



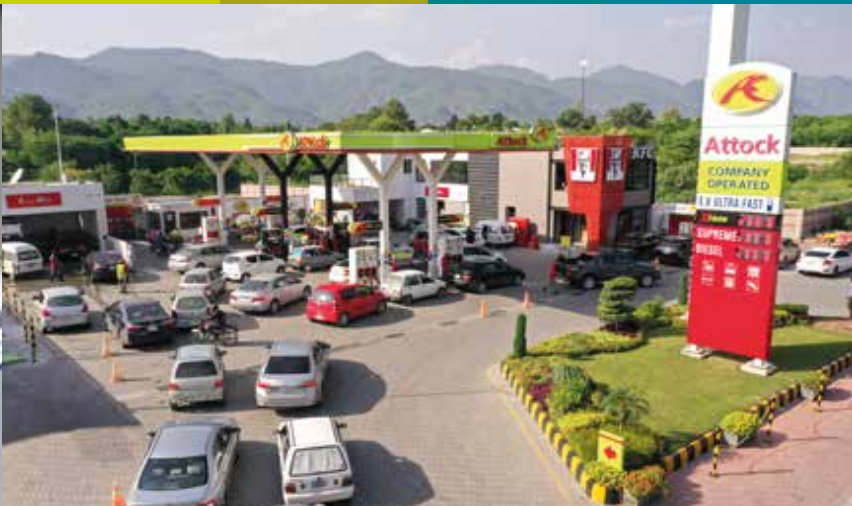
GROW TOGETHER WITH

ATTOCK PETROLEUM LIMITED



Attock

ANNUAL REPORT 2022



FINANCIAL HIGHLIGHTS



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OUR VISION

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

OUR MISSION

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

CORPORATE STRATEGY

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

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



CORE VALUES



ETHICAL PRINCIPLES AND MORAL VALUES

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



MAXIMUM STAKEHOLDER RETURN

Through our streamlined business processes and commitment to Total Quality Management we seek to ensure maximum company performance and rewards for shareholders and stakeholders alike.



CORPORATE SOCIAL CITIZENSHIP

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



COMMITMENT & COOPERATION

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



ENVIRONMENT CONSCIOUSNESS

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



INNOVATION AND CONTINUOUS IMPROVEMENT

Through addition of new products & services we continuously strive for improvement and value addition to our products for the benefit of the stakeholders we serve.

CODE OF CONDUCT



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

This statement in general is in accordance with Company goals and principles that must be interpreted and applied within the

framework of laws and customs in which the Company operates. This code will be obligatory for each director and employee to adhere to.

Respect, Honesty and Integrity

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

Compliance with Laws, Rules and Regulations

The Company is committed to comply and take all reasonable

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

Full and Fair Disclosure

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure, in compliance with all applicable laws and regulations, in all reports and documents that the Company files with, furnishes to or otherwise submits to, any

governmental authorities in the applicable jurisdiction and in all other public communications made by the Company. Employees or directors who have complaints or concerns regarding accounting, financial reporting, internal accounting control or auditing matters are expected to report such complaints or concerns in accordance with the procedures established by the Company's Board of Directors.

Prevent Conflict of Interest

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



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

Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case

of directors, such ruling can only be given by the Board and will be disclosed to the shareholders.

Trading in Company Shares

Trading by directors and employees in the Company shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws.

Inside Information

Directors and employees may become aware of information about Company that has not been made public. The use of such non-public or

“inside” information about the Company other than in the normal performance of one’s work, profession or position is unethical and may also be a violation of law.

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





Chairman & Chief Executive Officer discussing Company's performance

activity that requires to act unlawfully or in violation of this Code.

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

Equal Employment Opportunity

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

Work Environment

All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation or personal behavior not conducive to a



productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

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

Protect Health, Safety and Security

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

Record Keeping

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

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

Protection of Privacy and Confidentiality

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

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

Protection & Proper Use of Company's Assets /Data

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





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

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

Gift Receiving

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

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

Communication

All communications, whether internal or external, should be accurate, forthright and wherever 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.



