

FINANCIAL HIGHLIGHTS

55%
PAYOUT
RATIO

Rs.
49.43
EARNINGS
PER SHARE

Rs.
4,920 Million
PROFIT
AFTER TAX



Rs.
7,500 Million
OPERATING
PROFIT

Rs.
9,982 Million
GROSS
PROFIT

Rs.
188,645 Million
NET SALES
REVENUE

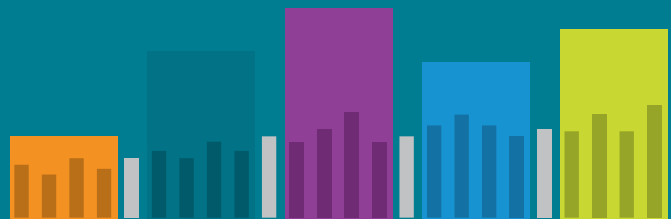


TABLE OF CONTENTS

Introduction	(2-29)	Report of the Board Audit Committee	(109)
Our Vision, Our Mission	(2)	Share Price Sensitivity Analysis	(112)
Corporate Strategy	(3)	History of Major Events during the Year	(113)
Core Values	(4)	Information Technology Governance	(114)
Code of Conduct	(5)	Independent Auditor's Review Report	(115)
Brief Company Profile	(12)	Statement of Compliance with Code of Corporate Governance	(116)
Product Portfolio	(13)	Financial Analysis	(119-134)
APL Group Structure	(17)	DuPont Analysis	(120)
Geographical Presence of APL Business Units	(18)	Key Operating and Financial Data for Six Years	(121)
Organizational Chart	(21)	Vertical Analysis	(124)
Value Chain	(22)	Horizontal Analysis	(125)
Business Model	(24)	Graphical Presentation	(126)
Competitive Landscape and Market Positioning	(26)	Comments on Financial Analysis	(129)
Composition Local Versus Imported Material and Sensitivity Analysis due to Foreign Currency Fluctuations	(27)	Statement of Economic Value Added	(131)
Management's Objectives & Strategies	(28)	Statement of Free Cash Flow	(131)
Chairman's Review	(30-31)	Analysis of Performance against Targets	(132)
Chairman's Review	(30)	Statement of Charity Account	(132)
Governance	(32-118)	Analysis of Variation in Results of Interim Reports	(133)
Board of Directors	(34)	Statement of Value Added	(134)
Profile of Board of Directors	(36)	Financial Statements	(135-209)
Board Committees and Corporate Information	(41)	Independent Auditor's Report to the Members	(137)
Board Committees and their Terms of Reference	(42)	Statement of Financial Position	(142)
Management Committees	(44)	Statement of Profit or Loss	(144)
Whistle Blower Protection Mechanism Policy	(45)	Statement of Profit or Loss and Other Comprehensive Income	(145)
Directors' Report	(46)	Statement of Changes in Equity	(146)
Pattern of Shareholding	(80)	Statement of Cash Flows	(147)
Other Corporate Governance Matters	(82)	Notes to and forming part of the Financial Statements	(148)
Stakeholder Engagement	(86)	Annual General Meeting	(210-213)
Corporate Sustainability	(88)	Notice of Annual General Meeting	(210)
Environmental Responsibility	(90)	Glossary of Terms	(214)
HSE at APL	(94)	Directors' Report (Urdu)	(248)
Corporate Social Responsibility	(98)	Proxy Form	
Human Resource Management	(101)	Proxy Form (Urdu)	
Prospects of the Entity including Targets for Financial and Non-Financial Measures	(105)		
Risk and Opportunity Report	(106)		
Segmental Review of Business Performance	(108)		

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 one's 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.

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



Falcon Filling Station - Islamabad International Airport

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.

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.

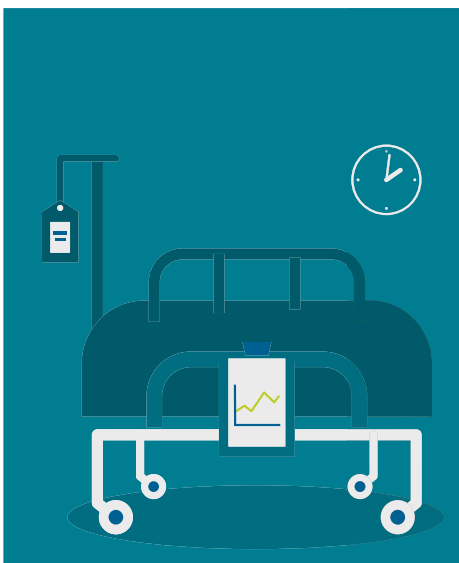
The Company is committed to selling its products and services honestly and will not pursue any activity that

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





Chairman & Chief Executive Officer reviewing Company's performance

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.





Rashakai Filling Station at Islamabad-Peshawar Motorway (M-1)

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 for 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.



Electric Vehicle (EV) Charging Facility at Hassan Petroleum, Blue Area - Islamabad

BRIEF COMPANY PROFILE

Attock Petroleum Limited was incorporated in Pakistan as a Public Limited Company on December 03, 1995. APL was 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 3rd largest Oil marketing Company in Pakistan and its market share for the financial year 2020-21 is 9.4%. Our growing market share and customer confidence is a testimony to our successful policies, proactive endeavours and visionary approach.

As at June 30, 2021 the Company operates the Retail Network of 738 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 are listed on the next page.



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.

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.

Residual Fuel Oil

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



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.

Jet Petroleum

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

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, 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.

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.

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.

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.



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.

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.

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.



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.

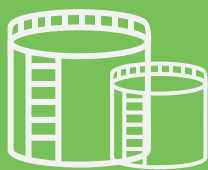
Besides oil & gas, Attock Group is also involved in other diversified businesses; like cement, energy & information technology. APL's sponsors include Pharaon Investment Group Limited Holding s.a.l and Attock Oil Group of Companies.

GROUP COMPANY	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		2.20%
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 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

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
M.A. 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.

Sahiwal Bulk Oil Terminal

105/9L, Adda Sharin Mor,
Main Arif Wala Road
Sahiwal.

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 No.3
Kandhkot Road, Shikarpur.

Daulatpur Bulk Oil Terminal

N-5 Tehsil Kazi Ahmed, District
Shaheed Benazirabad, Sindh.

Karachi Bulk Oil Terminal & CSC

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

Port Qasim Bulk Oil Terminal

Plot No. SP-07 / POI, North West
Industrial Zone, Port Qasim, Karachi.

INVOICING OFFICES

Gatti

Near Dry Port Jhumra Road
Faisalabad.

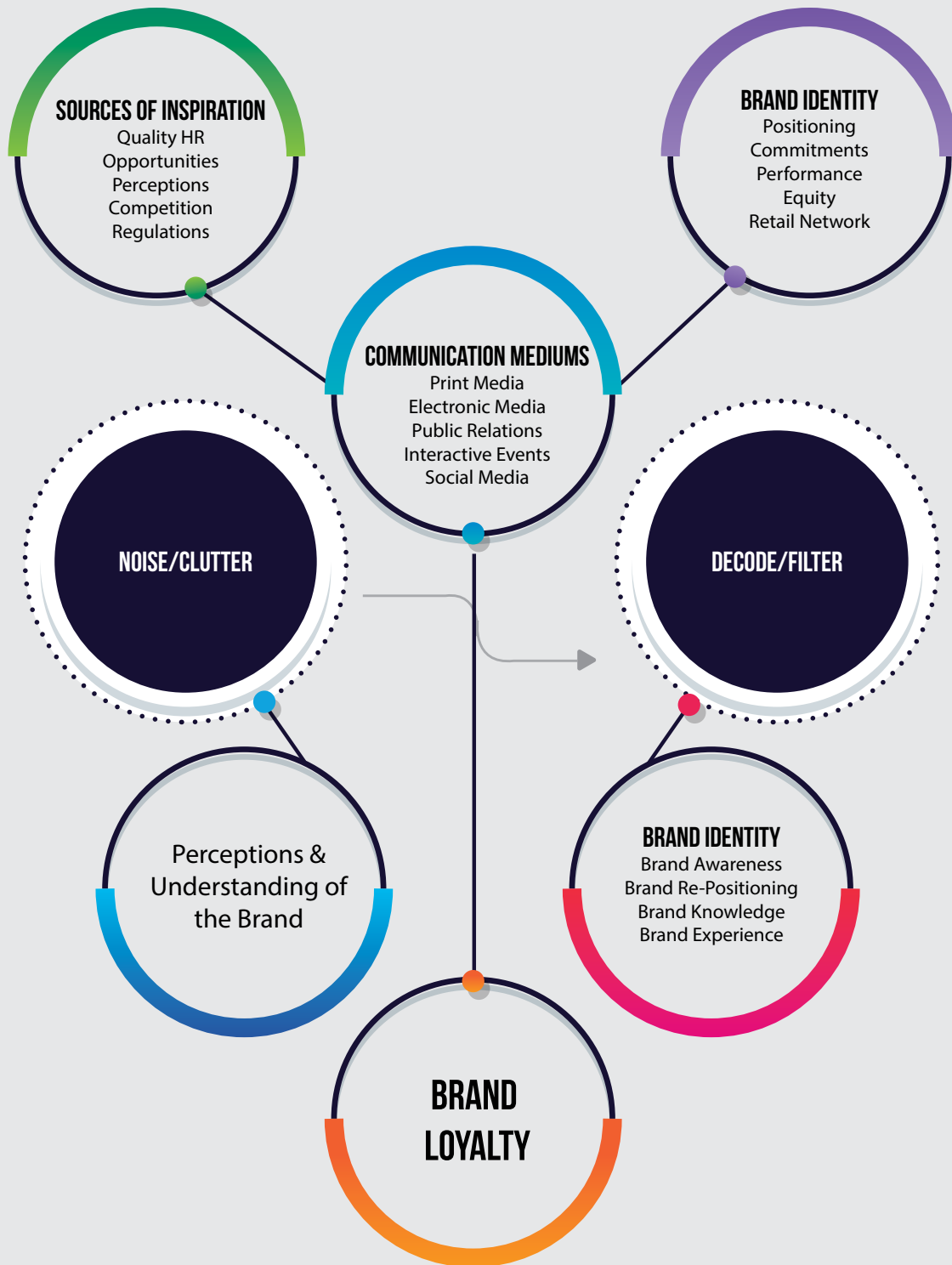
Tarujabba

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

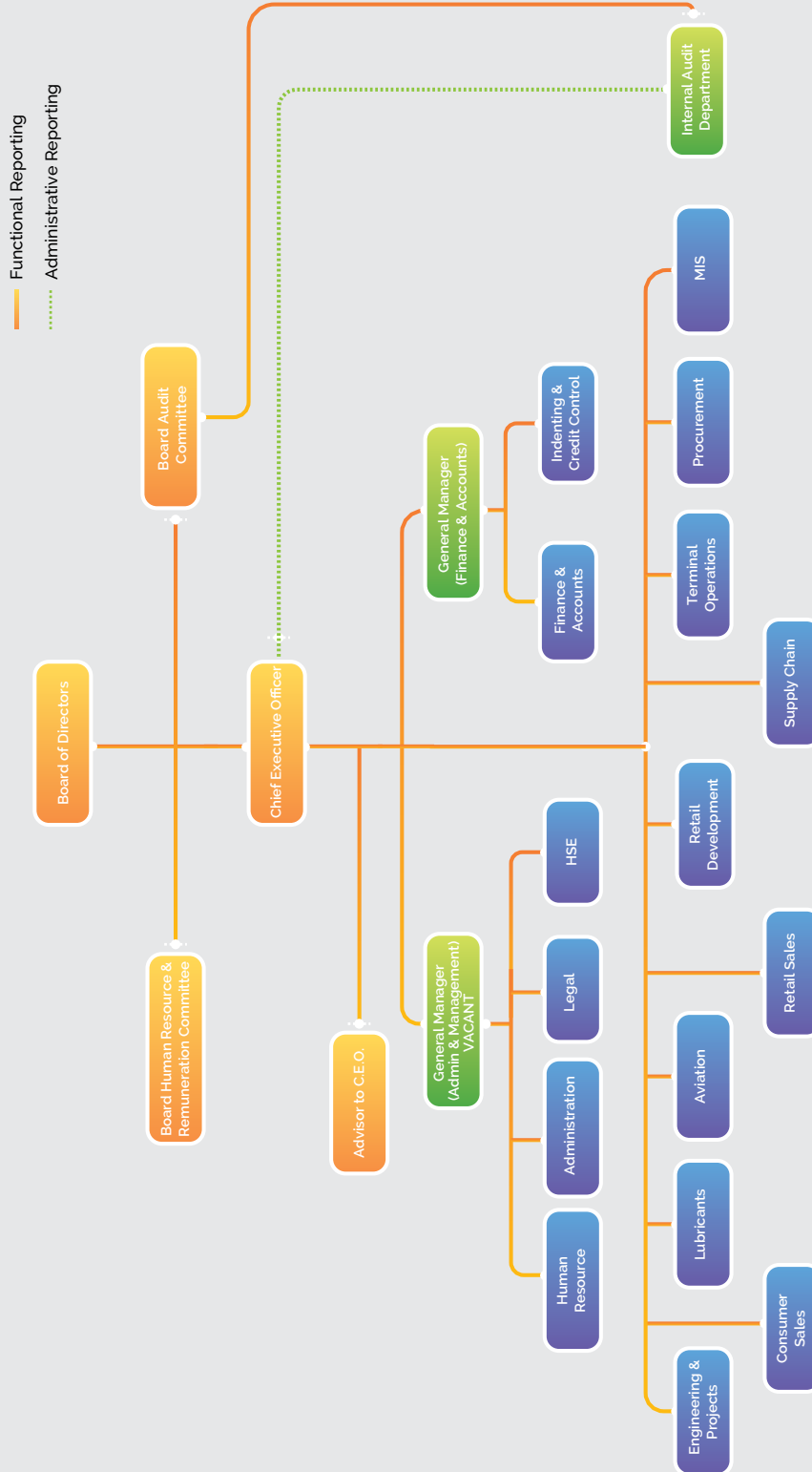
Mehmood Kot

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

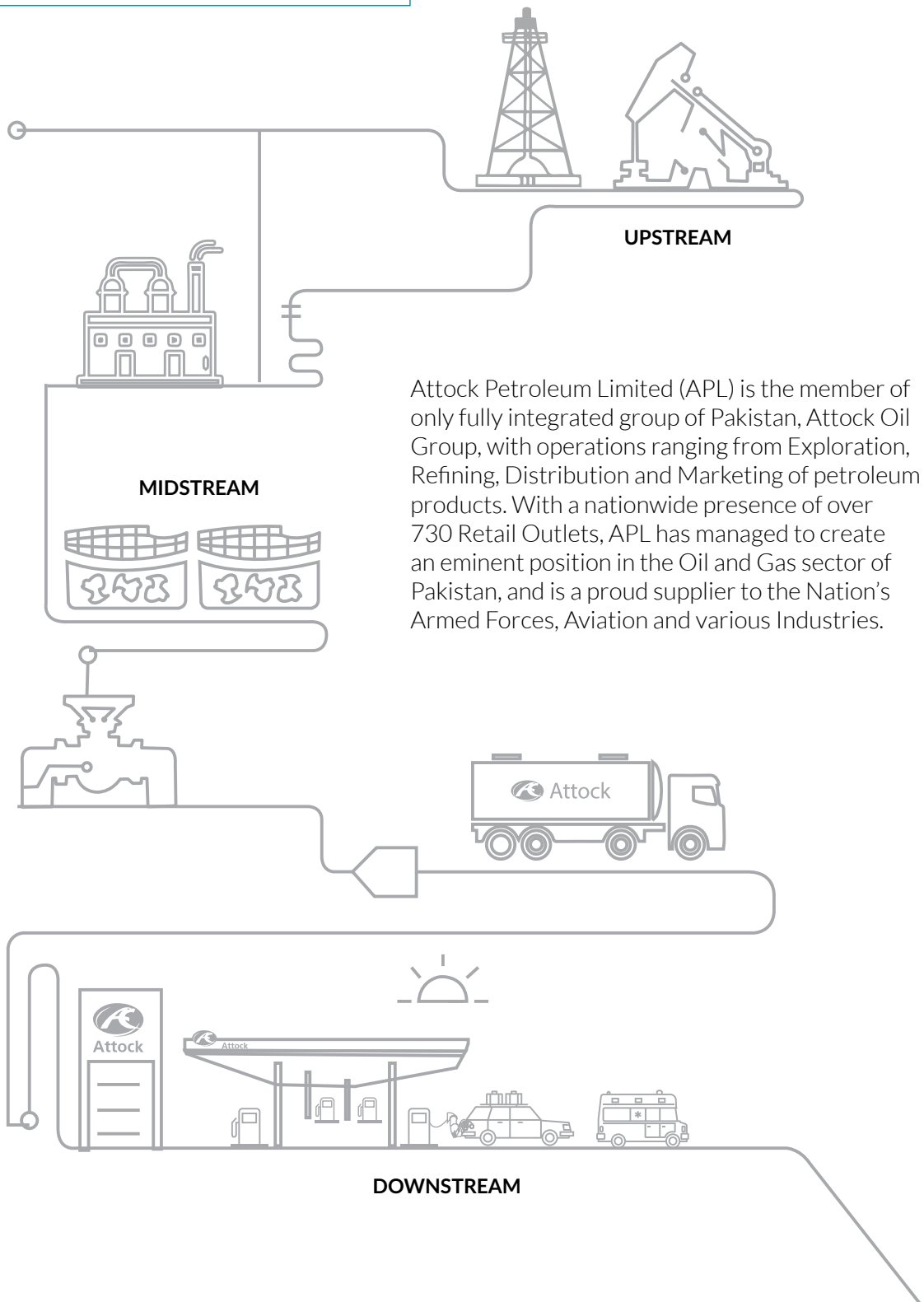
OUR BRAND STRATEGY



ORGANIZATIONAL CHART



VALUE CHAIN



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 benchmarks.

