



Attock

GROWING
IN NUMBER
DAY BY DAY



ANNUAL REPORT 2019
ATTOCK PETROLEUM LIMITED

FINANCIAL HIGHLIGHTS



EARNINGS PER SHARE

Rs. 39.79

PROFIT AFTER TAX

Rs. 3,961 Million

OPERATING PROFIT

Rs. 5,708 Million

GROSS PROFIT

Rs. 8,221 Million

NET SALES REVENUE

Rs. 223,054 Million



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OUR VISION

To become a world class, professionally managed, fully integrated, customer focused, Oil Marketing Company, offering Value added quality & environment friendly products and services to its customers in Pakistan and beyond.

OUR MISSION

To continuously provide quality and environment friendly petroleum products and related services to industrial, commercial and retail consumers, and exceeding their expectations through reliability, economy and quality of products and services. We are committed to benefiting the community and ensuring the creation of a safe, responsible and innovative environment geared to client satisfaction, end user gratification, employees' motivation and shareholders value.



CORPORATE STRATEGY

To enable APL to attain new heights of success through investment in human capital, implementation of lean production methods and a commitment to Total Quality and Environment Management, we plan, with the help of Almighty Allah, to further expand our existing retail network and penetrate untapped markets with pro-active measures and effective planning, implementation and execution.

Our objective is to successfully deliver premium quality products and services, which will translate into maximum customer satisfaction. Beyond the technical excellence of our products, we intend to set an example in all dimensions of our entrepreneurial activities. We see ourselves committed to the self defined models of economic, social and ecological responsibility, which means not only economic success but also conscientious interaction with our employees, people and the environment.

CORE VALUES



ETHICAL PRINCIPLES AND MORAL VALUES

We promote a commitment to the highest moral values and ethical principles, demanding both personal and professional dedication towards the realization of these values and principles.



MAXIMUM STAKEHOLDER RETURN

Through our streamlined business processes and commitment to total quality management we seek to ensure maximum company performance and rewards for shareholders and stakeholders alike.



CORPORATE SOCIAL CITIZENSHIP

We strongly believe in the promotion of societal well-being and awareness within ones community, actively engaging in activities and initiatives to meet this objective.



COMMITMENT & COOPERATION



Two core fundamentals for the success of any business are complete employee commitment and cooperation. At APL, we foster an environment of solid teamwork and professionalism to ensure that our employees engage in both personal and professional development.

ENVIRONMENT CONSCIOUSNESS



We believe that it is our responsibility to safeguard our natural resources for future generations and actively engage in environment friendly practices, policies and management techniques.



MANAGEMENT'S OBJECTIVES AND STRATEGIES FOR MEETING THOSE OBJECTIVES

The objectives of the Company are defined in a manner such that the realization of short-term goals leads to achieving those objectives. The management formulates strategies keeping in view the vision and mission statement of the Company. A balanced approach is adopted in this regard to come up to the expectations of all stakeholders. Actions are prioritized and performance objectives are periodically assessed to reduce deviations from the corporate strategy of the Company.

The management takes measures to transform the weaknesses into strengths and threats into opportunities. Long term goals can only be achieved by mitigating the risks and minimizing the threats arising due to change in external and internal environment.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PREVIOUS PERIODS

Management believes that our business objectives and strategies are well planned and there is no significant change from the previous years.

RELATIONSHIP BETWEEN THE COMPANY'S RESULTS & MANAGEMENT'S OBJECTIVES

In the year under review, volatility of oil prices at global stage demanded dexterous steering by

the Company's management to achieve better profitability. APL maintained its market presence by venturing into a variety of projects and effectively managing the stock. The Company added a number of retail outlets during the year and is in the process of establishing bulk terminals. APL enhanced its storage capacity to cater the demand of the country. The Company is en-route to go above and beyond the expectations of the investors and the customers.

KEY PERFORMANCE INDICATORS

The key performance indicators against stated objectives of the Company include delivering

premium quality products and services with customers' satisfaction, increase in number of retail outlets along with customer base. It also includes enhancement of storage capacities, improvement in operational performance, efficiency in supply chain management, maintaining safe work environment, develop workforce diversity and increase in shareholders' wealth. Management believes that current key performance indicators continue to be relevant in future as well.

The Company monitors the performance of its business through detailed operational and financial reporting, such as profitability & investment/ market ratios and analysis, also with comparisons to budgets and updated forecasts being routinely made. In order to assess performance against targets and objectives, the Company has a comprehensive measurement system in place.





NUMBER OF PERSONS EMPLOYED DURING THE YEAR

Quantitative information on the number of persons employed by the Company as on June 30, 2019 and average number of employees during the year, disclosing separately the information of employees at storage facilities, is disclosed in note 38 to the financial statements.

SIGNIFICANT FACTORS AFFECTING EXTERNAL ENVIRONMENT AND CHANGES FROM PRIOR YEARS

Impact of external environmental factors including political, economic, social, technological and legal upon the Company and the Company's approach

towards managing/mitigating the risk associated therewith including significant changes in the factors/ responses from the prior years are detailed in the risk management section of Directors' Report.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Company's policy on Environment, Health & Safety and its social responsibilities are elaborated in detail in Sustainability and Corporate social responsibility section of the Annual report.

CODE OF CONDUCT

Attock Petroleum Limited has committed itself to conduct its business in an honest, ethical and legal manner. The Company wants to be seen as a role model in the community by its conduct and business practices. All this depends on the Company's personnel, as they are the ones who are at the forefront of Company's affairs with the outside world. Every member of the Company has to be familiar with his/her obligations in this regard and has to conduct him/her accordingly.

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to.

Respect, Honesty and Integrity

Directors and employees are expected to exercise honesty, objectivity and due diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

Compliance with Laws, Rules and Regulations

The Company is committed to comply and take all reasonable actions for compliance with

all applicable laws, rules and regulations of state or local jurisdiction in which the Company conducts business. Every director and employee, no matter what position he or she holds, is responsible for ensuring compliance with applicable laws.

Full and Fair Disclosure

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any governmental authorities in the applicable jurisdiction and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

Prevent Conflict of Interest

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations



between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.

Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board and will be disclosed to the shareholders.

Trading in Company Shares

Trading by directors and employees in the Company shares is possible only in accordance

with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.

Inside Information

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or "inside" information about the Company other than in the normal performance of one's work, profession or position is unethical and may also be a violation of law.



Mehmood Kot Bulk Oil Terminal – Distt. Muzaffargarh

Directors and employees becoming aware of information which might be price sensitive with respect to the Company's shares have to make sure that such information is treated strictly confidential and not disclosed to any colleagues or to third parties other than on a strict need-to-know basis.

Potentially price sensitive information pertaining to shares must be brought promptly to the attention of the Management, who will deliberate on the need for public disclosure. Only the Management will decide on such disclosure. In case of doubt, seek contact with the CFO.

Media Relations and Disclosures

To protect commercially sensitive information, financial details released to the media should never exceed the level of detail provided in quarterly and annual reports or official statements issued at the presentation of these figures. As regards topics such as financial performance, acquisitions, divestments, joint ventures and major investments, no information should be released to the press without prior consultation with the Management. Employees should not make statements that might make third parties capable of "insider trading" on the stock market.

Corporate Opportunities

Directors and employees are expected not to:

- a) take personal use of opportunities that are discovered through the use of Company property, information or position.
- b) use Company property, information or position for personal gains.

Directors and employees are expected to put aside their personal interests in favor of the Company interests.

Competition and Fair Dealing

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors

and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information or any other unfair practice.

The Company is committed to selling its products and services honestly and will not pursue any activity that requires to act unlawfully or in violation of this Code.

Bribes, kickbacks and other improper payments shall not be made on behalf of the Company in connection with any of its businesses. However, tip, gratuity or hospitality may be offered if such act is customary and is not illegal under applicable law. Any commission payment should be justified by a clear and traceable service rendered to the Company. The remuneration of agents, distributors and commissioners cannot exceed normal business rates and practices. All such expenses should be reported and recorded in the Company's books of accounts.

Equal Employment Opportunity

The Company believes in providing equal opportunity to everyone around. The Company laws in this regard have to be complied with and no discrimination upon race, religion, age, national origin, gender or disability is acceptable. No harassment or discrimination of any kind will be tolerated; directors and employees need to adhere standards with regard to child labor and forced labor.

Work Environment

All employees are to be treated with respect. The Company is highly committed to providing

its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.



Protect Health, Safety and Security

The Company intends to provide each director and employee with a safe work environment and comply with all applicable health and safety laws. Employees and directors should avoid violence and threatening behavior and report to work in fair condition to perform their duties.

Record Keeping

The Company is committed to compliance with all applicable laws and regulations that require the Company to maintain proper records and accounts which accurately and fairly reflect the Company's transactions. It is essential that all transactions be recorded and described truthfully, timely and accurately on the Company's books. No false, artificial or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason.

Records must always be retained or destroyed according to the Company's record retention policies

Protection of Privacy and Confidentiality

All directors and employees, both during and after their employment, must respect the exclusivity and trade secrets of the Company, its customers, suppliers and other colleagues and may not disclose any such information unless the individual or firm owning the information properly authorizes the release or disclosure.

All the Company's assets (processes, data, designs, etc) are considered as certified information of the Company. Any disclosure will be considered as grounds, not only for termination of services/employment, but also for criminal prosecution, legal action or other legal remedies available during



or after employment with the Company to recover the damages and losses sustained.

Protection & Proper use of Company Assets / Data

Each director and employee is expected to be the guardian of the Company's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Company's profitability. All the Company assets should be used for legitimate business purposes only.

The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited.

Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

Gift Receiving

Directors and employees will not accept gifts or favors from existing or potential customers, vendors or anyone doing or seeking to do business with the Company

However, this does not preclude giving or receiving gifts or entertainment which are customary and proper in the circumstances, provided that no obligation could be or be perceived to be, expected in connection with the gifts or entertainment.

Communication

All communications, whether internal or external, should be accurate, forthright and where ever required, confidential. The Company is committed to conduct business in an open and honest manner and provide open communication channels that encourage candid dialogue relative to employee concerns. The Company strongly believes in a clean desk policy and expects its employees to adhere to it not only for neatness but also security purposes.

Employee Retention

High quality employee's attraction and retention is very important. The Company will offer competitive packages to the deserving candidates. The Company strongly believes in personnel development and employee-training programs are arranged regularly.



Internet use / Information Technology

As a general rule, all Information Technology related resources and facilities are provided only for internal use and/or business-related matters. Information Technology facilities which have been provided to employees should never be used for personal gain or profit, should not be misused during work time and remain the property of the Company. Disclosure or dissemination of confidential or proprietary information regarding the Company, its products or its customers outside the official communication structures is strictly prohibited.

Compliance with Business Travel Policies

The safety of employees while on a business trip is of vital importance to the Company. The Company encourages the traveler and his/her supervisor to exercise good judgment when determining whether travel to a high-risk area is necessary and is for the Company's business purposes.

It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from Management.

Compliance

It is the responsibility of each director and employee to comply with this code. Failure to do so will result in appropriate disciplinary action, including possible warning issuance, suspension and termination of employment, legal action and reimbursement to the Company for any losses or damages resulting from such violation. Compliance also includes the responsibility to promptly report any apparent violation of the provisions of this code.

Any person meeting with difficulties in the application of this code should refer to the Management.



GEOGRAPHICAL PRESENCE OF APL BUSINESS UNITS



HEAD OFFICE



BULK OIL TERMINALS



REGIONAL MARKETING & SALES OFFICES



INVOICING POINTS



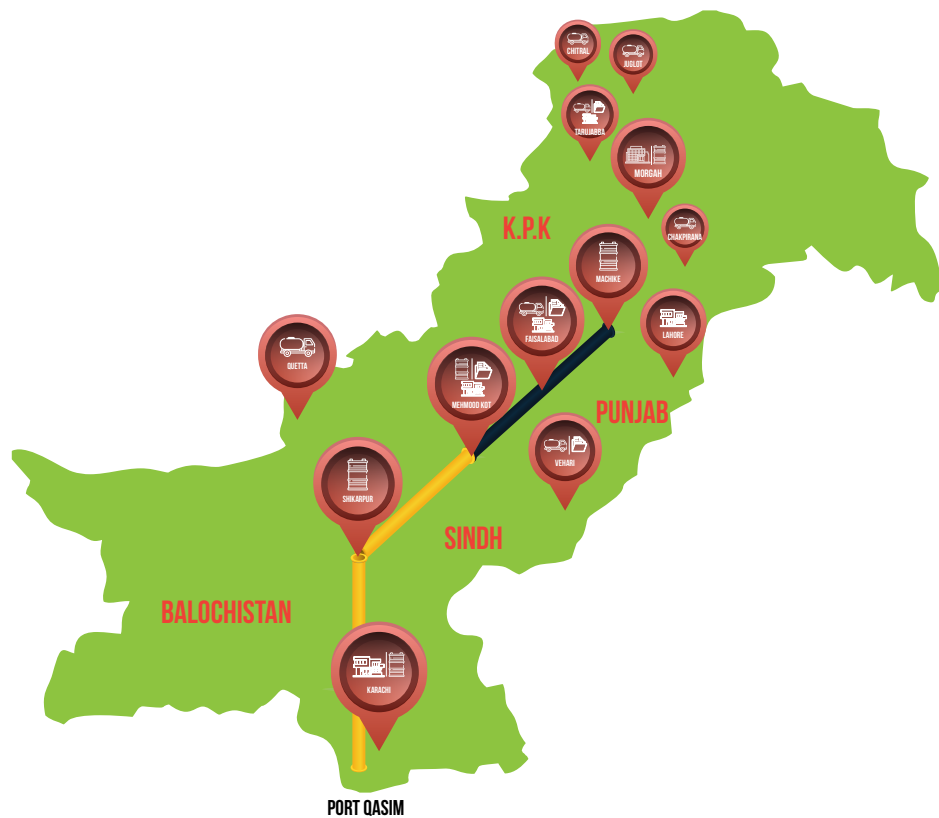
VIRTUAL DEPOTS



MEHMOOD KOT
FAISALABAD-MACHIKE
PIPELINE (MFM)



WHITE OIL PIPELINE (WOP)



HEAD OFFICE / MARKETING & SALES OFFICE

2nd, 7th & 8th Floor, Attock House
Morgah, Rawalpindi.

REGIONAL OFFICES

Karachi

308-The Forum, 3rd Floor, Block
G-20, Khayaban-e-Jami, Clifton
Karachi.

Lahore

House # 488, Block G-3
Johar Town, Lahore.

Peshawar

Plot # 256, Near Wapda Colony
Main G.T. Road, Tarujabba
Distt. Nowshera, Peshawar.

Multan

House # 13-A, Shalimar Colony
Bosan Road, Multan.

Faisalabad

House # 512, Block-C
Ameen Town, Faisalabad.

BULK OIL TERMINALS

Rawalpindi Bulk Oil Terminal

Caltex Road, New Lalazar
Rawalpindi.

Machike Bulk Oil Terminal

Mouza Dhant Pura, Machike
Distt. Sheikhpura.

Karachi Bulk Oil Terminal & CSC

c/o National Refinery Limited
Sector 7-B, Korangi Industrial Area
Karachi.

Mehmood Kot Bulk Oil Terminal

Near PARCO Refinery, Gate R-1
Mehmood Kot, Qasba Gujrat
Distt. Muzaffargarh.

Shikarpur Bulk Oil Terminal

Near PARCO Pumping Station-3
Kandhkot Road, Shikarpur.

INVOICING OFFICES

Gatti

Side Office near Dry Port Jumrah
Road, Faisalabad.

Tarujabba

Plot # 256, Near Wapda Colony
Main G.T. Road, Tarujabba
Distt. Nowshera, Peshawar.

Vehari

2nd Floor, Al-Makah Tower, Near
Sanabil CNG, Opp. PSO Depot
Vehari, Multan Road, Vehari.

Mehmood Kot

New Marketing & Commercial
Building Parco, Gate R-2,
Mehmood Kot Qasba Gujrat
Distt. Muzaffargarh.

APL GROUP STRUCTURE

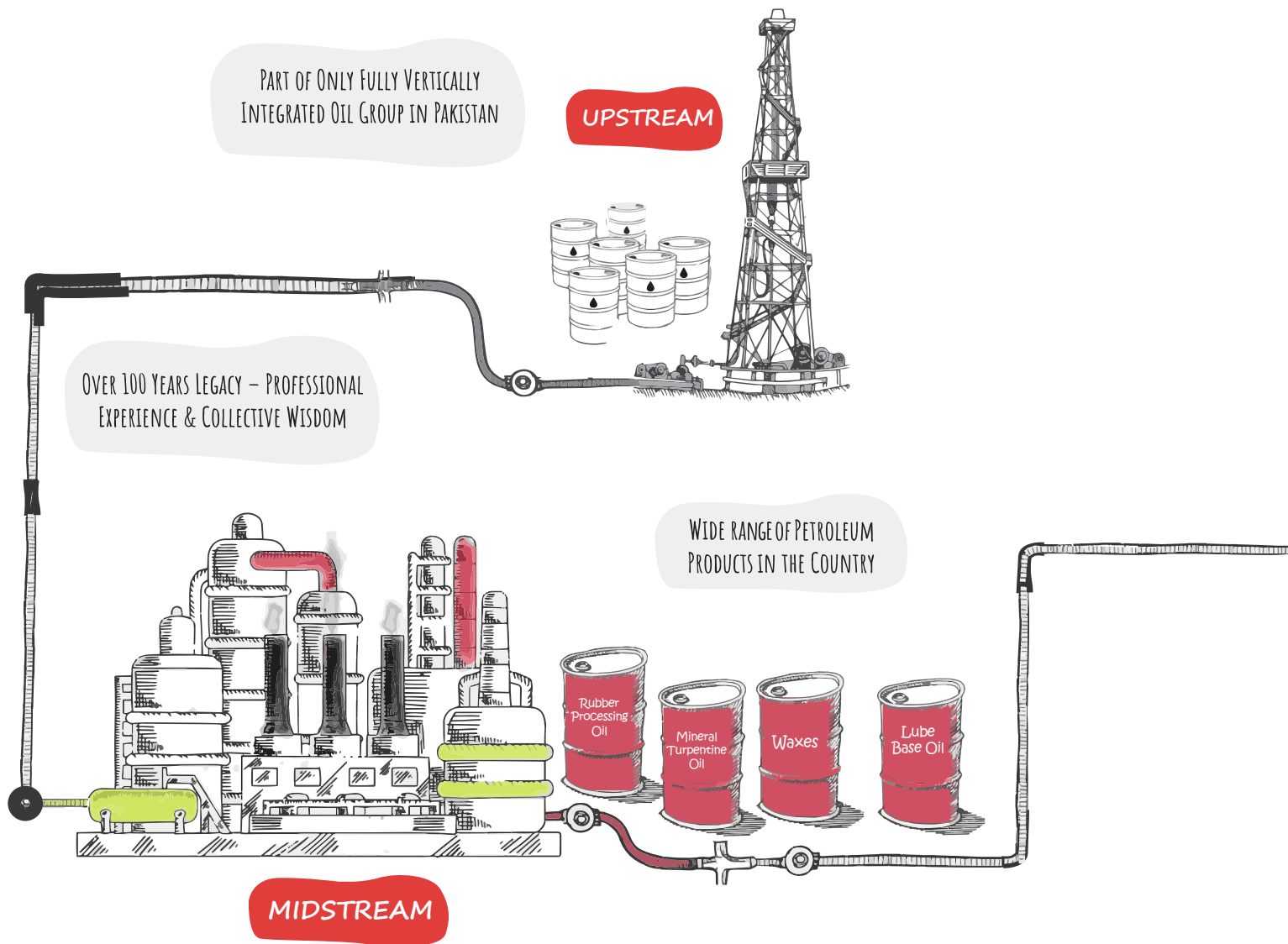
APL takes pride in its heritage being associated with the Attock Oil Group of Companies which rightly claim to be the pioneers in the Oil & Gas Sector in this part of the world, having started its operations in 1913.

Attock Group of Companies is the only fully vertically integrated Group covering all aspects of the Oil and Gas sectors of Pakistan, ranging from exploration, production, refining to marketing of a wide range of petroleum products.

Besides oil & gas, Attock Group is also involved in other diversified businesses; like cement, energy & information technology. APL's sponsors include Pharaon Investment Group Limited Holding s.a.l and Attock Oil Group of Companies.

	Nature of Relationship	Percentage Shareholding
Associate Shareholding in the Company		
Pharaon Investment Group Limited (Holding) s.a.l	Common Directorship/ Associate	34.38%
The Attock Oil Company Limited		2.2%
Attock Refinery Limited		21.88%
Pakistan Oilfields Limited		7.02%
Company's Shareholding in the Associate		
Attock Refinery Limited	Common Directorship/ Associate	1.68%
National Refinery Limited		1%
Attock Information Technology Services (Private) Limited		10%
Nil Shareholding in Associates and Vice Versa		
Attock Gen Limited	Common Directorship/ Associate	Nil
Attock Cement Pakistan Limited		Nil
Attock Leisure & Management Associates (Private) Limited		Nil
Attock Sahara Foundation		Nil
Attock Hospital (Private) Limited		Nil

VALUE CHAIN



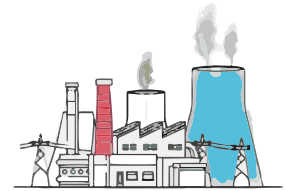
Attock Petroleum Limited (APL) is the member of only fully integrated group of Pakistan, Attock Oil Group, with operations ranging from Exploration, Refining, Distribution and Marketing of petroleum products. With a nationwide presence of over 650 Retail Outlets, APL has managed to create an eminent position in the Oil and Gas sector of Pakistan, and is a proud supplier to the Nation's Armed Forces, Aviation and various Industries.

MOST MODERN & LARGEST AVIATION FUEL FARM IN PAKISTAN AT ISLAMABAD INTERNATIONAL AIRPORT

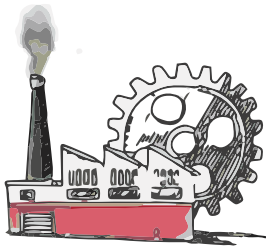


Aviation

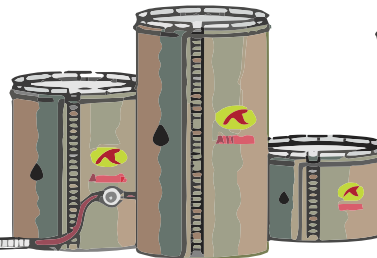
DOWNSTREAM



Power production

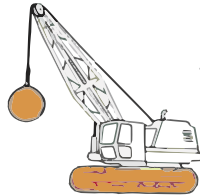


Industries



VAST & ROBUST OIL TERMINALS INFRASTRUCTURE COUNTRYWIDE

EMPOWERING NUMEROUS INDUSTRIES TO KEEP THE WHEELS OF ECONOMY CHURNING



Construction



Transport

CNG

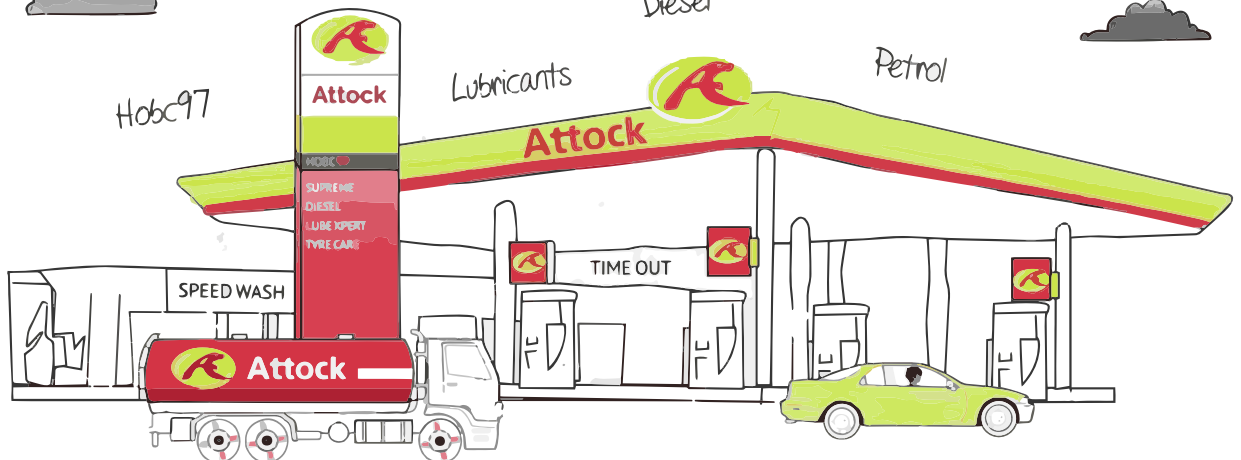
Non-fuel retail services

Diesel

Hobc97

Lubricants

Petrol



GEOGRAPHICALLY SPREAD NETWORK OF OVER 650 RETAIL OUTLETS

BRIEF COMPANY PROFILE

Attock Petroleum Limited was incorporated in Pakistan as a Public Limited Company on December 03, 1995. APL is the 4th Oil Marketing Company that was granted marketing license and commenced its operations in February 1998. The Company was listed on Pakistan Stock Exchange (formerly known as Karachi Stock Exchange) on March 07, 2005. Within a short span of time, APL has managed to establish its presence and reputation as a progressive and dynamic organization, having its focus on providing quality petroleum products and services in Pakistan and abroad, with special emphasis on meeting all safety and environment standards.

APL is the 2nd largest Oil marketing Company in Pakistan and its market share for the financial year 2018-19 is 10.8%. Our growing market share and customer confidence is a testimony to our successful policies, proactive endeavours and visionary approach.

As at June 30, 2019 the Company operates the Retail Network of 662 pumps countrywide.

PRINCIPLE BUSINESS ACTIVITIES AND MARKETS

Being part of a fully integrated oil group based in Pakistan, the Company deals in marketing and distribution of a wide range of petroleum products and serves local and international clients.

APL markets and supplies fuels to retail outlets, industries, armed forces, power producers, government/semi-government entities, developmental sector and agricultural customers etc.

KEY BRANDS & PRODUCTS

APL is engaged in the marketing and distribution of numerous petroleum products including High Speed Diesel, Premier Motor Gasoline, Furnace Oil, Bitumen, Kerosene and Lubricants etc. A range of automotive and industrial grades lubricants is offered. APL is also involved in marketing of Naphtha and LBO.

Portfolio of different products offered by the Company is detailed below:

HOBC97 | SUPREME | HIGH SPEED DIESEL

Attock SMART FUEL | Attock Lubricants | ENEOS MOTOR OIL



PRODUCT PORTFOLIO

Premier Motor Gasoline

PMG or Petrol is a transparent petroleum-derived flammable liquid that is used primarily as a fuel in spark-ignited internal combustion engines. It consists mostly of organic compounds obtained by the fractional distillation of petroleum, enhanced with a variety of additives. It is mostly used in vehicles and household generators.

High Speed Diesel

Diesel fuel is any liquid fuel used in diesel engines, whose fuel ignition takes place, without any spark, as a result of compression of the inlet air mixture and then injection of fuel. It is used in industrial generators, cement factories and vehicles etc.

