ANNUAL REPORT 2021

Moving forward

PAKISTAN REFINERY LIMITED

CONTENTS

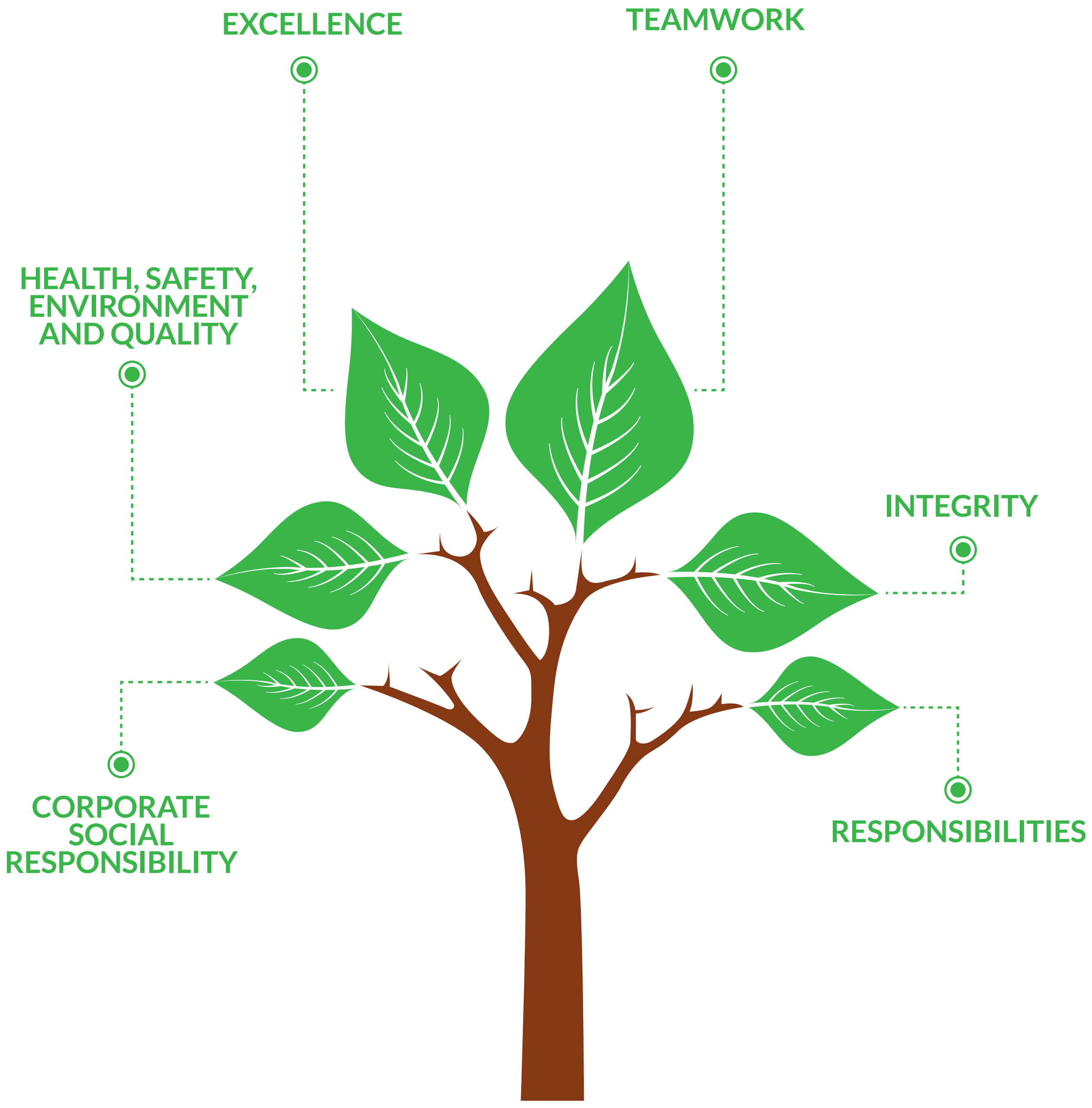
VISION

To be the Refinery of first choice for all Stakeholders.

MISSION

PRL is committed to remaining a leader in the oil refining business of Pakistan by providing value added products that are environmentally friendly, and by protecting the interest of all stakeholders in a competitive market through sustainable development and quality human resources.

CORE VALUES


EXCELLENCE
TEAMWORK
HEALTH, SAFETY, ENVIRONMENT AND QUALITY
INTEGRITY
CORPORATE SOCIAL RESPONSIBILITY
RESPONSIBILITIES

RESPONSIBILITIES

Pakistan Refinery Limited recognizes six areas of responsibility:

a. To Shareholders

To provide an acceptable return by protecting shareholder's investments.

b. To Customers

To establish a professional relationship with its customers by developing and providing them with products which offer value in terms of price, quality, safety and environmental impacts.

c. To Employees

To respect human rights of its employees by:

1) Providing them with a safe working environment;
2) Ensuring competitive terms and conditions of service;
3) Promoting their development;
4) Encouraging their involvement in planning and its direction of work; and
5) Recognizing the fact that commercial success depends on full commitment of all employees.

d. To those with whom it does business

Seek mutually beneficial relationships with contractors, suppliers and joint ventures in order to promote these principles effectively.

e. To Society

1) PRL has a commitment, not to indulge in any practices which are unethical from social point of view (i.e. indulging in antisocial and unfair trade practices such as adulteration, hoarding and black marketing).
2) It also believes in contributing to community development activities.

f. To Government

1) To abide by laws of the land.
2) To avoid corrupting the environment we operate in.
3) To discourage tendency of concentration of economic power and monopoly

INTEGRITY

Pakistan Refinery Limited insists on honesty, integrity and fairness in all aspects and expects the same in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and acceptance of bribes in any form are unacceptable practices. Employees must avoid conflicts of interest between their private financial activities and their part in the conduct of Company business. All business transactions on behalf of Pakistan Refinery Limited must be reflected accurately and fairly in the accounts of the Company in accordance with established procedures and subject to audit. Law of the land shall be respected. In no case the Company is to become a party to the malpractices such as evasion of duty, cess, taxes etc.

TEAMWORK

The success of smooth operations of Pakistan Refinery Limited begins and ends with teamwork. PRL strongly believes in teamwork as a driving force to the path of perfection and believes that a team-based culture is an essential ingredient in the work of a successful organisation.

It is expected that each team-player will play his / her part for achievement of common goal, which is sustainable and smooth operations of the Refinery.

This does not mean that the individual is no longer important; however, it does mean that effective and efficient teamwork goes beyond individual accomplishments.

EXCELLENCE

Pakistan Refinery Limited is performance-driven with 276 employees committed to providing innovative and efficient solutions to achieve its goals. The Company serves diverse industries, providing quality distilled petroleum products that help move country's commerce forward. Hence, cost efficiency, operational excellence and innovativeness are paramount objectives. Pakistan Refinery Limited strives for excellence through sincere leadership and dynamic support staff along with using the right management system and processes.

HEALTH, SAFETY, ENVIRONMENT & QUALITY

PRL being in the refining business is committed to protection of the environment, prevention of pollution and health and safety of its employees, customers, contractors and communities by minimising pollutants and hazards and reducing risks where it operates and maintaining quality in all its business activities so as to exceed customer expectations.

- PRL is also committed to comply with applicable laws and requirements and work with Government and other stakeholders in their development and implementation.

- PRL conducts periodic audits and risk assessments of its activities, processes and products for setting and reviewing its objectives and targets to provide assurance to improve HSEQ management system and loss control.

- PRL shall continually improve the effectiveness of HSEQ management system through consultation and participation of its employees and workers.

CORPORATE SOCIAL RESPONSIBILITY

Pakistan Refinery Limited assesses the implications and effects of its decisions and policies on the components of the society and ensures that their interest is not affected by its actions. Pakistan Refinery Limited takes a constructive interest in social matters, which may not be directly related to the business. Opportunities for involvement, for example through community, educational or donation programmes, will vary depending upon the scope for useful initiatives.

COMPANY INFORMATION

Deputy Managing Director (Finance & IT) / CFO

Imran Ahmad Mirza

Company Secretary

Mustafa Saleemi

Auditors & Tax Advisors

KPMG - Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

Orr Dignam & Co.

Registrar & Share Registration Office

FAMCO Associates (Private) Limited.
8-F, near Hotel Faran,
Nursery, Block-6, P.E.C.H.S.
Shahra-e-Faisal, Karachi.

Bankers

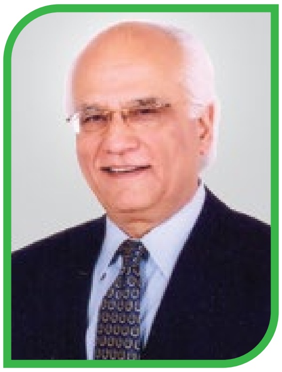
Askari Bank Limited
Bank Alfalah Limited
Bank AL-Habib Limited
Citi Bank N.A
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered Office

P.O. Box 4612, Korangi Creek Road,
Karachi-75190
Tel: (92-21) 35122131-40
Fax: (92-21) 35060145, 35091780
www.prl.com.pk
info@prl.com.pk

BOARD OF DIRECTORS

Tariq Kirmani
Chairman



Tariq Kirmani has more than 50 years of multifaceted experience in the corporate sector, both domestic and international.

After completing his Master's degree in Business Administration, he started his career with a multinational oil company (Caltex - later Chevron Pakistan) in 1969 and worked for 7 years in the United States (US), United Arab Emirates (UAE) and Australia in different senior management positions in Marketing, Operations and Finance. In 1991, he became the first Pakistani to be elected as a Director of the company.

In 1999, he joined Pakistan State Oil (PSO) as Dy. Managing Director and in 2001 was appointed as the Managing Director & CEO. He turned around this public sector organisation and converted it into a customer focused entity by giving it a new brand image and making it profitable while aggressively competing with multinational companies like Shell, Chevron and TOTAL.

In 2005, the Government of Pakistan (GoP) appointed Tariq Kirmani as the Chairman & CEO, Pakistan International Airlines (PIA). He served the airline for 2 years during which he introduced customer focus, identified and initiated implementation of major programs in three key areas for improvement:

(a) Aircraft Fleet Renewal;

(b) Employee Rationalization;

(c) Systems and Processes through implementation of IT and Enterprise Resource Planning (ERP).

Due to his personal efforts, PSO and PIA became members of the World Economic Forum, Davos, Switzerland and the World Business Council for Sustainable Development, Geneva, Switzerland.

Currently, he is serving as the Chairman of Gas & Oil Pakistan Ltd. (GO) and Pakistan Refinery Limited (PRL). He is also serving as a Director on the Boards of Professional Education Foundation (PEF), Family Educational Services Foundation (FESF), IBA Selection Board and National Academy of Performing Arts (NAPA).

He had also served as the Chairman of Punjab Energy Holding Company (Pvt.) Ltd. (PEHCL), Pakistan International Airlines (PIA), United Bank Limited Fund Managers, Greenstar Social Marketing (GSM), Oil Companies Advisory Council (OCAC), Institute of Business Administration (IBA) Advisory Council and National Academy of Performing Arts (NAPA) and also served as the President of Pakistan Hockey Federation (PHF).

He has previously served as a Director on the Boards of multinational and public sector companies such as Chevron Pakistan, Pakistan Refinery Limited (PRL), Pak-Arab Pipeline Company Limited (PAPCO), Pakistan State Cement Corporation (PSCC), Asia Pipeline (Pvt.) Ltd. (APL), Board of Governors in LUMS, Lahore, Pakistan Telecommunications Limited (PTCL), Pakistan Private Infrastructure Board (PPIB), National Bank of Pakistan (NBP) and Pakistan International Airlines (PIA).

Abid Shahid Zuberi
Director

Abid S. Zuberi, “clearly one of the leading lawyers of his generation in Karachi” (Chambers Asia Pacific, 2011) and a “sharp counsel who consistently puts all the pieces together well” (Chambers Asia Pacific, 2010), handles a remarkably wide range of civil, coproate and commercial disputes with an exceptional record of success. He has appeared in over 3000 cases before the High Court of Sindh and Supreme Court of Pakistan and has been appointed as amicus curiae in various cases by the Honorable Courts. His advocacy has led to more than 100 reported judgements that have contributed to significant development in the law. He is a leading member of the Sindh High Court Bar Association, where he was elected as General Secretary in the years 2009-10 and 2010-11 and Joint Secretary in 1996-97. He was also president of Sindh High Court Bar Association for the year 2014-15. He is now elected member of the Pakistan Bar Council.

Mr. Zuberi attended Aitchison College in Lahore and completed his schooling at Highgate School, London, UK. He attained a B.Sc (Hons) in Economics at The London School of Economics & Political Science and went on to complete his GDL at The City University, London. Mr. Zuberi then enrolled in The Honorable Society of Lincoln’s Inn and was successfully called to Bar of England and Wales in 1987. He went on to complete his pupillage at 2 Essex, Middle Temple, London, a leading chambers Specialising in commerce/corporate and maritime law, led by the then Attorney General of Hong Kong, Sir Michael Thomas.

After completing his pupillage, Mr. Zuberi returned to Karachi, Pakistan and joined the leading litigation chambers of Mr. Khalid M. Ishaque in 1988 where he gained substantial experience in civil, constitutional, commercial and criminal litigation.

In 1993, Mr. Zuberi established his own practice, where he deals primarily with commercial, civil and constitutional matters. Mr. Zuberi specialises in corporate & commercial litigation, tax law, property law, banking disputes, election matters, service matters and power sector disputes. Under his leadership, Abid S. Zuberi & Co., has evolved into one of the leading litigation firms in Pakistan and represents a vast range of private and corporate clients as well as government/semi government bodies and organisations.

Aftab Husain
Director

Mr. Aftab Husain is a Chemical Engineer and MPA from IBA, Karachi. He has a career in oil refining with over 40 years of diversified experience with PRL, having led all Operations, Technical and Commercial functions in the Refinery. He has been a member of the National Integrated Energy Plan in the Energy Expert Group of the Economic Advisory Committee and served as Refining Specialist. Mr. Husain has been associated with different committees and working groups on oil pricing mechanism, deregulation and refinery issues with the Ministry of Energy (Petroleum Division), Government of Pakistan.

Mr. Aftab Husain is a Certified Director from Pakistan Institute of Corporate Governance (PICG). Mr. Husain has twice served as Chairman, Oil Companies Advisory Council (OCAC) in 2015 and 2017. He served as Trustee, Board of Trustees, Karachi Port Trust, from 2015 to 2018 and as a Director of Petroleum Institute of Pakistan (PIP). Mr. Husain has also served as Director on the Board of Pak Grease Manufacturing Company (Private) Limited. Mr. Aftab Husain was a member of the Managing Committee of Overseas Investors' Chamber of Commerce and Industry (OICCI) from 2014-2016.

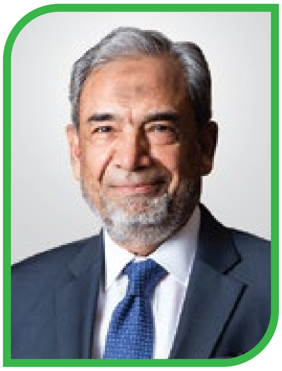
Hassan Mehmood Yousufzai
Director

Hassan M. Yousufzai is currently serving as Additional Secretary, Petroleum Division, Government of Pakistan. He has served as the Director General, National Institute of Management, Pakistan Academy for Rural Development and Pakistan Provincial Services Academy, Peshawar. In Khyber Pakhtunkhwa (KPK), Mr. Yousufzai has served as Secretary Higher Education Department, Housing Department, Auqaf Department, Law and Order (Merged Area) and Administration (Establishment). Mr. Yousufzai has also served as Commercial Counselor in Frankfurt, Germany, Managing Director Small Industries, KPK and Chief Economist in the P&D Department of KPK government. Outside the Government, he has experience of working as Capacity Development Specialist in Asian Development Bank and Assistant Political Agent in Bajaur Agency. Early in his career, Mr. Yousufzai served as District Coordination Officer, Swat, Additional Secretary, Establishment Department and PSO to CS, and also remained Assistant Commissioner in Chitral and Swat.

He passed his CSS Examination in 1995 to join 24th CTP, in the Pakistan Administrative Service (Formerly called DMG). He attained MA in Conflict Transformation from Eastern Mennonite University, USA as a Fulbright Fellow. Currently, he is enrolled in the PhD program in the Department of International Relations, University of Peshawar. He did his schooling from Cadet College, Petaro, F.Sc from PAF College, Sargodha and also graduated from PAF College of Aeronautical Engineering. Mr. Yousufzai is also an MA in Political Science from Peshawar University and B.Sc. (Aero Sciences) from PAF Academy in Risalpur.

He has participated in diverse professional training courses and promotion exams in PAF, 18-month Common Training Program and Specialised Trading Program at Civil Services Academy, mid-career management course, senior management and national management courses, JICA training on development studies and economic development training in China. Mr. Yousufzai has also participated in numerous domestic and international seminars, certificate courses and non-degree programs on areas related to public sector. He has also drafted 'Manual for Musalihat Anjumans' for ADB and co-authored 'Towards Understanding Pukhtoon Jirga, an indigenous way of peace building and more'. Mr. Yousufzai is the member of SSGC's Board, Government Holdings (Pvt) Limited (GHPL), Pakistan LNG Limited (PLL), Pakistan Refinery Limited (PRL) and Board of Management of Pakistan State Oil Company Limited (PSOCL) and their various committees as representative from the government side.

Mohammad Abdul Aleem
Director



Mohammad Abdul Aleem re-joined the Board of Pakistan Refinery Limited (PRL) in October 2020 and is Chairman of its Audit Committee. Earlier Mr Aleem was the Director of PRL in 2008. Besides, PRL, Mr. Aleem is also a Director and Chairman, Audit Committee of the Engro Corporation Limited since 2015.

Mr. Abdul Aleem is currently the CEO and Secretary General of Overseas Investors Chambers of Commerce & Industry (OICCI). He has worked in senior positions within both Exxon Chemicals and Engro Corporation, serving in both Singapore and Pakistan. Thereafter, he has worked with British American Tobacco Group UK (BAT) in Pakistan and overseas, where he ultimately served as CEO of BAT Operations in Cambodia, Mauritius and Indian Ocean territory. Since 2004, he has served in senior positions with large Government-owned organisations in Pakistan. His last assignment was as the Managing Director, Pakistan State Oil Company Ltd.

Mr. Abdul Aleem has been a Director and Chairman of Audit Committee of Dawood Hercules Corporation and Meezan Bank until 2018. In the past Mr. Aleem was also a Director of Pakistan Tobacco, Lahore University of Management Sciences, Pakistan Institute of Corporate Governance and Chairman of Faysal Asset Management Company.

As a supporter of leading non-profit organisations in the field of education, Mr. Abdul Aleem is currently Vice Chairman of Professional Education Foundation and Chairman of Intellect School Governing Board.

Mohammad Abdul Aleem is a Fellow Chartered Accountant (Gold Medallist) and a Fellow Member of the Institute of Cost & Management Accountant. He has also attended extensive international management training programs including at Stanford University.

Mohsin Ali Mangi
Director

Mohsin Ali Mangi is looking after Corporate Planning & New Ventures, Business Process Re-engineering & Program Management Office as well as leading the Information Technology function of PSO.

He is a seasoned professional with nearly two decades of local and international experience working for local and international organisations. His experience spans across diversified sectors in various capacities including Director New Ventures & Diversification, Head Agri-Tech Business, Chief Operating Officer, Head of International Trade, Chief Financial Officer, Investment Banker and Equity Research Professional. He is a MBA from LUMS.

Nadeem Safdar
Director

Nadeem Safdar has been associated with the Telecom Industry of Pakistan for almost 32 years now. He joined Millicom Int'l as part of the startup team when the service was not even launched in the Country, back in November 1990.

Over these years he spent almost 13 years with the global telecom service providers like Millicom Int'l & Cable and Wireless, and 15 years with the telecom equipment manufacturing companies like Nortel Networks, Motorola (As the Country Manager), Alcatel-Lucent as the Chief Commercial Officer for Pakistan-Afghanistan and most recently representing the launch of O3b Networks (A Global Satellite Operator) services in Pakistan through their local partner, as the Country Head. Been with MSI (Mobile Systems International) since June 2018, trying to develop a footprint and business in the market of Pakistan.

An accomplished executive with a wide-ranging, senior level general management experience in this sector. Carries a very rich knowledge and experience of Pakistan's Telecom market. Has spent twenty years at senior management positions with expertise in the operational disciplines of various facets of business, such as engineering, marketing, strategic planning, business development, customer service, financial management, human resource, and Government relations.

He is an Electrical Engineer from the University of Engineering & Technology, Lahore. And afterwards, acquired his Master's Degree in Business Administration from The Lahore University of Management Sciences (LUMS).

Syed Jehangir Ali Shah
Director

Syed Jehangir Ali Shah is a seasoned veteran of the energy sector. He joined PSO in 1984 and worked at various management positions prior to his elevation to the coveted position of Deputy Managing Director-PSO. His expertise lies in the field of sales and marketing as he has led almost all marketing and sales businesses of PSO. PSO is a national flagship organisation with an extensive supply chain and infrastructure network across the country and has a strategic significance in driving the national economy. Considering the broad experience, strategic vision and leadership traits of Mr Shah, the Ministry of Petroleum, GoP entrusted Mr shah with the responsibility of managing the critical energy supply chain function of the country, an assignment he successfully managed and steered the company through various critical situations in a befitting manner. His illustrious career spanning over 36 years also includes twice serving as Acting Managing Director PSO. Mr Shah holds a Master's degree from McGill University, Montereal, Canada, as well as from the University of Sindh, Jamshoro.

Syed Muhammad Taha
Director

Syed Muhammad Taha is known and respected for his transformational skills in the energy sector with over two decades of executive level experience in the industry. He was appointed as the Managing Director & Chief Executive Officer of Pakistan State Oil on February 26, 2020. Shortly after he took the helm of affairs, the world was hit by the COVID-19 pandemic. He deftly steered the company through troubled waters, successfully overcoming a myriad of crises while fulfilling the obligation of fueling the nation in an adverse operating environment and emerging stronger than before.

Under his leadership, PSO spearheaded the clean energy revolution in Pakistan by becoming the first oil company to introduce Euro V fuels in the country. He streamlined management and marketing, focused energy on human resource, reinventing the company's internal architecture and ensured long term sustainability by leveraging technology through business process reengineering, automation & digitization, infrastructural projects, strategic financial management and focus on high margin products with safety and ethics being underpinning drivers of all initiatives.

Prior to his current position, Mr. Taha worked as an Executive Director in Oasis Energy, heading the Program Management Office of Port Harcourt Electricity Distribution Company, Nigeria, where he led a global team of subject matter experts to provide strategic and operational support to the leadership team of the distressed utility while successfully spearheading and executing multidisciplinary and multimillion dollar projects.

Mr. Taha worked at K-Electric Limited as Chief Distribution Officer and a vital member of the Senior Leadership Team. While effectively managing revenues of USD 1.9 billion, he successfully improved the productivity & effectiveness of 8000+ employees and served 2.4 million customers in Karachi. He has been a key member of the change management team where he was an integral part of the leadership teams that turned around struggling enterprises into highly profitable concerns.

Mr. Taha has also worked for over 9 years at Pakistan State Oil Company Limited (PSO), the country's largest oil marketing company, where he held several senior positions and led various functions as Head of Corporate Affairs, Retail Fuels, Cards Business and Corporate Planning and worked directly under CEOs.

For around 6 years starting from 1993 to 1999, Mr. Taha worked for Shell Pakistan, Caltex Pakistan (A Chevron Company) and Pakistan Steel Mills at various positions. Mr. Taha holds an Engineering degree with an MBA in Finance from the Institute of Business Administration, Karachi.

Tara Uzra Dawood
Director

Ms. Dawood is Chief Executive Officer of 786 Investments Ltd, an Asset Management Company initially launched on the instigation of Asian Development Bank. She is presently on the Board of Mutual Fund Association of Pakistan, Pakistan State Oil Company Ltd; she has also served as an Independent Director on the Board of LESCO.

She holds a Doctorate in Judicial Science from Harvard Law School and Bachelor of Arts Honors from Cornell University and Oxford University. Having specialization in mergers, acquisitions and corporate law, she worked for law firms in New York, Toronto, Amsterdam, Brussels and California. She speaks globally at numerous international mutual fund and banking conferences as an authority on shariah-compliant finance. Ms. Dawood has also served as a Visiting Lecturer on Islamic Law and Finance at the Faculty at Danube University Krems (Austria) as recommended by International Investment Funds Association and EBAMA.

Ms. Dawood is also President of Dawood Global Foundation, a Trust established to empower women and youth in the society, and hosts the national LADIESFUND awards for women of Pakistan. Her mission is to educate 1 million deserving girls around the world under the award-winning Educate a Girl project in partnership with Facebook's internet.org foundation and with the support of the World Bank.

Zahid Mir
Managing Director & Chief Executive Officer

Mr. Zahid Mir is working in Pakistan Refinery Limited, Karachi as Managing Director & CEO since August 1, 2019. He is a Petroleum Engineer, and an MBA. Mr. Mir has over 32 years of diverse Technical and Management experience working for both public & private sector companies in the oil and gas industry. He also has significant experience of both onshore and offshore operations having been involved, at a senior level, in all stages of upstream operations. He has a strong HSE background and has extensive experience in negotiating commercial & fiscal agreements, developing strategy, joint ventures & license management, new ventures, economic evaluations, mergers & acquisitions and dealing with the government regulators.

Mr. Mir also has experience of managing field operations including production operations, conceptual engineering and project development and execution. This experience has been gained through working with national and multi-national oil and gas producers both in Pakistan and United Kingdom. He has previously worked for Shell, KUFPEC, Premier Oil and OGDCL. His last appointment was as MD/CEO of OGDCL.

Mr. Mir is a Director of Petroleum Institute of Pakistan (PIP).

BOARD COMPOSITION

Category	Number
Male	Ten
Female	One

Category	Names
Non-Executive/Independent Directors	Tariq Kirmani Abid Shahid Zuberi Mohammad Abdul Aleem Nadeem Safdar Tara Uzra Dawood
Non-Executive Directors	Aftab Husain *
Non-Executive Directors (PSO Affiliated)	Hassan Mehmood Yousafzai Mohsin Ali Mangi Syed Jehangir Ali Shah Syed Muhammad Taha
Executive Director (MD / CEO)	Zahid Mir

** Board considers Mr. Aftab Husain as Independent Director; however, he has been shown as Non-Executive Director as he remained Managing Director & CEO of the Company from November 2011 to July 2020.*

CHANGES IN BOARD DIRECTORS DURING THE YEAR

Outgoing director with date of resignation	Incoming director with date of appointment
Shahbaz Tahir Nadeem w.e.f. July 12, 2021	Hassan Mehmood Yousufzai w.e.f July 12, 2021
Imtiaz Jaleel w.e.f July 12, 2021	Mohsin Ali Mangi w.e.f July 12, 2021

ATTENDANCE OF THE BOARD OF DIRECTORS' MEETINGS HELD DURING THE YEAR

Director	Total no. of board meetings*	No. of meetings attended
Tariq Kirmani	8	8
Abdul Jabbar Memon	2	2
Abid Shahid Zuberi	8	4
Aftab Husain	10	10
Babar Hamid Chaudhary	2	2
Imtiaz Jaleel	6	6
Mirza Mahmood Ahmad	2	2
Mohammad Abdul Aleem	8	8
Mohammad Zubair	2	2
Nadeem Safdar	8	7
Shahbaz Tahir Nadeem	8	8
Syed Asad Ali Shah	2	2
Syed Jehangir Ali Shah	10	9
Syed Muhammad Ali	2	2
Syed Muhammad Taha	10	10
Tara Uzra Dawood	10	10

** Held during the year when concerned Director was on Board.*

BOARD COMMITTEES

BOARD AUDIT & RISK COMMITTEE (BARC)

Members

1.	Mohammad Abdul Aleem	Chairman Committee
2.	Abid Shahid Zuberi	Member
3.	Hassan Mehmood Yousufzai	Member
4.	Mohsin Ali Mangi	Member
5.	Syed Muhammad Taha	Member
6.	Tara Uzra Dawood	Member

Terms of Reference

Follwing terms have been adopted from the Listed Companies (Code of Governance) Regulations, 2019:

a. Determination of appropriate measures to safeguard the Company's assets.

b. Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

(i) major judgmental areas;

(ii) significant adjustments resulting from the audit;

(iii) going concern assumption;

(iv) any changes in accounting policies and practices;

(v) compliance with applicable accounting standards;

(vi) compliance with these regulations and other statutory and regulatory requirements; and

(vii) all related party transactions.

c. Review of preliminary announcements of results prior to external communication and publication.