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 2nd largest Oil marketing Company in Pakistan and its market share for the financial year 2021-22 is 10%. Our growing market share and customer confidence is a testimony to our successful policies, proactive endeavours and visionary approach.

As at June 30, 2022 the Company operates the Retail Network of 731 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.

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.

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.

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.

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.

Superior Kerosene Oil

Superior 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

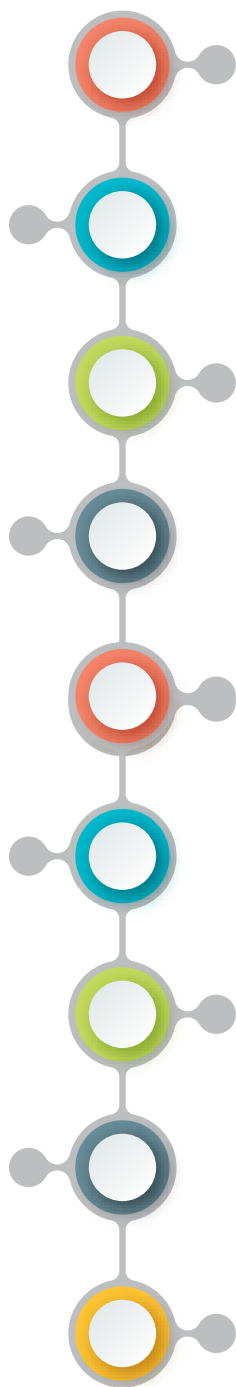
Residual fuel oil is a special high viscosity residual oil requiring preheating. This fuel is specially manufactured for power plants.

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.





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.

Jute Batching Oil

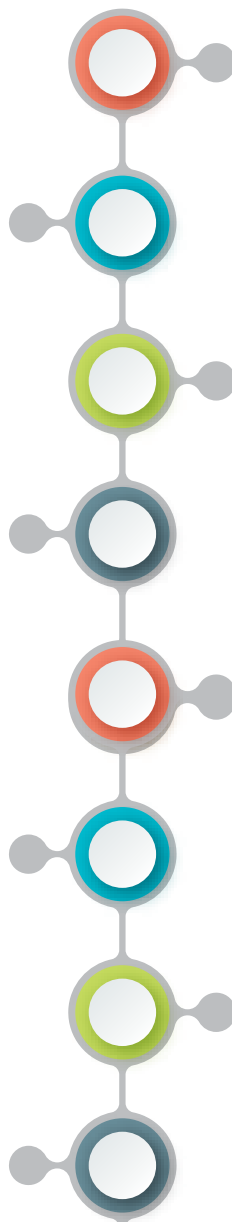
Jute batching oil is predominantly used in the jute industry for making jute fiber pliable. It also finds application as wash oil in the steel industry and is also used by processors to produce various industrial oils.

Lubricants

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

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.



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.

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.

Waxes

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

Rubber Processing Oil

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

ATTOCK GROUP SHAREHOLDING

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.

