FORMULA

The Company's Fuel Segment is regulated by Government under the Import Parity Pricing Formula. However, effective September 01st, 2020, the Government has introduced fortnightly pricing mechanism whereby prices are based on Arab Gulf daily FOB average for the number of days in the pricing period to be taken as base commodity price.

In 2012-13, price of HSD was also de-regulated and linked with PSO import price, which NRL became entitled to effective July 2017 post completion of DHDS project. Effective January 01st, 2021 NRL is producing HSD Euro-V and is entitled for its price based on Import Parity Price and PSO import incidentals.

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. During the year, the company transferred the amount of net profit from its Fuel Segment exceeding the specified limit to special reserve account.

Under the policy framework for upgradation and expansion of refinery project issued by the Ministry of Petroleum & Natural Resources in 2013, Refineries are allowed to adjust losses from special reserves after completion of DHDS and Isomerization up-gradation projects. As the company has completed these projects as required by the Government, therefore, the company has adjusted the accumulated losses from fuel refinery operations from the amount transferred to special reserve account.

RELATIONSHIP WITH SUPPLIERS AND CUSTOMERS

Your Company continues to maintain history of making timely payments for the supply of crude oil to Saudi Aramco and ADNOC for imported crude oil. Further, payments to other foreign and local oil exploration companies operating in Pakistan are also being released on regular basis.

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 (2017 - 2022) is shown on page 43.

REFINERIES PRODUCTION

According to capacity analysis, NRL is currently the third largest refinery of Pakistan with production capacity of 23.10 million barrels per annum post revamp of two stage unit at Lube-I refinery. NRL is the only refining 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 for last nine years) and short-term entity rating has been maintained at A1+ (for last eighteen years) by Pakistan Credit Rating Agency (PACRA). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. However, in view of the prevailing situation, the outlook of the Company has been maintained at negative during the year.

RISK & UNCERTAINTIES

- 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.
- The negative outlook of the country and the top tier banks by international credit rating agencies has evolved as major risk that may impact / disrupt supply chain not only for the company but for oil industry specifically and also for all import dependent businesses across the country. It is however difficult to ascertain for how long and to what extent it will continue impacting overall economic activity including the oil sector unless political stability takes its due course in the country.
- The Company generally faces exchange losses due to devaluation of Pak Rupee in making payments of raw material to suppliers in foreign currencies. Some measures have been taken by the Government to reduce the impact of exchange losses by incorporating its impact in pricing that covers the risk to some extent.
- The global progress on introducing Electric Vehicles and reducing reliance on Fossil Fuels will reduce the margins of finished petroleum products in medium to long term. The company will take a careful approach in investment in future projects.

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. In this regard, Rs. 1,000,000 was donated for media campaign to

create awareness for conservation of fuel and Rs. 250,672 for media campaign for COVID-19 vaccination. Further, Rs. 75,000 was paid for promotion of education.

Company is ambitious to be recognized as a corporate social partner and not only as a commercial entity. In this respect, the Company has kept three disabled persons on its manpower strength as prescribed in 'The Sindh Differently able persons (Employment, Rehabilitation and Welfare) Act, 2014' and also made payments amounting Rs. 12.46 million 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. In order to prevent spread of COVID-19 infection among the employees, the company adopted appropriate measures to protect its employees. The arrangements are reviewed frequently to maintain the work pace and employees' protection.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

The company's dedication towards protecting the environment is evident from its safe operations. NRL team is focused to conserve energy, optimize resources and mitigate waste generations. The company has a comprehensive integrated Management System in place in accordance with the requirements of ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015. It has helped in strengthening Health, Safety, Environmental and Quality awareness along with promoting culture of teamwork, empowerment and continuous improvement. NRL team ensures that company's 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.

NRL strives to offer products and services that are clean, safe and of high quality. People at NRL believe that the realization of this basic fact is aimed to fulfill their responsibility for better environment.

The company is also focused to exhibit occupational health and safety care in all operational activities and encourage promotion of a culture of safe practices among employees.

Sustainable development has been at the top of the agenda at all times and in the pursuit of this objective, protection and preservation of the environment along with compliance of occupational health and safety has remained an integral component of Company's operations. Comprehensive policies always guide people at NRL to address environment, safety and occupational health issues with effective implementation through a collaborative mechanism by involving employees, suppliers and customers.

Measures taken to prevent COVID-19

The Management of the Company adopted a number of measures for preventing transmission of COVID-19 among its employees. Company's operations, being essential services, were conducted in compliance with SOPs of Federal and Provincial Governments. These included, compulsory face mask and ensuring social distancing at work places. Further, the company procured and installed face ID machines instead of Hand Geometry machines to record attendance of employees. Work places are sprayed with disinfectants as and when necessary. Anybody having symptoms of COVID-19 is not allowed to enter the Company whereas employees having such symptoms are asked to remain in quarantine at home. Awareness sessions are also held by the Company's Doctor to educate employees besides banner display at entry points on prevention from COVID-19.

In addition to above, the Company also arranged several COVID-19 vaccination camps including booster vaccination at NRL premises to facilitate employees, their families as well as contractors' staff to ensure that all persons at work place get vaccinated in compliance with directives issued by relevant authorities.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the financial year, the Company contributed Rs. 27.48 billion to the National exchequer in the shape of direct and indirect taxes and earned valuable foreign exchange of US\$ 155.93 million through the export of Naphtha, Bitumen, Extracts 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. Besides conducting various courses and workshops in different technical and non-technical disciplines for staff members, 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 in various functions of the Company but would extend a great help to the Petroleum Refining industry of the country in the availability of trained manpower.

SYSTEM OF INTERNAL FINANCIAL CONTROL

The company ensures that adequate internal controls are in place for all its activities including financial transactions. There is an internal audit department in place which conducts regular audits to assess if internal financial controls are adequate in design and have been appropriately implemented and monitored. The directors of the company have constituted an "Audit Committee" that reviews the internal audit department's reports on quarterly basis.

CORPORATE GOVERNANCE

The Company is committed to good corporate governance and has complied with the applicable Listed Companies (Code of Corporate Governance) Regulations 2019 and states that:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, change in equity and cash flows.
- 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 value of investment of various funds, based on their respective accounts as at 30 June, 2022 are as under:

Description	(Rs. in millions) Un-audited
Management staff	
Pension Fund	5,048
Provident Fund	1,025
Post-Retirement Medical Fund	1,261
Gratuity Fund	104
Non-Management staff	
Gratuity Fund	160
Provident Fund	651

- h) The directors either have already attended the directors' training as required in previous years or meet the exemption or relaxation criteria as contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- i) No trade in the shares of the Company was carried out by the Board of Directors, CEO, CFO, Head of Internal Audit, Company Secretary, Executives and their spouses and minor children except that mentioned in "Pattern of Shareholding".

Composition and Meetings of the Board of Directors

The board comprises of seven directors and a chief executive officer. Currently there is no female Director on Company's Board.

The composition of the board throughout the year is as follows:

	Category	Names
i	Independent Directors	Mr. Tariq Iqbal Khan / Mr. Shamim Ahmad Khan Mr. Zaki Mohamad Mansoer / Mr. Khondamir Nusratkhujaev
ii	Non-executive Directors	Mr. Laith G. Pharaon Alternate Director: Mr. Shuaib A. Malik Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz Mr. Abdus Sattar Mr. Shuaib A. Malik Mr. Sajid Nawaz
iii	Executive Director	Mr. Jamil A. Khan

During the year, there was change in composition of the Board due to elections held in October 2021. Mr. Tariq Iqbal Khan and Mr. Zaki Mohamad Mansoer ceased offices and in their place Mr. Shamim Ahmad Khan and Mr. Khondamir Nusratkhujaev were elected. All other directors were re-elected / re-appointed for the next term.

During the financial year 2021-22 five meetings of the Board of Directors were held. The attendance of the Directors is as under:

Name of Directors	Total Number of Meetings*	Meetings Attended**
Mr. Laith G. Pharaon Alternate Director: Mr. Shuaib A. Malik	5	5
Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz	5	5
Mr. Shuaib A. Malik – Chairman	5	4
Mr. Abdus Sattar	5	5
Mr. Zaki Mohamad Mansoer – IDB Nominee	2	2
Mr. Khondamir Nusratkhujaev – IDB Nominee	3	2
Mr. Sajid Nawaz	5	5
Mr. Tariq Iqbal Khan	2	2
Mr. Shamim Ahmad Khan	3	3
Mr. Jamil A. Khan Chief Executive Officer	5	5

* held during the period concerned directors were on board.

** attended by the directors or their alternate on the Board of the Company.

Human Resource & Remuneration Committee

HR&R Committee consists of four members. Following is the attendance of the members during the period from July 1, 2021 to June 30, 2022:

Name of Members	Total Number of Meetings	Meetings Attended
Mr. Shamim Ahmad Khan – Chairman	1	1
Mr. Shuaib A. Malik	1	1
Mr. Babar Bashir Nawaz (Alternate for Mr. Wael G. Pharaon)	1	1
Mr. Jamil A. Khan – Chief Executive Officer	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, 2022 is as follows:

Name of Members	Total Number of Meetings**	Meetings Attended
Mr. Shamim Ahmad Khan – Chairman*	2	2
Mr. Tariq Iqbal Khan – Chairman*	2	2
Mr. Abdus Sattar	4	4
Mr. Babar Bashir Nawaz (Alternate for Mr. Wael G. Pharaon)	4	4

*Mr. Shamim Ahmad Khan was appointed Chairman Board Audit Committee on December 21, 2021 by Board of Directors.

**Held during the period concerned members were on the Committee.

DIRECTORS' REMUNERATION POLICY

The Board is authorized to determine the remuneration / fee of its directors for attending meetings of the Board. No remuneration shall be paid for attending meetings of the Committee(s) of the Board and for attending General Meeting(s) or any other business meeting(s) of the company. Besides, travelling, hotel and other expenses incurred for attending the meetings are also paid.

The details of fee paid during the year and remuneration package of Chief Executive Officer are disclosed in note 39 to the financial statements.

PATTERN OF SHAREHOLDING

Pattern of shareholdings is shown on page 114.

AUDITORS

Present auditors Messrs. A. F. Ferguson & Co., Chartered Accountants retire and, being eligible, offer themselves for reappointment. Accordingly, the Board, on the recommendation of the Board Audit Committee, recommends the reappointment of Messrs. A.F. Ferguson & Co. Chartered Accountants as the auditors of the Company for the financial year 2022-23 at a fee of Rs. 3.35 million with out of pocket expenses and services sales tax which are to be paid at actual.

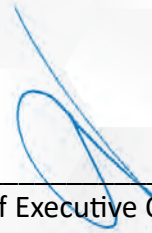
ACKNOWLEDGEMENT

The Board acknowledges the efforts and contributions of customers, suppliers, foreign and local contractors, financial institutions and other stakeholders for their continuous support.

On behalf of the Board.



Director



Chief Executive Officer

August 16, 2022
Islamabad



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 LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED JUNE 30, 2022

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

1. The total number of directors are eight (8) as per the following:

a.	Male	Eight
b.	Female*	None

* *The Company has filed a constitutional petition before the Honorable High Court of Sindh challenging, inter alia, the compliance of clause No. 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to appointment of female director, which is pending adjudication. The law officer of Securities and Exchange Commission of Pakistan has undertaken that no action contrary to the law would be taken against the Company.*

2. The composition of board is as follows:

	Category	Names
a)	Independent Directors*	Mr. Shamim Ahmad Khan Mr. Khondamir Nusratkhujiev
b)	Non-Executive Directors	Mr. Laith G. Pharaon Alternate Director: Mr. Shuaib A. Malik Mr. Wael G. Pharaon Alternate Director: Mr. Babar Bashir Nawaz Mr. Shuaib A. Malik Mr. Abdus Sattar Mr. Sajid Nawaz
c)	Executive Director	Mr. Jamil A. Khan Chief Executive Officer
d)	Female Directors	None

* *Best practices in Corporate Governance imply that not only the individual directors be qualified and independent but collectively they should add value through their diverse skills, governance experience and industry related expertise. The current composition of the Board adequately meets the requirements, therefore, the fraction i.e. 0.33 contained in one third of 7 elected directors was not rounded up as one.*

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

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Directors were apprised of their duties and responsibilities from time to time. The directors either have already attended the directors' training program as required in previous years or meet the exemption or relaxation criteria as contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

a) Audit Committee

Mr. Shamim Ahmad Khan - Chairman
Mr. Abdus Sattar
Mr. Babar Bashir Nawaz (Alternate Director for Mr. Wael G. Pharaon)

b) HR and Remuneration Committee

Mr. Shamim Ahmad Khan - Chairman
Mr. Shuaib A. Malik
Mr. Babar Bashir Nawaz (Alternate Director for Mr. Wael G. Pharaon)
Mr. Jamil A. Khan

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee: Quarterly
 - b) HR and Remuneration Committee: Yearly;
15. The Board has set up an effective internal audit function experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No
1	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.	29
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee as risk management framework is managed at Company's level by the executive committee which is headed by the CEO and the CEO apprises the Board accordingly.	30
3	The Company may post on its website key elements of its significant policies including but not limited to the following: <ul style="list-style-type: none"> i. Communication and disclosure policy; ii. Code of conduct for members of board of directors, senior management and other employees; iii. Risk management policy; iv. Internal control policy; v. Whistle blowing policy; vi. Corporate social responsibility / sustainability / environmental, social and governance related policy. 	As the regulation provides concession with respect to disclosure of key elements of significant policies on the website, only those policies which were considered necessary, have been posted.	35(1)

On behalf of the Board



Jamil A. Khan
Chief Executive Officer

August 16, 2022



Shuaib A. Malik
Chairman



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
NATIONAL REFINERY LIMITED**

**Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of National Refinery Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Further, we highlight content of paragraph 1 of the statement where the matter of representation of female director on the Board of Directors of the Company has been explained.

**Chartered Accountants
Karachi**

Dated: August 23, 2022

UDIN: CR202210073ijmcwRzPM

TERMS OF REFERENCE OF 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 external communication and 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 the code of corporate governance regulations and other statutory and regulatory requirements; and
 - All 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, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed;
- (h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- (i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;

- (j) Review of company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- (k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (l) Determination of compliance with relevant statutory requirements;
- (m) Monitoring compliance with the code of corporate governance regulations and identification of significant violations thereof;
- (n) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- (o) Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations; and
- (p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

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, 2022

	2022		2021	
	Rupees in million	%	Rupees in million	%
Revenue Generated				
Gross revenue from contracts with customers	285,239		196,580	
Less: Bought in material and services	<u>243,446</u> 41,793		<u>136,851</u> 59,729	
Add: Income from investment	<u>48</u>		<u>51</u>	
Other Income	<u>265</u>		<u>319</u>	
	<u>313</u>		<u>370</u>	
Total Revenue	<u><u>42,106</u></u>	<u><u>100.0%</u></u>	<u><u>60,099</u></u>	<u><u>100.0%</u></u>
Revenue Distributed				
To Employees remuneration as:				
Salaries, wages and benefits	2,116	5.0%	2,031	3.4%
To Government as:				
Levies	<u>26,253</u>	<u>62.4%</u>	<u>52,679</u>	<u>87.7%</u>
Company taxation - net	<u>414</u>	<u>1.0%</u>	<u>58</u>	<u>0.1%</u>
Worker's fund	<u>810</u>	<u>1.9%</u>	<u>121</u>	<u>0.2%</u>
	<u>27,477</u>	<u>65.3%</u>	<u>52,858</u>	<u>88.0%</u>
To Shareholders as:				
Cash Dividend	1,199	2.8%	800	1.3%
Retained in the business :				
Depreciation & Amortization	<u>3,434</u>	<u>8.2%</u>	<u>3,440</u>	<u>5.7%</u>
Net earnings	<u>7,880</u>	<u>18.7%</u>	<u>970</u>	<u>1.6%</u>
	<u>11,314</u>	<u>26.9%</u>	<u>4,410</u>	<u>7.3%</u>
	<u><u>42,106</u></u>	<u><u>100.0%</u></u>	<u><u>60,099</u></u>	<u><u>100.0%</u></u>

SIX YEARS AT A GLANCE

Description		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
		← Rupees in million →					
Statement of Profit or Loss							
Net sales		251,876	139,625	125,613	160,906	136,985	107,447
Cost of sales		228,081	135,700	136,731	165,355	133,173	97,648
Purchases		240,750	134,357	111,935	166,822	123,951	91,855
Gross profit / (loss)		23,795	3,925	(11,118)	(4,449)	3,812	9,800
Operating profit / (loss)		20,878	2,341	(12,350)	(5,743)	2,673	8,498
Profit / (loss) before tax		11,810	1,400	(14,863)	(11,029)	907	8,315
Profit / (loss) after tax		9,079	1,770	(4,064)	(8,692)	1,771	8,046
Statement of Financial Position							
Share Capital		800	800	800	800	800	800
Reserves		39,019	30,788	29,037	33,074	42,452	42,540
Shareholder equity		39,819	31,588	29,837	33,874	43,252	43,340
Fixed Assets		28,349	31,228	34,218	35,695	37,719	38,547
Current Assets		69,591	36,192	21,346	37,489	27,548	22,752
Current Liabilities		61,869	42,920	32,983	42,001	22,206	16,683
Net current assets / liabilities		7,722	(6,728)	(11,637)	(4,512)	5,342	6,069
Financial Ratios							
Gross profit / (loss)	%	9.45	2.81	(8.85)	(2.76)	2.78	9.12
Net profit / (loss) to sales	%	3.60	1.27	(3.24)	(5.40)	1.29	7.49
EBITDA Margin to sales	%	7.21	4.61	(7.20)	(3.91)	3.12	8.33
Return on Equity	%	22.80	5.60	(13.62)	(25.66)	4.09	18.56
Return on Capital Employed	%	25.43	5.76	(12.76)	(22.54)	4.09	20.07
Liquidity Ratios							
Current Ratio	Times	1.12	0.84	0.65	0.89	1.24	1.36
Quick /Acid test ratio	Times	0.39	0.34	0.29	0.28	0.67	0.71
Cash to Current Liabilities	Times	0.01	0.01	0.02	0.02	0.02	0.17
Activity / Turnover Ratios							
Inventory turnover	Days	52.95	44.07	49.35	41.69	31.84	40.89
Debtors turnover	Days	18.25	16.83	16.51	17.32	18.42	18.98
Creditors turnover	Days	38.37	32.91	29.18	27.27	33.76	31.82
Total Assets turnover ratio	Times	2.45	1.84	1.98	2.11	2.08	1.75
Fixed assets turnover ratio	Times	8.88	4.47	3.67	4.51	3.63	2.79
Investment / Market Ratios							
Earnings / (loss) per share and diluted EPS / (LPS)	Rs.	113.53	22.14	(50.82)	(108.70)	22.14	100.61
Price earning ratio	Times	2.22	23.63	(2.11)	(1.04)	20.01	7.22
Dividend yield ratio	%	5.94	1.91	-	-	2.26	3.10
Cash Dividend payout ratio	%	13.21	45.17	-	-	45.17	22.36
Dividend cover ratio	Times	7.57	2.21	-	-	2.21	4.47
Cash Dividend per share	Rs./share	15.00	10.00	-	-	10.00	22.50
Market value per share at year end	Rs./share	253	523	107	113	443	726
Breakup value per share	Rs./share	498	395	373	423	541	542

HORIZONTAL STATEMENT OF FINANCIAL POSITION

AS AT JUNE, 30

	2022	2021	2020	2019	2018	2017
	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million
	%	%	%	%	%	%
ASSETS						
NON-CURRENT ASSETS						
Fixed assets	28,348.95	31,228.09	34,217.92	35,695.33	37,718.72	38,547.36
Long term investments	17.47	9.79	12.94	13.35	-	-
Long term loans	37.99	36.98	46.35	49.72	54.21	51.33
Long term deposits	30.26	30.26	30.27	30.27	30.19	30.19
Deferred taxation	4,655.29	8,161.77	7,639.92	2,874.07	456.85	-
Retirement benefit prepayments	25.45	22.41	19.79	15.61	6.27	5.47
	33,115.41	39,489.30	41,967.19	38,678.35	38,266.32	38,634.35
	85.7%	102.2%	108.6%	100.1%	99.0%	100.0%
CURRENT ASSETS						
Stores, spares and chemicals	1,914.83	1,705.85	1,553.00	1,572.57	1,501.86	908.61
Stock-in-trade	45,684.81	21,403.62	11,820.28	25,668.59	12,627.66	10,931.02
Trade receivables	16,502.29	9,031.92	4,022.17	7,499.05	7,986.21	6,032.87
Loans and advances	52.11	36.67	43.94	31.40	58.25	64.28
Trade deposits and short-term prepayments	55.96	31.14	21.23	34.61	16.92	14.01
Interest accrued	11.90	7.20	8.83	14.22	7.39	15.83
Other receivables	1,395.15	1,199.91	1,070.13	1,662.81	3,569.87	674.37
Taxation - payments less provision	3,355.43	2,168.58	2,253.41	27.07	1,237.95	1,341.12
Cash and bank balances	618.42	607.33	552.61	978.68	541.84	2,769.49
	69,590.90	36,192.22	21,345.60	37,489.00	27,547.95	22,751.60
	305.8%	159.1%	93.8%	164.8%	121.1%	100.0%
TOTAL ASSETS	102,706.31	75,681.52	63,312.79	76,167.35	65,814.27	61,385.95
	167.3%	123.3%	103.1%	124.1%	107.2%	100.0%
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Share capital	799.67	799.67	799.67	799.67	799.67	799.67
Reserves	39,019.69	30,787.72	29,037.62	33,073.80	42,451.87	42,540.21
	39,819.36	31,587.39	29,837.29	33,873.47	43,251.54	43,339.88
	91.9%	71.9%	68.8%	78.2%	99.8%	100.0%
LIABILITIES						
NON - CURRENT LIABILITIES						
Long-term borrowing	-	-	-	-	12.87	689.49
Long-term lease liability	169.46	177.76	183.66	-	-	-
Provision for Gas Infrastructure Development Cess	353.76	626.52	-	-	-	-
Retirement benefit obligations	494.31	370.04	308.55	293.31	343.85	264.82
Deferred taxation	-	-	-	-	-	408.57
	1,017.53	1,174.32	1,491.21	1,396.94	1,467.22	1,362.88
	1.8%	1.5%	2.4%	1.8%	2.2%	2.2%
CURRENT LIABILITIES						
Trade and other payables	41,378.32	22,616.44	15,492.19	16,418.26	20,550.99	16,402.21
Advances from customers	1,224.46	-	-	-	-	-
Dividend payable	97.17	92.73	94.03	97.01	92.00	82.26
Accrued mark-up	531.42	94.87	310.26	365.04	33.78	9.75
Provisions	112.36	112.36	112.36	112.36	112.36	112.36
Borrowings	18,517.39	19,997.51	16,777.52	25,007.90	1,340.27	-
Unearned revenue	-	-	193.08	-	-	-
Current portion of long-term borrowing	8.30	5.90	3.85	-	76.61	76.61
Current portion of long-term lease liability	-	-	-	-	-	-
	61,869.42	42,919.81	32,983.29	42,000.57	22,206.01	16,683.19
	370.8%	257.3%	197.7%	251.8%	133.1%	100.0%
TOTAL EQUITY AND LIABILITIES	102,706.31	75,681.52	63,312.79	76,167.35	65,814.27	61,385.95
	167.3%	123.3%	103.1%	124.1%	107.2%	100.0%