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!



BUSINESS MODEL

APL Business Model is centered on directing the Company's capital towards the strategic vision of the Company to create value over the short, medium and long term through refined policies and procedures while at the same time be compliant with the good governance practices.

Intellectual Capital

APL takes pride in being part of the fully Integrated Oil Group based in Pakistan. Based on its market presence and experience, the Company possess a strong goodwill and products brand name within the oil market. The Company has well defined and sophisticated policies & procedures in place thereby enabling execution of company's strategies ensuring compliance with good governance practices, carrying out smooth and uninterrupted operations and ensuring continuous value creation to the Company. Company's Market Reputation and Experience, Product Development & Quality Assurance, Business practices Reviews and Business Continuity plans are the tools applied by the Company to maximize shareholder's wealth. Employee's knowledge base and skills set help in attaining excellence in Company's operation.



Human Capital

With the sound Human Resource management policies and sophisticated systems of Employee Hiring, Trainings & Development, and Merit based performance appraisals, APL ensures the availability of appropriate mix of professionals with relevant qualifications & skills in APL Workforce. By employees training and Job rotation, enhancement of workforce competencies are achieved alongside introducing of innovative working style and business ideas. APL's succession planning policy enable leadership continuity. The investment by Company in human capital resulted in greater employee performance, job satisfaction and low employee turnover. The Company has a detailed code of conduct in place which is acknowledged by employees annually and employees' commitment towards it is evident from strong ethical practices in place in the Company.





Financial Capital

The Company is mainly equity financed with availability of funding from banking channels also which can be utilized in case of compelling needs. By the effective treasury management, sound credit control policies and strong relationship building with vendors and banks, the company managed to ensure smooth running of its business operations despite market uncertainty and abrupt volatility in international Oil prices. Timely processing of Payments to Suppliers and Recoveries of outstanding dues are the outcome of the Company's refined processes in place.

Natural Capital

Environmental protection and preservation of natural resources is of prime and equal importance in the Company's Business Model. APL through its Waste Management and Effluent Monitoring process, minimize any harmful impact to the environment caused by Company's activities. The Company has a comprehensive Environment, Health & Safety Policy in place which is complied with. HSE Manual is in force and HSE audits are conducted regularly which results in HSE culture enforcement across the organization. The Company has strong commitment towards energy saving measures. Enormous energy saving are made possible from conversion of conventional lighting system to energy and cost effective LED lights. Company also aim to use solar generated electricity wherever feasible.

Social & Relationship Capital

The Company business model is centered on sharing value among all its stakeholders. The company has effective Stakeholder Engagement processes in place to engage its Valued Shareholders, Customers, and Suppliers, Provider of finance, Regulators, Media and analysts at different forums and built strong relationship thereof. APL's CSR guidelines in place and community welfare initiatives helped in socioeconomic wellbeing of the communities around. Product Quality assurance is achieved through quality and quantity monitoring measures taken which resulted in greater customer satisfaction as well.

Infrastructure Capital

Company geographic footprint across the country through presence of its Retail Network with aim on continuous retail development, heavy and strategic investments on enhancing storage capacities, effective product sourcing and continuous improvement in supply chain are the key towards ensuring uninterrupted and quality products supply by the Company through its well established distribution network across the country resulting in meeting the Country's product demand.



COMPETITIVE LANDSCAPE AND MARKET POSITIONING

The unpredictable external environment poses new challenges resulting from rapidly growing competition, greater customer exposure leading to informed decision making, evolving energy mix, changing customers' needs, product demand variations due to seasonality and unprecedented volatility in commodity prices impacting the whole supply chain behavior, poses greater challenges for the Company.

The Company stands firmly within this competitive landscape. Keeping a keen eye on the fluidity of all factors and market forces, enables the Company to maneuver optimally to fulfill its vision and to serve its clientele in the best possible manner. Greater market presence of competitors vide their large retail networks is challenge to the market penetration of the Company. APL is specifically addressing it through keen focus on its retail network expansion. Through continuous focus on product and services quality improvement, efficient and multiple product sourcing, undertaking effective marketing operations, working keenly on nurturing relationships by strengthening existing customers & tapping new business segments, and pursuing new opportunities proactively to explore feasibilities while meeting its customers' current and future requirements, the Company is well positioned for the future.

The strategic alignment to the competition and situational awareness is evident from the Company securing the 3rd highest market share for the year 2020-21 amid competitors.



COMPOSITION LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS DUE TO FOREIGN CURRENCY FLUCTUATIONS

Approximately 1/4th of Company's total product sourcing during financial year 2020-21 comprised of imports while rest was procured from local refineries.

Import transactions are conducted in USD which exposes the company to exchange rate risk. Stability is observed in Rupee vs dollar parity in 2020-21. The sensitivity analysis of the currency risk arising from commercial transactions of the Company is detailed in note 31.3.1 of the notes to the financial statements.



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, 2021 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 risks 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.



Margalla View Filling Station - D-12, Islamabad

CHAIRMAN'S REVIEW





Dear Shareholders,

I am delighted to welcome you to the 26th Annual General Meeting of Attock Petroleum Limited (the Company) and present the Annual Report for the year ended June 30, 2021.

The global economy and oil markets are still recovering from the historic collapse in demand caused by the Covid-19 pandemic in 2020. Prolonged and repeated lockdowns, stringent social distancing measures including widespread teleworking, and a near halt to international travel caused demand for POL products to plunge to unprecedented levels. The pandemic has forced rapid changes in behaviour, from new working-from-home models to reduction in business and leisure air travel. The impact of these changes was carried forward to year 2020-21 as well, however, the timely development of multiple vaccines and extensive vaccination drives allowed the countries to ease the lockdowns and open up businesses. As the business activities gained momentum across the globe, demand for petroleum products also increased, leading to upward movement in international oil prices.

As opposed to pressures being felt by the global economy, Pakistan's economy regained momentum as COVID-19 related impacts were largely well managed. Primary factors that contributed towards this recovery were an accommodative monetary policy, introduction of refinancing facilities, targeted fiscal support and other financial initiatives. Large Scale Manufacturing and Automobile sectors showed encouraging signs of recovery and contributed significantly towards increasing demand for petroleum products, leading to upward movement in local petroleum prices. The increased prices together with efficient inventory management, improved margins on imported and de-regulated petroleum products, reduction in operating costs and timely decision making led to enhanced profitability. Resultantly, the Company managed to earn profit after tax of Rs. 4,920 million (2019-20: Rs. 1,008 million). The profit translated into earnings per share of Rs. 49.43 (2019-20: Rs. 10.13).

Keeping in view strategic importance of storage terminals, the Company successfully commissioned mega Bulk Oil Terminal at Port Qasim, Karachi while major expansion work was carried out at Shikarpur Bulk Oil Terminal. Further, linking of additional, dedicated product pipelines from Machike and Shikarpur Bulk Oil Terminals to PARCO's White Oil Pipeline was carried out during the year as well. These projects will help the Company achieve cost and operational efficiencies in the supply chain, allowing us to efficiently meet energy requirements of various sectors of the Country.

On the governance front, the Board and its Committees remained alert about the direction & performance of

the Company as well as risks and challenges faced by it. Accordingly, the Board stayed proactive and worked closely with the management to oversee the implementation of the Company's strategy and provide counsel and insights wherever required. While the impacts of the pandemic were devastating, the Company successfully steered through the uncertain times with emphasis on health and safety yet ensuring business continuity on the back of guidance from the Board of Directors.

The Company, in addition to creating value for our stakeholders, focuses on enriching and giving back to the communities in which it operates. Our able leadership maintains a firm commitment to operate with the highest standards of health, safety and environment as we aim to constantly minimize our environmental impact and promote sustainable development. The Company continues to build partnerships with its customers through knowledge, ingenuity and commitment of its people as well as through the products and services it offers, and, being a good corporate citizen, continues to play an important role in the economic development of Pakistan.

Going forward, the pathway to recovery for oil industry will be uneven, reflecting different impacts of the energy transition across regions, sectors, and oil products. Efficiency improvements, transition to electric vehicles and changes in consumer habits will offset part of the impact of strong economic growth and the demand dynamism from developing countries. However, International Monetary Fund has projected positive GDP growth for Pakistan in 2022, which heralds optimistic growth for the Country's oil industry. The Board and the management are fully conscious of the challenges ahead and are well-prepared to tackle them with the required vision, knowledge and experience.

In the end, I would like to place on record my appreciation for the support received from Ministry of Energy and other government authorities and for the trust of our customers, suppliers and contractors that has been the cornerstone of our continued success. I also offer my gratitude towards our Board of Directors and employees for their constant efforts and commitment that has lead us to where we are today.

Laith G. Pharaon
Chairman

Rawalpindi
August 11, 2021

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.



Independence Day Celebration at Hassan Petroleum, Blue Area - Islamabad





Mr. Laith G. Pharaon
Chairman
Non Executive Director



Mr. Wael G. Pharaon
Non Executive Director



Mr. Shuaib A. Malik
Chief Executive Officer
Executive Director

BOARD OF DIRECTORS



Mr. Abdus Sattar
Non Executive Director



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



Mr. Mohammad Raziuddin
Independent
Non Executive Director



Ms. Zehra Naqvi
Independent
Non Executive Director



Mr. Babar Bashir Nawaz
Alternate Director to
Mr. Laith G. Pharaon
Non Executive Director



Mr. M. Adil Khattak
Alternate Director to
Mr. Wael G. Pharaon
Non 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. He is also Director on the Board of various Companies in the Group.

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 over 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. Presently, he is holding the position of Group Chief Executive of the Attock Group of Companies besides being the Director on the Board of all the Companies in the Group.

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 Representative

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. Presently, he is on the Board of Attock Refinery Limited, Pakistan Oilfields Limited, Attock Cement Pakistan Limited and National Refinery Limited and a visiting faculty member of a number of reputed universities and professional institutions.

Other Engagements

Director

Pakistan Oilfields Limited

Attock Refinery Limited

Attock Cement Pakistan 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 Services 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.



Ms. Zehra Naqvi

Independent
Non Executive Director

Ms. Zehra Naqvi was the CEO of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017. She has over 35 years of work experience in the insurance sector. Prior to joining Chubb and its predecessor companies (CIGNA and ACE) in 1990, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with Adamjee Insurance Company in Pakistan. Ms. Naqvi holds a B.Sc. Degree, and an MBA Degree from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan. She has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan, the Executive Committee of The American Business Council and the Managing Committee of the Overseas Investors Chamber of Commerce & Industry. Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the Institute for the term of 2016. She has been a visiting faculty member at the Institute. Ms. Naqvi has served as an Independent Director on the Board of Abbott Laboratories (Pakistan) Limited. She presently serves as a Non-Executive Director on the Board of Chubb Insurance Pakistan Limited, as an Independent Director on the Board of Atlas Asset Management Limited and on the Board of IGI Life Insurance Limited.



Mr. Babar Bashir Nawaz

Alternate Director to Mr. Laith G. Pharaon
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



Mr. M. Adil Khattak

Alternate Director to Mr. Wael G. Pharaon
Non Executive Director

Mr. M. Adil Khattak, Chief Executive Officer of Attock Refinery Limited (ARL), since 2005 has been associated with The Attock Oil Group for the last 44 years. Mr. Khattak has extensive experience in engineering, maintenance, human resource management, project management and marketing.

Mr. Khattak also holds the positions of Chief Executive Officer of Attock Gen Limited (AGL), Attock Hospital (Pvt.) Ltd. (AHL) and National Cleaner Production Centre (NCPC). He is Director on the Board of Petroleum Institute of Pakistan (PIP). He is also a Member on the Boards of Governors of Lahore University of Management Sciences (LUMS), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) and Sustainable Development Policy Institute (SDPI). Mr. Khattak is President of Attock Sahara Foundation (ASF), an NGO, working for the poor and needy people of Morgah and its surrounding areas.

Mr. Khattak holds a master's degree in engineering from Texas Tech University, USA and has attended many technical, financial and management programs in institutions of international repute in Pakistan, USA, Europe and Japan.

BOARD COMMITTEES & CORPORATE INFORMATION

Board Audit Committee

Mr. Mohammad Raziuddin	Chairman
Mr. Abdus Sattar	Member
Lt Gen (Retd.) Javed Alam Khan	Member
Ms. Zehra Naqvi	Member

Board Human Resource & Remuneration Committee

Mr. Mohammad Raziuddin	Chairman
Mr. Shuaib A. Malik	Member
Mr. Babar Bashir Nawaz (Alternate director to Mr. Laith G. Pharaon)	Member

Chief Financial Officer

Mr. Rehmat Ullah Bardaie

Company Secretary

Mr. Faizan Zafar

Auditors

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

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 Shahra-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

Registered Office / 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

BOARD COMMITTEES & **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, 2019, 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, 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.

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

Consists of all departmental heads and chaired by the CEO, it meets 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.



Board of Directors' Meeting in progress

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.