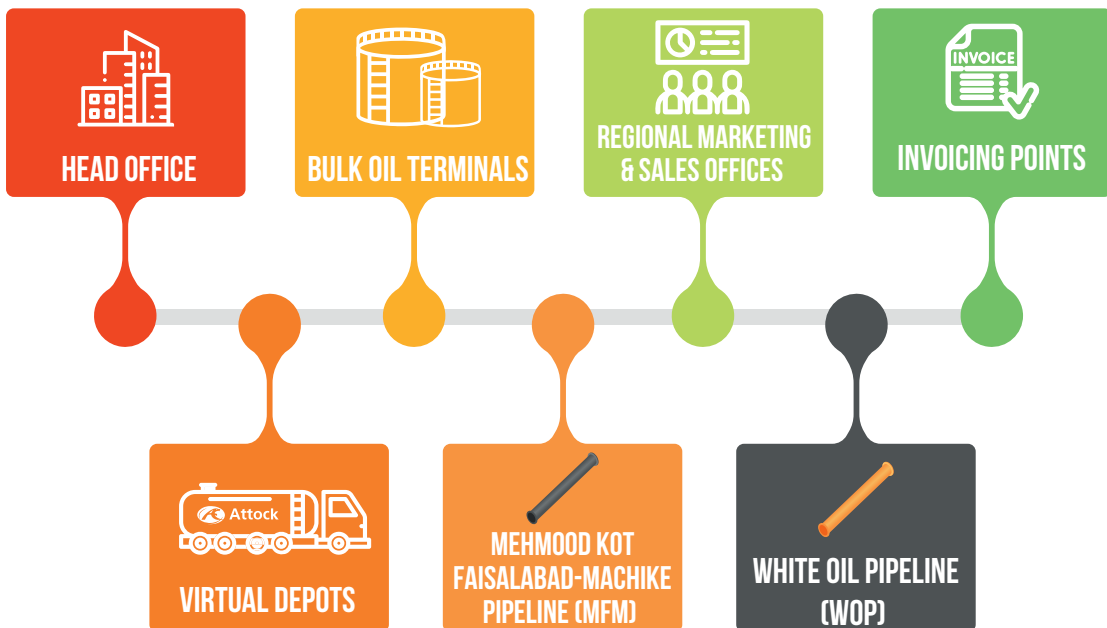
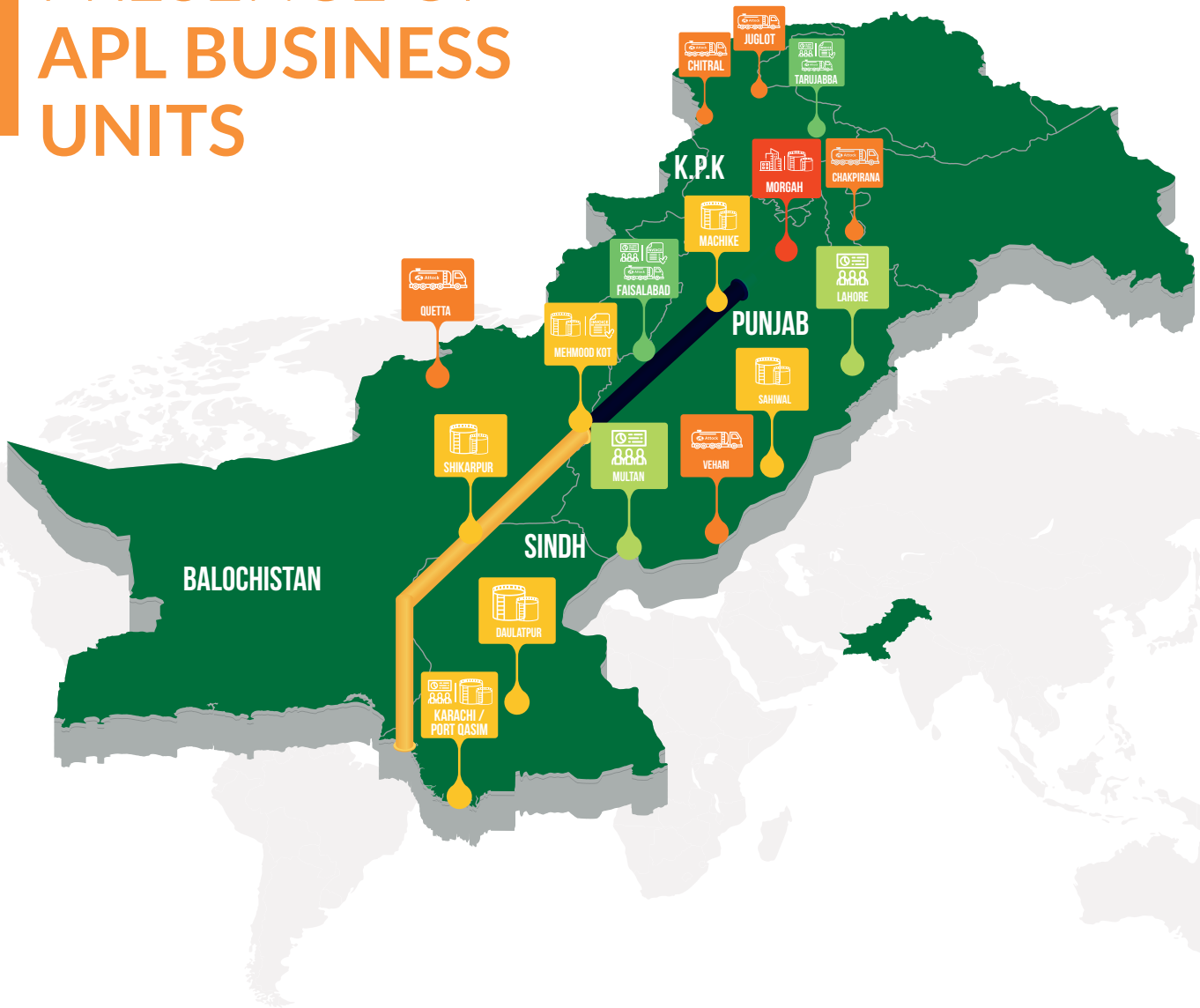
Attock Group of Companies is the only fully vertically integrated Group covering all aspects of the Oil and Gas sectors of Pakistan, ranging from exploration,