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 of the Company.

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 within the Company.

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 the reporting structure are adequate and effective.

j. Review of the 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 Officer 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 Regulations and identification of significant violations thereof.

n. Review of arrangement for staff and management to report to BARC 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 of Directors 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. The Board of Directors will give due consideration to the recommendations of BARC and where it acts otherwise it will record the reasons thereof.

p. Consideration of any other issue or matter as may be assigned by the Board of Directors.

Attendance of BARC meetings held during the year

Member name	Total no. of meetings*	No. of meetings attended
Mohammad Abdul Aleem	3	3
Babar Hamid Chaudhary	1	1
Imtiaz Jaleel	3	3
Mohammad Zubair	1	1
Syed Muhammad Ali	1	1
Syed Muhammad Taha	3	3
Tara Uzra Dawood	4	4

**Held during the year when concerned Director was the member of the Committee.*

BOARD HUMAN RESOURCES & COMPENSATION COMMITTEE (HRCC)

Members

1.	Tariq Kirmani	Chairman Committee
2.	Aftab Husain	Member
3.	Nadeem Safdar	Member
4.	Syed Jehangir Ali Shah	Member
5.	Syed Muhammad Taha	Member
6.	Zahid Mir	MD & CEO

Terms of Reference

HRCC has been delegated the role of assisting the Board of Directors in following matters;

a. Recommendation to the Board the selection, evaluation, appointment, compensation (including retirement benefits) and succession planning of the Managing Director & Chief Executive Officer;

b Recommendation to the Board the selection, evaluation, appointment, development, compensation (including retirement benefits), succession planning and separation of Chief Financial Officer, Company Secretary and Chief Internal Audit as well as all General Managers and above;

c. Recommendation to the Board for Human Resource Management policies;

d. Consideration and approval on recommendations of Managing Director & Chief Executive Officer on such matters relating to Refinery Leadership Team;

e. Annual appraisal and annual merit increase of employees;

f. Recommendation to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors);

g. Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant.

Attendance of Board HRCC meetings held during the year

Member name	Total no. of meetings*	No. of meetings attended
Tariq Kirmani	3	3
Aftab Husain	3	3
Mohammad Zubair	1	1
Nadeem Safdar	3	3
Shahbaz Tahir Nadeem	3	3
Syed Asad Ali Shah	1	1
Syed Jehangir Ali Shah	3	1
Syed Muhammad Taha	1	1
Tara Uzra Dawood	1	1

**Held during the year when concerned Director was the member of the Committee.*

REFINERY LEADERSHIP TEAM

Zahid Mir
Managing Director & CEO

Imran Ahmad Mirza
Deputy Managing Director (Finance & IT) / CFO

Asad Hasan
Deputy Managing Director (Operations & Engineering)

Abdul Majid
General Manager Technical

Najam Mahmud
General Manager Human Resources

Shehrzad Aminullah
General Manager Commercial

KEY MANAGEMENT COMMITTEES

HSEQ COMMITTEE

HSEQ Committee's primary role is to evaluate Health, Safety, Environment and Quality (HSEQ) performance and risk management in the areas of design, operation and maintenance, based on the inputs of the HSEQ sub-committees. The committee reviews the HSEQ Management System for its continuing suitability, adequacy, effectiveness and commitment to continual improvement. To assist HSEQ Committee, separate sub-committees have been formulated for evaluating HSEQ matters for operations, oil movement & marine, engineering and support functions.

INVENTORY MANAGEMENT COMMITTEE

Inventory Management Committee is responsible for planning of operational and inventory levels and crude procurement while considering current and future liquidity forecasts. The Committee also evaluates product yields and significant matters relating to suppliers, customers and other stakeholders.

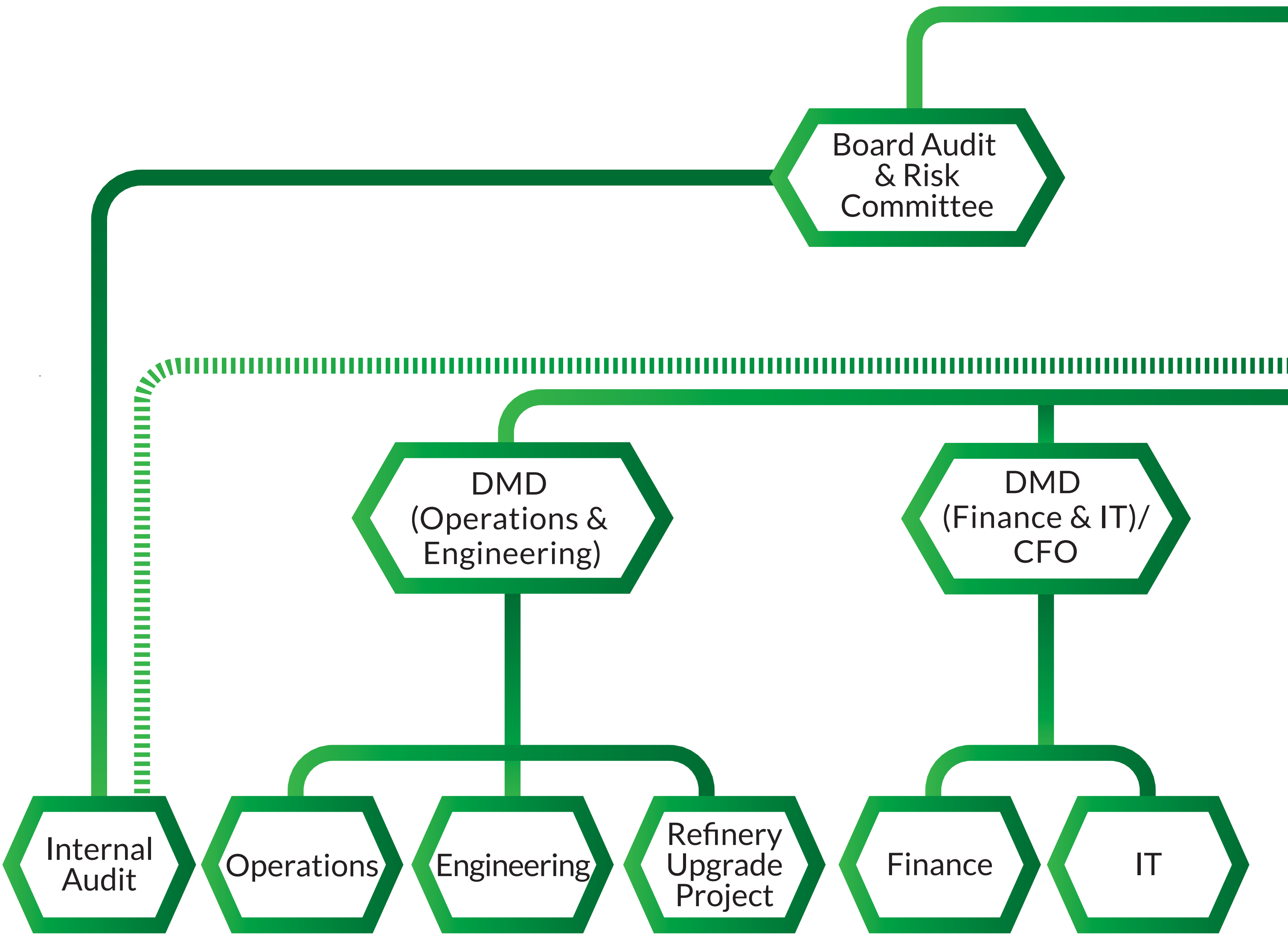
TECHNICAL & PROJECT STEERING COMMITTEE

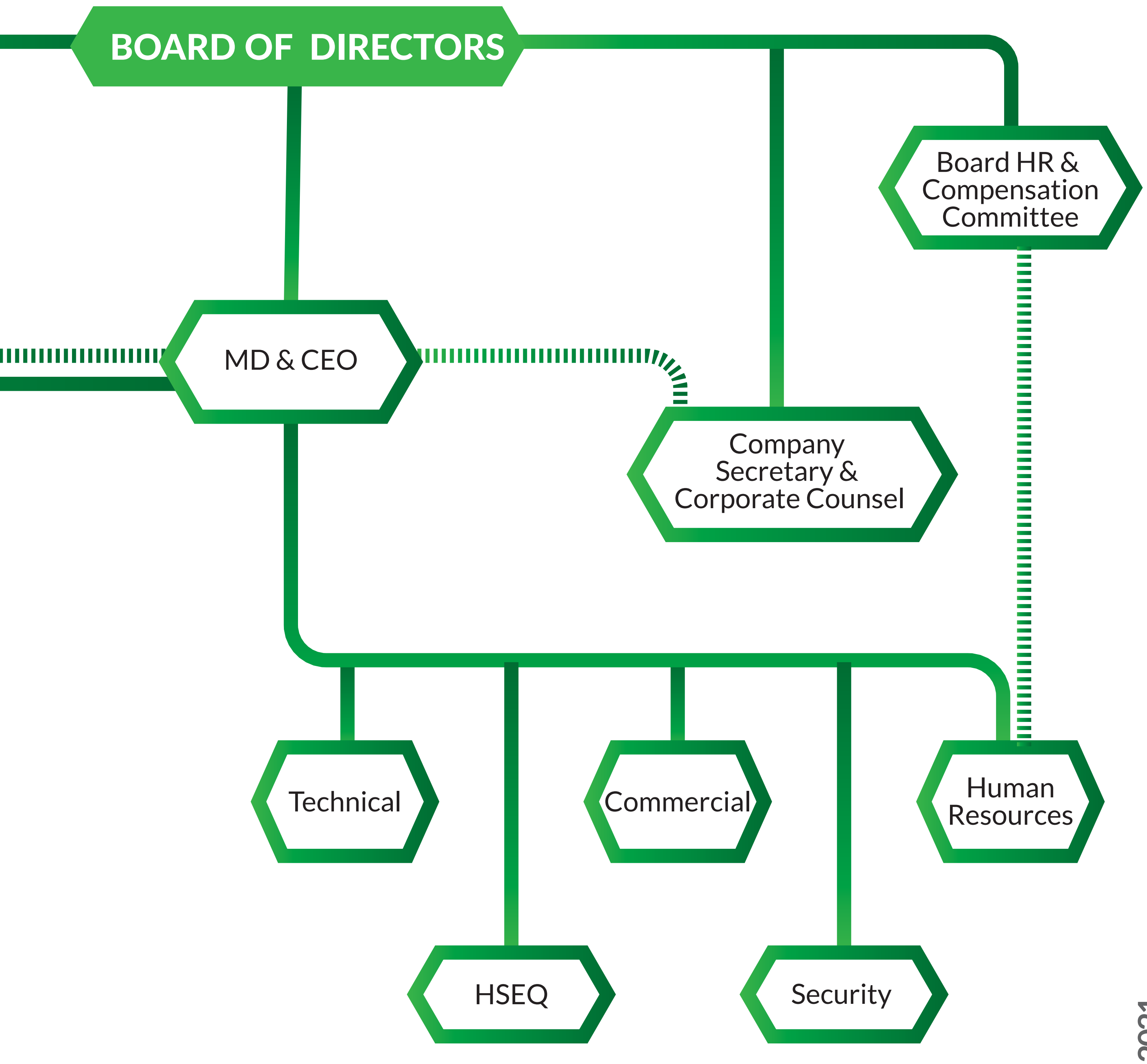
Technical & Project Steering Committee is responsible to facilitate and support the project team by ensuring adequate involvement in the project by various stakeholders. It also acts in an advisory capacity regarding major decisions at venture level and scope decisions and provision of assistance for resolution of resourcing issues.

TENDER BOARD

Tender Board is responsible for ensuring that all procurement activities are conducted in a transparent and objective manner and the same is duly monitored by the senior management.

ORGANISATIONAL CHART




BOARD OF DIRECTORS
Board HR & Compensation Committee
MD & CEO
Company Secretary & Corporate Counsel
Technical
HSEQ
Commercial
Security
Human Resources

CHAIRMAN’S REVIEW

I am pleased to present to the shareholders the 61st Annual Report of Pakistan Refinery Limited (“Company”) for the year ended June 30, 2021.

It has been a very challenging year for the Company, but I remain positive and confident about the future of oil refining business. Company is a national asset, so I am conscious of the huge responsibilities, not just towards our employees, customers and shareholders, but to other stakeholders, including the Government and Company’s business partners. The difficult situation due to COVID -19 keeps its existence around the world impacting the businesses. Even in such a situation, our people rose to the challenge and they ensured continued production and delivery of products to customers.

During the year, the Board and management worked very closely on different business strategies including change of crude oil recipe and I am pleased to say that the efforts played positive role. Through such decisions, we are focusing on securing the refinery business. In addition, embarking on the Refinery Upgrade Project in near future, under the best suited option available to the Company, means we have a plan that is both competitive and will provide long-term sustainability to the Company. The options under review include acquiring pre-owned refining units with deep conversion ability or the option of identified technologies giving required upgrade capability with new units but entail low CAPEX based on the study by an independent consultant.

There has been focus on corporate governance being key to reinforcing trust and transparency. The Board continue overseeing the affairs of the Company and implementation of the business strategy. The Board is confident that it has the right balance of skills, experience and backgrounds to support and challenge the management team and provide leadership to the organisation. I thank all my fellow Directors for the support and insight they provided throughout the year.

The information about the financial results are explained in detail in the attached Directors’ Report and Financial Statements which gives comprehensive overview of performance of Company during the year ended June 30, 2021.

It is no hidden fact that in the worst times, you often see the best out of people and in this challenging year too our people showed great resilience in adversity. We are well positioned to take strong steps to achieve our objectives and we believe our success will be reflected in continued improvement in our performance in the coming years.

I thank all the employees, customers, government, shareholders and financial institutions for their support and trust.

Tariq Kirmani
Chairman

Karachi: August 16, 2021

چیئرمین کا جائزہ

پاکستان ریفائنری لمیٹڈ (کمپنی) کی 61ویں سالانہ رپورٹ برائے ختم شدہ سال 30، جون 2021 شیئر ہولڈرز کے لئے پیش خدمت ہے۔

کمپنی کے لیے یہ سال بہت مشکل ثابت ہوا لیکن میں آئل ریفائننگ بزنس کے مستقبل سے پر اعتماد اور مطمئن ہوں۔ کمپنی ایک قومی اثاثہ ہے اور ملازمین، صارفین اور شیئر ہولڈرز ہی نہیں بلکہ حکومت اور کمپنی کے کاروباری شراکت دار کی طرف سے بھی مجھ پر بھاری ذمہ داریاں عائد ہوتی ہیں۔ Covid-19 کے باعث دنیا بھر کے کاروبار شدید متاثر ہوئے ہیں۔ ہمارے ملازمین نے ایسی صورتحال کو چیلنج سمجھتے ہوئے پیداواری عمل کو جاری رکھا جس سے بلاتعطل مصنوعات کی فراہمی برقرار رہی۔

دوران سال، بورڈ اور انتظامیہ نے باہم مشاورت سے مختلف کاروباری حکمت عملیوں پر کام جاری رکھا جس میں مختلف اقسام کے خام تیل کا استعمال شامل ہے اور مجھے یہ بات کہتے ہوئے بہت خوشی ہے کہ ان کوششوں کے مثبت نتائج برآمد ہوئے۔ اسی طرح کے فیصلوں کی مدد سے ہم ریفائنری کے کاروبار کو تحفظ دینے کے لیے کوشاں ہیں۔ اس کے علاوہ، مستقبل قریب میں ریفائنری کے اپ گریڈ پروجیکٹ کے لیے بہترین آپشن پر پیش رفت کی امید ہے، یعنی ایسا منصوبہ جس سے کمپنی کو طویل مدتی استحکام اور کاروباری مسابقت حاصل ہو۔ ہمارے مدنظر ایسے استعمال شدہ یونٹس حاصل کرنا بھی شامل ہے جن میں deep conversion کی بھرپور صلاحیت موجود ہو یا ایسی ٹیکنالوجی جس سے کم قیمت نئے یونٹس کے ساتھ مطلوبہ اپ گریڈ حاصل ہو جائے ایک غیر جانبدار کنسلٹنٹ کی اسٹڈی کی بنیاد پر۔

دوران سال ادارتی نظم وضبط پر توجہ رہی کیونکہ اعتماد اور شفافیت کو برقرار رکھنے کے لئے ایک مضبوط گورننس فریم ورک کی موجودگی بہت اہمیت رکھتی ہے۔ بورڈ نے کمپنی کے معاملات اور کاروباری حکمت عملی پر عمل درآمد کی نگرانی جاری رکھی۔ بورڈ اپنے ممبران کی قابل بھروسہ مہارت، تجربے اور معاونت کی بھرپور صلاحیتوں کے ساتھ کمپنی کی بہتری کے لیے مینجمنٹ ٹیم کو چیلنج دینے اور مدد کرنے کے لئے تیار ہے۔ میں اپنے ساتھی ڈائریکٹرز کی طرف سے مستقل فراہم کی جانے والی معاونت اور بصیرت کا شکریہ ادا کرتا ہوں۔

مالیاتی نتائج سے متعلق اضافی معلومات اور کمپنی کی کارکردگی منسلک ڈائریکٹرز رپورٹ اور 30 جون 2021 کو ختم شدہ سال کے مالیاتی گوشواروں میں فراہم کی گئی ہے۔

یہ حقیقت ہے کہ مشکل حالات میں اکثر لوگوں کی بہترین کارکردگی سامنے آتی ہے۔ اور اس مشکل سال کے دوران بھی ہمارے ساتھیوں نے زبردست صلاحیتوں کا مظاہرہ کیا ہم اپنی حکمت عملی کے مطابق اگلے اقدامات اٹھانے کی بھرپور صلاحیت کے حامل ہیں۔ اور ہمیں یقین ہے کہ ہماری کارکردگی کی مسلسل بہتری آنے والے سالوں میں کامیابی کی صورت میں نظر آئی گی۔

میں تمام ملازمین، کسٹمرز، حکومت، شیئر ہولڈرز اور مالیاتی اداروں کے تعاون اور اعتماد کا شکریہ ادا کرتا ہوں۔

طارق کرمانی
چیئرمین

کراچی: 16 اگست 2021

DIRECTORS' REPORT

The Directors of your Company are pleased to present their Annual Report together with Audited Financial Statements for the year ended June 30, 2021.

FINANCIAL RESULTS

	2021	2020
	(Rupees in thousand)	
Profit / (loss) for the year	937,156	(7,590,726)
Other comprehensive income	76,104	1,781,089
Total comprehensive profit	1,013,260	(5,809,637)
Earnings / (loss) per share	Rs. 1.52	Rs. (17.54)
Appropriations:		
Transfer to Special Reserve	837,156	NIL

The world continued to face the effects of COVID 19 where all economies faltered amidst miltiple waves and new variants of the pandemic. Smart or complete lockdowns were enforced with restrictions on local and international travel. The situation improved later in the year with vaccination drive across the globe. Oil sector rebounced during the year from the worst period in the 4th quarter last year and crude price was at an average of USD 60 per barrel. However, in the last three months, increased economic activity and speculations drove the crude prices above USD 75 per barrel. This volatility is expected to continue in the next year as well until the pandemic is suppressed.

STATE OF THE COMPANY'S AFFAIRS & ITS REVIEW

The challenging business scenario got further complicated with unceasing COVID pandemic, however, the Company persisted with its altered operational philosophy which has yielded positive results during the year. Certain favourable changes in refineries' product pricing regime by the Government also resulted in addressing effects of short term volatility in international pricing and Rupee / USD parity used in pricing of petroleum products. Following is a brief on significant measures taken by the Company amidst changes in pricing regime made by the Government.

- The Company continued its altered operational philosophy by using more lighter crudes and operated at ~60% capacity. This allowed the Company to reduce the production of High Sulphur Furnace Oil (HSFO) and increase the production of High Speed Diesel (HSD) and Motor Spirit (MS).

- The Company also made changes in crude recipe during the year and introduced new crudes from Middle East and other sources. Previously, the Company only used selected grades from Middle East. Through this change, the Company produced high value Marine Residual Fuel (MRF) and EURO II compliant HSD without undertaking any upgrade project. However, sustained production of these products require long term agreements with relevant crude suppliers.

- The Company also produced MS 92 / 95 and 97 RON which are premium products, thus generated additional revenue during the year.

- The Right Issue announced by the Board in its meeing held on February 10, 2020, which was completed during the year thereby increasing the share capital from Rs. 3.15 billion to Rs. 6.3 billion. To facilitate completion of rights issue process, Pakistan State Oil Company Limited (PSO) – the parent company, provided an undertaking that it will subscribe such portion of Class A shares (i.e. 40% of the total Rights Issue) which remains unsubscribed. This was accepted by the Securities and Exchange Commission of Pakistan (SECP), I resultantly waiving the requirement of underwriting for the said Rights Issue. Consequently, PSO subscribed additional 22,459,028 Class A shares of the Company thereby increasing its shareholding from 60% to 63.56%.

- The Board of Directors proposed to the shareholders for amending few clauses of Memorandum and Articles of Association for the elimination of Class 'A' and Class 'B' shares and to revise the process of elections of directors in conformity with the Companies Act, 2017 and prior directions of SECP. Accordingly, in the Extraordinary General Meeting ("EOGM") held on September 1, 2020, the proposed amendments in Memorandum and Articles of Association of the Company were approved by the shareholders through Special Resolutions interalia eliminating classes 'A' and 'B' of shareholders.

- On completion of three years term of previous Board of Directors, election for new Board of Directors of the Company were held at the 60th Annual General Meeting ("AGM") of Company on Wednesday, October 7, 2020 under the revised Articles of Association of the Company. Consequently, ten (10) Directors were elected by the shareholders to form new Board of Directors of the Company in accordance with the provisions of the Companies Act, 2017 for a period of three years commencing from October 8, 2020.

- Due to unusual heavy rains in Karachi during August 2020, a portion of the Pile Bridge inside Malir River was washed away that carried Company's intra-city oil pipelines. These pipelines connect Keamari Terminal to the Refinery at Korangi for transportation of crude oil and products. This hampered the Refinery operations and the Refinery was shut down for 12 days. The Company made alternate arrangements for crude supply and product disposal until the pipelines were fully restored in January 2021. The Company used 'Horizontal Directional Drilling' (HDD) technique to lay pipelines below the river bed. The related insurnace claim was lodged and mainly accepted by the insurance company, based on which that amount was recognised in the financial statements for the year ended June 30, 2021.

- During the year, the Economic Coordination Committee (ECC) of the Government of Pakistan approved a revised pricing mechanism effective September 1, 2020 which allowed refineries to announce ex-refinery prices of regulated products on fortnightly basis as compared to previous monthly basis. Under the revised mechanism, pricing of regulated products is based on average Freight on Board (FOB) price published by Platts for Arab Gulf Market plus PSO's actual premium, freight, incidentals (excluding ocean losses) and applicable taxes. Through the same mechanism, EURO V standard is introduced for pricing of Motor Spirit (MS) and High Speed Diesel (HSD) instead of EURO II resulting in a price differential element for refineries not producing EURO V standard MS and HSD.

- During the year, the Company advertised in international media showing interest in acquiring pre-owned refining units with deep conversion capability. This option is in addition to the study carried out by an independent consultant to identify technologies which give required upgrade capability with new units but may entail low CAPEX.

PRINCIPLE RISKS AND UNCERTAINTIES

- The Refinery operates under policy framework of the Government of Pakistan. Further, the pricing of certain products is regulated / monitored by the Ministry of Energy (MoE) which are primarily on import parity pricing basis. Changes in international pricing of crude oil and refined petroleum products and local pricing mechanism by MoE may have a significant impact on the results of the Company.
- Specifications of Refinery's products are defined by the Government and Refinery is required to strictly comply with such specifications. Any change in these specifications may require the Refinery to make changes in operational parameters which in turn may have an adverse impact on the results of the Company. As already explained in the preceding paragraphs, the Government has changed the specifications of MS and HSD from EURO II to EURO V and the refineries are now required to install related units to produce EURO V standard MS and HSD. The Government is expected to announce a new Refining Policy which among other things will set the deadline for completing upgrade project.
- Company's reliance on bank financing and borrowings exposes the Company to interest rate and liquidity risks. Any increase in policy rate by SBP can result in increase in finance cost and a negative impact on the results of the Company. Further, withdrawal of any major banking financing facility increases the liquidity risk.

FUTURE PROSPECTS AND RISK MITIGATION MEASURES

- As explained earlier, the Company has renewed its operational philosophy by using lighter crudes to make the Refinery sustainable through production of better margin products. In this regard, to ensure availability of such crudes the Company continues its discussions with various crude suppliersto secure arrangements,ensuring sustainable profitability by making the production mix favourable.
- To achieve compliance with the revised EURO V product specifications of MS and HSD, the Company is exploring two options;
    - acquiring pre-owned refining units with deep conversion capability; or
    - the option of having technologies which give required upgrade capability with new units but with low CAPEX.
- The Finance Act, 2022 provided various reliefs to the refining sector. These include reduction in rate of minimum tax on turnover from 0.75% to 0.5% and reduction in rate of Custom Duty on crude oil from 5% to 2.5%. On the other hand, the Government has imposed Sales Tax on crude oil at 17% effective July 1, 2021, which was previously zero rated, thus putting pressure on liquidity of the Company.
- The Company's cashflow cycle has provided required assurance to financial institutions in continuing their support to the Company and despite incurring loss after taxation of Rs. 7.59 billion for the year ended June 30, 2020, no running finance or invoice discounting facility was reduced or withdrawn by any bank which remained at Rs. 9.45 billion and Rs. 7 billion respectively. These facilities depict the confidence of financial institutions on the repayment capacity of the Company and support the Company in its liquidity management. The Company intends to further increase these financing facilities to meet the growing business needs and is in active discussion with certain banks.

DIVIDEND

The Directors have decided a NIL dividend for the year ended June 30, 2021 considering financial challenges faced by the Company.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements of the Company have been prepared by the management and represent its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under the Companies Act, 2017.
- The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. Changes in accounting policies, wherever made, have been adequately disclosed in the financial statements. Accounting estimates are on the basis of prudent and reasonable judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and deviation, if any, has been adequately disclosed.
- The system of internal financial control is sound in design and has been effectively implemented and monitored regularly.
- There are no significant doubts upon the Company's ability to continue as a going concern.

CREDIT RATING

During the year, the Pakistan Credit Rating Agency (PACRA) reassessed the credit rating of the Company and maintained the earlier credit rating i.e. long-term entity rating of A- (Single A minus) and a short-term entity rating of A2 (Single A two). These ratings depict high credit quality and a low expectation of credit risk i.e. strong capacity for timely payments of financial commitments.

VALUE OF INVESTMENT IN POST - EMPLOYMENT BENEFIT FUNDS

The value of investments of post – employment benefit funds on the basis of unaudited accounts as at June 30, 2021 was as follows:

	(Rupees in thousand)
Provident Fund	457,993
Gratuity Fund – Management Staff	195,041
Gratuity Fund – Non-management Staff	109,685
Pension Fund – Management Staff	1,308,268
Pension Fund – Non-management Staff	157,096

HEALTH, SAFETY, ENVIRONMENT & QUALITY (HSEQ)

Man-hours

The Company works on the principle of Goal-Zero incidents. We share pride with all our stakeholders over the achievement of 9.7 million man-hours till June 30, 2021, without any "Loss Time Injury" (LTI). All activities at sites are being performed under strict compliance to safety procedures, assuring Company's commitment through rigorous monitoring of work execution, reporting near misses and continuously making improvements on a proactive basis.