DIRECTORS' REPORT

Mr. Shuaib A. Malik
Chief Executive Officer

“ The Board of Directors takes pleasure in presenting the annual report on the performance and progress of the Company together with the audited financial statements for the year ended June 30, 2021. ”

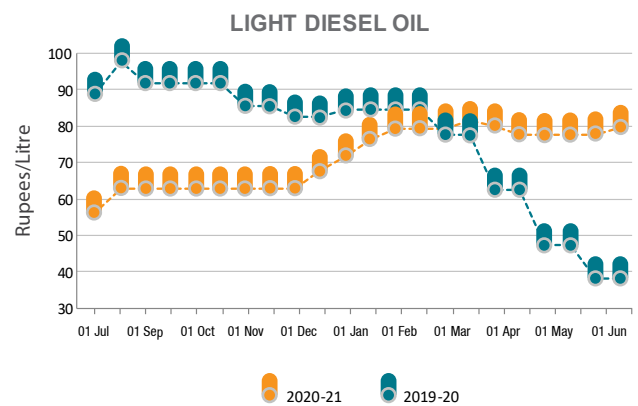
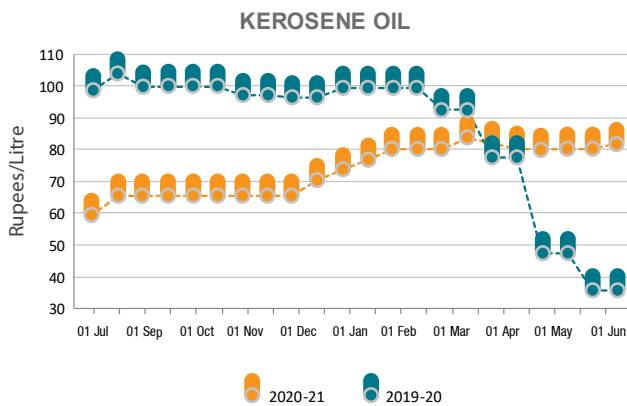
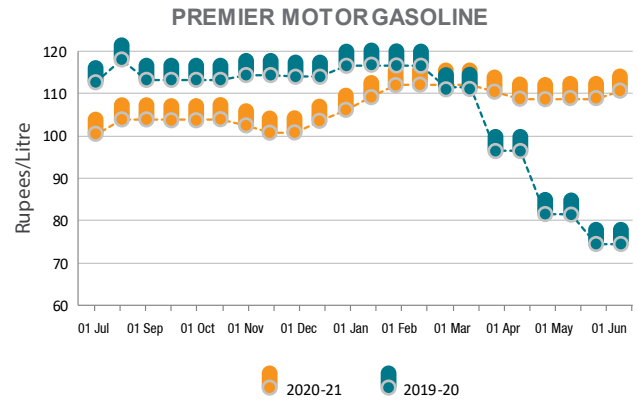
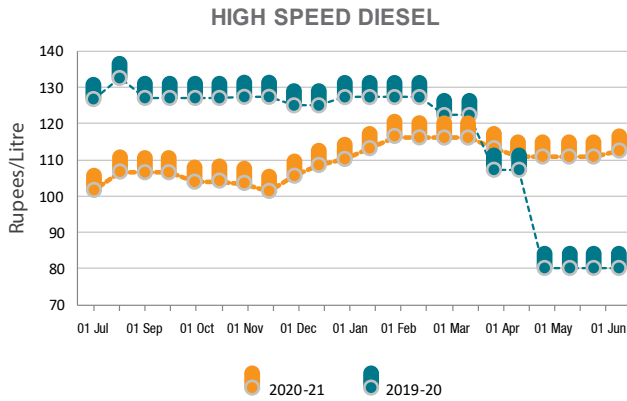
FINANCIAL PERFORMANCE

The Company recorded net sales revenue of Rs 188,645 million representing 6% decrease over last year (2019-20: Rs 201,079 million) as average selling prices decreased by 5% whereas sales volume decreased by 1%. On the other hand, efficient inventory management, better margins and intelligent decision-making led to an increase in gross profit. Further, net impairment reversal on financial assets amounting to Rs. 409 million as compared to net impairment losses on financial assets for Rs. 374 million for the last year

together with increase in other operating income also contributed positively towards the operating profitability of the Company. However, decrease in net finance income and increase in the cost of doing business restricted the increase in the profitability of the Company to some extent. As a consequence of above factors, the Company earned profit after tax of Rs 4,920 million (2019-20: Rs 1,008 million) translates into earnings per share of Rs 49.43 (2019-20: Rs 10.13).

Financial results and appropriations for the year ended June 30, 2021 have been summarized below:	Rs in Million
Profit before taxation	6,939
Less: Provision for taxation	(2,019)
Profit after taxation	4,920
Add: un-appropriated profit as at June 30, 2020	17,231
Add: Other comprehensive income for the year	2
Profit available for appropriation	22,153
Appropriations during the year:	
Final cash dividend for the year 2019-20 @ 40% (Rs 4/- per share of Rs 10/- each)	398
Interim cash dividend for the year 2020-21 @ 25% (Rs 2.50 per share of Rs 10/- each)	249
	647
Balance as at June 30, 2021	21,506
Subsequent Effects:	
Final cash dividend for the year 2020-21 @ 245% (Rs 24.50 per share of Rs 10/- each)	2,439
	19,067

PRICE TREND ANALYSIS



Dividend

The Board has recommended a final cash dividend @ 245% (Rs 24.50 per share of Rs 10/- each) out of the profits for the year ended June 30, 2021. This is in addition to the interim cash dividend @ 25% (Rs 2.50 per share of Rs 10/- each) already declared and paid to the shareholders, thus making a total of 270% cash dividend for the year under review.

Contribution towards National Exchequer and Economy

The Company contributed Rs 71,154 million towards national ex-chequer in the form of taxes and levies thus serving its community and

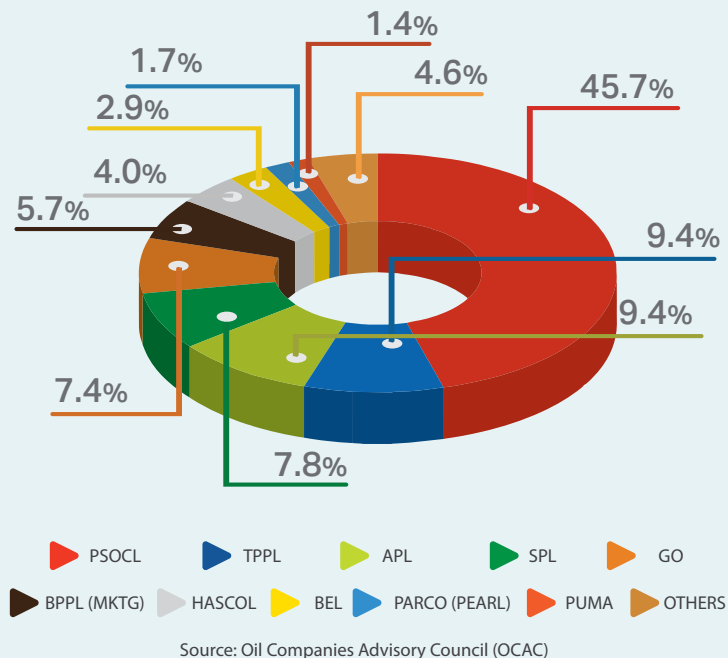
nation. Expansion of its network of retail outlets and distributors by including remote and far flung localities in the development plan has led to generation of employment in those areas and the quality of life of the local populace is being improved.

Liquidity Management, Financing arrangements & Strategies to overcome financial problems

During the year under review, cash and cash equivalents increased by Rs 2,958 million as cash amounting to Rs 5,632 million was generated from operating activities mainly due to decrease in trade debts and increase in trade and other

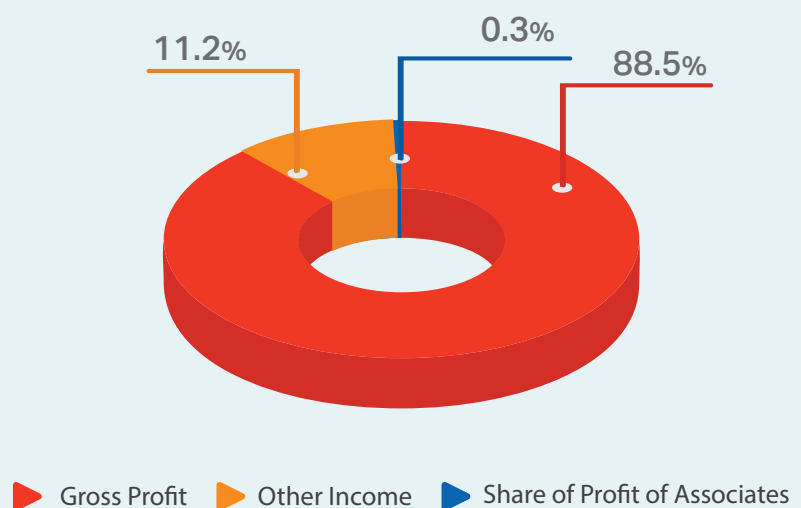
payables which resulted in increase in cash and cash equivalents from Rs 7,283 million as on July 01, 2020 to Rs 10,241 million as at June 30, 2021 which was partly used subsequently for payments to suppliers in respect of import of products. Availability of funds is ensured by employing different methods 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. The Company has obtained term finance facility under SBP Salary Refinance Scheme at highly attractive mark-up rate to pay salaries and wages to employees during the first quarter of 2020-21. The Company has various other standby arrangements with financial institutions to ensure smooth continuation of the operations and availability of liquidity to fund working capital requirements.

OVERALL MARKET SHARE



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 other than the term finance facility as mentioned above. The management is of the view that the capital structure is appropriate for the foreseeable future. There is no default in payments of any debts.

Significant Changes in Financial Position and Liquidity from last year

As at June 30, 2021, total assets increased to Rs 61,898 million and total liabilities increased to Rs 39,177 million. Increase in non-current assets from Rs 15,712 million to Rs 17,687 million is due to substantial investment of Rs 1,598 million on construction of bulk oil terminals and retail outlets focusing on increasing its storage capacity and sales and also enhance brand image in urban centres.

Cash inflow from operating activities for the year was Rs 5,632 million as compared to



cash inflow of Rs 7,415 million last year mainly due to decrease in cash receipts from customers on account of lesser sales revenue. Outflow of Rs 1,598 million was recorded from investment in property, plant and equipment. Income earned on investments resulted in an inflow of Rs 551 million. Total cash out flow of Rs 1,177 million was recorded from investing activities. Outflow relating to financing activities, mainly on account of dividend payment, was Rs 1,499 million.



MARKET AND INDUSTRIAL REVIEW

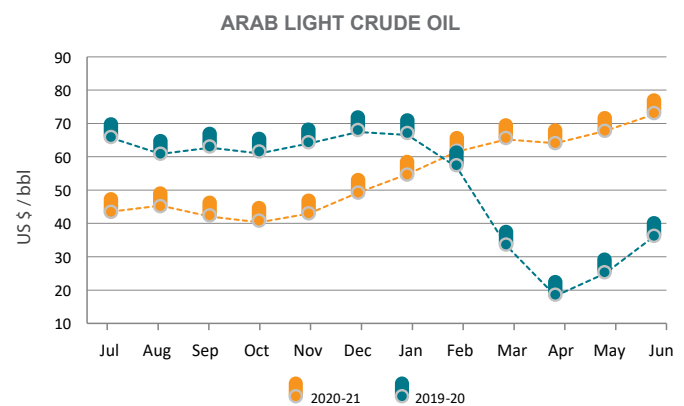
Global

The global economy in general and oil industry in particular, is recovering from the historic collapse in demand caused by the COVID-19 pandemic. Although, the oil industry has remained volatile during the last decade on the back-drop of geopolitical landscape affecting economic and price cycles, such a sharp decline in demand was never witnessed before. Survival of many business remained uncertain and the entire oil and gas value chain remains skeptical of the times to come.

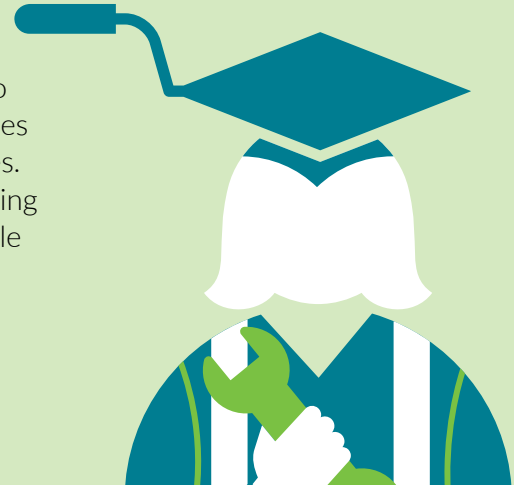
The global demand of petroleum products is still reeling from the effects of the pandemic and considerable efforts are required to steer it to the pre-COVID trajectory. The timeline of the recovery is uncertain due to numerous factors. Gasoline demand is unlikely to return to previous levels, as the shift to electric vehicles and reduced transportation due to reliance on virtual meetings, eclipse robust mobility growth in the developed and developing world. Aviation fuels, the hardest hit by the crisis, may slowly return to previous levels in the coming few years, but the spread of online meetings may permanently alter business travel trends.

Normalization of economic activity largely depends on how the pandemic evolves, and most importantly, the delivery of COVID-19 vaccination to general public. Economies are expected to continue dealing with the adverse impact of deteriorated fiscal balances and the effect of muted business investment on the labor market and consumer spending.

Further, the pandemic has forced rapid changes in consumer behaviour; from new working-from-home models to cuts in business and leisure air travel. The outlook for oil demand has shifted because of these new trends and governments follow through with strong policies to hasten the shift to clean energy. A much stronger pivot towards a cleaner energy is



in focus to reach ambitious mid-century goals for net-zero emissions. This involves more concrete government policies and legislative action, as well as major behavioural changes. Further fuel efficiency improvements, increased teleworking and reduced business travel, much stronger electric vehicle penetration and new policies to curb oil use in the power sector will impact the industry at various levels. Taken together, these actions could reduce oil use, which would mean that oil demand never gets back to pre-crisis levels internationally.



Domestic

The price of POL products in the Country depends on the global oil prices and 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 devaluation of the PKR against the USD, the petroleum product prices in the Country have been extremely volatile over the last couple of years. However, substantial progress has been made

in reforming the sector to enhance transparency and making decision makers aware of the various aspects of the business.

The energy demand of the Country has improved during current year as compared to the much-affected year 2019-20 which was due to strong impact of COVID-19. Consumption has increased due to the recovering economy and increased social and economic activities after the lift-up of lockdowns. The dependence on oil and gas is



further expected to increase as the Country's infrastructure continues to heavily rely on petroleum-based products. Total industry volume of all petroleum products jumped by 16% due to these factors. Demand for High Speed Diesel increased by 17% and demand for Premier Motor Gasoline increased by 12%. Demand for Furnace Oil also improved by 38% due to resumed consumption of Furnace Oil by power producers.

As Government acts to slow the pandemic and protect lives and livelihoods now, it is much needed to maintain stability, continue to build trust and communicate clearly to avoid deeper downturns and social unrest. Further, Pakistan is also working on their new energy plan which aims for 30% renewable generation, mainly wind and solar, by 2030, up from current level of 4%. This will affect the consumer's behaviour of fuel consumption and dependency in the Country in the coming decade.



COMPANY'S SALES AND MARKETING REVIEW



During the year under review, despite stiff competition amid aforementioned challenges including COVID-19 pandemic and focusing on improving the margins and the bottom line, the Company has maintained its sales volume this year as compared to last year despite losing defence segment this year which the Company has successfully re-acquired for the next year. However, the market share has dropped due to increase in overall industry volumes owing to growth in the Country's economy and new entrants in the market. Industry wide Furnace Oil sales volume increased by 38% this year due to unavailability of alternate fuels for electricity generation while APL recorded an increase in volume by 25%, causing APL's market share in the product to decrease from 18% to 16%. Despite above referred domestic and international challenges, the Company ensured uninterrupted supplies to its customers. Further, Company continued to extend its network of corporate and industrial clients and has added many new prestigious customers. 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 market share of the Company is 9.4%.



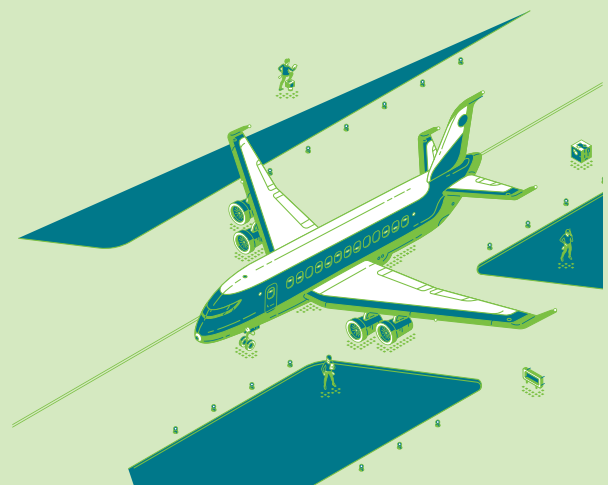
The consumption and application of Bitumen has remain stagnant due to lesser spending on infrastructural developments. Influx of lower priced smuggled Bitumen in the market is also contributing to the slow growth in sales of local product. However, due to aggressive marketing strategies and increase in customer base, APL's sales volume of Bitumen has increased by 9% thereby increasing the market share from 73% to 80% as APL continued to be a supplier of choice in terms of Bitumen supplies for geo-politically and strategically important construction projects including road networks and motorways.

Sales volume of High Octane Blending Component (HOBC) significantly increased by 229% whereas the overall industry volume increased by 191%. Such increase has been recorded as the price gap between HOBC and Premier Motor Gasoline narrowed for a considerable period of time during the year.