Furnace Fuel Oil

Furnace fuel oil is an industrial fuel. Furnace oil is used for power generation, boilers, furnaces, air preheater, other heaters and for bunkering and feedstock in fertilizer plants.

Residual Furnace Fuel Oil

Residual furnace fuel oil is a special high viscosity residual oil requiring preheating. This fuel is specially manufactured for power plants.

Superior Kerosene Oil

Super kerosene oil is less smoky oil and has high heat content and gives better illumination. Kerosene is used in many industries around the world as a fuel for illumination, heating & machinery cleaning purpose.

Jet Petroleum

Jet fuel is a type of aviation fuel designed for use in aircraft powered by gas turbine engines. It is most commonly used fuels for commercial aviation are JP-1 and JP-8 which are produced to a standardized international specification.

Light Diesel Oil

Light diesel oil is a blend of distillate components and a small number of residual components. It serves to run construction, petroleum drilling and other off road equipment; and to run prime movers in a wide range of power generations, industrial boilers, vessels with high & medium speed engines.

Solvent Oil

Solvent Oil is used to dissolve other substances during industrial processes. This petrochemical is used extensively in the production of paint, print ink, agricultural chemicals, for dyeing, curing homesickness, dry cleaning, and treatment of furs etc. It is also used as a high purity catalyst.

Mineral Turpentine Oil

Mineral turpentine oil is a colorless petroleum solvent, used as a solvent for textile printing, dry cleaning and metal degreasing, insecticidal formulations, polish manufacture, thinner, oil soluble and as a rust inhibitor.



icants

Diesel

Attock

Naphtha

Naphtha is a flammable liquid mixtures of hydrocarbons i.e. a component of natural gas condensate or a distillation product. Some uses of naphtha gas are as a fuel for camp stoves and blowtorches, providing light in gas lanterns.

Cutback Asphalts

Cutback asphalt is manufactured by blending asphalt cement with a solvent. There are two major types based on the relative rate of evaporation of the solvent. It is used for prime coat, surface treatment, stock pile patching mixes etc.

Bitumen

The primary use of Bitumen is in road construction. Bitumen is further treated with polymer which improves consistency, reduce temperature susceptibility, improves stiffness & cohesion, improves flexibility resilience and toughness, and improves binder aggregate adhesion. It is used in construction of highways.

Jute Batching Oil

Jute batching oil is predominantly used in the jute industry for making jute fiber pliable. It also finds application as wash oil in the steel industry and is also used by processors to produce various industrial oils.

Lubricants

Lubricants are either fully synthetic, semi-synthetic or mineral. The major part of a lubricant is composed of base oils while the remaining part are oil additives which help to protect your engine against wear and corrosion and keep it clean. Use of lubricant is to reduce the overall system friction.

Waxes

Waxes are mainly consumed industrially as components of complex formulations, often for coatings. The main use of waxes is in the formulation of colorants for plastics and within the candle industry etc.

Rubber Processing Oil

Rubber processing oil is commercially used to produce products ranging from rubber bands to toys to tyres of various vehicles including aircrafts.

Lube Base Oil

Lube base oils are used to manufacture products including lubricating greases, automotive & industrial lubricants and metal processing fluids. It is mostly used in motorized vehicles, where it is known specifically as motor oil and transmission fluids.



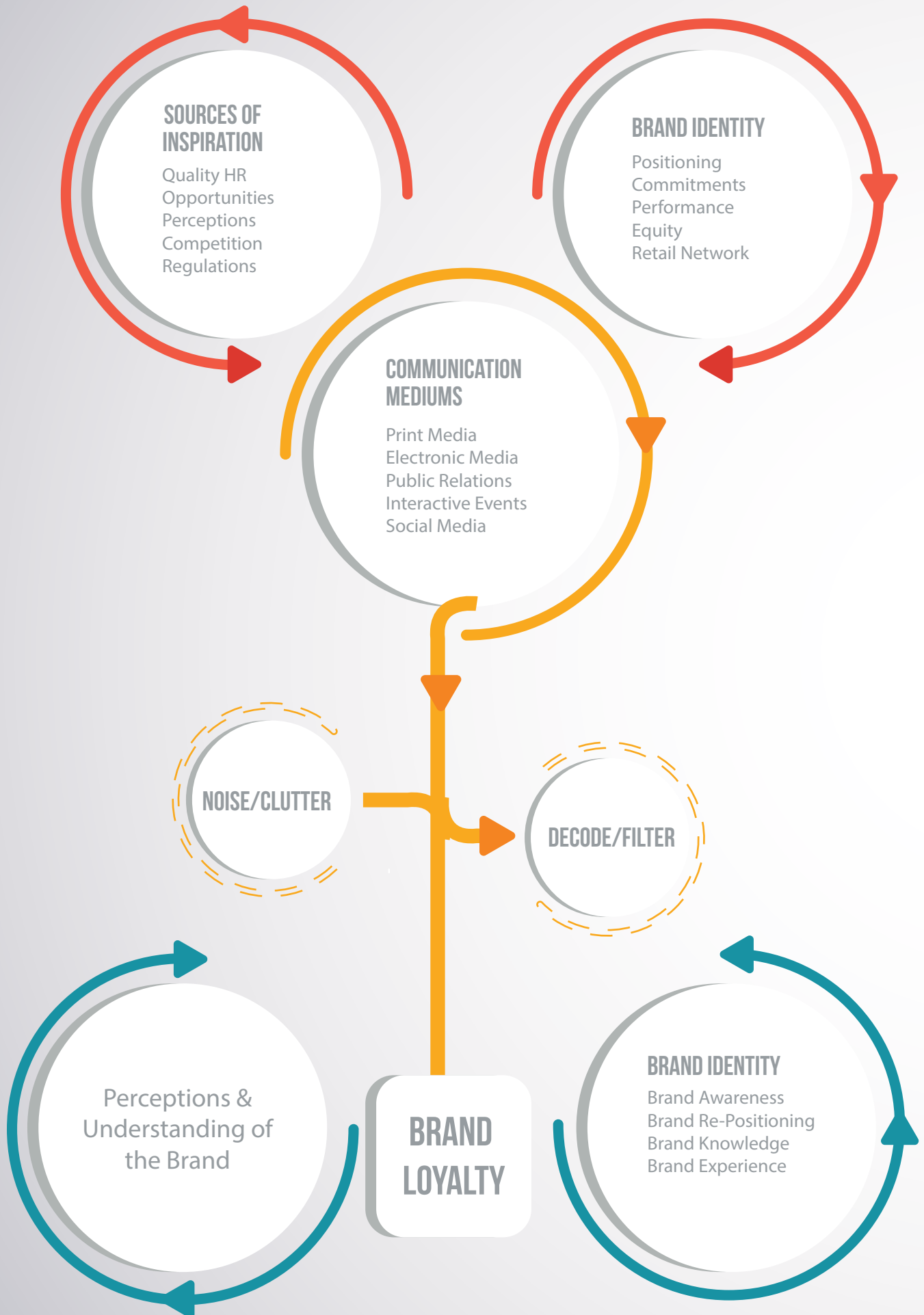


هر موسم ميں | هر جگه | آپ کے ساتھ
آپ کے انجن کا دوست

SUPERIOR ATTOCK LUBRICANTS



OUR BRAND STRATEGY



OUR TEAM



COMPETENT

Our panel of experts have an in-depth knowledge of petroleum products, the legal & regulatory framework within the country, the safety & handling processes; the complete skill-set.

OPTIMISTIC

“Not Possible” does not exist in our dictionary. Powered by the deep knowledge within their fields; our employees always take a challenge head-on! We truly believe that every problem has an optimum solution – and we are here to develop it for you.

DEDICATED

At APL, we do not rest till we achieve the desired goals. Having the knowledge, the positive approach, the utmost support & motivation from the management; we create synergies which ultimately culminate in extra-ordinary bench-marks.

MOTIVATED

The motivation is triggered by having a thorough grasp of the operational dynamics of fuel supplies & having the constant support & guidance of the management; resulting in an insatiable drive to get the job done!

**“We are what we repeatedly do.
Excellence, then is not an act but a habit”
- Aristotle**

CHAIRMAN'S REVIEW



It brings me immense pleasure to welcome the prestigious shareholders to the 24th Annual General Meeting of the Company and to present Company's annual report and audited financial statements for the year ended June 30, 2019. I would like to appreciate the performance of the Board of Directors in devising excellent tactical, operational and financial strategies for the Company utilizing their broad visions, in depth knowledge and vast market experience in this difficult time for the Country as a whole.

Focusing on translating the vision and core values of the business into tangible results, the Board of Directors equipped the Company with all necessary resources to maximize shareholders' value and encouraged the management to convert challenges into opportunities mitigating the associated risks. Best practices of corporate governance have been embedded into the Company's culture to maintain highest level of professionalism and business conduct. Risk management framework, effective internal controls and

audit functions have been implemented to ensure that the day-to-day operations follow the overall strategy formulated by the Board. Best utilization of the available resources remained at the core of operations to achieve the best results under the given circumstances.

The year 2018-19 was contentious from many aspects which had its impact on the global economy. Several macroeconomic and geopolitical factors influenced the international oil prices which remained volatile during the year. The highs and lows in oil prices resulted in an environment of uncertainty which affected overall economy in general and our business in particular.

Changing government policies, reduced economic and infrastructural activities, slow business growth, decline in foreign investment, rising unemployment and variations within the duties and taxes regime negatively affected the economic outlook of the Country.

These factors have badly affected the energy sector particularly oil industry leading to a slump in the industry-wide sales volumes. Reliance on LNG and Coal for power production decreased the sales of Furnace Oil while country-wide decreased economic activity and inflow of smuggled product hit the sales volume of High Speed Diesel.

Pakistan remains a petroleum importing country on the backdrop of limit local production. The energy requirements of the Country are, therefore, met using import channels. Prices of petroleum products also increased within the Country due to reliance on imports. Further, massive depreciation of Pakistani Rupee against the US Dollar during rising prices made the imports expensive and substantial exchange losses were incurred. Slight growth of 2% have been recorded in industry volume of Premier Motor Gasoline, however, APL increased sales volume of Premier Motor Gasoline by 13%, meeting the increased demand due to reduced availability of CNG via high-priced imports. Where the total sales volume of industry witnessed a decrease of 23%, sales volume of Attock Petroleum Limited decreased by merely 11% and the Company managed to increase its market share from 9.7% in 2017-18 to 10.8% in 2018-19. Increase in operating expenses and record foreign exchange losses adversely affected the profitability and the Company earned profit after tax of Rs 3,961 million (2017-18: Rs 5,656 million). These results translate into earnings per share of Rs 39.79 (2017-18: Rs 56.83). The intelligent decision-making of the management under the leadership of the Board and the team effort of the employees of the Company ensured that the Company remains focused on generating sustainable returns even in times of various challenges. The Company shall further progress and management is capable of delivering continuous excellent performance in the times to come.

The Company has incurred significant capital expenditure to the tune of Rs 2,523 million to further strengthen its infrastructure by establishing new and enhancing its existing bulk oil terminals. Increase in bulk storage

capacity has been achieved by successful commissioning of Shikarpur Bulk Oil Terminal while construction of terminals at Sahiwal and Daulatpur has been completed which shall commence their operations soon. The additional storage capacities spread across different regions shall help to achieve cost advantages, process efficiencies ensuring timely delivery of quality products to our clientele. The Company successfully stepped into the Aviation business with the official commissioning of fuel farm at Islamabad International Airport in collaboration with another OMC last year. The venture has proved successful where sale of Jet Petroleum to national and international carriers has added another revenue stream for the Company.

Besides creating wealth for the shareholders, APL actively plays role for the benefit of the society and the environment and being a good corporate citizen, has always maintained its image and reputation of playing its role towards corporate social responsibility. Moving forward, I have confidence in the Board and the management to shape the Company in such a manner that potential opportunities are utilized to our benefit and continued success remains our fate.

Finally, I would like to appreciate and extend gratitude for the support received by the Company from the Ministry of Energy, other Government organizations, customers, suppliers and contractors. Shareholders also deserve recognition for their confidence and trust in the Company and our Board of Directors and employees for their untiring endeavors and contribution that have made achievements to date possible and hope that with joint dedication we can lead our Company to new heights of success.



Laith G. Pharaon
Chairman

Dubai, U.A.E.
July 29, 2019

GOVERNANCE

Attock Petroleum Limited has established state of the art retail outlets, where the concept of all facilities under one roof is reflected.

At these retail outlets, our customers get to experience world class facilities of refuelling their vehicles in a friendly and secure environment at all times.





BOARD OF DIRECTORS



Mr. Laith G. Pharaon
Chairman
Non Executive Director



Mr. Wael G. Pharaon
Non Executive Director



Mr. Babar Bashir Nawaz
Non Executive Director



Lt Gen (Retd.) Javed Alam Khan
Independent
Non Executive Director



Mr. Shuaib A. Malik
Chief Executive Officer
Executive Director



Mr. Abdus Sattar
Non Executive Director



Mr. Mohammad Raziuddin
Independent
Non Executive Director



Mr. Iqbal A. Khwaja
Alternate Director to
Mr. Laith G. Pharaon
Non Executive Director



Mr. Rehmat Ullah Bardaie
Alternate Director to Mr. Wael G. Pharaon
& Company Secretary
Executive Director

PROFILE OF BOARD OF DIRECTORS



Mr. Laith G. Pharaon
Chairman
Non Executive Director

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Laith holds a graduate degree from the University of Southern California.

Other Engagements
Chairman & Director

The Attock Oil Company Limited
Attock Cement Pakistan Limited

Director

Pakistan Oilfields Limited
Attock Refinery Limited
National Refinery Limited
Attock Gen Limited



Mr. Wael G. Pharaon
Non Executive Director

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Wael holds a graduate degree. He is a Director on the Board of various Companies in the Attock Group of Companies.

Other Engagements
Director

The Attock Oil Company Limited
Pakistan Oilfields Limited
Attock Refinery Limited
Attock Cement Pakistan Limited
National Refinery Limited
Attock Gen Limited



Mr. Shuaib A. Malik
Chief Executive Officer
Executive Director

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around four decades. He started his career as an Executive Officer in The Attock Oil Company Limited in July 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA.

Other Engagements

Chairman, Chief Executive Officer, Director & Alternate Director

Pakistan Oilfields Limited

Chairman, Director & Alternate Director

Attock Refinery Limited

National Refinery Limited

Group Chief Executive

Chief Executive Officer & Director

The Attock Oil Company Limited

Director & Alternate Director

Attock Cement Pakistan Limited

Attock Gen Limited

Resident Director

Pharaon Investment Group Limited (Holding) s.a.l



Mr. Abdus Sattar
Non Executive Director

Mr. Abdus Sattar has over 35 years of Financial Management experience at key positions of responsibility in various Government organizations / ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses/leakages and fixation of gas and POL prices. After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board. While working as Financial Advisor in Ministry of Petroleum he also served as Director on a number of boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about seven years. He is a fellow member of Institute of Cost and Management Accountant of Pakistan (ICMAP) and was also nominated as council member of ICMAP for the three years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended many advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad.

Other Engagements

Director

Pakistan Oilfields Limited

Attock Refinery Limited

Attock Cement Pakistan Limited

National Refinery Limited



Mr. Babar Bashir Nawaz
Non Executive Director

Mr. Babar has over 30 years of experience with the Attock Group of Companies. During this period he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Pakistan Limited in 2002. Mr. Bashir holds a Master's degree in Business Administration from the Quaid-e-Azam University in Islamabad and at present is also a Director on the Board of all the listed companies of the Group in Pakistan. He has attended various courses, workshops and seminars in Pakistan and abroad on the business management and has substantial knowledge of the cement industry in Pakistan. Currently he is also a member of the Management Committee of the Overseas Investors Chamber of Commerce and Industry and the All Pakistan Cement Manufacturing Association.

Other Engagements

Chief Executive Officer & Director

Attock Cement Pakistan Limited

Alternate Director

Pakistan Oilfields Limited

Attock Refinery Limited

National Refinery Limited



Lt General Javed Alam Khan (Retd.)
Independent
Non Executive Director

Lt General Javed Alam Khan was commissioned in Pakistan Army in April 1971 and subsequently joined the Armoured Corps – 24 Cavalry (Frontier Force) in 1972. He is a graduate of Armour Officer Advance Course, Fort Knox (USA), Command and Staff College, Camberley (UK), National Defense College, Islamabad and INSEAD, France. He holds a Master's degrees in War Studies. During the tenure of his service, the General has held various command, staff and instructional appointments which include General Staff Officer-3 (Intelligence) in an Independent Armoured Brigade Group, Instructor School of Armour, Brigade Major of an Infantry Brigade, Commandant 24 Cavalry (Frontier Force), Directing Staff Command and Staff College Quetta, Army Advisor High Commission of Pakistan, United Kingdom, Commander of an Armoured Brigade and an Infantry Brigade, General Officer Commanding of an Infantry Division, Director General Analysis, Directorate General Inter Service Intelligence. His military career of nearly 35 years achieved its peak when appointed as Commander of a Strike Corps followed by his retirement in April 2006.

After his retirement from Pakistan Army, he was appointed as CEO/MD of Fauji Kabirwala Power Company Limited and also served as CEO/MD of Fauji Cement Company Limited from September 2008 to February 2011.

In recognition of his meritorious services, he has been awarded Hilal-e-Imtiaz (Military).



Mr. Mohammad Raziuddin

**Independent
Non Executive Director**

Mr. Mohammad Raziuddin has over 30 years of rich experience in the energy sector. He holds a Master's Degree in Engineering from University of Detroit, Michigan, USA and did his MBA from Syracuse University, New York, USA. During his career, he has held top-level advisory positions in various organizations within the Country and also served as Technical Advisor in Saudi Arabia, Pakistan and Bangladesh. He has served as the CEO of Attock Refinery Ltd. and Managing Director, OGDCL. He has extensive knowledge and vast experience in energy consultancy, oil refining, exploration and production, petroleum marketing etc.



Mr. Iqbal A. Khwaja

Alternate Director to Mr. Laith G. Pharaon

Mr. Iqbal Ahmad Khwaja is a Bachelor of Commerce from Karachi University and to obtain a professional degree, he proceeded to UK to qualify as Chartered Accountant from England and Wales. On his return from UK, he served with Attock Group of Companies for nearly thirty years in various capacities. He has been Chief Financial Officer and Corporate Secretary of Pakistan Oilfields Limited (POL), for many years. He rose to the position of its Deputy Chief Executive and also served on the Board of POL. He has also been CEO of POL's subsidiary Attock Chemicals (Pvt) Limited and CAPGAS (Pvt) Limited. During his tenure with the Group, he attended many national and international courses and seminars to remain up-to-date with his professional knowledge. Due to his knowledge and vast experience, he has been retained by The Attock Oil Company Limited, in the capacity of an advisor.



Mr. Rehmat Ullah Bardaie

Alternate Director to Mr. Wael G. Pharaon & Company Secretary

Mr. Rehmat Ullah Bardaie is associated with Attock Group of Companies since June 1997 and has been part of the various assignments / projects undertaken from time to time. Presently, he is holding the charge of General Manager (Finance and Accounts) and Company Secretary. He has attended various financial management courses, training programs, seminars and conferences in Pakistan and abroad. He is a fellow member of The Institute of Chartered Accountants of Pakistan, The Institute of Cost and Management Accountants of Pakistan and Association of Chartered Certified Accountants (UK).

Other Engagements

Alternate Director
Attock Gen Limited

Company Secretary

The Attock Oil Company Limited

BOARD COMMITTEES & CORPORATE INFORMATION

Board Audit Committee

- | | |
|-----------------------------------|----------|
| 1. Mr. Mohammad Raziuddin | Chairman |
| 2. Mr. Abdus Sattar | Member |
| 3. Mr. Babar Bashir Nawaz | Member |
| 4. Lt Gen (Retd.) Javed Alam Khan | Member |

Human Resource & Remuneration Committee

- | | |
|---------------------------------------------------------------------------|----------|
| 1. Mr. Mohammad Raziuddin | Chairman |
| 2. Mr. Shuaib A. Malik | Member |
| 3. Mr. Iqbal A. Khwaja
(Alternate director to
Mr. Laith G. Pharaon) | Member |

Auditors

A. F. Ferguson & Co.
Chartered Accountants, Islamabad.

Registered Office

Attock House, Morgah, Rawalpindi.

Legal Advisor

Ali Sibtain Fazli & Associates
Mall Mansion, 30-The Mall, Lahore.

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S, Main Shakra-e-Faisal
Karachi.
Tel: +92-21-111-111-500
Fax: +92-21-34326053
Customer Support Service:
(Toll Free) 0800-CDCPL (23275)

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Correspondence Address

Attock House, Morgah
Rawalpindi, Pakistan.
Tel: +92-51-5127250-54
Fax: +92-51-5127255
Email: contact@apl.com.pk
Website: www.apl.com.pk



WHISTLE BLOWER PROTECTION MECHANISM POLICY

Whistle blower means an employee who reports a concern to management about illegal activities or a breach of code of conduct.

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation. The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound, effective and efficient internal control system and operational procedures.

All employees have signed a code of conduct and the Company takes any deviation very seriously.

Employees should report in good faith about illegal or unethical conduct. The Company encourages Whistle Blowing to raise the issue directly to Chairman Audit Committee and / or to Chief Executive and / or to the Company Secretary provided that:-

- The Whistle Blower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his own end;
- The Whistle Blower understands that his act will cause more good than harm to the Company and he/ she is doing this because of his loyalty with the Company, and
- The Whistle Blower understands the seriousness of his /her action and is ready to assume his / her own responsibility.

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal to any of the above offices.

Allegations made by the whistle blower shall be investigated and claims made will be probed and scrutinized fairly. The Management reserves the right to put forth the claims made by the whistle blower, as they deem appropriate.



JAPAN'S No.1
OIL COMPANY



BOARD COMMITTEES AND THEIR TERMS OF REFERENCE





Board Committees

The management is committed to follow the principles of good Corporate Governance and being a responsible corporate entity it believes in transparency of system for effective monitoring and to enhance governance process. Keeping in view the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017, the Board has revised the terms of reference of Audit Committee and Human Resource and Remuneration Committee. The following Board Committees have been formed to assist the Board in fulfilling its responsibilities.

Audit Committee

The Audit Committee reviews the financial and internal reporting processes, the system of internal control, management of risk and the internal and external audit processes. The Audit Committee ensures that the Company



has a sound system of internal financial and operational controls. It assists the Board in discharge of its fiduciary responsibilities. The Audit Committee reviews the periodical statement of the Company before their respective presentation to the Board and ensures implementation of relevant controls for the integrity of the information. The Committee recommends to the Board of Directors the appointment of external auditors and discusses major observations with the external auditors arising from interim review and final audit. In doing so, Committee also reviews the management letter issued by the external auditors and management's response thereto. The Committee also goes through the legal matters which may significantly impact the financial statements and ensure compliance with relevant statutory requirements. Besides this, monitoring compliance with the best practices of corporate governance, investigating any violations thereof and ensuring coordination between internal and external auditors are also the main responsibilities of the Audit Committee.

Human Resource & Remuneration Committee

The Board has established Human Resource and Remuneration Committee which is responsible for recommending human resource management policies. The Committee is also responsible for recommending the selection, evaluation,

LET'S UNITE FOR A PROSPEROUS PAKISTAN



FUELING THE NATION'S SPIRIT

compensation (including retirement benefits) of key management personnel and for consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer.

Budget Committee

The Committee comprises of three directors and their responsibility is to assist the Board in formulating the annual budget and forecasts and reviewing analysis of actual performance

with those budgeted/ forecasted. The Committee also keeps an eye on the developments and trends in the industry to assist the Board in planning for future capital intensive investments and growth of the Company.

Share Transfer Committee

The Committee consists of three directors and is responsible for dealing with matters relating to the shares of the Company like transfers, issuance of new shares and related legal and regulatory requirements.





MANAGEMENT COMMITTEES

Executive Committee

Consist of all departmental heads and chaired by the CEO, they meet regularly to coordinate the activities, accomplishments and other pertinent issues.

Retail Outlet Development Committee

Responsible for recommending proposals for setting up retail outlets and reviewing progress.

Budget Committee

Reviews and recommends the annual budget proposals and discusses deviations with the departmental heads.

Information Technology Committee

Responsible for automation of process and system in line with latest technology and developments.

Pricing Committee

Reviews and recommends the pricing of deregulated products on regular intervals.

Safety and Technical Committee

Reviews and monitors, the safety, health and environment matters for safe operations and better environment and matters relating to technological problems and operational risks affecting the business.

DIRECTORS' REPORT



MR. SHUAIB A. MALIK
CHIEF EXECUTIVE OFFICER

“ The Company managed to increase its market share from 9.7% to 10.8% thereby performing better than most of the competition. ”

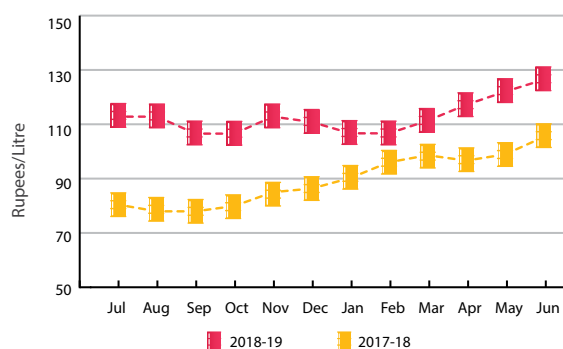
FINANCIAL PERFORMANCE

During the year under review, the Company recorded net sales revenue of Rs 223,054 million, resulting in an increase of 26% as compared to last year (2017-18: Rs 177,217 million). Significant increase in prices of petroleum products led to this increase in sales revenue. The overall industry sales volume witnessed a decrease of 23% due to deteriorating economic indicators, slow business growth and availability of alternate fuels for power generation. However, sales volume of the Company dropped merely by 11%. Consequently, the Company managed to increase its market share from 9.7% to 10.8% thereby performing better than most of the competition. Proactive approach and dedicated efforts by the management through intelligent decision making and ensuring a seamless supply chain along with effective stock management has led to achievement of this increment in market share. Intense competition coupled with purchase of imported products at comparatively higher prices during rising price trend adversely affected the profitability of the Company leading to decrease in gross profit by 16%. Substantial increase in operating expenses including exchange loss of Rs 762 million, decrease in net finance income and share of loss of associates negatively affected the net profitability of the Company. Resultantly, the Company earned profit after tax of Rs 3,961 million (2017-18: Rs 5,656 million). The net profit translates into earnings per share of Rs 39.79 (2017-18: Rs 56.83).