Transition of OHSAS 18001 to ISO 45001 standard

The Company has successfully migrated to the ISO 45001:2018 standard from OHSAS 18001:2007 after completing ISO external audit of ISO 9001, 14001, and 45001 standards in November 2020.

Compliance with Regulatory Requirements

The Company remained fully compliant with the "Environmental Management Plan" by maintaining the results of all reportable parameters within Sindh Environment Quality Standards limits for both locations, i.e., Refinery at Korangi and Keamari Terminal.

15th Employers Federation of Pakistan (EFP) Occupational Safety & Health (OSH) Awards 2020

The Company won the first position award in the Oil & Gas Energy sector in the 15th EFP OSH 2020 contest. The Company has won the 1st position award for the 4th consecutive year. The award ceremony took place on October 28, 2020.

Corona Virus Pandemic (COVID-19)

Following safety measures were ensured as per OSHA & Government of Pakistan (GOP) guidelines

- Vaccination of the staff is being carried out.
- Business Continuity Plan (BCP) related to Pandemic is in place.
- Implementation of Government of Sindh SOP to operate Industry during COVID-19.
- Implementation of OSHA guidance on preparing workplaces for COVID-19.
- Staff attendance to office was reduced and they were encouraged to work from home.
- Telecom / virtual meetings within the Refinery and from outside Refinery are being encouraged.

Mutual Aid Emergency Response Plan (MAERP) Mock Drill 2021

To ensure readiness and review the effectiveness of MAERP, Company's emergency response team, along with emergency response equipment, participated in the MAERP Drill at Intra-city pipeline near Bhittai Colony, Korangi with teams from two other refineries M/s Pak-Arab Refinery Limited and National Refinery Limited in March 19, 2021.

Collection and Safe Disposal of Hazardous waste

During the year through Sindh Environmental Protection Agency (SEPA) approved contractor, Hazardous waste was regularly collected from all over Refinery and Keamari Terminal and its Safe Disposal/Incineration took place at Waste Disposal Site (KMC Incineration Plant).

REFINERY UPGRADE PROJECT

The Company is committed to executing the Refinery Upgrade Project to produce EURO V compliant environment friendly fuels and convert Fuel Oil to produce value added products. The Company is concurrently working on two options for execution of this significant project. One is to select an optimised configuration based on new plants, the other option is to evaluate pre-owned plants, due diligence for which is being carried out currently. Both the options are being evaluated by renowned international consultants and the work is expected to be completed in 1st quarter FY 2021-22, following which Company will make a decision on the route to pursue.

COMMERCIAL & SUPPLY CHAIN

During the year, the Company purchased crudes from Abu Dhabi National Oil Company (ADNOC), Saudi Arabian Oil Company (Aramco) and from Kuwait Petroleum Corporation (KPC) under respective contractual arrangements. Effective June 2021 the crude pricing methodology is revised by ADNOC which is being evaluated by the Company to determine financial impacts. Contracts with Aramco and KPC are being utilised to the fullest to ensure continuity of crude procurement.

Transfer of crude and products between Refinery and Keamari Terminal were disrupted during the year due to unusual heavy rain that washed away pile-bridge in Malir River carrying the pipelines. However, with concerted efforts Refinery operations were restored under alternate arrangements of product supply through gantries at Refinery and laying of temporary floating pipeline for crude receipt from Keamari Terminal.

OPERATIONS

The Company maintained its commitment to earn profits by utilising existing infrastructure in the most effective and optimum manner. The Company processed different crudes based on their availability and economic viability and achieved the distinction of producing EURO II compliant HSD and furnace oil of IMO2020 Grade without any capital expenditure. In addition, Company also produces MS 95/97 RON which generated additional revenue. Continuous optimised plant operations throughout the year also resulted in achieving most economical product slate which in turn contributed positively to make the Company achieve profitability. To achieve the said objective, after major shutdown in late 2019 the Company had initiated a strategy to extract deep Diesel cut as it is one of the profitable products. This was done by conducting different test runs to increase the middle distillate yields. In parallel, detailed testing was conducted at every step to keep all products as per defined specifications. Product slate varied and middle distillate production increased circa 8-9%, with HSD production increasing by 3-4% over comparative year.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company continues to place great importance to its Human Resource, which is the single largest contributor in achieving the organisational objectives. Complete support is provided to employees through training and development to enhance and refine their skills.

During the on-going COVID-19 Pandemic the operations and productivity of the Refinery were not hindered in any way. The organisation is following strict SOPs and the employees and their dependents are being educated and guided on each and every step to get through the current epidemic situation.

The Company and the Collective Bargaining Agreement (CBA) have a cordial working relationship. The two-year agreement with CBA expired on June 30, 2021 and negotiations are underway for the new agreement to further the harmony and industrial peace.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR activities are embarked upon to honour Company's commitment towards society in general and to the people who live in the close vicinity of the Refinery in particular. This year a donation of Rs. 5 million has been made to the Indus Hospital to augment the efforts in building one of the largest hospital of the country and it is hoped that hospital when completed will make a difference in the lives of the individuals who will come for their treatment.

CORPORATE GOVERNANCE

The Company remains committed to the highest standards of corporate governance andconducts its business in line with the best practices of the Code of Corporate Governance and the Listing Regulations of the Pakistan Stock Exchange Limited. For further details, please refer to the 'Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations'.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors is responsible for the establishment of sound internal financial controls. The Board has allowed the Managing Director to exercise certain financial and administrative powers other than those specifically assigned to the Board by the Companies Act, 2017. The Board periodically gets update on adequacy of internal financial controls through Internal Audit function. During the year, no material inadequacy in these controls was reported to the Board.

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND VALUE ADDITION

The Company continued to be amongst major taxpayers of the country with timely discharge of all tax related liabilities. During the year, the Company contributed Rs. 48 billion (2020: Rs. 42 billion) to the National Exchequer in the form of direct and indirect taxes. In addition, during the year Company's Naphtha exports fetched valuable foreign exchange of USD 32.87 million (2020: USD 21.80 million).

KEY OPERATIONAL AND FINANCIAL DATA

A statement summarizing key operational and financial data for the last six years is given on page 48 of the report.

CHANGES IN BOARD OF DIRECTORS

During the year, due to completion of the term by the Board of Directors the following new directors were elected in the Annual General Meeting held on October 7, 2020 for a period of three years. The election of new directors was duly reported on the Pakistan Stock Exchange:

1. Abid Shahid Zuberi
2. Aftab Husain
3. Imtiaz Jaleel
4. Mohammad Abdul Aleem
5. Nadeem Safdar
6. Shahbaz Tahir Nadeem
7. Syed Jehangir Ali Shah
8. Syed Muhammad Taha
9. Tara Uzra Dawood
10. Tariq Kirmani

Mr. Tariq Kirmani was appointed as the Chairman of the Board. Furthermore, following changes have recently occurred on the Board:

Outgoing director with date of resignation	Incoming director with date of appointment
Shahbaz Tahir Nadeem w.e.f. July 12, 2021	Hassan Mehmood Yousufzai w.e.f July 12, 2021
Imtiaz Jaleel w.e.f July 12, 2021	Mohsin Ali Mangi w.e.f July 12, 2021

The Board acknowledged the contribution of the Mr. Shahbaz Tahir Nadeem and Mr. Imtiaz Jaleel and thank them for their valuable participation in Board's function during their tenure.

The details of Board composition and Board Sub-committees is given on page 15 to 19 of the report.

DIRECTORS' REMUNERATION

The Company has a formal and transparent procedure for remuneration of Directors in accordance with the Articles of Association of the Company and the Companies Act, 2017.

PRINCIPAL ACTIVITIES OF THE COMPANY

Pakistan Refinery Limited was incorporated in Pakistan as a public limited company in May 1960 and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of petroleum products.

CHANGES CONCERNING NATURE OF BUSINESS OF THE COMPANY AND ITS INVESTEE COMPANY

There have been no change concerning nature of business of the Company and that of Pak Grease Manufacturing Company (Private) Limited where the Company holds 27.26% shares.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of the report.

PATTERN OF SHAREHOLDING

The statement of Pattern of Shareholding as at June 30, 2021 is given on page 53 of the report.

EXTERNAL AUDITORS

The present external auditors M/s KPMG Taseer Hadi & Co, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and have offered themselves for reappointment.

ACKNOWLEDGEMENT

The Board would like to place its appreciation and acknowledge the valuable support of the GoP including MoE in redressing many key points and taking decisions that will support refineries future operations. The Board also acknowledges and greatly value the support and trust of the shareholders, financial institutions, strategic partners, employees and other stakeholders which they have demonstrated throughout the year during the Pandemic.

On behalf of Board of Directors

Aftab Husain	**Zahid Mir**
Director	**Managing Director & CEO**

Karachi: August 16, 2021

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ اجلاس عام کے اختتام پر سبکدوش ہو رہے ہیں اور اہلیت کی بنیاد پر انہوں نے خود کو دوبارہ انتخاب کے لیے پیش کیا ہے۔

اظہار تشکر

بورڈ اس موقع پر حکومت پاکستان بشمول وزارت توانائی کے قابل قدر تعاون پر ان کا مشکور ہے کیونکہ اہم امور پر پیش رفت اور فیصلہ سازی سے ریفائنریز کے مستقبل کے آپریشنز میں بہتری آئے گی۔ بورڈ اپنے شیئر ہولڈرز، مالیاتی اداروں، اہم شراکت داروں، ملازمین اور دیگر اسٹیک ہولڈرز کے اعتماد اور تعاون پر شکریہ ادا کرتا ہے جنہوں نے اس وبائی صورتحال میں بھی کمپنی پر بھروسہ کا مظاہرہ کیا۔

منجانب بورڈ آف ڈائریکٹرز

آفتاب حسین

ڈائریکٹر

زاہد میر

مینیجنگ ڈائریکٹر اینڈ سی ای او

کراچی: 16 اگست 2021

اس کے علاوہ بورڈ میں ہونے والی تازہ ترین تبدیلیاں درج ذیل ہیں:

جانے والے ڈائریکٹرز اور مستعفی ہونے کی تاریخ	آنے والے ڈائریکٹرز اور منتخب ہونے کی تاریخ
شہباز طاہر ندیم: 12 جولائی 2021	حسن محمود یوسفزئی: 12 جولائی 2021
امتیاز جلیل: 12 جولائی 2021	محسن علی منگی: 12 جولائی 2021

بورڈ جناب شہباز طاہر ندیم اور جناب امتیاز جلیل کی بحیثیت بورڈ ممبران کی مدت کے دوران بورڈ میں قابل قدر شرکت کے لیے شکر گزار ہے۔

بورڈ کی تشکیل اور بورڈ سب کمیٹیوں سے متعلق تفصیلات رپورٹ کے صفحہ نمبر 15 سے 19 پر درج ہیں۔

ڈائریکٹرز کا مشاہرہ

کمپنی کے آرٹیکلز آف ایسوسی ایشن اور کمپنیز ایکٹ 2017 کی تعمیل میں ڈائریکٹرز کے مشاہرے کے لیے کمپنی میں باضابطہ اور شفاف طریقہ کار موجود ہے۔

کمپنی کے بنیادی امور

پاکستان ریفائنری لمیٹڈ کو کی تشکیل مئی 1960 میں ایک پبلک لمیٹڈ کمپنی کے طور پر ہوئی اور یہ پاکستان اسٹاک ایکسچینج پر لسٹڈ ہے۔ کمپنی پیٹرولیم مصنوعات کی پیداوار اور فروخت میں مصروف عمل ہے۔

کمپنی اور اس کی ملحقہ کمپنی کی کاروباری نوعیت میں تبدیلیاں

کمپنی کی کاروباری نوعیت میں کسی بھی قسم کی تبدیلی واقع نہیں ہوئی اور اسی طرح پاک گریس مینوفیکچرنگ کمپنی (پرائیویٹ) لمیٹڈ کی کاروباری نوعیت میں کوئی تبدیلی واقع نہیں ہوئی جس میں کمپنی 27.26 فیصد شیئرز رکھتی ہے۔

بعد از اں واقعات

مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے دوران کوئی اہم تبدیلیاں یا کمٹمنٹس رونما نہیں ہوئی ہیں جو کہ کمپنی کی مالیاتی پوزیشن پر اثر انداز ہوں۔

شیئر ہولڈنگ کا خلاصہ

30 جون 2021 کو شیئر ہولڈنگ کے خلاصہ اس رپورٹ کے صفحہ نمبر 53 پر درج ہے۔

ادارتی نظم وضبط

کمپنی ادارتی نظم وضبط کے اعلیٰ معیار برقرار رکھنے کے لئے مستقل کوشاں ہے جس کے تحت کمپنی اپنے کاروبار کوڈ آف کارپوریٹ گورننس اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے قوانین کے مطابق انجام دیتی ہے جس میں بورڈ آف ڈائریکٹرز اورانتظامیہ کا کرداراوران کی ذمہ داریوں کا تعین کیا گیا ہے۔ مزید تفصیلات کے لئے براۓ مہربانی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ریگولیشنز) کے پاسداری سے متعلق بیانیہ کا مطالعہ کریں۔

اندرونی مالیاتی ضابطوں سے مطابقت

بورڈ آف ڈائریکٹرز مضبوط اندرونی مالیاتی ضابطوں کے قیام کے ذمہ دار ہیں۔ بورڈ نے کمپنیز ایکٹ 2017 کے مطابق بورڈ کو خصوصی طور پر دیئے گئے اختیارات کے علاوہ مینیجنگ ڈائریکٹر کو مخصوص مالیاتی اورانتظامی اختیارات استعمال کرنے کی اجازت دی ہے۔ بورڈ اندرونی آڈٹ کے ذریعے اندرونی مالیاتی ضابطوں کی صورتحال پر وقتاً فوقتاً اپ ڈیٹ لیتا رہتا ہے۔ دوران سال ان ضابطوں میں کسی بھی قسم کی غیر موزونیت بورڈ کی پیش نہیں کی گئی۔

قومی خزانے میں شرکت اور قدر میں اضافہ

کمپنی نے تمام واجب الاداٹیکسز کی بروقت ادائیگی سے ملک کے بڑے ٹیکس ادا کرنے والے اداروں میں شامل رہنے کی روایت کو برقرار رکھا۔ دوران سال کمپنی نے قومی خزانے میں بلاواسطہ اور بلاواسطہ صورت میں 48 بلین روپے (2020 میں 42 بلین روپے) ٹیکسوں کی مد میں جمع کرائے۔ اس کے علاوہ سال کے دوران Naphtha کی برآمدات کے ذریعے کمپنی ملک میں 32.87 ملین ڈالر (2020 میں 21.80 ملین ڈالر) کا قیمتی زرمبادلہ لائی۔

اہم کاروباری اور مالیاتی اعداد وشمار

گزشتہ چھ سالوں کے اہم کاروباری اور مالیاتی اعداد وشمار سے متعلق تفصیلات اس رپورٹ صفحہ نمبر 48 پر درج ہیں۔

ڈائریکٹرز کے بورڈ میں تبدیلیاں

دوران سال، بورڈ آف ڈائریکٹرز کی مدت کے مکمل ہونے کی بدولت درج ذیل نئے ڈائریکٹرز کو تین سالہ مدت کے لیے 7 اکتوبر 2020 کو منعقد ہونے والے سالانہ اجلاس عام میں منتخب کیا گیا۔ نئے ڈائریکٹرز کے انتخاب کو پاکستان اسٹاک ایکسچینج پر باقاعدہ رپورٹ کیا گیا:

1۔ عابد شاہد زبیری
2۔ آفتاب حسین
3۔ امتیاز جلیل
4۔ محمد عبدالعلیم
5۔ ندیم صفدر
6۔ شہباز طاہر ندیم
7۔ سید جہانگیر علی شاہ
8۔ سید محمد طحہ
9۔ تارہ عذرہ داؤد
10۔ طارق کرمانی

جناب طارق کرمانی کو بورڈ کے چیئرمین کے طور پر منتخب کیا گیا۔

آپریشنز

کمپنی موجودہ انفرا سٹرکچر کے موثر اور بھرپور استعمال کے ذریعے منافع کمانے کے اپنے عزم پر کاربند ہے۔ کمپنی نے مختلف خام تیلوں کو ان کی فراہمی اور معاشی بنیاد پر پروسیس کیا اور کسی سرمایہ کاری کے بغیر Euro II کا حامل HSD اور IMO 2020 معیار کا فرنیس آئل تیار کرنے میں کامیابی حاصل کی۔ اس کے علاوہ کمپنی نے MS 95/97 RON تیار کیا اور اضافی آمدنی کمائی۔ پلانٹ آپریشنز بھرپور انداز میں سال بھر جاری رکھنے کی بدولت معاشی طور پر زیادہ بہتر پروڈکٹ سلیٹ حاصل کی گئی جس سے کمپنی کے منافع پر مثبت اثرات مرتب ہوئے۔ اسی مقصد کو پانے کے لیے 2019 کے آخر میں طے کردہ شٹ ڈاؤن کے بعد کمپنی نے ڈیزل پر مزید کام کرنے کی منصوبہ بندی اپنائی کیونکہ یہ منافع بخش مصنوعات میں سے ایک ہے۔ مڈل ڈسٹلیٹ کی پیداوار کو بڑھانے کے لیے مختلف ٹیسٹ انجام دینے سے یہ مقصد حاصل ہوا۔ اس کے ساتھ متعین معیاروں کے مطابق تمام مصنوعات کو ہر قدم پر تفصیلی ٹیسٹنگ سے گزارا گیا۔ پروڈکٹ سلیٹ تبدیل ہوئی اور مڈل ڈسٹلیٹ کی پیداوار 9-8 فیصد بڑھ گئی جس میں گزشتہ سال کے مقابلے میں HSD کی پیداوار کا تناسب 4-3 فیصد کے ساتھ بڑھ گیا۔

انسانی وسائل اور صنعتی تعلقات

کمپنی نے اپنے انسانی وسائل کو بنیادی اہمیت دینے کی روایت جاری رکھی ہوئی ہے جو کہ ادارے کے مقاصد کو حاصل کرنے کا سب سے بڑا ذریعہ ہے۔ ملازمین کی مہارت میں بہتری اور ترقی کے لیے ان کی تربیت کے سلسلے میں مکمل معاونت کی جاتی ہے۔

Covid-19 کے وبائی صورتحال میں ریفائنری کے آپریشنز اور پیداوار کو کسی بھی طرح تعطل کا شکار ہونے نہیں دیا گیا۔ ادارے میں SOPs پر سختی سے عمل کیا جا رہا ہے۔ ملازمین اور ان کے متعلقین کو اس وباء سے تحفظ کے لیے ہر قدم پر آگہی اور معلومات فراہم کی جا رہی ہیں۔

کمپنی اور Collective Bargaining Agreement (CBA) کا تعلق پیشہ وارانہ ہم آہنگی کی بنیاد پر ہے۔ سی بی اے کے ساتھ دو سالہ معاہدہ 30 جون 2021 کو ختم ہوا، اور نئے معاہدے کے لیے بات چیت کا عمل جاری ہے تا کہ صنعتی امن اور ہم آہنگی کو یقینی بنایا جائے۔

ادارتی سماجی ذمہ داری (CSR)

کمپنی کے سی ایس آر اقدامات کا مقصد عمومی طور پر معاشرے اور خصوصی طور پر ریفائنری کے قریب رہنے والے لوگوں کے لیے کمپنی کی فلاحی کوششوں کے عزم کا اعادہ کرنا ہے۔ اس سال کمپنی نے انڈس ہسپتال کو 5 ملین روپے کا عطیہ دیا تا کہ وہ ملک کے بڑے ہسپتالوں میں شامل ہو۔ کمپنی یہ توقع کرتی ہے کہ ہسپتال کی تکمیل سے علاج کے لیے آنے والے مریضوں کو سہولت ہوگی۔

مضرصحت صنعتی فضلے کو جمع کرنے کے بعد تلف کرنا

دوران سال سندھ انوائرنمنٹ پروٹیکشن ایجنسی (SEPA) کے منظورشدہ کنٹریکٹر کے ذریعے مضرصحت صنعتی فضلے کو پوری ریفائنری اور کیماڑی ٹرمینل سے جمع کرنے کے بعد اسے محفوظ طریقہ کار کے تحت تلف کرنے کی جگہ (کے ایم سی انسنریشن پلانٹ) پر تلف کرنے / جلانے کا عمل جاری رہا۔

ریفائنری اپ گریڈ پروجیکٹ

کمپنی ایک ایسے اپ گریڈ پروجیکٹ کے لیے پرعزم ہے جس کی بدولت Euro V کے حامل ماحول دوست مصنوعات تیار کرنے کے ساتھ ساتھ فیول آئل کو قیمتی مصنوعات میں تبدیل کیا جا سکے۔ کمپنی اس پروجیکٹ کے لئے دو آپشنز پر ساتھ ساتھ کام کر رہی ہے۔ ایک آپشن کے تحت نئے پلانٹس کے ذریعہ بہتر configuration کو منتخب کرنا اور دوسرا آپشن کے تحت استعمال شدہ پلانٹس حاصل کئے جائیں۔ دونوں آپشنز پر کام کے لیے عالمی ساکھ کے حامل کنسلٹنٹس کی خدمات حاصل کی گئی ہیں اور مالی سال 22-2021 کی پہلی سہ ماہی میں اس کام کی تکمیل ہونے کی امید ہے، بعدازاں کمپنی کی جانب سے موزوں آپشن کا فیصلہ کیا جائے گا۔

کمرشل اور سپلائی چین

دوران سال کمپنی نے ابوظہبی نیشنل آئل کمپنی (ADNOC)، سعودی عربین آئل کمپنی (Saudi Aramco) اور کویت پیٹرولیم کارپوریشن (KPC) سے متعلقہ معاہدوں کے مطابق خام تیل کی خریداری کی ADNOC کی جانب سے جون 2021 سے خام تیل کی قیمتوں کے طریقہ کار کو تبدیل کیا گیا ہے اور کمپنی اس تبدیلی کے مالی اثرات کو جانچ رہی ہے۔ ARAMCO اور KPC کے ساتھ معاہدوں کے بھرپور استعمال سے خام تیل کی خریداری کے تسلسل کو یقینی بنایا گیا ہے۔

جیسا کہ پہلے بتایا گیا ہے کہ دوران سال، ریفائنری اور کیماڑی ٹرمینل کے درمیان خام تیل اور دیگر مصنوعات کی منتقلی میں، ملیر ندی سے گزرنے والی پائپ لائن کے پائل برج بہہ جانے سے تعطل پیدا ہوا۔ تاہم مشترکہ کوششوں کی بدولت مصنوعات کی منتقلی کے متبادل انتظامات کے ذریعے ریفائنری کے آپریشنز بحال کئے گئے، اس کے لیے ریفائنری میں gantries اور کیماڑی ٹرمینل سے خام تیل حاصل کرنے کے لیے عارضی طور پر فلوٹنگ پائپ لائن بچھائی گئی۔

15 ویں ایمپلائرز فیڈریشن آف پاکستان (EFP) آکیوپیشنل سیفٹی اینڈ ہیلتھ (OSH) ایوارڈز 2020

کمپنی نے 15 ویں ایمپلائرز فیڈریشن آف پاکستان (EFP) آکیوپیشنل سیفٹی اینڈ ہیلتھ (OSH) ایوارڈز 2020 میں تیل اور گیس انرجی سیکٹر میں پہلی پوزیشن حاصل کی۔ کمپنی نے یہ ایوارڈ مسلسل چوتھے سال حاصل کیا ہے۔ ایوارڈ کی یہ تقریب 28 اکتوبر 2020 کو منعقد ہوئی۔

قانونی تقاضوں پر عمل درآمد

کمپنی نے کورنگی ریفائنری اور کیماڑی ٹرمینل پر سندھ انوائرنمنٹ کوالٹی اسٹینڈرڈز کو لاگو کیا ہوا ہے اور مطلوبہ نتائج حاصل کرتے ہوئے" انوائرنمنٹل مینجمنٹ پلان" کی مکمل تعمیل ہے۔

کرونا وائرس (Covid-19)

حکومت پاکستان اور OSHA کی ہدایات کے مطابق درج ذیل حفاظتی اقدامات کو یقینی بنایا گیا:

- اسٹاف کی ویکسی نیشن کروائی گئی ہے۔
- وبائی صورتحال سے نمٹنے کے لیئے "کاروبار کے تسلسل" کو برقرار رکھنے کے پلان کی یقینی موجودگی۔
- Covid-19 کے دوران انڈسٹری چلانے کے لیے حکومت سندھ کے SOPs پر عمل درآمد جاری رہا۔
- Covid-19 کے دوران کام کی جگہوں پر OSHA کی ہدایات پر عمل درآمد کیا گیا۔
- دفاتر میں اسٹاف کی حاضری کم کی گئی اور ملازمین کے گھر سے کام کرنے کی حوصلہ افزائی کی گئی۔
- ریفائنری کے اندر اور باہر منعقد کئے جانے والے اجلاسوں کو ٹیلی کام اور virtual انداز میں چلانے کی حوصلہ افزائی کی گئی۔

MAERP موک ڈرل 2021 (فرضی مشق)

کسی بھی ہنگامی صورتحال سے نبرد آزما ہونے سے متعلق تیاری کے جائزے اور موثر ہونے کی صلاحیت کو یقینی بنانے کے لیے، کمپنی کی ایمرجنسی ریسپانس ٹیم نے، ایمرجنسی ریسپانس ایکویپمنٹ کے ساتھ میوچوئل ایڈ ایمرجنسی ریسپانس ڈرل (MAERP) میں شرکت کی، یہ ڈرل بھٹائی کالونی، کورنگی کے قریب انٹراسٹی پائپ لائن پر انجام دی گئی، اس میں 2 دیگر ریفائنریوں پاک عرب ریفائنری لمیٹڈ اور نیشنل ریفائنری لمیٹڈ نے بھی شرکت کی۔

– کمپنی کا مؤثر اندرونی ضابطہ کا نظام موجود ہے اور اس پر مسلسل عمل درآمد اور نگرانی جاری رہتی ہے۔

– کمپنی کے کام جاری رکھنے کی صلاحیت میں کوئی قابل ذکر شہادت نہیں ہے۔

کریڈٹ ریٹنگ

رواں سال پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی کریڈٹ ریٹنگ کا دوبارہ جائزہ لیا، جس میں کمپنی نے اپنی پہلے کی کریڈٹ ریٹنگ برقرار رکھی جو کہ طویل مدتی اینٹٹی ریٹنگ -A (سنگل اے مائنس) اور قلیل مدتی اینٹٹی ریٹنگ A2 (سنگل اے ٹو) ہے۔ یہ ریٹنگ کمپنی کی کریڈٹ میں اعلی کوالٹی اور کریڈٹ سے متعلق بہت کم خطرات کو واضح کرتی ہیں۔ یعنی کمپنی مالیاتی وعدوں کی بروقت ادائیگیوں کی مضبوط صلاحیت رکھتی ہے۔

پوسٹ ایمپلائمنٹ بینیفٹ فنڈز سے کی گئی سرمایہ کاری کی مالیت

پروویڈنٹ فنڈ، گریجویٹی اور پنشن فنڈز کے غیر آڈٹ شدہ مالیاتی گوشواروں برائے 30 جون 2021 کے مطابق سرمایہ کاری کی مالیت درج ذیل ہے:

	(روپے ہزاروں میں)
پروویڈنٹ فنڈ	457,993
گریجویٹی فنڈ۔ مینجمنٹ اسٹاف	195,041
گریجویٹی فنڈ۔ نان مینجمنٹ اسٹاف	109,685
پنشن فنڈ۔ مینجمنٹ اسٹاف	1,308,268
پنشن فنڈ۔ نان مینجمنٹ اسٹاف	157,096