Following the Company's long term strategy to keep on increasing its presence through developing retail outlets, APL has significantly strengthened its retail network and as at June 30, 2021 the total number of retail outlets has reached 738. APL commissioned its retail outlets across the length and breadth of Pakistan and for enhancing the brand manifestation. The Company has focused on establishing Company Owned Company Operated (COCO) retail outlets in Islamabad, Lahore, Karachi and across various motorways. Quality of fuel supplies were diligently ensured in the urban and rural localities.

APL has successfully introduced lubricants with advanced formulations for Gasoline, Diesel and Motor Cycle Oil variants and brand new packing in Pakistan market during this year. While formulating these grades wide range of applications for new and older engines were considered as per engine manufacturer recommendations and market demand. Consequently, sales of lubricants have increased during the year. Considerable number of new customers in B2B and B2C segment were added to the existing portfolio of the Company.

The aviation segment was badly hit during and after the COVID-19 pandemic, and the trend has continued during the year. Reduced business and leisure travel through air has directly affected the sales of aviation fuel. Consequently, the Company recorded a decrease in the sale volume of Jet Petroleum (Aviation). Further, the Operatorship of the Fuel Farm & Hydrant Refuelling System at the Islamabad International Airport has been handed over to APL from the JV partner effective July 01, 2020 under the JV arrangement. The Company has been efficiently managing the entire field operations ensuring smooth flight operations through the largest fuel farm at any airport of the Country. In a highly technical and competitive aviation segment, APL is proud to act as the backbone of the economic gateway of Pakistan through the Islamabad International Airport – paving way for a brighter, more prosperous Pakistan.





Refuelling an International Air Carrier at Islamabad International Airport

Corporate clientele of Attock Smart Fuel Card is now enjoying unmatched services and Quality Products at more than 200 retail outlets across the Country. Widened retail network enabled with Smart Fuel Card services has led to customer reliability, especially corporate sector, on APL retail network.

The Company is continuously working on energy conservation to optimize energy consumption at its various locations across the Country by introducing energy efficient equipments. All APL Terminals' outdoor lights have been replaced with LED Lights to contribute to the energy saving drive of the Country.

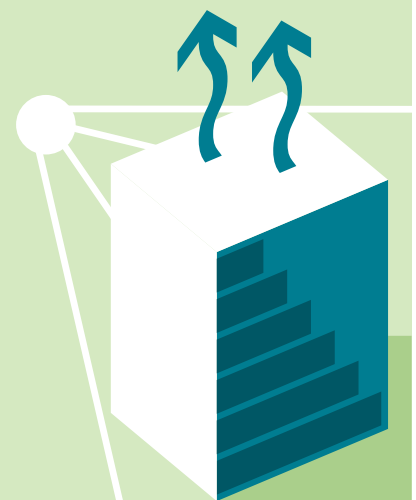
The Company was one of the very first in the industry in complying with Government's Clean & Green Pakistan initiative by bringing in environment friendly Euro-V standard fuels for supply to its extensive retail network. In a bid to further improve the quality of products, several renowned global suppliers were added to company's extensive list of Class A suppliers

worldwide. Among them was ARAMCO Trading, which entered Pakistani refined fuel market for the first time in the Country's history.

APL is committed in value creation over broad horizons and has revealed to accomplish and evolve beyond the dominion of just fuel. APL strives to succeed pronounced distinctions in almost all of its operations and activities. APL is focused on fostering an inspirational and state-of-the-art performance aligned to its vision, mission and the core values. Despite the extreme challenging environment, rigid competition and volatility in oil prices, APL positively sustained its volumes while establishing new retail outlets and improvising the new vision on existing retail outlets across Pakistan and contributed towards the prosperity of the Country. With robust supply chain extending from global oil suppliers, APL is contending and upgrading the infrastructure and supply chain of the Company to handle unprecedented challenges in these uncertain times.

Other Business Activities

APL's foremost value is delivering customer convenience and to improve overall fuelling experience. APL has marked its efforts to extend its brand image beyond the domain of just fuel. Understanding the current market dynamics and to cater the needs of all customers, APL has set 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 solutions such as payment through Credit Cards, ATM facilities, Attock Smart Fuel Card, Tyre Care, Speed Wash, Lube Xpert, Time Out tuck shops etc. In order to provide all the facilities to our customers under one roof and to generate additional income for the Company, it is planned to strengthen the Non Fuel Retail (NFR) business segment.



towards Tree Plantation in-line with the honorable Prime Minister's 'Clean & Green Pakistan' movement.

Infrastructure Development

Infrastructure development is a significant aspect; not only for economic evolution but acts as a catalyst to enhance comprehensive growth. In the current situation of intense competition, APL firmly believes that infrastructural expansion is imperative in catering to the rapidly evolving operational dynamics of the oil marketing segment. Infrastructural expansion nevertheless serves as a backbone ushering in a new era of resilience and steadfastness.

Since last few years, the Company has invested major resources aggressively towards expansion and enhancements of its Bulk Oil Storage Terminals across the Country. Rapid development work with stringent quality controls enabled APL to achieve major world-class milestones. Bulk Oil Terminal at Sahiwal and Daulatpur





were completed during last year and have started their operations successfully. Expansion project at Shikarpur Bulk Oil Terminal to enhance the storage capacity has been completed which will cater to the increasing need of the region's fuel demand. Construction work for establishment of Bulk Oil Terminal at Port Qasim (Karachi) has been completed, which shall prove to be a key installation for the Company to manage import cargoes at the port, yielding many strategic benefits. The terminal has been successfully commissioned towards the end of the year.

The Company expanded its presence in the metropolitan cities of Islamabad, Lahore and Karachi by establishing several new "Company Owned and Company Operated" retail outlets. These sites were specifically established to not only provide quality products to customers but to enhance APL's brand representation in these cities. The major traffic volume of the Country is shifting towards Motorways, therefore, Company has targeted strategic locations along the motorways in last couple of years. In this regard, APL commissioned 03 state-of-the-art Service Areas (North & South Bound) at Tandlianwala,

Muridwala and Nankana, on Lahore-Abdul Hakeem Motorway (M-3). To strengthen its position in the southern part of the Country, the Company has secured an extremely viable business location at Rohri Service Area on Sukkur-Multan Motorway (M-5). In collaboration with a business partner, the Company has established ultra-modern/ advanced Service Areas at Rashakai on Islamabad Peshawar Motorway (M-1) that will provide a range of amenities/services. In addition to that, Company is in process of developing Service Areas at Mansehra on Hazara Motorway and Katlang on Sawat Expressway. Company has further strengthen its footprint on the motorways by securing the leasehold rights of 05 service areas on Pindi Bhattian-Faisalabad-Multan Motorway (M-4) at Dandewal (North & South bound), Jumani (North bound) and Khanewal (North & South bound). Furthermore, Company is continuously exploring further opportunities of developing various motorway sites to help further strengthen the presence of Company along key routes of the Country.

APL is in partnership with several organizations of repute for development of multi-fuel retail

outlets nationwide. The Company also expanded its presence in the metropolitan cities of Islamabad and Lahore by establishing new “Company Owned and Company Operated” filling stations. In this regard, commissioning of a flagship retail outlet at one of the prime locations of Federal Capital i.e. Jinnah Avenue, Blue Area Islamabad is an achievement for the Company. Furthermore, APL in collaboration with its Employees Welfare Trust (APLEWT) is in process of establishing another retail outlet at a prominent location of Islamabad i.e. New Blue Area.

The Company has further expanded its horizons by entering into the LPG business, by establishing an LPG storage and filling plant. Oil & Gas Regulatory Authority issued license to APL for construction of LPG Storage and Filling Plant.

In recognition to the Prime Minister’s vision for Clean & Green Pakistan and to support Government of Pakistan’s Alternative and Renewable Energy Policy, APL has commissioned/ installed its first EV charging facility at its flagship retail outlet located in Blue Area, Islamabad. Company is also identifying future prospects for installing the EV charging facility at its landmark outlets.

Despite hurdles faced by the lockdown and economic downturn triggered by COVID-19 pandemic, the Company has successfully commissioned 39 retail outlets across the Country in the year 2020-21 among which 06 are heavily invested Company Owned Company Operated retail outlets.

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 the Country 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 and storage tanks at our retail outlets.

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



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 businesses and reduce financial distress. APL encounters uncertainties both in terms of supply and demand of the products and volatility of prices. COVID-19 pandemic, global environmental pressures, arrival of LNG and RLNG, changing dynamics of the oil and gas sector, shifts in social and other customer preferences and expectations are some of the risks associated with the sector. Similarly, technological advancements or disruptive advancements such as increasing focus on Electric Vehicles 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.

Risks associated with COVID-19 Pandemic

The economic disruption caused by the pandemic has exacerbated an already existing crisis to the extent where businesses remained under immense pressure to maintain their earnings. While the Government has implemented some mitigation measures, more efforts are required to counter the impact of the pandemic. This was minimized to some extent by the mass vaccination drives supporting general public to lead a normal life and kick-starting the halted business and industrial activity. However, the companies continued to bear fixed cost during the period of reduced revenues. The resumption of transport and public movement and sales to the industrial consumers has supported the sales. The management is committed to keep putting in efforts for protecting shareholders' wealth and ultimately generating better returns.



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 2020-21, global events including COVID-19 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 decrease in global demand owing to COVID-19, decision to regulate demand by the OPEC and OPEC+ members, coupled with potential losses of Iranian oil, international trade wars and supply disruptions 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 effect of increasing global prices. 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 geo-political 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.



AAJ Petroleum - DHA-II, Islamabad

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 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. COVID-19, 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 factors 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 700 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 proactive towards the global and domestic market trends. Moreover, 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 joined the industry, resulting in intense competition with various challenges and multiple opportunities as well. To counter the competition, the Company is strengthening its determinations on cashing the opportunities and to be the preferred oil marketing company of the nation. Focusing aggressively on its storage terminal network and retail 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.



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.

The Company takes its responsibility seriously in managing, supporting and dealing with all employee related matters including policy management, recruitment process, compensation and benefits, employment and labor laws, new employee orientation, training and development, personnel records retention, and employee engagement program.

Health, Safety, Environment and Security

APL is committed to an incident-free workplace, every day, everywhere. Our performance depends on our ability to continually improve the quality of the services we provide to our clients, while protecting people and minimising the impact on the environment. APL ensures an active commitment to HSE in all work activities wherever the Company operate. Staff members are responsible and accountable for ensuring compliance with all HSE policies, procedures and standards. It is important to always communicate openly on HSE issues with stakeholders and share with them experience and knowledge of successful HSE initiatives. Safety, security, health and environmental responsibilities at APL extend beyond protection and enhancement of our own facilities.



Mehmood Kot Bulk Oil Terminal - Distt. Muzaffargarh



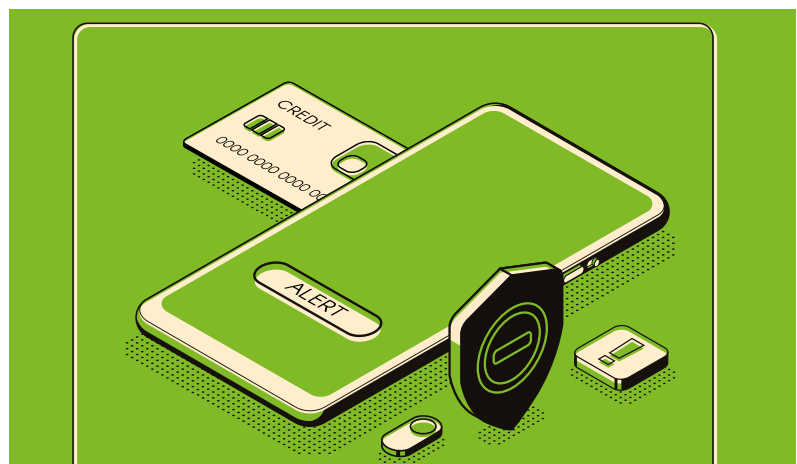
Quality Filling Station - H-8, Islamabad

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 in the pamphlet have been 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 systems 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, global economics, political chaos, fluctuation in global prices, commodity constraints and pricing, lower monetary growth, energy crisis, deficit in exports, unemployment, COVID-19, technological innovations and the increasing competition led to developing a need of evaluating the continuity of the business and to enhance the line of defense against such disruptions.

To enhance the resilient ability or to mitigate the impact of disaster, recovery plan enables 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.

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 Listed Companies (Code of Corporate Governance) Regulations, 2019. Although the new framework has allowed the corporate sector to either comply with the requirements or explain any deviations, APL managed to comply with all the requirements of the Code of Corporate Governance as enshrined. 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, Company's response to COVID-19 pandemic, up-gradation of the current bulk oil terminals along with construction of the new ones and expansion of retail network are a few examples of the Company's good 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). Three of the Directors, Lt Gen (Retd.) Javed Alam Khan, Mr. Mohammad Raziuddin and Ms. Zehra Naqvi have previously attended the Directors' Training Programme from a 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 changes in governance framework and regulatory changes. The Directors are well-equipped with 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 grievances

and apprehensions to suitable pre-identified authority without any fear of retaliation such as discrimination, victimization, harassment etc., about any suspicious 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.





Board of Directors & Management in attendance at 14th EOGM. Other Directors also participated through video link.

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 Property, Plant and Equipment, approval of budgets, approval of financial statements, 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, 2019. This Code provides the standard for professional behaviour in order to ensure that the business is carried out in an honest and ethical manner.

Additional Disclosures

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, 2021, 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.
 - 11) The values of investments in employee retirement funds based on the latest audited accounts as of June 30, 2021 are as follows:

Employees' Gratuity fund	Rs 162.471 million
Employees' Provident fund	Rs 311.158 million
 - 12) The total number of Company's shareholders as at June 30, 2021 was 3,745. The pattern of shareholding as at June 30, 2021 is annexed.



Shareholders in attendance at 14th EOGM through video link



Board of Directors at Annual General Meeting

A separate statement of compliance with the Code of Corporate Governance signed by the Chairman of the Board of Directors and Chief Executive Officer 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

On completion of statutory term of three years, the election of directors was held on March 03, 2021 and new directors assumed offices effective March 10, 2021. The new Board comprised of 07 directors out of which 06 are non-executive directors. Lt Gen (Retd.) Javed Alam Khan retired from the Board on completion of his term and Ms. Zehra Naqvi is the newly appointed director. 06 directors were re-elected.

Furthermore, Mr. Babar Bashir Nawaz subsequently resigned from the Board and the casual vacancy was filled up by Lt Gen (Retd.) Javed Alam Khan.

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, 2019.

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 and annual budgets and forecasts 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

three independent directors. 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

Meetings attended / Eligible to attend

Sr. No.	Name	Board of Directors meetings	Audit Committee meetings	HR&R Committee meeting
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	3/3	3/3	-
6	Lt Gen (Retd.) Javed Alam Khan	5/5	4/4	-
7	Mr. Mohammad Raziuddin	5/5	4/4	1/1
8	Ms. Zehra Naqvi	2/2	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, 2021, no meeting of the Board of Directors was held outside Pakistan.

Directors' 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.

Remuneration package of executive directors including chief executive disclosing salary, benefits, bonuses, other incentives etc have been mentioned in Note 36 to the financial statements.



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 PwC network, retire and are eligible for reappointment for the year 2021-22. They have offered themselves for reappointment. The Audit Committee of the Board has recommended the re-appointment of the retiring auditors for the year ending June 30, 2022 along with their remuneration to the Board. 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 challenging environment, APL aims to set high standards for uninterruptedly supplying of finest petroleum and energy products and remarkable services across Pakistan. Building on our core values to sustain a competitive edge in the market, various opportunities are vigorously followed and exploited with our distinctive strengths and capabilities, and efficient responding to transitional impacts.

The management highlights and prioritizes the importance of timely adaption of technological advancements, maximizing shareholder value, operational progressions, developing alliances and infrastructural expansions. APL continuously seeks to improve performance 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 customers.