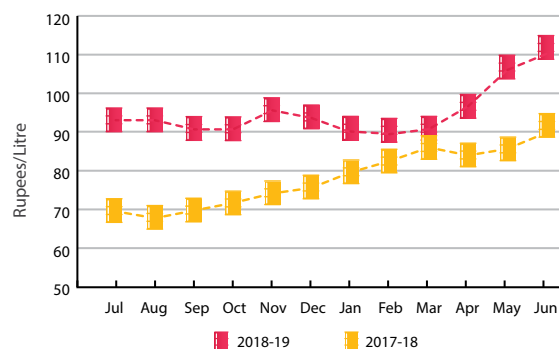
Financial results and appropriations for the year ended June 30, 2019 have been summarized below:	Rs in Million
Profit before taxation	5,723
Less: Provision for taxation	(1,762)
Profit after taxation	3,961
Add: un-appropriated profit as at July 01, 2018 (adjusted)	16,959
Add: Transfer from special reserve by associated companies	30
Less: Other comprehensive loss for the year	(3)
Profit available for appropriation	20,947
Less: Appropriations during the year	
Final cash dividend for the year 2017-18 @ 250% (Rs 25/- per share of Rs 10/- each)	2,074
Transfer from reserve for issue of bonus shares in the proportion of one share for every five shares held i.e. 20%	166
Interim cash dividend for the year 2018-19 @ 100% (Rs 10/- per share of Rs 10/- each)	995
	3,235
Balance as at June 30, 2019	17,712
Subsequent Effects:	
Final cash dividend for the year 2018-19 @ 100% (Rs 10/- per share of Rs 10/- each)	995
	16,717

PRICE TREND ANALYSIS

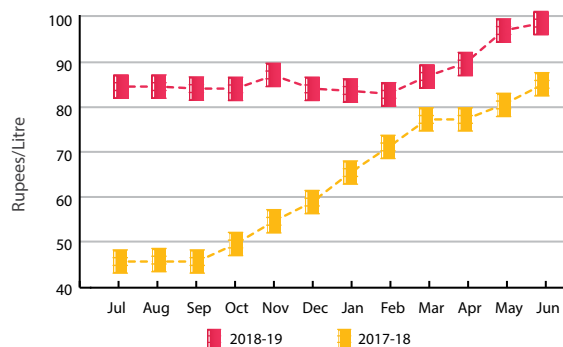
HIGH SPEED DIESEL



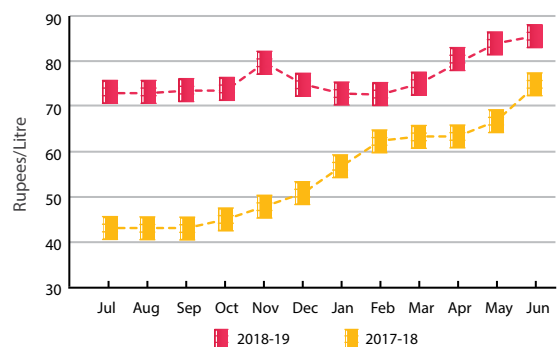
PREMIER MOTOR GASOLINE



KEROSENE OIL



LIGHT DIESEL OIL



Dividend

The Board has recommended a final cash dividend @ 100% (Rs 10/- per share of Rs 10/- each) out of the profits for the year ended June 30, 2019. This is in addition to the interim cash dividend @ 100% (Rs 10/- per share of Rs 10/- each) already declared and paid to the shareholders, thus making a total of 200% cash dividend for the year under review.

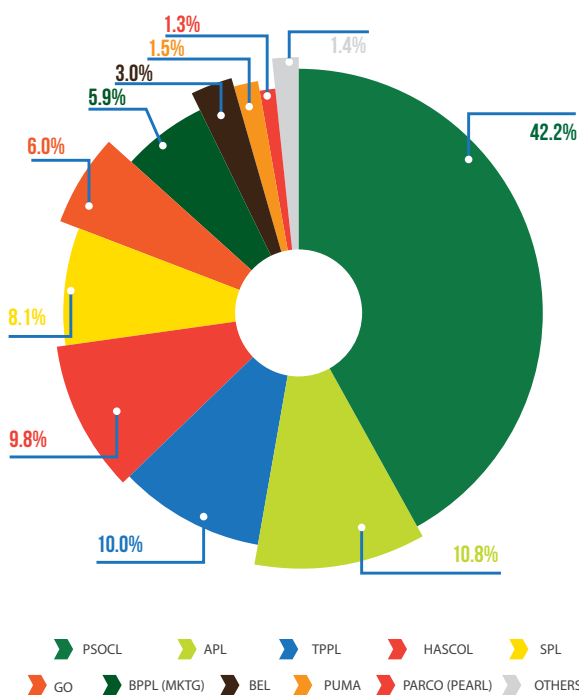
Contribution towards National Exchequer and Economy

The Company contributed Rs 60,034 million towards national ex-chequer in the form of taxes and levies thus serving its community and nation. Expansion of its network of retail outlets and distributors by including remote and far flung localities in the development plan has led to generation of employment in those areas and the quality of life of the local populace is being improved.

Liquidity Management, Financing arrangements & Strategies to overcome financial problems

During the year under review, cash and cash equivalents decreased by Rs 1,278 million. The cash was used mainly for purchase of property, plant & equipment, payments of petroleum products and operating expenses. Cash and cash equivalents at year end were Rs 2,920 million. Availability of funds is ensured by employing different methods including financial projections which are updated on a regular basis to stay up-to-date with the liquidity requirements. The Company has sufficient borrowing capacity and is adequately geared to meet its future commitments and development plans. Due to increase in working capital requirements and on-going projects, the Company availed running finance facility during the year. The Company has various standby arrangements with financial institutions to ensure smooth continuation of the operations.

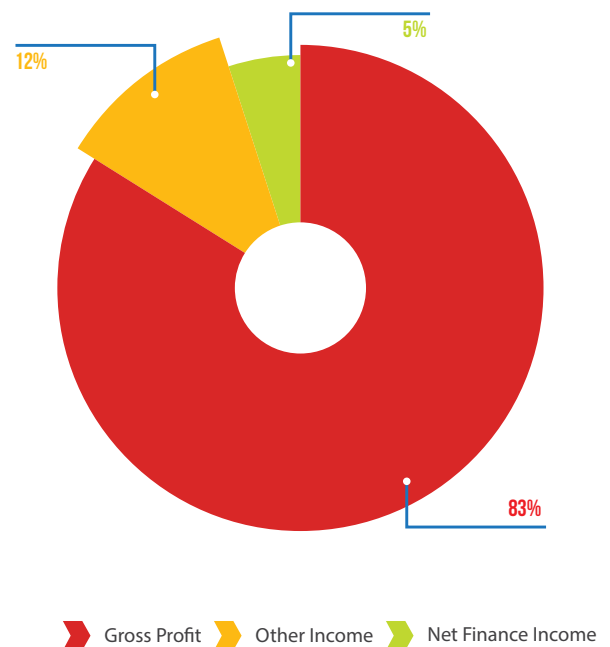
OVERALL MARKET SHARE



*ZOOM, OTO, ASKAR, ZMOPL, HORIZON, ANPL, QUALITY 1

Source: Oil Companies Advisory Council (OCAC)

REVENUE CONTRIBUTION



Capital Structure

The capital of the Company is entirely structured on equity finance. There was no change in the capital structure during the year and the management is of the view that the capital structure is appropriate for the foreseeable future.

As the entire capital structure is equity financed, hence no default in payments of any debts was observed.

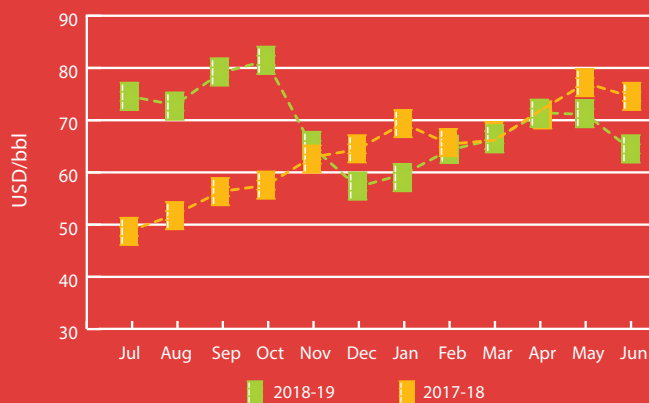
Significant Changes in Financial Position and Liquidity from last year

As at June 30, 2019, total assets increased to Rs 46,403 million and total liabilities increased to Rs 27,476 million. Focusing on increasing its storage capacity, the Company invested substantial amount of Rs 2,439 million for purchase of land and construction of bulk oil terminals and retail

outlets which resulted in increase in non-current assets from Rs 7,983 million to Rs 9,300 million. A decrease of Rs 926 million was observed in net current assets, resulting into Rs 10,420 million at the year end.

Cash inflow from operating activities for the year was Rs 2,998 million as compared to cash outflow of Rs 1,030 million last year mainly due to excess cash receipts from customers against payments to suppliers. Outflow of Rs 2,523 million was recorded from investment in property, plant and equipment. Encashment of short term and other long term investments resulted in inflow of Rs 1,135 million while income earned on investments resulted in an inflow of Rs 525 million. Total cash out flow of Rs 790 million was recorded from investing activities. Outflow relating to dividend was Rs 3,493 million (2017-18: Rs 3,089 million).

BRENT CRUDE OIL



MARKET AND INDUSTRIAL REVIEW

Global

Oil prices have remained extremely volatile throughout the year 2018-19. Brent Crude Oil peaked its maximum at 86.07 USD/bbl during the first quarter of the year under review. The end of second quarter witnessed the lowest point in terms of price where the price fell to as low as 50.57 USD/bbl leading to heavy inventory losses worldwide. Several macroeconomic and geopolitical factors



have contributed to this fluctuation including but not limited to the US sanctions on Iran, supply disruption in Venezuela, unexpected US oil production statistics, trade tensions with China, continuity of unrest within the Middle East and Arab countries. The industry has been supported to some extent with the prices gradually rising again during third quarter. This, however, may not prolong due to increasing war tensions between US and Iran. The industry also has to face the challenges of the energy sector transitioning towards new technologies, non-fossil and environment friendly energy sources; the pace and magnitude of which is remarkable. Keeping up with the growing pace of energy sector and looking towards the future of energy in this constantly changing landscape, it has become a necessity for the oil and gas sector to remain on the forefront of innovative techniques and adapt to the changing dynamics of the industry.

Domestic

The price of POL products in the Country depend highly on the price parity of US Dollar (USD) to Pakistani Rupee (PKR) as Pakistan

remains a petroleum importing country. Fluctuation in the price of petroleum products in the international market coupled with massive devaluation of the PKR against the USD, the petroleum product prices in the Country have been extremely volatile over the last year. The industry experienced inventory losses in the second quarter whilst the consumers have had to suffer from steep increase in fuel prices in the third and fourth quarters. Furthermore, the overall sales volume for High Speed Diesel has seen a significant drop of 19% as compared to last year general economic slowdown our Country has fallen prey to.

The changing policies of the new government, imposition and changes within the duties and taxes structures, slump within the construction segment and non-investment in mega projects, instability in the USD exchange rate, changes within the overall economic regime and operational dynamics are some of the major factors contributing to the overall negative growth from the previous year. RLNG and coal has taken over the Furnace Oil (FO) market and as a result of which, the demand for FO has diminished considerably. Imports of products specifically Premier Motor Gasoline (PMG) also faced many operational challenges; congestion at ports resulted in time delays as well as financial exposure due to demurrages etc.



COMPANY'S SALES AND MARKETING REVIEW

The oil industry in Pakistan has witnessed ever-increasing challenges within the year. Evolving regulatory framework, variations within the duties and taxation regime, high volatility of international crude oil prices, rapid depreciation of the PKR against the USD, new government causing uncertainties within the business community of the Country, influx of new marketing licenses issued by the Authority and reduced economic and infra-structural activities/projects etc. all played a major role in shaping up the performance for the year.

During the year under review, despite stiff competition from new entrants and many variables, the Company was able to increase its market share and standing within the industry. Industry wide HSD sales volumes reduced by 19% this year due to many factors while APL recorded a decrease in volume of only 7%, causing APL's market share in the product to increase to 10.5%. PMG market has witnessed a slight growth during the year due to limited availability of Compressed Natural Gas (CNG). The average growth for the industry was merely 2%, whereas APL again surpassed and observed a growth of 13% due to clear goals and visionary guidance



from senior management. The Company also completed all its contractual obligations by safely and timely deliveries to the defense services and was officially appreciated by the headquarters for unmatched services and customer care.

Similarly, due to better quality and premium services across all the business sectors, handling the widest product portfolio within the industry, APL increased its client-base and currently ranks as the second largest OMC in the country w.r.t aggregate market share i.e. 10.8%. The economic slowdown of the business activities across the Country remained a factor contributing towards the overall slump within the industry. However, positive recovery is expected in the upcoming financial year.

The consumption and application of bitumen has drastically reduced as compared to last year. This decrease is primarily attributable to decrease in infrastructure and development projects. Influx of lower priced smuggled Bitumen in the market is also contributing to decline in sales of local product. APL continued to be a supplier of choice in terms of Bitumen supplies for geo-politically and strategically important construction projects like the Kartarpur Corridor/ Lahore Sialkot





Motorway/ Swat Motorway etc. securing a market share of 71% which represents a growth of around 9% despite substantially reduced consumption overall.

Like any OMC, expansion of the retail network along with services and product expansion upon the existing ones is the primary focus of the APL. During the year under review, APL achieved several milestones within its retail business operations. On the outset, an addition of 34 new outlets was made during this period, 15% of which are either Company Owned Company Operated or Company Financed sites. These high value outlets act not only as a benchmark of service and quality towards our own retail network but also targeting to be the leading image of retail services within the overall industry.

As at June 30, 2019, the Company has 662 retail outlets throughout Pakistan – making



APL the 4th largest network of outlets within the Country. APL has been focusing on selective network development plan primarily targeting the urban and suburban centres across various regions. The Company has penetrated into the Balochistan market and has setup two (02) retail outlets during the year.

APL embarked on a new journey and entered into the Aviation Fuel segment last year and commissioned the Country's largest and most modern fuel farm at the Islamabad International Airport under a joint-venture. Keeping the spirit of professionalism and



premium customer care, the venture was able to safely handle approximately 233 Million Litres of Jet Fuel (JP-1), refuelling over 10,000 flights of international carriers and over 5,000 flights of domestic airlines for onward journey to their destinations. In a highly technical and competitive aviation segment, APL continues to break through the challenges and is proud to announce that APL is the first national OMC to be an associated member of Joint Inspection Group (JIG); the world-leading organization for the development of aviation fuel supply standards covering the entire supply chain for aviation fuels from refinery to wing-tip. The JIG standards are followed by over 100 member organizations

globally, operating at over 2,500 airports and having its supply and distribution locations in over 100 countries. APL is proud to act as the backbone of the economic gateway of Pakistan through the new Islamabad international Airport – paving way for a brighter, more prosperous Pakistan.

To enhance the overall experience at retail outlets, Attock Smart Fuel Card facilities are being offered in major urban and suburban sites. Within a short span of just a year, the Company has enabled about 20% of its overall retail network with the facility and



gaining customer confidence day by day; on boarding prestigious organizations and businesses across various industries and segments.

Another core value of APL is to be a socially conscious organization and focus on value creation for the sustainable community and social development of the country. As an integral part of its vision, APL is integrating CSR activities in its commercial operations entirely and is investing continuously in environment friendly technologies, energy conserving measures and advancements of equipment to reduce the negative impact of operations on environmental footprint. APL focal areas for CSR are Green-Clean initiatives, Educational Improvements and



Community Building. APL joining hands with Attock Sahara Foundation, collectively works for the welfare of community by providing pragmatic resolutions to the social issues which hinder the socio-economic development. Similarly, with collaboration of Civil Aviation Authority Pakistan, APL took initiative for a Green, Clean and Healthier Pakistan and is vigorously pursuing such joint ventures in partnership with renowned institutions and Government bodies.

APL strives to minimize adverse environmental and social impacts across all projects and supports to progress with clean energy solutions and a lower-carbon economy and plans to play a wider role to encourage corporate sector of Pakistan in playing a part of socially active organization for a flourishing and a prosperous Country.

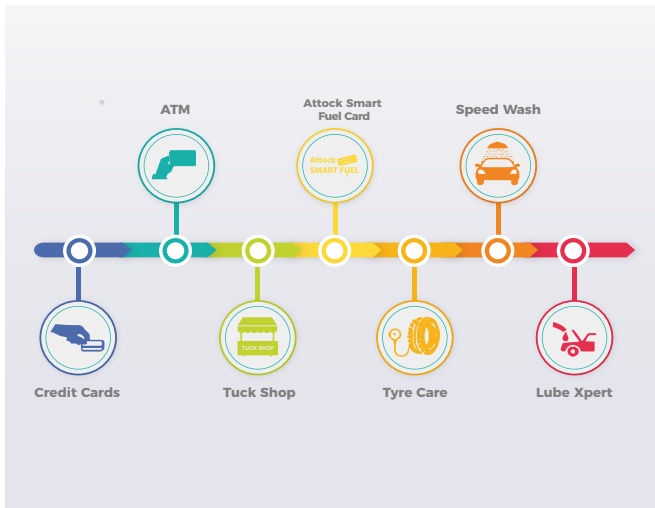
Other Business Activities

APL's foremost value is delivering customer convenience and to improve the overall fueling experience on our forecourts. APL has marked its efforts to extend its brand image beyond the dominion of just fuel. Understanding the current market dynamics and to cater the needs of all customers, APL





targets to be a complete customer centric organization, ultimately creating itself to be a "Customer Convenience Focused Company". Our retail outlets are furnished with expedient payment and service solutions i.e. Credit Cards, ATM facilities, Attock Smart Fuel Card, Tyre Care, Speed Wash, Lube Xpert, Time Out tuck shops etc. The quick care is being



offered to consumers for free check-up of vital elements such as engine oil, brake oil, battery water etc. by experts. With the emergence of innovative retailing and intense competition in Pakistan, APL has assessed a strong demand from consumers for a one stop shopping experience and has expanded

its dominion in convenience retailing initiative as well. Continuous communication with dealers and motivating them towards offering exceptional services and exploring innovative ideas at their outlets shall prove to be successful for APL non-fuel related services.

Being a customers oriented Company, APL has highlighted another dimension of convenience by venturing and partnering with other products and creative solutions. APL has created diversified forecourt-enriched offers including various restaurants and ease stores and also intends to offer wide array of financial services. With dedicated and fully equipped, state of art lube oil change facility, it takes few minutes for the end-to-end, quick and professional oil change service by trained technicians that customers can completely rely on. The service includes free safety checks and vehicle advisory guidelines, allowing customers to monitor and assess lube change as per their requirements and satisfaction. APL lube change team ensures the maintenance of the vehicle to ensure smooth running.

APL also manages the arrangements to provide JP- 1, HSD, PMG, HOBC - 97 and





In pursuance of Government's drive on cleanliness, all owners of Petrol Pumps and CNG Stations are directed to **observe/maintain cleanliness at all times in the washroom/bathrooms/toilet facilities and general area at oil & gas selling stations.**

National Clean & Green Pakistan Initiative



SKO to the defense segment of the Country. The Company aims at delivering improved services by redefining accessibility for all the population in various segments of the industries.

Being a highly conscious and socially responsible organization, APL also embarked on multiple initiatives towards reducing its carbon footprint, particularly focusing on energy conservation, water and waste management and also contributing towards Tree Plantation in-line with the honorable Prime Minister's 'Clean & Green Pakistan' movement.

Infrastructure Development

Infrastructure development is a significant aspect for not only overall economic evolution but acts as a catalyst to enhance comprehensive growth. In the current scenario of intensifying competition, APL

firmly believes infrastructural expansion is imperative in catering to the rapidly evolving operation dynamics of the oil and gas industry within the Country. Infrastructural expansion serves as the backbone for any oil marketing company ushering in a new era of resilience and steadfastness by helping reduce transportation costs, safer product handling and distribution, faster route to market and consumers while creating a layer of protection against failure under disaster & other force-majeure events.

With a passion and commitment towards exploration and development of new business segments, the company ventured into the domain of aviation refuelling (under a Joint Venture) last year and commissioned the nation's largest and state-of-the-art fuel farm facility at the Islamabad International Airport – managing safe operations over the year.





Since July 2018, the Company invested its resources aggressively towards expansion and enhancements within its bulk oil storage terminals across the Country. Rapid development work with stringent quality controls enabled APL to achieve major world-class milestones. Commissioning of Shikarpur Bulk Oil Terminal, project completion of Sahiwal Bulk Oil Terminal and Daulatpur Bulk Oil Terminal which are due to commence their operations soon, commencement of developmental work at Port Qasim Terminal (Karachi), successful land acquisition at Gatti (Faisalabad) and D.I. Khan for construction of storage terminals, design and feasibility analysis for Tarujabba Bulk Oil Terminal and storage capacity expansions at Machike Bulk Oil Terminal are amongst the high value projects. Moreover, various process and equipment upgradations were made to improve operational efficiencies and better controls.



With these additional storage facilities, the Company will be able to generate sustainable returns and become more cost effective while also curtailing the delivery times to our valuable clients and increasing sales. Construction of terminal on the coast of Karachi at Port Qasim will be advantageous for the Company especially during local refineries turnarounds also minimizing port congestion issues which would help to avoid demurrage charges. APL is focused on being a responsible citizen by adhering to all safety and environment standards on all its terminals/locations, generating value for not only our clients but for the societies and communities where we operate in – ensuring



streamlined supplies all over Pakistan with this new and added infrastructural strength.

After commissioning of Shikarpur Bulk Oil Terminal within Sindh, the development of terminals at Port Qasim and Daulatpur is the persistence of APL's aim to be the leader in the energy and retail market. These strategically located depots will proficiently supply fuel to all consumers within Sindh and Baluchistan and will assist the Company to cater to the volatility within the progressing forces of the nation's demographics and its oil industry. The management of the company is optimistic that these advancements will not only improve the efficiency but also the effectiveness of the operations with



sustainable growth competencies and cost successes.

Apart from the growth in retail network via numerous franchisee retail outlets, this year the Company targeted urban and suburban centers in Pakistan and successfully commissioned many Company Operated and Company Owned (COCO) sites and more are expected during the coming year. Margalla F/S and Murree Hills F/S in Islamabad and Fine Fuels F/S in Lahore are some of the sites in major cities. Plans to construct APL outlets on motorways shall assist the Company to reinforce its vision of providing premium quality products and unparalleled services to our valuable clientele; setting a benchmark of fuelling experience not only for our whole network but also for the industry within the Country.



Quality Assurance of Products

Product and service quality is a prerequisite to a company's achievements and plays an essential role in consumer satisfaction. APL is committed to continuous improvement philosophy and to have extensive measures and systems in place to ensure that only highest quality standard products are being delivered to all our valuable clientele. APL continues to mark its presence by uninterruptedly delivering quality products and striving for service excellence.



APL runs a comprehensive product quality assurance system across our Quality Assurance (QA) department that ensures the product quality throughout the range of operations as per the existing product specifications of the country – from procurement of petroleum products, storage within our bulk oil terminals, on-route to delivery through our fleet of delivery vehicles to the storage tanks at our retail outlets.

APL ensures impeccable quality standards by employing state-of-the-art laboratories at all our terminals and numerous mobile quality assurance vans nationwide.

Over 100 Years collective
Formulated &
Designed by
**The Experts
in Oil**
wisdom and experience

هر موسم میں | ہر جگہ | آپ کے ساتھ

آپ کے انجن کا دوست Attock Lubricants



HiDRIVE

Gasoline Engine Oil
A Product of Attock Petroleum Limited



RISK MANAGEMENT

Risk management refers to obtain understanding by all parties and agreement around what the risks really are and how they will be managed to improve performance, increase the value of firms and reduce financial distress. APL encounters uncertainties both in terms of supply and demand of the products and volatility of prices. Global environmental pressures, arrival of LNG and RLNG, changing dynamics of the oil and gas sector, dealing with government departments and authorities, shifts in social and other customer preferences and expectations are some of the risks associated with the sector. Similarly, technological advancements or disruptive advancements and a new paradigm shift in fuel infrastructure and pricing regime is also a factor. All these factors require careful insights and alignment of resources to remain profitable in times to come. Therefore, for this purpose, future strategy is carved out by APL through a highly participatory consultative process by taking all stakeholders on board.

Risk Management Framework

An effective risk management framework seeks to protect an organization's capital base and earnings without hindering growth. The adoption of a risk management framework that incorporates best practices into the Company's risk culture is the cornerstone of the Company's financial future. Our Company's risk management framework is built upon following pillars:

- risk identification
- risk assessment
- risk mitigation
- risk reporting and monitoring
- risk governance

The Board of Directors has approved a Risk Management Policy to ensure Company's level of risk tolerance is determined and identified risks are appropriately reported, managed or mitigated within timely manner. Risk exposures are periodically gauged in accordance with the risk management framework. The Board of Directors have carried out a robust assessment of principal risks facing the Company including those that might affect the future performance, solvency or liquidity.

Volatility in International Oil Prices and Regulatory Risks

Oil is one of the most important natural resource and commodity and the primary driving force of the global economy. Fluctuations in the price of oil have significant effects on economic growth and welfare around the world. During the year 2018-19, global events and a sequence of geopolitical and market factors have driven the instability of oil prices that has affected the overall supply and demand forecasts. The decision by the Saudis, Russians and other OPEC members, coupled with potential losses of Iranian oil, international trade wars and

supply disruption in Venezuela were major elements that made prices highly volatile during the year. OPEC is determining supply volumes and appears to be reactive with its consequent effect on price and intense scrutiny is carried out to resolve the market tension resulting in different geo-political scenarios globally.

Within Pakistan, further volatility has been observed within the year under review due to rapidly deteriorating exchange rate of PKR against the USD. To manage these challenges, APL continues to focus on potential opportunities and develops institutional arrangements with adequate



technical capacity, political independence and coordinates across all sectors.

Vigilance on such macro factors and geopolitical and forecasts are re-evaluated frequently to determine possible future reactions of the operating landscape. Understanding the sensitivity of the industry, APL fulfills the requirements of customers and mark efforts for efficient stock management in this extremely volatile market.

Geopolitical and Security Risks

Geopolitics is a dominant distress for the companies in Pakistan operating in oil and gas sector and this can be observed as a source of both risk and opportunity. Although, law and order and security situation along with terrorism has improved within the Country; yet, the tendency driving towards aggressive political behaviour, global economics, commodity constraints and pricing, lower

monetary growth, energy crisis, deficit in exports and unemployment with stagnant investment indicates that global instability is on the rise.

The recent global events i.e. the new global energy landscape, technological advancements, trade competition between major economic players, economic sanctions and tensions on Iran and environmental concerns have affected the overall global demand and supply. APL completely undertakes and believes that greater appreciation for the underlying dynamics of geopolitics in turn can catalyze the development of robust strategies and processes and can assist in making informed business decisions. Although the inherent complexity and uncertainty of these factors seem impenetrable at times, it is however possible for the Company to analyze the various political actors and constraints in detail while maintaining a strategic view of larger global trends to keep the Company's trajectory aligned with the overall vision.

Intense Competition

With over 650 retail outlets and strategically located bulk oil terminals across Pakistan, APL is one of the leading oil marketing company of the Country through which it serves both retail and industrial customers. With the backup support of group companies and collective experience of more than 100 years, APL stays

PARTNER WITH PAKISTAN'S LEADING OIL MARKETING COMPANY

CONTINUING THE TRADITION OF 100 YEARS...



Fuel



Lubricants



Smart
Cards



Car Wash



Tyre Care



Tuck Shop

Attock Petroleum Limited (APL) is the member of only fully vertically integrated, Attock Oil Group, with operations ranging from Exploration, Production, Refining and Marketing. With the nationwide footprint of 650+ state of art retail outlets, APL has the power to propel your business towards success. Since APL is instantly recognized and highly regarded by customers, you stand to gain big; both financially & in terms of security of your business.