صحت، تحفظ، ماحول اور معیار (HSEQ)

مین آورز (کسی حادثے کے بغیر کاروباری گھنٹے)

کمپنی goal zero incident کے اصول پر قائم ہے۔ ہم اپنے تمام اسٹیک ہولڈرز کو یہ بتاتے ہوئے فخر محسوس کرتے ہیں کہ کمپنی نے کسی بھی حادثہ کے بغیر 30 جون 2021 تک 9.7 ملین مین آورز کی تکمیل کا سنگ میل عبور کرلیا ہے۔ تمام سرگرمیاں حفاظتی اقدامات پر سختی سے عمل درآمد کے ساتھ انجام دی جارہی ہیں اور امور کی انجام دہی کو باریک بینی سے مانیٹر کرنے، متوقع حادثات کی رپورٹنگ اور موثر انداز میں بہتری لانے کے تسلسل کی بدولت کمپنی کے حفاظتی عزم کو پورا کیا جارہا ہے۔

OHSAS 18001 اسٹینڈرڈ سے ISO 45001 کی طرف منتقلی

بیرونی آڈٹ برائے 45001 اور ISO 9001, 14001 اسٹینڈرڈز کی کامیاب تکمیل کے بعد کمپنی OHSAS 18001:2007 سے ISO 45001:2018 کے معیار کی حاصل ہوگئی ہے۔

- Euro V معیار کے MS اور HSD کی تیاری کے لیے، کمپنی دو آپشنز پر کام کر رہی ہے:
1) مطلوبہ صلاحیت والے استعمال شدہ ریفائننگ یونٹس کا حصول، یا
2) ایسی ٹیکنالوجی کا حصول جس سے مطلوبہ اپ گریڈیشن کی صلاحیت والے نئے یونٹس کم قیمت میں حاصل ہوں۔

- فنانس ایکٹ 2022 کے تحت ریفائننگ کے شعبے کو مختلف ریلیف فراہم کئے گئے ہیں۔ ان میں کم سے کم ٹیکس کی شرح 0.75 فیصد سے کم کر کے 0.5 فیصد اور خام تیل پر کسٹم ڈیوٹی کی شرح کو 5 فیصد سے 2.5 فیصد کرنے کا فیصلہ شامل ہے۔ دوسری جانب حکومت نے یکم جولائی 2021 سے خام تیل پر 17 فیصد سیلز ٹیکس نافذ کیا ہے جو کہ پہلے صفر فیصد تھا اور اس سے کمپنی کی لیکوئڈٹی پر دباؤ بڑھے گا۔

- کمپنی کی کیش فلو کی صورتحال نے مالیاتی اداروں کو کمپنی کے ساتھ مالی تعاون جاری رکھنے کے لیے مطلوب یقین دہانی فراہم کی ہے اور 30 جون 2020 کو ختم شدہ سال میں 7.59 بلین روپے کا بعد از ٹیکس نقصان کا سامنا کرنے کے باوجود، کوئی بھی جاری قرض یا انوائس ڈسکاؤنٹنگ کی سہولت کم یا واپس نہیں ہوئی جو کہ بالترتیب 9.45 بلین اور 7 بلین روپے پر برقرار رہی۔ یہ سہولتیں کمپنی کی ادائیگیوں کی صلاحیت پر مالیاتی اداروں کے اعتماد کا مظہر ہیں اور اس سے کمپنی کی لیکوئڈٹی مینجمنٹ کو معاونت حاصل ہوتی ہے۔ کمپنی ان سہولیات میں مزید اضافے کے لیے کوشاں ہے تاکہ کاروبار کی بڑھتی ہوئی ضروریات کو پورا کر سکے اور اس کے لیے کچھ بینکوں سے سنجیدہ بات چیت جاری ہے۔

ڈیویڈنڈ (منافع منقسمہ)

ڈائریکٹرز نے کمپنی کو مالی مسائل کے پیش نظر 30 جون 2021 کو ختم شدہ سال کے لیے منافع منقسمہ نہ دینے کا فیصلہ کیا ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

- کمپنی کے مالیاتی گوشوارے انتظامیہ نے تیار کئے ہیں جس میں کمپنی کے معاملات، اس کے کاروباری نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کو پیش کیا گیا ہے۔
- کمپنیز ایکٹ 2017 کے تحت گوشواروں کی باقاعدہ کتابیں رکھی ہیں۔
- کمپنی نے اپنے مالیاتی گوشواروں کی تیاری میں متواتر اور مناسب اکاؤنٹنگ پالیسیوں پر عمل درآمد کیا ہے۔ اکاؤنٹنگ پالیسیوں میں تبدیلیاں، اگر کہیں کی گئی ہیں تو انہیں مناسب طریقے سے مالیاتی گوشواروں میں واضح کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے احتیاط سے اور موزوں اندازے کی بنیاد پر لگائے گئے ہیں۔
- بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈ جو کہ پاکستان میں لاگو ہیں، مالیاتی گوشواروں کی تیاری میں ان پر عمل درآمد کیا گیا ہے اور اگر کوئی انحراف ہو تو اسے باقاعدہ واضح کیا گیا ہے۔

PAKISTAN REFINERY LIMITED

- دوران سال کمپنی نے عالمی میڈیا میں اشتہار دیئے جن میں deep conversion کی حامل صلاحیت والے استعمال شدہ ریفائننگ یونٹس حاصل کرنے میں دلچسپی کا اظہار کیا گیا۔ یہ آپشن اس اسٹڈی کے علاوہ ہے جو ایک غیر ملکی کنسلٹنٹ کی جانب سے ایسی ٹیکنالوجی کے چناؤ کے لیے کیا جارہا ہے جس میں مطلوبہ اپ گریڈ کی صلاحیت کے حاصل نئے یونٹس نسبتا کم لاگت سے تیار کئے جاسکیں۔

اہم خطرات اور غیر یقینی معاملات

- ریفائنری حکومت پاکستان کے پالیسی فریم ورک کے تحت کام کرتی ہے۔ مزید یہ کہ مخصوص پروڈکٹس کی قیمتیں باضابطہ ہیں اور ان کی نگرانی وزارت توانائی کرتی ہے جو کہ بنیادی طور پر import parity price کی بنیاد پر ہوتی ہیں۔ خام تیل اور ریفائنڈ پیٹرولیم مصنوعات کی عالمی قیمتوں میں تبدیلی اور وزارت توانائی کی جانب سے مقامی طور پر قیمتوں کے متعین کردہ طریقہ کار سے کمپنی کے نتائج پر قابل ذکر اثرات مرتب ہوسکتے ہیں۔

- ریفائنری کی مصنوعات کے معیار کا تعین حکومت کی طرف سے کیا جاتا ہے اور ریفائنری کے لیے لازمی ہے کہ مقرر کردہ اُن معیاروں کے مطابق مصنوعات تیار کریں۔ ان معیاروں میں کسی بھی قسم کی تبدیلی کے لئے ریفائنری کے آپریشنز میں تبدیلی لانی پڑتی ہے جو کہ ریفائنری کی مالی حالت پر منفی اثرات مرتب کرسکتی ہے۔ جیسا کہ اوپر بیان کیا جاچکا ہے کہ حکومت نے MS اور HSD کے متعین معیاروں کو Euro II سے Euro V میں تبدیل کردیا ہے، اور ریفائنریوں کو اب Euro V معیار کے MS اور HSD کی تیاری کے لیے مطلوبہ یونٹس لگانے کی ضرورت ہے۔ امید کی جارہی ہے کہ حکومت کی جانب سے نئی ریفائننگ پالیسی کا اعلان ہوگا جس میں دیگر معاملات کے ساتھ اپ گریڈ پروجیکٹ لگانے کی آخری تاریخ کی حد بھی مقرر کی جائے گی۔

- بینکوں سے لیے گئے قرضہ جات کے سبب کمپنی کو زائد شرح سود اور لیکوئڈٹی کے خطرات کا سامنا رہتا ہے۔ اسٹیٹ بینک آف پاکستان کی جانب سے شرح سود میں اضافہ کمپنی کے مالیاتی نتائج پر منفی اثرات مرتب کرسکتا ہے۔ مزید براں، کسی بھی بڑے قرض کی سہولت ختم ہونے سے لیکوئڈٹی کے خطرات بڑھ سکتے ہیں۔

مستقبل کے امکانات اور خطرات پر قابو پانے کے اقدامات

- جیسا کہ پہلے بیان کیا جاچکا ہے کہ کمپنی نے اپنی تجارتی حکمت عملی میں تبدیلی کی ہے، جس کے تحت لائٹ خام تیل کے استعمال سے بہتر منافع بخش مصنوعات تیار کرتے ہوئے ریفائنری کو مستحکم کیا جائے۔ اس ضمن میں، ایسے خام تیل کی دستیابی کو یقینی بنانے کے لیے کمپنی مختلف سپلائرز کے ساتھ مسلسل رابطے میں ہے تاکہ منافع بخش مصنوعات کے لیے مطلوبہ تیل کی فراہمی کے دیرپا انتظامات کئے جائیں۔

- کمپنیز ایکٹ 2017 سے موافقت SECP کی سابقہ ہدایات کی تعمیل میں ڈائریکٹرز کے انتخابی عمل کو تبدیل کرنے کے لئے بورڈ آف ڈائریکٹرز نے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی کچھ شقوں میں ترمیم کے لیے شیئر ہولڈرز کو ضروری تجویز دی یکم ستمبر 2020 کو منعقدہ غیر معمولی اجلاس عام (EOGM) میں کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن میں مجوزہ ترامیم کی خصوصی قرارداد کی منظوری دے دی گئی جس سے شیئر ہولڈرز کے A اور B کلاس کی درجہ بندی ختم ہوگئی۔

- گزشتہ بورڈ آف ڈائریکٹرز کی تین سالہ مدت مکمل ہونے پر، ڈائریکٹرز کے نئے بورڈ کا انتخاب 7 اکتوبر 2020 کو کمپنی کے 60 ویں سالانہ اجلاس عام میں کمپنی کے تبدیل کردہ آرٹیکلز آف ایسوسی ایشن کے مطابق ہوا۔ نتیجتاً شیئر ہولڈرز کی جانب سے کمپنی کے نئے بورڈ آف ڈائریکٹرز کی تشکیل کے لیے دس (10) ڈائریکٹرز کو منتخب کیا گیا، یہ انتخاب کمپنیز ایکٹ 2017 کی شقوں کے مطابق 8 اکتوبر 2020 سے شروع ہونے والی تین سالہ مدت کے لیے عمل میں لایا گیا۔

- اگست 2020 کے دوران کراچی میں غیر معمولی بارشوں کے نتیجے میں ملیر ندی میں کمپنی کے Pile bridge کا ایک حصہ بہہ گیا جس پر کمپنی کی اندرون شہر پائپ لائنز گزرتی ہیں۔ یہ پائپ لائنز کیماڑی ٹرمینل کو ریفائنری کے درمیان کروڈ آئل اور دیگر مصنوعات کی ترسیل یقینی بناتی ہیں۔ اس کے نتیجے میں ریفائنری کے آپریشنز 12 روز کے لیے بند رہے۔ کمپنی نے خام تیل اور مصنوعات کی ترسیل کے لیے متبادل انتظامات کئے، یہاں تک کہ جنوری 2021 میں پائپ لائن دوبارہ بحال ہوگئی۔ کمپنی نے ندی کی تہہ میں پائپ لائن بچھانے کے لیے Horizontal Directional Drilling (HDD) تکنیک استعمال کی۔ متعلقہ انشورنس کلیم کو انشورنس کمپنی نے منظور کیا اور جس سے حاصل ہونے والی رقم کی تفصیل 30 جون 2021 کو ختم شدہ سال کے مالیاتی گوشواروں میں فراہم کی گئی ہے۔

- دوران سال، حکومت پاکستان کی اکنامک کوآرڈینیشن کمیٹی (ECC) نے قیمتوں کے تعین کا نیا طریقہ کار منظور کیا، یکم ستمبر 2020 کو نافذ ہونے والے اس طریقہ کار سے ریفائنریز کو 15 دنوں میں ریگولیٹڈ مصنوعات کی Ex-refinery قیمتوں کے ردوبدل کی اجازت دی گئی جن کا تعین اس سے قبل ماہانہ بنیاد پر کیا جاتا تھا۔ تبدیل شدہ طریقہ کار کے مطابق، ریگولیٹڈ مصنوعات کی قیمتوں کا تعین اوسط جو Platts for Arab Gulf Market کی شائع کردہ اوسط FOB قیمت پر ہوگا اور اس قیمت کے ساتھ PSO پریمیم، فریٹ (ocean losses کے علاوہ) اور لاگو ٹیکسز کو بھی شامل کیا جائے گا۔ اسی طریقہ کار کے تحت، موٹر اسپرٹ (MS) اور ہائی اسپیڈ ڈیزل (HSD) کی قیمتوں کے تعین کے لیے Euro II کی جگہ Euro V کے معیار کو متعارف کرایا گیا جس کے نتیجے میں Euro V معیار کے MS اور HSD تیار نہ کرنے والی ریفائنریوں پر Price differential کا عنصر لاگو ہوگا۔

کمپنی کے معاملات کی صورتحال اور اُن کا جائزہ

Covid-19 کی وباء کے ختم نہ ہونے سے کاروباری مسائل مزید پیچیدہ ہو گئے ہیں تاہم کمپنی کی جانب سے متبادل حکمت عملی کے نتیجے میں دوران سال مثبت نتائج حاصل ہوئے۔حکومت کی جانب سے پیٹرولیم مصنوعات کی قیمتوں کا تعین کرنے سے متعلق کچھ مفید تبدیلیوں کی بدولت قیمتوں میں قلیل مدتی اتار چڑھاؤ اور روپے/ڈالر کی مسابقت کے اثرات پر قابو پانے میں بھی مدد ملی۔حکومت کی جانب سے قیمتوں کے تعین میں تبدیلیوں کو مدنظر رکھتے ہوئے کمپنی کی جانب سے اٹھائے جانے والے اہم اقدامات کا خلاصہ درج ذیل ہیں:

- کمپنی نے دوران سال اپنی تبدیل کردہ حکمت عملی کو جاری رکھتے ہوئے مزید Ligh Crude Oil استعمال کئے اور 60 فیصد پیداواری صلاحیت کے ساتھ کام جاری رکھا۔جس کے نتیجے میں ہائی سلفر فرنیس آئل (HSFO) کی پیداوار کم کرنے اور ہائی اسپیڈ ڈیزل (HSD) اور موٹر اسپرٹ (MS) کی پیداوار بڑھانے میں کامیابی حاصل ہوئی۔

- کمپنی نے دوران سال خام تیل کی مختلف اقسام استعمال کیں اور مشرق وسطیٰ اور دیگر ذرائع سے نئے خام تیل متعارف کرائے۔اس سے قبل کمپنی صرف مشرق وسطیٰ سے منتخب گریڈ کے خام تیل استعمال کرتی تھی۔اس تبدیلی کے نتیجے میں کمپنی نے کسی اپ گریڈ پروجیکٹ کے بغیر اعلیٰ معیار کا میرین ریزیڈوئل فیول (MRF) اور Euro II معیار کا حامل HSD تیار کیا۔تاہم ان مصنوعات کی مستقل پروڈکشن کے لیے متعلقہ خام تیل سپلائرز کے ساتھ طویل مدتی معاہدوں کی ضرورت ہے۔

- کمپنی نے RON 92, 95 اور 97 کے حامل MS تیار کئے جو کہ اعلیٰ مصنوعات ہیں اور دوران سال ان کی بدولت اضافی آمدنی حاصل کی۔

- 10 فروری 2020 کو منعقدہ اپنے اجلاس میں بورڈ نے Right Issue کا اعلان کیا، جس کی دوران سال تکمیل ہوئی اور نتیجے میں کمپنی کا شیئر کیپٹل 3.15 ارب روپے سے بڑھ کر 6.3 ارب روپے تک پہنچ گیا۔Right Issue کے عمل کو مکمل کرنے کے لیے بحیثیت پاکستان اسٹیٹ آئل کمپنی لمیٹڈ (PSO) نے ذمہ لیا کہ وہ کلاس A شیئرز (یعنی کل رائٹ اشو کا 40 فیصد) کے سبسکرائب شدہ شیئرز کی ادائیگی کر دے گی ۔سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے اسے قبول کیا گیا اور نتیجے میں مذکورہ Right Issue کے لیے انڈر رائٹنگ کی ضرورت سے استثنیٰ حاصل ہوئی۔بعد ازاں، PSO نے کمپنی کے اضافی 22,459,028 کلاس اے شیئرز سبسکرائب کئے جس سے اس کی شیئر ہولڈنگ کا تناسب 60 فیصد سے بڑھ کر 63.56 فیصد ہو گیا۔

ڈائریکٹرز رپورٹ

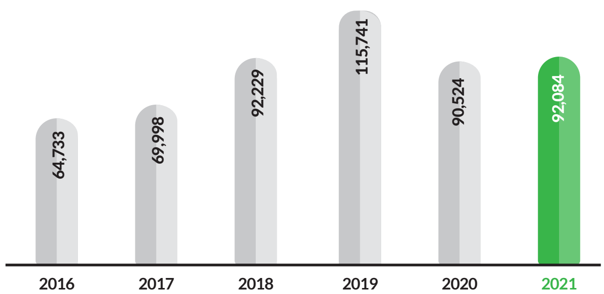
آپ کی کمپنی کے ڈائریکٹرز اپنی سالانہ رپورٹ بشمول آڈٹ شدہ مالیاتی گوشوارے برائے سال ختم شدہ 30 جون 2021 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی نتائج

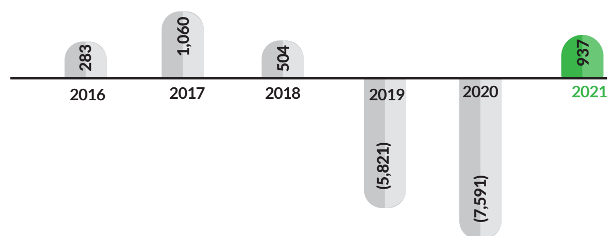
	2021	2020
	(روپے ہزاروں میں)	
سال کے لیے منافع / (خسارہ)	**937,156**	(7,590,726)
دیگر جامع آمدنی	**76,104**	1,781,089
کل مجموعی آمدنی	**1,013,260**	(5,809,637)
فی شیئر منافع / (خسارہ)	**Rs. 1.52**	Rs. (17.54)
تخصیص:		
اسپیشل ریزرو میں منتقلی	**837,156**	NIL

دنیا کو Covid-19 کے اثرات کا ابھی تک سامنا ہے جبکہ اس وباء کے مختلف اور نئے ویرئنٹس نے دنیا کی تمام معیشتوں کو شدید متاثر کیا ہے۔ اسی کے پیش نظر مقامی اور عالمی سفر پر پابندیوں کے ساتھ اسمارٹ اور مکمل لاک ڈاؤن نافذ کئے گئے۔ دنیا بھر میں ویکسین لگانے کی مہم کے ساتھ صورتحال میں بہتری دیکھی گئی۔ گزشتہ سال کی چوتھی سہ ماہی میں مشکل حالات کے بعد آئل سیکٹر میں بحالی آئی اور خام تیل کی اوسط قیمت 60 امریکی ڈالر فی بیرل تک رہی۔ تاہم گزشتہ تین ماہ کے دوران معاشی سرگرمیوں میں بہتری اور قیاس آرائیوں نے خام تیل کی قیمت کو 75 امریکی ڈالر فی بیرل تک پہنچا دیا۔ اتار چڑھاؤ کی یہ صورتحال آئندہ سال بھی جب تک کے اس وباء کا خاتمہ نہ ہو جائے جاری رہنے کی توقع ہے۔

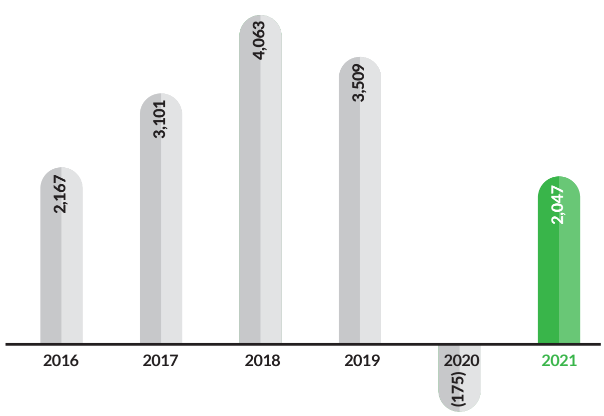
REVENUE (RS. IN MN)



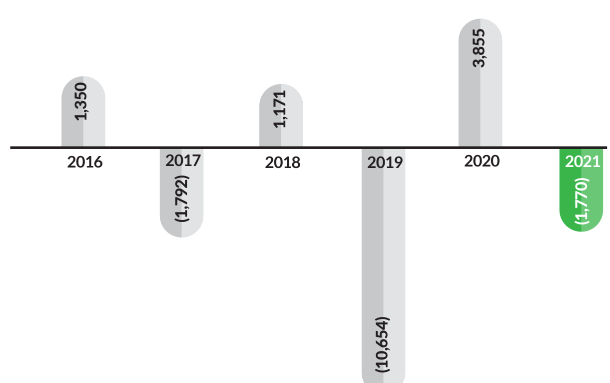
PROFIT AFTER TAXATION (RS. IN MN)



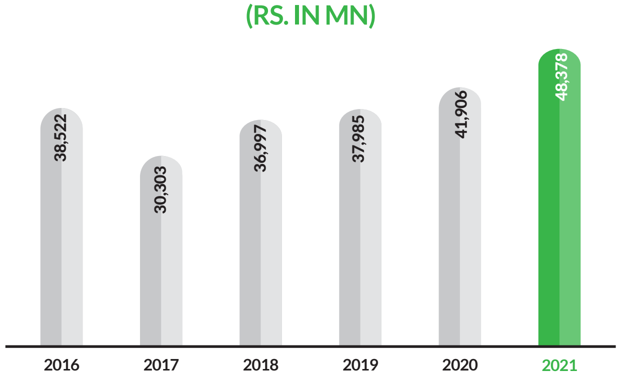
NET EQUITY (RS. IN MN)



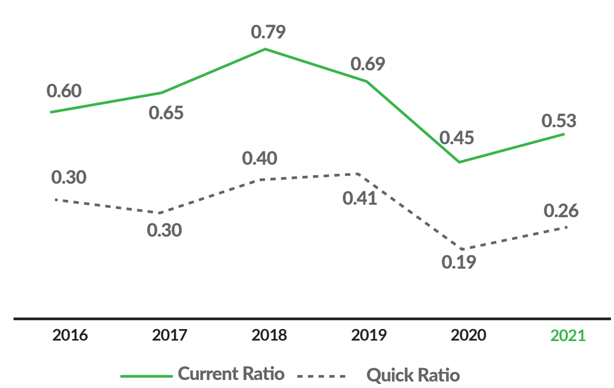
NET CASH FLOWS (RS. IN MN)



CONTRIBUTION TO NATIONAL EXCHEQUER (RS. IN MN)



LIQUIDITY RATIOS



KEY OPERATING AND FINANCIAL DATA

SIX YEARS SUMMARY

		2021	2020	2019	2018	2017	2016
PROFIT AND LOSS							
Revenue from contracts with customers	Rs. /mn	92,084	90,524	115,741	92,229	69,998	64,733
Gross profit / (loss)	Rs. /mn	3,241	(4,368)	(3,174)	1,045	2,579	1,990
Operating profit / (loss)	Rs. /mn	2,957	(4,913)	(3,789)	1,422	2,034	1,390
Profit / (loss) before tax	Rs. /mn	1,639	(6,905)	(5,245)	829	1,441	487
Profit / (loss) after tax	Rs. /mn	937	(7,591)	(5,821)	504	1,060	283
Earnings / (loss) before interest, taxes, depreciation and amortisation	Rs. /mn	4,044	(3,938)	(2,903)	2,230	2,891	2,217
FINANCIAL POSITION							
Share Capital	Rs. /mn	6,300	3,150	2,940	2,940	2,940	2,940
Subscription money against right issue	Rs. /mn	-	1,943	-	-	-	-
Reserves	Rs. /mn	(4,253)	(5,268)	569	1,123	161	(773)
Fixed assets and Intangibles	Rs. /mn	20,562	21,371	18,975	13,447	12,253	12,109
Net current assets / (liabilities)	Rs. /mn	(17,802)	(16,840)	(10,895)	(4,452)	(7,364)	(8,046)
Long term / deferred liabilities	Rs. /mn	825	4,828	4,680	5,057	1,925	2,261
INVESTOR INFORMATION							
Gross profit ratio	%	3.52	(4.83)	(2.74)	1.13	3.68	3.07
Net profit ratio	%	1.02	(8.39)	(5.03)	0.55	1.51	0.44
EBITDA margin	%	4.39	(4.35)	(2.51)	2.42	4.13	3.43
Cash flow from operations to sales	%	(2.95)	2.51	(5.80)	(0.49)	6.22	(1.66)
Inventory turnover	Days	38	34	25	29	32	31
Debtor turnover	Days	13	23	23	16	16	19
Operating cycle	Days	29	13	15	8	3	(18)
Debtor turnover	Times	27.23	15.62	14.97	21.95	21.26	18.37
Creditor turnover	Times	16.29	8.20	10.95	9.70	7.98	5.33
Inventory turnover	Times	9.67	10.90	13.71	12.73	11.30	11.83
Total assets turnover ratio	Times	2.25	2.55	2.70	3.02	2.70	2.61
Fixed assets turnover ratio	Times	4.48	4.24	6.10	6.86	5.71	5.35
Market value per share at the end of the year	Rs.	24.68	11.41	16.16	34.71	53.26	41.18
Market value per share - high during the year	Rs.	29.03	28.13	44.48	58.97	81.45	62.13
Market value per share - low during the year	Rs.	11.58	9.50	14.27	32.26	40.13	35.47
Breakup value per share	Rs.	3.25	-	11.94	13.82	10.55	7.37
Earnings / (loss) per share (Restated)	Rs.	1.52	(17.54)	(13.68)	1.64	3.45	0.93
Price earning ratio	Times	16.22	*	*	21.16	15.44	44.28
Cash dividend per share	Rs.	-	-	-	-	-	0.31
Dividend yield	%	-	-	-	-	-	0.75
Dividend pay out	%	-	-	-	-	-	33.33
Dividend Cover	Times	-	-	-	-	-	3.11
Interest cover ratio	Times	2.35	(2.46)	(2.63)	2.52	3.57	1.56
Current ratio	Ratio	0.53:1	0.45:1	0.69:1	0.79:1	0.65:1	0.60:1
Quick ratio / acid test ratio	Ratio	0.26:1	0.19:1	0.41:1	0.40:1	0.30:1	0.30:1
SUMMARY OF CASH FLOW STATEMENT							
Cash flows from operating activities	Rs. /mn	(4,112)	3,306	(8,889)	(456)	4,353	(1,072)
Cash flows from investing activities	Rs. /mn	(242)	(1,283)	(1,135)	(1,469)	(1,125)	(520)
Cash flows from financing activities	Rs. /mn	2,584	1,832	(629)	3,095	(5,020)	2,941
Net cash flows during the year	Rs. /mn	(1,770)	3,855	(10,654)	1,171	(1,792)	1,350

** Not applicable due to loss.*

HORIZONTAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2021	2020	2019	2018	2017	2016
Revenue from contracts with customers	**101.0**	99.3	126.9	101.2	76.8	71.0
Cost of sales	**(96.7)**	(103.3)	(129.5)	(99.3)	(73.4)	(68.3)
Gross profit / (loss)	**478.7**	(645.2)	(468.9)	154.4	381.0	293.9
Distribution cost	**(125.1)**	(96.8)	(117.5)	(94.5)	(89.8)	(80.1)
Administrative expenses	**(181.9)**	(174.7)	(184.4)	(147.7)	(132.5)	(107.9)
Loss allowance on trade receivables	**-**	-	(100.0)	-	-	-
Other operating expenses	**(1,097.3)**	(268.2)	(148.1)	(775.0)	(3,078.0)	(4,864.6)
Other income	**344.4**	88.6	144.6	589.9	264.2	343.6
Operating profit / (loss)	**300.4**	(499.2)	(384.9)	144.4	206.7	141.2
Finance costs	**(185.6)**	(282.3)	(204.1)	(83.7)	(85.4)	(128.6)
Share of income of associate	**(35.4)**	18.1	(77.7)	(8.9)	59.0	29.6
Profit / (loss) before taxation	**98.0**	(412.7)	(313.5)	49.5	86.1	29.1
Taxation	**142.9**	139.5	117.2	66.1	77.5	41.4
Profit / (loss) after taxation	**79.3**	(642.4)	(492.6)	42.6	89.7	24.0

Note: 2015 has been used as base year.

VERTICAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

(AS A PERCENTAGE OF SALES)

	2021	2020	2019	2018	2017	2016
Revenue from contracts with customers	**100.0**	100.0	100.0	100.0	100.0	100.0
Cost of sales	**(96.5)**	(104.8)	(102.7)	(98.9)	(96.3)	(96.9)
Gross profit / (loss)	**3.5**	(4.8)	(2.7)	1.1	3.7	3.1
Distribution cost	**(0.3)**	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
Administrative expenses	**(0.5)**	(0.5)	(0.4)	(0.4)	(0.5)	(0.4)
Loss allowance on trade receivables	**-**	-	(0.1)	-	-	-
Other operating expenses	**(0.2)**	(0.1)	-	(0.1)	(0.7)	(1.2)
Other income	**0.7**	0.2	0.2	1.2	0.7	1.0
Operating profit / (loss)	**3.2**	(5.4)	(3.3)	1.6	2.9	2.2
Finance costs	**(1.4)**	(2.2)	(1.2)	(0.6)	(0.9)	(1.4)
Share of income of associate	**(0.0)**	-	-	(0.1)	0.1	-
Profit / (Loss) before taxation	**1.8**	(7.6)	(4.5)	0.9	2.1	0.8
Taxation	**(0.8)**	(0.8)	(0.5)	(0.4)	(0.5)	(0.3)
Profit / (loss) after taxation	**1.0**	(8.4)	(5.0)	0.5	1.6	0.5

HORIZONTAL ANALYSIS OF BALANCE SHEET

	2021	2020	2019	2018	2017	2016
ASSETS						
Non-current assets						
Property, plant and equipment and intangibles	168.5	175.0	156.6	111.0	101.1	99.9
Right-of-use asset	90.2	100.0	-	-	-	-
Investment accounted for using the equity method	64.4	71.4	67.8	78.1	91.8	93.4
Long-term deposits and loans	104.4	99.5	112.5	112.5	100.3	104.3
Deferred taxation	-	-	-	-	-	55.5
Employee benefit prepayments	94.8	112.1	65.3	89.0	100.0	-
Total non-current assets	162.9	169.3	150.4	106.9	97.6	98.3
Current Assets						
Inventories	181.9	139.1	165.0	136.7	113.4	94.9
Trade receivables	105.7	58.9	211.8	116.6	71.8	83.6
Trade deposits, loans, advances and short-term prepayments	152.7	100.1	368.1	115.4	97.7	283.9
Other receivables	122.7	0.3	22.1	24.8	40.3	3.8
Taxation - payments less provision	13.0	11.2	22.4	81.2	108.6	113.1
Cash and bank balances	2.6	77.8	9.0	20.4	25.3	20.8
Total current assets	112.5	77.3	131.8	93.8	74.9	68.1
Total assets	133.3	115.3	139.4	99.2	84.3	80.6
EQUITY AND LIABILITIES						
EQUITY						
Share capital	1,800.0	900.0	840.0	840.0	840.0	840.0
Subscription money against rights issue	-	100.0	-	-	-	-
Accumulated losses	374.7	378.4	219.8	99.3	97.8	97.9
Special reserve	702.1	490.8	490.8	490.8	354.9	121.0
Revaluation surplus on property, plant and equipment	338.1	338.1	281.7	121.2	106.1	106.1
Other reserve	50.0	50.0	39.9	(51.9)	57.7	85.4
Total equity	114.7	(9.8)	196.6	227.6	173.8	121.4
LIABILITIES						
Non-current liabilities						
Long-term borrowing	14.7	210.8	215.0	235.0	80.0	100.0
Long-term lease liability	97.2	100.0	-	-	-	-
Deferred tax liabilities	26.2	53.0	71.1	73.5	100.0	-
Employee benefit obligations	272.7	325.2	265.1	247.7	216.6	174.4
Unearned Income	-	-	-	-	33.3	100.0
Total non-current liabilities	38.6	225.8	218.9	236.5	90.0	105.8
Current liabilities						
Trade and other payables	115.9	101.9	112.8	94.7	84.3	66.5
Short-term borrowings	193.0	138.4	161.4	50.7	65.4	94.0
Unearned revenue	10.7	100.0	-	-	-	-
Current portion of long-term lease liability	136.1	100.0	-	-	-	-
Unclaimed Dividend	92.8	92.9	101.8	102.2	102.5	99.1
Total current liabilities	142.1	114.8	129.3	79.8	77.9	75.8
Total liabilities	134.4	123.0	135.9	91.3	78.8	78.0
Total equity and liabilities	133.3	115.3	139.4	99.2	84.3	80.6

Note: 2015 has been used as base year.

VERTICAL ANALYSIS OF BALANCE SHEET

(AS A PERCENTAGE OF TOTAL ASSETS)

	2021	2020	2019	2018	2017	2016
ASSETS						
Non-current assets						
Property, plant and equipment and intangibles	49.8	59.8	44.3	44.1	47.3	48.9
Right-of-use asset	0.4	0.5	-	-	-	-
Investment accounted for using the equity method	0.1	0.2	0.1	0.2	0.3	0.3
Long-term deposits and loans	0.1	0.1	0.1	0.1	0.1	0.1
Deferred taxation	-	-	-	-	-	1.0
Employee benefit prepayments	0.1	0.1	-	0.1	0.1	-
Total non-current assets	50.4	60.7	44.5	44.5	47.8	50.4
Current Assets						
Inventories	25.4	22.5	22.0	25.7	25.1	21.9
Trade receivables	16.1	10.3	30.8	23.8	17.2	21.0
Trade deposits, loans, advances and short-term prepayments	0.2	0.1	0.4	0.2	0.2	0.6
Other receivables	7.5	-	1.3	2.0	3.9	0.4
Taxation - payments less provision	0.2	0.2	0.4	2.0	3.1	3.4
Cash and bank balances	0.2	6.2	0.6	1.9	2.7	2.4
Total current assets	49.6	39.3	55.5	55.5	52.2	49.6
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY AND LIABILITIES						
EQUITY						
Share capital	15.4	8.9	6.9	9.6	11.3	11.9
Subscription money against rights issue	-	5.5	-	-	-	-
Accumulated losses	(44.4)	(51.8)	(24.9)	(15.8)	(18.3)	(19.2)
Special reserve	6.8	5.5	4.5	6.4	5.4	1.9
Revaluation surplus on property, plant and equipment	27.2	31.4	21.7	13.1	13.5	14.1
Other reserve	-	-	-	(0.01)	0.01	0.01
Total equity	5.0	(0.5)	8.2	13.3	12.0	8.7
LIABILITIES						
Non-current liabilities						
Long-term borrowing	0.7	11.9	10.0	15.4	6.2	8.1
Long-term lease liability	0.4	0.4	-	-	-	-
Deferred tax liabilities	-	-	-	-	0.1	-
Employee benefit obligations	0.9	1.3	0.9	1.1	1.2	1.0
Unearned Income	-	-	-	-	-	0.1
Total non-current liabilities	2.0	13.6	10.9	16.6	7.4	9.1
Current liabilities						
Trade and other payables	50.0	50.9	46.6	54.9	57.5	47.5
Short-term borrowings	42.9	35.5	34.3	15.1	23.0	34.6
Unearned revenue	0.04	0.4	-	-	-	-
Current portion of long-term lease liability	0.01	0.01	-	-	-	-
Unclaimed Dividend	0.1	0.1	0.1	0.1	0.1	0.1
Total current liabilities	93.0	86.9	80.9	70.1	80.6	82.1
Total liabilities	95.0	100.5	91.8	86.7	88.0	91.3
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

FOR THE YEAR ENDED JUNE 30, 2021

	2021		2020	
	Rs. in thousands	%	Rs. in thousands	%
Wealth Generated				
Total gross revenue and other income	140,208,785		132,042,410	
Brought in materials and services	(87,358,879)		(93,607,960)	
	52,849,906	100%	38,434,450	100%
Wealth distribution to stakeholders				
To employees				
Salaries, wages and other costs including retirement benefits	1,076,449	2.04%	1,049,625	2.73%
To Government				
Income tax, sales tax, excise duty, development surcharge, WPPF, WWF	48,377,971	91.54%	41,908,278	109.04%
To society				
Donation to an educational institute	5,000	0.01%	4,928	0.01%
To providers of finance				
Financial charges for borrowed funds	1,307,103	2.47%	1,918,944	4.99%
To Company				
Depreciation, amortisation and retained profit	2,083,383	3.94%	(6,447,325)	-16.77%
	52,849,906	100.00%	38,434,450	100.00%

CATEGORIES OF SHAREHOLDING
AS AT JUNE 30, 2021

S No.	Shareholders Category	No. of Shares	%
1	Directors, Chief Executive Officer, and their spouse and minor children	28,100	0.004
2	Associated Companies, undertakings and related parties	400,459,028	63.56
3	NIT and ICP	10,556,950	1.68
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2,109,580	0.33
5	Insurance Companies	33,246,748	5.28
6	Modarabas and Mutual Funds	5,739,000	0.91
7	Shareholders holding more than 10% shares	400,459,028	63.56
8	General Public :		
	a. local	153,946,723	24.44
	b. Foreign	-	-
9	Others	23,913,871	3.80

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No of Shareholders	No. of Sharesholdings From	To	Total Shares
830	1	100	24,839
1,924	101	500	832,460
2,087	501	1,000	2,013,383
4,394	1,001	5,000	12,818,804
1,469	5,001	10,000	11,956,711
498	10,001	15,000	6,495,300
395	15,001	20,000	7,385,744
248	20,001	25,000	5,882,549
152	25,001	30,000	4,362,416
88	30,001	35,000	2,954,010
100	35,001	40,000	3,885,300
53	40,001	45,000	2,281,379
119	45,001	50,000	5,870,944
38	50,001	55,000	2,001,782
40	55,001	60,000	2,364,934
21	60,001	65,000	1,340,132
22	65,001	70,000	1,507,176
25	70,001	75,000	1,851,200
19	75,001	80,000	1,496,055
13	80,001	85,000	1,087,454
14	85,001	90,000	1,235,086
4	90,001	95,000	367,500
54	95,001	100,000	5,384,362
8	100,001	105,000	828,676
6	105,001	110,000	650,600
8	110,001	115,000	906,000
11	115,001	120,000	1,303,220
9	120,001	125,000	1,122,000
11	125,001	130,000	1,408,598
6	130,001	135,000	800,852
5	135,001	140,000	696,500
2	140,001	145,000	282,662
16	145,001	150,000	2,390,301
5	150,001	155,000	771,000
3	155,001	160,000	475,500
1	160,001	165,000	163,000
2	165,001	170,000	332,500
5	170,001	175,000	875,000
7	175,001	180,000	1,247,500
2	180,001	185,000	366,977
2	185,001	190,000	371,000
2	190,001	195,000	386,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No of Shareholders	No. of Shareholdings From	No. of Shareholdings To	Total Shares
22	195,001	200,000	4,398,716
2	205,001	210,000	418,500
1	210,001	215,000	210,500
4	215,001	220,000	875,858
1	220,001	225,000	225,000
1	230,001	235,000	234,000
8	245,001	250,000	1,994,500
2	250,001	255,000	505,754
3	255,001	260,000	777,000
1	260,001	265,000	262,500
1	265,001	270,000	270,000
2	270,001	275,000	549,802
1	280,001	285,000	280,500
1	290,001	295,000	294,000
10	295,001	300,000	2,998,854
2	300,001	305,000	603,000
1	305,001	310,000	306,000
1	310,001	315,000	315,000
2	315,001	320,000	637,372
2	320,001	325,000	648,500
1	325,001	330,000	330,000
1	335,001	340,000	336,000
2	345,001	350,000	700,000
2	350,001	355,000	704,000
1	355,001	360,000	358,000
1	360,001	365,000	364,800
2	365,001	370,000	735,328
2	370,001	375,000	749,238
1	380,001	385,000	382,000
9	395,001	400,000	3,600,000
2	400,001	405,000	806,400
1	405,001	410,000	409,500
3	425,001	430,000	1,284,632
3	480,001	485,000	1,453,000
2	485,001	490,000	976,000
2	490,001	495,000	987,000
4	495,001	500,000	2,000,000
2	505,001	510,000	1,015,428
2	520,001	525,000	1,050,000
1	530,001	535,000	535,000
1	540,001	545,000	543,500
1	560,001	565,000	565,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No of Shareholders	No. of Shareholdings From	No. of Shareholdings To	Total Shares
1	565,001	570,000	565,816
2	595,001	600,000	1,200,000
1	630,001	635,000	634,500
2	640,001	645,000	1,289,500
1	645,001	650,000	645,862
1	690,001	695,000	692,500
1	700,001	705,000	701,500
1	705,001	710,000	710,000
2	720,001	725,000	1,447,000
1	725,001	730,000	726,000
1	730,001	735,000	732,500
1	745,001	750,000	747,490
1	795,001	800,000	800,000
1	860,001	865,000	863,500
1	920,001	925,000	925,000
1	935,001	940,000	938,500
1	940,001	945,000	942,000
2	995,001	1,000,000	2,000,000
1	1,020,001	1,025,000	1,025,000
1	1,125,001	1,130,000	1,127,000
1	1,170,001	1,175,000	1,175,000
1	1,175,001	1,180,000	1,179,000
1	1,255,001	1,260,000	1,255,500
1	1,310,001	1,315,000	1,315,000
1	1,390,001	1,395,000	1,391,000
1	2,020,001	2,025,000	2,025,000
1	2,130,001	2,135,000	2,134,000
1	2,260,001	2,265,000	2,264,000
1	2,460,001	2,465,000	2,463,500
1	2,515,001	2,520,000	2,515,500
1	3,145,001	3,150,000	3,150,000
1	8,890,001	8,895,000	8,891,628
1	9,910,001	9,915,000	9,911,088
1	11,935,001	11,940,000	11,937,000
1	21,750,001	21,755,000	21,752,500
1	22,455,001	22,460,000	22,459,028
1	28,345,001	28,350,000	28,350,000
1	167,995,001	168,000,000	168,000,000
1	181,645,001	181,650,000	181,650,000
12,875			630,000,000

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Sixty-first (61st) Annual General Meeting** of Pakistan Refinery Limited will be held on **Thursday, October 14, 2021 at 1100 hours through video-link facility** 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, 2021 together with the reports of the Board and the auditors thereon.

2. To appoint Company's auditors for the year ending June 30, 2022 and to fix their remuneration.

ANY OTHER BUSINESS

3. To transact any other business with the permission of the Chair.

By Order of the Board

Mustafa Saleemi
Company Secretary

Karachi: September 22, 2021

NOTES:

1. In accordance with the provisions of the Companies Act, 2017, the Annual Report containing Annual Audited Financial Statements for the year ended June 30, 2021 is available on the Company's website.

2. Securities and Exchange Commission of Pakistan ("SECP"), in terms of its Circular No. 6 of 2021, has allowed companies to opt for holding general meetings due to the practical difficulties in holding the said meetings physically. Hence, due to COVID, the proceedings of the subject meeting will be carried out through video-link facility for the safety and wellbeing of shareholders and the public at large with minimal physical interaction.

3. In order to attend the Meeting through video-link facility, the members are requested to get themselves registered not later than 72 hours before the meeting by providing following information to the contact details stated at bottom of this Note 3; in case of the information sent through courier, the same should be received at Company's office by Thursday, October 07, 2021:

Full Name	CNIC No.	Folio/CDS No.	Email Address	Cell No.

Copy of CNIC will be required with the abovementioned information. The video-link for the meeting will be sent to the members on their provided email addresses enabling them to attend the meeting on given date and time. The login facility will remain open from 10:30 am till the end of meeting. In case of any suggestions or comments for the agenda items, members may send the same at email address mentioned below:

Pakistan Refinery Limited

P.O. Box 4612, Korangi Creek Road, Karachi-75190

Telephone: +92 21 35092632 (Direct) / +9235122131-40 (Ext: 265)

WhatsApp: +92 3080930461

Email: corporatelegal@prl.com.pk

4. Share Transfer Books of the Company will be closed from Friday, October 08, 2021 to Thursday, October 14, 2021 (both days inclusive). Transfers should be received at Share Registrar Office by close of business on Thursday, October 07, 2021. Members whose names are appearing in the Register of Members at the end of Thursday, October 07, 2021 are entitled to attend, participate and vote at the meeting.

5. Individual Members who have not yet submitted a copy of their valid Computerized National Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, FAMCO Associates (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahra-e-Faisal, Karachi ("Share Registrar Office"). Corporate entities are requested to provide their National Tax Number (NTN) and folio number. In case of non-receipt of copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder.

6. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote at the meeting on his/her behalf. The instrument appointing proxy, as per the format available at Company's website, must be submitted at the Share Registrar Office not less than 48 hours before the time of the meeting.

7. The members are requested to notify the Company if there is any change in their addresses immediately; in case of physical shares, to the Company/Share Registrar and for CDC shares, to respective Central Depository System (CDS) participants.

8. CDC account holders will further have to follow the undermentioned guidelines:

    a. For attending the Meeting:

        i) In case of individuals, account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded shall authenticate his/her identity by sending his/her copy of CNIC at the time of registration for attending the meeting;

        ii) In case of corporate entities, the copy of Board of Directors' resolution/power of attorney with specimen signature of nominee shall be sent (unless it has been provided earlier) along with other required information for registration.

    b. For appointing proxies:

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

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

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

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

9. SECP has allowed companies to circulate Annual Report to its members through CD/DVD/USB at their registered addresses. In view of the above, the Company has sent its Annual Report to its members in the form of DVD. Any member requiring printed copy of Annual Report may send a request using a Standard Request Form placed on Company's website.

10. Transmission of Annual Financial Statements through email: In pursuance of the directions given by SECP, those Members who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a Standard Request Form which is available at the Company's website and send the said form duly filled in and signed along with a copy of his/her valid CNIC/Passport at the Share Registrar Office. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this note.

11. For the unclaimed/unpaid dividends: Claims can be lodged by shareholders on Claim Forms as are available on the Company's website. Claim Forms must be submitted to the Share Registrar Office for further processing.

12. The SECP has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (the Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act. In order to ensure full compliance with the provisions of aforesaid Section 72 and to be benefitted of the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form by contacting Share Registrar Office.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED JUNE 30, 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") in the following manner:

1. The total number of Directors including Executive Director are eleven (11) as per the following:

Category	Number
Male	Ten
Female	One

2. The composition of Board is as follows:

Category	Names
Non- Executive/Independent Directors	Tariq Kirmani Abid Shahid Zuberi Mohammad Abdul Aleem Nadeem Safdar
Non-Executive Directors	Aftab Husain
Non-Executive Directors (PSO Affiliated)	Imtiaz Jaleel Shahbaz Tahir Nadeem Syed Jehangir Ali Shah Syed Muhammad Taha
Executive Director - MD / CEO	Zahid Mir
Female Director	Tara Uzra Dawood

The Board was reconstituted on October 7, 2020 for a term of three years.

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

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act 2017 (the "Act") and the Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency of meetings, 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 the Regulations;

9. The Directors were apprised of their duties and responsibilities from time to time. Out of the eleven Directors, the following four Directors have obtained a certificate of Directors' Training Program:

   - Aftab Husain
   - Tara Uzra Dawood
   - Shahbaz Tahir Nadeem
   - Zahid Mir

   The following two Directors are exempt from the requirement of Directors' Training Program as per the Regulations:

   - Tariq Kirmani
   - Mohammad Abdul Aleem

   The remaining five Directors will undertake the Directors' Training Program within the stipulated time.

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 Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the board;

12. The Board has formed statutory committees comprising members whose names are given below:

a) Audit & Risk Committee

1	Mohammad Abdul Aleem	Chairman Committee
2	Abid Shahid Zuberi	Member
3	Imtiaz Jaleel	Member
4	Syed Muhammad Taha	Member
5	Tara Uzra Dawood	Member

b) Human Resources & Compensation Committee

1	Tariq Kirmani	Chairman Committee
2	Aftab Husain	Member
3	Nadeem Safdar	Member
4	Shahbaz Tahir Nadeem	Member
5	Syed Jehangir Ali Shah	Member
6	Zahid Mir	MD & CEO

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

14. The minimum frequency of meetings of the committee were as per following:
   a) Audit Committee: Quarterly
   b) Human Resources and Compensation Committee: Bi-annually

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 (ICAP) 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 ICAP 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 any 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, the 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 mentioned below:

S. No.	Requirement	Explanation	Reg. No.
1	The Board is responsible for the governance of risk and for determining the Company's level of risk tolerance by establishing risk management policies.	The Company has a framework of periodic risk assessment, which is in the process of being formalized.	10(1) &(2)
2	It is encouraged by June 30, 2021 at least 75% of the directors on their Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. A newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board	The regulation provide a period of one year for a newly appointed director on the Board to acquire, the director training program certification from the date of appointment and as the Board was appointed during the year on October 7, 2020 therefore the relaxation is availed to comply with this regulation as the period of one year have not yet elapsed.	2
3	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 at Board level.	29
4	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 tasked the Audit Committee to oversee Risk Management related matters of the Company and has redesignated it as Audit and Risk Committee.	30
5	The Company may post on its website key elements of its significant policies including but not limited to the following: - Communication and disclosure policy; - Code of conduct for members of Board of Directors, senior management and other employees; - Risk management policy; - Internal control policy; - Whistle blowing policy; - Corporate social responsibility /sustainability/ environmental, social and governance related policy.	As the Regulation provides concession with respect to disclosure of significant policies on the website, only key elements of relevant policies are available on the Company's website.	35(1)

On behalf of the Board

Zahid Mir
Managing Director & CEO

Tara Uzra Dawood
Director

Karachi: August 16, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAKISTAN 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 Pakistan Refinery Limited (the Company) for the year ended June 30, 2021 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, 2021.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: August 31, 2021

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAKISTAN REFINERY LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Refinery Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity 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 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, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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 the 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.

Material Uncertainty Relating to Going Concern

We draw attention to note 2.1.3 to the financial statements, which indicates that the Company has accumulated losses of Rs. 18.18 billion as at June 30, 2021 and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 17.80 billion. As stated in note 2.1.3, these events or conditions, along with the other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1)	**Revenue from contracts with customers** (Refer note 23 to the financial statements) The Company recognises revenue at the transaction price which the Company expects to be entitled to, after deducting sales tax, excise duties and similar levies. The Company carries out sale of regulated products on prices notified by Oil and Gas Regulatory Authority (OGRA) which are subject to policy clarification from the Federal Government. Whereas sale of certain de-regulated products is carried out on prices set under notifications of the Ministry of Energy (MoE). Further, the Company is subject to deductions from revenue as price differential on sale of High Speed Diesel (HSD) and Motor Gasoline (MS) calculated in accordance with applicable regulations. We considered this as key audit matter due to the regulatory nature of pricing, significance of the amounts and inherent risk of material misstatement and revenue being a key economic indicator of the Company.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: - Obtained understanding of the revenue process, evaluated and tested design and implementation of key management controls over revenue; - Compared on sample basis of the revenue transactions recorded before and after the reporting period with the underlying support including sales invoices, delivery challans, joint dip certificates and customer acknowledgement to assess if the related revenue was recorded in the appropriate accounting period; - Agreed the ex-refinery rates per liter of certain regulated / de-regulated products from the notification from OGRA with actual import cost less ocean losses of Pakistan State Oil Company Limited (PSO). In case PSO's import cost is not available, agreed the price as per Import Parity Price (IPP) formula; and - Assessed the adequacy of disclosure made in the financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.
2)	**Valuation of Inventory** (Refer note 7 to the financial statements) Inventories include crude oil and finished products amounting to Rs. 7.31 billion and Rs. 2.57 billion respectively. Crude oil and finished products are valued at lower of cost and net realisable value (NRV). Assessing NRV of inventory requires judgment and estimation. Due to the significance of the inventory balances to the statement of financial position and related estimations involved in determining inventory valuation, this is considered a key audit matter.	Our audit procedures to assess the valuation of stock-in-trade, amongst others, included the following: - Assessed the appropriateness of Company's accounting policy for valuation of Inventories and compliance of the policy with accounting and reporting standard as applicable in Pakistan; - Observed the physical count of the inventories carried out by the management at year ended in presences of an external surveyor appointed by the management; - Obtained and compared the inventories count report of the external surveyor for 100% inventories and re-performed the working for determination of volume. - Obtained understanding and assessed reasonableness of the management's determination of net realizable value on sample basis.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for 2021, but does not include the financial statements and our auditors' 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 accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of 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.

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matters

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of chartered accountants who expressed an unqualified opinion on those statements on september 7, 2020, and include a paragraph of Material Uncertainity Related to going concern.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Nadeem.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi: August 31, 2021

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,414,353	21,208,088
Right-of-use asset	4	147,165	163,075
Investment accounted for using the equity method	5	58,930	65,294
Long-term deposits and loans	6	27,240	25,946
Employee benefit prepayments	18	25,580	30,257
		20,673,268	21,492,660
Current assets			
Inventories	7	10,415,407	7,964,392
Trade receivables	8	6,588,913	3,667,153
Trade deposits, loans, advances and short-term prepayments	9	75,293	49,340
Other receivables	10	3,072,762	6,556
Taxation - payments less provision		95,697	82,540
Cash and bank balances	11	72,680	2,189,707
		20,320,752	13,959,688
		40,994,020	35,452,348
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	6,300,000	3,150,000
Subscription money against rights issue		-	1,943,175
Accumulated loss		(18,184,869)	(18,362,739)
Special reserve	13	2,780,632	1,943,476
Revaluation surplus on property, plant and equipment	3.1.3	11,149,288	11,149,288
Other reserves	14	1,947	1,947
		2,046,998	(174,853)
LIABILITIES			
Non-current liabilities			
Long-term borrowings	15	293,924	4,215,146
Long-term lease liability	16	148,237	152,448
Deferred tax liabilities	17	4,902	9,922
Employee benefit obligations	18	377,551	450,323
		824,614	4,827,839
Current liabilities			
Trade and other payables	19	20,509,338	18,036,132
Short-term borrowings	20	17,573,548	12,599,469
Unearned revenue	21	15,084	140,525
Current portion of long-term lease liability	16	4,586	3,370
Unclaimed dividend		19,852	19,866
		38,122,408	30,799,362
		38,947,022	35,627,201
CONTINGENCIES AND COMMITMENTS	22		
		40,994,020	35,452,348

The annexed notes 1 to 39 form an integral part of these financial statements.