VERTICAL STATEMENT OF FINANCIAL POSITION

AS AT JUNE, 30

	2022	2021	2020	2019	2018	2017
	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million
	%	%	%	%	%	%
ASSETS						
NON-CURRENT ASSETS						
Fixed assets	28,348.95	31,228.09	34,217.92	35,695.33	37,718.72	38,547.36
Long term investment	17.47	9.79	12.94	13.35	-	-
Long term loans	37.99	36.98	46.35	49.72	54.21	51.33
Long term deposits	30.26	30.26	30.27	30.27	30.27	30.19
Deferred taxation	4,655.29	8,161.77	7,639.92	2,874.07	456.85	-
Retirement benefit prepayments	25.45	22.41	19.79	15.61	6.27	5.47
	33,115.41	39,489.30	41,967.19	38,678.35	38,266.32	38,634.35
	32.2%	52.2%	66.3%	50.8%	58.2%	63.0%
CURRENT ASSETS						
Stores, spares and chemicals	1,914.83	1,705.85	1,553.00	1,572.57	1,501.86	908.61
Stock-in-trade	45,684.81	21,403.62	11,820.28	25,668.59	12,627.66	10,931.02
Trade receivables	16,502.29	9,031.92	4,022.17	7,499.05	7,986.21	6,032.87
Loans and advances	52.11	36.67	43.94	31.40	58.25	64.28
Trade deposits and short-term prepayments	55.96	31.14	0.0%	34.61	16.92	14.01
Interest accrued	11.90	7.20	8.83	14.22	7.39	15.83
Other receivables	1,395.15	1,199.91	1,070.13	1,662.81	3,569.87	674.37
Taxation - payments less provision	3,355.43	2,168.58	2,253.41	27.07	1,237.95	1,341.12
Cash and bank balances	618.42	607.33	552.61	978.68	541.84	2,769.49
	69,590.90	36,192.22	21,345.60	37,489.00	27,547.95	22,751.60
	67.8%	47.8%	33.7%	49.2%	41.8%	37.0%
TOTAL ASSETS	102,706.31	75,681.52	63,312.79	76,167.35	65,814.27	61,385.95
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Share capital	799.67	799.67	799.67	799.67	799.67	799.67
Reserves	39,019.69	30,787.72	29,037.62	33,073.80	42,451.87	42,540.21
	39,819.36	31,587.39	29,837.29	33,873.47	43,251.54	43,339.88
	38.8%	41.8%	47.1%	44.5%	65.7%	70.6%
LIABILITIES						
NON - CURRENT LIABILITIES						
Long-term borrowing	169.46	177.76	183.66	-	12.87	689.49
Long-term lease liability	353.76	626.52	-	-	-	-
Provision for Gas Infrastructure Development Cess	494.31	370.04	308.55	293.31	343.85	264.82
Retirement benefit obligations	-	-	-	-	-	408.57
Deferred taxation	-	-	-	-	-	-
	169.46	177.76	183.66	-	12.87	689.49
	0.2%	0.2%	0.3%	-	0.0%	1.1%
CURRENT LIABILITIES						
Trade and other payable	41,378.32	22,616.44	15,492.19	16,418.26	20,550.99	16,402.21
Advances from customers	1,224.46	-	-	-	-	-
Dividend payable	97.17	92.73	94.03	97.01	92.00	82.26
Accrued mark-up	531.42	94.87	310.26	365.04	33.78	9.75
Provisions	112.36	112.36	112.36	112.36	112.36	112.36
Borrowings	18,517.39	19,997.51	16,777.52	25,007.90	1,340.27	-
Unearned revenue	-	-	193.08	-	-	-
Current portion of long-term borrowing	8.30	5.90	3.85	-	76.61	76.61
Current portion of long-term lease liability	61,869.42	42,919.81	32,983.29	42,000.57	22,206.01	16,683.19
	61,869.42	42,919.81	32,983.29	42,000.57	22,206.01	16,683.19
	60.2%	56.7%	52.1%	55.1%	33.8%	27.2%
TOTAL EQUITY AND LIABILITIES	102,706.31	75,681.52	63,312.79	76,167.35	65,814.27	61,385.95
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

HORIZONTAL STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED

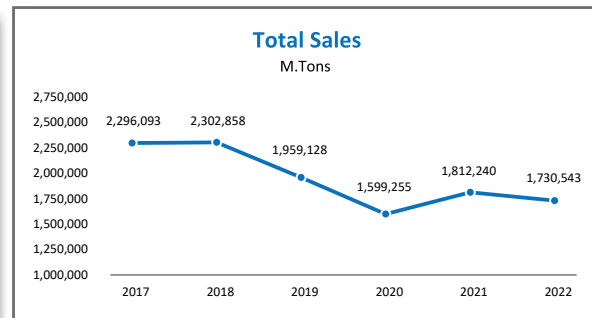
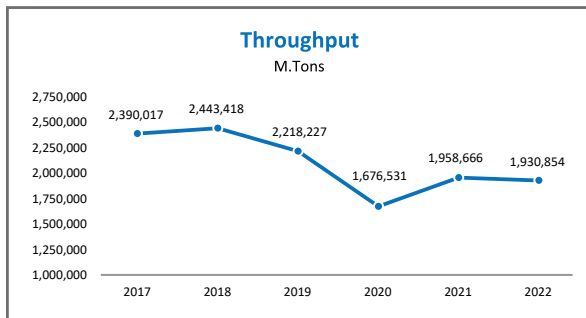
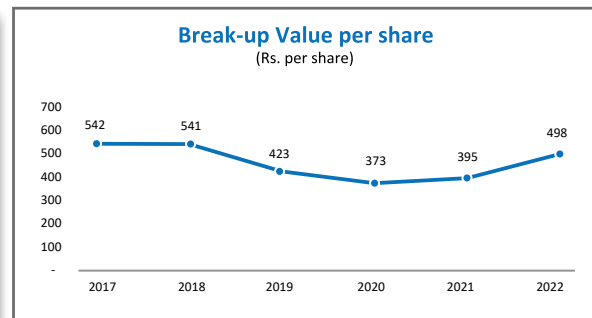
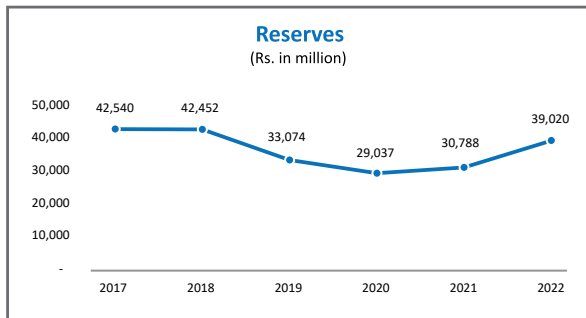
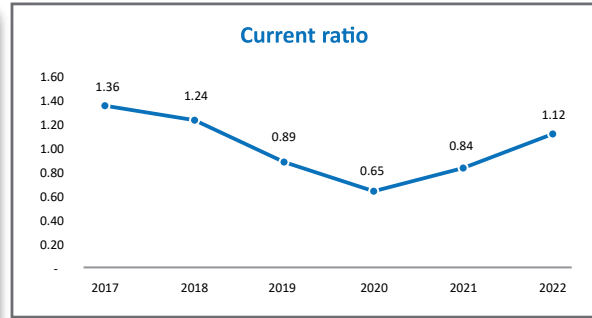
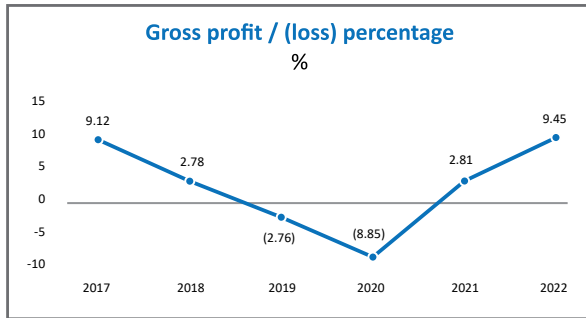
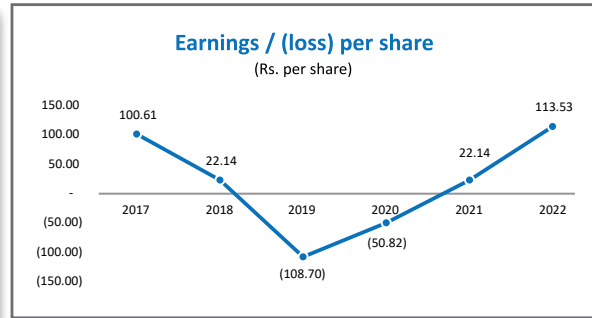
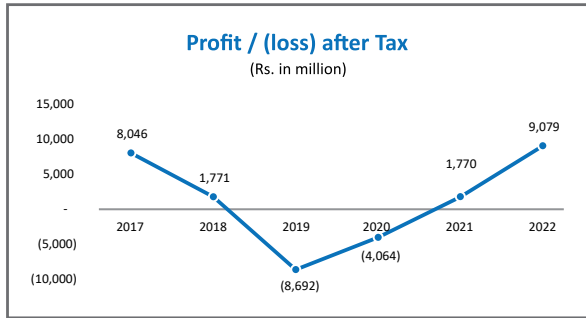
	2022	2021	2020	2019	2018	2017
	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million
	%	%	%	%	%	%
Net revenue from contracts with customers	251,875.73	139,625.20	125,612.65	160,906.20	136,984.94	107,447.44
Cost of sales	(228,080.83)	(135,700.35)	(136,730.49)	(165,355.34)	(133,172.93)	(97,647.94)
Gross profit / (loss)	23,794.90	3,924.85	(11,117.84)	(4,449.14)	3,812.01	9,799.50
Distribution cost	(1,459.17)	(925.63)	(730.85)	(814.48)	(756.51)	(734.78)
Administrative expenses	(948.70)	(897.75)	(867.17)	(831.56)	(863.19)	(841.19)
Other income	313.53	370.39	380.94	369.51	558.08	724.82
Other operating expenses	(822.32)	(131.26)	(14.93)	(17.59)	(77.45)	(450.65)
Operating profit / (loss)	20,878.24	2,340.60	(12,349.85)	(5,743.26)	2,672.94	8,497.70
Finance cost	(9,067.97)	(940.39)	(2,513.24)	(5,285.75)	(1,765.61)	(182.53)
Profit / (loss) before taxation	11,810.27	1,400.21	(14,863.09)	(11,029.01)	907.33	8,315.17
Taxation	(2,731.26)	369.89	10,799.33	2,336.58	863.35	(269.39)
Profit / (loss) after taxation	9,079.01	1,770.10	(4,063.76)	(8,692.43)	1,770.68	8,045.78
	242.8%	40.1%	-113.5%	-45.4%	38.9%	100.0%
	234.4%	130.0%	116.9%	149.8%	127.5%	100.0%
	233.6%	139.0%	140.0%	169.3%	136.4%	100.0%
	198.6%	126.0%	99.5%	110.8%	103.0%	100.0%
	112.8%	106.7%	103.1%	98.9%	102.6%	100.0%
	43.3%	51.1%	52.6%	51.0%	77.0%	100.0%
	182.5%	29.1%	3.3%	3.9%	17.2%	100.0%
	245.7%	27.5%	-145.3%	-67.6%	31.5%	100.0%
	4967.9%	515.2%	1376.9%	2895.8%	967.3%	100.0%
	142.0%	16.8%	(14,863.09)	(11,029.01)	907.33	10.9%
	1013.9%	-137.3%	10,799.33	2,336.58	863.35	-320.5%
	112.8%	22.0%	(4,063.76)	(8,692.43)	1,770.68	22.0%

VERTICAL STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED

	2022	2021	2020	2019	2018	2017
	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million	Rupees in million
	%	%	%	%	%	%
Net revenue from contracts with customers	251,875.73	139,625.20	125,612.65	160,906.20	136,984.94	107,447.44
	100%	100%	100%	100%	100%	100%
Cost of sales	(228,080.83)	(135,700.35)	(136,730.49)	(165,355.34)	(133,172.93)	(97,647.94)
	90.5%	-97.2%	-108.8%	-102.8%	-97.2%	-90.9%
Gross profit / (loss)	23,794.90	3,924.85	(11,117.84)	(4,449.14)	3,812.01	9,799.50
	9.5%	2.8%	-8.8%	-2.8%	2.8%	9.1%
Distribution cost	(1,459.17)	(925.63)	(730.85)	(814.48)	(756.51)	(734.78)
	-0.6%	-0.7%	-0.6%	-0.5%	-0.5%	-0.7%
Administrative expenses	(948.70)	(897.75)	(867.17)	(831.56)	(863.19)	(841.19)
	-0.4%	-0.6%	-0.7%	-0.5%	-0.6%	-0.8%
Other operating income	313.53	370.39	380.94	369.51	558.08	724.82
	0.1%	0.3%	0.3%	0.2%	0.4%	0.7%
Other operating expenses	(822.32)	(131.26)	(14.93)	(17.59)	(77.45)	(450.65)
	-0.3%	-0.1%	-0.0%	-0.0%	-0.1%	-0.4%
Operating profit / (loss)	20,878.24	2,340.60	(12,349.85)	(5,743.26)	2,672.94	8,497.70
	8.3%	1.7%	-9.8%	-3.6%	2.0%	7.9%
Finance cost	(9,067.97)	(940.39)	(2,513.24)	(5,285.75)	(1,765.61)	(182.53)
	-3.6%	-0.7%	-2.0%	-3.3%	-1.3%	-0.2%
Profit / (loss) before taxation	11,810.27	1,400.21	(14,863.09)	(11,029.01)	907.33	8,315.17
	4.7%	1.0%	-11.8%	-6.9%	0.7%	7.7%
Taxation	(2,731.26)	369.89	10,799.33	2,336.58	863.35	(269.39)
	-1.1%	0.3%	8.6%	1.5%	0.6%	-0.2%
Profit / (loss) after taxation	9,079.01	1,770.10	(4,063.76)	(8,692.43)	1,770.68	8,045.78
	3.6%	1.3%	-3.2%	-5.4%	1.3%	7.5%

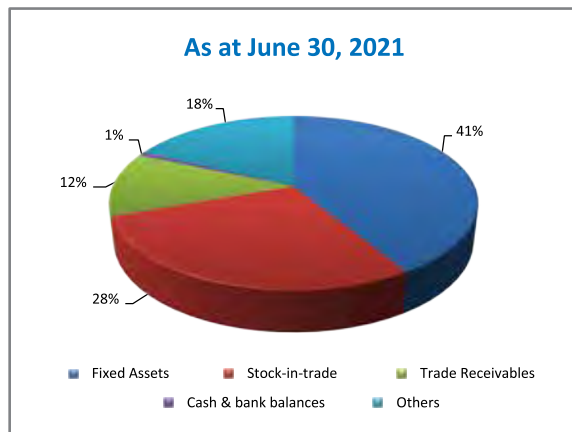
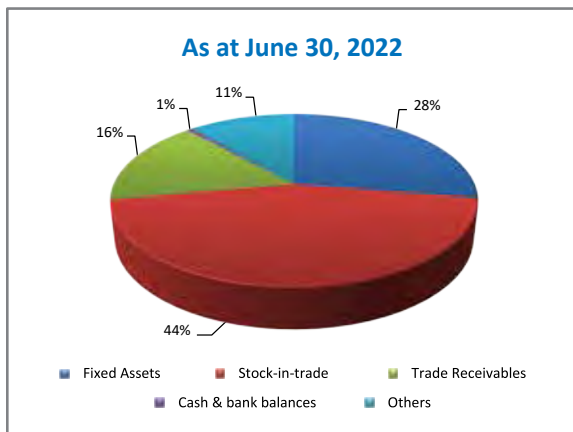
GRAPHICAL REPRESENTATION



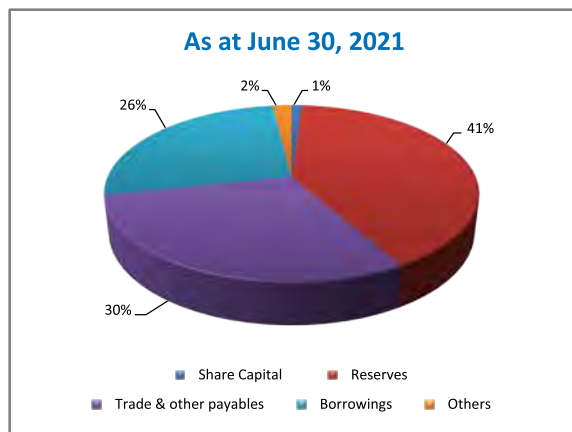
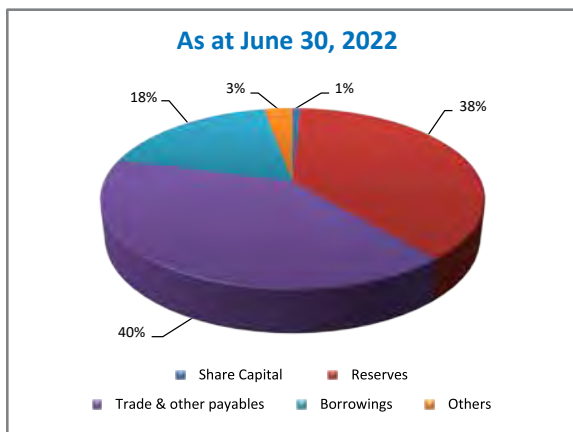
GRAPHICAL REPRESENTATION

STATEMENT OF FINANCIAL POSITION

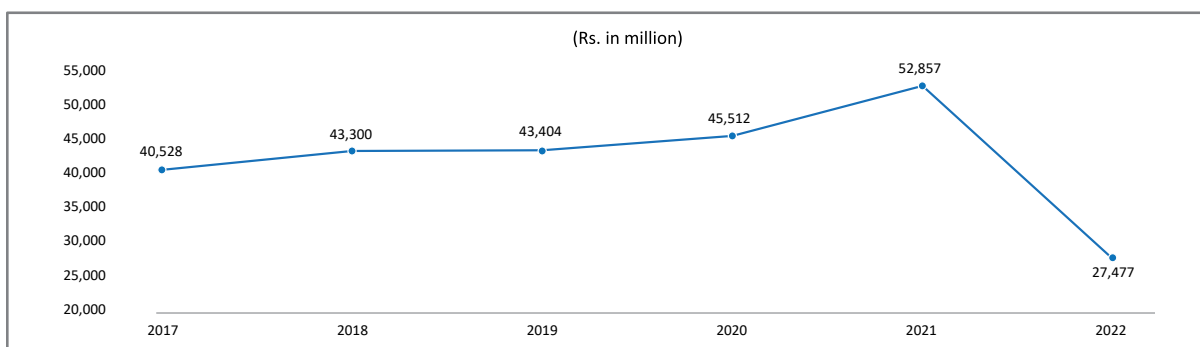
ASSETS



EQUITY AND LIABILITIES



CONTRIBUTION TO NATIONAL EXCHEQUER





ANNUAL AUDITED FINANCIAL STATEMENTS





INDEPENDENT AUDITOR'S REPORT

To the members of National Refinery Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of National Refinery Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Following are the Key audit matters:

S. No. Key audit matters

How the matter was addressed in our audit

(i) Deferred Tax

(Refer note 2.18.2 and 7 to the financial statements)

The Company has booked net deferred tax asset of Rs. 4,655 million as at June 30, 2022 that mainly is recognised on Minimum Tax, Alternate Corporate Tax and tax losses.

Deferred tax asset valuation is considered a key audit matter because the amounts involved are material, the complexities of the calculation of future taxable profits and the inherent uncertainty involved in forecasting taxable profits available in future periods.

The recoverability of deferred tax asset is dependent on availability of future taxable profits and involve preparation of future cash flow projections that take into account significant estimates and judgements about refinery margin and capacity utilisation.