The development of bulk oil terminals at Port Qasim, Shikarpur and Daulat Pur is the persistence of APL's aim to be the leader in Sindh and Balochistan's energy and retail market - Capitalizing our century old experience. These strategically located depots will proficiently supply fuel to all consumers within Sindh enabling growth of local businesses & organizations.

**BECOME OUR RETAILER AND
DEVELOP YOUR BUSINESS WITH APL.**



proactive towards the global and domestic market trends. Moreover, continuous imports during the year has supported the Company's strategic trade relations – further fortifying the company's resilience in terms of sourcing quality products and enhancing the Company's position of a guaranteed supplier of petroleum products for its valuable customer within the Country under any scenario.

Many new entrants have recently joined the industry and resulting in intense competition with various challenges and multiple opportunities as well. To cater the competition, the Company is strengthening its determinations on cashing the opportunities and to be the preferred oil marketing company of the nation.

During the year, the Company upgraded its scale of operations. Focusing aggressively on its storage terminal network, enhancement of storage capacities, efficient energy management and streamlined filling and delivery mechanisms are some of the major initiatives that have been undertaken to consolidate the strengths and build upon them in times to come for generating more value for prestigious clients.

Similarly, in order to stay ahead, the Company has strived to create innovative solutions at all the retail outlets for the customers and is providing them a one window solution of all their needs and is adapting to the changing market conditions – whether it be the rapid expansion of the Smart Fuel Cards network, increasing payment solutions and options to our clients such as Credit Card acceptance, ATM machines or growing other Non-Fuel Retail (NFR) services on our existing as well as new retail outlets. The Company believes in adopting best industry practices and deploying latest tools and services to increase the footfall at our retail outlets, thus enriching the consumer's experience and countering the threats from the competition.

Human Resource

APL, being equal opportunity employer, is committed to induct talented and innovative professionals. Employees are taken as investment and their contribution towards profitability and growth of company are fully valued.

Company fosters culture where the focus is on growth and development of their employees' managerial and technical skills. Company's supportive and positive culture has an advantage when it comes to attracting and retaining good employees.



APL appreciates and acknowledges the importance of its most important asset "Employees" and value them by recognizing their contributions. The compensation and benefit policies are designed not only to keep the employees motivated but also to attract and retain the competent individuals.

Employees are compensated with packages and benefits which encompass market competitive salaries, medical facilities, paid leaves etc., thus sending a powerful message to employees about their importance at the organization.

Health, Safety, Environment and Security

Attock Petroleum Limited is committed to an incident-free workplace; everyday, everywhere. While protecting people and minimising the impact on the environment, our performance depends on our ability to continually improve the quality of the services provided to our clients. Company believes on active commitment to HSE in all work activities wherever we operate by ensuring compliance with all HSE policies, procedures and standards. Company ensures safety, security, health and environmental responsibilities beyond protection and enhancement of our own facilities.



The company is managing HSE and social performance in line with its commitment and policy, local laws and the terms of relevant permits and approvals. The Company also includes requirements for integrating environmental and social factors into the way we plan, design and take investment decisions on new projects. This commitment is in the best interest of the customers, employees, contractors, stakeholders and communities. The Company's HSE policy is a true reflection of the fact that the business practices do not contravene to law pertaining to health, safety and environment.

In APL, security of employees, materials and installations is accorded high priority. All bulk oil terminals have been duly categorized as "Key Points" as defined in the Key Point Intelligence Division's pamphlet, "Security and Protection of Key Point, 1983". All recommended security measures for the Key Point, as enunciated by the authorities have been duly and fully put into practice. Besides, the security environment is continuously monitored in close coordination with District Authorities, Law Enforcement Agencies and other relevant quarters to update the security standards regularly.

Information Technology Risk

Information technology risk includes internal factors such as the number and duration of system failures, employee access controls, protection of confidential data and information, as well as external factors such as the introduction of advanced software and hardware into the industry and incidents of cybercrime.

The Company maintains a central database environment where online transactions are entered in real time. An automated procedure generates a daily data backup at midnight. Further, incremental and monthly backups are generated and maintained on hard drives and data tapes. An offsite backup mechanism is also in place as an additional measure to safeguard data integrity.

Disaster Recovery and Business Continuity Planning

Global trends, increased inflation, international economics, political chaos, fluctuation in global prices, commodity constraints and pricing, lower monetary growth, energy crisis, deficit in exports, unemployment, technological innovations and the increasing competition led to develop a need of evaluating the continuity of the business and to enhance the line of defence against such disruptions.

To enhance the resilient ability or to mitigate the impact of disaster, recovery plan enables you to bounce back from the worst disruptions with minimal damage. The Company has applied effective and efficient business practices for persistent and even business operations via strategic infrastructure development and alternative supply channels through various import lines. The Board reviews the usefulness of the system periodically to further improve any lapse or new ways to manage such events.



NATCO-3 Mountain Filling Station - Sost, Khunjerab

CORPORATE GOVERNANCE

The Company has created a culture where principles of corporate governance are embedded into the policies and practices adopted by the Company. Good corporate governance remains imperative to sustainable and progressive future. The Board has ensured that all activities carried out are at par with the best practices. Attock Petroleum Limited has taken steps to remain compliant with the recent changes in Corporate Governance framework implemented through Code of Corporate Governance Regulations 2017. By virtue of this, the Company is highly trusted by the investors. Transparency in communication with stakeholders remains at core and implementation of a professional corporate culture is critical for complying with the principles of good governance at every step.



Annual Evaluation of Board, its Committees and Members

Code of Corporate Governance has been adopted by the Board in its true spirit. Performance of the Board members, Committees of the Board and Board as a whole effectively shape the overall performance of the Company hence remains essential. Implementing best practices can improve performance of the Board and Committees while performance of the members of the Board can be enhanced by promoting professional corporate culture.

The Code of Corporate Governance requires the Board to put in place a formal and effective mechanism for annual evaluation of the board's own performance, members of the board and of its committees. As required, Board of Directors of the Company has developed and approved an internal mechanism to evaluate the efficacy of the Board, its members and its Committees on an annual basis.

During the year, the Board and its Committees were evaluated using this mechanism to further improve the effectiveness of the Board. Developments in corporate governance are constantly reviewed and implemented to align the Board with principles of good corporate governance.

Role of the Chairman and CEO

The Chairman heads the Board of Directors and is appointed by the Board from amongst the Non-Executive directors. Heading the meetings, defining agendas and signing the minutes are the primary responsibilities of the Chairman and making sure that the duties of the Board of Directors are met. He also manages conflicts of interests arising, if any, and makes recommendations to improve performance and effectiveness of the Board. The Chairman, at the start of the term of

Directors, intimates them regarding their roles, responsibilities, duties and powers to help them manage the affairs of the Company effectively.

The CEO manages the Company and is responsible for all of its operations. The CEO designs and proposes strategies and implements decisions of the Board. The CEO reports to the Board regarding the Company's performance and profitability along with suggesting improvements to enhance shareholders' wealth.

The Board of Directors has clearly defined and segregated the roles and responsibilities of the Chairman and the CEO.

CEO Performance Review

The Board assesses the CEO's performance using key performance indicators set on financial and non-financial measures. The Board also discusses the prospects of the Company with the CEO to ascertain smooth operation of the Company's affairs.

The Board is well contented with the CEO's performance for the year. Multiple new ventures, improving market presence, up-gradation of the current bulk oil terminals along with construction of the new ones are a few examples of the Company's excellent performance during the year.

Directors' Training Programme

The Company ensures that it meets the requirements set forth by Securities and Exchange Commission of Pakistan (SECP) through Code of Corporate Governance and is complying with criteria of Directors' Training Programme (DTP). Two of the Directors, Mr. Babar Bashir Nawaz and Mr. Mohammad Raziuddin, have previously attended the Directors' Training Programme while Lt Gen (Retd.) Javed Alam Khan, being the newly appointed director in March 2018 has obtained



Chairman and Chief Executive Officer reviewing the Company's Performance in challenging time.

this certification from recognized institution of Pakistan approved by the SECP. Four of the Directors namely Mr. Laith G. Pharaon, Mr. Wael G. Pharaon, Mr. Shuaib A. Malik and Mr. Abdus Sattar meet the exemption criteria for this purpose.

Formal Orientation for Directors

The Directors are kept updated about the prevailing relevant laws and the current matters regarding corporate governance including changing in governance framework

and regulatory changes. The Directors are well-equipped with a thorough and practicable knowledge of the various regulations under Companies Act, 2017 in addition to the Code of Corporate Governance. Further, newly appointed directors on Board are provided with extracts of relevant laws and regulations. The Chairman of the Board also communicates roles and responsibilities of Directors at the start of their term. Any changes in prevalent laws or newly issued notifications are shared with directors from time to time.



WHISTLEBLOWER PROTECTION MECHANISM

Whistleblowing protection mechanism aspires to prevent or detect the probable attempts of defrauding the organization and other malpractices by its employees, customers or other stakeholders and ensures protection of the whistleblowers. It encourages the employees to highlight and report their concerns about malicious activities without any fear and prejudice.

This policy is predetermined to provide a platform for whistleblowers to call out their angsts and apprehensions to suitable pre-identified authority without any fear of retaliation such as discrimination, victimization, harassment etc., about any suspicious or obnoxious events/activities, which are against the policies of the Company or may have an obstructive impact on the business or goodwill of APL.

The Company stays confident that an authentic and transparent working environment is cultivated. Any claims made by the whistleblowers are properly inspected and scrutinized justly. The management reserves the right to put forth the assertions made by the whistleblower as deemed appropriate. No such occurrence of whistleblowing has been reported during the year.

Decisions taken by the Board and Delegated to Management

The Board of Directors ensures that the management upholds the vision and mission set by the shareholders of the Company. To achieve this objective, policies and objectives are set by the Board in such a manner that implementation by the management results in benefit to the Company. The Board is involved in top-level strategic decisions having long-term implications including major investments, capital financing, capital expenditure, disposal of fixed assets, approval

of budgets, approval of financial statements, future projects, acquisitions and dividend declarations etc.

Operational level decisions, having 1-2 years medium-term implications, are delegated by the Board to the management including short term investments, sale/purchase contracts, implementation of policies, treasury, taxation and stock management and Board has given them the responsibility of day to day running of the Company.

Security Clearance of Foreign Directors

Foreign Directors require security clearance from Ministry of Interior through SECP. All legal formalities and requirements have been met and fulfilled in this regard at the time of election of directors of Attock Petroleum Limited.

Code of Conduct for Directors and Employees

The Code of Conduct has been circulated to all the directors and the employees of the



Company for their compliance as required under Code of Corporate Governance, 2017. This Code provides the standard for professional behaviour in order to ensure that the business is carried out in an honest and ethical manner.

Compliance with Code of Corporate Governance

The Company is compliant in all respects with the Code of Corporate Governance. Specific statements are being given hereunder:

- 1) The financial statements, prepared by the management, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- 2) Proper books of account have been maintained.
- 3) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- 5) The system of internal control is sound in design and has been effectively implemented and monitored.
- 6) There are no significant doubts upon the Company's ability to continue as a going concern.
- 7) Significant deviations from the last year's operating results have been disclosed in this Report.
- 8) Key operating and financial data of the last 6 years in summarised form is annexed with the Report.
- 9) All major Government levies in the normal course of business, payable as at June 30, 2019, have been cleared subsequent to the year-end.
- 10) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.



DO *Cashless*
PAYMENT!

11) The values of investments in employee retirement funds based on the latest audited accounts as of June 30, 2019 are as follows:

Employees' Gratuity Fund

Rs 105.585 Million

Employees' Provident Fund

Rs 193.719 Million

12) The total number of Company's shareholders as at June 30, 2019 was 3,665. The pattern of shareholding as at June 30, 2019 is annexed.



A separate statement of compliance signed by the Chairman of the Board of Directors is included in this Annual Report.

Adequacy of Internal Financial Controls

Internal financial controls of the Company have been formulated and implemented by the Board of Directors through various policies. These controls have been put in place to ensure efficient and smooth running of the business, safeguarding of Company's assets, prevention and detection of fraud and errors, accuracy and completeness of books

of accounts and timely preparation of reliable financial information. Adequate internal controls provide reasonable assurance about the achievements of Company's objectives through reliable financial reporting. Compliance with applicable laws and regulations also depends upon internal controls and the Company has dependable internal controls put in place to make sure that regulatory requirements are complied with. Internal Financial Controls are periodically reviewed to ensure these remain effective and are updated with changing laws and regulations.

Board of Directors Structure, its Committees and Meetings

The status of each director on the Company's Board whether male, female or non-executive, executive or independent has been disclosed in the Statement of Compliance as required under Code of Corporate Governance, 2017.

During the year the Board remained actively involved in performing their duties under



various laws and the Memorandum and Articles of Association of the Company with the ultimate objective of enhancing the

profitability of the Company thus increasing shareholders return. The Board possesses necessary skills, competence, knowledge and experience to deal with various business issues. The Chairman of the Board is a non-executive director.

During the year, five meetings of Board of Directors were held for review of periodic Financial Statements as well as for consideration of significant and routine matters including those referred to it by Board committees.

Audit Committee

The Audit Committee consists of four members comprising of non-executive

directors including two independent directors and the Chairman of the Committee is an independent director having relevant expertise and experience. The Audit Committee met four times during the year and these meetings were held prior to the Board meetings.

Human Resource & Remuneration Committee

The Board Human Resource and Remuneration (HR&R) Committee comprises of two non-executive directors and Chief Executive Officer. Chairman of the Committee is an independent director. The Committee met once during the year to review the HR related agendas.

Attendance by Directors in the Meetings

Sr. No.	Name	Meetings attended / Eligible to attend		
		Board of Directors meetings	Audit Committee meetings	HR&R Committee meetings
1	Mr. Laith G. Pharaon*	5/5	-	1/1
2	Mr. Wael G. Pharaon*	5/5	-	-
3	Mr. Shuaib A. Malik	5/5	-	1/1
4	Mr. Abdus Sattar	5/5	4/4	-
5	Mr. Babar Bashir Nawaz	5/5	4/4	-
6	Lt Gen (Retd.) Javed Alam Khan	5/5	3/4	-
7	Mr. Mohammad Raziuddin	5/5	4/4	1/1

*Overseas directors attended the meetings either in person or through alternate directors

The above is an exhaustive list of all persons who have remained director of the Company during the year.

Meetings held outside Pakistan

During the year ended June 30, 2019, two meetings of the Board of Directors were held outside Pakistan. The meeting to review and approve Annual Financial Statements for the year ended June 30, 2018 was held in Dubai U.A.E while the meeting to review and approve Financial Statements for the six month period ended December 31, 2018 was held in Istanbul, Turkey.

Director's Remuneration Policy

Board of Directors of the Company has approved the Policy for Honorarium/ Remuneration of directors for attending board meetings. Meeting fee has been fixed for attending the board meetings whereas the policy also provides for reimbursement of expenses in connection with attending board meetings. The policy for remuneration of executive, non-executive and independent directors remains same.



Policy for Related Party Transactions

All transactions with related parties are carried out in ordinary course of business on an arm's length basis. Further, in accordance with the Section 208 of the Companies Act, 2017 and Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the Board of Directors have approved the policy for related party transactions not carried out at arm's length or not in the ordinary course of business. The policy provides for the disclosure of minimum information in respect of related party transactions, responsibility of the Board, nature of transactions and pricing methods to be followed in carrying out these transactions.

Members of the Board have also been apprised regarding their responsibility for disclosure of interest in a contract or arrangement with related parties as required under Section 209 of the Companies Act, 2017. A register of information received from directors in this regard is also being maintained as per the statutory requirement. Transactions where the majority of directors may be interested are referred to general meeting for shareholders' ratification and approval.

In accordance with the requirements of Code of Corporate Governance, the details of transactions carried out with all related parties are periodically placed before the Board Audit Committee and presented to Board for review and approval.

AUDITORS

The present auditors Messrs A. F. Ferguson and Co., Chartered Accountants, a member firm of the PricewaterhouseCoopers network, retire and are eligible for reappointment for the year 2019-20. The Audit Committee

of the Board has recommended the re-appointment of the retiring auditors for the year ending June 30, 2020. The Board has recommended the same for the approval of the shareholders in the forthcoming Annual General Meeting.





FORWARD LOOKING STATEMENT AND FUTURE PLANS

As a leading energy company operating in a challenging and competitive landscape, APL aims to set high standards for uninterrupted supplies of high quality petroleum products and finest services across Pakistan. Building on our core values, focus is made on sustaining a competitive edge in the market by vigorously chasing and cashing various opportunities with our distinctive strengths and capabilities and efficient response to transitional impacts.

Having over a century of collective experience with the Attock Oil Group of Companies, the management highlights and prioritizes the importance of timely adaption of technological advancements, maximizing shareholder value, operational progressions, alliance developments and infrastructural expansions in order to continue to create a competitive edge. APL continuously seeks to improve its performance and with an emphasis on health, safety, security,

environment - as well as adhering to principles, values and compliance ethics, the Company dynamically takes strategic steps to progress and excel the experiential and unique specialties for its valued customers.

With the emerging trend and transition of a greener environment, APL aims and supports to power progress with cleaner and optimum energy solutions for a lower-carbon and healthy economy and environment. The Company is proactively focusing on numerous energy conversation projects to optimize energy consumption at various locations across the country by introducing energy efficient equipment. All High Pressure Sodium and Mercury lights have been replaced with efficient LED Lights for energy savings at Rawalpindi, Machike and Korangi (Karachi) Bulk Oil Terminals and it is plan to follow this on all terminals in the future.

For further reduction of energy losses within the power systems at Rawalpindi Bulk



Oil Terminal, installation of Power Factor Improvement system has been planned that will help in further optimization of energy utilization.

Construction of storages and new terminals is underway; resources have been aligned and mobilized for speedy work at sites for earliest commissioning. The Company is establishing Bulk Oil Terminals at strategic locations and focusing on increasing number of storage facilities to guarantee continuous supplies. Some major projects and developments underway and accomplishments are as follows:

- Storage capacity expansion of 5,000 M.Tons at Machike Bulk Oil Terminal has been successfully completed while construction of further capacity of 13,000 M.Tons of PMG and 25,000 M.Tons of HSD has been completed which is due to be commissioned shortly.
- Construction of Bulk Oil Terminal at Port Qasim has commenced. The terminal is expected to satisfy and cater to the fuel needs of Sindh and Balochistan. Work is under progress on this port terminal to handle the import of products which will be connected with FOTCO and PARCO for the receipt of imported products and dispatch of products to mid country through white oil pipeline.

- The construction designs of new storages at Gatti (Faisalabad), Dera Ismail Khan and Tarujabba (Peshawar) are underway and are expected to be rolled out for construction work soon.

The management is optimistic that these developments will not only increase effectiveness and efficiency of the operations but also boost sales and help to attain cost efficiencies in terms of freight advantages while helping streamlined supplies to valuable clients in any unforeseen scenarios. The management considers that the new infrastructure developments will assist the Company to cater to volatility within the rapidly evolving operational and marketing dynamics within the industry. APL proactively develops abilities to achieve strategic ambitions by effectively answering the fluctuating market forces. The management unceasingly evaluates the external environments and the drivers that shape them – to assess variations in competitive forces and dynamics and making timely and informed decision.

The Company has won the major portion of POL product supplies consecutively for the second year this time to the most prestigious institute in Pakistan – The Pakistan Army. APL has been continuously supplying products to the Armed Forces of Pakistan for almost a decade now.

The Company is also focusing on targeted growth of its Attock Smart Fuel Cards (ASFC) department. The company has ambitious plans on further rapid growth of the Fuel Card network in the coming year.

Trends and uncertainties affecting Company's revenues and operation

Fluctuations in the price of oil due to external environmental factors have significantly affected the Company's operations. Global events and a series of geopolitical and market factors have driven the unrest and instability of prices and has impacted undesirable trends for major oil producing nations. Similarly, continuous declining exchange rate of PKR against USD affected the revenues and operations of the Company due to higher import prices and exchange losses occurred. Such volatility in the oil prices coupled with the currency exchange fluctuations and variation in structure of duties and taxes has created many variables that result in numerous challenges which the Company has to face on a day to day basis. APL strives to cope up with these uncertainties in an optimum manner.

Performance related to forward-looking disclosure made in last year

APL successfully completed the construction and commissioned the Shikarpur Bulk Oil Terminal. With a total capacity of around 8,500 M.Tons, not only the overall storage capacity of the Company have been improved but this will also assist the company to enhance its market share from the region.

Similarly, resource allocation and swift work resulted in completion of the construction of Bulk Oil Terminals at Sahiwal and Daultapur further adding a storage capacity of 29,000 M.Tons; expected to be operational and running at its full capacity in coming months.

Within a span of one year, Attock Smart Fuel Card facilities are being offered in major urban and suburban sites of Pakistan and has covered 20% of its overall retail network and is progressively penetrating further and involving larger client base.

The Company's obligations under the contracts and fuel arrangements of supplies to defense sector of Pakistan for the 2018-19 year have been successfully accomplished. Due to the exceptional coordination and services, APL also received an appreciation letter from DG Supplies & Transport further substantiating our resolve and commitment towards going beyond total customer satisfaction.

The Company has also geared and managed to achieve the commitment of getting in business ventures with Suzuki Motors for successfully supplying of Suzuki Genuine Oil in Pakistan.

ACKNOWLEDGEMENT

The Board would like to take this opportunity to express its gratitude to our esteemed shareholders for their support. The Board also extends its appreciation and gratefulness to Government of Pakistan and regulatory bodies for their cooperation. The Directors are thankful to employees, customers and strategic partners for their resolute dedication and contribution.

On behalf of the Board



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Dubai, U.A.E.
July 29, 2019

BRINGING THE BEST TO OUR CUSTOMERS



PATTERN OF SHAREHOLDING

As on June 30, 2019

Corporate Universal Identification Number: 0035831

Form-34

Sr. No.	Number of Shareholders	<-----HAVING SHARES----->		Total Shares Held	Percentage
		From	To		
1	625	1	100	26,209	0.03
2	907	101	500	239,800	0.24
3	453	501	1,000	335,407	0.34
4	1,342	1,001	5,000	2,265,520	2.28
5	125	5,001	10,000	898,180	0.90
6	59	10,001	15,000	728,764	0.73
7	33	15,001	20,000	578,161	0.58
8	13	20,001	25,000	294,442	0.30
9	23	25,001	30,000	644,960	0.65
10	4	30,001	35,000	135,219	0.14
11	10	35,001	40,000	367,770	0.37
12	8	40,001	45,000	343,309	0.34
13	4	45,001	50,000	195,130	0.20
14	4	50,001	55,000	210,600	0.21
15	3	55,001	60,000	179,127	0.18
16	3	60,001	65,000	187,798	0.19
17	2	65,001	70,000	133,757	0.13
18	1	70,001	75,000	74,216	0.07
19	4	75,001	80,000	309,188	0.31
20	3	85,001	90,000	263,000	0.26
21	1	90,001	95,000	94,320	0.09
22	1	95,001	100,000	97,329	0.10
23	1	100,001	105,000	103,200	0.10
24	1	105,001	110,000	105,138	0.11
25	1	110,001	115,000	111,380	0.11
26	1	120,001	125,000	121,792	0.12
27	1	130,001	135,000	132,000	0.13
28	1	135,001	140,000	138,500	0.14
29	2	140,001	145,000	287,000	0.29
30	2	150,001	155,000	304,690	0.31
31	1	160,001	165,000	160,800	0.16
32	2	165,001	170,000	338,340	0.34
33	2	180,001	185,000	366,646	0.37
34	1	185,001	190,000	187,806	0.19
35	1	190,001	195,000	190,400	0.19
36	1	210,001	215,000	212,940	0.21
37	1	220,001	225,000	220,934	0.22
38	1	245,001	250,000	246,840	0.25
39	1	285,001	290,000	286,620	0.29
40	1	315,001	320,000	315,730	0.32
41	1	420,001	425,000	420,480	0.42
42	1	465,001	470,000	465,240	0.47
43	1	475,001	480,000	477,734	0.48
44	1	510,001	515,000	513,120	0.52
45	1	655,001	660,000	660,000	0.66
46	1	1,025,001	1,030,000	1,029,592	1.03
47	1	1,255,001	1,260,000	1,258,381	1.26
48	1	1,605,001	1,610,000	1,606,140	1.61
49	1	1,855,001	1,860,000	1,857,370	1.87
50	1	2,185,001	2,190,000	2,189,721	2.20
51	1	6,640,001	6,645,000	6,641,785	6.67
52	1	6,980,001	6,985,000	6,984,714	7.02
53	1	7,000,001	7,005,000	7,003,220	7.04
54	1	21,770,001	21,775,000	21,772,965	21.88
55	1	34,215,001	34,220,000	34,219,376	34.38
	3,665			99,532,800	100.00

CATEGORIES OF SHAREHOLDERS

As on June 30, 2019

Sr. No.	Categories	Number of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, their Spouses & Minor Children	9	6,658,629	6.69
2	Associated Companies, Undertakings and Related Parties	5	72,169,996	72.51
3	National Investment Trust & Industrial Corporation of Pakistan	1	60,274	0.06
4	Banks, Development Finance Institutions, non Banking Finance Companies	11	4,481,339	4.50
5	Insurance Companies	14	3,897,069	3.91
6	Modarabas & Mutual Funds	34	1,738,602	1.75
7	Foreign Companies	5	389,748	0.39
8	Trust and Funds	95	1,890,122	1.90
9	Joint Stock Companies	61	752,879	0.76
10	General Public (Local)	3,427	7,470,482	7.51
11	General Public (Foreign)	3	23,660	0.02
12	Shareholders Holding 10% or More	2	55,992,341	56.26