Zahid Mir	Tara Uzra Dawood	Imran Ahmad Mirza
Managing Director & CEO	Director	Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
Revenue from contracts with customers	23	92,084,090	90,524,260
Cost of sales	24	(88,843,085)	(94,892,607)
Gross profit / (loss)		3,241,005	(4,368,347)
Distribution costs	25	(266,280)	(206,096)
Administrative expenses	26	(478,810)	(459,767)
Other operating expenses	27	(176,074)	(43,038)
Other income	28	636,931	163,901
Operating profit / (loss)		2,956,772	(4,913,347)
Finance cost	29	(1,311,384)	(1,995,012)
Share of (loss) / income of associate accounted for using the equity method	5.1	(6,364)	3,258
Profit / (loss) before income tax		1,639,024	(6,905,101)
Income tax expense	30	(701,868)	(685,625)
Profit / (loss) for the year		937,156	(7,590,726)

Other comprehensive income / (loss)

	Note	2021	2020
Items that will not be reclassified to profit or loss			
Remeasurements of employee retirement benefits		76,104	(77,471)
Revaluation surplus on property, plant and equipment		-	1,858,560
		76,104	1,781,089
Total comprehensive income / (loss)		1,013,260	(5,809,637)
			(Re-stated)
Earnings / (loss) per share - basic and diluted	31	Rs. 1.52	(Rs. 17.54)

The annexed notes 1 to 39 form an integral part of these financial statements.

Zahid Mir
Managing Director & CEO

Tara Uzra Dawood
Director

Imran Ahmad Mirza
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	37	(1,882,787)	5,912,318
Mark-up paid		(1,394,646)	(1,881,412)
Income tax paid		(720,046)	(606,607)
Contribution to retirement benefit plans		(113,714)	(121,921)
(Increase) / decrease in long-term deposits and loans		(1,294)	3,406
Net cash (used in) / generated from operating activities		(4,112,487)	3,305,784
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(300,382)	(1,331,932)
Proceeds from disposal of property, plant and equipment		5,285	82
Return received on mark-up bearing savings accounts		53,481	48,575
Net cash used in investing activities		(241,616)	(1,283,275)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received net of rights issuance cost		1,208,591	2,125,543
Long term borrowing repaid		(200,000)	(400,000)
Proceeds / (repayment) of short term borrowings - net		1,500,000	(3,000,000)
Proceeds from salary refinancing - net		99,774	131,595
Lease rentals paid		(24,358)	(23,168)
Dividend paid		(14)	(1,902)
Net cash generated from / (used in) financing activities		2,583,993	(1,167,932)
Net (decrease) / increase in cash and cash equivalents		(1,770,110)	854,577
Cash and cash equivalents at the beginning of the year		(3,693,313)	(4,547,890)
Cash and cash equivalents at the end of the year	38	(5,463,423)	(3,693,313)

The annexed notes 1 to 39 form an integral part of these financial statements.

Zahid Mir
Managing Director & CEO

Tara Uzra Dawood
Director

Imran Ahmad Mirza
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	SHARE CAPITAL	SUBSCRIPTION MONEY AGAINST RIGHTS ISSUE	CAPITAL RESERVE			REVENUE RESERVE			TOTAL
			Special reserve - note 13	Revaluation surplus on property, plant and equipment	Exchange equalisation reserve - note 14	Accumulated loss	Fair value reserve - note 14	General reserve - note 14	
	(Rupees in thousand)								
Balance as at July 1, 2019	2,940,000	-	1,943,476	9,290,728	897	(10,666,517)	(393)	1,050	3,509,241
Loss for the year ended June 30, 2020	-	-	-	-	-	(7,590,726)	-	-	(7,590,726)
Effect of change in accounting policy due to adoption of IFRS 9 by associate	-	-	-	-	-	(393)	393	-	-
Other comprehensive income for the year ended June 30, 2020	-	-	-	1,858,560	-	(77,471)	-	-	1,781,089
Transactions with owners									
Subscription money against rights issue	-	2,153,175	-	-	-	-	-	-	2,153,175
Issue of right shares	210,000	(210,000)	-	-	-	-	-	-	-
Issuance cost against rights issue	-	-	-	-	-	(27,632)	-	-	(27,632)
	210,000	1,943,175	-	1,858,560	-	(7,696,222)	393	-	(3,684,094)
Balance as at June 30, 2020	3,150,000	1,943,175	1,943,476	11,149,288	897	(18,362,739)	-	1,050	(174,853)
Profit for the year ended June 30, 2021	-	-	-	-	-	937,156	-	-	937,156
Other comprehensive income for the year ended June 30, 2021	-	-	-	-	-	76,104	-	-	76,104
Profit for the year transfered to special reserve	-	-	837,156	-	-	(837,156)	-	-	-
Subscription money against rights issue	-	1,207,277	-	-	-	-	-	-	1,207,277
Issuance costs for rights shares	-	(452)	-	-	-	1,766	-	-	1,314
Issue of right shares	3,150,000	(3,150,000)	-	-	-	-	-	-	-
	3,150,000	(1,943,175)	837,156	-	-	177,870	-	-	2,221,851
Balance as at June 30, 2021	6,300,000	-	2,780,632	11,149,288	897	(18,184,869)	-	1,050	2,046,998

The annexed notes 1 to 39 form an integral part of these financial statements.

Zahid Mir
Managing Director & CEO

Tara Uzra Dawood
Director

Imran Ahmad Mirza
Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 Pakistan Refinery Limited (the Company) was incorporated in Pakistan as a public limited company in May 1960 and is listed on the Pakistan Stock Exchange. The Company is engaged in the production and sale of petroleum products.

The Company is a subsidiary of Pakistan State Oil Company Limited (PSO).

1.2 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 at Korangi Creek Road, Karachi; and
- Storage tanks are at Keamari, 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 for all the years presented.

2.1 BASIS OF PREPARATION

2.1.1 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 Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 On account of unusual heavy rains in Karachi during August 2020, a portion of the Pile Bridge inside Malir River was washed away that carried intra-city oil pipelines. These pipelines connect Keamari Terminal to the Refinery at Korangi for transportation of crude oil and products. This hampered the operations and the Refinery was shut down for 12 days. Please refer notes 3.1.5 and 10.2 to these financial statements for further details.

The Company made alternate arrangements for crude supply and product disposal until the pipelines were fully restored in January 2021. The Company used horizontal Directional Drilling (HDD) technique to lay pipelines below the river bed.

2.1.3 As at June 30, 2021, the Company's accumulated loss was Rs. 18.18 billion (June 30, 2020: Rs. 18.36 billion) and, as at that date current liabilities exceeded its current assets by Rs. 17.80 billion (June 30, 2020: 16.84 billion). The Company ended the year with negative cash and cash equivalents amounting to Rs. 5.46 billion (June 30, 2020: Rs. 3.69 billion). These conditions may cast a significant doubt on the Company's ability to continue as a going concern.

Right issue of 1 ordinary share for every 1 share held amounting to Rs. 3.15 billion, announced in February 2020 primarily to address negative equity and liquidity issues was completed during the year thereby increasing the share capital to Rs. 6.30 billion.

During the year, the Economic Coordination Committee (ECC) of the Government of Pakistan approved a revised pricing mechanism effective September 1, 2020 which allowed refineries to announce ex-refinery prices of regulated products on fortnightly basis as compared to previous monthly basis. Under the revised mechanism, pricing of regulated products is based on average Freight on Board (FOB) price published by Platts for Arab Gulf Market plus PSO's actual premium, freight, incidentals (excluding ocean losses) and applicable taxes. Through the same mechanism, EURO V standard is introduced for pricing of Motor Spirit (MS) and High Speed Diesel (HSD) instead of EURO II resulting in a price differential element for refineries not producing EURO V standard MS and HSD.

Further, by changing crude recipe and operational philosophy during the year, the Company was able to produce IMO-2020 grade Marine Residual Fuel (MRF), a premium product and EURO II compliant High Speed Diesel for a certain year that enabled the Company to earn additional revenues. However, sustainable production of above high premium products is tied with long term crude arrangements. The Company's ability to produce Petrol (MS) 92, 95 and 97 RON resulted in saving of RON differential price adjustment on MS and also generated additional revenues to the Company during the year. In addition the continued availability of financing facilities demonstrate the confidence of financial institutions on the Company's business model supporting the liquidity management. All the above factors contributed positively and the Company earned profits during the period as compared to loss in the corresponding period.

Finance Act, 2021 introduced following amendments which have material impact on existing refineries:

- Reduction in rate of Minimum Tax on turnover from 0.75% to 0.5%;
- Decrease in rate of Custom Duty on crude oil imports from 5% to 2.5%;
- 10 year tax holiday for undertaking upgrade or expansion projects on profit earned therefrom; and
- Levy of General Sales Tax at the rate of 17% on crude oil purchases which were "zero rated" previously.

These measures will have a favourable impact on the future results of the Company.

Based on the above factors and their positive effect on Company's projections together with the continuous availability of financing facilities, the Company believes that it will meet the obligations and will continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis and therefore, do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if for any reason, the Company is unable to continue as a going concern, then this could have an impact on the Company's ability to realise assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in these financial statements.

2.1.4 The Company continued its operations despite slowdown of economic activities due to spread of COVID-19 with no material impact during the year. The Company has availed long term loan under SBP's refinance scheme for payment of salaries and wage, as detailed in notes 15 and 20 to these financial statements.

2.2 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND POLICIES

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

i. Income Tax

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 will impact the income tax provision in the period in which such determination is made.

ii. Other areas of significant judgement

Significant estimates relating to property, plant and equipment, right of use asset, deferred taxation and employee benefit obligations are disclosed in notes 3, 4, 17 and 18 respectively. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on annual basis or when the indicators exist, considering the associated economic benefits derived / to be derived by the Company.

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

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

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

2.3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after July 1, 2020, however, these do not have any significant impact on the Company's financial statements, therefore have not been detailed here.

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

The following International Financial Reporting Standards (IFRS Standards) relevant to the Company as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 1, 2021:

- **Interest Rate Benchmark Reform** – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 1, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- **Onerous Contracts –** Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after January 1, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The following annual improvements to IFRS standards 2018-2020 relevant to the Company are effective for annual reporting periods beginning on or after January 1, 2022.

- **IFRS 9** – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B 3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- **Property, Plant and Equipment**: Proceeds before intended use (Amendments to IAS 16) effective for the annual period beginning on or after January 1, 2022 clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items by applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- **Classification of liabilities** as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 1, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- **Disclosure of Accounting Policies** (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

    - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

    - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

    - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- **Definition of Accounting Estimates** (Amendments to IAS 8) - The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- **Deferred Tax** related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

2.4 OVERALL VALUATION POLICY

These financial statements have been prepared under the historical cost convention except as otherwise stated below in the respective accounting policy notes.

2.5 PROPERTY, PLANT AND EQUIPMENT

These are initially recognised at cost and are subsequently carried at cost less accumulated depreciation and impairment losses, if any, except land which is carried at revalued amount less impairment loss, if any, capital work-in-progress including major spare parts and stand-by equipment which is stated at cost less accumulated impairment loss, if any.

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

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

Depreciation is charged to income by applying the straight-line method whereby the carrying amount less residual value, if not insignificant, of an asset is depreciated over its estimated remaining useful life to the Company. Full month's depreciation is charged in the month of acquisition and no depreciation is charged in the month of disposal.

Assets' residual values and useful lives are reviewed and adjusted, if expectations significantly differ from previous estimates, at each statement of financial position date.

Increase in the carrying amount arising on revaluation of land is recognised in equity through other comprehensive income. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decrease that reverses previous increase of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss. The accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Renewals and improvements are capitalised and assets so replaced, if any, are retired.

Gains and losses on disposal of property, plant and equipment are included in statement of profit or loss currently.

2.6 INTANGIBLE ASSETS

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and cost of such asset can be measured reliably. Intangibles acquired by the Company are initially recognised at cost and are carried at cost less accumulated amortisation and impairment. Costs associated with developing or maintaining computer software programmes are recognised as an expense when incurred. However, costs that are directly associated with identifiable and unique software products controlled by the Company and that have probable economic benefits exceeding their cost and beyond one year, are recognised as intangible assets.

Amortisation is charged to statement of profit or loss by applying the straight-line method whereby the carrying amount less residual value, if not insignificant, of an asset is amortised over its estimated remaining useful life to the Company. Full month's amortisation is charged in the month of acquisition and no amortisation is charged in the month of disposal.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset and when the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in statement of profit or loss.

At the end of each reporting period, the Company also assesses whether there is an indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset and reverses the impairment loss recognized in previous period such that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in statement of profit or loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs and accordingly recognizes impairment loss or reverses the impairment loss recognized in prior periods.

Recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost of disposal and its value in use.

Value in use is estimated as the present value of estimated future cash flows from the continuing use of an asset / cash generating unit and from its disposal at the end of its useful life. A pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.8 INVESTMENT IN ASSOCIATE

Investment in associate is accounted for using equity method of accounting. It is initially recognised at cost. The Company's share in its associate's post-acquisition profits or losses and other comprehensive income are respectively recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2.9 INCOME TAX

2.9.1 Current

The charge for current taxation is based on taxable income at the relevant rates of taxation after taking into account tax credits and rebates available, if any.

2.9.2 Deferred

Deferred tax is accounted for, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax asset is recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

2.10 INVENTORIES

Crude oil and finished products are valued at lower of cost and net realisable value. Cost is determined using “first-in, first-out” method except crude oil in transit where cost comprises invoice value plus other charges incurred thereon. Cost in relation to finished products represents cost of crude oil and appropriate manufacturing overheads.

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

Stores, spares and chemicals are valued at cost less provision for obsolescence. Cost is determined using weighted average method except items in transit where cost comprises invoice value plus other charges incurred thereon.

2.11 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise of cash in hand and balances with banks on current, savings and deposit accounts. Running finance under mark-up arrangements that are repayable on demand and form an integral part of the Company's cash management are included as component of cash and cash equivalents for the purpose of statement of cashflows.

2.12 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently these are measured at amortised cost using the effective interest method.

2.13 BORROWING COSTS

Borrowing costs are recognised as 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. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs. Management exercises judgement when determining which assets are qualifying assets, taking into account the nature of the asset.

2.14 PROVISIONS

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

2.15 LEASE LIABILITY AND RIGHT-OF-USE ASSET

At inception of a contract, the Company assesses whether a contract is, or contains, a lease i.e. it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 payment that are based on an index or a rate or amounts expected to be payable by the lessee under residual value guarantees, exercise price of a purchase option, payments of penalties for terminating the lease, less any lease incentives receivable. The purchase, 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 payments arising from a change in fixed payments or an index or rate, the Company's estimate of the amount expected to be payable under a residual value guarantee or 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 is reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any payments made at or before the commencement date and any incentive received, plus any initial direct costs and estimate of costs to dismantle, remove or restore the underlying asset (if any) or to restore the site on which it is located. 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 does not recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less, leases of low-value assets and recognises associated payments in the period in which these are incurred.

2.16 EMPLOYEE RETIREMENT BENEFITS

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

2.16.1 Defined benefit plans

Defined benefit plans define an amount of pension or gratuity 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. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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

The Company operates recognised gratuity and pension funds for all its eligible employees. The latest actuarial valuations were carried out as at June 30, 2021 using the Projected Unit Credit Method.

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

Past and current service costs and interest cost / income are recognised immediately in the statement of profit or loss.

2.16.2 Defined contribution plan

The Company operates a recognised provident fund for all its eligible employees. Equal contributions are made, both by the Company and the employees, to the fund at the rate of 10% 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.17 FUNCTIONAL CURRENCY AND FOREIGN CURRENCY TRANSLATION

These financial statements are presented in Pak Rupees (Rupees) which is also the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees.

Transactions in foreign currencies are converted into Rupees at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Rupees at rates prevailing at the statement of financial position date. Foreign currency gains and losses are recognised in the statement of profit or loss. Foreign exchange differences arising from trading transactions are included in the results of operating activities whereas exchange differences on financing activities are included in finance cost.

2.18 FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.18.1 Financial assets Initial Recognition

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

(a) Amortised cost - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;

- 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 give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of profit or loss. Financial assets carried at FVTOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss). Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. 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 in the period in which they arise. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss.

Impairment of financial asset

The Company recognises lifetime expected credit losses for trade receivables that do not constitute a financing transaction. Expected credit losses (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). Life time ECLs are the ECLs that results from all possible defaults events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months' ECLs i.e. ECLs that result from default event that are possible within 12 months after the reporting date.

2.18.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

2.18.3 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.18.4 Transaction costs

When a financial asset or financial liability is not measured at FVTPL, transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the initial fair value. For financial assets, such costs are added to the amount originally recognised. For financial liabilities, such costs are deducted from the amount originally recognised. This applies to all financial instruments not carried at FVTPL, including instruments carried at FVTOCI. For debt instruments, the transaction costs are recognised as part of interest income using the effective interest method.

For financial instruments that are measured at FVTPL, transaction costs are not added to or deducted from the initial fair value, but they are immediately recognised in profit or loss on initial recognition.

Transaction costs expected to be incurred on a financial instrument's transfer or disposal are not included in the financial instrument's measurement.

2.19 REVENUE RECOGNITION

Revenue from contracts with customers is recognised at the transaction price which the Company expects to be entitled to, after deducting sales taxes, excise duties and similar levies. Revenue from sale of goods is recognised when control of goods has been transferred to the customers. Accordingly:

- local sales are recognised on the basis of products pumped in oil marketing companies' tanks. Sale of products loaded through gantry is recognised when the products are loaded into tank lorries.
- export sales are recognised, on Cost, Insurance and Freight (CIF) basis, at the time when the products are shipped to customers.
- handling income is recognised at the time when services are rendered.
- Return / interest on bank deposits are recognised on time proportion basis using the effective rate of return.

2.20 GOVERNMENT GRANTS

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities.

The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognised at their fair values, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

The loan is initially recognised at fair value - i.e. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit of government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

2.21 DIVIDEND

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividend is approved.

2.22 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 Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

3. PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	(Rupees in thousand)	
Operating assets - note 3.1	**20,089,744**	20,588,451
Major spare parts and stand-by equipment - note 3.2	**124,516**	93,727
Capital work-in-progress - notes 3.3 and 3.4	**200,093**	525,910
	20,414,353	21,208,088

3.1 OPERATING ASSETS

	Freehold land (notes 3.1.1, 3.1.2 and 3.1.3)	Buildings	Processing plant	Korangi tank farm	Keamari terminal	Pipelines	Steam generation plant	Power generation, transmission and distribution	Water treatment and cooling system	Equipment including furniture	Fire fighting and telecom-munication systems	Vehicles and other automotive equipment	Total
	(Rupees in thousand)												
Net carrying value basis Year ended June 30, 2021													
Opening net book value (NBV)	11,151,360	17,319	6,122,145	1,102,500	572,826	231,353	459,206	583,748	11,878	60,172	227,785	48,159	20,588,451
Additions (at cost)	-	8,754	86,576	13,110	286,094	110,896	-	22,630	158	39,404	1,781	22,716	592,119
Write-off / Disposals (at NBV) - note 3.1.4 and 3.1.5	-	-	-	-	-	(4,848)	-	*-	-	*(89)	*-	(3,558)	(8,495)
Depreciation charge	-	(3,775)	(603,510)	(163,886)	(114,771)	(31,995)	(32,398)	(66,957)	(2,633)	(19,198)	(29,932)	(13,276)	(1,082,331)
Closing net book value	11,151,360	22,298	5,605,211	951,724	744,149	305,406	426,808	539,421	9,403	80,289	199,634	54,041	20,089,744
Gross carrying value basis At June 30, 2021													
Cost or revaluation	11,151,360	142,863	9,789,244	2,047,433	1,392,746	552,602	579,019	846,431	105,663	556,015	361,541	126,815	27,651,732
Accumulated depreciation	-	(120,565)	(4,184,033)	(1,095,709)	(648,597)	(247,196)	(152,211)	(307,010)	(96,260)	(475,726)	(161,907)	(72,774)	(7,561,988)
Net book value	11,151,360	22,298	5,605,211	951,724	744,149	305,406	426,808	539,421	9,403	80,289	199,634	54,041	20,089,744
Net carrying value basis Year ended June 30, 2020													
Opening net book value (NBV)	9,292,800	19,143	5,221,797	747,586	668,664	162,772	486,044	523,082	13,308	74,608	182,738	4,103	17,396,645
Revaluation - note 3.1.3	1,858,560	-	-	-	-	-	-	-	-	-	-	-	1,858,560
Additions (at cost)	-	2,775	1,433,066	492,108	2,499	96,669	5,224	121,354	3,240	11,336	71,690	51,250	2,291,211
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(82)	-	-	(82)
Depreciation charge	-	(4,599)	(532,718)	(137,194)	(98,337)	(28,088)	(32,062)	(60,688)	(4,670)	(25,690)	(26,643)	(7,194)	(957,883)
Closing net book value	11,151,360	17,319	6,122,145	1,102,500	572,826	231,353	459,206	583,748	11,878	60,172	227,785	48,159	20,588,451
Gross carrying value basis At June 30, 2020													
Cost or revaluation	11,151,360	139,181	9,701,607	2,034,323	1,106,652	447,251	579,019	850,529	105,505	546,892	360,682	111,939	27,134,940
Accumulated depreciation	-	(121,862)	(3,579,462)	(931,823)	(533,826)	(215,898)	(119,813)	(266,781)	(93,627)	(486,720)	(132,897)	(63,780)	(6,546,489)
Net book value	11,151,360	17,319	6,122,145	1,102,500	572,826	231,353	459,206	583,748	11,878	60,172	227,785	48,159	20,588,451
Depreciation rate % per annum	-	5 to 20	5 to 50	5 to 20	5 to 20	10	10 to 33	5 to 33	10 to 20	10 to 33	5 to 33	25	

Assets disposed off having nil net book value.

3.1.1 The land is freehold to be used for oil refinery by the Company.

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

Location	Usage of immoveable property	Total area (in acres)
Naclass No.24, Deh Dih, Tappo Landhi, Taluka Karachi, District Karachi	Refining complex	200*

**This includes 1 acre and 4.93 acres of land leased to the President of Pakistan and M/s Burshane LPG Ltd (Burshane) respectively.*

3.1.3 As at June 30, 2020, land measuring 200 acres located at Naclass No. 24, Deh Dih, Tappo Landhi, Taluka Karachi, District Karachi, where the Refinery is situated, was revalued resulting in a net surplus of Rs. 1.86 billion. The value has been determined by an independent valuer M/s. Iqbal A. Nanjee and Co. (Private) Limited ("the valuer"). The valuer has used the valuation rates released by the Federal Board of Revenue on July 23, 2019 through notification S.R.O 837(1)/2019 as market value for the land. The same does not directly state the area of Deh Dih, however, as per clause VI of the notification, the adjacent area of the same falls under Category II of the valuation chart. Given the rate assessed by the Government would be as per the notification, the valuer has considered the same in its valuation (level 2). Further, the valuer assessed the value based on that it would still remain for purposes of a petroleum refinery unit. The forced sales value has been determined by the independent valuer at Rs. 8.36 billion.

The different levels for determination of fair value hierarchy 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).
- Had there been no revaluation, the net book value of land would have been Rs. 2.07 million (2020: Rs. 2.07 million).

3.1.4 The details of operating asset disposed off during the year, having net book value above Rs. 500,000 is as follows:

Asset category	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Particulars of buyer
Vehicle and other automotive equipment	2,674	387	2,287	2,287	-	Asad Ali Shah (Ex-Chairman) Company policy
Items having book value of less than Rs. 500,000 each	2,891	1,533	1,358	1,358	-	(Various employees) Company policy

3.1.5 During the year, assets having Net Book Value of Rs. 4.85 million were written off as explained in detail in note 2.1.2 to these financial statements.

	2021	2020
	(Rupees in thousand)	

3.2 MAJOR SPARE PARTS AND STAND-BY EQUIPMENT

Gross carrying value		
Balance at beginning of the year	112,776	100,825
Additions during the year	41,592	44,954
Transfered during the year	(7,510)	(33,003)
Balance at end of the year	146,858	112,776
Provision for impairment - note 3.2.1	(22,342)	(19,049)
Net carrying value	124,516	93,727

3.2.1 During the year, net charge of Rs. 3.29 million (2020: net reversal of Rs. 0.33 million) was recorded.

3.3 MOVEMENT IN CAPITAL WORK-IN-PROGRESS

Balance at beginning of the year	525,910	1,497,136
Additions during the year	266,302	1,319,985
Transfers made during the year	(592,119)	(2,291,211)
Balance at end of the year	200,093	525,910

3.4 CAPITAL WORK-IN-PROGRESS

Processing plant	29,894	105,094
Korangi tank farm	3,053	2,503
Keamari terminal	76,058	291,787
Pipelines	-	19,499
Power generation, transmission and distribution	62,440	61,385
Water treatment and cooling system	-	5,331
Equipment including furniture	12,357	19,823
Fire fighting and telecommunication systems	8,373	-
Vehicles and other automotive equipments	-	1,827
Advances to contractors / suppliers	7,918	18,661
	200,093	525,910

3.4.1 During the year, the Company has charged borrowing costs amounting to Rs. 0.67 million (2020: Rs. 67.27 million) on its qualifying assets at the current year's weighted average rate of its general borrowings of 8.06% per annum (2020: 13.25% per annum).

	2021	2020
	(Rupees in thousand)	

4. RIGHT-OF-USE ASSET

Opening net book value	163,075	178,985
Depreciation for the year	(15,910)	(15,910)
Closing net book value	147,165	163,075

5. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Pak Grease Manufacturing Company (Private) Limited - 850,401 (2020: 850,401) fully paid ordinary shares - note 5.1	58,930	65,294

5.1 The Company holds 27.26% (2020: 27.26%) share in the associate. The above amount represents proportionate carrying value of the associate's net assets - refer note 5.2. The associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

The registered office of the associate is at 6, Oil Installation Area, Keamari, Karachi, Pakistan. The Country of incorporation or registration is also its principal place of business.

The principal activity of the associate is manufacture and sale of petroleum grease products.

	2021	2020
	(Rupees in thousand)	
Opening balance	65,294	62,036
Share of (loss) / profit for the year	(6,364)	3,258
	58,930	65,294

5.2 Summarised financial information of Company's associate:

Set out below is the summarised draft financial information for Pak Grease Manufacturing Company (Private) Limited which is accounted for using the equity method.

Revenue from contracts with customers	97,362	108,976
(Loss) / profit from continuing operations	(13,577)	6,242
Other comprehensive income	-	-
Total comprehensive (loss) / income	(13,577)	6,242
Non-current assets	45,515	53,506
Current assets	201,093	212,675
Non-current liabilities	(14,124)	(16,548)
Current liabilities	(16,308)	(10,111)
Net assets	216,176	239,522
Carrying value	58,930	65,294

	2021	2020
	(Rupees in thousand)	

6. LONG-TERM DEPOSITS AND LOANS – SECURED AND CONSIDERED GOOD

	2021	2020
Deposits	21,182	21,182
Loans to employees - note 6.1	13,945	13,549
Recoverable within one year – note 9	(7,887)	(8,785)
	6,058	4,764
	27,240	25,946

6.1 Loans to all eligible employees are given in accordance with the Company's policy for payment of house rent and to defray personal expenditure. These do not carry any interest and are repayable over a period of two to three years. These loans and advances are secured against the retirement benefit balances of employees. Loans given to employees in excess of Rs. 1 million are as follows:

Employee	(Rupees in thousand)
Gul Ahmed Khan	1,488
Haq Nawaz	1,206
Yasir Saleem	1,172
Tahir Rafique Memon	1,156
Tanveer Hussain Shah	1,011

6.2 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.

	2021	2020
	(Rupees in thousand)	

7. INVENTORIES

	2021	2020
Stores, spares and chemicals - note 7.1	533,903	437,635
Raw material Crude oil [including in transit Rs. Nil (2020: Rs. 2.96 billion)]	7,313,368	6,050,842
Finished products - note 7.2	2,568,136	1,475,915
	10,415,407	7,964,392

7.1 Stores, spares and chemicals

	2021	2020
Stores	271,892	248,694
Spares	195,746	139,094
Chemicals	105,713	72,775
	573,351	460,563
Provision for slow moving stores, spares and chemicals	(39,448)	(22,928)
	533,903	437,635

7.2 Includes finished products held with the following third parties for onward sales to customers:

	2021	2020
- PSO - holding company	5,762	5,900
- Shell Pakistan Limited	21,298	7,966
- Others	-	1,224
	27,060	15,090

7.3 As at June 30, 2021 stock of finished products has been written down by Nil (2020: 48.18 million) to arrive at their net realisable values.