Due to this involvement of significant estimates and management judgements we considered this as a key audit matter.

Our audit procedures included the following:

- Considered the expected timing of utilisation of the Deferred Tax Assets (DTA) keeping in view the relevant provision of Income Tax Ordinance 2001 that apply to the utilisation of tax losses;
- Evaluated the extent to which sufficient probable taxable profits would arise in the period within which the related losses would be available for utilisation, considering for example limits on the length of time that losses can be carried forward;
- Considered whether the tax balances were calculated using appropriate and substantively enacted tax laws and rates;
- Obtained financial projections from the Company's management;
- Obtained understanding of the Company's process of preparing financial projections;
- Evaluated the financial projections and assessed the likelihood of the Company generating sufficient future taxable profits; and
- Checked that the presentation and disclosures related to deferred tax are in accordance with the applicable accounting and reporting standards.

S. No. Key audit matters

How the matter was addressed in our audit

(ii) Stock-in-trade

(Refer note 2.10 and 9 to the financial statements)

Stock-in-trade as at June 30, 2022 comprises of crude oil and condensate, semi-finished and finished products amounting to Rs. 18,879 million, Rs. 11,105 million and Rs. 15,701 million respectively. Crude oil, condensate, semi-finished and finished products are valued at lower of cost and net realisable value. The inventory quantities are determined through complex process involving various estimates.

Due to the significance of the stock balances, related complexities involved and significant management judgements in determining net realisable value and resultant carrying value of stock in trade, this is considered a key audit matter.

Our audit procedures included the following:

- Attended the physical count of the stock-in-trade and observed the said parameters alongwith the Employees of the Company and an external surveyor;
- Our audit work included obtaining samples of stock-in-trade from the storage tanks to determine the nature / characteristics of the product / stock. Such samples were sent to the Company's laboratory to further confirm the nature of the product / stock after our internal coding of the samples;
- Obtained the stock-in-trade count report of the surveyor for 100% stock-in-trade and re-performed the working for determination of volume;
- Assessed the background and experience of the surveyor to ensure their competence and capability;
- Assessed appropriateness of the Company's accounting policies for valuation of stock in trade and compliance of those policies with applicable accounting standards;
- Obtained an understanding and assessed reasonableness of the management's determination of net realisable value (NRV) and key estimates adopted, including future selling prices, future cost to complete work-in-progress and cost necessary to make the sales and their basis;
- Compared the NRV to the cost of stock in trade to assess whether any adjustments are required to value stock-in-trade in accordance with the accounting policy; and
- Checked that the presentation and disclosures related to stock-in-trade are in accordance with the applicable accounting and reporting standards.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.


A. F. Ferguson & Co
Chartered Accountants
Karachi

Date: August 23, 2022

UDIN: AR202210073YTMna32Vi

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3	28,348,945	31,228,089
Long-term investment	4	17,472	9,787
Long-term loans	5	37,985	36,983
Long-term deposits	6	30,265	30,265
Deferred taxation	7	4,655,287	8,161,767
Retirement benefit prepayments	19	25,452	22,409
		<u>33,115,406</u>	<u>39,489,300</u>
CURRENT ASSETS			
Stores, spares and chemicals	8	1,914,831	1,705,847
Stock-in-trade	9	45,684,808	21,403,625
Trade receivables	10	16,502,290	9,031,922
Loans and advances	11	52,109	36,667
Trade deposits and short-term prepayments	12	55,962	31,140
Interest accrued		11,902	7,195
Other receivables	13	1,395,152	1,199,914
Taxation - payments less provision		3,355,429	2,168,579
Cash and bank balances	14	618,419	607,327
		<u>69,590,902</u>	<u>36,192,216</u>
TOTAL ASSETS		<u>102,706,308</u>	<u>75,681,516</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	799,666	799,666
Reserves	16	<u>39,019,692</u>	<u>30,787,721</u>
		<u>39,819,358</u>	<u>31,587,387</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term Lease liability	17	169,460	177,761
Provision for Gas Infrastructure Development Cess	18	353,767	626,516
Retirement benefit obligations	19	494,308	370,048
		<u>1,017,535</u>	<u>1,174,325</u>
CURRENT LIABILITIES			
Trade and other payables	20	41,378,319	22,616,437
Advances from customers	21	1,224,455	-
Unclaimed dividend	22	60,149	61,398
Unpaid dividend	22	37,024	31,330
Accrued mark-up	23	531,417	94,868
Provisions	24	112,361	112,361
Borrowings	25	18,517,389	19,997,515
Current portion of long-term Lease liability	17	8,301	5,895
		<u>61,869,415</u>	<u>42,919,804</u>
TOTAL LIABILITIES		<u>62,886,950</u>	<u>44,094,129</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	26	<u>102,706,308</u>	<u>75,681,516</u>

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees in thousand)	2021
Revenue from contracts with customers	27	285,238,526	196,579,545
Trade discounts, taxes, duties, levies and price differentials	28	<u>(33,362,798)</u>	<u>(56,954,347)</u>
Net revenue from contracts with customers		251,875,728	139,625,198
Cost of sales	29	<u>(228,080,832)</u>	<u>(135,700,345)</u>
Gross profit		23,794,896	3,924,853
Distribution cost	30	<u>(1,459,169)</u>	<u>(925,628)</u>
Administrative expenses	31	<u>(948,703)</u>	<u>(897,751)</u>
Other income	32	313,534	370,388
Other operating expenses	33	<u>(822,315)</u>	<u>(131,265)</u>
Operating profit		20,878,243	2,340,597
Finance cost - net	34	<u>(9,067,973)</u>	<u>(940,388)</u>
Profit before taxation		11,810,270	1,400,209
Taxation	35	<u>(2,731,257)</u>	<u>369,891</u>
Profit after taxation		<u>9,079,013</u>	<u>1,770,100</u>
		(Rupees)	
Earnings per share - basic and diluted	36	<u>113.53</u>	<u>22.14</u>

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
Profit after taxation	9,079,013	1,770,100
Other comprehensive loss		
Items that will not be reclassified to statement of profit or loss		
Change in fair value of long term investment - note 4	7,685	(3,155)
Remeasurements of post employment benefit obligations - note 19	(52,766)	(25,993)
	(45,081)	(29,148)
Deferred tax thereon	(2,295)	9,149
	(47,376)	(19,999)
Total comprehensive income	<u>9,031,637</u>	<u>1,750,101</u>

The annexed notes 1 to 46 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, 2022

	SHARE CAPITAL				CAPITAL RESERVES			REVENUE RESERVES		Total
	Issued, subscribed and paid-up	Capital compensation reserve (note 16.1)	Exchange equalisation reserve	Special reserve (note 16.2)	Utilised special reserve (note 16.3)	General reserve	Gain / (loss) on revaluation of investment at fair value through OCI	Accumulated loss		
Balance as at July 1, 2020	799,666	10,142	4,117	-	9,631,914	31,961,000	12,942	(12,582,495)	29,837,286	
Total comprehensive income for the year ended June 30, 2021	-	-	-	-	-	-	-	-	-	
- Profit for the year ended June 30, 2021	-	-	-	-	-	-	-	-	1,770,100	
- Other comprehensive loss for the year ended June 30, 2021	-	-	-	-	-	-	(3,155)	(16,844)	(19,999)	
Balance as at June 30, 2021	799,666	10,142	4,117	-	9,631,914	31,961,000	9,787	(10,829,239)	31,587,387	
Total comprehensive income for the year ended June 30, 2022	-	-	-	-	-	-	-	-	-	
- Profit for the year ended June 30, 2022	-	-	-	-	-	-	-	-	9,079,013	
- Other comprehensive loss for the year ended June 30, 2022	-	-	-	-	-	-	7,685	(55,061)	(47,376)	
- Final Dividend for the year ended June 30, 2021 @ Rs. 10 per share	-	-	-	-	-	-	7,685	9,023,952	9,031,637	
- Profit after tax from fuel refinery operations transferred to special reserve - note 16.2	-	-	-	5,852,169	-	-	-	(799,666)	(799,666)	
- Accumulated loss of fuel refinery operations offset against special reserve - note 16.2	-	-	-	(5,852,169)	-	-	-	(5,852,169)	-	
Balance as at June 30, 2022	799,666	10,142	4,117	-	9,631,914	31,961,000	17,472	(2,604,953)	39,819,358	

(Rupees in thousand)

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees in thousand)	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilised in) operations	37	5,749,214	(828,512)
Income tax paid - net		(413,922)	(57,970)
Mark-up paid on Conventional Financing		(1,464,606)	(1,416,359)
Mark-up paid on Islamic Financing		(992,358)	(367,525)
(Increase) / decrease in long-term loans		(1,002)	9,368
Payment made to staff retirement benefit funds		(51,888)	(77,748)
Net cash generated from / (used in) operating activities		<u>2,825,438</u>	<u>(2,738,746)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(551,621)	(440,290)
Purchase of intangible assets	3.4	(101)	(8,934)
Proceeds from disposal of property, plant and equipment		1,068	1,777
Return on investments and bank accounts		43,262	52,322
Net cash used in investing activities		<u>(507,392)</u>	<u>(395,125)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(795,221)	(1,299)
Lease rentals paid	17.2	(31,607)	(30,102)
Net cash used in financing activities		<u>(826,828)</u>	<u>(31,401)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1,491,218</u>	<u>(3,165,272)</u>
Cash and cash equivalents at beginning of the year		<u>(19,390,188)</u>	<u>(16,224,916)</u>
Cash and cash equivalents at end of the year	38	<u><u>(17,898,970)</u></u>	<u><u>(19,390,188)</u></u>

The annexed notes 1 to 46 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, 2022

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 Company is engaged in the manufacturing, production and sale of a 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 has also commissioned Diesel Hydro De-sulphurisation (DHDS) and Isomerisation (ISOM) units during the financial years 2017 and 2018 respectively.

The geographical locations and addresses of the Company's business units, including plant are as under:

- Refinery complex and registered office of the Company is situated at 7-B Korangi Industrial Area, Karachi; and
- Oil terminal at Kemari, Karachi.

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 Statement of compliance

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

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

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

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

ii. **Post employment benefits**

Significant estimates relating to post employment benefits are disclosed in note 19.

iii. **Property, plant and equipment**

Estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipment are disclosed in note 2.5 and 3.1 to these financial statements. Further, the Company reviews the carrying value of assets for impairment, if any, on each reporting period.

iv. **Stock-in-trade**

Estimates relating to net realisable value of stock-in-trade are disclosed in note 2.10. Further the inventory quantities are determined through complex process involving various estimates.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

2.3 Changes in accounting standards, interpretations and pronouncements

(a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

(b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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 equipment 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 the Company 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 statement of financial position date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 statement of profit or loss.

2.6 Intangible assets

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

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. 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 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument has not increased since the inception).
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that results from all possible defaults events over the expected life of a financial instrument. 12 months ECLs are that portion of ECL that result from default events that are possible within 12 months after the reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

2.8 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

2.10 Stock-in-trade

Stock of crude oil and condensate 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 necessary to be incurred to make the sale.

2.11 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.7 for a description of the Company's impairment policies.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised 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 with original maturities of three months or less and short term borrowing and short term finances availed by the Company, which form an integral part of the Company's cash management.

2.13 Staff retirement benefits

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

2.13.1 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

2.13.2 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 statement of financial position 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, 2022, 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, 2022, 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, 2022, 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, 2022, using the 'Projected Unit Credit Method'.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Past-service costs are recognised immediately in statement of profit or loss.

2.14 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, 2022 using the 'Projected Unit Credit Method'.

2.15 Trade and other payables

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

2.16 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 statement of financial position date and adjusted to reflect the current best estimates.

2.17 Contingent liabilities

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

2.18 Taxation

2.18.1 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. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

2.18.2 Deferred

Deferred tax is accounted for using the liability method on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent of availability of future taxable profits and involve preparation of future cash flow projections that take into account significant estimates and judgements about future margin and capacity utilisation against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited in the statement of profit or loss. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.19 Revenue from contracts with customers

Revenue from contract with customers is recognised when control over the products is transferred to the customer, that is when the customer has the ability to control the use of the transferred products provided and generally derive their remaining benefits and there is no unfulfilled obligation that could affect the customer's acceptance of the product. It is measured at the transaction price which the Company expects to be entitled to and represents the amount of products supplied, after netting of discounts and value added taxes. The performance obligation is satisfied and revenue is recognized 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, pipeline charges, scrap sales, insurance rebate and rental income are recognised when services are rendered.

No element of financing is deemed present as the sales are made with a credit term of 21 days, which is consistent with the market practice.

The transaction price of the regulated products are determined in accordance with the directives of Oil and Gas Regulatory Authority (OGRA). Whereas, the transaction prices of deregulated products are agreed under the contract with customer.

Furnace oil is sold with volume discount based on fortnightly aggregate sales. Net revenue from such sale is recognised net of volume discounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

2.20 Other income

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

Profit from savings accounts is accounted for as income on accrual basis.

Rent income is accounted on straight line basis or in accordance with the terms of the agreement.

2.21 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.22 Borrowings

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.

2.23 Functional currency and foreign currency transactions and translation

The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

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 statement of financial position date. Exchange differences are taken to statement of profit or loss currently.

2.24 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.

2.25 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, 2022

2.26 Lease liability and right-of-use asset

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

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
3. FIXED ASSETS		
Property, plant and equipment		
- Operating assets - note 3.1	26,510,353	29,381,667
- Major spare parts and stand-by equipment - note 3.2	467,288	487,340
- Capital work-in-progress - note 3.3	<u>1,366,181</u>	<u>1,350,892</u>
	<u>28,343,822</u>	<u>31,219,899</u>
Intangible assets - note 3.4	5,123	8,190
	<u>28,348,945</u>	<u>31,228,089</u>

3.1 Operating assets

	Leasehold land (note 3.1.1)	Buildings on leasehold land	Right-of-use asset (note 3.1.2)	Plant and machinery (note 3.1.4)	Vehicles	Furniture and fixtures	Computers and other related accessories	Office and other equipment	Total
	(Rupees in thousand)								
Year ended June 30, 2022									
Opening net book value	41,853	555,508	155,149	27,909,325	68,877	13,743	11,614	625,598	29,381,667
Additions	-	-	-	-	4,224	1,846	1,298	34,760	42,128
Transfers from capital work in progress	-	2,877	-	496,005	-	318	-	19,594	518,794
Disposals									
Cost	-	-	-	-	(1,966)	-	-	(1,662)	(3,628)
Accumulated depreciation	-	-	-	-	576	-	-	1,662	2,238
	-	-	-	-	(1,390)	-	-	-	(1,390)
Written off									
Cost	-	-	-	-	-	-	(2,417)	(172)	(2,589)
Accumulated depreciation	-	-	-	-	-	-	2,417	172	2,589
	-	-	-	-	-	-	-	-	-
Depreciation charge - note 3.1.5	(596)	(45,287)	(17,239)	(3,219,239)	(23,393)	(1,809)	(6,148)	(117,135)	(3,430,846)
Closing net book value	<u>41,257</u>	<u>513,098</u>	<u>137,910</u>	<u>25,186,091</u>	<u>48,318</u>	<u>14,098</u>	<u>6,764</u>	<u>562,817</u>	<u>26,510,353</u>
As at June 30, 2022									
Cost	60,035	1,029,521	189,627	48,416,541	182,296	34,466	84,327	1,598,363	51,595,176
Accumulated depreciation	(18,778)	(516,423)	(51,717)	(23,230,450)	(133,978)	(20,368)	(77,563)	(1,035,546)	(25,084,823)
Net book value	<u>41,257</u>	<u>513,098</u>	<u>137,910</u>	<u>25,186,091</u>	<u>48,318</u>	<u>14,098</u>	<u>6,764</u>	<u>562,817</u>	<u>26,510,353</u>
Year ended June 30, 2021									
Opening net book value	42,449	569,573	172,388	28,842,924	83,420	14,622	7,961	633,098	30,366,435
Additions	-	-	-	2,023	11,138	670	4,670	43,472	61,973
Transfers from capital work in progress	-	30,818	-	2,273,328	-	263	5,783	64,153	2,374,345
Disposals									
Cost	-	-	-	-	(4,784)	-	-	-	(4,784)
Accumulated depreciation	-	-	-	-	3,540	-	-	-	3,540
	-	-	-	-	(1,244)	-	-	-	(1,244)
Depreciation charge - note 3.1.5	(596)	(44,883)	(17,239)	(3,208,950)	(24,437)	(1,812)	(6,800)	(115,125)	(3,419,842)
Closing net book value	<u>41,853</u>	<u>555,508</u>	<u>155,149</u>	<u>27,909,325</u>	<u>68,877</u>	<u>13,743</u>	<u>11,614</u>	<u>625,598</u>	<u>29,381,667</u>
As at June 30, 2021									
Cost	60,035	1,026,644	189,627	47,920,536	180,038	32,302	85,446	1,545,843	51,040,471
Accumulated depreciation	(18,182)	(471,136)	(34,478)	(20,011,211)	(111,161)	(18,559)	(73,832)	(920,245)	(21,658,804)
Net book value	<u>41,853</u>	<u>555,508</u>	<u>155,149</u>	<u>27,909,325</u>	<u>68,877</u>	<u>13,743</u>	<u>11,614</u>	<u>625,598</u>	<u>29,381,667</u>
Annual Rate of Depreciation %	1	5 to 20	9.09	5 to 33.33	20	7 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, 2022

3.1.1 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.

3.1.2 The right-of-use asset comprise a lease hold land at oil installation area, Keamari of Karachi Port Trust (KPT), used by the Company for its operations.

3.1.3 In the current year variable lease for right-of-use of assets amounting to Rs. 12.30 million (2021: Rs. 18.34 million).

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

3.1.5 The break up of depreciation charge for the year is as follows:

	2022	2021
	(Rupees in thousand)	
Cost of sales - note 29	3,361,910	3,349,677
Distribution cost - note 30	3,995	4,887
Administrative expenses - note 31	64,941	65,278
	<u>3,430,846</u>	<u>3,419,842</u>

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

Location	Usage of immovable property	Total Area (In acres)
Plot No. 7B, 7D, 7E and other adjacent plots, Korangi Industrial Area, Karachi	Refining complex and related facility	275

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
3.2 Major spare parts and stand-by equipment		
Gross carrying value		
Balance at beginning of the year	580,278	458,459
Additions during the year	195,410	348,689
Transfers made during the year	<u>(220,000)</u>	<u>(226,870)</u>
Balance at end of the year	555,688	580,278
Provision for impairment - note 3.2.1	<u>(88,400)</u>	<u>(92,938)</u>
Net carrying value	<u><u>467,288</u></u>	<u><u>487,340</u></u>

3.2.1 During the year, net reversal of provision amounting to Rs. 4.54 million (2021: Rs. 2.02 million) has been made.

3.3 Capital work-in-progress

	Balance as at July 1, 2021	Additions during the year	Transfers	Balance as at June 30, 2022	Balance as at July 1, 2020	Additions during the year	Transfers	Balance as at June 30, 2021
	(Rupees in thousand)							
Buildings on leasehold land	12,168	6,249	(2,788)	15,629	22,810	15,952	(26,594)	12,168
Refineries upgradation projects	973,706	10,028	(968)	982,766	2,804,584	4,283	(1,835,161)	973,706
Plant and machinery	273,063	530,603	(497,483)	306,183	510,885	225,301	(463,123)	273,063
Office and other equipments	39,513	29,934	(17,555)	51,892	53,860	43,500	(57,847)	39,513
	<u>1,298,450</u>	<u>576,814</u>	<u>(518,794)</u>	<u>1,356,470</u>	<u>3,392,139</u>	<u>289,036</u>	<u>(2,382,725)</u>	<u>1,298,450</u>
Advances to contractors / suppliers	52,442	9,720	(52,451)	9,711	76,599	40,164	(64,321)	52,442
	<u><u>1,350,892</u></u>	<u><u>586,534</u></u>	<u><u>(571,245)</u></u>	<u><u>1,366,181</u></u>	<u><u>3,468,738</u></u>	<u><u>329,200</u></u>	<u><u>(2,447,046)</u></u>	<u><u>1,350,892</u></u>

	2022	2021
	(Rupees in thousand)	
3.4 Intangible Assets – Computer softwares		
Net carrying value		
Balance at beginning of the year	8,190	19,254
Additions during the year	101	8,934
Amortisation for the year - note 3.4.1	<u>(3,168)</u>	<u>(19,998)</u>
Balance at end of the year	<u><u>5,123</u></u>	<u><u>8,190</u></u>
Gross carrying value		
Cost	363,422	363,321
Accumulated amortisation	<u>(358,299)</u>	<u>(355,131)</u>
Net book value	<u><u>5,123</u></u>	<u><u>8,190</u></u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

3.4.1 The break up of amortisation charge for the year is as follows:

	2022	2021
	(Rupees in thousand)	
Cost of sales - note 29	2,871	19,476
Administrative expenses - note 31	297	522
	<u>3,168</u>	<u>19,998</u>

4. LONG-TERM INVESTMENT

Fair value through OCI

Anoud Power Generation Limited
[1,080,000 (2021: 1,080,000) Ordinary shares of
Rs.10 each, Equity held 9.09 percent
(2021: 9.09 percent)]

<u>17,472</u>	<u>9,787</u>
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The above investment was revalued by an independent valuer - M/s JS Global Capital Limited on June 30, 2022 based on the discounted cash flow analysis (level 3).

The different levels have been defined in IFRS 13 as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (level 3).

The following table presents the movement in level 3 item for the year ended June 30, 2022.