INFORMATION REQUIRED UNDER COMPANIES ACT, 2017

As on June 30, 2019

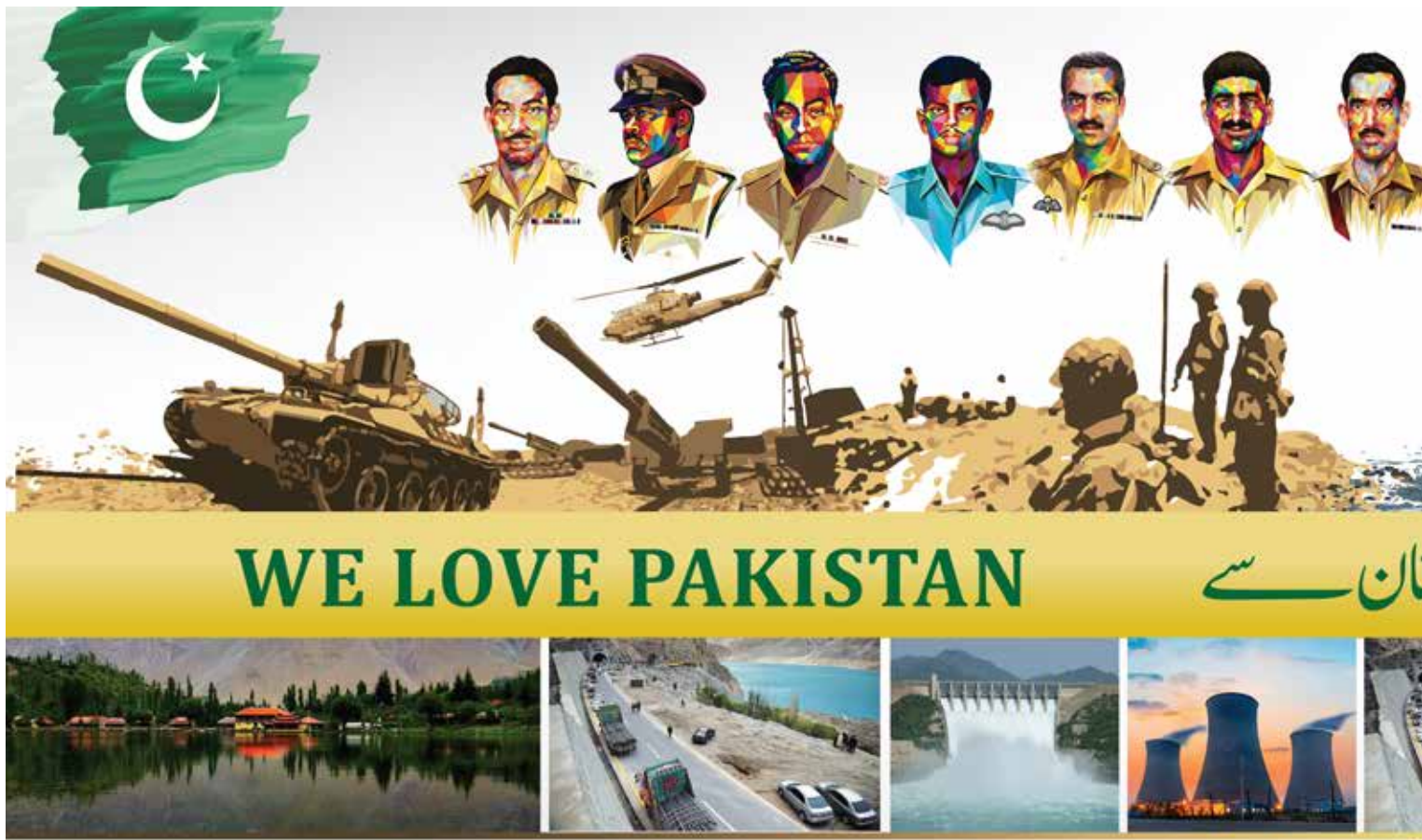
	Number of Shareholders	Shares Held
Associated Companies, undertakings and related parties		
THE ATTOCK OIL COMPANY LIMITED	1	2,189,721
ATTOCK PETROLEUM LIMITED EMPLOYEES WELFARE TRUST	1	7,003,220
PAKISTAN OILFIELDS LIMITED	1	6,984,714
PHARAON INVESTMENT GROUP LTD. (HOLDING) S.A.L	1	34,219,376
ATTOCK REFINERY LIMITED	1	21,772,965
	5	72,169,996
Mutual Funds		
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	29
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	76,500
CDC - TRUSTEE MEEZAN BALANCED FUND	1	12,000
CDC - TRUSTEE JS ISLAMIC FUND	1	38,560
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	5,640
CDC - TRUSTEE HBL ENERGY FUND	1	43,690
CDC - TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	10
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	105,138
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	477,734
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	50,400
CDC - TRUSTEE NAFA STOCK FUND	1	151,010
CDC - TRUSTEE NBP BALANCED FUND	1	16,261
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQU SUB FUND	1	68,144
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	1	50
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND	1	153,680
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	19,500
MC FSL - TRUSTEE JS GROWTH FUND	1	77,140
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	27,777
CDC - TRUSTEE LAKSON EQUITY FUND	1	121,792
CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	1	15,400
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	60
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	1	33,950
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	36,850
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	1	87,800
CDC - TRUSTEE LAKSON TACTICAL FUND	1	19,781
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	5,846
CDC - TRUSTEE MEEZAN ENERGY FUND	1	29,000
CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQU ACCOUNT	1	40
CDC - TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQU SUB FUND	1	4,000
CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND	1	35,000
CDC - TRUSTEE NBP AITEMAAD REGULAR PAYMENT FUND	1	10,700
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	1	14,400
	32	1,737,882

	Number of Shareholders	Shares Held
DIRECTORS, THEIR SPOUSES AND MINOR CHILDREN		
MR. LAITH G. PHARAON	1	1
MR. WAEL G. PHARAON	1	1
MR. SHUAIB A. MALIK	1	6,641,785
MR. ABDUS SATTAR	1	720
MR. BABAR BASHIR NAWAZ	1	1
LT GEN (RETD.) JAVED ALAM KHAN	1	60
MR. MOHAMMAD RAZIUDDIN	1	1
MR. IQBAL A. KHWAJA	1	15,955
MR. REHMAT ULLAH BARDAIE	1	105
	9	6,658,629
Executives	4	83,419
National Investment Trust & Industrial Corporation of Pakistan	1	60,274
Public Sector Companies and Corporations	1	168,900
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas & Pension funds	44	4,469,614
Share holders holding 5% or more voting rights		
PHARAON INVESTMENT GROUP LTD. (HOLDING) S.A.L	1	34,219,376
ATTOCK REFINERY LIMITED	1	21,772,965
ATTOCK PETROLEUM LIMITED EMPLOYEES WELFARE TRUST	1	7,003,220
PAKISTAN OILFIELDS LIMITED	1	6,984,714
MR. SHUAIB A. MALIK	1	6,641,785
	5	76,622,060

Trade in shares by Directors, Executives, their spouses and minor children during 2018-19:
No trade in shares was made by Directors, Executives*, their spouses and minor children from July 01, 2018 to June 30, 2019 in shares of the Company.

* "Executive means Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and other employees of the Company who are drawing an annual basic salary of Rs. 1,200,000 or more."

APL CELEBRATED DEFENSE AND MARTYRS DAY





OTHER CORPORATE GOVERNANCE MATTERS

Investor Grievance Handling

Investor satisfaction is the prime focus of the Company to retain long lasting relationship with its prestigious investors. The Company's existing and potential investors are allowed access to information regarding Company's operations in addition to details of investments, dividend distribution or circulation of regulatory publications.

Investor Grievances are managed centrally by Company Secretarial Matters (CSM) section. The section has an effective Investor Grievance redressal mechanism in place to handle investor's queries and complaints promptly and effectively. The Company's grievance handling is supported by a review mechanism to minimize recurrence of similar issues in future.

- Investors' queries and complaints are dealt with courtesy at all the times.
- Investors have facility to call on the contact number provided for the purpose on the Company's website.
- The Company has maintained an investor's relations section on the website.
- An email ID is designated for the investor's queries and complaints.
- Feedback/complaint forms are available on website where investors can lodge their complaints at any time.
- Complaints are addressed by designated employees without any delay. The CSM section has maintained a record of complaints mentioning status of pending complaints and their resolution.



Issues raised at last AGM

The Annual General Meeting provides the best platform to interact with the shareholders of the company. Last AGM of the company was held on September 25, 2018 at which queries of shareholders were appropriately responded.

On a shareholder's query about benefits expected to be accrued to the Company in terms of market share & growth by setting up storage terminal in Southern Punjab & Sindh, it was stated that establishment of storage terminals across the country has multi-level benefits not limited only to the increase in overall storage capacity but also in terms of freight advantage thus helping to catch up with competition and retain & increase the Company's market share too. Further it also helps in meeting regulatory requirement of OGRA.

On a shareholder's query about growth generated from CPEC route, it was responded that the country's infrastructural development has boosted the sale of Bitumen and High Speed Diesel. As the CPEC project takes its next steps, the Company is well geared to contribute in any upcoming projects of CPEC and will definitely position itself to capture as much of the potential opportunities as possible.

A shareholder invited attention towards the development of retail network in remote areas and proposed locations were noted for evaluation of viability. It was stated that 3 outlets are already being constructed in northern areas.

Conflict of Interest Management

A formal Code of conduct is in place governing the actual or perceived conflict of interest relating to the Board members of the Company. Under the guidelines of code of conduct every director is required to disclose about his interest in any contract, agreement or appointment etc. These disclosures are circulated to the Board and it is ensured that interested director does not participate in decision making and voting on the subject.

The effect to the above facts is recorded in minutes of meeting, if any. Any such conflicts of interests are recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.

Safety of Records of the Company

To ensure prompt and accurate retrieval of records, protection of vital information in the event of disaster and to ensure compliance with legal and regulatory requirements, the Company has an established procedure for preservation of records holding significant value, in line with good governance practices and administrative requirements.

Records include books of accounts, documents pertaining to secretarial, legal, taxation and other matters etc. Key records are archived in a manner to protect them from physical deterioration, accidental fire and natural calamities.

- Documents in physical forms are stored at specifically designated record rooms with proper safety features.
- Financial data and other records in the ERP system are periodically backed up at various servers and protected under secure access protocols.

- Paperless environment is also being promoted and an e-record management system is being put in place to safeguard the records of the Company along with optimizing storage spaces.

Investors' Relations Section on APL Website

Detailed Company information specified under the relevant regulations, including but not limited to financial reports, financial highlights, investor's notices / announcements, pattern of shareholding, dividend declarations and much more have been placed on the Company's website: "www.apl.com.pk".

The Company is in full compliance with the current SECP regulations relating to the maintenance of functional website by the listed companies. A Compliance Certificate by the Chief Executive is placed on the website as well.

The comprehensive "Investor Relations" section on the Company website can be used to promote investor relations and to facilitate investors' access for grievance or other queries.

APL ensures to present the latest information by regularly updating its website and to improve the websites' usability for its shareholders and investors.





Governance practices implemented exceeding legal requirements

The Company has created an environment where best practices of corporate governance have been adopted to ensure that ethical behavior, good moral conduct and dedication to excel is embedded in to the Company's culture. Adherence to highest standards of corporate reporting apart from meeting the minimum requirements of the law is pivotal to the Company's corporate reporting framework.

The Company focuses on following practices of good governance in addition to mandatory requirements:

- Compliance with criteria for Best Corporate Reports issued by joint technical committee of ICAP/ICMAP.
- Compliance with criteria for Best Presented Reports issued by SAFA.
- Compliance with criteria for selection of Top 25 companies issued by PSX.

The Company has won various awards in the above categories. Further, additional financial

disclosures including financial ratios, reviews, graphs and comments on these analyses are also made for transparency and effective communication with stakeholders.

Diversity within Human Capital

APL being an equal opportunity employer extends employment opportunities to individuals based on merit encouraging diversity in terms of gender, ethnic background, age, physical ability etc. The selection process ensures a mix of various characteristics and cultural/ethnic diversity. The Company has planned objectives for diversification of human capital and gratifying career opportunities are provided to make sure that an encouraging working environment is created in the organization. Competent professionals are hired keeping in view the objective to provide them with a progressive career focusing on utilizing the maximum potential.

Other Directorships of Directors

Following is the detail of executive directors serving as non-executive directors in other companies:

Sr. No.	Name	No. of Companies*
1	Mr. Shuaib A. Malik	06
2	Mr. Rehmat Ullah Bardaie (Alternate Director)	01

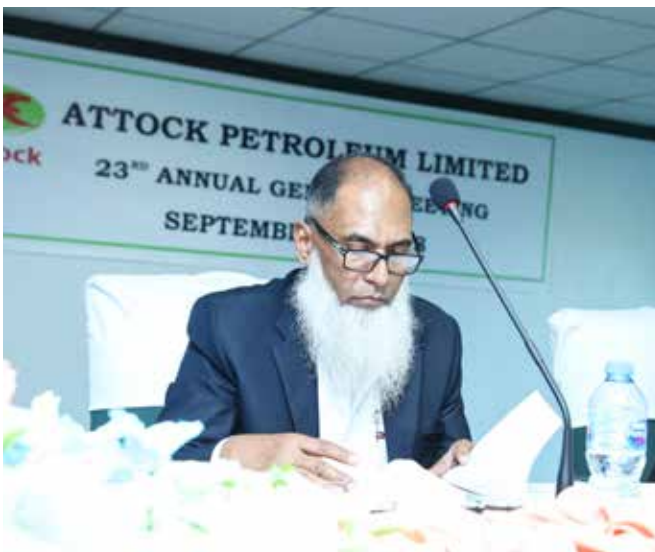
* Refer to Page 30 (Profile of Board of Directors) for complete details regarding other engagements.

Board fee earned by Executive Director

Executive Directors of the Company hold position of Non-Executive Director in other companies as disclosed above. Remuneration for services as Non-Executive Director on the Board of these Companies, in case listed on PSX, is paid in accordance with the policies approved by the Board of Directors of those respective companies.

Presence of Chairman Audit Committee at AGM

Chairman of the Audit Committee is present at the AGM to answer questions on the audit committee's activities and matters within the scope of audit committee's responsibilities. Chairman Audit Committee, Mr. Mohammad Raziuddin was present at the last AGM held on September 25, 2018 to answer queries of shareholders regarding above mentioned matters.



Chairman Audit Committee - Mr. Mohammad Raziuddin

Steps taken by management to encourage minority shareholders to attend AGM

The management encourages shareholders to attend the general meetings of the Company. Date, time and venue of the meeting to be held is timely published in English and Urdu newspapers having circulation in Rawalpindi (location of registered office) and Karachi (registered address of majority of shareholders) along with timely intimation of the same to Pakistan Stock Exchange for information of the shareholders. Further, the same is also published on Company's website.

Corporate Analyst Briefing


Endeavoring Pakistan Stock Exchange's introduced reforms towards development of a fair and efficient market by promoting a culture of sound corporate governance practices; APL intends to hold a corporate briefing session for the Analyst community and Shareholders on the Company's performance for the financial year 2018-19, in compliance with the mandatory requirement of holding corporate briefing by listed companies.

Understanding views of major shareholders

Major shareholders of the Company include Pharaon Investment Group Limited (Holding) S.A.L, Attock Refinery Limited, Pakistan Oilfields Limited and Attock Petroleum Limited Employees Welfare Trust. Non-executive directors represented by these entities are elected on the Board. Periodic Board meetings provide a platform where the vision of major shareholders is communicated and discussed amongst the Board members in respect of formulation of strategies and overall outlook of the Company. Further, shareholders also express their views in Annual General Meeting of the Company. Analysts are also apprised of Company's performance and challenges faced in implementing strategies are discussed with them from time to time.

STAKEHOLDER ENGAGEMENT

Stakeholders	Management of Stakeholder Engagement	Effect and Value to APL
--------------	--------------------------------------	-------------------------




Institutional Investors/ Shareholders

The confidence put in the Company by the investors is honored and acknowledged by providing them with a steady rate of return on their investment. General meetings provide the shareholders a platform to voice their concerns and raise their queries which are addressed appropriately. The Company also engage shareholders through issuance of annual/quarterly financial reports and notices/updates.

The financiers of capital help APL:


- Convert its business plans into actions.
- Achieve its business targets.



Customers and Suppliers

The Company's primary customers include dealers, distributors and institutional customers. APL Customer Relationship Management is beyond extending credit facilities and trade discounts. Periodic engagements are held with customers in the form of dealers/ distributors conference. Various informal meetings are also held with customers and suppliers to maintain effectiveness of Supply Chain Management.

Customers' loyalty and effective supply chain is the key to the Company's sustainable business growth.




Banks

Banks and other financial institutions are engaged by the Company on regular basis in relation to negotiation of mark-up rates, short term financing arrangements, deposits and investments. Banks are also consulted on issues linked with letters of credit and payments to suppliers, along with other disbursements of operational nature including payment of dividends and foreign remittances.

Bank dealings are central to the Company's performance in terms of:

- Access to better interest rates and financing terms.
- Efficient Customer Service.



Media

The Company engages with the media through regular press releases regarding key achievements. Statutory notices and other public announcements required by law are generally circulated through print media. Multiple mediums are also used for advertisement and marketing purposes. Employees of the Company have made appearances on media as well, for brand advertisement and awareness. Retail prices are notified through press-gazette. Furthermore, the website of the Company is also used as a medium to communicate information to stakeholders.

- Media communication of the Company's achievements helps strengthen APL brand image.
- Awareness of the company's status and activities is developed among the general public and potential investors.

Stakeholders	Management of Stakeholder Engagement	Effect and Value to APL
--------------	--------------------------------------	-------------------------



APL prides itself for being a responsible corporate citizen. The Company abides by the laws and regulations of the Pakistan and makes certain that all the requirements of relevant regulators are met in a timely manner. Regulators are continuously engaged at various local, provincial and federal levels. Various statutory forms and returns are periodically submitted as per requirements of the law in addition to the information required by regulators. Company constantly liaisons with the Government authorities and regulators in terms of matters/ issues relating to energy requirements of the Country.

Country's laws, regulations and other factors controlled by the Regulators, set operating guidelines for the Company.



The Company regularly engages with analysts on its financial and operating results, with due regard to regulatory restrictions imposed on inside information/ trading.

Providing required information to analysts helps:

- Attracting potential investors.
- Clarifying misconceptions/ market rumors.



Focus on the Company's most valuable resource "our competent and committed workforce" is the base of APL's Human Resource Strategy. Multiple in-house and external training are conducted for continuing professional developments of our employees. APL provides a nurturing and employee friendly work environment. APL has also invested in health and fitness activities for its employees.

The competent employees are the backbone of the Company. The Company's strategic, operational and tactical decisions taken by management are effectively implemented through our committed workforce.



Being a good corporate citizen, APL always tries to add value to the society. APL engages with general public at large through its CSR activities.

A contented and peaceful nation fixes the roots for a prosperous society.

CORPORATE SUSTAINABILITY

The company aims to create long-term stakeholder value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural, and economic dimensions of doing business throughout the whole value chain.

Transparency is promoted by having an engaging environment within a company and within the community and is attained through open communications with stakeholders characterized by high levels of information disclosure, clarity, and accuracy.

Consumer Protection Measures

In line with its vision, APL always strives to protect its valued customers by providing the highest quality products and services. Our quality assurance team ensures premium quality of petroleum products received at our terminals and supply points. We ensure consistency in quality and quantity of all the products supplied to customers at retail outlets and other valuable clients by employing state-of-the-art ground and mobile Quality Assurance Labs - equipped with modern apparatus followed by quick responsiveness to queries on quality whenever required by the customers.



APL's quality policy statement enlightens Company's vision towards continuous quality improvement.

Quality Policy Statement

It is the policy of Attock Petroleum Limited to provide quality products and services based on needs of our valued customers. We approach the challenge of getting customer satisfaction and loyalty by focusing on two-way communication, unparalleled performance, training, learning from our group experiences and those of others, to foster continuous improvement culture in all functions of organization.

To further enhance its commitment towards Quality, APL management has set the following quality objectives:

- The primary objective of the Quality Management System is to ensure conformance to product specifications of all goods shipped to customers.
- Clearly identify and understand our internal and external customers stated and hidden needs, to develop a way of working to meet and exceed the expectations of customers.



- Provide confidence to management, our employees, clients, and stakeholders that the requirements for quality are being fulfilled and maintained and that quality improvement is continuously taking place.
- To develop measurement techniques to gauge performance for improving effectiveness of our services, operations and quality management system.
- Fulfill all quality system requirements stated in our Quality Manual, including the requirements of ISO 9001:2015.
- To be a trustworthy and leading oil marketing organization for providing consistent high quality products and services in the market.

With this vision we want to create a culture of continuous quality improvement at APL.

Industrial Relations

APL is the member of Oil Companies Advisory Council (OCAC) a forum of oil



industry which is responsible to ensure that its members i.e. refineries and OMCs abide by the ethical standards, observe regulations applicable to industry, including those related to HSEQ, laws of country, conduct business with integrity and honesty. The Downstream Oil Sector (Refining, Marketing, and Distribution) plays a very significant role in Pakistan's economic development, ensuring uninterrupted supply of petroleum product to the country in order to keep the wheels of the economy moving.

Business Ethics & Anti- Corruption Measures

The Company is committed to conduct/govern its business operations and relationship, honestly and will not pursue any



activity that requires to act unlawfully or in violation of the Code of conduct. Ethical codes and policies are implemented to eliminate corruption; each director and employee is expected to deal fairly with Company's customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice. The Company has zero tolerance to all types of corrupt practices. All employees are required to sign the compliance of Code of Conduct annually, certifying adherence to business ethics and anti- corruption measures.

Contribution to National Exchequer

Please refer to Page 43 for details.

ENVIRONMENTAL RESPONSIBILITY

Our approach to sustainability includes sharing benefits with the communities where we operate. And we're helping to shape a more sustainable energy future, by collaborating with others on global energy challenges. Compliance to all regulatory requirements as stated in NEQS is strictly adhered to and all operations are carried out in such a way so as to have minimal impact on the environment. Advanced technology, new ways of operating and partnerships are helping to manage our environmental impact as we contribute to meeting the world's growing energy needs.

Moreover, Company continuously keeps on imparting awareness among its employees and its stakeholders-customers, suppliers, and the entire community on their responsibility towards the Environment and motivate them to act on matters such as waste reduction or energy efficiency.

Environmental Protection Measures

APL is pledged to offer priority to the protection of environment in the conduct of its business. Our Environmental Management System (EMS) is aimed to provide safest and healthiest possible working conditions to



its employees and to the people working in outside environment.

For the purpose of protection and betterment of environment APL sticks to the following principles:

- To comply with all existing environmental laws and other requirements in this context and also endeavor to set achievable goals and targets to go beyond prevailing environmental laws.
- To motivate its employees for setting environmental targets and objectives.
- To take corrective and preventive actions for proper functioning of the system.
- To train its employees to recognize and handle unsafe or environmentally harmful conditions.

There will be qualitative and quantitative (where possible) estimation of environmental aspects and impacts. The contents of this policy will be accessible to all the employees, interested parties and the public living in the surrounding environment.

With this pledge at hand we aim to continuously improve our Environmental Management System (EMS).



Environment, Health & Safety Policy

Attock Petroleum Limited's overriding objective is to ensure that none of our activities harm our employees, the public or the environment. In order to achieve this objective, we embrace a comprehensive policy on the Environment, Safety and Health that includes:

- We consider that none of our activities are more important than health and safety of any individual or protection of environment.
- As a minimum we will comply with all relevant legislation and any other requirements to which we subscribe.
- We will encourage a pro-active safety culture and ensure that each employee is trained, experienced and competent to perform his or her duties.
- We will strive to remove all causes of accidents and events and to minimize the consequences of such if they occur.
- We will ensure that all our operations are performed, and seen to be performed safely.
- We will strive to continually improve performances in all areas of EHS



performance and priorities on the basis of risk.

- We will apply our EHS policy, standards, objectives and targets to our Retail Outlets, Distributors, Dealers and Contractors.

Energy Saving Measures

Lighting system is a substantial energy consumer and rapidly growing source of energy demand in industries, which is also a major component of the service costs. However, Enormous energy savings are possible using energy efficient equipment and effective controls. Using less energy consumption lighting system reduces heat



gain. Electric lighting also strongly affects visual performance and visual comfort by aiming to maintain adequate and appropriate illumination.

Following the ritual of sustainable growth & corporate social responsibility, APL is continuously working on energy conservation to optimize energy consumption across the country. The Company took initiative for energy saving by replacing all existing conventional lighting system (High Pressure Sodium and Mercury lights) with energy efficient LED lights at all its terminals. Thereafter Pole/flood lights have been converted from conventional Lights 400 watts to LED Lights 100-150 watts.

The Company is now in last 3rd phase of replacement of these energy efficient LED lights at its Oil terminals RBT, MBT & KBT enabling reduction in energy consumption of about 62.5%. Only these energy efficient LED lights are now being installed at the Company's new oil terminals.

The Company further plans to fully or partially switch over to solar generated electricity wherever feasible.

EFFORTS MADE TO MITIGATE ADVERSE IMPACT OF INDUSTRIAL EFFLUENTS

Waste Management Plan

APL Waste Management Plan (WMP) provide a comprehensive methodology for the minimization, proper management and disposal of wastes generated during the operation, with the aim of protecting the environment, the health and safety of employees. To facilitate achievement of the Waste Management Policy, a series of specific waste management objectives are being followed:

- Apply the Waste Management Policy to its full extent to protect

people, the environment and company assets.

- Achieve and maintain compliance with the National Environmental Quality Standards of Pakistan.
- Ensure that all wastes are managed appropriately and safely according to their characteristics, composition and the availability of recycling, appropriate storage and/ or disposal options.
- Appropriate standardized waste management documentation and reporting systems.



- Ongoing commitment for the minimization of waste, including the optimum reuse and/ or recycling of materials, and establish goals & measures to target waste minimization.
- Promote and pursue 'continuous improvement' in management of wastes.

All the waste from facilities is segregated into Class I (Hazardous), Class II (Non Hazardous) and Class III (Inert) waste. The hazardous waste is properly disposed-off through incineration process, whereas non-hazardous waste is recycled through approved third party contractors.

Effluent Monitoring

APL has committed to comply all environmental applicable and regulatory requirements and ensures its effectiveness through NEQS as per Pakistan environmental protection act. To comply with all existing environmental laws and other requirements APL monitors environmental emissions and effluent at all its installation through recognized Laboratories and renowned testing laboratories on an annual basis for the compliance of NEQS.





Occupational Health & safety

APL strives to achieve world-class performance and eliminate all possible injuries, occupational illnesses, unsafe practices and incidents of environmental harm caused by Company's Operational activities. APL is committed to preventing serious injuries and fatalities, which requires operational discipline from assessing hazards to executing each step of the job to conducting a post-activity review. To accomplish this, we have developed our hazard identification tool along with our job hazard and safety analysis procedures. Written safe-work practices are a core part of our comprehensive safety program. These safe-work practices help ensure

that potentially hazardous work, such as electrical work or entry into a confined space, is properly planned, permitted, executed and closed out to prevent workplace injuries and incidents. Our workforce truly believes that incidents are preventable and that "zero incidents" is achievable. We have policies, processes, tools and behavioral expectations in place to assist us in achieving that goal. We take steps to extend these safety principles to our contractors by reinforcing our expectations and monitoring compliance with requirements throughout the life cycle of our projects. This includes engaging with our contractors to improve oversight of their activities





HSE Manual

Attock Petroleum Limited is committed to conduct business with strong environment conscience ensuring sustainable development, safe workplaces and enrichment of quality of life of Employees, Customers and the Community. We, at APL, believe that good HSE performance is an integral part of efficient and profitable business management.

Accordingly, the Corporation's endeavor is to:

- Establish and maintain high standards for safety of the people, the processes and the assets.
- Comply with all Rules and Regulations on Safety, Occupational Health and Environmental Protection.
- Plan, design, operate and maintain all facilities, processes and procedures to secure sustained Safety, Health and Environmental Protection.
- Remain trained, equipped and ready for effective and prompt response to accidents and emergencies.
- Welcome audit of our HSE conduct by external body, so that stakeholder confidence is safeguarded.
- Conduct safety audits on monthly basis & Safety manual revision on the basis of GAP Analysis
- Adopt and promote industry best practices to avert accidents and improve our HSE performance.
- Remain committed to be a leader in Safety, Occupational Health and

Environmental Protection through continuing improvement.

- Make efforts to preserve ecological balance and heritage.