The Company is establishing Bulk Oil Terminals at strategic locations and focusing on increasing number of storage facilities to guarantee continuous supplies. In addition to the completion and successful commissioning of Daulatpur Bulk Oil Terminal and Sahiwal Bulk Oil Terminal last year, construction of Bulk Oil Terminal at Port Qasim, Karachi has been completed and the terminal has been successfully commissioned. Terminal shall handle the receipt of imported products and dispatch of products to mid-country through white oil pipeline. Further, the Company has acquired lands for development of Bulk Oil Terminals at Gatti (Faisalabad), Tarujabba (Peshawar) and Dera Ismail Khan.

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 continuously evaluates the external environments and the drivers that shape them – to assess variations in competitive forces and dynamics, and timely responding and decision making. The Company 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.

Going forward, the management is committed to further strengthen the supply chain cycle and invest considerable resources towards development and expansion of retail network to consolidate revenues from the increasing market and generate sustainable income from recurring clients such as industrial consumers. The Company has already positioned itself as one of the leading private sector oil marketing company backed by refineries as associated companies and is now focused to strengthen its market share by utilizing innovative business techniques and sustainable financial models.

With the emerging trend and transition of a greener environment, APL aims and



supports to power progress with more and cleaner energy solutions for a lower-carbon and healthy economy. The Company is continuously working on energy conservation to optimize energy consumption at its various locations across the Country by introducing energy efficient equipment. All High Pressure sodium and Mercury lights have been replaced with efficient LED & SMDs Lighting system for energy savings at Rawalpindi, Machike, Sahiwal, Daulatpur and Korangi terminals and has planned to follow this on all terminals in the coming future.

The Company has diversified portfolio of teams led by exceptional leaders that deliver best business performances. The Company aims to develop the leaders of tomorrow by allowing them and providing them with the opportunities of jobs and investments to progress in the area which provides them to expand their capabilities. Geographical diversity and presence allows the Company to utilize and align new resources and tap growing & niche markets – developing

diverse integrated portfolio. APL foremost aims to benefit the government and local communities by sustainable business growth investing in the long term interests of the shareholders, partners and society.

With regards to after effects of COVID-19 pandemic, the management has taken appropriate steps in terms of strategizing to deal with the challenges presented by this exceptional scenario. The Board has provided guidance to the management to ensure business processes continue in order to minimise the impact. A framework, at various levels within the Company, has been formulated to deal with safety of employees and those who come in contact with the staff members, in general and specific policies are being adopted to minimise the financial impact of the loss of revenue and aligning the Company such that the Company can maximize its returns by exploiting opportunities which shall present during the recovery from effects of COVID-19.

Trends and uncertainties affecting Company's revenues and operation

Fluctuations in the price of oil due to external environmental factors as discussed above have affected 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, dependence of supplies on imports amid fluctuating exchange rate and volatile prices may affect the revenues and operations of the Company. Such volatility in the oil prices coupled with the currency exchange fluctuations and varying demand pattern 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

Construction of Bulk Oil Terminal at Port Qasim, Karachi has been completed during the year which shall enable the Company to efficiently managed its import thus strengthening the supply chain cycle ensuring smooth delivery of quality products to the customers.

Setting its target for development of retail network, the Company successfully established many number of retail outlets during the year at various locations focusing on urban centres to promote brand image and capture potential sales. Accordingly, number of retail outlets reached 738 as at June 30, 2021.

First EV charging facility has been installed at the flagship retail outlet in Blue Area, Islamabad and the Company may install at other sites subject to viability and demand.

ACKNOWLEDGEMENT

The Board would like to thank and appreciate shareholders, customers and strategic partners for placing their confidence and trust to steer the Company in this time of distress. The Board expresses its gratitude towards dedication and commitment presented by employees. The Board also extends its appreciation and gratefulness to Government of Pakistan, regulatory bodies and suppliers for their resolute cooperation.

On behalf of the Board



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

Rawalpindi.
August 11, 2021



PATTERN OF SHAREHOLDING

As at June 30, 2021

Corporate Universal Identification Number 0035831 Form-34

Sr. No.	Number of Shareholders	From	To	Total Shares Held	Percentage
1	620	1	100	28,501	0.029
2	956	101	500	277,140	0.278
3	461	501	1000	361,119	0.363
4	1362	1001	5000	2,423,947	2.435
5	140	5001	10000	1,010,504	1.015
6	56	10001	15000	689,029	0.692
7	32	15001	20000	563,434	0.566
8	20	20001	25000	470,794	0.473
9	17	25001	30000	479,393	0.482
10	8	30001	35000	259,102	0.260
11	8	35001	40000	295,358	0.297
12	4	40001	45000	167,801	0.169
13	6	45001	50000	284,830	0.286
14	3	50001	55000	157,720	0.158
15	1	55001	60000	60,000	0.060
16	2	60001	65000	125,842	0.126
17	1	65001	70000	65,613	0.066
18	3	70001	75000	217,716	0.219
19	2	75001	80000	152,382	0.153
20	1	80001	85000	85,000	0.085
21	2	85001	90000	180,000	0.181
22	1	90001	95000	91,844	0.092
23	4	95001	100000	387,729	0.390
24	1	100001	105000	104,680	0.105
25	2	115001	120000	234,880	0.236
26	2	130001	135000	266,099	0.267
27	2	140001	145000	289,000	0.290
28	1	150001	155000	154,970	0.156
29	1	155001	160000	160,000	0.161
30	1	160001	165000	160,800	0.162
31	1	170001	175000	171,800	0.173
32	1	185001	190000	187,806	0.189
33	1	200001	205000	200,320	0.201
34	1	205001	210000	209,780	0.211
35	1	210001	215000	212,940	0.214
36	1	285001	290000	286,620	0.288
37	1	320001	325000	321,000	0.323
38	1	380001	385000	380,800	0.383
39	1	395001	400000	397,000	0.399
40	1	465001	470000	465,240	0.467
41	1	480001	485000	480,400	0.483
42	1	510001	515000	513,120	0.516
43	1	550001	555000	553,900	0.556
44	1	620001	625000	620,700	0.624
45	1	655001	660000	660,000	0.663
46	1	795001	800000	798,334	0.802
47	1	1025001	1030000	1,029,592	1.034
48	1	1415001	1420000	1,418,700	1.425
49	1	1605001	1610000	1,606,140	1.614
50	1	2185001	2190000	2,189,721	2.200
51	1	6640001	6645000	6,643,385	6.675
52	1	6980001	6985000	6,984,714	7.017
53	1	7000001	7005000	7,003,220	7.036
54	1	21770001	21775000	21,772,965	21.875
55	1	34215001	34220000	34,219,376	34.380
	3745			99,532,800	100.00

CATEGORIES OF SHAREHOLDERS

As at June 30, 2021

Sr. No.	Categories	Number of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, their Spouse(s) and Minor Children			
	Mr. Laith G. Pharaon		1	0.00
	Mr. Wael G. Pharaon		1	0.00
	Mr. Shuaib A. Malik		6,643,385	6.67
	Mr. Abdus Sattar		720	0.00
	Lt Gen (Retd.) Javed Alam Khan		60	0.00
	Mr. Mohammad Raziuddin		1	0.00
	Ms. Zehra Naqvi		1	0.00
	Mr. Babar Bashir Nawaz		1	0.00
	Mr. Muhammad Adil Khattak		42,301	0.04
		9	6,686,471	6.72
2	Associated Companies, Undertakings and Related Parties			
	* Pharaon Investment Group Limited (Holding) s.a.l		34,219,376	34.38
	* Attock Refinery Limited		21,772,965	21.88
	Attock Petroleum Limited Employees Welfare Trust		7,003,220	7.04
	Pakistan Oilfields Limited		6,984,714	7.02
	The Attock Oil Company Limited		2,189,721	2.20
		5	72,169,996	72.51
3	National Investment Trust & Industrial Corporation of Pakistan	1	30,974	0.03
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	10	5,174,268	5.20
5	Insurance Companies	11	2,314,459	2.33
6	Modarabas & Mutual Funds	34	2,653,064	2.67
7	General Public			
	a. Local	3,488	7,699,155	7.74
	b. Foreign	38	84,124	0.08
8	Others			
	Trust and Funds	91	1,911,302	1.92
	Joint Stock Companies	58	808,987	0.81

* Shareholders holding 10% or more shares

Trade in shares by Directors, Executives, their Spouses and Minor Children during 2020-21:

	Purchase	Sale
Mr. Rehmat Ullah Bardaie (Chief Financial Officer)	14,700	-
Mr. Muhammad Kamran Malik (Executive)	-	600

Except for detail given above no trade in shares was reported by Directors, Executives*, their spouses and minor children from July 01, 2020 to June 30, 2021 in the shares of Company.

* "Executive means Chief Executive Officer, Chief Operating 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".

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. Due to the COVID-19 Pandemic, the AGM of the Company was conducted virtually through video link on October 19, 2020 and the queries of shareholders were appropriately responded. Following is the brief of shareholders' queries and responses thereto:

- On a shareholder's query about the inventory losses or gains recognized by the Company referring to the frequent change in prices of petroleum product during the year and maintenance of minimum stock by oil marketing companies, it was responded that the Company suffered inventory losses to the tune of Rs.1.2 billion which were mainly recorded in the third quarter and the slight inventory gains earned during the year were offset by the significant inventory losses.
- On a query about Company's plans for expansion and incurring capital expenditure, it was responded that the Company is always in expansion as it is fundamental to growth. Few projects might face delay due to ongoing COVID-19 situation. Presently, no capital expenditure is on hold and many on-going projects are being completed along with many others in pipeline. The projects will pick up their pace once the situation moves to normalization.
- On a query regarding Company's plans to install Electric Vehicle charging facility at all of the retail outlets, it was responded that

installation of this facility at one of the retail outlets of the Company is a pilot project and installation of the facility at other retail outlets may happen in future, if needed.

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 established procedures and a policy in place 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 or records in physical forms are stored at specifically designated record rooms with proper safety features and retained in line with requirement of applicable laws.
- 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. The Board has also approved a Gender Diversity Policy in this regard.

Other Directorships of Directors

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

Sr. No.	Name	No. of Companies*
1	Mr. Shuaib A. Malik	06

* Refer to Page 37 (Profile of Board of Directors) for complete details regarding other engagements.

Board fee earned by Executive Director

Executive Director of the Company holds position of Non-Executive Director in other companies as disclosed above. Fee 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 October 19, 2020 to answer queries of shareholders regarding above mentioned matters.

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 & 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 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, a Corporate Briefing Session was held by APL through video link for the Analyst community and Shareholders on October 27, 2020 in compliance with the mandatory requirement of holding corporate briefing by listed companies. A detailed presentation was given by the Company's management on the Company's financial results and performance for the year 2020 along with the brief on Company's future plans. All the queries raised by participants following the briefing were satisfactorily responded in the session.

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.

External Search Consultancy for appointment of Chairman and Non-Executive Director

No search consultancy (connected or unconnected with the Company) has been used for the purpose of appointment of Chairman and Non-Executive Directors.

Chairman's Significant Commitments

The Chairman is committed towards protecting shareholders' wealth and creating sustainable returns while securing the interests of all stakeholders at the same time. The Chairman effectively plays its role of guiding the Board of

Directors in devising and implementing medium to long term strategy of the Company adhering to the Mission statement. Responsibilities undertaken by the Chairman are briefed in the Role of Chairman section of the Directors' Report included with this Annual Report.

Pandemic Recovery Plan

The Company is well geared for mitigating any potential impact of ongoing COVID-19 situation through the recovery plan adopted and implemented by the management. Various steps have been taken in this regard and are briefed in Director's Report included with this Annual Report.

Disclosure of Beneficial Ownership

Details of group shareholding and nature of relationships of associated companies is disclosed on Page 17 of the Annual Report.

Disclosures Beyond BCR Criteria

The Company's Management encourages inclusion of voluntary additional disclosures in its Corporate Report, beyond the requirement of Best Corporate Report Criteria of ICAP & ICMAP, on any minute information which is relevant to the needs of its stakeholders and ensures the communication of a comprehensive view about the Company's strategies, governance, performance and prospects, in the context of its external environment, which lead to the creation of value over the short, medium and long term.

Redressal of Investor Complaints

Investors approach the Company for their queries and complaints generally through Company Secretarial Matters Section. Various means of filing a complaint are available on Company's website. Investors' complaints / queries are usually related to receipt of latest dividends, request for hard copies of annual/quarterly reports, updation of bank account details to receive dividends, change of address, transfer/transmission of shares, loss of share certificates and unclaimed dividends etc. These queries / complaints are handled with utmost priority meeting the expectations of investors to their satisfaction.

STAKEHOLDER ENGAGEMENT

Stakeholders	Management of Stakeholder Engagement	Effect and Value to APL
<p>Institutional Investors / Shareholders</p> <p>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.</p>		<p>The financiers of capital help APL:</p> <ul style="list-style-type: none"> • Convert its business plans into actions. • Achieve its business targets.
<p>Customers and Suppliers</p> <p>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.</p>		<p>Customers' loyalty and effective supply chain is the key to the Company's sustainable business growth.</p>
<p>Banks</p> <p>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.</p>		<p>Bank dealings are central to the Company's performance in terms of:</p> <ul style="list-style-type: none"> • Access to better interest rates and financing terms. • Efficient Customer Service.
<p>Media</p> <p>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.</p>		<ul style="list-style-type: none"> • 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
Regulators	<p>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.</p>	<p>Country's laws, regulations and other factors controlled by the Regulators, set operating guidelines for the Company.</p>
Analysts	<p>The Company regularly engages with analysts on its financial and operating results, with due regard to regulatory restrictions imposed on inside information/trading. A corporate briefing session is held by the company during FY 2020-21 for Analyst community.</p>	<p>Providing required information to analysts helps:</p> <ul style="list-style-type: none"> • Attracting potential investors. • Clarifying misconceptions / market rumors.
Employees	<p>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.</p>	<p>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.</p>
General Public	<p>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.</p>	<p>A contented and peaceful nation fixes the roots for a prosperous society.</p>

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 the 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 48 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 consuming 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 with energy efficient LED lights and has completed the replacement at all its Oil terminals RBT, MBT & KBT enabling significant reduction in energy consumption.

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 Plan, 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.



Independence Day activity at a retail outlet

HSE AT APL

Occupational & Environmental 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.

HSE Trainings

HSE Trainings is an integral part here at APL to safe and health-oriented behavior. One of most commonly method used in APL is ASCIE method, which stands for Assess training needs, Set organizational training objectives, Create training action plan, Implement training initiatives, Evaluate & revise training, Evaluation concludes the process and measures how effective the training program was at achieving its goals.

APL is committed to accident free environment therefore ensuring all workers undergo on the job health and safety training by four basic grounds set at APL:

1. New candidates who join APL are given training. This training familiarize them with the company mission, vision, rules and regulations and the working conditions.
2. The existing employees are trained to refresh and enhance their knowledge.



3. If any updations and amendments take place in technology, training is given to cope up with those changes. The employees are trained about use of new equipments and work methods.
4. When promotion and career growth becomes important, training is given so that employees are prepared to share the responsibilities of the higher level job.

Training Accomplishments & Commitments

APL's HSE department has successfully delivered various training program to their employees in FY 2020-21 which summed up in Occupational Health Safety & Fire prevention trainings program and APL is committed to sustain this leading role in cluster of Safety Health & Environment Protection Training program.

Achievements

In FY 2020-21 major milestones that has achieved by Attock Petroleum Limited is unprecedented in the Oil Marketing industry. It was only possible because of the Top Management commitment and efforts made by the best safety practices of whole project team.

- Construction and commissioning of Port Qasim Oil Terminal at Port Qasim, Karachi.

Project was started on 18 February, 2019 and went onto its completion on 15 January, 2021 without any lost-time accident throughout its Construction Phases. Project has now been commissioned successfully in June 2021 adding 1,270,500 safe man-hours to our company's overall statistics.

- Implementation of ISO 9001:2015 standard at APL Sahiwal Bulk-Oil Terminal and APL Daulatpur Bulk-Oil Terminal is another major milestone achieved by APL in FY 2020-21. This is a step towards systems development and ensuring "Quality" during all its operations. Compliance with all relevant industry standards and executing all its operations in a safe and environment friendly manner is a core value at APL.



Hassan Petroleum - Blue Area, Islamabad

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.

Surveillance audit for ISO 9001:2015 is successfully completed. Moreover, APL's Sahiwal and Daulatpur Bulk Oil Terminals are included in the scope of APL's existing ISO 9001:2015 Certification (Quality Management System).