	Unlisted equity security (Rupees in thousand)
Opening balance July 1, 2021	9,787
Gain recognised during the year	7,685
Closing balance June 30, 2022	<u>17,472</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
5. LONG-TERM LOANS		
Loans - considered good		
Secured - note 5.1		
Loans to employees	48,578	45,716
Less: Recoverable within one year - note 11	<u>(11,040)</u>	<u>(9,349)</u>
	37,538	36,367
Unsecured - note 5.2		
Loans to employees	642	846
Less: Recoverable within one year - note 11	<u>(195)</u>	<u>(230)</u>
	447	616
	<u>37,985</u>	<u>36,983</u>

5.1 The secured loans to 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 years (2021: 5 to 10 years). Out of these, car loans amounting to Rs. 7.3 million (2021: Rs. 8.5 million) carry interest ranging from 3% to 7% (2021: 3% to 7%) per annum. These loans are secured against original title documents of respective assets.

5.2 The unsecured loans to 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 (2021: 4 to 12) years and are interest free.

5.3 Long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

	2022	2021
	(Rupees in thousand)	
6. LONG-TERM DEPOSITS		
Utilities	14,216	14,216
Others	<u>16,049</u>	<u>16,049</u>
	<u>30,265</u>	<u>30,265</u>

6.1 These deposits do not carry any mark up arrangement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

7. DEFERRED TAXATION

	Accelerated tax depreciation and amortisation	Right-of-use asset net of lease liability - IFRS 16	Provision for duties and taxes	Provision for slow moving and obsolete stores, spares and chemicals	Provision for old outstanding liabilities offered for tax	Provision for doubtful debt, doubtful receivables, staff retirement benefits, pending litigation and others	Minimum tax	Alternate corporate tax	Tax loss	Total
	← (Rupees in thousand) →									
July 01, 2021	(3,531,890)	7,606	13,077	109,811	14,146	80,953	3,197,391	787,537	7,483,136	8,161,767
Charge to statement of profit or loss and other comprehensive income for the year	(175,018)	(2,141)	(218)	(4,760)	(236)	10,052	(2,235,557)	(606,090)	(492,512)	(3,506,480)
June 30, 2022	(3,706,908)	5,465	12,859	105,051	13,910	91,005	961,834	181,447	6,990,624	4,655,287
July 01, 2020	(3,573,432)	4,018	13,023	111,761	14,087	70,044	2,729,751	787,537	7,483,136	7,639,925
Credit / (charge) to statement of profit or loss and other comprehensive income for the year	41,542	3,588	54	(1,950)	59	10,909	467,640	-	-	521,842
June 30, 2021	(3,531,890)	7,606	13,077	109,811	14,146	80,953	3,197,391	787,537	7,483,136	8,161,767

7.1 The deferred tax asset on minimum tax, alternative corporate tax and tax loss will be recoverable based on the estimated future taxable income.

7.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. In addition as per Finance Act, 2022, companies operating in certain sectors, including oil refineries, are liable to pay super tax upto 10% for tax year 2022 and upto 4% for subsequent years. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

8. STORES, SPARES AND CHEMICALS

	2022	2021
	(Rupees in thousand)	
In hand		
- Stores	98,271	221,465
- Spares	1,551,656	1,398,636
- Chemicals	534,252	377,915
	<u>2,184,179</u>	<u>1,998,016</u>
In transit	42,613	26,478
	<u>2,226,792</u>	<u>2,024,494</u>
Provision for net realisable value write down - note 8.1	(311,961)	(318,647)
	<u>1,914,831</u>	<u>1,705,847</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 8.1 The Company made a reversal of provision for net realisable value of slow moving and obsolete stores, spares and chemicals of Rs. 6.69 million (2021: Rs. 6.98 million).

2022 2021
(Rupees in thousand)

9. STOCK-IN-TRADE

Crude oil and condensate [including in transit Rs. 0.05 billion (2021: Rs. 4.2 billion)]	18,878,501	9,701,672
Semi-finished products	11,104,961	4,064,865
Finished products - note 9.1	15,701,346	7,637,088
	<u>45,684,808</u>	<u>21,403,625</u>

- 9.1 As at June 30, 2022, stock of finished products has been written down by Rs. 130.07 million (2021: Rs. 33.84 million) to arrive at its net realisable value of Rs. 1,912.35 million (2021: Rs. 1,196.95 million).

2022 2021
(Rupees in thousand)

10. TRADE RECEIVABLES - unsecured

Considered good		
- Related party - Attock Petroleum Limited - notes 10.1 & 10.2	9,590,326	4,916,233
- Others - note 10.3	6,911,964	4,115,689
Considered doubtful	<u>7,832</u>	<u>7,832</u>
	16,510,122	9,039,754
Less: Allowance for expected credit loss	<u>(7,832)</u>	<u>(7,832)</u>
	<u>16,502,290</u>	<u>9,031,922</u>

- 10.1 There are no trade receivable from related party that are past due or impaired.
- 10.2 The maximum aggregate amount due from the related party at the end of any month during the year was Rs. 9.59 billion (2021: Rs. 5.03 billion).
- 10.3 The trade receivables that are past due but not impaired is Rs. 0.031 million (2021: Rs. 0.031 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
11. LOANS AND ADVANCES		
Loans - considered good		
Current portion of long term loans - note 5		
Secured		
- Employees	11,040	9,349
Unsecured		
- Employees	195	230
Short term loans to employees - unsecured and interest free	768	726
Advances - note 11.1		
- Employees	6,459	4,163
- Suppliers	33,647	22,199
	40,106	26,362
	52,109	36,667
11.1 These advances do not carry any mark up arrangement.		
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Deposits - note 12.1	31,636	9,893
Prepayments		
- Insurance	2,127	-
- Others	22,199	21,247
	24,326	21,247
	55,962	31,140
12.1 These deposits do not carry any mark up arrangement.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
13. OTHER RECEIVABLES – considered good		
Receivable from related parties - 13.1		
- Attock Petroleum Limited	23,360	5,157
- The Attock Oil Company Limited	6	3
- Pakistan Oilfields Limited	90	43
- Attock Refinery Limited	3,022	20
- Attock Cement Limited	50	50
Others:		
- Government of Pakistan - note 13.2	232,809	232,809
- Sales tax receivable - note 13.3	567,691	567,691
- Additional tax claimed by Federal Board of Revenue - note 13.4	251,625	251,625
- Workers' Profits Participation Fund	-	43,957
- Various - note 13.5	316,499	98,559
	<u>1,395,152</u>	<u>1,199,914</u>

- 13.1 The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 34.02 million (2021: Rs. 26.97 million).
- 13.2 This represents Price Differential Claims (PDC) 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). In 2018, the Company has received a report on PDC from Ministry of Energy - Petroleum Division through OCAC. The management is in the process of assessing the report and believes that such receivable is good and no provision has been made thereagainst.
- 13.3 This represents receivable on account of sales tax paid to the Federal Board of Revenue amounting to Rs. 567.69 million (2021: Rs. 567.69 million) in respect of sales tax demand received for the periods July 2013 to June 2014, July 2015 to June 2016 and June to September 2016. These cases have been remanded back by Commissioner Inland Revenue (Appeals) (CIRA). The Company has filed appeals with the Appellate Tribunal Inland Revenue (ATIR) against orders of CIRA on certain points which were not decided in favour of the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

13.4 This represents amount paid against the order of demand for monitoring of withholding taxes for tax years 2014 and 2016. For tax year 2014, the case has been remanded back by Commissioner Inland Revenue (Appeals) (CIRA). Whereas, for tax year 2016, the Company has filed an appeal before the CIRA subsequent to the year end against the order passed in remand back proceedings.

13.5 These include payment made to a bank against delivery order for purchase of stores, spares and chemicals amounting to Rs. 146.47 million (2021: Rs. 10.56) and receivable from PARCO against sharing of crude oil vessel amounting to Rs. 159.11 (2021: Nil).

	2022	2021
	(Rupees in thousand)	
14. CASH AND BANK BALANCES		
Cash in hand	500	500
With banks on:		
Current accounts	123,436	91,300
Savings accounts - note 14.1	4,420	25,464
Deposit accounts - notes 14.1 and 14.2	490,063	490,063
	617,919	606,827
	618,419	607,327

14.1 These carry mark-up rates ranging from 5.5% to 13% (2021: 5% to 5.5%) per annum.

14.2 These represent Term Deposit Receipts as bank guarantees under lien issued on behalf of the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		(Rupees in thousand)	
15.	SHARE CAPITAL		
	Number of shares		
	Authorised		
	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>79,966,560</u>	<u>799,666</u>	<u>799,666</u>
15.1	As at June 30, 2022 and 2021, Attock Group holds 51% equity stake in the Company through the following Companies:		
		2022	2021
		(Number of shares)	
	- Attock Refinery Limited	19,991,640	19,991,640
	- Pakistan Oilfields Limited	19,991,640	19,991,640
	- Attock Petroleum Limited	799,665	799,665
16.	RESERVES	2022	2021
		(Rupees in thousand)	
	Capital reserves		
	Capital compensation reserve - note 16.1	10,142	10,142
	Exchange equalisation reserve	4,117	4,117
	Special reserve - note 16.2	-	-
	Utilised special reserve - note 16.3	<u>9,631,914</u>	<u>9,631,914</u>
		9,646,173	9,646,173
	Revenue reserves		
	General reserve	31,961,000	31,961,000
	Revaluation of investment at fair value through OCI	17,472	9,787
	Accumulated loss	(2,604,953)	(10,829,239)
		<u>29,373,519</u>	<u>21,141,548</u>
		<u>39,019,692</u>	<u>30,787,721</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

16.2 As per the Import Parity Pricing (IPP) formula, effective July 1, 2002, certain refineries including the Company have been directed to transfer from their net profit after tax for the year from fuel refinery operations, an amount in excess of 50% of the paid-up share capital, as on July 1, 2002 attributable to fuel segment, to Special Reserve to offset against any future losses or to make investment for expansion or upgradation.

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

During the year, the Company has transferred Rs. 5,852.17 million (2021: Nil) in Special Reserve Account.

As the Company already has commissioned Diesel Hydro De-Sulphurisation (DHDS) and Isomerization projects, which were required by the Government to be installed to produce Euro-II standard HSD and to convert Naphtha into Motor Gasoline, accumulated fuel refinery losses to the extent of Rs. 5,852.17 million (2021: Nil) have been offset against the amount accumulated in the Special Reserve Account as per policy framework 2013.

16.3 This represents amounts utilised out of the Special Reserve for upgradation and expansion of the refinery.

2022 2021
(Rupees in thousand)

17. LEASE LIABILITY

Lease liabilities under IFRS 16 - notes 17.1 & 17.2	<u>177,761</u>	<u>183,656</u>
Non Current portion	<u>169,460</u>	<u>177,761</u>
Current portion	<u>8,301</u>	<u>5,895</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
17.1 Maturity analysis of lease liabilities		
Upto 1 year	8,301	5,895
1 - 5 years	94,515	74,865
More than 5 years	74,945	102,896
	<u>177,761</u>	<u>183,656</u>

17.2 Following is the carrying amount of lease liabilities and the movement during the year:

	2022	2021
	(Rupees in thousand)	
Balance as at July 01	183,656	187,507
Interest expense	25,712	26,251
Payments	(31,607)	(30,102)
Balance as at June 30	<u>177,761</u>	<u>183,656</u>

17.3 The lease liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 14%.

	2022	2021
	(Rupees in thousand)	
18. PROVISION FOR GAS INFRASTRUCTURE DEVELOPMENT CESS		
Provision for Gas Infrastructure Development Cess - notes 18.1 & 18.2	<u>861,132</u>	<u>933,973</u>
Non Current portion	<u>353,767</u>	<u>626,516</u>
Current portion	<u>507,365</u>	<u>307,457</u>

18.1 Following is the carrying amount of provision for gas infrastructure development cess and the movement during the year:

	2022	2021
	(Rupees in thousand)	
Balance as at July 01	933,973	-
Initial recognition	-	1,062,615
Remeasurement	(49,900)	-
Recognised during the year	60,039	37,318
Payments	(82,980)	(165,960)
Balance as at June 30	<u>861,132</u>	<u>933,973</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 18.2 The Supreme Court of Pakistan through its judgement dated August 13, 2020 had decided the Appeal against consumers upholding the vires of GIDC Act, 2015. The Review Petition was also dismissed on merits; however, the Honorable Court had provided some relief by increasing the time period for recovery of GIDC from 24 to 48 installments.

The Company also filed a civil suit before the Honorable High Court of Sindh (SHC) on the ground that the Company falls under the category of consumers and it has not passed on the burden of Cess. Accordingly, stay order was granted. However, while pendency of aforesaid suit, the Company kept on paying GIDC installments under protest and without prejudice to the Company's legal rights till August 2021 (upto 13th installment). In September 2021, Sui Southern Gas Company Limited (SSGC) revised the payment terms from 48 to 24 months. The Company, after giving notice to SSGC stopped payment of further installments of GIDC as the stay order has been operative till next date of hearing, whereby SHC has restrained SSGC from taking any coercive action against the Company in relation to non-payment of installments of GIDC arrears.

19. RETIREMENT BENEFIT OBLIGATIONS

19.1 Retirement benefit obligations

- 19.1.1 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, 2022.

- 19.1.2 Plan assets held in trust are governed by local regulations which mainly include the Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Plans, including investment decisions, lies with the Boards of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

- 19.1.3 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

19.1.4 The latest actuarial valuation of the Plans as at June 30, 2022 was carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuation are as follows:

	2022				2021			
	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) →

19.1.5 Balance sheet reconciliation

Present value of defined benefit obligation at June 30 - note 19.1.6	5,017,745	1,658,374	251,855	98,251	4,948,236	1,503,143	231,180	79,947
Fair value of plan assets at June 30 - note 19.1.7	(5,037,583)	(1,255,541)	(160,380)	(103,865)	(4,940,243)	(1,227,074)	(145,194)	(102,356)
Deficit / (surplus)	<u>(19,838)</u>	<u>402,833</u>	<u>91,475</u>	<u>(5,614)</u>	<u>7,993</u>	<u>276,069</u>	<u>85,986</u>	<u>(22,409)</u>

19.1.6 Movement in the present value of defined benefit obligation

Balance at July 1	4,948,236	1,503,143	231,180	79,947	4,849,641	1,430,513	204,971	62,705
Benefits paid by the plan	(399,324)	(88,091)	(2,252)	(8,240)	(415,816)	(79,933)	(1,780)	(2,294)
Current service cost	54,730	10,912	5,678	16,927	52,237	11,590	6,153	15,430
Interest cost	425,741	132,686	20,651	7,824	396,753	119,431	17,426	5,928
Transfers	9,469	-	(9,469)	-	15,253	-	(15,253)	-
Remeasurement on obligation	(21,107)	99,724	6,067	1,793	50,168	21,542	19,663	(1,822)
Balance at June 30	<u>5,017,745</u>	<u>1,658,374</u>	<u>251,855</u>	<u>98,251</u>	<u>4,948,236</u>	<u>1,503,143</u>	<u>231,180</u>	<u>79,947</u>

19.1.7 Movement in the fair value of plan assets

Balance at July 1	4,940,243	1,227,074	145,194	102,356	4,826,069	1,211,026	139,478	82,491
Contributions paid into the plan	40,201	-	11,687	-	44,105	4,469	13,321	15,853
Transfers	9,469	-	(9,469)	-	15,253	-	(15,253)	-
Benefits paid by the plan	(399,324)	(88,091)	(2,252)	(8,240)	(415,816)	(79,933)	(1,780)	(2,294)
Interest income	423,742	108,162	13,150	9,756	393,651	101,103	12,022	7,544
Remeasurement on plan assets	23,252	8,396	2,070	(7)	76,981	(9,591)	(2,594)	(1,238)
Balance at June 30	<u>5,037,583</u>	<u>1,255,541</u>	<u>160,380</u>	<u>103,865</u>	<u>4,940,243</u>	<u>1,227,074</u>	<u>145,194</u>	<u>102,356</u>

19.1.8 Expense recognised in the statement of profit or loss

Current service cost	54,730	10,912	5,678	16,927	52,237	11,590	6,153	15,430
Net interest (income) / cost	1,999	24,524	7,501	(1,932)	3,102	18,328	5,404	(1,616)
Expense recognised in statement of profit or loss	<u>56,729</u>	<u>35,436</u>	<u>13,179</u>	<u>14,995</u>	<u>55,339</u>	<u>29,918</u>	<u>11,557</u>	<u>13,814</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022				2021			
	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)								
19.1.9 Remeasurement recognised in Other Comprehensive Income or loss								
(Gain) / loss from changes in actuarial assumptions	(127,025)	21,219	(13,932)	1,766	(30,007)	2,475	(4,510)	(1,564)
Experience loss / (gain)	105,918	78,505	19,999	27	80,175	19,067	24,173	(258)
Remeasurement of fair value of plan assets	(23,252)	(8,396)	(2,070)	7	(76,981)	9,591	2,594	1,238
Remeasurements	(44,359)	91,328	3,997	1,800	(26,813)	31,133	22,257	(584)
19.1.10 Net recognised liability / (asset)								
Net liability / (asset) at the beginning of the year	7,993	276,069	85,986	(22,409)	23,572	219,487	65,493	(19,786)
Expense recognised in profit and loss account	56,729	35,436	13,179	14,995	55,339	29,918	11,557	13,814
Contribution made to the fund during the year	(40,201)	-	(11,687)	-	(44,105)	(4,469)	(13,321)	(15,853)
Remeasurements recognised in other comprehensive income or loss	(44,359)	91,328	3,997	1,800	(26,813)	31,133	22,257	(584)
Recognised liability / (asset) as at end of the year	(19,838)	402,833	91,475	(5,614)	7,993	276,069	85,986	(22,409)
19.1.11 Major categories / composition of plan assets are as follows:								
	Pension fund		Medical fund		Non - management gratuity fund		Management gratuity fund	
	2022	2021	2022	2021	2022	2021	2022	2021
Debt instruments	97.90%	97.57%	100.00%	99.91%	90.80%	97.82%	98.65%	99.89%
Equity - Listed	1.60%	2.13%	0.00%	0.00%	1.52%	2.02%	0.00%	0.00%
Others	0.50%	0.30%	0.00%	0.09%	7.68%	0.16%	1.35%	0.11%
19.1.12 Composition of fair value of plan assets are as follows:								
	Pension fund		Medical fund		Non - management gratuity fund		Management gratuity fund	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
Debt instruments	4,931,596	4,820,388	1,255,541	1,225,993	145,632	142,029	102,465	102,240
Equity - Listed	80,546	105,172	-	-	2,433	2,939	-	-
Others	25,441	14,683	-	1,081	12,315	226	1,400	116
	5,037,583	4,940,243	1,255,541	1,227,074	160,380	145,194	103,865	102,356
19.1.13 Actuarial Assumptions								
Discount rate at June 30	13.25%	9.00%	13.25%	9.00%	13.25%	9.00%	13.25%	9.00%
Future salary increases / increase in cost								
- First year following the valuation	20.00%	6.50%	11.25%	7.00%	6.50%	6.50%	20.00%	6.50%
- Second year following the valuation	6.50%	6.50%	11.25%	7.00%	6.50%	6.50%	6.50%	6.50%
- Third year following the valuation	6.50%	6.50%	11.25%	7.00%	12.25%	6.50%	6.50%	6.50%
- Long term increase	12.25%	8.00%	12.25%	8.00%	12.25%	8.00%	12.25%	8.00%
Expected rate of increase in pension	7.45%	3.20%	-	-	-	-	-	-
Expected retirement age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

19.1.15 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 2022 consists of government securities. The Company believes that government securities offer the best returns over the long term with an acceptable level of risk.

19.1.16 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 statement of financial position date.

The Company's contributions to gratuity, pension and medical benefit funds in 2023 is expected to amount to Rs. 153.82 million.

The actuary conducts separate valuations for calculating contribution rates. The Company contributes to the pension, gratuity and medical benefit funds appropriately.

19.2 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%	(238,646)	446,470
Future salary increases	0.5%	153,150	28,593
Future pension increases	0.5%	367,594	(169,034)
Future medical increases	0.5%	7,583	(7,351)

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 and when calculating the gratuity, pension and medical benefit liability recognised within the statement of financial position of the Company.

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

	2022	2021	2020	2019	2018
	(Rupees in thousand)				
19.3 Historical information					
Pension fund					
Present value of defined benefit obligation	5,017,745	4,948,236	4,849,641	4,725,044	4,918,941
Fair value of plan assets	(5,037,583)	(4,940,243)	(4,826,069)	(4,670,856)	(4,845,227)
(Surplus) / deficit in the plan	<u>(19,838)</u>	<u>7,993</u>	<u>23,572</u>	<u>54,188</u>	<u>73,714</u>
Experience Adjustments					
(Gain) / loss on obligation	(21,107)	50,168	(198,313)	(266,600)	(136,286)
Gain / (loss) on plan assets	23,252	76,981	(160,540)	(220,720)	(191,458)
Medical Benefit					
Present value of defined benefit obligation	1,658,374	1,503,143	1,430,513	1,309,292	1,303,407
Fair value of plan assets	(1,255,541)	(1,227,074)	(1,211,026)	(1,130,506)	(1,096,084)
Deficit in the plan	<u>402,833</u>	<u>276,069</u>	<u>219,487</u>	<u>178,786</u>	<u>207,323</u>
Experience Adjustments					
Loss / (gain) on obligation	99,724	21,542	(2,592)	(69,352)	(17,331)
Gain / (loss) on plan assets	8,396	(9,591)	(16,608)	(8,592)	(25,212)
Gratuity fund - Non-management					
Present value of defined benefit obligation	251,855	231,180	204,971	185,944	168,163
Fair value of plan assets	(160,380)	(145,194)	(139,478)	(125,608)	(105,347)
Deficit in the plan	<u>91,475</u>	<u>85,986</u>	<u>65,493</u>	<u>60,336</u>	<u>62,816</u>
Experience Adjustments					
Loss / (gain) on obligation	6,067	19,663	(1,646)	(2,278)	(4,597)
Gain / (loss) on plan assets	2,070	(2,594)	(2,612)	(428)	(944)
Gratuity fund - management					
Present value of defined benefit obligation	98,251	79,947	62,705	45,961	38,532
Fair value of plan assets	(103,865)	(102,356)	(82,491)	(61,579)	(44,800)
Surplus in the plan	<u>(5,614)</u>	<u>(22,409)</u>	<u>(19,786)</u>	<u>(15,618)</u>	<u>(6,268)</u>
Experience Adjustments					
Loss / (gain) on obligation	1,793	(1,822)	(2,743)	(8,491)	1,647
Loss on plan assets	(7)	(1,238)	(1,382)	(291)	(788)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

19.4 The Company's contributions toward the provident fund for the year ended June 30, 2022 amounted to Rs. 50.98 million (2021: Rs. 50.89 million).