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 Cement Pakistan Limited	Common Directorship/ Associate	Nil
Attock Gen Limited		Nil
Attock Energy (Private) Limited		Nil
Attock Hospital (Private) Limited		Nil
Attock Leisure & Management Associates (Private) Limited		Nil
Attock Sahara Foundation		Nil

GEOGRAPHICAL PRESENCE OF APL BUSINESS UNITS



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.

House # C-149, Block 2, Scheme 5,
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

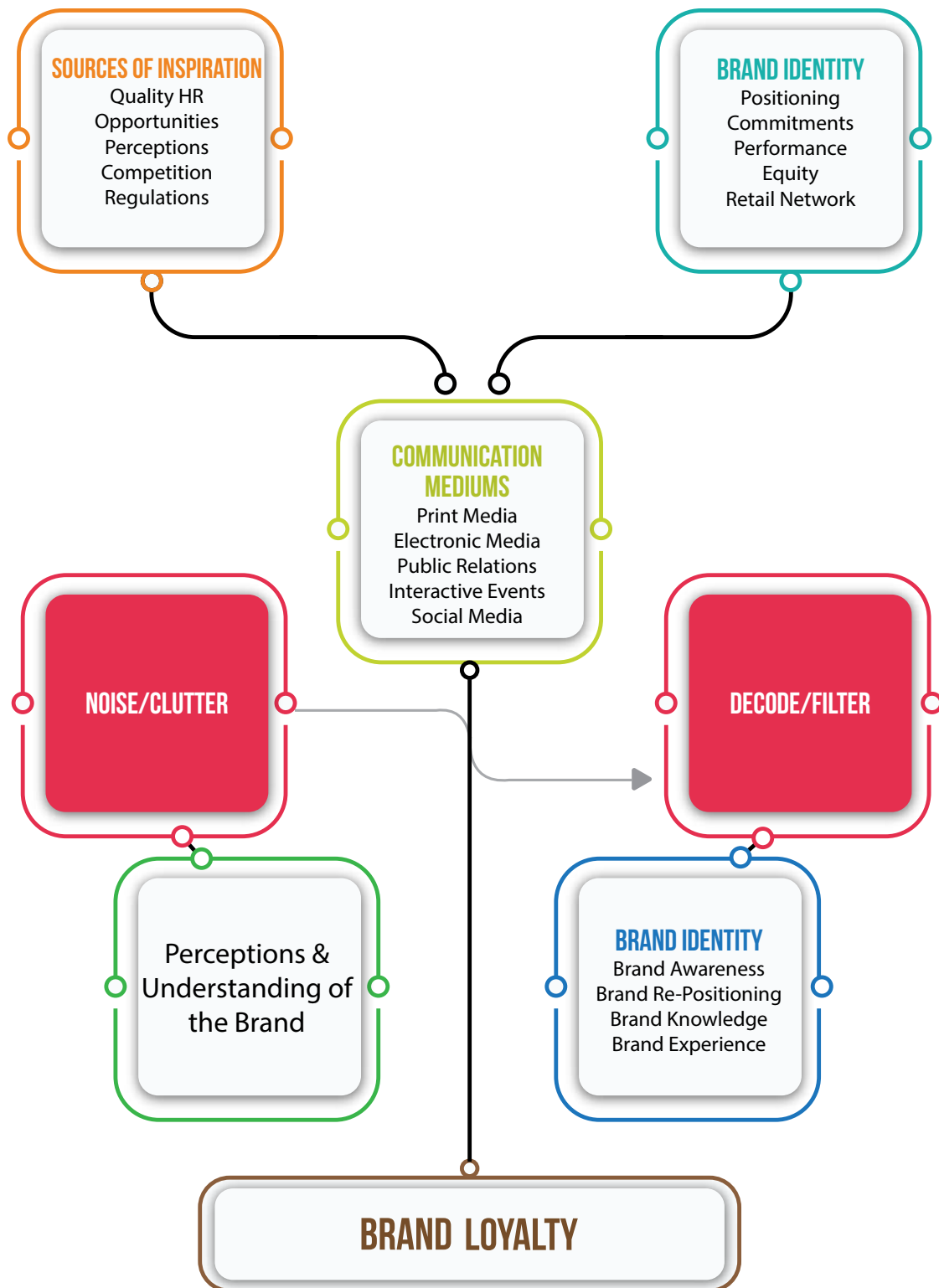
Plot # 256, Near Wapda Colony
Main G.T. Road, Tarujabba,
Distt. Nowshera, Peshawar.