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.



AWARDS & **RECOGNITION**

The Company's Annual Report for the year 2019 was awarded 3rd position in Fuel & Energy Sector of the Best Corporate Report Awards jointly organized by ICAP & ICMAP.

The Company was selected amongst the "Top Twenty Five Companies" by Pakistan Stock Exchange for the year 2019 in recognition of Company's policy and practice of transparency, disclosure of required information and compliance with financial reporting standards.

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.

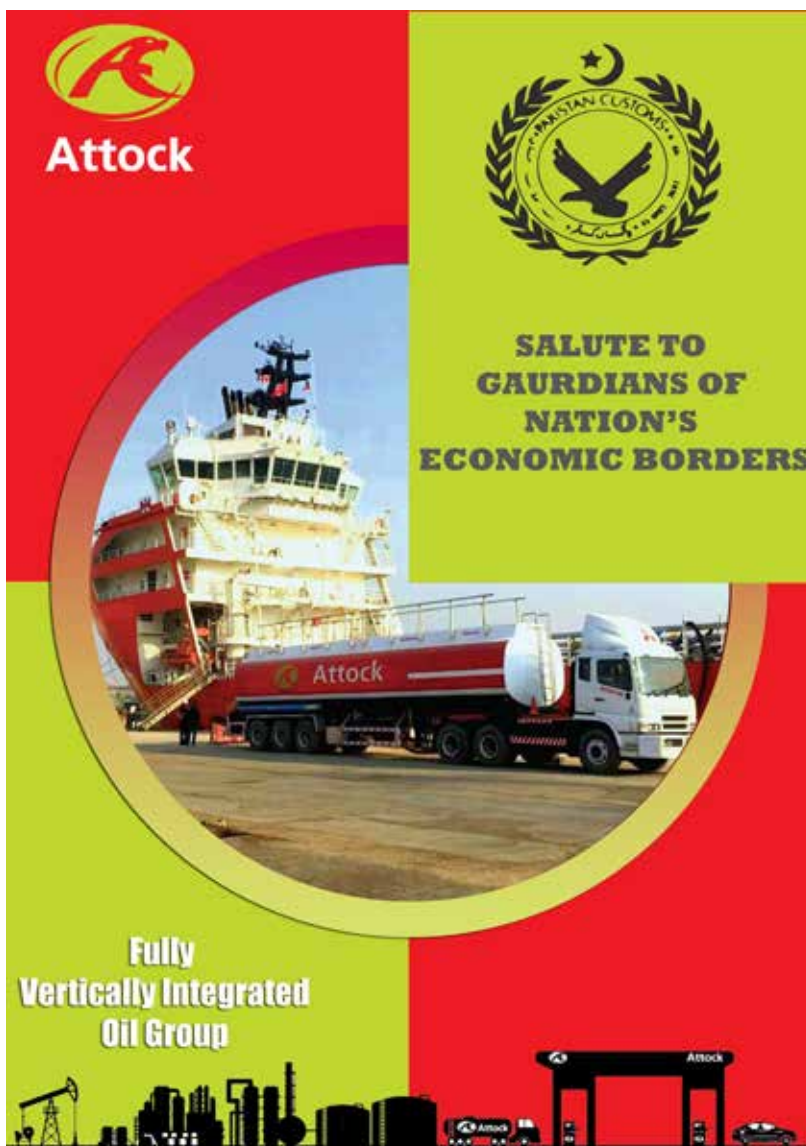
Community Welfare

The Company is fully cognizant of its wider responsibility towards the community. APL takes different measures for prosperity, health and literacy of the local communities from time to time. Multiple Jobs are created at the company's developed Bulk Oil Terminals and hiring are made from the local communities it operates in for their benefits.

APL is also a donor to various trusts working for the public welfare. It includes donation to Attock Sahara Foundation for Meena bazar and sponsorship for Custom Day advertisement for appreciating Pakistan's Customs.

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.

Educational Scholarships

The Company realizes the importance of basic & higher education in building a strong Nation and

always supports the bright students by sponsoring their education.

Under the APL Scholarship Program, APL through its trust continued its awarded scholarships to the children of the employees in Class I to Intermediate category and Under/Post Graduate category.



Employees' Training in progress

International Women's Day

International Women's Day is a global day recognizing the social, economic, cultural and political achievements of women. Women's Day is marked and celebrated at Company Operated Sites and Offices of APL to acknowledge Women's contribution towards the Society.



COVID-19 Safety measures

During the time of pandemic the health and safety of employees remained the foremost priority of the Company. The Company adopted 50% staff attendance policy. APL ensured the implementation of COVID-19 SOPs devised by NCOC. Mandatory facemasks, social distancing, frequent hand washing and respiratory etiquette are advised. Disinfection of surfaces and equipment are followed at frequent intervals. Hand Sanitizers dispensers are installed at all floors. Walk-through disinfecting tunnel and foot disinfectant mats are installed at entrances. Temperature monitoring at entrance is ensured. Moreover, the vaccination of the staff is ensured and facilitated through the established vaccination Camp by Attock Hospital in coordination with NCOC.

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 has a comprehensive succession policy in place and ensures availability of competent personnel in each department in line with the policy guidelines 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.

Gender Diversity Policy

In order to ensure diversity in Company's workforce, APL's Board of Directors has approved Gender Diversity Policy.

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 now fully functional in all Departments of the Company, the employees leave database has been updated on it; employees can apply leaves online and can also view their updated leave record through employee self-service system.

The Annual Appraisals of staff is fully implemented online, focus is discussing the annual assessments with the employees and in case of some grievance on part of any employee, case to be referred to Appraisal Committee for review.

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 2020-21, in-house trainings were held on “Communication Skills” & “Advanced Excel Techniques”. Total of 60 staff members got benefited from these sessions. The plan is to continue with these Soft Skills and Technical Development sessions to train maximum no. of employees.

In-house training sessions are also conducted on Customer Service Handling Skills for 3rd Party contractual staff deputed at Company Operated retail outlets, AAJ Petroleum, DHA-II & Margalla Filling Station Islamabad. Total of 25 third Party Staff members were trained & more trainings are planned for COCO sites staff in the coming months.

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. The Company has revised its medical policy to facilitate its staff deputed at remote locations.



COVID-19 Pandemic

The COVID-19 pandemic brought worldwide recession with business performances impacted badly resulting in mass lay-offs and salaries cuts. Despite of the multiple cases reported, the Company not only kept on its business operations continuity but also retained its workforce intact without compromising on their salaries/ benefits during this period.

Recreational Activities

To develop harmonious working environment among employees, APL considers it to be its prime responsibility to focus its efforts towards different recreational activities / celebrations. This helps employees develop team work and socialize with each other thus satisfying their social appetite which leads to the improvement of employee motivation and company productivity.

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. Different Sport activities are also arranged. Special events and days are marked and celebrated. Women's Day is celebrated at Company Operated Sites and Offices of APL to value the APL's female staff services contribution to the Company and mark the occasion of International Women's day.

During the year COVID-19 pandemic affected the holding of activities with mass gatherings and very few gatherings were organized and that so observing strict measures in compliance to COVID SOPs.



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.

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.

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 keep on improving its market share by exploring various sales channels. 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 has set 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.

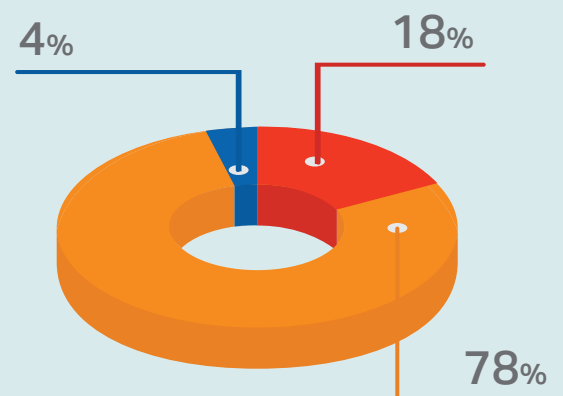
Development of China Pakistan Economic Corridor (CPEC) presents enormous opportunities to businesses across Pakistan. APL is actively participating in the project and contracts are ongoing for supply of petroleum products mainly Bitumen for development of infrastructure. With increasing focus on CPEC 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 aviation segment presents a huge opportunity for APL to grab market share. Establishment of largest Fuel Farm facility at Islamabad International Airport shall help to achieve maximum advantage from the sector including financial and non-financial benefits. Another revenue stream has been added generating cash flows for the Company.

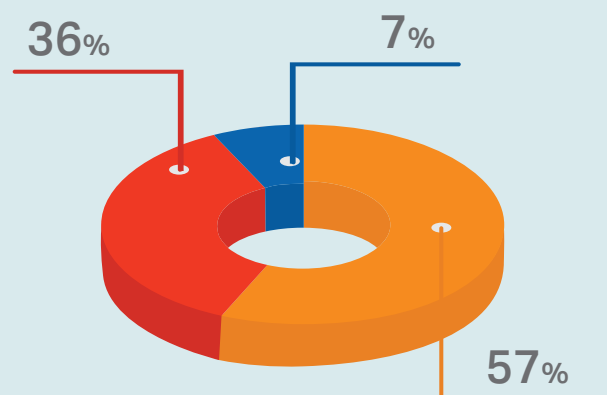
SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

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

2020-21



2019-20



▶ White Oil & Lubricants
 ▶ Black Oil
 ▶ Other Products

REPORT OF THE BOARD AUDIT COMMITTEE

The Board of Directors of the Company has formed a Board Audit Committee as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Committee comprises of 04 non-executive directors of which 03 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 experience, majority of the members are financially literate. 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, 2021 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, 2021, which fairly present 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 the same for approval of the Board of Directors.
- The CEO, CFO and a director who is 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 trading of Company’s shares by the Directors and/or Executives or their spouses were notified in writing to the Company Secretary, the same were notified by the Company Secretary to the Board within stipulated time. All such trades have been disclosed in the pattern of shareholding.
- 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 market share price of Company, along with maintenance of confidentiality of all business information.

- As required by the Code, the Committee also independently met with external and internal auditors during the year to get feedback on the overall control and governance framework within the Company.
- The Committee met in every quarter prior to approval of interim results of the Company by Board and after completion of external audit.

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 actions are taken and reported material items to the Board.

Whistle blowing 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.

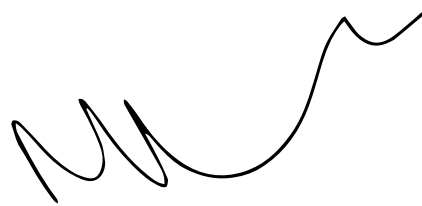
- The Audit Committee reviewed performance, audit fee and independence of the external auditors, M/s. A. F. Ferguson & Co. Chartered Accountants and has recommended to the Board, their reappointment for the year ending June 30, 2022.
- Coordination between the External and Internal Auditors was facilitated 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.

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 TORs set out by the Company's Board of Directors. In addition to the evaluation by the Board, of Audit Committee's 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

Rawalpindi.
August 10, 2021

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 297 to the mark of Rs 390. 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.

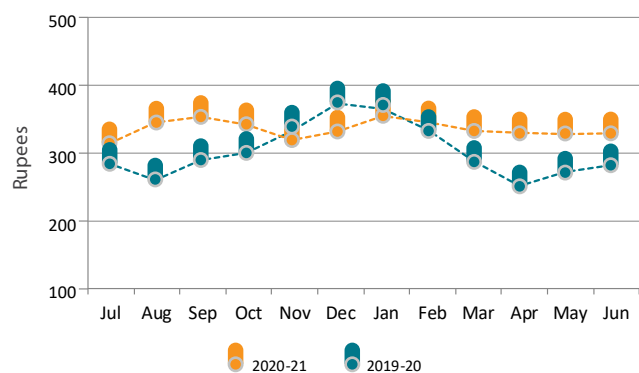
Exchange Losses

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.

STOCK PERFORMANCE



HISTORY OF MAJOR EVENTS DURING THE YEAR

July 2020

Operatorship of the Fuel Farm & Hydrant Refuelling System at the Islamabad International Airport handed over to the Company under the JV arrangement.

August 2020

Commissioning of additional storage tank at Machike Bulk Oil Terminal to enhance the storage capacity.

October 2020

Flagship retail outlet successfully commissioned in Blue Area, Islamabad. The outlet is equipped with Electric Vehicle Charging Facility.

October 2020

The Company launched re-vamped product line of lubricants with new packaging and design.

October 2020

Award of Contract for supply of petroleum products to Country's largest E&P Company, OGDCL for a period of 03 years and the Company has established on-site facilities at 12 locations/plants of the customer.

October 2020

Established 02 further state-of-the-art retail outlets / service areas at Motorway M-3 and captured the entire traffic volume of M-3.

December 2020

Successfully commissioned additional pipeline between Machike Bulk Oil Terminal and PARCO Terminal to enhance flow rate of receipts.

January 2021

License to construct LPG Storage obtained by the Company from OGRA.

June 2021

Award of major fuel supply contract for the year 2021-22 for supply of HSD, PMG, JP-1 and SKO to armed forces at various locations across the Country.

June 2021

Successfully commissioned Port Qasim Bulk Oil Terminal at Port Qasim – Karachi, to handle and manage import of petroleum products. The terminal has a storage capacity of 39,481 M.Tons.

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.





INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Attock Petroleum Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Petroleum Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Chartered Accountants
Islamabad
August 26, 2021

Engagement Partner: Muhammad Imtiaz Aslam

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
74-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O. Box 3021, Islamabad 44000, Pakistan*

■ KARACHI ■ LAHORE ■ ISLAMABAD

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Attock Petroleum Limited
Year ended: June 30, 2021

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

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

- a) Male: Six
- b) Female: One

2. The composition of Board is as follows:

	Category	Names
i.	Independent Directors <small>(excluding female director)</small>	Lt Gen (Retd.) Javed Alam Khan Mr. Mohammad Raziuddin
ii.	Non-Executive Directors	Mr. Laith G. Pharaon* Mr. Wael G. Pharaon** Mr. Abdus Sattar
iii.	Executive Director	Mr. Shuaib A. Malik
iv.	Female Independent Director	Ms. Zehra Naqvi

* Alternate Director – Mr. Babar Bashir Nawaz

** Alternate Director – Mr. M. Adil Khattak

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

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

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

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

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. Out of the seven directors, four of the directors meet the exemption criteria of the directors' training program and three directors have obtained the directors' training program certification in prior years;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

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

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of the meetings of the committees was as follows:

Committee	Frequency
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head Of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Committee	Reg No	Explanation
<p>Nomination Committee:</p> <p>The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	29 (1)	<p>The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board's committees including chairmanship of those committees.</p> <p>The Board also actively monitors requirements regarding its structure, size and composition and timely reviews and adapts any necessary changes in that regard.</p>
<p>Risk Management Committee:</p> <p>The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	30 (1)	<p>The Board itself and through its Audit Committee annually reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained to safeguard assets. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.</p>



Laith G. Pharaon
Chairman



Shuaib A. Malik
Chief Executive

Rawalpindi.
August 11, 2021

FINANCIAL ANALYSIS



DUPONT ANALYSIS

In the year 2020-21, return on equity increased to 23.90% as compared to 5.40% in the last year.

Net profit margin improved significantly from 0.50% in the last year to 2.61% in current year due to increase in EBIT margin by 391%. Financial Leverage increased due to increase in assets, whereas asset turnover decreased due to decrease in sales revenue and increase in assets.