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

	No. of years
Pension fund	5.18
Gratuity fund - Non-management	7.3
Medical fund	11.11
Gratuity fund - Management	16.04

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

	2022	2021
	(Rupees in thousand)	
20. TRADE AND OTHER PAYABLES		
Trade creditors	31,917,056	16,098,850
Due to Government of Pakistan - note 20.1	2,379,053	928,684
Due to related parties:		
- Attock Petroleum Limited	51,646	57,094
- Pakistan Oilfields Limited	27	49,224
- Attock Cement Pakistan Limited	-	141
Accrued liabilities	1,120,657	1,035,607
Current portion of provision for Gas Infrastructure Development Cess - refer to note 18	507,365	307,457
HSD premium differential - note 20.2	1,048,580	-
PMG-RON differential - note 20.3	294,018	84,457
PMG-Euro-V differential	7,258	-
Custom duty payable - note 20.4	1,670,681	617,090
Sales tax payable	1,846,834	2,717,164
Retention money	66,576	58,403
Deposits from contractors - note 20.5	64,296	57,579
Workers' Welfare Fund	262,903	94,714
Income tax deducted at source	21,495	29,189
Excise duty and petroleum levy	1,035	478,727
Workers' Profits Participation Fund - note 20.6	110,992	-
Others	7,847	2,057
	<u>41,378,319</u>	<u>22,616,437</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 20.1 This includes Rs. 2,075 million (2021: Rs. 642 million) in respect of discount and windfall payable on purchase of local crude oil and condensate.
- 20.2 This represents a differential payable as per the defined formula in the notification PL-3(457)/2022 dated April 6, 2022 issued by the Ministry of Energy (MoE) which requires the refineries to payback difference of PSO's weighted average HSD premium on spot cargoes and PSO's weighted average HSD premium (that includes premium under long term arrangement with Kuwait Petroleum) effective from second fortnight of April 2022 till June 2022. During the period the Company has paid Rs. 330.70 million to PSO in respect of the above premium differential.
- 20.3 This represents 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. The amount is paid as per the directives of the Regulator.
- 20.4 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 Ministry of Energy (MoE). In 2018, the Oil and Gas Regulatory Authority (OGRA) in compliance with the directives of MoE approved a recovery mechanism for regulated products through which refineries would operate on no gain / loss basis on this account. OGRA directed Oil Companies Advisory Committee (OCAC) to ensure implementation of the said mechanism. The Company has worked out the impact on the basis of such mechanism and adjusted the regulatory duty on regulated products in the trade payables and in case of regulatory duty on deregulated products in the sales and cost of sales respectively.
- 20.5 These represent amount received from contractors of the Company as a security deposit with reference to the contracts. Such amounts are kept in a separate bank account and are non-interest bearing.

	2022	2021
	(Rupees in thousand)	
20.6 Workers' Profits Participation Fund		
Receivable at beginning of the year	(43,957)	-
Allocation for the year - note 33	630,991	76,043
	<u>587,034</u>	<u>76,043</u>
Amount paid to the Trustees of the Fund	(476,042)	(120,000)
Payable / (receivable) at end of the year	<u>110,992</u>	<u>(43,957)</u>

21. ADVANCES FROM CUSTOMERS

These represent advances received from customers against supply of petroleum products which are recognised as revenue when the performance obligation is satisfied. During the year, the amount recognised as revenue from advance balance at the beginning of the year amounts to Rs. Nil (2021: Rs. 339.81 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

22. UNPAID DIVIDEND / UNCLAIMED DIVIDEND

Unpaid dividend includes dividend withheld due to non-compliance of certain legal / regulatory requirements by the shareholders.

23. ACCRUED MARK-UP

Accrued mark-up comprises of mark-up on borrowings.

	2022	2021
	(Rupees in thousand)	
24. PROVISIONS		
Duties and taxes - note 24.1	29,006	29,006
Others - note 24.2	83,355	83,355
	<u>112,361</u>	<u>112,361</u>

24.1 These represent provision made by the Company in respect of sales tax and central excise duty aggregating to Rs. 29.01 million (2021: 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.

24.2 These include Rs. 55.62 million (2021: Rs. 55.62 million) in respect of sales tax and excise duty on account of purchases of crude oil and drums.

	2022	2021
	(Rupees in thousand)	
25. BORROWINGS		
Running finance under mark-up arrangements - note 25.1	7,145,389	597,515
Financing under Istisna arrangement - note 25.2	8,900,000	6,250,000
Short term loans - note 25.3	2,472,000	13,150,000
	<u>18,517,389</u>	<u>19,997,515</u>

25.1 The facilities for running finance under mark-up arrangements with various banks amounted to Rs. 27.44 billion (2021: Rs. 26.7 billion) of which the amount remaining unutilised at the year end was Rs. 17.97 billion (2021: Rs. 13.4 billion). The rates of mark-up applicable on running finance ranges from 0.15% to 1% above KIBOR (2021: KIBOR + 0.15% to 1%) per annum.

25.2 The facilities from Istisna and Tijarah arrangement from various Islamic banks amounted to Rs. 14.90 billion (2021: Rs. 9.75 billion) of which Rs. 5.96 billion (2021: Rs. 3.5 billion) remain unutilised as at the year end. The rate of mark-up applicable is based on one / three months KIBOR + 0.02% to 0.15% (2021: three months KIBOR + 0.05% to 0.5%) per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 25.3 These represent short term loans obtained on rollover basis from commercial banks amounted to Rs. 2.47 billion (2021: Rs. 13.15 billion). These loans are interchangeable facilities with running finance arrangement as disclosed in note 25.1. The rate of mark-up applicable on these loans is based on respective tenor KIBOR plus spread ranging from -0.4% to +0.45% (2021: -0.1% to 0.55%) per annum.
- 25.4 The facilities for opening the letters of credit and guarantees as at June 30, 2022 amounted to Rs. 106.38 billion (2021: Rs. 82.95 billion) of which the amount remaining unutilised at year end was Rs. 43.94 billion (2021: Rs. 33.78 billion). The above financing arrangement to the tune of Rs. 20.84 billion (2021: Rs. 28.7 billion) are sublimit of these non-funded limits.
- 25.5 These facilities are secured against ranking charge on the Company's stocks, receivables and stores, spares and chemicals.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

- 26.1.1 Claims not acknowledged by the Company as debt at the end of the year amounted to Rs. 5.67 billion (2021: Rs. 5.57 billion). These include claims accumulating to Rs. 5.39 billion (2021: Rs. 5.34 billion) in respect of late payment surcharge claimed by crude oil suppliers and Rs. 100.4 million (2021: Rs. 63.9 million) relating to freight claims.
- 26.1.2 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 (2021: Rs. 5.07 billion). However, these have not been recognised in the financial statements as these claims have not been acknowledged by the OMCs.
- 26.1.3 During the year, the Deputy Commissioner Inland Revenue (DCIR) has passed orders under section 161 / 205 / 208 of the Income Tax Ordinance, 2001 (ITO, 2001), raising demands of Rs. 84.3 million, Rs. 29.46 million and Rs. 120.55 million for the tax years 2018, 2019 and 2020 respectively. The DCIR has raised such demands in respect of non-collection / short-deduction of withholding taxes from payments made to certain suppliers for supply of goods and services. The Company has filed appeals against the said orders of the DCIR with the Commissioner Inland Revenue (Appeals) which are pending adjudication.

26.2 Commitments

- 26.2.1 Commitments outstanding for capital expenditures as at June 30, 2022 amounted to Rs. 665.3 million (2021: Rs. 351.7 million).

2022 2021
(Rupees in thousand)

27. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local	257,605,610	184,561,517
Exports	<u>27,632,916</u>	<u>12,018,028</u>
	<u>285,238,526</u>	<u>196,579,545</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
28. TRADE DISCOUNTS, TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIALS		
Trade discounts	351,778	262,216
Sales tax	22,282,385	26,789,002
Excise duty	165	187
Petroleum levy	3,970,633	25,889,655
HSD premium differential - note 20.2	1,379,282	-
PMG-RON differential - note 20.3	500,533	330,405
PMG - Euro V differential	8,464	4,811
Custom duty - note 20.4	4,869,558	3,678,071
	<u>33,362,798</u>	<u>56,954,347</u>
29. COST OF SALES		
Opening stock of semi-finished products	4,064,865	2,542,958
Crude oil, condensate and drums consumed - notes 29.1, 29.2 and 20.4	231,920,550	127,159,520
Stores, spares and chemicals consumed	1,848,744	1,535,441
Salaries, wages and staff benefits - note 29.3	1,342,822	1,293,331
Staff transport and canteen	103,299	102,370
Fuel, power and water	3,408,324	3,563,818
Rent, rates and taxes	33,313	59,664
Insurance	521,760	558,268
Contract services	97,613	67,576
Repairs and maintenance	458,300	133,059
Reversal of provision for net realisable value of slow moving and obsolete stores, spares and chemicals	(6,686)	(6,977)
Reversal of provision for impairment of major spare parts and stand-by equipment	(4,538)	(2,024)
Depreciation - note 3.1	3,361,910	3,349,677
Amortisation of intangible assets - note 3.4	2,871	19,476
Professional charges	4,698	12,072
Consultancy charges	14,715	16,348
Security charges	16,423	15,718
Others	61,068	55,691
	243,185,186	137,933,028
Closing stock of semi-finished products - note 9	(11,104,961)	(4,064,865)
Cost of products manufactured	236,145,090	136,411,121
Opening stock of finished products	7,637,088	6,926,312
Closing stock of finished products - note 9	(15,701,346)	(7,637,088)
	(8,064,258)	(710,776)
	<u>228,080,832</u>	<u>135,700,345</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		(Rupees in thousand)	
29.1	Crude oil, condensate and drums consumed		
	Crude oil and condensate		
	- Opening stock	9,701,672	2,351,008
	- Purchases - note 29.2	240,749,782	134,356,629
	- Closing stock - note 9	<u>(18,878,501)</u>	<u>(9,701,672)</u>
		231,572,953	127,005,965
	Drums	<u>347,597</u>	<u>153,555</u>
		<u>231,920,550</u>	<u>127,159,520</u>
29.2	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.		
29.3	This include Rs. 77.83 million (2021: Rs. 69.96 million) and Rs. 32.82 million (2021: Rs. 33.34 million) in respect of defined benefit and defined contribution plans respectively.		

		2022	2021
		(Rupees in thousand)	
30.	DISTRIBUTION COST		
	Commission on local sales	786,023	561,834
	Commission on export sales	233,304	102,509
	Export expenses	316,345	144,384
	Salaries and staff benefits - note 30.1	76,766	76,356
	Depreciation - note 3.1	3,995	4,887
	Security charges	24,635	23,577
	Repairs and maintenance	180	166
	Pipeline charges	7,760	3,521
	Postage and periodicals	2,997	1,358
	Staff transport and canteen	4,723	4,521
	Others	2,441	2,515
		<u>1,459,169</u>	<u>925,628</u>
30.1	This include Rs. 6.33 million (2021: Rs. 6.06 million) and Rs. 2.37 million (2021: Rs. 2.58 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, 2022

	2022	2021
	(Rupees in thousand)	
31. ADMINISTRATIVE EXPENSES		
Salaries and staff benefits - note 31.1	553,210	522,112
Staff transport and canteen	35,524	31,993
Directors' fee	9,237	8,877
Rent, rates and taxes	8,281	5,108
Depreciation - note 3.1	64,941	65,278
Amortisation of intangible assets - note 3.4	297	522
Legal and professional charges	20,126	31,543
Printing and stationery	7,836	6,900
Contract services	58,937	46,362
Repairs and maintenance	95,084	80,781
Telecommunication	3,806	3,864
Electricity and power	6,208	5,912
Insurance	2,483	2,682
Travelling expenses	1,358	516
Postage and periodicals	8,924	8,922
Security charges	41,167	39,296
Others	31,284	37,083
	<u>948,703</u>	<u>897,751</u>

31.1 These include Rs. 36.18 million (2021: Rs. 34.61 million) and Rs. 15.79 million (2021: Rs. 14.93 million) in respect of defined benefit and defined contribution plans respectively.

	2022	2021
	(Rupees in thousand)	
32. OTHER INCOME		
Income from financial assets		
Return / interest / mark-up on:		
- PLS savings and deposit accounts - note 32.1	47,969	50,684
- Secured loans to employees - note 5.1	225	293
	<u>48,194</u>	<u>50,977</u>
Others		
Handling and storage income	30,887	182,823
Hospitality income	152,983	93,416
Liabilities no longer payable written back	175	13,698
Gain on disposal of property, plant and equipment	-	534
Sale of scrap and empties	60,759	12,321
Pipeline charges recovered	2,427	4,084
Rental income	10,225	9,852
Others	7,884	2,683
	<u>313,534</u>	<u>370,388</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

2022 2021
(Rupees in thousand)

33. OTHER OPERATING EXPENSES

Workers' Profits Participation Fund - note 20.6	630,991	76,043
Workers' Welfare Fund	178,564	44,593
Loss on disposal of property, plant and equipment	322	-
Auditors' remuneration - note 33.1	11,112	10,454
Corporate Social Responsibility	1,326	175
	<u>822,315</u>	<u>131,265</u>

33.1 Auditors' remuneration

Audit fee	3,234	3,080
Taxation services	4,903	4,222
Fee for review of half yearly financial information, special reports and certifications	2,461	2,678
Out-of-pocket expenses	514	474
	<u>11,112</u>	<u>10,454</u>

34. FINANCE COST - NET

Exchange loss / (gain) - note 34.1	6,135,318	(663,911)
Mark-up on Conventional Financing	1,903,313	1,202,582
Mark-up on Islamic Financing	990,200	365,906
Guarantee commission and service charges	765	892
Interest on Lease liability	25,712	26,251
Bank charges	12,665	8,668
	<u>9,067,973</u>	<u>940,388</u>

34.1 This is net of exchange gain on export sales amounting to Rs. 197.24 million (2021: Exchange loss of Rs. 10.33 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
35. TAXATION		
Current		
- for the year - note 35.1	1,526,011	1,081,705
- for prior years - note 35.2	(2,298,939)	(938,903)
Deferred	3,504,185	(512,693)
	<u>2,731,257</u>	<u>(369,891)</u>

35.1 This includes super tax of Rs. 1.24 billion (2021: Nil) as imposed by the Finance Act 2022. Further, the Company has adjusted carried forward minimum tax and alternate corporate tax amounting to Rs. 2.73 billion and Rs. 0.61 billion respectively out of deferred tax asset against the normal tax liability.

35.2 The Company has received an appeal affect order on January 17, 2022 based on the appellate orders passed by the Commissioner Inland Revenue Appeals (CIRA) in respect of tax year 2016. The main issue involved in the appeal was the apportionment of expenditures between local income and exports on the basis of 'gross sales' as compared to 'net sales'. The CIRA based on the prior orders of Appellate Tribunal Inland Revenue (ATIR) has allowed the apportionment of expenditures on the basis of 'gross sales' which has resulted in refund of Rs. 3,010.35 million that includes adjustment of Minimum tax / Alternative Corporate Tax versus Normal tax relating to previous years. However, the Federal Board of Revenue (FBR) has filed an appeal in the ATIR against the CIRA order. The Company has also filed an appeal in the ATIR in respect of apportionment of expenditures to be based on quantity sold rather than on net sales. As per last year practice and based on the legal advice, the Company has adjusted the appeal affect to the tune of Rs. 2,088.69 million relating to adjustments of 2015 and prior tax years. However, being prudent, the Company has partially accounted for the appeal effect for tax year 2016.

35.3 Relationship between tax expense and accounting profit

	2022	2021
	(Rupees in thousand)	
Accounting profit before taxation	<u>11,810,270</u>	<u>1,400,209</u>
Tax at the applicable tax rate	3,424,978	406,061
Tax effect of Final Tax Regime	(24,494)	139,361
Effect of income taxable at lower rate	(593)	(571)
Effect of super tax	1,245,589	-
Effect of change of rate	454,312	-
Effect of prior years tax	(2,298,939)	(938,903)
Effect of permanent differences	(69,596)	24,161
	<u>2,731,257</u>	<u>(369,891)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
36. EARNINGS PER SHARE - basic and diluted		
Profit after taxation (Rupees in thousand)	<u>9,079,013</u>	<u>1,770,100</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>113.53</u>	<u>22.14</u>

There were no dilutive potential ordinary shares in issue as at June 30, 2022 and 2021.

	Note	2022 (Rupees in thousand)	2021
37. CASH GENERATED FROM OPERATIONS			
Profit before taxation		11,810,270	1,400,209
Adjustment for non cash charges and other items:			
Depreciation and amortisation	29, 30 & 31	3,434,014	3,439,840
Mark-up on Conventional Financing	34	1,903,313	1,202,582
Mark-up on Islamic Financing	34	990,200	365,906
Interest on Lease liability	34	25,712	26,251
Provision for staff retirement benefit funds	19.1.8	120,339	110,628
Loss / (gain) on disposal of property, plant and equipment	33	322	(534)
Reversal of provision for net realisable value of slow moving and obsolete stores, spares and chemicals	29	(6,686)	(6,977)
Reversal of provision for impairment of major spare parts and stand-by equipments	29	(4,538)	(2,024)
Return on PLS savings and deposit accounts	32	(47,969)	(50,684)
Change in working capital	37.1	(12,475,763)	(7,313,709)
		<u>5,749,214</u>	<u>(828,512)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	(Rupees in thousand)	
37.1 Change in working capital		
(Increase) / decrease in current assets		
Stores, spares and chemicals	(202,298)	(145,874)
Stock-in-trade	(24,281,183)	(9,583,347)
Trade receivables	(7,470,368)	(5,009,751)
Loans and advances	(15,442)	7,274
Trade deposits and short-term prepayments	(24,822)	(9,912)
Other receivables	(195,238)	(129,780)
	<u>(32,189,351)</u>	<u>(14,871,390)</u>
Decrease in current liabilities		
Trade and other payables	18,489,133	7,897,495
Advances from customers	1,224,455	(339,814)
	<u>(12,475,763)</u>	<u>(7,313,709)</u>
38. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 14	618,419	607,327
Borrowings - note 25	(18,517,389)	(19,997,515)
	<u>(17,898,970)</u>	<u>(19,390,188)</u>

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2022			2021		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	← (Rupees in thousand) →					
Managerial remuneration	11,223	-	140,166	10,630	-	143,039
Bonus	2,100	-	23,880	700	-	8,211
Retirement benefits	3,066	-	22,496	2,520	-	22,988
House rent	3,969	-	44,495	3,780	-	48,064
Conveyance	422	-	9,198	307	-	7,342
Leave benefits	1,219	-	12,784	954	-	13,772
	<u>21,999</u>	<u>-</u>	<u>253,019</u>	<u>18,891</u>	<u>-</u>	<u>243,416</u>
Number of person(s)	<u>1</u>	<u>-</u>	<u>64</u>	<u>1</u>	<u>-</u>	<u>64</u>

39.1 In addition to above, an amount of Rs. 6.60 million has been paid to the Chief Executive on account of increment / revision in remuneration effective from November 03, 2019 to June 30, 2021.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 39.2 Besides, fee was paid to one executive and seven non-executive / independent directors during the year amounted to Rs. 1.39 million (2021: Rs. 1.27 million) and Rs. 7.85 million (2021: Rs. 7.61 million) respectively.
- 39.3 The Chairman, Chief Executive and some of the executives of the Company are provided with free use of the Company's cars and additionally, the Chief Executive and executives are also entitled to medical benefits, travelling allowance, club membership and subscriptions in accordance with their terms of service.