Mehmood Kot

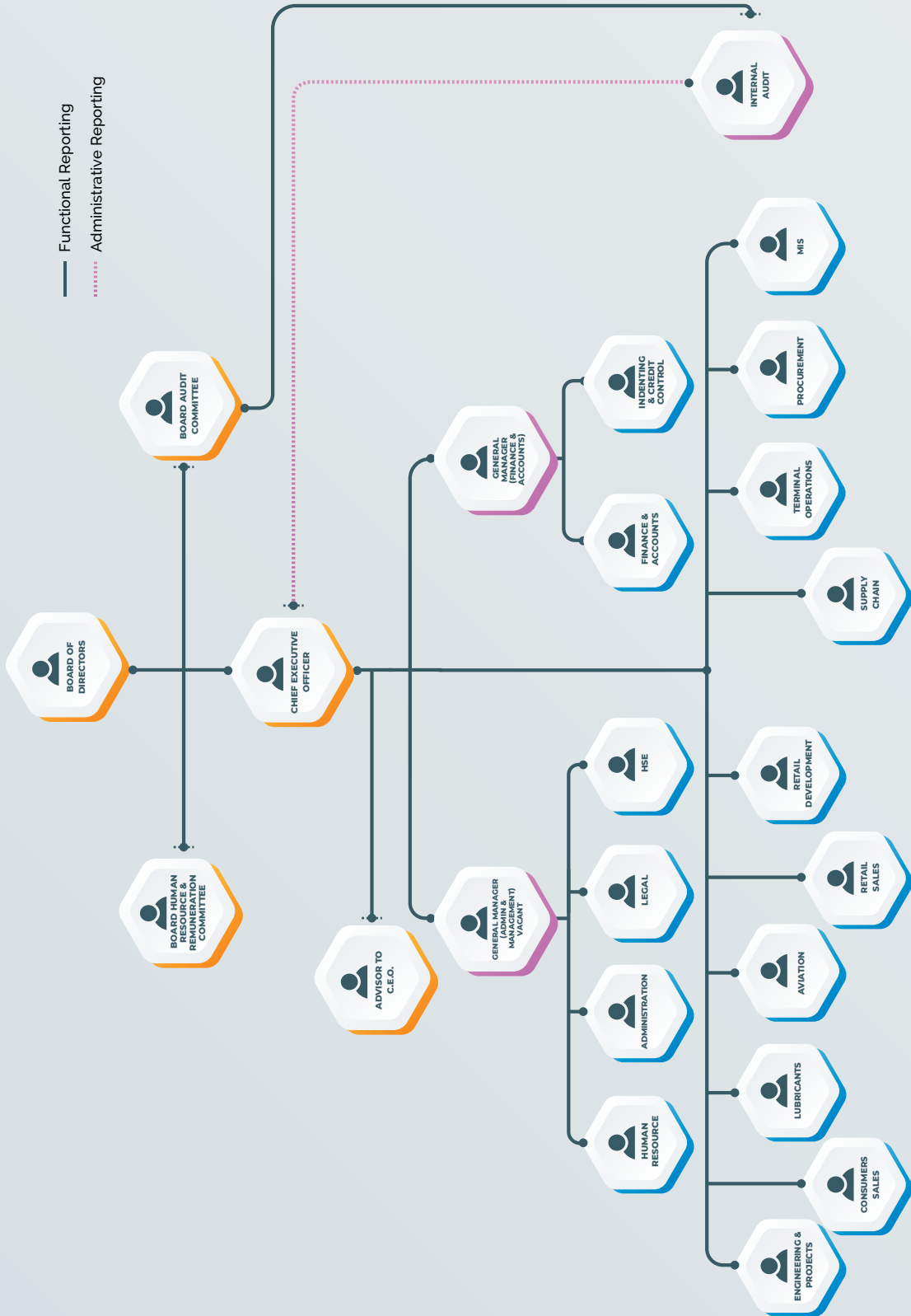
New Marketing & Commercial
Building, PARCO Gate R-2
Mehmood Kot, Qasba Gujrat
Distt. Muzaffargarh.



OUR BRAND STRATEGY



ORGANIZATIONAL CHART



VALUE CHAIN

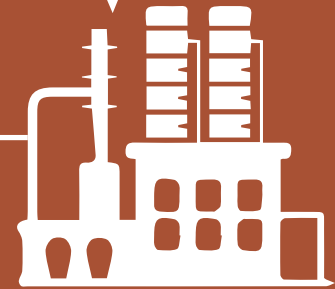


UPSTREAM

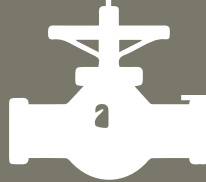


MIDSTREAM

Attock Petroleum Limited (APL) is the member of only fully integrated group of Pakistan, Attock Oil Group, with operations ranging from Exploration, Refining, Distribution and Marketing of petroleum products. With a nationwide presence of over 731 Retail Outlets, APL has managed to create an eminent position in the Oil and Gas sector of Pakistan, and is a proud supplier to the Nation's Armed Forces, Aviation and various Industries.



DOWNSTREAM



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.