KEY OPERATING AND FINANCIAL DATA

FOR SIX YEARS FROM 2015-16 TO 2020-21

		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Profit and Loss Summary							
Sales volumes	Metric Tons	1,912,823	1,907,342	2,147,038	2,488,810	2,360,529	2,034,818
Net sales	Rs thousand	188,645,375	201,078,720	223,054,352	177,216,737	138,660,665	109,234,361
Gross profit	Rs thousand	9,981,941	3,637,890	8,221,167	9,743,294	7,335,321	5,749,061
Operating profit	Rs thousand	7,499,729	1,083,793	5,708,378	8,085,325	6,367,177	4,984,849
Profit before tax	Rs thousand	6,939,058	1,503,086	5,722,857	8,289,312	7,699,168	5,633,450
Profit after tax	Rs thousand	4,919,632	1,008,294	3,960,606	5,656,349	5,299,168	3,828,585
Profit before interest, tax, depreciation, and amortization (EBITDA)	Rs thousand	8,567,400	2,677,291	6,314,452	8,711,258	8,046,868	5,951,622
Balance Sheet Summary							
Share capital	Rs thousand	995,328	995,328	995,328	829,440	829,440	829,440
Reserves	Rs thousand	21,725,606	17,450,693	17,931,407	17,588,222	15,465,051	13,487,726
Shareholders' equity	Rs thousand	22,720,934	18,446,021	18,926,735	18,417,662	16,294,491	14,317,166
Non-current liabilities							
Long term lease liabilities	Rs thousand	6,274,485	3,978,932	-	-	-	-
Others	Rs thousand	1,107,011	904,651	792,993	911,540	733,581	626,159
	Rs thousand	7,381,496	4,883,583	792,993	911,540	733,581	626,159
Current assets							
Stock in trade	Rs thousand	16,121,539	9,464,503	12,865,862	12,460,539	7,234,415	4,836,653
Trade debts	Rs thousand	11,025,245	13,970,178	16,838,255	16,475,576	10,801,077	6,046,556
Cash, bank balances & Short term investments	Rs thousand	11,391,415	8,279,393	3,810,956	5,839,645	11,843,739	11,030,176
Others	Rs thousand	5,672,781	3,812,064	3,587,872	3,372,804	2,620,715	4,088,455
	Rs thousand	44,210,980	35,526,138	37,102,945	38,148,564	32,499,946	26,001,840
Current liabilities							
Trade and other payables	Rs thousand	31,179,480	27,561,324	26,633,386	26,138,159	21,061,447	15,434,650
Others	Rs thousand	615,975	347,404	49,598	663,965	277,433	147,330
	Rs thousand	31,795,455	27,908,728	26,682,984	26,802,124	21,338,880	15,581,980
Net current assets	Rs thousand	12,415,525	7,617,410	10,419,961	11,346,440	11,161,066	10,419,860
Property, plant and equipment	Rs thousand	16,616,819	13,839,661	8,348,942	6,417,787	4,339,301	3,011,665
Other non-current assets	Rs thousand	1,070,086	1,872,533	950,825	1,564,975	1,527,705	1,511,800
Capital expenditure during the year	Rs thousand	1,597,707	2,135,057	2,523,060	2,503,439	1,676,134	886,972
Total assets	Rs thousand	61,897,885	51,238,332	46,402,712	46,131,326	38,366,952	30,525,305
Total liabilities	Rs thousand	39,176,951	32,792,311	27,475,977	27,713,664	22,072,461	16,208,139

		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Cash Flow Summary							
Cash flows of operating activities	Rs thousand	5,631,875	7,414,512	2,998,293	(1,030,368)	4,848,276	3,700,253
Cash flows of investing activities	Rs thousand	(1,177,105)	(1,681,346)	(1,246,624)	(2,491,841)	1,046,533	3,660,211
Cash flows of financing activities	Rs thousand	(1,498,680)	(1,851,147)	(3,492,842)	(3,088,661)	(3,312,880)	(3,064,694)
Effect of exchange rate changes	Rs thousand	1,726	(1,684)	6,500	3,822	142	698
Net change in cash and cash equivalents	Rs thousand	2,957,816	3,880,335	(1,734,673)	(6,607,048)	2,582,071	4,296,468
Cash & cash equivalents at end of the year	Rs thousand	10,240,783	7,282,967	3,402,632	5,137,305	11,744,353	9,162,282
Free cash flows	Rs thousand	3,076,028	4,740,157	475,233	(3,533,807)	3,172,142	2,813,281

PERFORMANCE INDICATORS (RATIO)

		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Profitability and Operating Ratios							
Gross profit	%	5.29	1.81	3.69	5.50	5.29	5.26
Net profit to sales	%	2.61	0.50	1.78	3.19	3.82	3.50
EBITDA margin to sales	%	4.54	1.33	2.83	4.92	5.80	5.45
Operating leverage	%	(5,848.86)	748.42	(119.70)	27.57	136.12	(66.34)
Return on equity	%	23.90	5.40	21.21	32.59	34.62	27.47
Return on capital employed	%	23.80	5.38	21.21	32.59	34.62	27.47
Shareholders' Funds	%	36.71	36.00	40.79	39.92	42.47	46.90
Return on Shareholders' Funds	%	23.90	5.40	21.21	32.59	34.62	27.47

		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Liquidity Ratios							
Current	Times	1.39	1.27	1.39	1.42	1.52	1.67
Quick / Acid test ratio	Times	0.88	0.93	0.90	0.96	1.18	1.36
Cash to current liabilities	Times	0.32	0.26	0.13	0.19	0.55	0.59
Cash flows from operations to sales	Times	0.03	0.04	0.01	(0.01)	0.03	0.03

		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Activity / Turn Over Ratios							
Inventory turnover	Times	13.97	17.68	16.97	17.01	21.76	19.88
No. of days in inventory		26	21	22	21	17	18
Debtors turnover	Times	15.09	13.05	13.39	12.99	16.46	15.32
No. of days in receivables		24	28	27	28	22	24
Creditors turnover	Times	6.08	7.29	8.14	7.10	7.20	6.64
No. of days in payables		60	50	45	51	51	55
Total assets turnover	Times	3.33	4.12	4.82	4.19	4.03	3.61
Fixed assets turnover	Times	12.39	18.12	30.21	32.95	37.73	40.04
Operating cycle	Days	(10)	(1)	4	(2)	(12)	(13)
Number of retail outlets		738	702	662	629	604	563

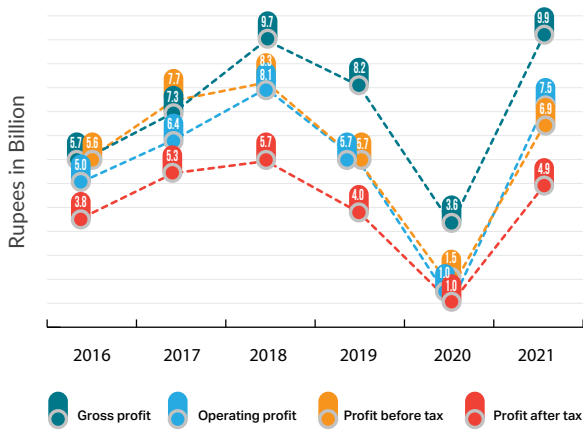
		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Investment / Market Ratios							
Basic and diluted EPS	Rs	49.43	10.13	39.79	68.19	63.89	46.16
Basic and diluted EPS (restated)	Rs	49.43	10.13	39.79	56.83	53.24	38.47
Price earning	Times	6.50	30.13	7.25	8.65	9.81	9.48
Price to book	Times	1.41	1.65	1.52	2.66	3.19	2.53
Dividend yield	%	8.05	2.96	4.38	6.68	6.94	8.32
Dividend payout	%	54.63	88.84	50.26	58.66	66.52	86.66
Dividend cover	Times	1.83	1.13	1.99	1.70	1.50	1.15
Cash dividends	Rs thousand	2,687,386	895,795	1,990,656	3,317,760	3,525,120	3,317,760
Cash dividend per share	Rs	27.00	9.00	20.00	40.00	42.50	40.00
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	228.28	185.33	190.16	222.05	196.45	172.61
Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments	Rs	228.28	185.33	190.16	222.05	196.45	172.61
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	236.74	193.44	199.24	235.77	210.90	184.75
Market value per share							
Year end	Rs	321	305	289	590	626	438
Highest (during the year)	Rs	390	398	633	706	765	596
Lowest (during the year)	Rs	297	207	255	486	430	398
Capital Structure Ratios							
Debt to equity	%	0.27 : 99.73	0.65 : 99.35	0 : 100	0:100	0:100	0:100
Financial leverage	Times	0.00	0.01	-	-	-	-
Weighted average cost of debt	%	0.64	0.93	-	-	-	-
Interest cover	Times	5,183	1,989	-	-	-	-
Employee Productivity Ratios							
Revenue per Employee	Rs thousand	404,818	430,575	494,577	438,655	385,169	344,588
Staff Turnover Ratio	%	6.22	7.28	6.43	8.91	9.72	9.46
Others							
Spares Inventory as %age of Assets Cost	%	0.21	0.32	0.20	0.16	0.13	0.15
Maintenance Cost as % of operating expenses	%	6.22	5.57	4.91	6.60	6.08	3.43
Market Share (Source: OCAC)	%	9.40	10.90	10.80	9.70	9.00	8.50

HORIZONTAL ANALYSIS

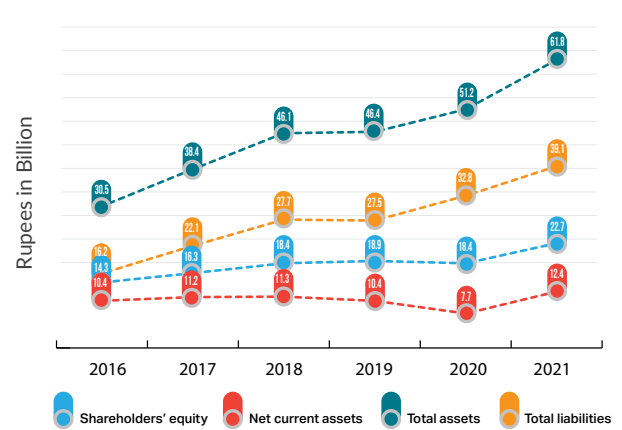
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
Balance Sheet Items						
Property, Plant and Equipment	16,616,819	13,839,661	8,348,942	6,417,787	4,339,301	3,011,665
	20.1	65.8	30.1	47.9	44.1	23.2
Other Non-Current Assets	1,070,086	1,872,533	950,825	1,564,975	1,527,705	1,511,800
	(42.9)	96.9	(39.2)	2.4	1.1	12.5
Current Assets	44,210,980	35,526,138	37,102,945	38,148,564	32,499,946	26,001,840
	24.4	(4.2)	(2.7)	17.4	25.0	(0.5)
Total Assets	61,897,885	51,238,332	46,402,712	46,131,326	38,366,952	30,525,305
	20.8	10.4	0.6	20.2	25.7	2.1
Shareholders' Equity	22,720,934	18,446,021	18,926,735	18,417,662	16,294,491	14,317,166
	23.2	(2.5)	2.8	13.0	13.8	5.6
Non- Current Liabilities	7,381,496	4,883,583	792,993	911,540	733,581	626,159
	51.1	515.8	(13.0)	24.3	17.2	3.5
Current Liabilities	31,795,455	27,908,728	26,682,984	26,802,124	21,338,880	15,581,980
	13.9	4.6	(0.4)	25.6	36.9	(1.0)
Total Shareholders' Equity & Liabilities	61,897,885	51,238,332	46,402,712	46,131,326	38,366,952	30,525,305
	20.8	10.4	0.6	20.2	25.7	2.1
Profit & Loss Items						
Net Sales	188,645,375	201,078,720	223,054,352	177,216,737	138,660,665	109,234,361
	(6.2)	(9.9)	25.9	27.8	26.9	(36.4)
Cost of Products Sold	178,663,434	197,440,830	214,833,185	167,473,443	131,325,344	103,485,300
	(9.5)	(8.1)	28.3	27.5	26.9	(38.0)
Gross Profit	9,981,941	3,637,890	8,221,167	9,743,294	7,335,321	5,749,061
	174.4	(55.7)	(15.6)	32.8	27.6	16.7
Operating Profit	7,499,729	1,083,793	5,708,378	8,085,325	6,367,177	4,984,849
	592.0	(81.0)	(29.4)	27.0	27.7	28.3
Profit Before Taxation	6,939,058	1,503,086	5,722,857	8,289,312	7,699,168	5,633,450
	361.7	(73.7)	(31.0)	7.7	36.7	24.1
Profit for the Year	4,919,632	1,008,294	3,960,606	5,656,349	5,299,168	3,828,585
	387.9	(74.5)	(30.0)	6.7	38.4	16.5