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

40.1 Financial assets and liabilities

	2022						Total
	Interest/mark-up bearing			Non-interest/mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	(Rupees in thousand)						
Financial assets							
Fair value through OCI							
Long-term investment	-	-	-	-	17,472	17,472	17,472
Amortised Cost							
Loans and advances	1,608	7,280	8,888	50,501	30,705	81,206	90,094
Deposits	-	-	-	31,636	30,265	61,901	61,901
Trade receivables	-	-	-	16,502,290	-	16,502,290	16,502,290
Interest accrued	-	-	-	11,902	-	11,902	11,902
Other receivables	-	-	-	343,027	-	343,027	343,027
Cash and bank balances	494,483	-	494,483	123,936	-	123,936	618,419
2022	496,091	7,280	503,371	17,063,292	78,442	17,141,734	17,645,105
Financial liabilities							
Trade and other payables	-	-	-	33,228,105	-	33,228,105	33,228,105
Unclaimed dividend	-	-	-	60,149	-	60,149	60,149
Unpaid dividend	-	-	-	37,024	-	37,024	37,024
Accrued mark-up	-	-	-	531,417	-	531,417	531,417
Borrowings	18,517,389	-	18,517,389	-	-	-	18,517,389
Lease liability	8,301	169,460	177,761	-	-	-	177,761
2022	18,525,690	169,460	18,695,150	33,856,695	-	33,856,695	52,551,845
On balance sheet gap							
2022	(18,029,599)	(162,180)	(18,191,779)	(16,793,403)	78,442	(16,714,961)	(34,906,740)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	2021						Total
	Interest/mark-up bearing			Non-interest/mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	(Rupees in thousand)						
Financial assets							
Fair value through OCI							
Long-term investment	-	-	-	-	9,787	9,787	9,787
Amortised Cost							
Loans and advances	1,781	8,502	10,283	34,886	28,481	63,367	73,650
Deposits	-	-	-	9,893	30,265	40,158	40,158
Trade receivables	-	-	-	9,031,922	-	9,031,922	9,031,922
Accrued interest	-	-	-	7,195	-	7,195	7,195
Other receivables	-	-	-	147,789	-	147,789	147,789
Cash and bank balances	515,527	-	515,527	91,800	-	91,800	607,327
2021	<u>517,308</u>	<u>8,502</u>	<u>525,810</u>	<u>9,323,485</u>	<u>68,533</u>	<u>9,392,018</u>	<u>9,917,828</u>
Financial liabilities							
Trade and other payables	-	-	-	17,358,955	-	17,358,955	17,358,955
Unclaimed dividend	-	-	-	61,398	-	61,398	61,398
Unpaid dividend	-	-	-	31,330	-	31,330	31,330
Accrued mark-up	-	-	-	94,868	-	94,868	94,868
Borrowings	19,997,515	-	19,997,515	-	-	-	19,997,515
Lease liability	5,895	177,761	183,656	-	-	-	183,656
2021	<u>20,003,410</u>	<u>177,761</u>	<u>20,181,171</u>	<u>17,546,551</u>	<u>-</u>	<u>17,546,551</u>	<u>37,727,722</u>
On balance sheet gap							
2021	<u>(19,486,102)</u>	<u>(169,259)</u>	<u>(19,655,361)</u>	<u>(8,223,066)</u>	<u>68,533</u>	<u>(8,154,533)</u>	<u>(27,809,894)</u>
OFF BALANCE SHEET ITEMS							
Commitments for capital expenditure							665,324
Letters of credit							41,534,629
Letters of guarantees							495,281
2022							<u>42,695,234</u>
2021							<u>20,879,530</u>

40.2 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. The Company operates under tariff protection formula for fuel refinery 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

(ii) Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties fail to perform as contracted. The financial assets that are subject to credit risk amounted to Rs. 17.59 billion (2021: Rs. 9.84 billion).

The Company monitors its exposure to credit risk on an ongoing basis at various levels. The Company believes that it is not exposed to any major concentration of credit risk as it operates in an essential products industry and has as customers only sound organisations. Further, the cash and bank balances represent low credit risk as major balances are placed with banks having credit ratings of AA or above as assigned by PACRA or JCR-VIS.

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

	2022	2021
	(Rupees in thousand)	
Long-term investment	17,472	9,787
Loans and advances	90,094	73,650
Deposits	61,901	40,158
Trade receivables	16,502,290	9,031,922
Interest accrued	11,902	7,195
Other receivables	343,027	147,789
Cash and bank balances	618,419	607,327
	<u>17,645,105</u>	<u>9,917,828</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. Nil (2021: Rs. 0.51 billion) and financial liabilities include Rs. 26.57 billion (2021: Rs. 13.79 billion) which are subject to foreign currency risk.

As at June 30, 2022, if the Pak Rupee had weakened / strengthened by 10% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 2.66 billion (2021: Rs. 1.33 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements. The following are contractual maturities of financial liabilities including mark-up payments:

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Trade and other payables	31,968,729	(31,968,729)	(31,968,729)	-	-	-
Unclaimed dividend	60,149	(60,149)	(60,149)	-	-	-
Unpaid dividend	37,024	(37,024)	(37,024)	-	-	-
Accrued mark-up	531,417	(531,417)	(531,417)	-	-	-
Borrowings	18,517,389	(18,517,389)	(18,517,389)	-	-	-
Lease liability	177,761	(316,910)	-	(33,187)	(192,551)	(91,172)
	<u>51,292,469</u>	<u>(51,431,618)</u>	<u>(51,114,708)</u>	<u>(33,187)</u>	<u>(192,551)</u>	<u>(91,172)</u>
	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Trade and other payables	16,205,309	(16,205,309)	(16,205,309)	-	-	-
Unclaimed dividend	61,398	(61,398)	(61,398)	-	-	-
Unpaid dividend	31,330	(31,330)	(31,330)	-	-	-
Accrued mark-up	94,868	(94,868)	(94,868)	-	-	-
Borrowings	19,997,515	(19,997,515)	(19,997,515)	-	-	-
Lease liability	183,656	(348,517)	-	(31,607)	(183,381)	(133,529)
	<u>36,574,076</u>	<u>(36,738,937)</u>	<u>(36,390,420)</u>	<u>(31,607)</u>	<u>(183,381)</u>	<u>(133,529)</u>

(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 conventional and Islamic financing facility which is priced ranging from -0.4% to 1% above respective / agreed tenor KIBOR.

At June 30, 2022, the Company has variable interest bearing financial liabilities of Rs. 18.01 billion (2021: Rs. 19.47 billion), and had the interest rate varied by 1% with all the other variables held constant, profit before income tax for the year would have been approximately Rs. 180.14 million (2021: Rs. 194.72 million) higher / lower, mainly as a result of higher / lower mark-up expense on floating rate borrowings.

(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, 2022

41 SEGMENT INFORMATION

41.1 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.

41.2 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 business segments is as follows:

	FUEL		LUBE		TOTAL	
	2022	2021	2022	2021	2022	2021
	(Rupees in thousand)					
Segment Revenue						
Revenue from external customers						
- local, net of discounts, taxes, duties, levies and price differentials	164,964,841	87,732,986	59,277,971	39,874,184	224,242,812	127,607,170
- exports	20,477,713	9,746,308	7,155,203	2,271,720	27,632,916	12,018,028
	<u>185,442,554</u>	<u>97,479,294</u>	<u>66,433,174</u>	<u>42,145,904</u>	<u>251,875,728</u>	<u>139,625,198</u>
Inter-segment transfers	57,713,697	30,787,980	-	-	57,713,697	30,787,980
Elimination of inter-segment transfers	-	-	-	-	(57,713,697)	(30,787,980)
Net revenue from contracts with customers	<u>243,156,251</u>	<u>128,267,274</u>	<u>66,433,174</u>	<u>42,145,904</u>	<u>251,875,728</u>	<u>139,625,198</u>
Segment results after tax	5,966,754	(3,031,843)	3,112,259	4,801,943	9,079,013	1,770,100
Other comprehensive income	(15,792)	(6,667)	(31,584)	(13,332)	(47,376)	(19,999)
Total Comprehensive income	<u>5,950,962</u>	<u>(3,038,510)</u>	<u>3,080,675</u>	<u>4,788,611</u>	<u>9,031,637</u>	<u>1,750,101</u>
Segment assets	78,514,017	50,261,268	11,399,874	9,496,061	89,913,891	59,757,329
Unallocated assets	-	-	-	-	12,792,417	15,924,187
Total assets	<u>78,514,017</u>	<u>50,261,268</u>	<u>11,399,874</u>	<u>9,496,061</u>	<u>102,706,308</u>	<u>75,681,516</u>
Segment liabilities	57,869,157	28,945,615	4,523,485	14,778,466	62,392,642	43,724,081
Unallocated liabilities	-	-	-	-	494,308	370,048
Total liabilities	<u>57,869,157</u>	<u>28,945,615</u>	<u>4,523,485</u>	<u>14,778,466</u>	<u>62,886,950</u>	<u>44,094,129</u>
Other Segment Information:						
Capital expenditure	478,761	79,328	149,901	66,475	628,662	145,803
Unallocated capital expenditure	-	-	-	-	195,410	594,059
	<u>478,761</u>	<u>79,328</u>	<u>149,901</u>	<u>66,475</u>	<u>824,072</u>	<u>739,862</u>
Depreciation and amortisation	3,051,604	3,044,128	382,410	395,712	3,434,014	3,439,840
Interest income	16,065	16,992	32,129	33,985	48,194	50,977
Mark-up expense	2,748,906	1,349,938	170,319	244,801	2,919,225	1,594,739
Non-cash expenses other than depreciation	(3,741)	(3,000)	(7,483)	(6,001)	(11,224)	(9,001)
Stock-in-trade written down	-	33,842	130,065	-	130,065	33,842

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 41.3 Incremental expenses of Diesel Hydro De-Sulphurisation (DHDS) and Isomerisation (ISOM) units have been charged to fuel segment in accordance with note 41.2 above.
- 41.4 The Company sells its manufactured products to Oil Marketing Companies (OMCs) and other organisations / institutions. Out of these, two (2021: two) of the Company's customers contributed towards 60.3% (2021: 57.8%) of the net revenues during the year amounting to Rs. 151.86 billion (2021: Rs. 80.68 billion) and each customer individually exceeds 10% of the net revenues.

42. TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Nature of transactions	2022	2021
		(Rupees in thousand)	
Associated companies			
- Pakistan Oilfields Limited (POL)			
	Rental income	3,537	3,215
	Products - sale of petroleum products	294,987	181,422
	Purchase of raw material	21,079	1,383,293
	Reimbursement of expenses incurred by POL on behalf of NRL	-	359
	Reimbursement of expenses incurred by NRL on behalf of POL	564	155
	Dividend paid to POL by NRL	199,916	-
- Attock Refinery Limited (ARL)			
	Reimbursement of expenses incurred by ARL on behalf of NRL	184	-
	Reimbursement of expenses incurred by NRL on behalf of ARL	9,076	-
	Naphtha handling income	13,560	136,395
	Price differential claims - (HSD)	-	8,475
	Dividend paid to ARL by NRL	199,916	-
- Attock Petroleum Limited (APL)			
	Sale of petroleum products	109,455,855	72,335,328
	Trade discounts	296,585	179,218
	Commission on export sales	263,634	115,836
	Commission on local sales	888,206	634,872
	Purchase of petroleum products	18,477	5,833
	Hospitality charges on sales	167,105	96,654
	Rental income	5,111	5,264
	Reimbursement of expenses incurred by NRL on behalf of APL	7,334	3,923
	Reimbursement of expenses incurred by APL on behalf of NRL	251	-
	Dividend paid to APL by NRL	7,997	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Nature of relationship	Nature of transactions	2022 (Rupees in thousand)	2021
Associated companies			
- Attock Cement Pakistan Limited (ACPL)			
	Purchase of stores	667	280
- Attock Oil Company Limited (AOCL) *			
	Reimbursement of expenses incurred by AOCL on behalf of NRL	64	63
	Reimbursement of expenses incurred by NRL on behalf of AOCL	32	43
Other related parties			
- Contribution to staff retirement benefits plans			
	Employees provident fund	50,983	50,889
	Employees gratuity fund	11,687	29,174
	Employees pension fund	40,201	44,105
	Post retirement medical fund	-	4,469
- Key management compensation **			
	Salaries and other employee benefits	54,922	41,994
	Post employment benefits	4,695	3,665
	Directors' fee	9,237	8,877

* The Company is incorporated in United Kingdom with registered address 4, Swan Street Manchester England M4 5JN.

** Key management personnel include Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and General Manager Commercial.

- 42.1.1 Sales of petroleum products to associated companies are based on prices fixed by the Oil and Gas Regulatory Authority, import prices of Pakistan State Oil and Company announced prices.
- 42.1.2 Purchase of crude oil and condensate from associated company is based on price mechanism provided in their respective Petroleum Concession Agreement till finalisation of Crude Oil / Condensate Sale and Purchase Agreements.
- 42.2 The related party status of outstanding balances as at June 30, 2022 is included in trade receivables, 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, 2022

42.3 Following are the related parties with whom the Company had entered into transactions or has arrangement / agreement in place:

S.No.	Company name	Basis of association	Aggregate % of Shareholding
1.	Attock Refinery Limited	Group Company	25%
2.	Pakistan Oilfields Limited	Group Company	25%
3.	Attock Petroleum Limited	Group Company	1%
4.	Attock Cement Pakistan Limited	Group Company	N/A
5.	Attock Oil Company Limited	Group Company	N/A

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

43. CAPACITY

2022 - note 43.1	<u>23,100,000</u>	<u>14,360,919</u>
2021	<u>23,100,000</u>	<u>14,631,174</u>

43.1 Actual throughput is less than the designed capacity due to crude price and product margins, volatility in international market, product demand pattern and rupee dollar parity for local market.

44. NUMBER OF EMPLOYEES

	2022	2021
Number of employees including contractual employees at June 30	<u>981</u>	<u>1105</u>
Average number of employees including contractual employees during the year	<u>1043</u>	<u>1117</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

45. SUBSEQUENT EVENT

The board of directors in their meeting held on August 16, 2022 has proposed cash dividend of Rs. 15 per share (2021: Rs. 10 per share) amounting to Rs. 1,199.50 million. (2021: Rs. 799.67 million) subject to the approval of the Company in the forthcoming annual general meeting.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 16, 2022 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, 2022

FORM 34

NUMBER OF SHAREHOLDERS	FROM	SHAREHOLDINGS TO	TOTAL SHARES HELD	% ON ISSUED
2308	1	100	100,665	0.13
2276	101	500	682,196	0.85
1053	501	1000	855,579	1.07
1283	1001	5000	3,005,673	3.75
235	5001	10000	1,685,971	2.11
166	10001	50000	3,419,198	4.28
26	50001	100000	1,845,632	2.31
21	100001	250000	3,424,305	4.28
7	250001	500000	2,287,782	2.86
4	500001	1000000	2,795,366	3.50
2	1000001	1500000	2,490,301	3.11
1	1500001	2500000	1,800,793	2.25
1	2500001	5000000	3,589,819	4.49
1	5000001	12000000	12,000,000	15.01
2	12000001	20000000	39,983,280	50.00
<u>7386</u>			<u>79,966,560</u>	<u>100.00</u>

Categories of shareholders	Percentage %	Number of Shareholders	Number of Shares held
Directors, Chief Executive Officer, and their spouse and minor children.	0.00	6	7
Associated Companies, undertakings and related parties.	51.08	5	40,849,151
NIT and ICP.	1.35	7	1,080,455
Banks, Development Financial Institutions and Non Banking Financial Institutions.	3.49	33	2,794,801
Insurance Companies.	8.41	14	6,725,994
Modarabas and Mutual Funds.	2.38	42	1,898,845
Shareholders holding 10% - Islamic Development Bank, Jeddah.	15.01	1	12,000,000
General Public:			
a. Local.	15.01	7139	12,000,075
b. Foreign.	0.01	8	10,568
Joint Stock Companies.	0.70	32	563,301
Others.	2.56	99	2,043,363
	<u>100.00</u>	<u>7,386</u>	<u>79,966,560</u>

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2022

Categories of shareholders	Percentage %	Number of Shares held
Directors, Chief Executive Officer, their spouse(s) and minor children		
Mr. Laith G. Pharaon		1
Mr. Wael G. Pharaon		1
Mr. Shuaib A. Malik		2
Mr. Shamim Ahmad Khan		1
Mr. Abdus Sattar		1
Mr. Babar Bashir Nawaz		1
Associated Companies		
Attock Refinery Limited		19,991,640
Pakistan Oilfields Limited		19,991,640
Attock Petroleum Limited		799,665
Shareholders holding 10% or more voting interest		
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 during the year 2021-22:

Executives	No. of Shares Traded
Mr. Mehmood Azam	5
Mr. Nisar Ahmed Khan	1
Mr. Khan Zaman	21

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. 1,200,000 including all employees of the Finance Division, Internal Audit Function and Company Secretary Office.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Fifty Ninth (59th) Annual General Meeting** of National Refinery Limited will be held on **Wednesday, October 19, 2022 at 1400 hours in Marriott Hotel, Karachi, and also through electronic means**, 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, 2022 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. 15/- per share i.e., 150% for the year ended June 30, 2022, as recommended by the Board of Directors.
3. To appoint Company's auditors for the year ending June 30, 2023 and to fix their remuneration.

OTHER BUSINESS

4. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board



Muhammad Atta ur Rehman Malik
Company Secretary

Karachi:
Dated: September 23, 2022

NOTES:**1. CLOSURE OF SHARE TRANSFER BOOK**

The Register of Members will remain closed from **October 12, 2022 to October 19, 2022** (both days inclusive). Transfers received in order at the office of the Company's Share Registrar:

M/s CDC Share Registrar Services Limited

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

at the close of business on **October 11, 2022** will be treated in time for the purpose of determination of entitlement to the transferees.

2. PARTICIPATION IN ANNUAL GENERAL MEETING**a) Through Electronic Means:**

Shareholders interested to attend the meeting via video link i.e. through ZOOM application instead of physical presence are requested to get themselves registered with CDC Share Registrar Services Limited at least 48 hours before the time of AGM at cdcsr@cdcsrsl.com or WhatsApp on: **+92 321-8200864** by providing the following details:

Full Name of Shareholder / Proxy Holder	Company	* CNIC / Passport Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	National Refinery Limited				

**Shareholders shall also share copy of original CNIC or passport.*

***Shareholders are requested to provide active email address and mobile phone number.*

b) Through In Person:

- An Individual shall authenticate his identity by showing original Computerised National Identity Card (CNIC) or original passport.
- 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.

c) For Appointing Proxies:

- A member may appoint another person as his proxy to attend, speak and vote instead of him. A proxy need not be a member.
- Proxy, in order to be effective, must be in writing duly signed, witnessed, stamped and deposited at the Registered office of the Company not less than 48 hours before the meeting.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.
- Form of proxy is annexed at the end of annual report as well as available at Company's website i.e., www.nrlpak.com.

3. 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 shareholding under Central Depository System (CDS) are advised to submit the above information directly to Central Depository Company (CDC) Participant / Investor Account Service.

4. PAYMENT OF CASH DIVIDEND ELECTRONICALLY – COMPULSORY

Members of the Company, who have not provided the particulars of their bank accounts, are hereby requested to provide them through E-Dividend Form (annexed at the end of annual report as well as available at Company's website i.e., www.nrlpak.com). 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.

5. DEDUCTION OF INCOME TAX AT REVISED RATES

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment effective July 1, 2022 are as follows:

1.	For persons appearing in Active Taxpayer List (ATL)	15%
2.	For persons not appearing in Active Taxpayer List (ATL)	30%

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

Company Name	Folio / CDC A/c No.	Total shares	Principal shareholder		Joint shareholder	
			Name & CNIC No.	Shareholding proportion (No. of shares)	Name & CNIC No.	Shareholding proportion (No. of shares)

The CNIC / NTN number is now mandatory and is required for checking the tax status as per the Active Taxpayer List issued and updated by the Federal Board of Revenue (FBR) in a timely manner.

6. 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.

7. UNCLAIMED SHARES / DIVIDEND

Pursuant to Section 244 of the Companies Act, 2017, the Company has dispatched notices from time to time, followed by newspaper advertisements, in respect of shares / dividend that remained unclaimed or unpaid to all shareholders at their last known addresses, with the request to lodge their claims. Accordingly, if such claims are not lodged within prescribed time period, the Company shall proceed according to the requirements of the Law.

8. VIDEO-LINK FACILITY

At least seven days prior to the date of 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.

9. CHANGE OF ADDRESS

Members are requested to promptly notify of any change in their addresses:

- To Company's Share Registrar in case of physical shareholding, and
- To CDC participant / Investor Account Service in case of shareholding maintained under CDS.

10. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2022 have been placed at the Company's website www.nrlpak.com.

11. TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY

Members who are interested in receiving the annual reports and notice of Annual General Meeting electronically, i.e. through email, in future are requested to send their email addresses on the consent form placed on the Company's website 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.

12. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT

In light of Section 72 of the Companies Act, 2017, SECP has advised all the listed companies to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in book-entry form. Holding shares in book-entry form has numerous benefits including secure custody of shares, instantaneous transfer of ownership and no risk of damaged, lost, forged or duplicate certificates. Accordingly, Shareholders having physical shareholding are requested to convert their shares in book-entry form by opening CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form.

13. MERGER OF DIFFERENT FOLIOS INTO ONE FOLIO

As per record, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two different folios may be a hassle for the shareholders to reconcile and receive different benefits in the shape of dividends / bonus. In order

to provide better services and convenience, such shareholders, are requested to send requests to the Company's Share Registrar and Transfer agent to merge their folios into one folio.

14. MANDATORY REGISTRATION DETAILS OF PHYSICAL SHAREHOLDERS

In accordance with section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide address, email address / telephone number to the Company's Share Registrar immediately to avoid any non-compliance of law or any inconvenience in future.