Safety Trainings

APL's HSE department is committed to deliver the safety based trainings to their employees on regular basis which include:

- Environmental & Social Risk Management
- Occupational Safety & Health Management
- HSE Management for Contractors
- Area Classification and Control of Ignition Source
- HSE In Maintenance & Construction Activities
- Unconventional Resources: Safety Issues
- Positive HSE Culture
- Fundamental of Process Safety
- Emergency Response Planning
- Firefighting
- First Aid training
- Oil Spill Management
- Road safety training, through motorway police, was conducted for our management staff at MBT as well as contractors (Tank Lorry Drivers)

Achievements

In FY 2018-2019 another major milestones achieved by APL is the successful Completion of Sahiwal Terminal at Sahiwal and Daulatpur Terminal at Benazir Abad, Sindh (SHK) which went into its completion without any accidents throughout its Construction Phase.



CORPORATE SOCIAL RESPONSIBILITY



Corporate Social Responsibility (CSR) is one of the core values and an integral part of the Company's overall mission. APL is committed to play vital role in supporting and working with its stakeholders for sustainable community and social development program and have clear guidelines in place to meet its Social & Environmental responsibilities.

By integrating CSR into our business strategy, APL is helping to drive shared value amongst its stakeholders and enhance its corporate brand image community wide.

Internship Program

As per APL's Internship Policy, the Company



considers it a social responsibility to provide opportunity for first hand practical experience to students of Higher Education Commission (HEC) recognized educational institutions of the country to observe and have practical knowledge to be a part of congenial working environment of the Company.

During the year 21 students from various universities including QAU, Fauji Foundation University, ICMAP, NUST Business School, Capital University of Science & Technology (CUST), Bahria University, COMSATS, SZABIST, NUML, GIKI, Abbottabad University of Science



and Middle East Technical University (METU) were offered internship in various disciplines like Engineering, Finance, Supply Chain, Human Resource and Marketing & Sales.

These internships not only provide them the exposure of a corporate environment, but also a platform to apply their academic skills in order to jump-start their professional careers. Students are provided with an opportunity to experience and preview the practical environment, building their professional confidence through these internship programs.



Educational Scholarship

The Company realizes the importance of basic & higher education in building a strong Nation and always supports the bright students by sponsoring their education.

APL through its trust awarded scholarship to 81 brilliant children of employees (24 APL and 57 from 3rd Party Contractual Staff) including 01 for graduation.



Community Welfare

APL is also a donor to various trusts working for the public welfare. It includes donation to Zia-Ud-Din University for educational endeavours, Attock Sahara Foundation for



Meena Bazaar and sponsorship for Customs Day Advertisement for appreciating Pakistan's Customs.



Green Clean Drive

APL embarked on several green and clean projects. With collaboration with Civil Aviation Authority (CAA), APL served in the manifesto of the Nobel cause of Clean and Green Pakistan at Islamabad International Airport by extending support for Tree Plantations.





Sports promotion

APL has played its role in promotion and development of sports and provided sponsorship for:

- Risaldar Major Ahmad Khan Memorial Polo Tournament 2019
- 8th Chief of the Naval Staff Amateur Golf Championship 2018

Rural Development

The Company comprehend the significance of rural development and supported NGOs such as the Attock Sahara Foundation, which is playing a vital role in uplifting the economic

conditions of the surrounding communities through various welfare activities. The Company has developed many retail outlets (fuel stations) in the rural and far-flung areas, creating the livelihood opportunities for local inhabitants resulting in improvement of quality of life.

Employment of Special Persons

APL fully supports the employment of special persons. The Company is aware and committed to comply with the mandatory requirements of employment under quota of disabilities in accordance with section 459 of Companies Act, 2017.



CERTIFICATION ACQUIRED AND INTERNATIONAL STANDARDS ADOPTED FOR BEST SUSTAINABILITY & CSR PRACTICES

Compliance with all relevant industry standards and executing all its operations in a safe and environment friendly manner is a core value here at APL. Systems development and "Quality" assurance during Company's all operations is evident by the renewal of ISO 9001:2015 standard certification of APL in FY 2018-19. The Company is also committed to Implementation of ISO 14001:2015 & OHSAS 45001:2018 standards in its next phase as a step towards systems development and ensuring "Environment protection & Occupational Health Safety and Security" during all its operations.



HUMAN RESOURCE MANAGEMENT

Competent workforce is the back bone of any Organization. Our employees are the most valuable assets of the Company. APL's Human resource is the appropriate mix of employees with professional & other academic qualifications.

APL is an equal opportunity Employer. To ensure our workforce competency, we at APL have a sophisticated system of Employee Hiring in place. Through this process we ensure to hire competent personnel with appropriate qualification & skills in line with Job requirements. Candidates' evaluation is based on their academic & professional portfolio. Transparency is maintained in employee selection, evaluation & hiring.

On becoming part of Team APL, the Company endeavours to facilitate employees in achieving their career progression and helping them refine their personal and professional skills. Training & development programs are planned throughout the year to keep the employees abreast with latest market trends.

Annual performance appraisal of employees is carried out in person to assess & manage the individual performances. It helps to bridge the gap between Organization's developmental needs at Company & Individual level and its Strategic & operational objectives.

Succession Planning

The Company ensures availability of competent personnel in each department through a comprehensive succession planning policy in order to maintain its leadership continuity. APL believes in proactive approach towards succession planning. We recruit employees, develop their knowledge, skills & abilities through different training programs and employee job rotation to more challenging roles to prepare them for future endeavours. APL's Human Resource Department works closely with other departments to look promptly into the needs for new hiring or filling up of any vacancy. Job requirements & job descriptions are thoroughly discussed with the relevant department's management & the hiring is processed accordingly.

Code of Conduct

To integrate the culture of organizational discipline and core ethical values in conduct of the Company's employees, a Code of conduct is in place which is circulated annually to employees to acknowledge their commitment towards the Company's Disciplinary Mechanism. The Code of Conduct is available on the website of the Company.



Human Resource Management System

To streamline employee database management by providing swift yet reliable employee information, the Company has an integrated Human Resource Management System (HRMS) in place across the organization which is integrated with HR- specific business processes such as employee records management, attendance and payroll.

The Leave Module has been integrated with HRMS and is fully functional in some Departments in first Phase and rest of the departments will be covered by mid of next fiscal year in second phase.

As a recent development, APL has also launched employee's online performance appraisal through employee self-service system.

Training and Organizational Development

Training & Development is the prime focus area of the organization. Training our workforce equips them with new skill sets, refines existing one, reveals employees potential capabilities, enhances productivity & efficiency and improve their leadership skills. APL engages its employees in different in-house and open audience workshops

to enhance their working skills at different levels to meet departmental competency requirements.

During 2018-19 approximately 8 external and 5 in-house training workshops are conducted on following topics:

1. Supply Chain Management
2. Modern retail Management
3. Internal Control of Business
4. ICAP's Conference on 5 Steps to Greatness- Rising to your true potential CFO and beyond
5. Leveraging HR to Achieve Excellence
6. NUST's 35 Hours Preparatory Course on Project management professional Certification's Exam
7. IFRS 9 & IFRS 16- The New Outlook
8. International Financial Reporting Standards
9. Leadership
10. Occupational Health & Safety
11. Nuts and Bolts of Effective Communication Skills
12. Strategic Management
13. Awareness on ISO 9001:2015 Standard

Total of 154 staff members attended and got benefited from these trainings.



Employee Benefits

Competitive Salary packages are offered to employees along with annual bonuses & rewards. Perquisites include Life insurance coverage, Medical coverage and Membership of Morgah Club and Elliot Club- where employee can avail subsidized meals, gym and sports activities.



Health Care

Besides providing Medical coverage to its regular & contractual staff, company also provides need based medical assistance to its 3rd party staff.





Recreational Activities

APL strives to develop harmonious working environment among employees through different recreational activities / celebrations. This helps them develop team work and socialize with each other thus satisfying their social appetite. Endeavouring it, different sports events including various indoor and outdoor games are arranged with maximum

participation of employees.

APL shares the happiness and celebrates the birthday of its employees at the Company level as a good gesture to honour the most valuable asset of the Company its competent workforce.

Special events and days are marked and this year Pakistan Day & International Women day are celebrated at APL.





PROSPECTS OF THE ENTITY INCLUDING TARGETS FOR FINANCIAL AND NON-FINANCIAL MEASURES

Retail network expansion, effective Supply chain management and Partnerships agreement with leading local & foreign companies are milestones of the Company towards business expansion and sustainable profitability. Establishment of bulk storage facilities and other capital ventures are also there to improve the operation's throughput.

Financial Measures

APL has projected its financial targets based on historical financial performance keeping in view multiple risk & uncertainties prevailing in the market.

Stiff market competition coupled with volatile International prices of POL products are the basic challenges to effect Company's strategy and in turn its profitability. The Company combated these challenges by its effective strategic, tactical and operational direction, efficient inventory management, control over supply chain and growth in sales volumes hence maintained to be in good profits.

Sticking to the targets set; APL recorded increase of 11% in its market share as compared to previous financial year.

Performance targets are continuously monitored to observe and reduce deviation from the defined goals.

Non-financial Measures

The Company has identified following areas as key non-financial measures:

- Human resource development, training and Succession planning
- Product Quality maintenance & improvement assurance
- Corporate Social Responsibility
- Healthy & Safe Environment
- Revamping of business processes in line with best practices
- Management responsibility for effective implementation of business plans, under strategic directions of the Board

RISK & OPPORTUNITY REPORT

Effective risk management remains of utmost importance to the companies for sustainable business growth. Management endeavors to stay committed to the long-term strategy of the Company while minimizing the risks associated with short-term goals. Another challenge for the decision makers is to exploit the best opportunities in favor of the Company, generating viable returns and adhering to the vision and mission of the Company.

Risks

Businesses face various types of risks including strategic, commercial, operational and financial risks. An overview of major risks faced by Attock Petroleum Limited and the mitigating strategies to overcome these risks are outlined below:



Risk	Category	Mitigating Strategy
Increased industry competition resulting in loss of market share	Strategic	APL's customer focused strategy and proactive approach towards potential opportunities restricts any loss in market share and enable retention of existing customers.
Volatility in international oil prices	Strategic	Efficient and effective stock management results in minimal losses from decline in prices and vice versa.
Operating in a fixed margin industry	Strategic/ Financial	Increased focus on pushing volume based sales generating optimum returns and diverse portfolio of products including deregulated high margin products.
Non-compliance with statutory requirements and regulatory framework	Strategic	Proactive approach by the management in timely implementation of and compliance with any changes in the regulatory environment of the industry.
Shortage of products due to delay in supplies by local refineries/ strikes by transporters disrupting supply chain	Commercial/ Operational	Adequate stock levels are maintained and regular imports are planned to counter the risk arising from these situations to maintain smooth uninterrupted operations of the Company.
Turnover of trained employees at critical positions/ employee misconduct	Operational	APL's succession planning policy coupled with employees' job rotations & training practices have been put in place to cater this risk. A formal code of conduct is in place to ensure employees' disciplinary mechanism.
Risks of accidents causing serious injuries to employees / stakeholders or damage to Company's property	Operational	A sound system of HSE is in place for hazard identification & threat management to ensure workplace safety.
IT security risks, internal external frauds and system failures	Operational	System integrated controls are in place to prevent unauthorized access to confidential information and to avoid breaches, errors & other irregularities. Data auto backup mechanism is also followed.
Natural calamities/ force majeure	Operational	These events are beyond the Company's control however with the APL's disaster recovery/ business continuity plans, Company is well equipped to recover from any natural disaster.



Lights of Celebration, Pakistan Independence Day - APL Head Office, Attock House, Morgah, Rawalpindi

Opportunities

The Company is always presented with a lot of opportunities for improvement of business in general and profit maximization in specific. Enhancement of market share always remains a challenging opportunity for the Company as the industry volumes grow and with ever increasing competition, Company has aligned itself to achieve maximum benefit and hence market share of the Company has increased even in times of dropping industry volumes. An opportunity to be geographically present and appropriately spread across the Country to attain competitive advantage is accessible to the Company. APL has recognized this opportunity and setting up storage terminals across the Country to exploit this opportunity and gain cost and freight advantages. Geographical presence through retail development is also part of this strategy.

Development of China Pakistan Economic Corridor (CPEC) presents enormous opportunities to businesses across Pakistan. APL has started to actively participate

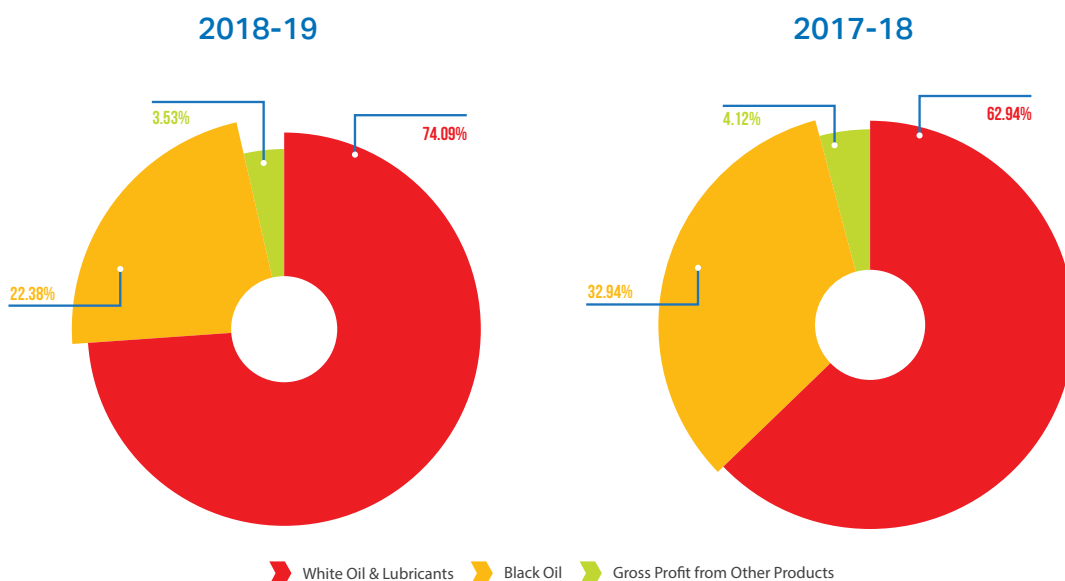
in the project and contracts have been obtained for supply of petroleum products. With increasing focus on CPEC in the near future, Company shall make efforts to generate maximal benefits from the available prospects.

The Company is geared to make the best use of opportunities presented. APL remains interested in acquisition of entities available for sale which can add to the Company's strength by way of offering associated services or participating in bidding for other OMCs which were offered for sale. Previously, the Company participated in bidding for acquisition of OMCs.

The untapped segment of aviation presents a huge opportunity for APL to enter and grab market share. Beginning of New Islamabad International Airport – the largest in Pakistan and established fuel farm facility by APL, the Company has positioned itself in such a manner to gain maximum advantage from the sector including financial and non-financial benefits. Another revenue stream has been added generating cash flows for the Company.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

APL's financial statements have been prepared on the basis of a single reportable segment. Total gross profit is broadly divided into following categories:





Celebrating 1st position in Fuel & Energy Sector of Best Corporate & Sustainability Report Awards 2017



REPORT OF THE AUDIT COMMITTEE

The Board of Directors of the Company has formed a Board Audit Committee as required under the Code of Corporate Governance Regulations 2017. The Committee comprises of 04 non-executive directors of which 02 members including Chairman are independent non-executive directors. Composition of the Audit Committee meets all applicable independence requirements. Each member of the Committee is equipped with appropriate professional knowledge and relevant experience with one of its member being a fellow member of Institute of Cost & Management Accountant of Pakistan possessing over 35 years of Financial Management Experience. Details of the individual members of the Board Audit Committee are set out in "Profile of Board of Directors" section.

The Committee has concluded its annual review of the financial statements together with the conduct and operations of the Company during the year ended June 30, 2019, and reports as follows:

Discharging responsibilities towards Financial Statements

- Appropriate accounting policies have been consistently applied. All core and other applicable International Financial Reporting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2019, which present fairly the state of affairs, results of operations, cash flows and changes in

equity of the Company.

- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for stakeholders' needs.
- The Audit Committee has reviewed the related party transactions and recommended for approval of the Board of Directors.
- The CEO and the CFO and a director who is the member of the Audit Committee have endorsed the financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.

Corporate Governance Compliances

- The Board has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company.
- All direct or indirect holdings of Company's shares by the Directors & executives or their spouses were notified in writing to the company secretary the same is notified by the Company Secretary to the board



within stipulated time. All such holdings have been disclosed in the pattern of shareholdings.

- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.
- As required by the Code, the Committee also independently met external and internal auditors, if needed, during the year to get feedback on the overall control and governance framework within the Company.

Approach to Risk management and Internal Control

- The Committee has ensured the achievement of operational, compliance, risk management and financial reporting control objectives thus safeguarding the assets of the Company and the

shareholders wealth at all levels within the Company by having deployed an independent internal audit function in the Company which is responsible for monitoring risks associated with its internal controls framework hampering the achievement of control objectives.

- The Company's risk management approach is elaborated in detail in the Directors report.

Role of Internal Audit function

- The Company's system of internal controls is designed and developed to mitigate and eliminate the risk of not achieving business objectives and provide reasonable assurance against material misstatement or loss. The internal control system is continually evaluated for effectiveness and adequacy.
- The Internal Control Framework is effectively designed and implemented. Internal auditors play an important role in evaluating the effectiveness of control systems and have a significant monitoring role because of authority and independency in the organization.

- The Head of Internal Audit has direct access to the Committee. Audit observations along with compliance status are regularly presented to the Committee. The role of Internal Audit department includes review of systems within the Company at appropriate intervals to determine whether they are effectively designed and carrying out the functions in accordance with management instructions, policies and procedures and in a manner that is in agreement with Company's objectives and high standard of administrative practices.
- The committee evaluates the scope and extent of internal audit, audit plan, reporting framework and procedures. The Committee reviewed and discussed material internal audit findings, management responses and ensures appropriate action is taken and reported material items to the Board.
- The Audit Committee reviewed performance, audit fee and independence of the external auditors, M/s. A. F. Ferguson & Co. Chartered Accountants and has recommended to the Board, their reappointment for the year ending June 30, 2019 for the fifth consecutive year.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.
- The Committee has reviewed Internal Control Memorandum issued by external auditors as required under the listing regulations and discussed with the external auditors and management and reported material items to the Board.

Whistleblowing arrangements Review

- The Company provides a mechanism whereby any employee meeting the conditions detailed in Company's whistle blowing Policy can report any case including actual or potential improprieties in financial and other matters based on merit without any fear of retaliation and reprisal and raise the issue directly to Chairman Audit Committee and / or to Chief Executive and / or to the Company Secretary.
- Audit committee closely reviews these arrangements. No cases of complaints regarding whistle blowing events were received during the year by the Committee.

Assessing effectiveness of External Audit process

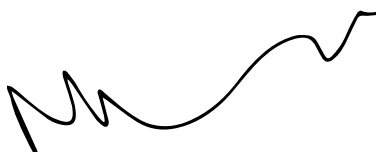
- The External Auditors have direct access to the Audit Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. Separate engagement partner is deployed by the external auditor for the provision of non-audit service i.e. tax consultancy to the Company.

Views on Annual Report

The Annual report is fair, balanced and understandable as to providing necessary information to enable shareholders to assess the Company's financial position, performance, business model & strategy.

The Audit Committee

The Audit Committee has performed its responsibilities to its best in accordance with the TOR set out by the Company's board of directors. In addition to the evaluation by the Board of Audit committee performance, Self-evaluation by the Audit committee members of their own performance is also carried out and the performance of the committee is found to be satisfactory and up to the mark.



Mohammad Raziuddin
Chairman-Audit Committee

Islamabad
July 26, 2019



SHARE PRICE SENSITIVITY ANALYSIS

The shares of Attock Petroleum Limited are regarded as blue chip stock and considered as a secure investment. The share price has reflected our strong market position and prospects of growth but might respond to exogenous factors in the future as there are number of events that are affecting the share prices either in the short or broad spectrum.

During the year, the share price varied from Rs 255 to the mark of Rs 633. Strong performance resulted in higher dividend payouts over the years, which in turn has gradually increased the share price of the Company. The spread between the prices is due to fluctuations in stock market index which remained under pressure due to various uncontrollable factors. We continuously build confidence of our investors, providing them optimal returns on their investment promoting the long term retention of the shares.

Following factors or events may affect the share price of the Company:

Sales Volume

Operating in an industry where margins are fixed, the profitability of the Company is highly dependent on sales volume which ultimately also affects the share price. Increase in economic activity will lead to increased sales and ultimately reflected on the net profit and share price of the Company.

Sales Margin

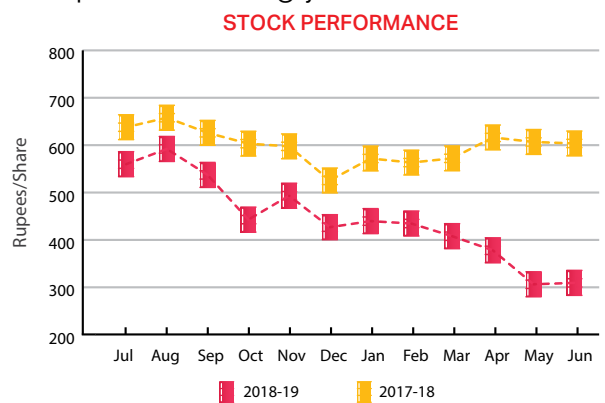
As stated above, the profitability is positively correlated to fixed sales margin on petroleum products. Any change in margins by the Government of Pakistan (GoP) for the regulated products shall directly affect the profitability and the same shall be reflected on the share price of the Company.

Exchange Losses

The Country is highly dependent for its energy requirements on import of petroleum products. APL also actively imports various POL products. Movement in Rupee – Dollar parity incurs exchange can also indirectly affect the share price.

Inventory Gains / Losses

High volatility in international oil prices also severely affects the profitability of the Company. Downward trend leads to inventory losses while an increasing trend positively impacts the profitability and hence affects the share price accordingly.



CALENDAR OF MAJOR EVENTS

AUGUST
2018

Secured 1st position in Fuel and Energy Sector in a much anticipated event of corporate world, Best Corporate and Sustainability Report Awards 2017 jointly organized by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).



A significant milestone achieved was signing of the agreement with M/s Pak Suzuki Motor Corporation for supplies of Engine Oils having Exclusive OEM recommendation of Suzuki in Semi Synthetic category.

AUGUST
2018

SEPTEMBER
2018

APL celebrated Defense and Martyrs Day with patriotic spirit and paid tribute to our armed forces and all the martyrs for their supreme sacrifices and gallantry acts.

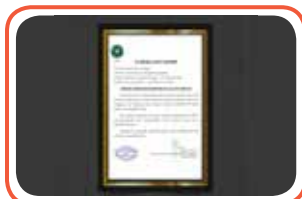


Successful commission of Shikarpur Bulk Oil Terminal, new infrastructure developments will help the Company to cater volatilities in a rapidly evolving operational and marketing landscape within the industry.

OCTOBER
2018

NOVEMBER
2018

For the personal and professional development and growth of employees, APL provides prime opportunities of consistent and continuous trainings. APL completely recognizes training as a crucial element for organizational development and success.



APL successfully managed to win the contract for fuel supplies to the Armed Forces of Pakistan for next fiscal year FY 2019-2020. On the basis of previous year's continuous supplies and exceptional services, APL was also honored via an official appreciation letter from the Supply & Transport Directorate (GHQ).

JANUARY
2019

JANUARY
2019

APL's Annual Report for 2017 has been awarded the Merit Certificate in the South Asian Federation of Accountants (SAFA) for Best Presented Annual Report Awards.



FEBRUARY
2019

Keeping the spirit of continuous improvement, APL has gone through successful transition of ISO 9001 Certification from previous version (ISO 9001: 2008) to new version (ISO 9001: 2015) at APL Bulk Oil Terminals at Rawalpindi, Machike and Karachi.



MARCH
2019

APL, celebrated International Women's Day that honors social, economic, cultural and political achievements of women, as a civilized nation. We must acknowledge and celebrate women's contribution to society, business, culture and politics.



MARCH
2019

Following the ritual of sustainable growth & corporate social responsibility, APL is continuously working on energy conservation to optimize energy consumption across the country. All High Pressure Sodium and Mercury lights are replaced with efficient LED Lights for energy savings of over 50% at various Bulk Oil Terminals.



MAY
2019

APL embarked on several green and clean projects. With collaboration with Civil Aviation Authority (CAA), APL served in the manifesto of the Nobel cause of Clean and Green Pakistan at Islamabad International Airport by extending support for Tree Plantations.



JUNE
2019

Progressing forward in Retail, APL celebrated the commissioning of 662nd retail outlet – Ensuring commitment of uninterrupted quality fuel supplies within your neighborhoods and state of art Non-Fuel Retail (NFR) services for all our valued customers. Amongst many others, APL's outlet on Karakoram Highway serves its valued customers of Pak-China border crossings.



INFORMATION TECHNOLOGY GOVERNANCE

As businesses evolve and adapt to the changing market dynamics, they require a flexible approach to Information Technology introduction and utilization for achieving their strategic goals and objectives.

Information Systems Strategic Planning

The APL IT Committee oversees the requirements, approves the planning and supervises the introduction of new automated functionalities required for optimal business operations. Generic and industry-specific Best Practices are also reviewed and incorporated in to APL functions.

Business Alignment with Information Technology

APL is endeavoring to transform its strategic vision into automated systems that encapsulate the APL Business Cycle in to a web based environment to process and track every key transaction in a real time environment.

Business Process Streamlining

Business Processes are being continuously mapped, documented, re-engineered and improved upon for transformation in to automated functions. Plans are also being developed for introduction of an automated Work Flow System.

IT for Internal Controls

Automated controls are being incorporated at each step of the APL Supply Chain to check

and validate information being entered to reduce the possibility of human error. System generated audit and consistency mechanism are being planned to ensure system integrity.

Real Time Reporting for Decision Making

An Online Real Time System opens up the possibilities for Real Time Reporting and Real Time Decision Making: Business outcomes can be positively impacted when actionable data is on hand in real time.

Business Intelligence for Planning and Forecasting

APL is continuing to explore Business Intelligence Tools and Technologies that will provide insights in to the hows and whys of the Business through dashboards and analytical drill-downs across all business areas and functions. This will open up the possibilities for targeted planning and forecasting based on existing data and what-if scenarios.

Value Addition and Return on Investment

APL has an on-going commitment to continuously improve upon its IT infrastructure, technologies, processes and procedures. This directly translates in to improved controls, enhanced reporting, optimized procedures and better overall performance. Key Performance Indicators are being developed to quantify the value added to various business functions across APL.