8. TRADE RECEIVABLES

	2021	2020
	(Rupees in thousand)	
Considered good		
Due from related party – note 8.1	4,514,315	2,655,562
Others – note 8.2	2,074,598	1,011,591
	6,588,913	3,667,153
Considered doubtful - others	134,892	134,892
	6,723,805	3,802,045
Less: Loss allowance on doubtful receivables	(134,892)	(134,892)
	6,588,913	3,667,153

8.1 This includes receivable from Pakistan State Oil Company Limited, which is in the normal course of business.

8.2 This also include trade receivables on account of export sales of Rs. 989.8 million (2020: Rs. 484.8 million) secured by way of Export Letters of Credit.

8.3 The age analysis of trade receivables past due but not impaired is as follows:

	2021	2020
	(Rupees in thousand)	
Up to 3 months	22,910	75,757
3 to 6 months	4,895	90
More than 6 months	51,479	8,799

8.4 The age analysis of trade receivables past due but not impaired from related party is as follows:

Up to 3 months	55	46
3 to 6 months	-	90
More than 6 months	44,428	5,753

8.5 The maximum aggregate amount due from the holding company at the end of any month during the year was Rs. 7.11 billion (2020: Rs. 7.10 billion).

8.6 Due to the short-term nature of the trade debts, their carrying amount is considered to be the same as their fair value.

9. TRADE DEPOSITS, LOANS, ADVANCES AND SHORT-TERM PREPAYMENTS

	2021	2020
	(Rupees in thousand)	
Trade deposits	19,180	12,146
Loans to employees recoverable within one year – note 6	7,887	8,785
Advances for supplies and services	30,963	13,706
Short-term prepayments note - 9.1	17,263	14,703
	75,293	49,340

9.1 Trade deposits, loans and advances do not carry any interest.

	2021	2020
	(Rupees in thousand)	

10. OTHER RECEIVABLES

	2021	2020
Receivable from refineries - note 10.1	2,928,136	6,556
Insurance claim receivable - note 10.2	144,626	-
	3,072,762	6,556

10.1 This includes amount due from Pak-Arab Refinery Limited - (related party) in respect of sharing of crude oil, freight and other charges and National Refinery Limited in respect of pipeline charges. Due to the short-term nature of other receivables, their carrying amount is considered to be the same as their fair value.

10.2 This represents the insurance claim on account of replacement cost for damaged components of the pile bridge and estimated inventory losses as detailed in note 2.1.2 to these financial statements which is accepted by the insurance company and subsequently an amount of Rs. 50 million has been received by the Company.

11. CASH & BANK BALANCES

	2021	2020
	(Rupees in thousand)	
With banks on		
- current accounts - note 11.1	1,357	1,655
- mark-up bearing savings accounts - note 11.2	71,226	244,596
- rights issue subscription account	-	1,943,175
Cash in hand	97	281
	72,680	2,189,707

11.1 These bank balances are maintained under current accounts and do not carry any interest.

11.2 The rates of mark-up on savings accounts during the year ranged from 5.50% to 6.25% per annum (2020: 4.04% to 11.75% per annum).

12. SHARE CAPITAL

2021	2020		2021	2020
(Numbers)			(Rupees in thousand)	
		Authorised share capital Ordinary shares of Rs. 10 each		
1,000,000,000	1,000,000,000		10,000,000	10,000,000
		Issued, subscribed and paid-up Ordinary shares of Rs. 10 each		
601,000,000	286,000,000	Ordinary shares fully paid in cash	6,010,000	2,860,000
29,000,000	29,000,000	Ordinary shares issued as fully paid bonus shares	290,000	290,000
630,000,000	315,000,000		6,300,000	3,150,000

12.1 Reconciliation between Ordinary shares in issue at the beginning and end of the year is as follows:

2021	2020		2021	2020
(Numbers)			(Rupees in thousand)	
315,000,000	294,000,000	Opening shares outstanding	3,150,000	2,940,000
315,000,000	21,000,000	Shares issued during the period	3,150,000	210,000
630,000,000	315,000,000		6,300,000	3,150,000

12.2 During the year, the Company issued 315 million right shares at Rs. 10 per ordinary share in the ratio of 1 right share for every 1 ordinary share held.

To facilitate completion of rights issue process, PSO provided an undertaking that it will subscribe such portion of Class A shares (i.e. 40% of the total Rights Issue) which remains unsubscribed. This was accepted by the Securities and Exchange Commission of Pakistan, resultantly waiving the requirement of underwriting for the said rights issue.

The process of Rights Issue was completed during the year, thereby increasing the share capital from Rs. 3.15 billion to Rs. 6.30 billion. PSO subscribed additional 22,459,028 Class A shares of the Company thereby increasing its shareholding from 60% to 63.56%.

12.3 On September 1, 2020, the Members in the Extra-Ordinary General Meeting passed a special resolution to amend the Memorandum and Articles of Association of the Company eliminating classes of shares which was bifurcated into Class 'A' and 'B' shares in the ratio of 40 : 60, wherein the authorised share capital for Class ‘A’ and ‘B’ shares was Rs 4,000 million and Rs 6,000 million respectively.

13. SPECIAL RESERVE

Under directive from the Ministry of Energy (MoE), any profit after taxation above 50% of the paid-up capital as on July 1, 2002 is required to be transferred to a "Special Reserve" to offset any future losses or to make investment for expansion or upgradation of the refineries, and is not available for distribution to shareholders. The formula under which deemed duty was built into the import parity based prices of some of the products, was introduced in order to enable certain refineries, including the Company, to operate on a self financing basis.

On March 27, 2013, the Government of Pakistan (GoP) issued a policy framework for up-gradation and expansion of refinery projects, amended through a letter dated April 25, 2016, which interalia states that:

- till 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 Reserve Account as per current pricing formula; and
- the refineries are required to install Diesel Hydro Desulphurisation (DHDS) plant by June 30, 2017. If any refinery fails to install DHDS by June 30, 2017 then the ex-refinery price of High Speed Diesel (HSD) based on Import Parity Price (IPP) formula will be adjusted / reduced due to higher sulphur content.

Based on the above, the Company has transferred profit amounting to Rs. 837 million (2020: nil) to Special Reserve.

	2021	2020
	(Rupees in thousand)	

14. OTHER RESERVES

Capital reserve - Exchange equalisation reserve	897	897
Revenue reserves - General reserve	1,050	1,050
	1,947	1,947

15. LONG-TERM BORROWINGS

Diminishing Musharika - note 15.2	600,000	800,000
Long-term loan - note 15.3	3,500,000	3,500,000
Salary refinancing - note 15.4	231,369	131,595
	4,331,369	4,431,595
Less: Current portion of		
- Diminishing Musharika - note 15.2	(400,000)	(200,000)
- Long-term loan - note 15.3	(3,500,000)	-
- Salary refinancing - note 15.4	(137,445)	(16,449)
	293,924	4,215,146

15.1 Following are the changes in the long-term borrowings (i.e. for which cash flows have been classified as financing activities in the statement of cash flows):

Opening balance	4,431,595	4,700,000
Diminishing Musharika repaid	(200,000)	(400,000)
Salary financing - obtained	145,301	131,595
Salary financing - repaid	(45,527)	-
	4,331,369	4,431,595

15.2 During the year ended June 30, 2015, the Company obtained a syndicated long term loan under mark-up arrangement through NIB Bank Limited (now MCB Islamic Bank Limited) amounting to Rs. 2 billion at a mark-up of 6 month KIBOR + 1.75% per annum for a tenor of 7 years (including 2 years grace period). The loan was repayable in 10 semi-annual installments beginning from July 2017 and was secured by way of hypothecation of present and future raw materials and finished products, trade receivables and property, plant and equipment (excluding land). During the year ended June 30, 2018, the Company renegotiated the terms and reduced the mark-up to 6 months KIBOR + 1% per annum, which was further re-negotiated and converted from conventional loan into Diminishing Musharika at a mark-up of 6 month KIBOR + 0.75% per annum for the remaining tenure of 4 years with all other terms and conditions remaining constant.

During the year ended June 30, 2020, SBP circular letter no 13 of 2020 dated March 26, 2020 was issued to support businesses during COVID-19 pandemic, thereby the repayment of loan is deferred by one year, without any change in markup rates. The Company availed the opportunity of deferment of principal loans repayment under this circular by one year.

15.3 During the year ended June 30, 2018, the Company obtained term finance facilities under mark-up arrangements through Askari Bank Limited and Bank Alfalah Limited amounting to Rs. 1 billion and Rs. 2.5 billion respectively at a mark-up of 3 month KIBOR + 0.5% per annum for a tenor of 3 years (including 2.5 years grace period). The loan is repayable by way of bullet payment after expiry of 3 years whereas markup is to be paid on a quarterly basis starting from September 2018. These loans are secured by way of hypothecation of property, plant and equipment (excluding land and building). During the year ended June 30, 2020, taking advantage of SBP circular referred in note 15.2, these loans were deferred by one year and are now repayable by way of bullet payment on June 28, 2022, and June 30, 2022, respectively.

15.4 This represents salary financing obtained under SBP payroll refinance facility as a part of measures for countering economic hardships faced by the businesses during COVID-19 pandemic. The loan will be repaid in eight equal quarterly instalments starting from April 2021 along with a quarterly mark up at a discounted rate of 3% per annum.

16. LEASE LIABILITY

	2021	2020
	(Rupees in thousand)	
Opening balance	**177,181**	178,985
Lease payment	**(24,358)**	(23,167)
Mark-up on lease liability	**20,956**	21,363
Closing balance	**173,779**	177,181
Less: - Current portion	**(4,586)**	(3,370)
- Accrued markup	**(20,956)**	(21,363)
	148,237	152,448

17. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation	Investment in associate accounted for under equity method	Right of use asset net of lease liability	Unabsorbed depreciation	Total
	(Rupees in thousand)				
July 01, 2019	(909,875)	(13,304)	-	909,875	(13,304)
(Charge) / credit to profit or loss for the year	(236,199)	(709)	4,091	236,199	3,382
June 30, 2020	(1,146,074)	(14,013)	4,091	1,146,074	(9,922)
Credit / (charge) to profit or loss for the year	36,761	1,383	3,637	(36,761)	5,020
June 30, 2021	**(1,109,313)**	**(12,630)**	**7,728**	**1,109,313**	**(4,902)**

17.1 Deferred tax debit balances of Rs. 3.26 billion (2020: Rs. 1.36 billion) in respect of unabsorbed depreciation, tax losses and deductible temporary differences have not been recognised as their recoverability will be dependent on improved profitability of the Company.

18. EMPLOYEE BENEFIT OBLIGATIONS / (PREPAYMENTS)

18.1.1 The Company operates recognised funded gratuity and pension schemes (the Schemes) for its eligible management and non-management employees. Actuarial valuation of these Schemes is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.

18.1.2 Assets of these Schemes are held in separate trusts (the Funds), which are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the trust deeds. Responsibility for governance of the Funds, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

18.1.3 The latest actuarial valuation of the Schemes as at June 30, 2021 was carried out using the Projected Unit Credit Method, details of which as per the actuarial valuation are stated in note 18.1.4.

	PENSION SCHEMES				GRATUITY SCHEMES			
	Management		Non-Management		Management		Non-Management	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)							
18.1.4 Statement of financial position reconciliation								
Present value of defined benefit obligation at June 30 - note 18.1.5	1,575,208	1,543,285	254,664	226,204	208,084	179,686	84,105	69,728
Fair value of plan assets at June 30 - note 18.1.6	(1,308,268)	(1,196,805)	(157,096)	(135,402)	(195,041)	(166,645)	(109,685)	(99,985)
Deficit / (Surplus)	266,940	346,480	97,568	90,802	13,043	13,041	(25,580)	(30,257)
18.1.5 Movement in the present value of defined benefit obligation								
Opening balance	1,543,285	1,132,758	226,204	191,865	179,686	154,357	69,728	69,636
Benefits paid by the plan	(59,113)	(60,641)	(3,510)	(6,433)	(3,671)	(5,832)	(215)	(3,859)
Benefits payable to outgoing members	-	-	-	-	(936)	-	-	-
Current service cost	52,407	40,451	8,383	7,880	12,727	11,218	3,051	3,154
Past service cost	-	-	-	-	4,650	-	-	-
Interest cost	141,973	162,344	21,134	27,694	16,756	22,544	6,560	9,962
Remeasurement on obligation	(103,344)	268,373	2,453	5,198	(1,128)	(2,601)	4,981	(9,165)
Closing balance	1,575,208	1,543,285	254,664	226,204	208,084	179,686	84,105	69,728
18.1.6 Movement in the fair value of plan assets								
Opening balance	1,196,805	879,879	135,402	98,587	166,645	133,424	99,985	87,258
Contributions paid into the plan	88,290	83,855	11,169	23,246	13,881	14,054	374	766
Benefits paid by the plan	(59,113)	(60,641)	(3,510)	(6,433)	(3,671)	(5,832)	(215)	(3,859)
Benefits payable to outgoing members	-	-	-	-	(936)	-	-	-
Interest income	108,617	124,353	12,462	13,788	15,602	19,708	9,237	12,350
Remeasurement of plan assets	(26,331)	169,359	1,573	6,214	3,520	5,291	304	3,470
Closing balance	1,308,268	1,196,805	157,096	135,402	195,041	166,645	109,685	99,985

	PENSION SCHEMES				GRATUITY SCHEMES			
	Management		Non-Management		Management		Non-Management	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees in thousand)							
18.1.7 Expense recognised in statement of profit or loss and other comprehensive income								
Current service cost	52,407	40,451	8,383	7,880	12,727	11,218	3,051	3,154
Past service cost	-	-	-	-	4,650	-	-	-
Net interest cost / (income)	33,356	37,991	8,672	13,906	1,154	2,836	(2,677)	(2,388)
Expense recognised in statement of profit or loss and other comprehensive income	85,763	78,442	17,055	21,786	18,531	14,054	374	766
18.1.8 Remeasurement recognised in other Comprehensive Income								
Remeasurement of present value of defined benefit obligation	(103,344)	268,373	2,453	5,198	(1,128)	(2,601)	4,981	(9,165)
Remeasurement of fair value of plan assets	23,331	(169,359)	(1,573)	(6,214)	(3,520)	(5,291)	(304)	(3,470)
Remeasurements	(77,013)	99,014	880	(1,016)	(4,648)	(7,892)	4,677	(12,635)
18.1.9 Net recognised liability / (asset)								
Net liability at the beginning of the year	346,480	252,879	90,802	93,278	13,041	20,933	(30,257)	(17,622)
Expense recognised in statement of profit or loss and other comprehensive income	85,763	78,442	17,055	21,786	18,531	14,054	374	766
Contribution made to the fund during the year	(88,290)	(83,855)	(11,169)	(23,246)	(13,881)	(14,054)	(374)	(766)
Remeasurements recognised in other comprehensive income	(77,013)	99,014	880	(1,016)	(4,648)	(7,892)	4,677	(12,635)
Recognised liability / (asset) as at June 30	266,940	346,480	97,568	90,802	13,043	13,041	(25,580)	(30,257)
18.1.10 Major categories / composition of plan assets are as follows:								
Equity securities	14.93%	11.18%	15.14%	9.24%	14.96%	11.18%	0.00%	0.00%
Debt securities	82.54%	85.92%	84.54%	79.77%	82.30%	82.46%	99.52%	98.06%
Others	2.53%	2.90%	0.31%	10.99%	2.75%	6.36%	0.48%	1.94%
18.1.11 Actuarial assumptions								
Discount rate at June 30	10.25%	9.25%	10.25%	9.25%	10.25%	9.25%	10.25%	9.25%
Future salary increases								
- First year following the valuation	8.00%	9.25%	10.00%	10.00%	8.00%	9.25%	10.00%	10.00%
- Second year following the valuation	10.25%	9.25%	5.00%	5.00%	10.25%	9.25%	5.00%	5.00%
- Third year following the valuation	10.25%	9.25%	10.25%	9.25%	10.25%	9.25%	10.25%	9.25%
- Long term increase	10.25%	9.25%	10.25%	9.25%	10.25%	9.25%	10.25%	9.25%
Expected retirement age	60 years	60 years	60 years	60 years	60 years	60 years	60 years	60 years
Pension increase rate								
- First year following the valuation	5.00%	5.00%	5.00%	5.00%				
- Long term pension increase rate	3.00%	3.00%	3.00%	3.00%				

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

The Company ensures that the investment positions are managed under 'Liability Driven Investment Approach' that has been developed to achieve long term investments that are in line with the obligations under the retirement benefit scheme. Within this framework, the objective is to match assets to the retirement benefit obligations by investing in long-term securities with maturities that match the benefit payments as they fall due. The retirement benefit funds have appointed a third party advisor who 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 process used to manage its risk from previous periods. The Company does not use derivatives to manage its risk. Investments are 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 for the year ended June 30, 2021 consists of government securities.

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 statement of financial position date.

The Company's contributions to gratuity and pension funds for the year ending June 30, 2022 is expected to amount to Rs. 18.41 million and Rs. 103.6 million respectively.

18.2 Sensitivity analysis for actuarial assumptions

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

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		(Rupees in thousand)	
Discount rate at year end	0.50%	(108,113)	111,046
Future salary increases	0.50%	52,783	(56,755)
Future pension increases	0.50%	(237,358)	(343,265)

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

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

	2021	2020	2019	2018	2017
	(Rupees in thousand)				

18.3 Historical information

Management Pension Fund

	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**1,575,208**	1,543,285	1,132,758	1,236,899	1,234,935
Fair value of plan assets	**(1,308,268)**	(1,196,805)	(879,879)	(994,202)	(1,031,937)
Deficit in the plan	**266,940**	346,480	252,879	242,697	202,998
Experience adjustments					
(Gain) / loss on obligation	**(103,344)**	268,373	(185,462)	(15,125)	36,168
(Loss) / gain on plan assets	**(23,804)**	169,359	(194,028)	(49,633)	(10,878)

Non-Management Pension Fund

	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**254,664**	226,204	191,865	173,373	161,569
Fair value of plan assets	**(157,096)**	(135,402)	(98,587)	(86,212)	(71,740)
Deficit in the plan	**97,568**	90,802	93,278	87,161	89,829
Experience adjustments					
Loss / (gain) on obligation	**2,453**	5,198	(2,925)	(7,460)	18,255
Gain / (loss) on plan assets	**1,573**	6,214	(9,471)	(3,469)	(1,461)

Management Gratuity Fund

	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**208,084**	179,686	154,357	143,686	150,225
Fair value of plan assets	**(195,041)**	(166,645)	(133,424)	(130,559)	(143,131)
Deficit in the plan	**13,043**	13,041	20,933	13,127	7,094
Experience Adjustments					
(Gain) / loss on obligation	**(1,128)**	(2,601)	(2,326)	1,140	4,636
Gain / (loss) on plan assets	**3,520**	5,291	(9,640)	(3,999)	7,941

Non-Management Gratuity Fund

	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**84,105**	69,728	69,636	57,869	54,974
Fair value of plan assets	**(109,685)**	(99,985)	(87,258)	(81,895)	(81,964)
Surplus in the plan	**(25,580)**	(30,257)	(17,622)	(24,026)	(26,990)
Experience adjustments					
Loss / (gain) on obligation	**4,981**	(9,165)	5,158	(2,036)	8,259
Gain / (loss) on plan assets	**304**	3,470	(984)	(4,626)	110

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

	No. of years
Management Pension fund	10.75
Non-management Pension fund	11.00
Management Gratuity fund	7.35
Non-management Gratuity fund	7.40

18.5 Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2021.

18.6 All investments in collective investment schemes, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

19. TRADE AND OTHER PAYABLES

	2021	2020
	(Rupees in thousand)	
Creditors – note 19.1	**14,075,857**	10,234,066
Accrued liabilities - notes 19.2 and 19.3	**2,487,450**	3,351,705
Sales tax payable	**1,812,441**	766,813
Surplus price differential payable - note 23.3	**1,348,204**	1,553,896
Advances from customers – note 19.1	**254,340**	229,127
Accrued mark-up	**207,852**	312,478
Payable to the Government – note 19.4	**202,905**	1,456,967
Workers' Profit Participation Fund – note 19.5	**86,817**	-
Workers' Welfare Fund	**18,431**	29,897
Retention money	**14,762**	99,644
Tax deducted at source	**279**	1,539
	20,509,338	18,036,132

19.1 Related party balances

		2021	2020
Creditors	note 19.1.1	**362**	1,344,471
Advances from customers	note 19.1.1	**3,970**	42,512

19.1.1 The balance as at June 30, 2021 include amount payable to / advances from PSO.

19.2 This includes differential of regulatory / custom duty levied amounting to Rs. 0.73 billion (2020: Rs. 1.24 billion) on import of crude oil consumed in the production and recovered on sale of regulated products based on SROs issued by GoP and MoE. During the year ended June 30, 2018, Oil and Gas Regulatory Authority (OGRA) in compliance with the directives of MoE had finalised 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 the implementation of the said mechanism.

During the year ended June 30, 2019, as per approved regulatory duty mechanism, Refinery Regulatory Duty (RRD) committee of OCAC determined RRD factors per litre applicable for 5 months from August 2018 to December 2018, which were adjusted in monthly ex-refinery prices.

However, after preliminary implementation of the said mechanism, due to practical implications, a revised procedure was devised by OGRA, whereby recovery is made directly from refinery through payment to Inland Freight Equalisation Margin (IFEM) pool without any adjustment of RRD factors in ex-refinery prices.

19.3 Included in accrued liabilities is an amount of Rs. 396.1 million (exchange gains of Rs. 618.95 million net of exchange losses of Rs 222.85 million) (2020: Rs. 396.1 million) in respect of foreign currency loans (FC loans) taken by the Company for retirement of LCs of crude oil based on discussions with Ministry of Finance (MoF). During the year ended June 30, 2016, MoF proposed a mechanism for calculation of such gains and losses on the FC loans by the oil importing companies and invited views / comments thereupon. The Company, along with other oil importing companies had discussions with MoF and SBP in this respect, outcome of which is still pending.

19.4 This includes GoP's share in the value of local crude purchased and petroleum levy on sale of petroleum products. This represents receivable from Government in respect of price differential claims as a result of restricting the ex-refinery prices charged by the Company to the oil marketing companies on instructions from MoE. During the year ended June 30, 2018, the Company received a report from MoE through Oil Companies Advisory Council (OCAC) highlighting certain aspects of the above claims. The management is of the view that the report contains certain factual inaccuracies and is taking up the matter along with other refineries with the MoE.

	2021	2020
	(Rupees in thousand)	
19.5 Workers' Profit Participation Fund		
Opening	-	-
Expense during the year	86,817	-
Payments made during the year	-	-
Closing	86,817	-

20. SHORT-TERM BORROWINGS

	2021	2020
Short-term borrowings - note 20.1	8,000,000	6,500,000
Running finance under mark-up arrangements - note 20.2	5,536,103	5,883,020
Current portion of long-term borrowings - note 15	3,900,000	200,000
Current portion of salary refinancing - note 15	137,445	16,449
	17,573,548	12,599,469

20.1 This represents mark-up based short-term finance from commercial banks repayable in 5 to 84 (2020: 13 to 34) days from the date of statement of financial position at a mark-up ranging from 7.84% to 8.06% (2020: 7.94% to 9.43%) per annum. These are secured by way of first joint pari passu charge on inventory and trade receivables.

20.2 As at June 30, 2021 available running finance facilities under mark-up arrangements from various banks amounted to Rs. 9.45 billion (2020: Rs. 9.45 billion).

These arrangements are secured by way of hypothecation over stock of crude oil and finished products and trade receivables of the Company.

The rates of mark-up range between three months KIBOR+0.50% to one month KIBOR+2.5% per annum as at June 30, 2021 (2020: three months KIBOR+0.50% to one month KIBOR+3% per annum). Purchase prices are payable on demand.

20.3 Facilities for letters of credit / guarantees and invoice discounting as at June 30, 2021 accumulated to Rs. 33.74 billion (2020: Rs. 31.64 billion) and Rs. 7 billion (2020: Rs. 7 billion) respectively of which the unutilised amount as at June 30, 2020 was Rs. 19.69 billion (2020: Rs. 26.23 billion) and Rs. Nil (2020: 3 billion) respectively.

21. UNEARNED REVENUE

As detailed in note 15.4 to these financial statements, the Company availed salary refinance facility on the pretext of COVID-19 pandemic at a discounted rate of 3% per annum while the prevailing market rate was 8% per annum. This differential in mark-up rate is treated in accordance with IAS 20 - Government Grant and a deferred income amounting to Rs. 23.70 million is recognised thereon and is being amortised on straight line basis over the tenure of the loan.

During the period June 27 to 30, 2020, the Company earned additional revenue on sale of petroleum products consequent to increase in ex-refinery prices by the GoP effective June 27, 2020. The Ministry of Energy Petroleum Division Government of Pakistan (MEPD) through its letter dated July 28, 2020 interalia advised OGRA to adjust such additional revenue against loss of revenue suffered by refineries due to reduced ex-refinery prices for July 2020 under instructions of GoP.

22. CONTINGENCIES AND COMMITMENTS

Contingencies

(a) Claims against the Company not acknowledged as debt amount to Rs. 6.01 billion (2020: Rs. 5.69 billion). These include Rs. 5.39 billion (2020: Rs. 5.38 billion) on account of late payment surcharge on purchase of crude oil. The Company has raised similar claims aggregating to Rs. 7.40 billion (2020: Rs. 7.40 billion) relating to interest on late payments against trade receivables from certain Oil Marketing Companies.

Contingent liabilities other than late payment surcharge involving legal proceedings are disclosed in note 22.1.

(b) Bank guarantees of Rs. 124.63 million (2020: Rs. 124.63 million) were issued in favour of Sui Southern Gas Company Limited.

Commitments

As at June 30, 2021 commitments outstanding for capital expenditure amounted to Rs. 35.98 million (2020: Rs. 130 million).