ڈائریکٹرز کی ریمونڈیشن پالیسی

بورڈ کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کے معاوضہ/فیس کے تعین کا اختیار بورڈ کے پاس ہے۔ بورڈ کی کمیٹیوں کے اجلاسوں میں شرکت کیلئے اور جنرل اجلاس میں یا کسی دوسرے کاروباری اجلاس میں شرکت کے لئے کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسکے علاوہ، اجلاسوں میں شرکت کیلئے سفر، ہوٹل اور دیگر اخراجات ادا کئے جاتے ہیں۔

اس سال ادا کیے جانے والی فیس اور چیف ایگزیکٹو آفیسر کو ادا کیے گئے معاوضے کے پیکج کی تفصیلات مالیاتی گوشوارے کے نوٹ نمبر 39 میں بیان کی گئی ہیں۔

شیر ہولڈنگ کا خلاصہ

شیر ہولڈنگ کا خلاصہ صفحہ نمبر 114 پر دکھایا گیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اپنے کام سے سبکدوش ہو رہے ہیں اور خود کو دوبارہ تقرری کیلئے پیش کرتے ہیں۔ اس کے مطابق، بورڈ آف ڈائریکٹرز، بورڈ آڈٹ کمیٹی کی تجویز پر میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو مالی سال ۲۰۲۳ کے اختتام کے لیے 3.35 ملین روپے کی فیس پر کمپنی کے آڈیٹرز مقرر کرنے کی تجویز کرتے ہیں، 'out of pocket' اخراجات اور سیلز ٹیکس اس کے علاوہ ادا کیے جائیں گے۔

اظہار تشکر

بورڈ تمام صارفین، سپلائرز، غیر ملکی اور مقامی ٹھیکیداروں، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد کا مشکور ہے۔

بورڈ کی جانب سے۔



چیف ایگزیکٹو آفیسر



ڈائریکٹر

16 اگست، 2022

اسلام آباد

ملازمین کے معاملات کی کمیٹی

اچھ آر کمیٹی چار ارکان پر مشتمل ہے۔ یکم جولائی، 2021 سے 30 جون، 2022 کی مدت کے دوران ارکان کی حاضری درج ذیل رہی:

ارکان کے نام	کل اجلاس	اجلاسوں میں شرکت
جناب شمیم احمد خان - چیئر مین	۱	۱
جناب شعیب اے ملک	۱	۱
جناب بابر بشیر نواز (متبادل ڈائریکٹر برائے جناب وائل جی فرعون)	۱	۱
جناب جمیل اے خان - چیف ایگزیکٹو آفیسر	۱	۱

آڈٹ کمیٹی

آڈٹ کمیٹی تین ارکان پر مشتمل ہے۔ 30 جون 2022 کو ختم ہونے والے سال کے لئے آڈٹ کمیٹی کے اجلاسوں کے لئے ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

ارکان کے نام	کل اجلاس	اجلاسوں میں شرکت
جناب شمیم احمد خان - چیئر مین *	۲	۲
جناب طارق اقبال خان - چیئر مین **	۲	۲
جناب عبدالستار	۴	۴
جناب بابر بشیر نواز (متبادل ڈائریکٹر برائے جناب وائل جی فرعون)	۴	۴

* جناب شمیم احمد خان کو بورڈ آف ڈائریکٹرز نے 21 دسمبر 2021 کو چیئر مین بورڈ آڈٹ کمیٹی مقرر کیا۔

** اس مدت کے دوران متعلقہ ممبران کمیٹی میں شامل رہے۔

قسم	نام	
i	انڈیپنڈنٹ ڈائریکٹرز	جناب طارق اقبال خان / جناب شمیم احمد خان جناب زکی محمد منصور / جناب خواندہ میر نصرت خوجانیو
ii	نان ایگزیکٹو ڈائریکٹرز	جناب لیٹ جی فرعون متبادل ڈائریکٹر: جناب شعیب اے ملک جناب وائل جی فرعون متبادل ڈائریکٹر: جناب بابر بشیر نواز جناب عبدالستار جناب شعیب اے ملک جناب ساجد نواز
iii	ایگزیکٹو ڈائریکٹر	جناب جمیل اے خان

سال کے دوران، اکتوبر 2021 میں ہونے والے انتخابات کی وجہ سے بورڈ کی تشکیل میں تبدیلی آئی۔ جناب طارق اقبال خان اور جناب زکی محمد منصور اپنے عہدے سے سبکدوش ہو گئے ہیں اور ان کی جگہ جناب شمیم احمد خان اور جناب خواندہ میر نصرت خوجانیو کو منتخب کیا گیا ہے۔ دیگر تمام ڈائریکٹرز کو اگلی مدت کے لیے دوبارہ منتخب/تعیینات کیا گیا ہے۔

مالی سال 2020-21 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

ڈائریکٹر کا نام	کل اجلاس*	اجلاسوں میں شرکت**
جناب لیٹ جی فرعون متبادل ڈائریکٹر: جناب شعیب اے ملک	۵	۵
جناب وائل جی فرعون متبادل ڈائریکٹر: جناب بابر بشیر نواز	۵	۵
جناب شعیب اے ملک - چیئر مین	۵	۴
جناب عبدالستار	۵	۵
جناب زکی محمد منصور - IDB کے نمائندے	۲	۲
جناب خواندہ میر نصرت خوجانیو - IDB کے نمائندے	۳	۲
جناب ساجد نواز	۵	۵
جناب طارق اقبال خان	۲	۲
جناب شمیم احمد خان	۳	۳
جناب جمیل اے خان - چیف ایگزیکٹو آفیسر	۵	۵

* اس مدت کے دوران متعلقہ ڈائریکٹرز بورڈ پر تھے۔

** سال کے دوران متعلقہ میٹنگ کے وقت کمپنی کے بورڈ پر موجود ڈائریکٹرز یا اسکے متبادل کی طرف سے شرکت کی گئی۔

- کمپنی کے کھاتے کمپنیز ایکٹ ۲۰۱۷ 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 محتاط 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 کا نظام مضبوط ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- آنے والے سالوں میں کمپنی کی کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- 30 جون 2022 کو مختلف فنڈز کی سرمایہ کاری کی مالیت مندرجہ ذیل ہے:

ملین روپے (غیر آڈٹ شدہ)	تفصیل
	انتظامی عملے سے متعلق فنڈز
5,048	پینشن فنڈ
1,025	پراویڈنٹ فنڈ
1,261	بحد ریٹائرمنٹ میڈیکل فنڈ
104	گرجویٹی فنڈ
	غیر انتظامی عملے سے متعلق فنڈز
160	گرجویٹی فنڈ
561	پراویڈنٹ 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 سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل استثنیٰ یا نرمی کے معیار پر پورا اترتے ہیں۔
- کمپنی کے حصص میں بورڈ آف ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ایگزیکٹوز اور ان کی بیگمات اور چھوٹے بچوں کی طرف سے کوئی سودا نہیں کیا گیا سوائے اس کے کہ جن کا ذکر "شیر ہولڈنگ کے پیٹرن" میں کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل اور ان کے اجلاس

بورڈ سات ڈائریکٹرز اور ایک چیف ایگزیکٹو آفیسر پر مشتمل ہے۔ فی الحال کمپنی کے بورڈ پر کوئی خاتون ڈائریکٹر نہیں ہے۔ بورڈ کی تشکیل سال بھر مندرجہ ذیل رہی:

مذکورہ بالا کے علاوہ، کمپنی نے NRL احاطے میں بوسٹر ویکسینیشن سمیت متعدد COVID-19 ویکسینیشن کمپوں کا بھی اہتمام کیا تاکہ ملازمین، ان کے اہل خانہ اور ٹھیکیداروں کے عملے کو سہولت فراہم کی جاسکے اور یہ یقینی بنایا جاسکے کہ کام پر موجود تمام افراد متعلقہ حکام کی جاری کردہ ہدایات کے عین مطابق ویکسین لگائیں۔

قومی خزانے کو کی جانے والی ادائیگی

موجودہ مالی سال کے دوران، کمپنی نے براہ راست اور بالواسطہ ٹیکس کی مد میں 27.48 ارب روپے قومی خزانے میں جمع کرائے اور نبھایا، تارکول، لیوب بیس آئل اور ایکسٹریکٹ آئل کی برآمد کے ذریعے 155.93 بلین امریکی ڈالر کا قیمتی زر مبادلہ کمایا۔

انسانی وسائل کی ترقی

کمپنی کے انسانی وسائل مختصر اور طویل مدتی کارپوریٹ اور اسٹریٹیجک 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۔ عملے کے ارکان کے لیے مختلف تکنیکی اور غیر تکنیکی شعبوں میں مختلف کورسز اور ورکشاپس منعقد کرنے کے علاوہ، کمپنی اپنے مینجمنٹ ٹرینیز اور اپرنٹس شپ پروگراموں کے ذریعے ریفرنسری آپریشنز اور دیکھ بھال کے حوالے سے علمی اور عملی تربیت فراہم کرتی ہے جو نہ صرف کمپنی کے آپریشنز کے لیے تربیت یافتہ افرادی قوت کے اضافی تقاضوں کو پورا کرتی ہے بلکہ تیل صاف کرنے کی صنعت کے لیے تربیت یافتہ افرادی قوت کا سبب بنتی ہے۔

انٹرنل فنانشل کنٹرول سسٹم

کمپنی اس بات کو یقینی بناتی ہے کہ مالی معاملات سمیت تمام سرگرمیوں کیلئے مناسب داخلی کنٹرولز موجود ہیں۔ کمپنی میں انٹرنل آڈٹ ڈیپارٹمنٹ موجود ہے جو داخلی مالی کنٹرولز کے ڈیزائن کی درستگی اور ان کنٹرولز کے مناسب طریقے سے لاگو ہونے اور انکی نگرانی کی تشخیص کیلئے ریگولر آڈٹ کرتا ہے۔ کمپنی کے ڈائریکٹرز نے "آڈٹ کمیٹی" تشکیل دی ہے جو انٹرنل آڈٹ ڈیپارٹمنٹ کی رپورٹوں کا سہ ماہی بنیاد پر جائزہ لیتی ہے۔

کاروباری نظم و نسق

کمپنی اچھے کاروباری نظم و نسق پر کاربند رہنے کا تہیہ کئے ہوئے ہے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 پر عمل پیرا ہے اور یہ بیان کیا جاتا ہے کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے آپریشنز کے نتائج، ایکویٹی میں تبدیلی اور کیش فلوکس شفاف عکاس کرتے ہیں۔

ملازمین اور انتظامیہ کے تعلقات

انتظامیہ اور ملازمین بشمول یونین کے درمیان خوشگوار تعلقات برقرار ہیں۔ حاصل کردہ پیداوار، اجتماعی اور مخلصانہ کوششوں کی عکاسی کرتی ہے۔ ملازمین میں COVID-19 انفیکشن کے پھیلاؤ کو روکنے کے لیے، کمپنی نے اپنے ملازمین کی حفاظت کے لیے مناسب اقدامات اختیار کیے۔ کام کی رفتار اور ملازمین کے تحفظ کو برقرار رکھنے کے لیے انتظامات کا توازن برقرار رکھا گیا ہے۔

پیشہ ورانہ زندگی میں صحت، حفاظت اور ماحول

ماحول کے تحفظ کے لیے کمپنی کی سنجیدگی اس کے بحفاظت آپریشنز کی انجام دہی سے واضح ہے۔ NRL کی ٹیم کی توجہ توانائی کے تحفظ، وسائل کو بہتر بنانے اور فضلہ کی پیداوار کو کم کرنے پر مرکوز ہے۔ کمپنی کے پاس ISO 14001:2015، ISO 45001:2018 اور ISO 9001:2015 کی ضروریات کے مطابق ایک جامع مربوط مینجمنٹ سسٹم موجود ہے۔ یہ سسٹم صحت، حفاظت، ماحولیات اور معیار کی آگاہی کو مضبوط بنانے کے ساتھ ٹیم ورک، باختیار بنانے اور مسلسل بہتری کے کلچر کو فروغ دینے میں مدد کرتا ہے۔ NRL ٹیم اس بات کو یقینی بناتی ہے کہ کمپنی کی ریفاہنگ سرگرمیاں پیشہ ورانہ صحت کی حفاظت اور ماحولیاتی قانون سازی، کمپنی کے معیاری آپریشنز کے طریقہ کار اور ماحولیاتی تحفظ کے لیے بحفاظت آپریشنز کے طریقوں کے عین مطابق ہیں۔

این آر ایل ایسی مصنوعات اور خدمات پیش کرنے کی کوشش کرتا ہے جو صاف، محفوظ اور اعلیٰ معیار کی ہوں۔ این آر ایل کے لوگوں کا خیال ہے کہ اس بنیادی حقیقت کا ادراک بہتر ماحول کے لیے اپنی ذمہ داری کو پورا کرنا ہے۔

کمپنی کی توجہ تمام آپریشنل سرگرمیوں میں پیشہ ورانہ صحت اور حفاظتی نگہداشت کی عکاسی اور ملازمین کے درمیان محفوظ طرز عمل کے کلچر کو فروغ دینے پر بھی مرکوز ہے۔ پائیدار ترقی ہر وقت ایجنڈے میں سرفہرست رہی ہے اور اس مقصد کے حصول میں پیشہ ورانہ صحت اور حفاظت کی پاسداری کے ساتھ ساتھ ماحولیات کی حفاظت اور تحفظ کمپنی کے آپریشنز کا ایک لازمی جزو رہا ہے۔ جامع پالیسیاں ہمیشہ NRL میں لوگوں کی رہنمائی کرتی ہیں کہ وہ ملازمین، سپلائرز اور صارفین کو شامل کر کے ایک باہمی تعاون کے طریقہ کار کے ذریعے مؤثر نفاذ کے ساتھ ماحول، حفاظت اور پیشہ ورانہ صحت کے مسائل کو حل کریں۔

COVID-19 کو روکنے کے لیے کیے گئے اقدامات

کمپنی کی انتظامیہ نے اپنے ملازمین میں COVID-19 کے پھیلاؤ کو روکنے کے لئے متعدد اقدامات اختیار کیے۔ کمپنی کی سرگرمیاں، ضروری خدمات کی حیثیت سے، وفاقی اور صوبائی حکومتوں کے ایس او پیز پر عمل داری کو یقینی بناتے ہوئے انجام دی گئیں۔ ان میں چہرے پر لازمی ماسک اور کام کی جگہوں پر مناسب فاصلے کو یقینی بنانا شامل ہے۔ مزید یہ کہ کمپنی نے ملازمین کی حاضری رکارڈ کروانے کے لیے ہینڈ جیومیٹری مشینوں کے بجائے نفیس آئی ڈی مشینیں خریدیں اور استعمال کر رہے ہیں۔ کام کرنے کی جگہ کو جراثیم کش اسپرے سے چھڑکاؤ کیا جاتا ہے۔ COVID-19 کی علامت والے کسی بھی شخص کو کمپنی میں داخل ہونے کی اجازت نہیں ہے جبکہ ایسی علامات رکھنے والے ملازمین کو گھر میں ہی قرنطینہ میں رہنے کو کہا جاتا ہے۔ انٹری پوائنٹ پر سینر ڈسپلے کے علاوہ کمپنی ڈاکٹر کے ذریعے ملازمین کو COVID-19 سے بچاؤ کے بارے میں بتانے کے لیے آگاہی نشستوں کا انعقاد بھی کیا جاتا ہے۔

پیش نظر خدشات

- 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۔
- بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں کی طرف سے ملک اور اعلیٰ درجے کے بینکوں کا منفی منظر نامہ ایک بڑے خطرے کے طور پر ابھرا ہے جو نہ صرف کمپنی کے لیے بلکہ تیل کی صنعت کے لیے خاص طور پر اور ملک بھر میں درآمد پر منحصر تمام کاروباروں کے لیے سپلائی چین کو متاثر کر سکتا ہے۔ تاہم جب تک کہ ملک میں سیاسی استحکام اپنا مناسب راستہ اختیار نہیں کرتا یہ معلوم کرنا مشکل ہے کہ یہ کب تک اور کس حد تک تیل کے شعبے سمیت مجموعی اقتصادی سرگرمیوں پر اثر انداز ہوتا رہے گا۔
- کمپنی کو خام مال کے سپلائرز کو ادائیگی غیر ملکی کرنسی میں کرنی ہوتی ہے جس میں پاکستانی روپے کی قدر میں کمی کی وجہ سے عام طور پر زر مبادلہ کے نقصان کا سامنا ہوتا ہے۔ حکومت کی جانب سے کچھ اقدامات کیے گئے ہیں تاکہ زر مبادلہ کے نقصانات کے اثرات کو قیمتوں میں شامل کر کے اس کے اثرات کو کم کیا جاسکے جو کہ کسی حد تک خطرے کا احاطہ کرتا ہے۔
- الیکٹریک گاڑیاں متعارف کرانے اور فوسل فیول پر انحصار کم کرنے کے حوالے سے عالمی پیشرفت درمیانی سے طویل مدت میں تیار شدہ پٹرولیم مصنوعات کے مارجنز کو کم کرنے کا سبب بنے گا۔ کمپنی مستقبل کے منصوبوں میں سرمایہ کاری میں محتاط انداز اختیار کرے گی۔

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۔ اس سلسلے میں، 1,000,000 روپے ایندھن کی بچت کا شعور بیدار کرنے کی میڈیا مہم کے لیے اور 250,672 روپے COVID-19 ویکسینیشن کی میڈیا مہم کے لیے ادا کیے گئے۔ مزید برآں، تعلیم کے فروغ کے لیے 75,000 روپے عطیہ کے طور پر دیے ہیں۔

کمپنی اس بات کیلئے پر عزم ہے کہ اس کے کردار کو نہ صرف ایک تجارتی ادارے کے طور پر بلکہ ایک سوشل پارٹنر کے طور پر بھی تسلیم کیا جائے۔ اس سلسلے میں کمپنی نے تین معذور افراد کو سندھ معذور افراد (ملازمت، بحالی اور فلاح و بہبود ایکٹ 2014) The Sindh Differently able person (Employment, Rehabilitation and Welfare Act 2014) کی ہدایت کی 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 12.46 ملین روپے کی ادائیگی بھی کر چکی ہے۔

امپورٹ پیریٹی پر انسنگ فارمولا کے مطابق فیول سیگمنٹ کے منافع کو یکم جولائی، ۲۰۰۲ کے مطابق موجود ادا شدہ سرمایہ کے ۵۰ فیصد تک تقسیم کیا جاسکتا ہے اور باقی منافع کو اسپیشل ریزرو (special reserves) میں منتقل کیا جائیگا۔ سال کے دوران، کمپنی نے اپنے فیول سیگمنٹ کی مخصوص حد سے زیادہ خالص منافع کی رقم اسپیشل ریزرو اکاؤنٹ میں منتقل کی ہے۔

2013 میں وزارت پیٹرولیم اور قدرتی وسائل کی طرف سے جاری کردہ ریفاٹری پروجیکٹ کی اپ گریڈیشن اور توسیع کے پالیسی فریم ورک کے تحت، ریفاٹری کو ڈی ایچ ڈی ایس اور آئیسیوم انٹریژن اپ گریڈیشن پروجیکٹس کی تکمیل کے بعد اسپیشل ریزرو سے نقصانات کو ایڈجسٹ کرنے کی اجازت ہے۔ چونکہ کمپنی نے حکومت کے احکامات کے مطابق ان منصوبوں کو مکمل کر لیا ہے، اس لیے کمپنی نے گزشتہ سالوں کے فیول ریفاٹری آپریشنز سے ہونے والے مجموعی نقصانات کو اسپیشل ریزرو اکاؤنٹ میں منتقل کی گئی رقم سے ایڈجسٹ کر لیا ہے۔

سپلائرز اور صارفین کے ساتھ کاروباری تعلقات

ہم سعودی آراکو اور ایڈناک کو درآمد شدہ خام تیل کی فراہمی پر بروقت ادائیگی کرنے کی تاریخی حیثیت برقرار رکھے ہوئے ہیں۔ مزید، پاکستان میں سرگرم تیل کی تلاش کرنے والی دیگر غیر ملکی اور مقامی کمپنیوں کو بھی باقاعدگی سے ادائیگی کی جاتی ہے۔ ہم سپلائی 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

گزشتہ چھ سال (2017-2022) کی کلیدی آپریٹنگ اور مالیاتی تفصیل صفحہ نمبر 43 پر دکھائی گئی ہے

ریفاٹریز کی پیداواری صلاحیت

پیداواری صلاحیتوں کے تجزیہ کے مطابق، لیوب ریفاٹری کے ٹو اسٹیج یونٹ کے ریویمپ (revamp) کے بعد این آریل 23.10 ملین بیرل سالانہ پیداواری صلاحیت کے ساتھ پاکستان کی تیسری بڑی ریفاٹری ہے۔ این آریل پاکستان میں واحد ریفاٹری کمپلیکس ہے جس میں لیوب ریفاٹری شامل ہے اور ملک کی مانگ کو پورا کرنے کے لیے لیوب بیس آئل کی متعدد درجات کی پیداوار کرتا ہے۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے کمپنی کی طویل مدتی درجہ بندی AA+ (پچھلے نو سالوں سے برقرار) ہے اور مختصر مدتی درجہ بندی A1+ (پچھلے اٹھارہ سالوں سے برقرار) ہے۔ یہ درجہ بندیاں مالیاتی وعدوں کی بروقت ادائیگی کی مضبوط صلاحیت رکھنے کی بناء پر کریڈٹ رسک کی بہت کم امید ظاہر کرتی ہیں۔ تاہم، موجودہ صورتحال کے پیش نظر، اس سال بھی کمپنی کا آؤٹ لک منفی رکھا گیا ہے۔

سی سی آر۔ (کنٹینپونس کیٹالسٹ ریجنیریشن) پلیٹ فارمنگ یونٹ۔

پیٹرول کی پیداوار میں اضافہ کرنے اور ملک کی EURO-V معیار کے پیٹرول کی خصوصیات کو پورا کرنے کے لیے کمپنی دیگر متعلقہ یونٹوں کے ساتھ سی سی آر۔ (کنٹینپونس کیٹالسٹ ریجنیریشن) پلیٹ فارمنگ یونٹ لگانے کا ارادہ رکھتی ہے جو کہ منصوبہ بندی کے مرحلے میں ہے۔