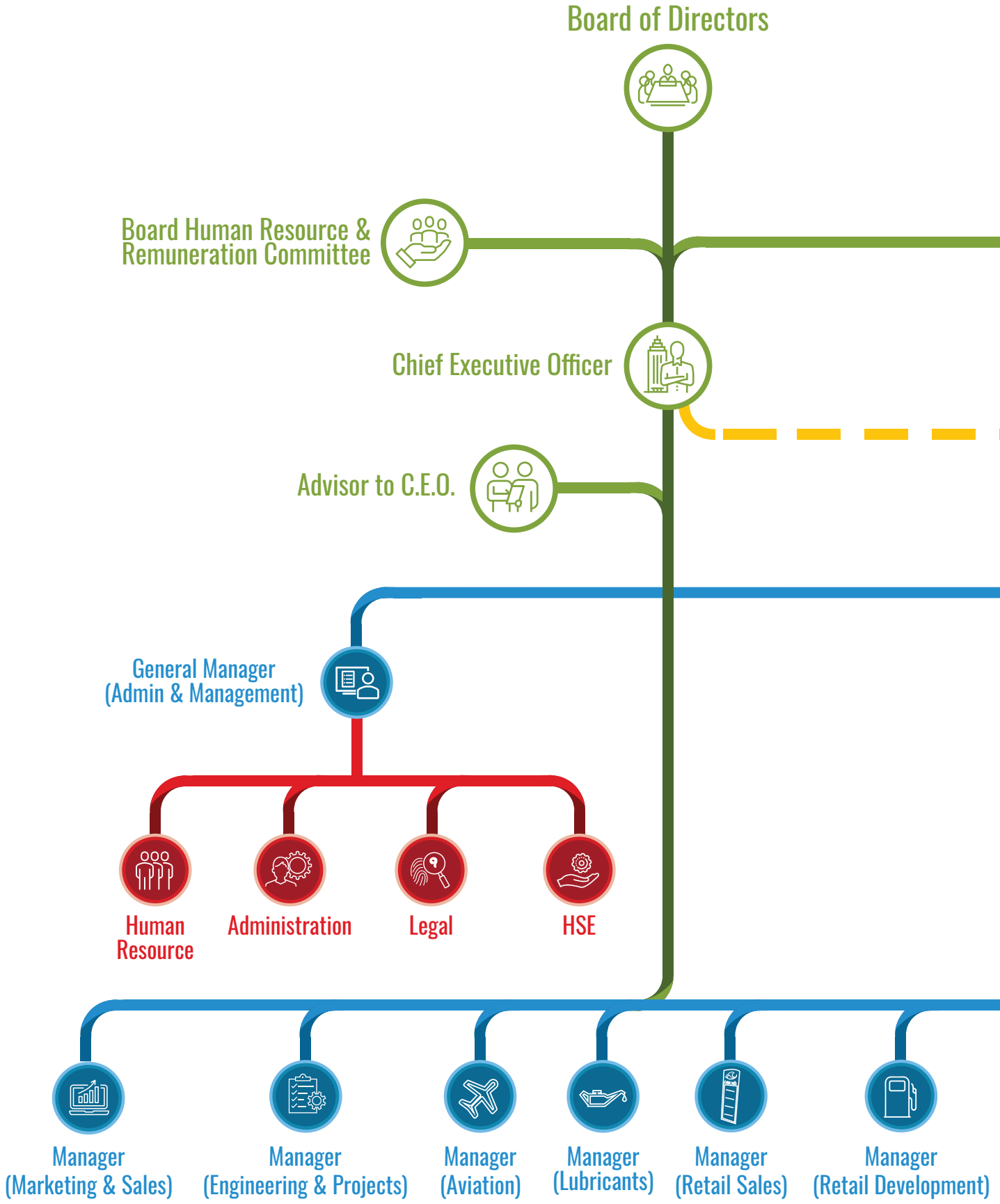


TOTAL RETAIL OUTLETS

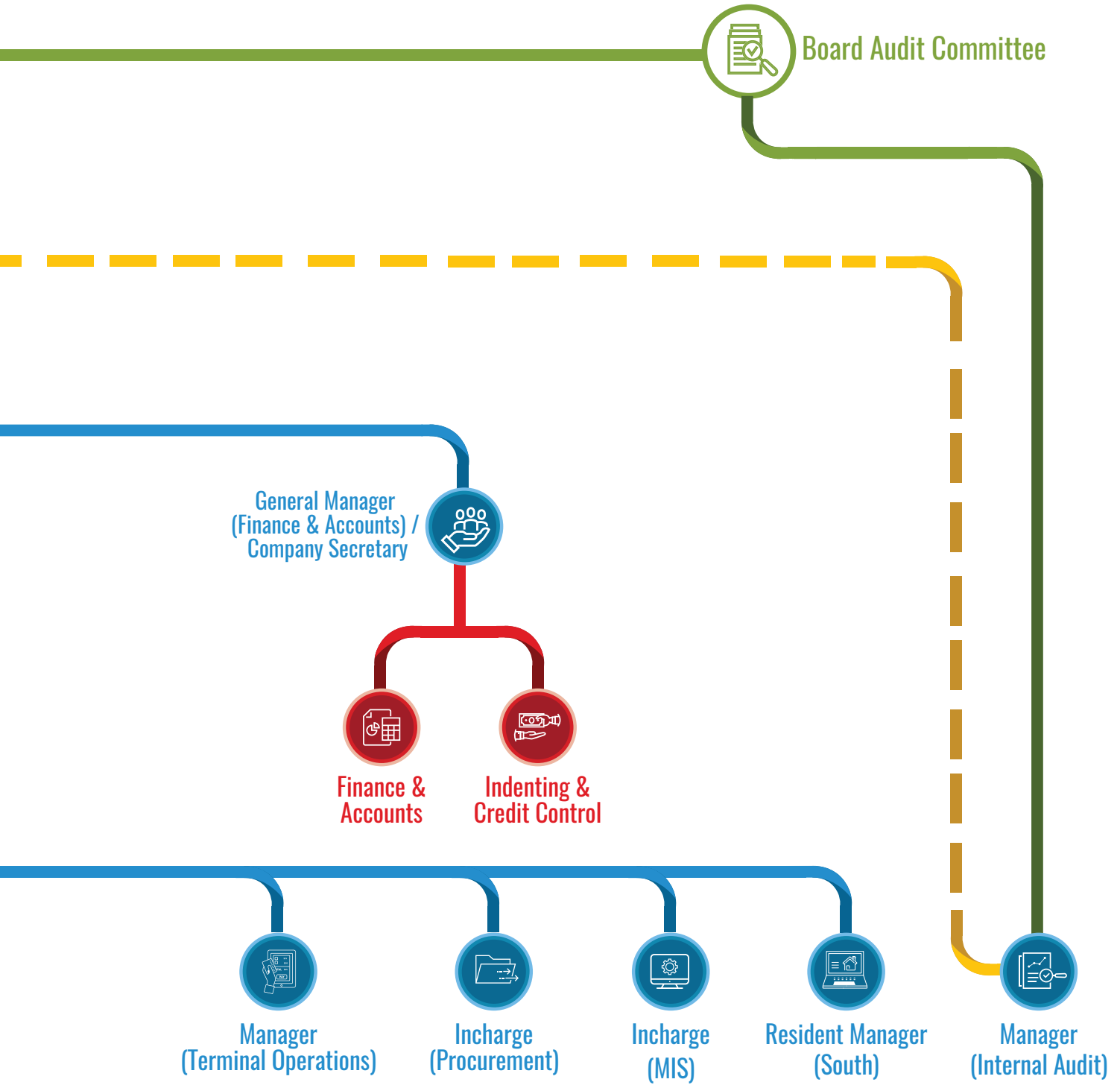
662 and counting retail outlets spread strategically across the Country to provide the best petroleum products and services to the local populace.



ORGANIZATIONAL CHART



-  Departmental Head
-  Department
-  Functional Reporting
-  Administrative Reporting



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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Attock Petroleum Limited (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the note reference where these are stated in Statement of Compliance.

S. No.	Note Reference	Description
(i)	18	Chief Financial Officer and Company Secretary are the same person.



Chartered Accountants
Islamabad
July 29, 2019

Engagement Partner: Asim Masood Iqbal

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax: +92 (51) 2277924, 2206473; < www.pwc.com/pk >*

■ KARACHI ■ LAHORE ■ ISLAMABAD

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2019

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

1. The total number of directors are seven (7) as per following:

- a) Male: Seven
- b) Female: None

2. The composition of Board is as follows:

Category	Names
Independent Directors	Lt Gen (Retd.) Javed Alam Khan Mr. Mohammad Raziuddin
Non Executive Directors	Mr. Laith G. Pharaon Mr. Wael G. Pharaon Mr. Abdus Sattar Mr. Babar Bashir Nawaz Mr. Iqbal A. Khwaja (Alternate Director)
Executive Directors	Mr. Shuaib A. Malik Mr. Rehmat Ullah Bardaie (Alternate Director)

- 3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 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 vision and mission statements, overall corporate strategy and significant policies of

the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provision of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. Four of the directors meet the exemption criteria of the directors' training program and two directors have obtained the directors' training program certification in prior years. Further, one director has attended the directors' training program arranged by Pakistan Institute of Corporate Governance during the year.
- 10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee	HR and Remuneration Committee
Mr. Mohammad Raziuddin (Chairman)	Mr. Mohammad Raziuddin (Chairman)
Mr. Abdus Sattar	Mr. Shuaib A. Malik
Mr. Babar Bashir Nawaz	Mr. Iqbal A. Khwaja
Lt Gen (Retd.) Javed Alam Khan	

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. Audit Committee meetings were held once every quarter and Human Resource and Remuneration Committee meeting was held once during the year.
15. The Board has set up an effective internal audit function and that is involved in Internal Audit on full time basis relating to the business and other affairs of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses

and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with except for the fact that the Company Secretary and Chief Financial Officer is the same person. However, SECP vide SRO 485(1)/2019 dated April 23, 2019 issued draft of Listed Companies (Code of Corporate Governance) Regulations, 2019 and has relaxed the mandatory requirement by proposing a "comply or explain approach" for the requirement of separation of offices of CFO and Company Secretary, effective July 01, 2019.



Laith G. Pharaon
Chairman

Dubai, U.A.E.
July 29, 2019

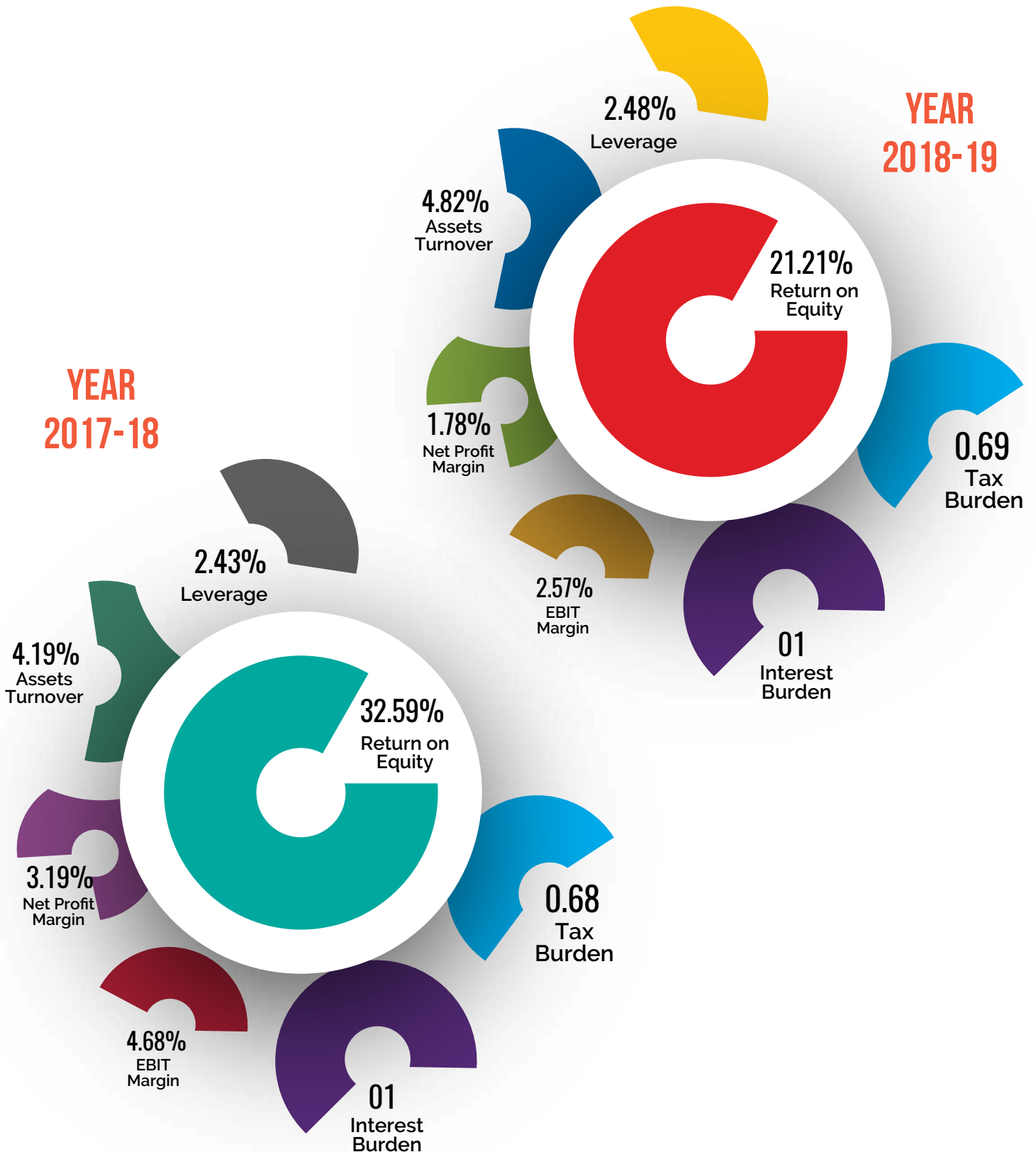
FINANCIAL ANALYSIS



DUPONT ANALYSIS

Return on equity decreased by 35% to 21.21% against 32.59% of year 2017-18 on account of decrease in net profit margin by 44% as a result of decrease in EBIT margin by 45%. EBIT margin decreased due to decrease in gross

profit and increase in operating expenses . Interest and tax burden remained almost at 2017-18 level. Financial Leverage and Assets turnover increased due to increase in sales revenue and assets.



KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS FROM 2013-14 TO 2018-19

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Profit and Loss Summary							
Sales volumes	Metric Tons	2,147,038	2,488,810	2,360,529	2,034,818	2,368,990	2,190,293
Net sales	Rs thousand	223,054,352	177,216,737	138,660,665	109,234,361	171,729,782	205,162,911
Gross profit	Rs thousand	8,221,167	9,743,294	7,335,321	5,749,061	4,926,509	5,942,294
Operating profit	Rs thousand	5,708,378	8,085,325	6,367,177	4,984,849	3,885,822	5,381,469
Profit before tax	Rs thousand	5,722,857	8,289,312	7,699,168	5,633,450	4,537,855	5,906,565
Profit after tax	Rs thousand	3,960,606	5,656,349	5,299,168	3,828,585	3,286,384	4,326,764
Profit before interest, tax, depreciation, and amortization (EBITDA)	Rs thousand	6,314,452	8,711,258	8,046,868	5,951,622	4,828,902	6,228,433

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Balance Sheet Summary							
Share capital	Rs thousand	995,328	829,440	829,440	829,440	829,440	829,440
Reserves	Rs thousand	17,931,407	17,588,222	15,465,051	13,487,726	12,730,365	12,970,282
Shareholders' equity	Rs thousand	18,926,735	18,417,662	16,294,491	14,317,166	13,559,805	13,799,722
Non- current liabilities	Rs thousand	792,993	911,540	733,581	626,159	604,814	581,682
Current assets							
Stock in trade	Rs thousand	12,865,862	12,460,539	7,234,415	4,836,653	5,572,867	6,787,904
Trade debts	Rs thousand	16,838,255	16,475,576	10,801,077	6,046,556	8,214,189	13,009,051
Cash, bank balances & Short term investments	Rs thousand	3,810,956	5,839,645	11,843,739	11,030,176	10,303,318	9,432,730
Others	Rs thousand	3,587,872	3,372,804	2,620,715	4,088,455	2,033,203	2,019,134
	Rs thousand	37,102,945	38,148,564	32,499,946	26,001,840	26,123,577	31,248,819
Current liabilities							
Trade and other payables	Rs thousand	26,633,386	26,138,159	21,061,447	15,434,650	15,719,096	19,492,073
Others	Rs thousand	49,598	663,965	277,433	147,330	27,939	212,387
	Rs thousand	26,682,984	26,802,124	21,338,880	15,581,980	15,747,035	19,704,460
Net current assets	Rs thousand	10,419,961	11,346,440	11,161,066	10,419,860	10,376,542	11,544,359
Property, plant and equipment	Rs thousand	8,348,942	6,417,787	4,339,301	3,011,665	2,444,164	1,931,085
Other non-current assets	Rs thousand	950,825	1,564,975	1,527,705	1,511,800	1,343,913	905,960
Capital expenditure during the year	Rs thousand	2,523,060	2,503,439	1,676,134	886,972	808,421	392,261
Total assets	Rs thousand	46,402,712	46,131,326	38,366,952	30,525,305	29,911,654	34,085,864
Total liabilities	Rs thousand	27,475,977	27,713,664	22,072,461	16,208,139	16,351,849	20,286,142

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Cash Flow Summary							
Cash flows of operating activities	Rs thousand	2,998,293	(1,030,368)	4,848,276	3,700,253	4,735,369	1,456,813
Cash flows of investing activities	Rs thousand	(789,943)	(2,620,019)	235,566	3,660,211	(3,999,956)	778,567
Cash flows of financing activities	Rs thousand	(3,492,842)	(3,088,661)	(3,312,880)	(3,064,694)	(3,521,257)	(4,555,092)
Effect of exchange rate changes	Rs thousand	6,500	3,822	142	698	1,206	(153)
Net change in cash and cash equivalents	Rs thousand	(1,277,992)	(6,735,226)	1,771,104	4,296,468	(2,784,638)	(2,319,865)
Cash & cash equivalents at end of the year	Rs thousand	2,920,168	4,198,160	10,933,386	9,162,282	4,865,814	7,650,452
Free Cash flows	Rs thousand	475,233	(3,533,807)	3,172,142	2,813,281	3,926,948	1,064,552

PERFORMANCE INDICATORS (RATIOS)

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Profitability and Operating Ratios							
Gross profit	%	3.69	5.50	5.29	5.26	2.87	2.90
Net profit to sales	%	1.78	3.19	3.82	3.50	1.91	2.11
EBITDA margin to sales	%	2.83	4.92	5.80	5.45	2.81	3.04
Operating leverage	%	(119.70)	27.57	136.12	(66.34)	142.20	22.80
Return on equity	%	21.21	32.59	34.62	27.47	24.02	31.08
Return on capital employed	%	21.21	32.59	34.62	27.47	24.02	31.08

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Liquidity Ratios							
Current	Times	1.39	1.42	1.52	1.67	1.66	1.59
Quick / Acid test ratio	Times	0.90	0.96	1.18	1.36	1.30	1.24
Cash to current liabilities	Times	0.11	0.16	0.51	0.59	0.31	0.39
Cash flows from operations to sales	Times	0.01	(0.01)	0.03	0.03	0.03	0.01

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Activity / Turn Over Ratios							
Inventory turnover	Times	16.97	17.01	21.76	19.88	26.99	33.36
No. of days in inventory		22	21	17	18	14	11
Debtors turnover	Times	13.39	12.99	16.46	15.32	16.18	19.32
No. of days in receivables		27	28	22	24	23	19
Creditors turnover	Times	8.14	7.10	7.20	6.64	9.47	11.42
No. of days in payables		45	51	51	55	39	32
Total assets turnover	Times	4.82	4.19	4.03	3.61	5.37	6.39
Fixed assets turnover	Times	30.21	32.95	37.73	40.04	78.50	108.16
Operating cycle	Days	4	(2)	(12)	(13)	(2)	(2)
Number of retail outlets		662	629	604	563	516	468

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Investment / Market Ratios							
Basic and diluted EPS	Rs	39.79	68.19	63.89	46.16	39.62	52.16
Basic and diluted EPS (restated)	Rs	39.79	56.83	53.24	38.47	33.02	43.47
Price earning	Times	7.25	8.65	9.81	9.48	14.32	11.31
Price to book	Times	1.52	2.66	3.19	2.53	3.47	3.55
Dividend yield	%	4.38	6.68	6.94	8.32	6.26	9.01
Dividend payout	%	50.26	58.66	66.52	86.66	87.07	91.06
Dividend cover	Times	1.99	1.70	1.50	1.15	1.15	1.10
Cash dividends	Rs thousand	1,990,656	3,317,760	3,525,120	3,317,760	2,861,568	3,939,840
Cash dividend per share	Rs	20.00	40.00	42.50	40.00	34.50	47.50
Bonus shares issued	Rs thousand	-	165,888	-	-	-	-
Bonus per share	%	-	20	-	-	-	-
Break-up value per share without surplus on revaluation of Property plant and equipment	Rs	190.16	222.05	196.45	172.61	163.48	166.37
Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments	Rs	190.16	222.05	196.45	172.61	163.48	166.37
Break-up value per share including investment in related party at fair/ market value and with surplus on revaluation of Property plant and equipment	Rs	199.24	235.77	210.90	184.75	174.24	177.07
Market value per share							
Year end	Rs	289	590	626	438	567	590
Highest (during the year)	Rs	633	706	765	596	610	607
Lowest (during the year)	Rs	255	486	430	398	494	414

		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Capital Structure Ratios							
Debt to equity		0:100	0:100	0:100	0:100	0:100	0:100
Financial leverage		-	-	-	-	-	-
Weighted average cost of debt		-	-	-	-	-	-
Interest cover		-	-	-	-	-	-
Market Share (Source: OCAC)	%	10.80	9.7	9.0	8.5	10.4	10.1

VERTICAL ANALYSIS

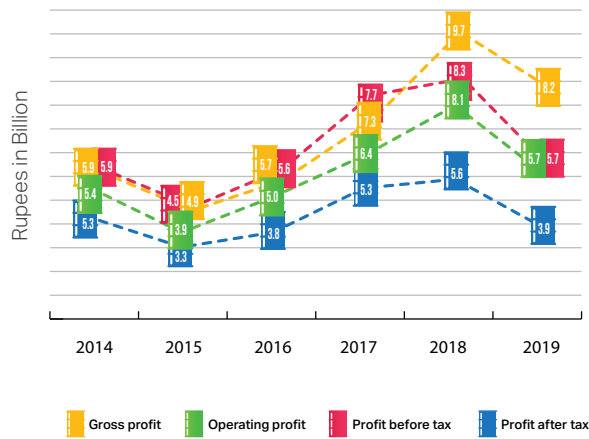
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
	%	%	%	%	%	%
Balance Sheet Items						
Property, Plant and Equipment	8,348,942	6,417,787	4,339,301	3,011,665	2,444,164	1,931,085
	18.0	13.9	11.3	9.9	8.2	5.7
Other Non-Current Assets	950,825	1,564,975	1,527,705	1,511,800	1,343,913	905,960
	2.0	3.4	4.0	5.0	4.5	2.6
Current Assets	37,102,945	38,148,564	32,499,946	26,001,840	26,123,577	31,248,819
	80.0	82.7	84.7	85.1	87.3	91.7
Total Assets	46,402,712	46,131,326	38,366,952	30,525,305	29,911,654	34,085,864
	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' Equity	18,926,735	18,417,662	16,294,491	14,317,166	13,559,805	13,799,722
	40.8	39.9	42.5	46.9	45.3	40.5
Non-Current Liabilities	792,993	911,540	733,581	626,159	604,814	581,682
	1.7	2.0	1.9	2.1	2.0	1.7
Current Liabilities	26,682,984	26,802,124	21,338,880	15,581,980	15,747,035	19,704,460
	57.5	58.1	55.6	51.0	52.6	57.8
Total Shareholders' Equity & Liabilities	46,402,712	46,131,326	38,366,952	30,525,305	29,911,654	34,085,864
	100.0	100.0	100.0	100.0	100.0	100.0
Profit & Loss Items						
Net Sales	223,054,352	177,216,737	138,660,665	109,234,361	171,729,782	205,162,911
	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Products Sold	214,833,185	167,473,443	131,325,344	103,485,300	166,803,273	199,220,617
	96.3	94.5	94.7	94.7	97.1	97.1
Gross Profit	8,221,167	9,743,294	7,335,321	5,749,061	4,926,509	5,942,294
	3.7	5.5	5.3	5.3	2.9	2.9
Operating Profit	5,708,378	8,085,325	6,367,177	4,984,849	3,885,822	5,381,469
	2.6	4.6	4.6	4.6	2.3	2.6
Profit before Taxation	5,722,857	8,289,312	7,699,168	5,633,450	4,537,855	5,906,565
	2.6	4.7	5.6	5.2	2.6	2.9
Profit for the Year	3,960,606	5,656,349	5,299,168	3,828,585	3,286,384	4,326,764
	1.8	3.2	3.8	3.5	1.9	2.1

HORIZONTAL ANALYSIS

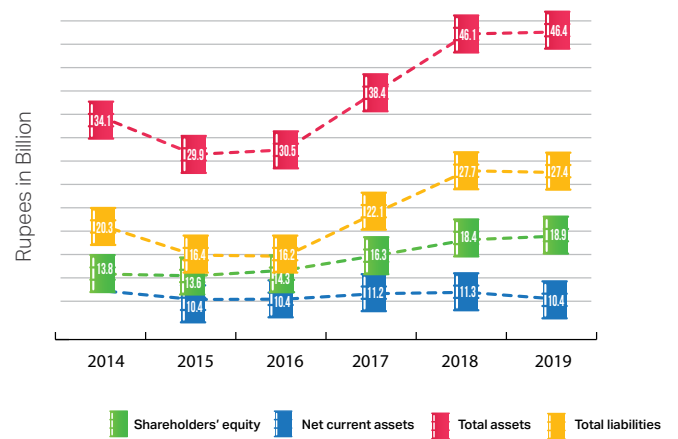
	2018-19		2017-18		2016-17		2015-16		2014-15		2013-14	
	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)
Balance Sheet Items												
Property, Plant and Equipment	8,348,942	30.1	6,417,787	47.9	4,339,301	44.1	3,011,665	23.2	2,444,164	26.6	1,931,085	3.7
Other Non-Current Assets	950,825	(39.2)	1,564,975	2.4	1,527,705	1.1	1,511,800	12.5	1,343,913	48.3	905,960	3.2
Current Assets	37,102,945	(2.7)	38,148,564	17.4	32,499,946	25.0	26,001,840	(0.5)	26,123,577	(16.4)	31,248,819	14.2
Total Assets	46,402,712	0.6	46,131,326	20.2	38,366,952	25.7	30,525,305	2.1	29,911,654	(12.2)	34,085,864	13.3
Shareholders' Equity	18,926,735	2.8	18,417,662	13.0	16,294,491	13.8	14,317,166	5.6	13,559,805	(1.7)	13,799,722	(1.7)
Non- Current Liabilities	792,993	(13.0)	911,540	24.3	733,581	17.2	626,159	3.5	604,814	4.0	581,682	25.7
Current Liabilities	26,682,984	(0.4)	26,802,124	25.6	21,338,880	36.9	15,581,980	(1.0)	15,747,035	(20.1)	19,704,460	26.4
Total Shareholders' Equity & Liabilities	46,402,712	0.6	46,131,326	20.2	38,366,952	25.7	30,525,305	2.1	29,911,654	(12.2)	34,085,864	13.3
Profit & Loss Items												
Net Sales	223,054,352	25.9	177,216,737	27.8	138,660,665	26.9	109,234,361	(36.4)	171,729,782	(16.3)	205,162,911	24.6
Cost of Products Sold	214,833,185	28.3	167,473,443	27.5	131,325,344	26.9	103,485,300	(38.0)	166,803,273	(16.3)	199,220,617	24.9
Gross Profit	8,221,167	(15.6)	9,743,294	32.8	7,335,321	27.6	5,749,061	16.7	4,926,509	(17.1)	5,942,294	14.8
Operating Profit	5,708,378	(29.4)	8,085,325	27.0	6,367,177	27.7	4,984,849	28.3	3,885,822	(27.8)	5,381,469	10.4
Profit Before Taxation	5,722,857	(31.0)	8,289,312	7.7	7,699,168	36.7	5,033,450	24.1	4,537,855	(23.2)	5,906,565	5.6
Profit for the Year	3,960,606	(30.0)	5,656,349	6.7	5,299,168	38.4	3,828,585	16.5	3,286,384	(24.0)	4,326,764	10.8