GRAPHICAL PRESENTATION

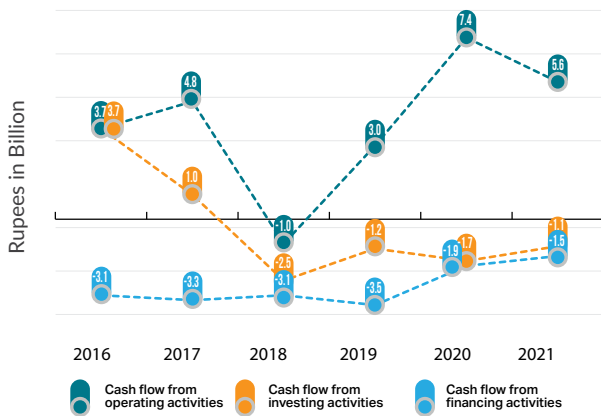
Profit and Loss



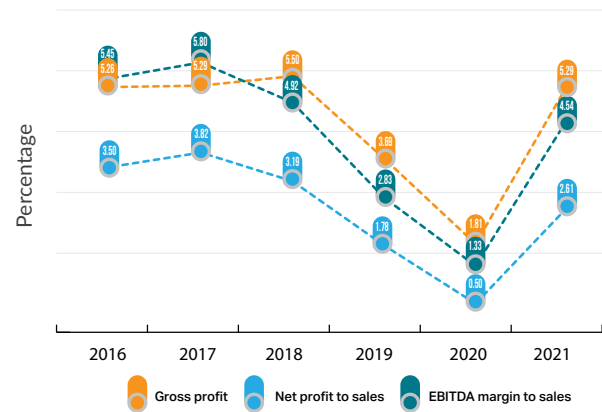
Balance Sheet



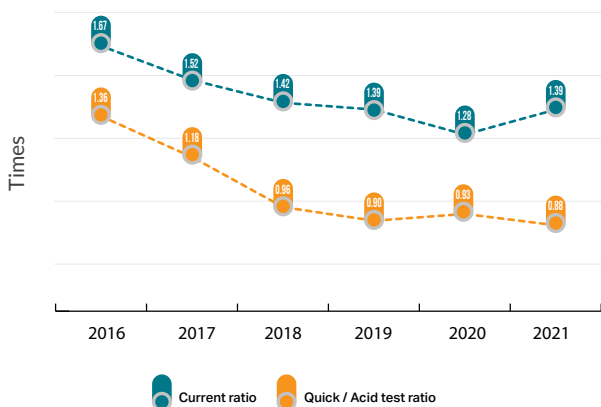
Cash Flows



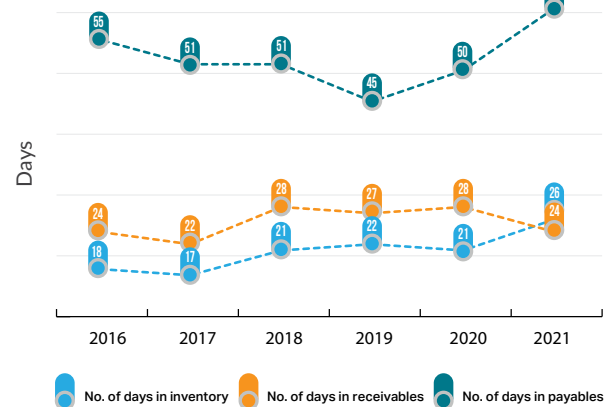
Profitability Ratios



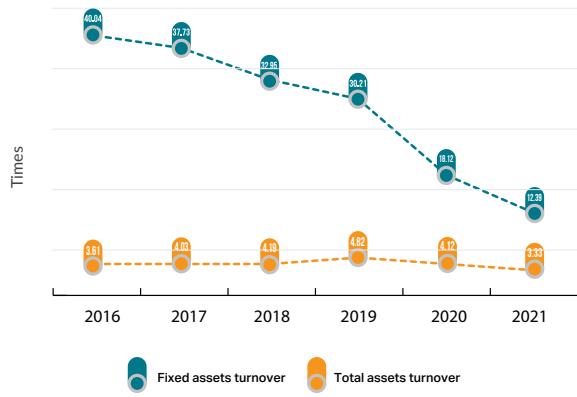
Liquidity Ratios



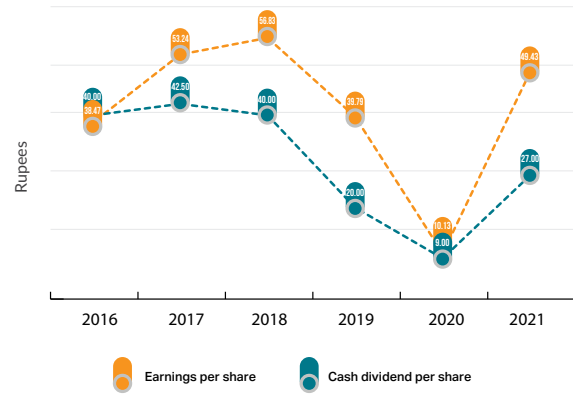
Activity Ratios



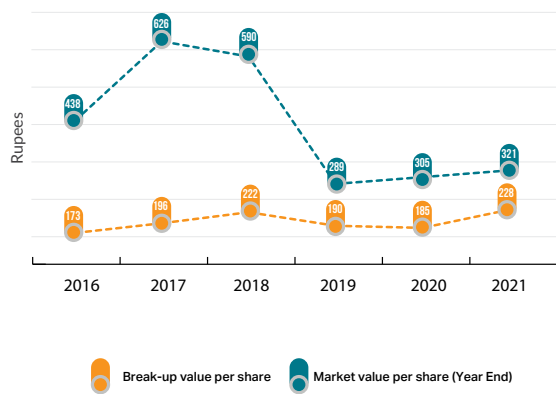
Turnover Ratios



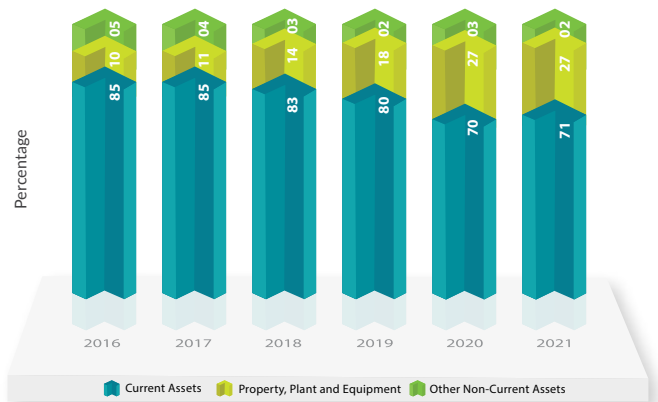
Investment Ratios



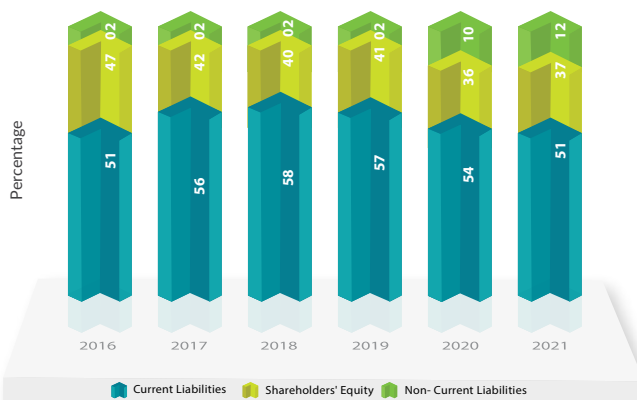
Market Ratios



Composition of Assets



Composition of Total Liabilities & Shareholders' Equity



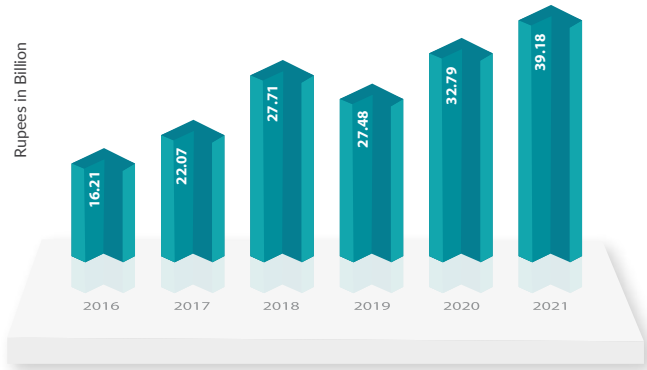
Composition of Profit and loss



Total Assets



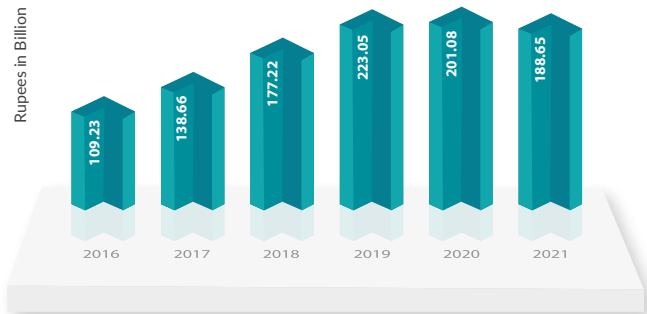
Total Liabilities



Total Shareholders' Equity



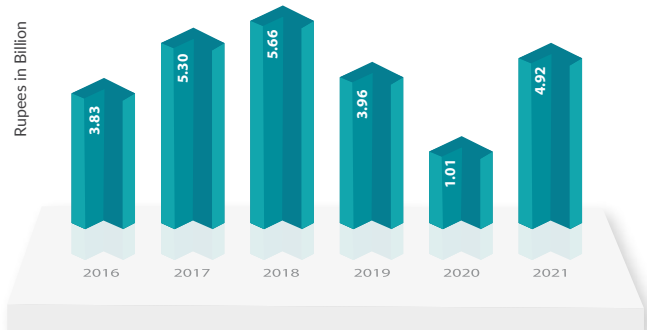
Net Sales



Gross Profit



Net Profit



COMMENTS ON FINANCIAL ANALYSIS

Cash flow

Cash flow from operating activities: In the year 2020-21, cash flows decreased by 24% as compared to last year due to increase in stock in trade as per operational requirement. Over the last six years, cash flows remained positive, except for the year 2017-18, due to increase in stock level.

Cash flow from investing activities: In year 2020-21, Company invested substantial amount in property, plant and equipment that resulted in negative cash flow from investing activities. In year 2015-16 and 2016-17, Cash flow from investing activities was positive due to encashment of short term investments.

Cash flow from financing activities: Financing activities, which mainly comprises of payment of dividend and lease liabilities, was at lowest level in year 2020-21 as compared to previous five years due to decrease in payment of dividend. Further, the Company has obtained term finance facility under SBP Salary Refinance Scheme to pay salaries and wages to employees.

Ratios Analysis

Profitability and operating ratios: Profitability ratios improved significantly in year 2020-21. Gross profit increased by 192% due to better margins, efficient purchase of imported product and intelligent decision-making. This resulted in increase in Net profit to sales and EBITDA margin to sales ratio. Further, these ratios fluctuate over the years due to varying margins and product sale prices. Company sold highest volume, and resultantly earned highest profit in year 2017-18.

Liquidity ratios: There is slight variation in the liquidity ratios as compared to year 2019-20. Stock in trade increased as per operation requirements whereas trade debts decreased.

Trade payables increased on account of import under letter of credit facility.

Activity / Turn over ratios: Stock levels, debtors and creditors and varying prices results in fluctuation of these ratios over the years. As compared to last year; Inventory turnover and No. of days in inventory changed due to variation in stock level and cost of product sold. Debtors turnover ratio and No. of days in receivable changed due to fluctuation in trade debts and net sales. Creditors' turnover decreased by 17% due to increase in trade payables by 13%. Total assets and fixed assets turnover has decreased by 19% and 32% respectively as compared to last year due to decrease in net sales, significant investment in construction of new storage terminals and recognition of right-of-use assets as required by newly implemented International Financial Reporting Standard (IFRS) -16 "Leases".

Investment / Market ratios: Earnings per share improved significantly due to higher profits as compared to last year, whereas Price earnings ratio decreased from 30.11 times in 2019-20 to 6.50 times in 2020-21. Market value per share stood at Rs 321, up by around 5% compared to last year. In the year 2020-21, total cash dividend is Rs 27.00 per share translating into dividend payout ratio at 55%.

Capital Structure ratios: All capital requirements are financed through equity contribution. Further, the Company has obtained term finance facility under SBP Salary Refinance Scheme to pay salaries and wages to employees.

Vertical analysis

Balance sheet: Substantial investment in storage terminals and recognition of right-of-use assets as required by newly implemented International Financial Reporting Standard (IFRS) -16 "Leases" in the year 2020-21 and 2019-20, resulted in

increase in Weightage of Property, plant and equipment over last 05 years. Increase in prices of petroleum products and increase in stock as per operational requirements, resulted in an increase in the Current Assets Weightage. In year 2020-21, Weightage of Shareholder's Equity and non-current liabilities also increased due to increase in net profit and long term liabilities in connection with recognition of right of use assets.

Profit & loss: Fluctuation in prices of petroleum products leading to inventory gains, coupled with efficient inventory management and better product margins are the major factors, which improved weightage of profit and loss components in the year 2020-21 as well as in the years 2016-to-2019 as compared to 2019-20.

Horizontal Analysis

Balance sheet: Property, plant and equipment increased by Rs 13,605 Million over the last 05 years due to investment in storage terminal and facilities, procurement of other Capital nature items and recognition of right-of-use assets.

Current assets comprise 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 2015-16 was mainly due to fluctuation in trade debts on account of circular debts issue, stock balances as per operational requirements and cash & bank balances.

Non current liabilities increased in the year 2020-21 and year 2019-20 due to increase in long term liabilities in connection with recognition of right of use assets.

Profit & loss: Over the years, fluctuation in sale volumes and prices of products which depends on international prices, resulted in varying sales and profits during the years. Increase in inventory gains resulted in favorable performance in the year 2020-21.

METHODS/ASSUMPTIONS USED TO COMPILE THE INDICATORS:

The Company's performance is effectively reflected through Key Operating and Financial Data, which is regularly reviewed by the management to better gauge the Company's performance.

Profitability ratios are the financial benchmarks, which are used by stakeholders to measure and evaluate the ability of a Company to generate profit relative to its revenue.

Liquidity ratios are used to determine Company's ability to pay its obligations and reflects how working capital is being managed over the years.

Activity ratios indicates how efficiently the Company is leveraging its assets to generate revenues and cash.

Earnings per share measures the earnings of the Company against the total outstanding shares and dividend per share reflects dividend declared by Company for every outstanding ordinary share.

Market price per share is the measure of perception of the Company in the market. The difference between book value and Market value shows investors confidence on scrip.

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, 2021.

STATEMENT OF ECONOMIC VALUE ADDED

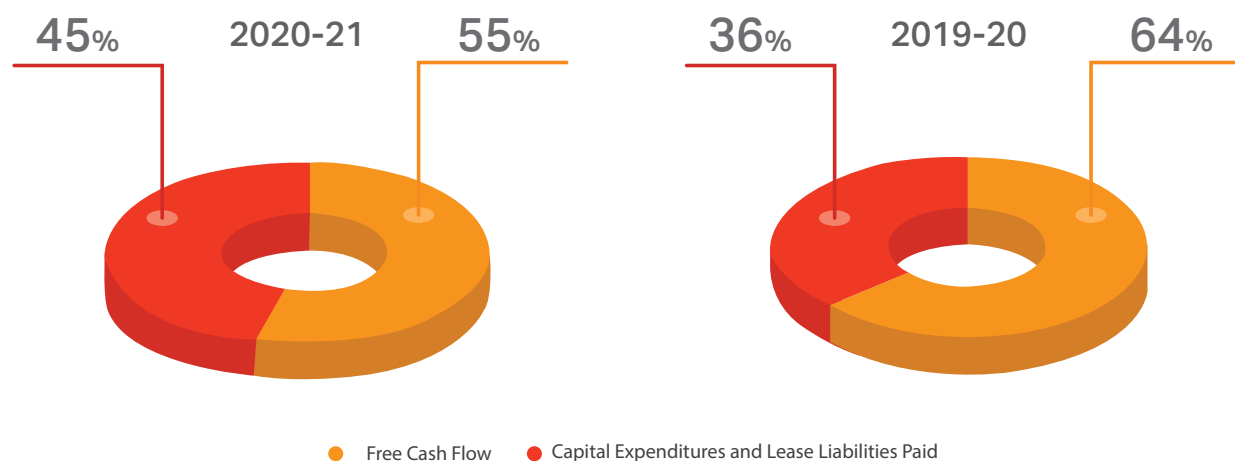
Description	2020-21	2019-20
	Rs ('000)	Rs ('000)
Net Profit After Tax	4,919,632	1,008,294
Cost of Equity Finance	(3,039,904)	(2,920,395)
Economic Value Added	1,879,728	(1,912,101)
Economic Value Added Per share (Rupees)	18.89	(19.21)

In year 2020-21, Economic Value Added (EVA) of Rs 1,880 million (Rs 18.89 per share) represents the returns above the cost of capital, resulting from increase in Net profit by 388% as compared to 2019-20.

STATEMENT OF FREE CASH FLOW

Description	2020-21	2019-20
	Rs ('000)	Rs ('000)
Cash Flow From Operating Activities	5,631,875	7,414,512
Less : Capital Expenditures and Lease Liabilities Paid	(2,555,847)	(2,674,355)
Free Cash Flow	3,076,028	4,740,157

Composition of Cash Flow From Operations



In the year 2020-21, Free cash flow decreased by 35% as compared to 2019-20 mainly due to increase in Stock in trade as per operational requirements.

ANALYSIS OF PERFORMANCE AGAINST TARGETS

- Targets for year 2020-21 were set down keeping in view the challenges to global economy in general and oil industry in particular effecting demand caused by COVID-19 pandemic.
- Gross profit increased by 67% as compared to target mainly due to significant inventory gains on account of increase in oil price. Furthermore, efficient purchase of imported product, better margins and intelligent decision-making led to increase in gross profit.
- Operating profit increased by 149% due to increase in gross profit, other income and impairment reversal on financial assets.
- Net profit increased by 165% due to the reasons mentioned above.

STATEMENT OF CHARITY ACCOUNT

Particulars	2020-21
	Rs ('000)
Education and Scholarship	5,262
Health care and Environment	721
Community Welfare	3,983
Total *	9,965
* Includes through Company's trust	

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	188,645,375	52,946,656	45,728,424	44,855,247	45,115,048
Gross Profit	9,981,941	2,314,755	2,907,058	1,700,198	3,059,930
Profit Before Taxation	6,939,058	1,787,789	2,156,543	862,046	2,132,680
Provision for Taxation	(2,019,426)	(532,197)	(638,798)	(201,207)	(647,224)
Net Profit	4,919,632	1,255,592	1,517,745	660,839	1,485,456
Earnings Per share (Rupees)	49.43	12.61	15.25	6.64	14.92

2020-21



Net sales increased in fourth quarter resulting from peak in seasonal demand of High Speed Diesel (HSD) and higher prices of petroleum products whereas net sales was lowest in second quarter due to lower prices and demand of petroleum products.

Gross profit and net profit remained on higher side in first and third quarter resulting from decrease in cost of sales due to favorable fluctuation in Oil prices whereas gross profit and net profit remained lowest during second quarter due to increase in cost of products sold.

STATEMENT OF VALUE ADDED

	2020-21		2019-20	
	Rs in thousand	%	Rs in thousand	%
Gross revenue and other income	224,811,561		239,835,040	
Cost of sales and operating expenses	(144,336,461)		(167,203,065)	
Total value added	80,475,100		72,631,975	
DISTRIBUTION				
Employee remuneration:	1,643,692	2.04	1,174,996	1.62
Government as:				
Company taxation	2,019,426	2.51	494,792	0.68
Sales tax, duties and levies	69,755,183	86.68	68,661,766	94.53
WPPF and WWF	508,825	0.63	117,922	0.16
Shareholders as:				
Dividends	2,687,386	3.34	895,795	1.23
Bonus share	-	-	-	-
Society as:				
Donation	-	-	-	-
Providers of finance as:				
Financial Charges	1,339	0.00	756	0.00
Retained in business:				
Depreciation	1,627,003	2.02	1,173,449	1.62
Net earnings	2,232,246	2.78	112,499	0.15
	80,475,100	100.00	72,631,975	100.00