لیوب۔ ٹوریفائنری ٹرن اراؤنڈ

لیوب۔ ٹوریفائنری کا ٹرن اراؤنڈ کیا جانا مقصود ہے۔ اس کے نتیجے میں زیادہ سے زیادہ سطح پر مسلسل پیداوار کو برقرار رکھنا اور مستقل میٹیلینٹس کی ضروریات کو کم کرنا ہے۔

تکمیل شدہ منصوبے

فیول ریفاائنری ٹرن اراؤنڈ

فیول ریفاائنری اور اس سے منسلک یونٹس کا ٹرن اراؤنڈ جو دسمبر 2021 میں شروع کیا گیا تھا جنوری 2022 میں کامیابی کے ساتھ مکمل ہو گیا ہے۔

یوٹیلٹییز کے کنٹرول سسٹم کی مرکزی ڈسٹری بیوٹڈ کنٹرول سسٹم کے ساتھ تبدیلی

یوٹیلٹییز کے موجودہ کنٹرول سسٹم کو ڈسٹری بیوٹڈ کنٹرول سسٹم (DCS) کے ساتھ تبدیل کرنے کا عمل 2020-21 میں بوائز V اور VII میں کامیابی کے ساتھ مکمل کیا گیا تھا جبکہ بوائز VI کی تنصیب سال کے دوران مکمل کی گئی ہے۔ یہ نظام بوائز کے پیرامیٹرز کی نگرانی اور بعد کے تجزیے کے لیے اخذ کردہ پیرامیٹرز کی ریکارڈنگ میں مدد کرتا ہے۔

پرائسنگ فارمولا

کمپنی کا فیول سیگمنٹ حکومت کے امپورٹ پیریٹی پرائسنگ (Import Parity Pricing) فارمولے کے تحت ریگولیٹ کیا جاتا ہے۔ یکم ستمبر 2020 سے، حکومت نے پیٹرولیم مصنوعات کی قیمتوں کا تعین پندرہ دن کی خلیج عرب کی روزانہ ایف او بی اوسط پر مبنی قیمت کی بنیاد پر کرنا شروع کر دیا ہے۔

2012-13 میں ایچ ڈی کی قیمت کو بھی ڈیرگولیٹ کر دیا گیا تھا اور پی ایس او کی امپورٹ کی قیمت سے منسلک کر دیا گیا تھا۔ تاہم این آریل ۲۰۱۷ میں ڈی ایچ ڈی ایس منصوبے کے مکمل ہونے کے بعد اس قیمت کا حقدار ہوا۔ یکم جنوری 2021 سے این آریل EURO-V ایچ ڈی ایس ڈی تیار کر رہا ہے جس کی قیمت امپورٹ پیریٹی پرائسنگ اور IPSO امپورٹ انسٹیٹیوٹ پر مبنی ہے۔

کمپنی کی تینوں ریفاٹریوں کے دو کاروباری شعبہ جات "فیول سیگمنٹ" اور "لیوب سیگمنٹ" ہیں۔ فیول سیگمنٹ کی پیداوار میں ہائی سپیڈ ڈیزل، ہیفٹھا، موٹر گیولین، مائع پیٹرولیم گیس، جیٹ ایندھن اور فرنس آئل شامل ہیں۔ لیوب سیگمنٹ کی پیداوار میں مختلف گریڈ کے لیوب میس آنلز، تارکول، فرنس آئل، موم، ربر بنانے کا تیل اور کچھ مقدار دیگر فیول پروڈکٹس شامل ہیں۔ تمام مصنوعات کی مارکیٹنگ مقامی طور پر کی جاتی ہے، جبکہ ہیفٹھا برآمد کیا جاتا ہے۔ لیوب میس آئل اور تارکول کی بھی کچھ مقدار ضرورت کے تحت برآمد کی جاتی ہے۔

مستقبل کا منظر نامہ

ملک میں کاروبار کو بڑھتے ہوئے بیرونی خطرات کی صورت میں سنگین معاشی چیلنجز کا سامنا ہے جو کہ بڑھتی ہوئی مہنگائی، خاص طور پر سیاسی عدم استحکام، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی اور بلند شرح سود کے تناظر میں بڑھا ہے۔ یہ غیر یقینی صورتحال فروری 2022 کے آخر میں روس اور یوکرین کے درمیان تنازعہ میں اضافے اور روس کے مکمل بیٹانے پر حملے کی وجہ سے مزید بڑھ گئی جس کے نتیجے میں جغرافیائی سیاسی عدم استحکام پیدا ہوا اور پٹرولیم مصنوعات کی قیمتوں میں اضافہ اور سپلائی چین میں خلل واقع ہوا۔ مزید برآں، سال کے آخر تک بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں کی طرف سے ملک کے ساتھ ساتھ اعلیٰ درجے کے مقامی بینکوں کے منفی تاثر نے بھی خام تیل کی درآمدات کو لیٹر آف کریڈٹ کی تصدیق اور زیادہ لاگت کے خطرے سے دوچار کیا۔ یہ عوامل کمپنی کی مجموعی کارکردگی پر منفی اثر ڈال رہے ہیں۔ آپ کی کمپنی نے اپنے پیداواری یونٹس کو مناسب سطح پر چلاتے ہوئے محتاط رویہ اپنایا ہوا ہے۔

2015 میں خام تیل پر عائد کسٹم ڈیوٹی، جسے حکومت نے فنانس ایکٹ 2021 کے ذریعے کم کر کے نصف کر دیا تھا، فنانس ایکٹ، 2022 کے ذریعے ایک بار پھر 5 فیصد کر دیا گیا ہے، جو نہ صرف ورکنگ کپینٹل فنانسنگ کے بڑھتے ہوئے اخراجات کی وجہ سے کمپنی کے منافع کو متاثر کرے گا، بلکہ کمپنی کی پہلے سے ہی cash-strapped پوزیشن کو مزید خراب کر دے گا۔ حکومت کی حالیہ تبدیلی نے ریفاٹری پالیسی پر پیش رفت کو ایک بار پھر سست کر دیا ہے جس کے لیے مزید بات چیت کے لیے حکمت عملی کی از سر نو ترتیب کی ضرورت ہو سکتی ہے۔

مستقبل کے منصوبے

ریفاٹری کے منصوبوں میں خطیر سرمایہ کاری شامل ہوتی ہے۔ لہذا موجودہ حالات میں ایک نئے منصوبہ کے آغاز کیلئے بہت محتاط رویہ کی ضرورت ہے۔ بہر حال، مندرجہ ذیل منصوبوں کی ممکنہ تکمیل کے لئے کمپنی نے غور و فکر جاری رکھا ہوا ہے۔

ہائیڈروکریکر

فرنس آئل کو ویلیو ایڈڈ مصنوعات میں اپ گریڈ کرنے کے لیے بڑی سرمایہ کاری کی ضرورت ہے۔ آپ کی کمپنی نے دیگر ریفاٹریز کے ساتھ مل کر مشترکہ پلانٹ کی فریبلیٹی کا مطالعہ کیا ہے۔ فریبلیٹی پہلے ہی برطانیہ کے میسرز ایڈوانسز کو دی جا چکی ہے۔ توقع ہے کہ فریبلیٹی کو جلد حتمی شکل دے دی جائے گی۔ اس کے نتائج اور ملک کے مجموعی سیاسی اور اقتصادی حالات میں بہتری کے ساتھ ساتھ ریفاٹری پالیسی کو حتمی شکل دینے کی بنیاد پر مستقبل کے لائحہ عمل کا فیصلہ کیا جائے گا۔

منافع کا تصرف

2020-21	2021-22	تفصیل
ملین روپے	ملین روپے	
		ریونیوریزرو - یکم جولائی،
(12,582)	(10,829)	مجموعی نقصان
13	10	سرمایہ کاری کی ریویلیوشن پر منافع
31,961	31,961	جنرل ریزرو
1,750	9,032	تصرف کے لیے دستیاب منافع (دیگر جامع آمدنی سمیت)
-	(5,852)	فیول ریفاٹری کے منافع کی اسپیشل ریزرو میں منتقلی
-	5,852	فیول ریفاٹری کے مجموعی نقصانات کی اسپیشل ریزرو سے ایڈجسٹمنٹ (sett-off)
800	1,199	فائنل ڈیویڈنڈ 150% (2021: 100%)

ڈیویڈنڈ

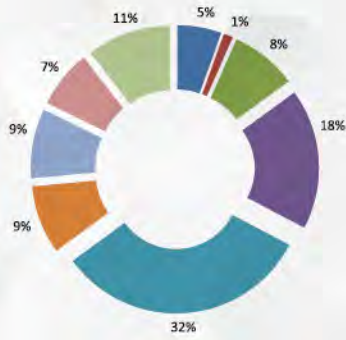
بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۲ کو ختم ہونے والے سال کے لیے حتمی کمیشن ڈیویڈنڈ 15.00 روپے فی حصص (150%) کی سفارش کی ہے۔ ڈیویڈنڈ کی سفارش سالانہ جنرل میٹنگ میں حصص یافتگان کی منظوری سے مشروط ہے۔

کمپنی کا کاروبار

کمپنی تین ریفاٹریوں کی مدد سے خام تیل صاف کرنے کے کاروبار میں مصروف عمل ہے جن کو ۱۹۶۶، ۱۹۷۷ اور ۱۹۸۵ میں کمیشن کیا گیا۔ حالیہ اپ گریڈیشن میں ڈیزل ہائیڈرو ڈیسلفورائزیشن اور آکسومائزیشن یونٹ شامل ہیں جو کہ سال 2017 اور 2018 کے دوران بالترتیب ماحول دوست یورو II سے لیکر یورو V سٹیڈیڈ ٹک سلفر کی کم مقدار والے ایچ ایس ڈی اور ٹیٹھا کو موٹر پٹرول میں تبدیل کرنے کے لیے لگائے گئے ہیں۔ مزید برآں، فیول اور لیوب ریفاٹری کے ریویمپ کے ذریعے، کمپنی نے اپنی خام تیل کی پروسیسنگ کی گنجائش 62,050 بیرل یومیہ سے بڑھا کر 70,000 بیرل یومیہ کر دی ہے اور لیوب بیس آئل کی سالانہ پیداوار 6000-15000 ایم ٹن سے بڑھ گئی ہے۔

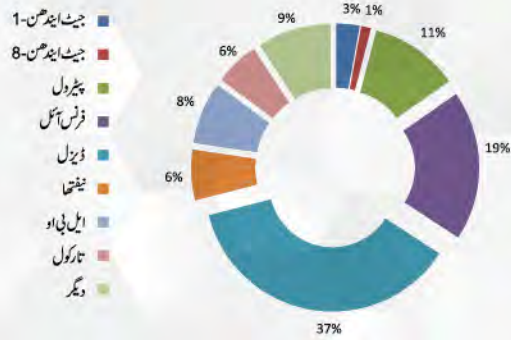
۲۰۰۵ میں کمپنی کی نجکاری کی گئی جس کے نتیجے میں 51% حصص الٹک گروپ کی ملکیت میں ہیں۔

2021-22



پیداوار کے حجم کا مرکب

2020-21



لیوب سیگمنٹ

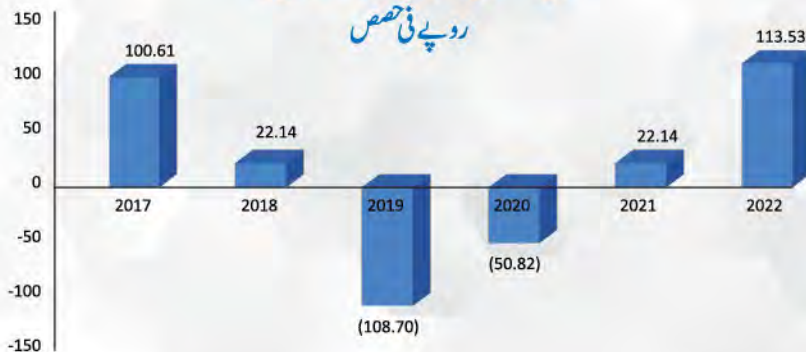
لیوب سیگمنٹ نے 3.11 ارب روپے کا بعد از ٹیکس منافع کمایا جو کہ گزشتہ سال 4.80 ارب روپے تھا۔ پچھلے سال کے مقابلے سلیز کے حجم میں اضافے کے باوجود فیڈ کی زیادہ لاگت کی وجہ سے لیوب سیگمنٹ کے مارجنز میں کمی واقع ہوئی۔ تارکول کی برآمدات میں نمایاں اضافہ ہوا اور آپ کی کمپنی گزشتہ سال کے مقابلے میں 62% فیصد زیادہ برآمد کرنے میں کامیاب رہی۔ اس طرح پچھلے سال کی مجموعی تارکول کی 33,857 ایم ٹن انوینٹری کی سطح کو سال کے آخر میں 11,205 ایم ٹن تک کرنے میں مدد ملی۔

فیول سیگمنٹ کے گزشتہ سالوں سے مسلسل نقصانات اور خام تیل کی قیمتوں میں تیزی سے اضافے کی وجہ سے کمپنی کی ورکنگ کپیٹیبل فنانشنگ کی ضرورت کافی بڑھ گئی ہے۔ مزید یہ کہ، مارک اپ ریٹ میں اضافے کے نتیجے میں، کمپنی کو گزشتہ سال کے 1.57 بلین روپے کے مقابلے میں 2.89 بلین روپے کی فنانشنگ کی لاگت برداشت کرنا پڑی۔

فی حصص آمدنی

اس سال فی حصص آمدنی 113.53 روپے رہی جبکہ گزشتہ سال فی حصص آمدنی 22.14 روپے تھی۔

فی حصص آمدنی / (نقصان)



ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز مسرت کے ساتھ ۳۰ جون ۲۰۲۲ء کو مکمل ہونے والے سال کے لیے نیشنل ریفاٹری لمیٹڈ کی ۵۹ ویں سالانہ رپورٹ بمع آڈٹ شدہ مالیاتی گوشوارے اور ان پر آڈیٹر کی رپورٹ پیش کرتے ہیں۔

مالیاتی نتائج

کمپنی نے موجودہ سال میں ٹیکس کے بعد 9.08 ارب روپے کا منافع کمایا جبکہ گزشتہ سال ٹیکس کے بعد 1.77 ارب روپے کا منافع تھا۔ COVID-19 سے متعلقہ پابندیوں کے دو سال سے زیادہ عرصے کے بعد عالمی معیشتوں میں دوبارہ بحالی شروع ہونے کے نتیجے میں پٹرولیم مصنوعات کی طلب میں اضافہ کی وجہ سے ریفاٹری سیکٹر میں بہتر مارجنز دیکھنے میں آئے۔ یوکرین پر روس کے بڑے پیمانے پر حملے نے پٹرولیم مصنوعات کی فراہمی میں غیر یقینی صورتحال اور اتار چڑھاؤ کو مزید بڑھا دیا جس کے نتیجے میں مصنوعات کی قیمتیں بلند ہوئیں اور خاص طور پر سال کی آخری سہ ماہی میں بہتر ریفاٹمنگ مارجنز کا باعث بنیں۔

ٹیکس کے بعد منافع / (نقصان) - ارب روپے



فیول سیگمنٹ

فیول سیگمنٹ نے گزشتہ سال ٹیکس کے بعد 3.03 ارب روپے کے نقصان کے مقابلے میں موجودہ سال ٹیکس کے بعد 5.97 ارب روپے کا منافع کمایا۔ منافع میں اضافہ بنیادی طور پر مصنوعات کی زیادہ طلب کی وجہ سے بلند قیمتوں اور سال کے دوران مصنوعات کی قیمتوں کے بڑھتے ہوئے رجحان کے سبب کم انوینٹری نقصانات کی وجہ سے گراس ریفاٹری مارجنز (GRMs) میں بہتری کی وجہ سے ہوا۔ یورو-V سٹینڈرڈ ہائی سپیڈ ڈیزل کی پیداوار کی وجہ سے مارجنز میں مزید بہتری آئی جس کے نتیجے میں کمپنی یورو V پروڈکٹ کی قیمت کیلئے اہل قرار پائی اور قیمتوں کے فرق کی صورت میں ممکنہ نقصان سے بچ گئی۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے نتیجے میں موجودہ مدت میں زرمبادلہ کی مد میں کافی نقصان ہوا جبکہ گزشتہ سال اس مد میں فائدہ تھا۔ 2021-22 میں پیداواری صلاحیت فیول ریفاٹری اور اس سے منسلک یونٹس کے ٹرانز آر اڈنڈ کی وجہ سے معمولی کمی کے ساتھ 63% فیصد رہی جو کہ گزشتہ سال 65% فیصد تھی۔

FORM OF PROXY

59TH 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 59th Annual General Meeting of the Company to be held on the 19th day of October 2022 and at any adjournment thereof.

Signed this _____ day of _____ 2022.

Signed by the said Member

Signed in the presence of:

1. Signature: _____
Name: _____
Address: _____
CNIC/Passport No. _____

2. Signature: _____
Name: _____
Address: _____
CNIC/Passport No. _____

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

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, at the registered office of the Company 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.

Company Secretary

National Refinery Limited

7-B, Korangi Industrial Area, Karachi-74900

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

PABX: +92-21-35064981-86

+92-21-35064977-79

AFFIX
POSTAGE
STAMP

نوٹ:-

- ۱۔ ایک ممبر جو سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کا اہل ہے اپنے بجائے شرکت کرنے اور حق رائے دہی استعمال کرنے کے لئے ایک پراکسی مقرر کر سکتا ہے۔ پراکسی کا ممبر ہونا ضروری نہیں۔
- ۲۔ پراکسی فارم کا ہر لحاظ سے مکمل، دستخط شدہ بمع ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی اگر کوئی ہو یا ان کی نوٹرائزڈ کاپی جس کے تحت یہ دستخط کیا گیا ہو اجلاس شروع ہونے سے ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونا لازمی ہے۔
- ۳۔ پراکسی منتخب کرتے ہوئے رکن یا اس کے تحریری طور پر مجاز اٹارنی کا پراکسی فارم پر دستخط کرنا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں پراکسی فارم پر کمپنی کی سیل (Seal) کا لگا ہونا لازمی ہے۔
- ۴۔ پراکسی فارم میں کسی قسم کی تبدیلی کیلئے پراکسی منتخب کرنے والے کے دستخط ہونا ضروری ہے۔
- ۵۔ بینیفیشل اونرز (رکن) اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی پراکسی فارم کے ساتھ منسلک کرنی ہوں گی۔
- ۶۔ اگر کوئی ممبر ایک سے زیادہ پراکسی منتخب کرے یا ایک سے زیادہ پراکسی فارمز کمپنی میں جمع کرائے ایسی صورت میں تمام پراکسی فارمز غیر موثر قرار پائیں گے۔
- ۷۔ مشترکہ حصہ دار ہونے کی صورت میں جس کا نام ممبر رجسٹر میں پہلے درج ہوگا (سینئر) اس کا اپنا یا اسکے منتخب پراکسی کا ووٹ قابل قبول ہوگا بنسبت دیگر مشترکہ حصہ داروں کے ووٹ کے۔
- ۸۔ پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

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Company Secretary

National Refinery Limited

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PABX: +92-21-35064981-86

+92-21-35064977-79

پراکسی فارم

۵۹ واں سالانہ اجلاس عام

نیشنل ریفرنسری لمیٹڈ

میں _____ کارکی _____ ضلع _____ بحیثیت رکن نیشنل ریفرنسری لمیٹڈ، محترم / محترمہ _____
 ضلع _____ کو اپنا پراکسی یا ان کی غیر موجودگی کی صورت میں کمپنی کے دوسرے / کی دوسری رکن محترم / محترمہ _____
 ضلع _____ کو اپنے ایما پر ۱۹ اکتوبر ۲۰۲۲ یا اسکے التواء کی صورت میں متبادل تاریخ کو منعقد ہونے والے کمپنی کے ۵۹ واں
 سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے کے لئے اپنا پراکسی مقرر کرتا / کرتی ہوں۔

آج بروز _____ تاریخ _____ ۲۰۲۲ کو دستخط کئے گئے۔

رکن کے دستخط

گواہان:

1:-

2:-

دستخط:

دستخط:

نام:

نام:

پتہ:

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:

مناسب قیمت کے
 محصول ٹکٹ
 (قابل قبول حد تک)

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

* پراکسی کی غیر موجودگی کی صورت میں

E-DIVIDEND

Members of National Refinery Limited

Pursuant to the provisions of Section 242 of the Companies Act, 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.

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

To

E-DIVIDEND FORM

(i) Shareholder's Detail	
Name of the shareholder	
Folio No. / CDC No.	
CNIC No.	
Passport No. (in case of Foreign Shareholder)	
Land Line Phone No.	
Mobile Phone No.	
E-mail Address	
(ii) Shareholder's Bank Detail	
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 the broker/CDC/Company's Share Registrar, as the case may be, as soon as any change occurs.

Signature of the Member/Shareholder
of National Refinery Limited

Date: _____

- Note:**
- The shareholders who hold shares in physical form are requested to submit duly filled-in, duly signed and stamped, where applicable, 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).

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi – 74400.
Tel: (Toll Free) 0800-23275
Fax: +92-21-34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

AFFIX
POSTAGE
STAMP



National Refinery Limited

7-B, Korangi Industrial Area, Karachi-74900.

UAN: 111-675-675

Website: www.nrlpak.com

E-mail: info@nrlpak.com



Annual Report 2022