GRAPHICAL PRESENTATION

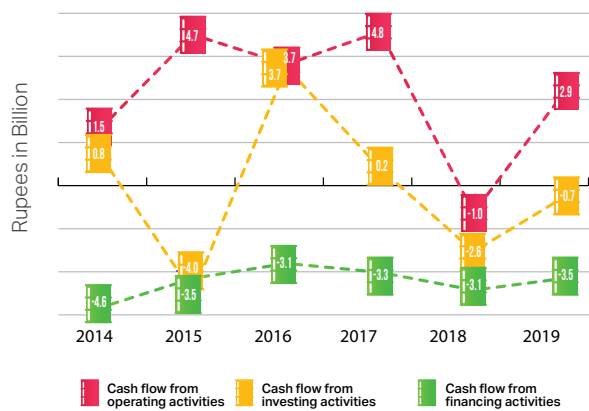
Profit and Loss



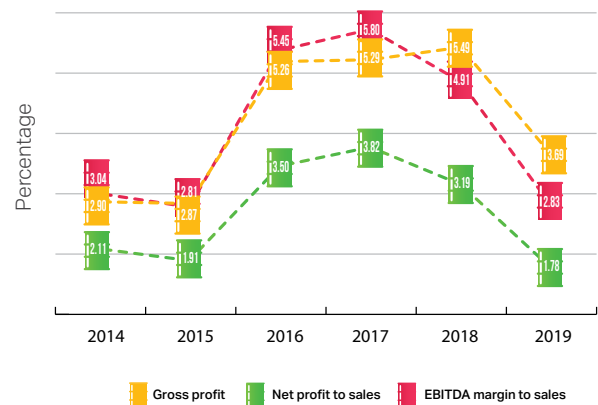
Balance Sheet



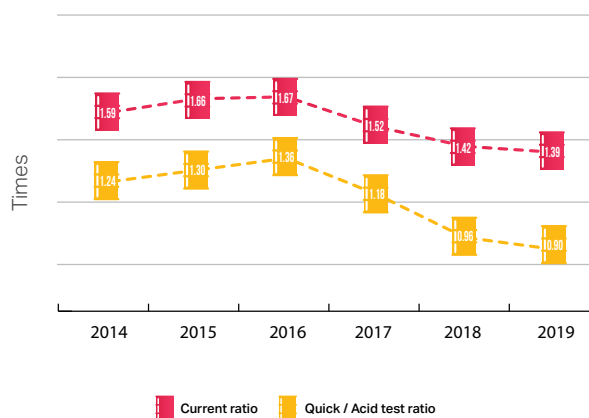
Cash Flows



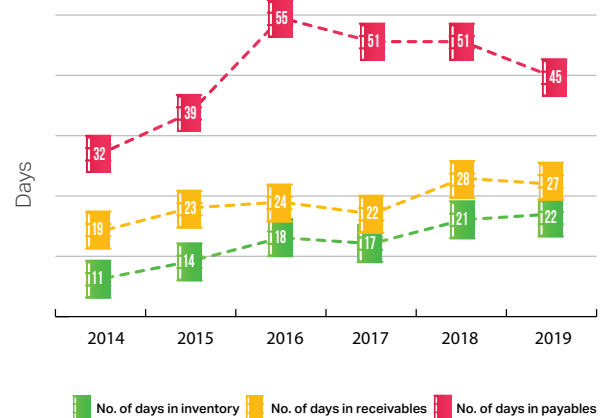
Profitability Ratios



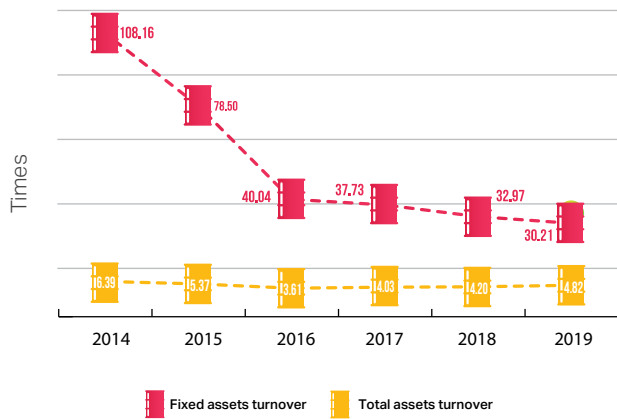
Liquidity Ratios



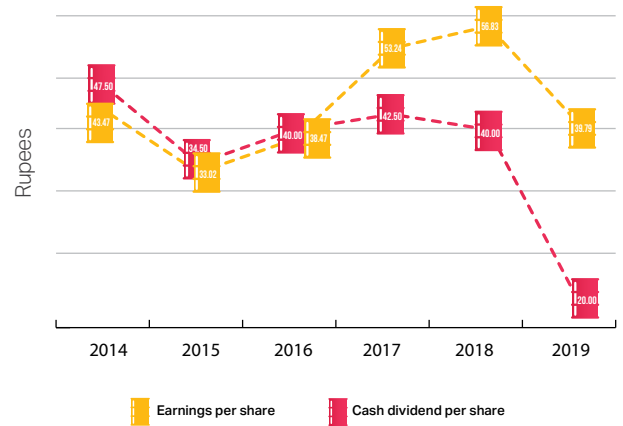
Activity Ratios



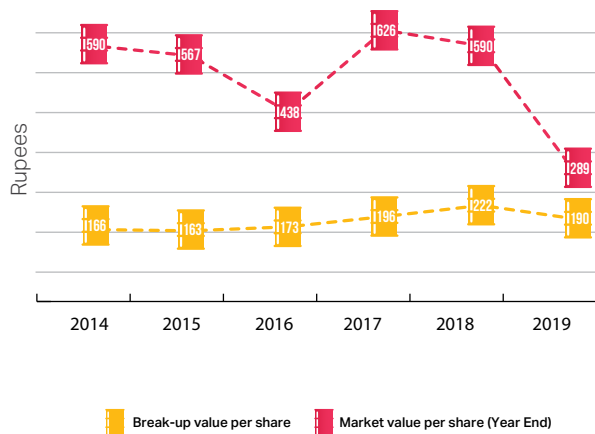
Turnover Ratios



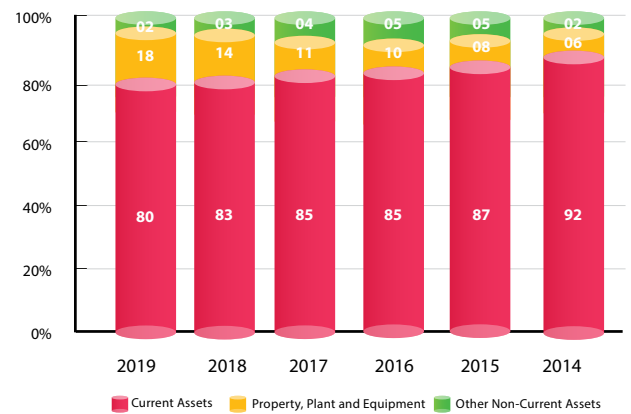
Investment Ratios



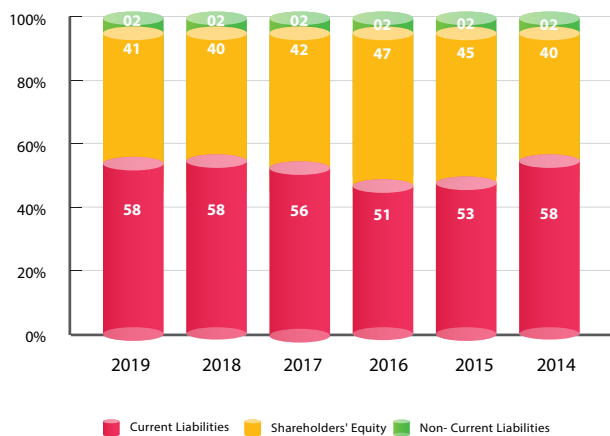
Market Ratios



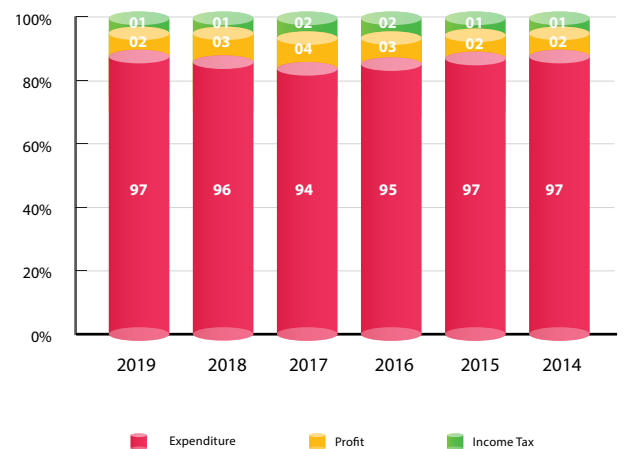
Composition of Assets



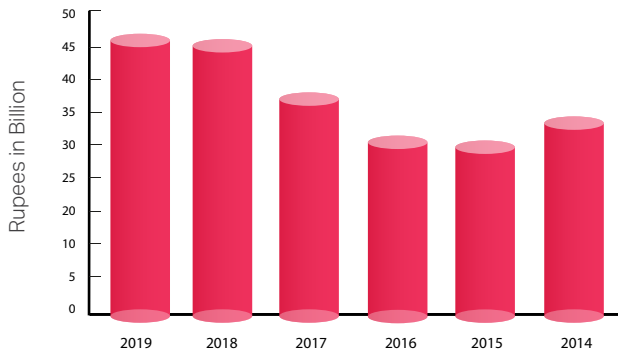
Composition of Total Liabilities & Shareholders' Equity



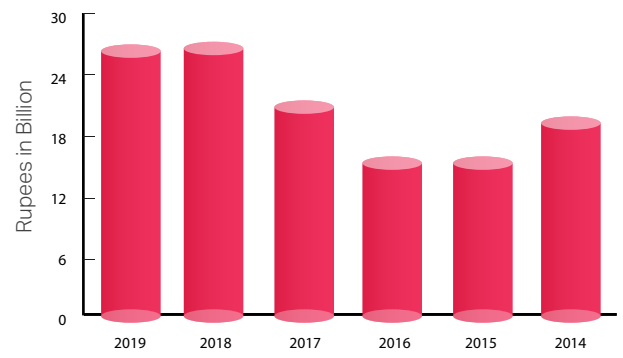
Composition of Profit and loss



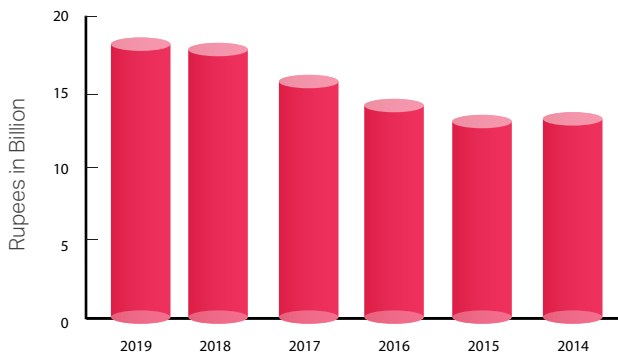
Total Assets



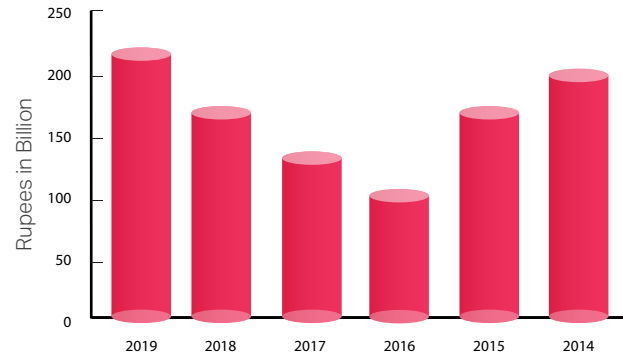
Total Liabilities



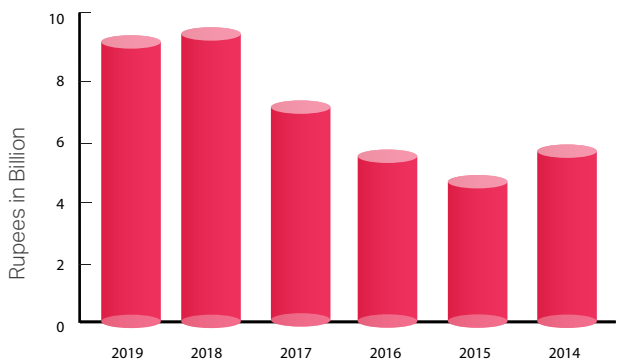
Total Shareholders' Equity



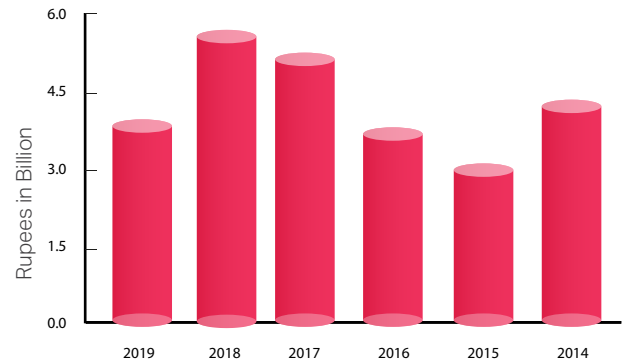
Net Sales



Gross Profit



Net Profit



COMMENTS ON FINANCIAL ANALYSIS

Cash flow

Cash flow from operating activities: In the year 2018-19, it is positive as compared to negative cash flow in last year due to working capital management, petroleum product pricing trends, maintained stock levels and margins. In the year 2017-18, it was negative due to increase in stock level as per requirement.

Cash flow from investing activities: Cash flow from investing activities improved in year 2018-19 due to encashment of short term investments; however Company invested substantial amount in property, plant and equipment that resulted negative cash flow from investing activities.

Cash flow from financing activities: Financing activities mainly comprises of dividends payment which was at high level in year 2018-19 compared to previous four years.

Free cash flow: It remains the Company's policy to grow sustainable free cash flow and distributions to share holders in the long term.

Ratios Analysis

Profitability ratios: In year 2018-19 decrease in profitability ratios observed due to gross profit ratio declined as net sales revenue increased by 26% whereas sales volume decreased by 11% resulted in decrease in gross profit ratio from last year. Net profit to sales and EBITDA margin to sales decreased due to increase in operating expense by 41% and decrease in gross profit by 16%. Further these ratios fluctuate over the years due to varying margins and product sale prices. Company sold highest volume resultantly earned highest profit in year 2017-18.

Liquidity ratios: Slightly increase in trade debts and corresponding trade payable due to supply of products to IPPs and increase

in stock and corresponding liabilities has resulted in minor decrease in Liquidity ratios.

Activity / Turn over ratios: Stock levels, debtors and creditors and varying prices results in fluctuation of these ratios over the period. Inventory turnover and No. of days in inventory has slightly changed over last year as there is no major increase in stock level. There is also slight change in Debtors turnover ratio and No. of days in receivable over last year as there is no change in credit policy with customers. Creditors' turnover has increased by 15% on account of increase in purchase price over the period, whereas trade payable maintained at same level. Total assets turnover has increased by 15% compared to last year whereas fixed assets turnover has decreased by 8% due to significant investment in construction of new storage terminals and depots.

Investment / Market ratios: Earnings per share declined due to lower profits from last year. Price earnings ratio of 7.25 has shown decrease over last year. Market value per share stood at Rs 289, down by around 51% compared to last year. Dividend payout ratio for the year 2018-19 was recorded at 50%, translating into a total cash dividend of Rs 20.00 per share. Bonus shares was issued in year 2017-18 @ 20% i.e. one share for every five shares held.

Capital Structure ratios: All capital requirements are financed through equity contribution and no loan has been received hence zero leverage.

Vertical analysis

Balance sheet: Substantial investment in new storage terminals, enhancement in existing terminals and facilities and procurement of other Capital nature items in the year 2018-19 resulted in increase in weightage

of Property, plant and equipment over last 05 years period. Increase in shareholders equity in excess to increase in trade payable has resulted in increased weightage of shareholders equity in the year 2018-19.

Profit & loss: Sales volume declined in 2018-19 however fluctuation in prices of products and stock management are the factors which affected weightage of components of profit and loss items. Efficient stock management and import at competitive prices resulted in better weightage of profits in 2015-16, 2016-17 and 2017-18 as compared to 2018-19.

Horizontal Analysis

Balance sheet: Property, plant and equipment increased by Rs 6,418 Million over last 05 years period due to investment in new storage terminal, enhancement in existing terminals and facilities and procurement of other Capital nature items. Current assets constitute of stores and spares, stock in trade, trade debts, other receivables, short term investments and cash & bank balances. Variation in current assets' balances during the five years since 2013-14 was mainly due to fluctuations in trade debts due to circular debts issue, stock balances as per operational requirements and cash and bank balances consumed for capital expenditure. Current liabilities decreased in the year 2018-19 due to decrease in unclaimed dividend relating to previous year.

Profit & loss: Overall sales volume declined in 2018-19 however fluctuation in prices of products which depends on international prices and tax structure resulted in varying sales and profits during the years. Decrease in sales volume resulted in unfavorable performance in the year 2018-19.

Indicators And Performance Measures

Indicators and performance measures are used by the management to gauge the

performance of the Company. The following are critical indicators:

- Market share
- Earnings per share
- Gross Profit
- Debtors turnover
- Inventory turnover
- Cash flows from Operating activities

METHODS/ASSUMPTIONS USED TO COMPILE THE INDICATORS:

Market Share

Market share of Company is determined on the basis of OCAC data – independent source.

Gross Profit

Gross profit is calculated by the company with and without inventory gains to compare the performance of the company.

Debtors' turnover

This ratio is calculated by the Company on the basis of the average values.

Inventory turnover

This ratio is calculated by the Company on the basis of the average values.

CHANGE IN PERFORMANCE MEASURES OVER TIME

There is no significant change in the performance measures used by the management to evaluate performance of the Company. The values of the following measures have, however, changed substantially over the period:

Market Share

Due to the entry of many new players in the market over the past few years the volumes have been divided. However, market share of APL shows increasing trend from year 2016-17.

Gross Profit

Gross profit is showing an increasing trend from FY 2016 to FY 2018 whereas declined in FY 2019 due to shrinking of overall market.

Cash flows from operating activities

Cash flow from operating activities was positive in FY 2019 and in previous years also except FY 2018 wherein it was negative due to significant increase in stock levels.

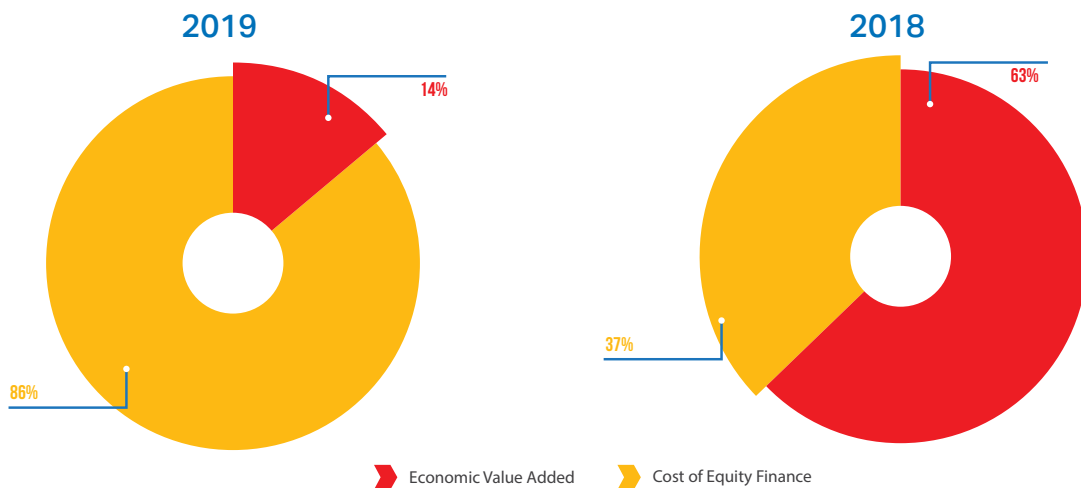
RATIONAL FOR MAJOR CAPITAL EXPENDITURES

Major capital expenditure has been incurred for establishing bulk oil storage terminals and construction of retail outlets, rational for the same has been discussed in detail in Directors' report for the year ended June 30, 2019.

STATEMENT OF ECONOMIC VALUE ADDED

	2018-19 Rs ('000)	2017-18 Rs ('000)
Net Profit After Tax	3,960,606	5,656,349
Cost of Equity Finance	(3,414,635)	(2,075,755)
Economic Value Added	545,971	3,580,594
Economic Value Added Per share (Rupees)	5.49	35.97

Composition of Net Profit After Tax



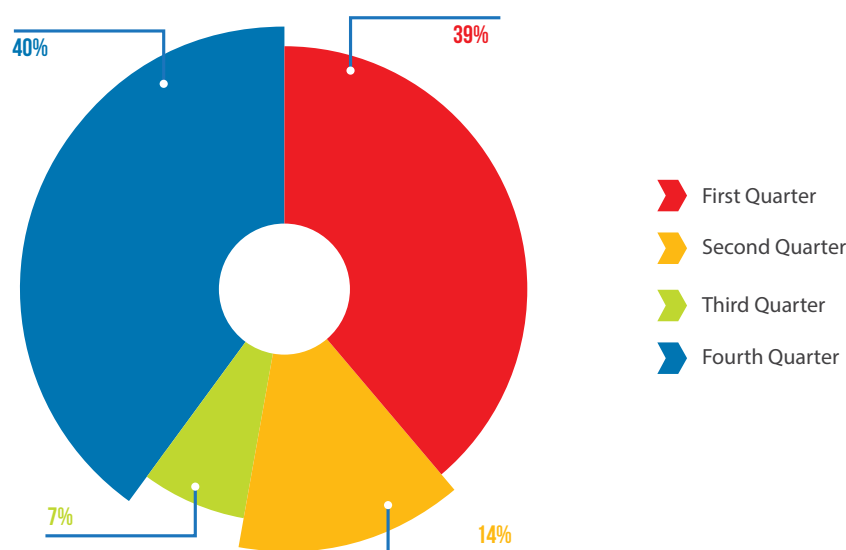
Statement of Economic Value Added represents value created in excess of the required return of the Company's shareholders.

ANALYSIS OF VARIATION

in results of interim reports with the final accounts

	Total	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
Profit & Loss Items					
Net Sales	223,054,352	58,606,067	48,921,309	57,721,099	57,805,877
Gross Profit	8,221,167	3,332,163	881,282	1,445,725	2,561,997
Profit Before Taxation	5,722,857	2,348,192	396,014	854,121	2,124,530
Provision for Taxation	(1,762,251)	(775,251)	(111,531)	(298,469)	(577,000)
Net Profit	3,960,606	1,572,941	284,483	555,652	1,547,530
Earnings Per share (Rupees)	39.79	15.80	2.86	5.58	15.55

Net Profit



Net sales revenue was highest in fourth quarter as prices of petroleum products were highest in fourth quarter. This resulted in highest gross profit for the quarter. Volumes sold were highest in first quarter.

Net sales revenue was lowest in third quarter as volume sold in third quarter were lowest due to low demand of Furnace Fuel Oil resulting from availability of alternate source (LNG) for electricity production to fulfill country demand and inventory losses on account of decreasing price trend resulted in lowest net profit for the quarter.

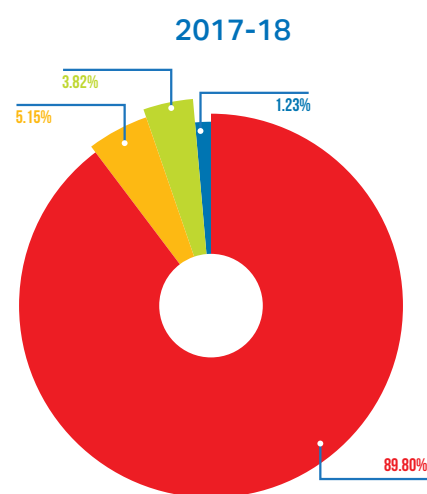
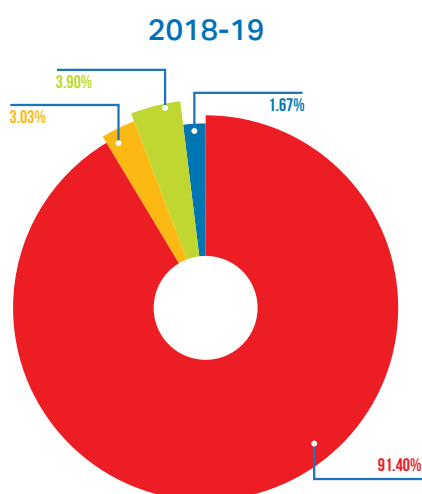
STATEMENT OF CHARITY ACCOUNT

Particulars	2018-19 Rs ('000)
Education and Scholarship	95
Health care and Environment	529
Sports Development	722
Community Welfare	810
Total*	2,156

* Includes through Company's trust

STATEMENT OF VALUE ADDED

	2018-19		2017-18	
	Rs in thousand	%	Rs in thousand	%
Gross revenue and other income	260,307,143		219,110,282	
Cost of sales and operating expenses	(194,627,032)		(151,407,155)	
Total value added	65,680,111		67,703,127	
DISTRIBUTION				
Employee remuneration:	1,093,848	1.67	830,163	1.23
Government as:				
Company taxation	1,762,251	2.68	2,632,963	3.89
Sales tax, duties and levies	57,958,477	88.24	57,722,231	85.26
WPPF	313,334	0.48	439,475	0.65
Shareholders as:				
Dividends	1,990,656	3.03	3,317,760	4.90
Bonus share	-	-	165,888	0.25
Society as:				
Donation	-	-	-	-
Providers of finance as:				
Financial Charges	-	-	-	-
Retained in business:				
Depreciation	591,595	0.90	421,946	0.62
Net earnings	1,969,950	3.00	2,172,701	3.21
	65,680,111	100.00	67,703,127	100.00



▶ Government
 ▶ Shareholders
 ▶ Retained in business
 ▶ Employee remuneration
 ▶ Provider of finance
 ▶ Society

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