22.1 Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Supreme Court of Pakistan	This case, initially, was filed by late Mr. M. Ramzan Katiar, an Octroi contractor for the payment of Octroi dues on import and use of crude oil within the Octroi limits of Cantonment Board Korangi Creek. Presently the legal heirs of the said contractor are pursuing the case. The case was decided in favor of the Company by the single bench of High Court, however later reversed by the division bench of High Court in HCA 231/1999. The Company then filed this appeal in the Supreme Court of Pakistan which is sub-judice at present. The exposure in this respect is around Rs. 20 million, however it will be calculated under the preliminary decree.	Company and legal representatives of late Mr. M. Ramzan Katiar	2012
High Court of Sindh	Barret Hodgson, the plaintiffs, filed a suit no. 694/ 2008 to restrain the Company from interfering or disrupting the plaintiffs construction of a university and also demanded damages amounting to Rs. 166.69 million through suit no. 1308/2009. The Company, as plaintiff filed another case, suit no. 1063/2008 and prayed to the Honourable High Court of Sindh (HCS) to restrain Barret Hodgson from constructing a school in close proximity of the refinery - a Key Point 1-A installation. Suit 694/2008 and 1063/2008 have been disposed off in the year 2015 in favor of Barrett Hodgson. Both orders were then challenged through Appeals HCA 07/2015 and HCA 08/2015. Both appeals are pending after being remanded back by Supreme Court to HCS in January 2018.	Company and Barret Hodgson	2015
High Court of Sindh	Pakistan National Shipping Corporation (PNSC) had invoked arbitration clause against the Company for the recovery of USD 0.15 million (Rs. 23.75 million) being claimed as demurrage against nine vessels under Contract of Affreightment for the year 1974. The arbitration award was passed against the Company. The Company challenged the same arguing the maintainability of PNSC's arbitration based on 'time-barred' claim. The appeal was allowed and the matter was remanded back to single bench of High Court. The case is still sub-judice.	Company and Pakistan National Shipping Corporation	1985

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
High Court of Sindh	Cantonment Board Korangi Creek filed this civil suit for the recovery of composition fee amounting to Rs. 24.28 million on the construction made by M/s Burshane on the Company's land measuring 4.93 acres. The Company's stance is that the liability to pay any composition fee is of the occupier i.e. M/s Burshane, as the construction is made by M/s Burshane and not the Company. The Suit is pending at initial stage.	Company and Cantonment Board Korangi Creek	2016
High Court of Sindh	Cantonment Board Korangi Creek (CBKC) demanded property tax and charges of Rs. 59.5 million from the Company on alleged additional constructed area excluding original 75, 903 sqft. Company challenged the said demand of CBKC before Sindh High Court. The Company's stance is that it has been paying the property tax for the entire constructed area from time to time, hence the demand is unlawful. Initially the Sindh High Court ordered for depositing the entire disputed amount, however after few hearings, the court granted interim injunction orders in favour of the Company.	Company and Cantonment Board Korangi Creek	2019
FBR	The deemed assessment of the return of the Company for tax years 2017 and 2018 were amended by the Additional Commissioner Inland Revenue (ACIR) vide order dated March 30, 2019 under section 122(5A) of the Income Tax Ordinance, 2001 ('the Ordinance'). The main issue involved was the tax demand raised by the ACIR on undistributed profits u/s 5A of the Ordinance, 2001 amounting to Rs. 108.07 million and 62.16 million for tax year 2017 and 2018 respectively. The Company had filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A) against the said order. The CIR(A) vide its order dated April 03, 2020 decided the issue of section 5A in favour of the department. Furthermore it remanded back the issue of tax credit under section 65 of the ordinance, apportionment of expenses and allowed the claim of remeasurement of staff provision in favour of the Company. Subsequently both the Company and the Department have filed an appeal before the ATIR in pursuance to their respective unfavourable decisions of CIR(A).	The Company, ACIR and CIR(A)	2019

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
FBR	Constitutional Petition No. D-5897 of 2017 has been filed on this issue before the Honourable High Court of Sindh and the Honourable High Court of Sindh vide order dated September 05, 2017 has directed to restrain from taking any coercive actions against the taxpayer. Since the issue in hand is subjudice and pending for adjudication before the Honorable Sindh High Court and directions not to take any coercive action are in field, therefore, coercive proceedings were not taken for recovery of above amount of tax charged under section 5A of the Ordinance.	The Company, ACIR and CIR(A)	2019

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2021	2020
	(Rupees in thousand)	
Local sales - notes 23.1 & 23.2	**134,430,879**	128,440,772
Exports	**5,192,013**	3,435,164
Gross sales	**139,622,892**	131,875,936
Less:		
- Sales tax	**(19,509,839)**	(18,677,087)
- Excise duty and petroleum levy	**(23,205,951)**	(18,153,165)
- Surplus price differential - note 23.3 and 23.4	**(1,407,174)**	(1,332,664)
- Custom duty - note 19.2 and 23.5	**(3,415,838)**	(3,048,235)
- Unearned revenue - note 21	**-**	(140,525)
	92,084,090	90,524,260

23.1 The Company sells its products to Oil Marketing Companies (OMCs). Out of these, two (2020: two) of the Company's customers contributed towards 76.21% (2020: 84.38%) of the gross revenues during the year amounting to Rs. 106.40 billion (2020: Rs. 111.35 billion) and each customer individually exceeds 10% of the gross revenues.

23.2 Sales of regulated products are based on prices notified by OGRA which are subject to policy clarification from the Federal Government. Sales of certain de-regulated products (Motor Spirit, High Octane Blending Component, High Speed Diesel, Light Diesel Oil and Aviation Fuels) are based on prices set under notifications of the MoE.

23.3 This includes price differential amounting to Rs. 1.12 billion (2020: Rs. 1.03 billion) on sale of High Speed Diesel (HSD) as per the import parity pricing formula determined in the Economic Coordination Committee's decision dated February 26, 2013 and November 17, 2020 and price differential amounting to Rs. 0.29 billion (2020: Rs. 0.30 billion) on sale of 90 RON Motor Gasoline, calculated as per the mechanism notified by MoE dated September 5, 2016.

23.4 During the year ended June 30, 2020, in April 2020, the Company sold HSD at a price lower than the PSO's benchmark price, such determination of price is permitted by ECC as interalia stated in ECC decision No. ECC-51/05/2013 dated February 26, 2013 together read with earlier ECC decision No. ECC – 113/12/2012 dated September 4, 2012. Consequently, the price differential in April 2020 on HSD is less than the price differential had the Company sold HSD at PSO's benchmark price. In response of OGRA letter, the Company has submitted its response alongwith working of price differential for April 2020 on the basis of PSO's benchmark price however no response has been received from OGRA to date. The Company has obtained independent legal opinion also, which opined that the Company has correctly determined the price of HSD in April 2020 and the resultant price differential in pursuance of aforementioned ECC decisions.

23.5 This represents custom duty recovered on sale of products subject to custom duty.

24. COST OF SALES

	2021	2020
	(Rupees in thousand)	
Crude oil and condensate consumed - note 24.1 and 24.2	86,380,133	88,255,093
Stores, spares and chemicals	1,300,889	1,402,035
Depreciation and amortisation	921,597	840,612
Salaries and wages	620,082	611,355
Fuel, power and water	576,230	708,829
Repairs and maintenance	240,463	556,993
Retirement benefits	121,265	116,190
Insurance	106,956	86,208
Rent, rates and taxes	44,201	10,007
Security expenses	38,709	32,430
Staff transport	19,582	23,385
Subscriptions	15,677	16,318
Consultancy	3,911	17,235
Other expenses	3,656	1,804
Travelling and entertainment	3,055	4,424
Store items written off	-	-
Transportation and handling charges	-	3,915
Rentals under ijarah arrangements	-	3,760
Exchange (gain) / loss - note 24.3	(461,100)	64,169
	3,555,173	4,499,669
	89,935,306	92,754,762
Opening inventory of finished products	1,475,915	3,613,760
Closing inventory of finished products	(2,568,136)	(1,475,915)
	88,843,085	94,892,607

24.1 Crude oil and condensate consumed

Opening inventory	6,050,842	5,458,539
Purchases	87,642,659	88,847,396
Closing inventory	(7,313,368)	(6,050,842)
	86,380,133	88,255,093

24.2 Cost of crude oil and condensate consumed in respect of non-finalised Crude Oil Sale Agreements and Condensate Sale Agreements have been recorded in line with notifications of Ministry of Energy (MoE).

24.3 This represents exchange (gain) / loss incurred due to fluctuation in the value of foreign currency in terms of local currency on purchase of crude oil and condensate.

	2021	2020
	(Rupees in thousand)	

25. DISTRIBUTION COSTS

	2021	2020
Depreciation	103,239	70,101
Salaries and wages	70,831	70,290
Rent, rates and taxes	31,168	15,689
Insurance	16,368	11,626
Repairs and maintenance	11,676	10,050
Retirement benefits	9,509	8,524
Transportation and handling charges	7,890	4,661
Security expenses	6,674	5,925
Fuel, power and water	5,148	5,216
Staff transport	1,954	1,476
Subscriptions	1,600	1,458
Other expenses	223	1,080
	266,280	206,096

26. ADMINISTRATIVE EXPENSES

	2021	2020
Salaries and wages	201,202	180,421
Depreciation	73,403	63,188
Insurance	31,503	32,158
Computer related and software maintenance expenses	29,990	32,949
Retirement benefits	25,749	20,925
Directors' remuneration - note 32	22,867	16,660
Cleaning and janitorial services	18,964	19,840
Subscriptions	11,265	13,330
Auditors' remuneration - note 26.1	10,071	6,571
Security expenses	9,289	7,716
Communication	6,800	5,407
Staff transport	6,274	8,192
Legal and professional charges	5,989	22,141
Stamp duty charges	5,453	6,333
Printing and stationery	4,811	4,344
Travelling and entertainment	3,727	3,629
Other expenses	3,453	2,530
Training expenses	3,199	4,894
Advertising and publicity	2,700	1,361
Repairs and maintenance	2,101	2,830
Rentals under ijarah arrangements	-	4,348
	478,810	459,767

	2021	2020
	(Rupees in thousand)	

26.1 Auditors' remuneration

	2021	2020
Audit fee	1,900	1,900
Fee for:		
- limited review of half yearly financial information	540	540
- other certifications	1,904	2,386
- audit of retirement benefit funds	-	1,000
- taxation services	4,788	-
Out of pocket expenses	939	745
	10,071	6,571

27. OTHER OPERATING EXPENSES

	2021	2020
Workers' Profit Participation Fund	86,817	-
Workers' Welfare Fund	36,270	9,131
Research cost on Refinery Upgradation - note 27.1	32,638	28,958
Penalties - note 27.2	10,500	21
Donations - note 27.3	5,000	4,928
Fixed assets written-off	4,849	-
	176,074	43,038

27.1 This represents cost in relation to financial advisory services for Refinery Upgrade Project, including the installation of Diesel Hydrodesulphurisation Unit (DHDS).

27.2 This represents an amount of Rs. 10 million imposed by OGRA as a penalty alleging that one of the product sample independently tested by OGRA did not meet the required specifications. The Company is of the opinion that the penalty is in non-compliance with OGRA Rules 2016 and has challenged the Order by filing a review petition with the Office of Chairman OGRA. It also includes a penalty amounting to Rs 0.5 million, imposed on late payment of stamp duty on purchase orders by Sindh Board of Revenue.

27.3 As part of CSR initiative, beds worth Rs. 5 million were donated to Indus Hospital. None of the donations were made to parties where directors or their spouses are interested.

		2021	2020
		(Rupees in thousand)	

28 OTHER INCOME

	2021	2020
Income from financial assets		
Profit on savings accounts	53,481	48,575
Interest on late payments	1,327	6,453
Others		
Liabilities no longer considered payable written back - note 28.1	359,475	-
Sale of scrap	51,441	19,185
Reversal of WWF - note 28.2	47,805	-
Exchange gain	44,675	685
Crude testing services - note 28.3	35,492	-
Rent of equipment - note 28.4	29,107	10,809
Unearned income on government grant	8,620	-
Gain (net) on disposal of operating assets	1,640	-
Insurance claim	-	75,783
Others	3,868	2,411
	636,93	163,901

28.1 Liabilities no longer considered payable written back include the following:

- Reversal of excess provision of Rs. 186 million in respect of interest accrued during 2007 to 2009, as the discount factor (GOP share) was not finalised for the crude cost in excess of USD 50 per barrel. After the determination of discount factor in 2009, outstanding principal amount together with the interest thereon were settled with the Governemnt and the remaining amount is no longer considerd payable;
- Reversal of balance amount of Rs. 114.1 million in respect of demurrage claims by Paksitan National Shipping Corporation (PNSC) for the years 2011-2019 that are no longer considered payable consequent to their settlement with PNSC during the year;
- Reversal of excess provision amounting to Rs. 32 million in respect of Gas Infrastructure Development Cess (GIDC) pursuant to the decision of the Supreme Court of Pakistan;
- Reversal of excess provision of Rs. 27 million for partial financial advisory services relating to upgrade project, after work on the project was stopped; and
- Reversal of Rs. 47.8 million provision of Workers Welfare Fund made in prior years consequent to finalization of assessment of tax years 2015 to 2019.

28.2 This represents provision of WWF pertaining to prior years and is being reversed consequent to finalisation of assessment of respective years.

28.3 This represents amount earned by the Company for crude oil testing services provided to other refineries based on mechanism of GoP through Customs. This includes Rs. 26.68 million (2020: Nil) from related party.

28.4 This includes Rs. 0.97 million (2020: 0.47 million) from related party.

	2021	2020
	(Rupees in thousand)	

29. FINANCE COST

Mark-up on running finance under mark-up arrangements - note 20.2	433,583	448,488
Mark-up on short-term borrowings - note 20.1	510,334	869,663
Mark-up on Diminishing Musharika / long-term loans - note 15.2 & 15.3	322,160	579,250
Markup on salary refinancing - note 15.4	20,070	180
Net exchange loss	-	73,893
Bank charges	4,281	2,175
Mark-up on lease liability	20,956	21,363
	1,311,384	1,995,012

30. INCOME TAX EXPENSE

Current for the year	706,888	689,007
Deferred	(5,020)	(3,382)
	701,868	685,625

30.1 Relationship between tax expense and accounting profit

Profit / (loss) before income tax	1,639,024	(6,905,101)
Tax at the applicable tax rate of 29% (2020 : 29%)	475,317	(2,002,479)
Effect of:		
- (recognition) / non-recognition of deferred tax on tax loss, deductible temporary differences and others - note 17.1	(306,139)	1,916,972
- expenses not deductible for tax purposes	(84,093)	1,435
- final tax	(35,963)	116,192
- minimum tax	652,746	653,505
	701,868	685,625

31. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Profit / (loss) for the year attributable to ordinary shareholders (Rupees in thousand)	937,156	(7,590,726)
Weighted average number of ordinary shares outstanding during the year (in thousand)	617,571	432,755
Basic and diluted earnings / (loss) per share	Rs. 1.52	(Rs. 17.54)

31.1 The weighted average number of shares as at June 30, 2021 have been increased to reflect the bonus element in the rights issue.

There were no dilutive potential ordinary shares in issue as at June 30, 2021 and 2020.

32. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts of remuneration including benefits to Non-executive Directors, Chief Executive and Executives of the Company are as follows:

	2021			2020		
	Non - Executive Directors	Chief Executive	Executives	Non - Executive Directors	Chief Executive	Executives
	(Rupees in thousand)					
Fees	18,320	-	-	12,125	-	-
Managerial remuneration	-	35,073	213,241	-	31,697	215,082
Honorarium - note 32.2	3,522	-	-	3,600	-	-
Retirement benefits	-	-	72,283	-	-	62,235
Housing	-	-	95,948	-	-	82,609
Utilities	-	-	21,322	-	-	18,358
Leave passage	-	-	33,702	-	2,995	23,636
Club expenses	-	-	840	-	40	720
Others	1,025	19	37,740	935	10	34,136
	1,025	19	189,552	935	3,045	159,459
	22,867	35,092	475,076	16,660	34,742	436,776
Number of persons	10	1	77	10	2	73

32.1 As at June 30, 2021, Chairman, Chief Executive and certain executives are provided with free use of company maintained cars. In addition, certain executives are provided furnished accommodation within refinery premises according to their respective terms of employment.

The monetary value of the Company provided cars to the executives amounted to Rs. 68.41 million (2020: Rs. 51.25 million).

32.2 These include benefits provided to the Chairman of the Board of Directors, as approved by the Board of Directors of the Company during the year.

33. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with parent company, associated undertakings, directors, key management personnel and retirement benefit funds.

Sale of certain products is transacted at prices regulated by the Oil & Gas Regulatory Authority. Transactions with employee benefit funds are carried out based on the terms of employment of the employees and according to the actuarial advice. All other related party transactions are carried out on commercial terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their Refinery Leadership Team including the Chief Executive Officer and Directors to be its key management personnel.

There are no transactions with key management personnel other than under their terms of employments/ entitlements.

Relationship	Nature of transaction	2021	2020
		(Rupees in thousand)	
(a) Parent company	Sale of goods - net	55,073,027	62,060,755
	Services rendered	354	467
	Subscription money received against rights issue	-	2,100,000
(b) Associated companies	Purchase of goods - net	11,453,169	2,857,282
	Sale of goods - net	13,618,023	-
	Services received	519,367	1,498,008
	Services rendered	26,683	-
(c) Key management personnel compensation (excluding non-executive directors)	Salaries and other short-term employee benefits	125,420	143,089
	Post-employment benefits	10,761	9,588
(d) Staff retirement benefit funds	Payments to staff retirement benefit funds	199,055	217,262
(e) Non-executive Directors	Remuneration and fees	22,867	16,660
	Subscription money received against rights issue	-	280

33.1 Following are the related parties including associated companies with whom the company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Basis of relationship	Aggregate % of shareholding
1	Pakistan State Oil Limited note - 12.2	Parent Company	63.56%
2	Pak Grease Manufacturing Company (Private) Limited note - 5.1	By virtue of shareholding by the Company	N/A
3	Pak-Arab Refinery Limited	By virtue of common directorship	N/A
4	Petroleum Institute of Pakistan	By virtue of common directorship	N/A
5	K-Electric Limited *	By virtue of common directorship	N/A
6	Pakistan National Shipping Corporation *	By virtue of common directorship	N/A
7	Pakistan Petroleum Limited *	By virtue of common directorship	N/A
8	Gas & Oil Pakistan Limited **	By virtue of common directorship	N/A
8	Pak-Arab Pipeline Company Limited **	By virtue of common directorship	N/A
10	Overseas Investors Chamber of Commerce and Industry **	By virtue of common directorship	N/A

** These companies ceased to be related parties following the election on Board of Directors on October 8, 2021.*

*** These companies became related parties following the election on Board of Directors on October 8, 2021.*

	2021	2020

34. NUMBER OF EMPLOYEES

	2021	2020
Number of employees including contractual employees at the end of year	276	276
Average number of employees including contractual employees during the year	276	279

35. CAPACITY AND ACTUAL PERFORMANCE

Against the designed nominal annual capacity of 2,133,705 metric tons, the actual throughput during the year was 1,302,136 metric tons (2020: 1,264,830 metric tons). The Company operated the plant considering the level which gives optimal yield of products.

36. FINANCIAL INSTRUMENTS

36.1 Financial assets and liabilities

	Interest / Mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
	(Rupees in thousand)						
Financial Assets							
Trade deposits and loans	-	-	-	27,067	27,240	54,307	54,307
Trade receivables	-	-	-	6,588,913	-	6,588,913	6,588,913
Other receivables	-	-	-	3,072,762	-	3,072,762	3,072,762
Cash and bank balances	71,226	-	71,226	1,454	-	1,454	72,680
2021	71,226	-	71,226	9,690,196	27,240	9,717,436	9,788,662
2020	244,596	-	244,596	5,639,751	25,946	5,665,697	5,910,293
Financial Liabilities							
Borrowings	17,573,548	293,924	17,867,472	-	-	-	17,867,472
Trade and other payables	-	-	-	16,873,017	-	16,873,017	16,873,017
Unclaimed dividend	-	-	-	19,852	-	19,852	19,852
Lease Liability	4,586	148,237	152,823	-	-	-	152,823
2021	17,578,134	442,161	18,020,295	16,892,869	-	16,892,869	34,913,164
2020	12,602,839	4,367,594	16,970,433	14,019,298	-	14,019,298	30,989,731

36.2 Financial risk management objectives and policies

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 and to maintain an optimal capital structure to reduce the cost of capital. However, as also mentioned in note - 13, the Company operates under tariff protection formula whereby profits after tax in excess of 50% of the paid-up capital as of July 1, 2002 are diverted to special reserve.

The Company has long-term borrowings, short-term borrowings and running finance arrangements issued to meet its working capital and capital expenditure requirements.

(i) **Concentration of credit risk**

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets amounting to Rs. 9.79 billion (2020: Rs. 5.91 billion).

	2021	2020
	(Rupees in thousand)	
Trade deposits and loans	54,307	46,877
Trade receivables	6,588,913	3,667,153
Other receivables	3,072,762	6,556
Bank balances	71,226	2,189,707
	9,787,208	5,910,293

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 credit risk as it operates in an essential products industry and its customers are organisations with good credit history. The credit quality of the bank balances can be assessed with reference to recent external credit ratings as follows:

		Rating	
	Rating agency	Long term	Short term
Askari Bank Limited	PACRA	AA+	A1+
Bank Al Falah Limited	PACRA	AA+	A1+
Bank Al-Habib Limited	PACRA	AA+	A1+
Citi Bank N.A	MOODY	AA3	P1
Faysal Bank Limited	PACRA	AA	A1+
Habib Bank Limited	JCR - VIS	AAA	A-1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
JS Bank Limited	PACRA	AA-	A1+
MCB Bank Limited	PACRA	AAA	A1+
MCB Islamic Bank Limited	PACRA	A	A1
Meezan Bank Limited	JCR - VIS	AAA	A-1+
National Bank of Pakistan	JCR - VIS	AAA	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+
United Bank Limited	JCR - VIS	AAA	A-1+

(ii) **Liquidity risk**

Liquidity is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies availability of funding through an adequate amount of committed credit facilities and maintaining adequate cash. Management believes that it will be able to fulfil its financial obligations.

(iii) Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2021, financial assets include Rs. 1 billion (2020: Rs 0.48 billion) and financial liabilities include Rs. 8.61 billion (2020: Rs. 5.30 billion) which are subject to foreign currency risk. The Company manages its currency risk by close monitoring of currency markets. As per State Bank's regulations, the Company can not hedge its currency risk exposure against procurement of crude oil.

At June 30, 2021, if the Pakistan Rupee had strengthened by 5% against the foreign currencies with all other variables held constant, profit for the year would have been lower / higher by approximately Rs 381 million (2020: Rs. 241 million) respectively, mainly as a result of foreign exchange losses / gains on translation of foreign currency creditors and receivables.

(iv) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to cash flow interest rate risk on its running finance arrangements, short-term finance and long-term borrowing which is repriced at a maximum period of 180 days (2020: 180 days).

As at June 30, 2021, if average KIBOR interest rate on long-term borrowing, short-term borrowings, running finance arrangements and cash at bank in savings accounts, had been 100 basis points higher / lower with all other variables held constant, profit for the year would have been higher / lower by approximately Rs. 179.49 million (2020: Rs. 167.26 million) respectively, mainly as a result of higher / lower interest exposure on floating rate borrowings.

(v) Fair values of financial assets and liabilities

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

37. CASH GENERATED FROM OPERATIONS

	2021	2020
	(Rupees in thousand)	
Profit / (loss) before income tax	1,639,024	(6,905,101)
Adjustments for non-cash charges and other items:		
Mark-up expense	1,311,384	1,918,764
Depreciation and amortisation	1,098,240	973,898
Provision for employee benefit obligations	121,723	115,048
Charge / (reversal) of provision for slow moving stores and spares - net	19,813	(2,296)
Share of loss / (income) of associate	6,364	(3,258)
Assets written-off	4,849	-
Gain on disposal of operating assets - net	(1,640)	-
Profit on deposits	(53,481)	(48,575)
	2,507,252	2,953,581
Working capital changes - note 37.1	(6,029,063)	9,863,838
Cash (used in) / generated from operations	(1,882,787)	5,912,318

	2021	2020
	(Rupees in thousand)	

37.1 Working capital changes

	2021	2020
(Increase) / decrease in current assets		
Inventories	(2,467,535)	1,485,003
Trade receivables	(2,921,760)	9,527,936
Trade deposits, loans, advances and short-term prepayments	(25,953)	132,087
Other receivables	(3,066,206)	546,947
	(8,481,454)	11,691,973
Increase / (decrease) in current liabilities		
Trade and other payables	2,452,391	(1,828,135)
	(6,029,063)	9,863,838

38. CASH AND CASH EQUIVALENTS

	2021	2020
Cash and bank balances	72,680	2,189,707
Running finance under mark-up arrangements - note 20.2	(5,536,103)	(5,883,020)
	(5,463,423)	(3,693,313)

39. DATE OF AUTHORISATION

These financial statements were authorised for issue on August 16, 2021 by the Board of Directors of the Company.

Zahid Mir
Managing Director & CEO

Tara Uzra Dawood
Director

Imran Ahmad Mirza
Chief Financial Officer

Form of Proxy

Sixty First (61st) Annual General Meeting 2021

Option 1: (appointing other person as Proxy)

I/We________________________________ S/o, D/o, W/o ________________________
CNIC _________________________ being a member of Pakistan Refinery Limited and holder of ____________________ordinary shares as per Registered Folio No. ___________ hereby appoint _______________________ S/o, D/o, W/o_________________________ CNIC __________________________ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on October 14, 2021 and at any adjournment thereof.

Signed under my/our hands on this _________day of ___________ 2021

____
Signature of member
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of

_________________ _________________
Signature of Witness 1 Signature of Witness 2

Option 2: (E-voting as per the Companies (E – voting) Regulations 2016)

I/We________________________________ S/o, D/o, W/o ________________________
CNIC _________________________ being a member of Pakistan Refinery Limited and holder of _______________ ordinary shares as per Registered Folio No. _______________ hereby opt for e-voting through intermediary and hereby consent for appointment of execution officer ____________________ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolution. My secured email address is _____________________________________ please send login details password and electronic signature through email.

____
Signature of member
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence for

_________________ _________________
Signature of Witness 1 Signature of Witness 2

IMPORTANT

Instruments of proxy will not be considered as valid unless they are deposited or received at the Share Registrar Office not later than 48 hours before the time of holding the meeting.

FAMCO Associates (Private) Limited
8-F, near Hotel Faran, Nursery, Block – 6, P.E.C.H.S,
Shahra-e-Faisal, Karachi
Tel: (92-21) 34380101-5, Fax (92-21) 34380106
Website: www.famco.com.pk

پراکسی فارم

اکسٹھواں (۶۱ واں) سالانہ اجلاس عام ۲۰۲۱

آپشن ۱ (کسی اور شخص کو مختار (پراکسی) چننا)

میں/ہم..ولد، بنت، زوجہ..

CNIC ....بحیثیت رکن/ارکان پاکستان ریفائنری لمیٹڈ اور رجسٹر فولیو نمبر..............................

اور..عمومی حصص کے حامل ہیں، بذریعہ ہذا محترم/محترمہ..ولد، بنت، زوجہ

....CNIC..کو میری/ہماری جانب سے بحیثیت مختار (پراکسی) سالانہ اجلاس عام

منعقدہ ۱۴ اکتوبر ۲۰۲۱ میں ووٹ دینے کا اختیار ہوگا اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے مختار (پراکسی) ہونگے۔

دستخط ....دیں روز..............................۲۰۲۱ کو کئے گئے۔

....

ممبر کے دستخط

(دستخط کمپنی کے ریکارڈ میں موجود نمونہ دستخط سے مماثل ہونے چاہئیں)

دستخط روبرو گواہان:

گواہ ۱:..............................

گواہ ۲:..............................

آپشن ۲ (دی کمپنیز (ای ووٹنگ) ریگولیشنز ۲۰۱۶ کے تحت ای ووٹنگ)

میں/ہم..ولد، بنت، زوجہ..

CNIC ....بحیثیت رکن/ارکان پاکستان ریفائنری لمیٹڈ اور رجسٹر فولیو نمبر..............................

اور..............................عمومی حصص کے حامل ہیں، بذریعہ ہذا انٹرمیڈیری ای ووٹنگ کو اختیار کرتے ہیں اور دی کمپنیز (ای ووٹنگ) ریگولیشنز ۲۰۱۶ کے تحت

ای ووٹنگ کا حق استعمال کرتے ہیں اور قراردادوں میں ووٹنگ کا مطالبہ کرتے ہیں۔ ہماری محفوظ ای میل ایڈریس..ہے، برائے

مہربانی لاگ ان کی تفصیلات، پاسورڈ اور الیکٹرانک سگنیچر بذریعہ ای میل بھیج دیں۔

....

ممبر کے دستخط

(دستخط کمپنی کے رکارڈ میں موجود نمونہ دستخط سے مماثل ہونے چاہئیں)

دستخط روبرو گواہان:

گواہ ۱:..............................

گواہ ۲:..............................

اہم:

مختار نامہ (پراکسی فارم) اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل مکمل کوائف اور دستخط کے ساتھ کمپنی کے شیئر رجسٹرار کے دفتر میں جمع کرانا ضروری ہے۔

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Contact

PAKISTAN REFINERY LIMITED

P.O. Box 4612, Korangi Creek Road, Karachi-75190, Pakistan.

Tel: (92-21) 35122131-40 Fax: (92-21) 35060145, 35091780

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PRL PAKISTAN REFINERY LIMITED