SWOT ANALYSIS

<p>Strengths</p> <ul style="list-style-type: none"> Marketing Arm of Fully Integrated Oil Group Established Brand Name Leading Market Player Management's Consistent Vision of Growth Countrywide Retail Network Reliable Suppliers (Local Refineries & Overseas) Effective Inventory Management Strong Financial Position Refined Marketing & Operational Strategies Quality Assurance Competent & Committed Workforce Continued Professional Development Regulatory compliances Good Corporate Governance Strong Ethical & Cultural Values 	<p>Weakness</p> <ul style="list-style-type: none"> Refineries/Suppliers Capacity Constraints Dependency on Imported Products Limited Alternatives and Fuel resources Regulated Profit Margins Rising Input Cost & Fuel Prices
<p>Opportunities</p> <ul style="list-style-type: none"> Retail Network Expansion Storage Capacity Upgradation Lube Brand Awareness Ventures in Renewable Energy Diversification of Business Automation of Process & Procedures Digital Marketing 	<p>Threats</p> <ul style="list-style-type: none"> Intense Competition due to New Market Entrants Low Product Demand due to High Inflation Impact on Profit Margins due to Increase in Operating Cost Influx of Substitute Products Political Instability & Inconsistencies in Government Policies Build up in Circular Debt/ Price Differential Claim Introduction of Alternative Fuel/Technologies

LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES

APL adheres to full compliance with the regulatory mandate and ensures working in a transparent and efficient manner. The legislative and regulatory environment in which the APL operates is briefed as under:

Oil and Gas Regulatory Authority

APL, being an oil marketing company, operates under the regulatory framework of the Oil and Gas Regulatory Authority (the "OGRA"). In this regard, the Authority is empowered to regulate the business of APL through Oil and Gas Regulatory Authority Ordinance, 2002 (the "OGRA Ordinance, 2002") and The Pakistan Oil (Refining, Blending, Transportation, Storage & Marketing) Rules, 2016 (the "Pakistan Oil Rules 2016").

With respect to the pricing, the Company fully complies with Petroleum Products (Petroleum Levy) Ordinance 1961 and Petroleum Products (Petroleum Levy) Rules, 1967.

Ministry of Energy (Petroleum Division)

The Ministry of Energy (Petroleum Division) is responsible for dealing with all matters relating to oil, gas, and minerals. The Company ensures compliance with all directives of the Ministry of Energy (Petroleum Division).

Department of Explosives

Currently, the Department of Explosives (the "DoE") is connected with the Ministry of Energy (Petroleum Division). The key responsibility of the DoE is to check and maintain safety protocols with reference to the matters relating to the issuance of the license. The core function of the Department

with regard to Petroleum. The Company also warrants to comply with all directives of the Department of Explosives.

Securities & Exchange Commission of Pakistan & Pakistan Stock Exchange

The Company is subject to various laws administered by the Security and Exchange Commission of Pakistan (the "SECP") including the Companies Act 2017, the Securities Act 2015, and the subordinate legislation administered by SECP.

The Shares of APL are listed on Pakistan Stock Exchange (the "PSX") making APL subject to the relevant provisions of the PSX Rule Book.

Federal Board of Revenue, Provincial Tax Authorities & Pakistan Customs

Compliance is also required by the Company with reference to the applicable provisions of the Sales Tax Act 1990, Sales Tax Rules 2006 (Federal and Provincial), Income Tax Ordinance 2001, Income Tax Rule 2002, and Federal Excise Act 2005, respectively. Moreover, the requirements of the Customs Act 1969 and Customs Rules 2001, are also required to be complied by the Company.

Federal and Provincial Labor Authorities

Labor laws in Pakistan are generally divided into various ordinances, acts, rules, and regulations, applicable to industrial, and commercial entities, etc. regulated by the respective Labor and Authorities. APL being a commercial entity complies with all applicable labor laws.

SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT AND ORGANIZATIONAL RESPONSE

Company's business is exposed directly to any changes in external factors comprising but not limited to political, economic, social, commercial, technological, environmental & legal environment.

Company's procurement & sales pattern is largely effected by the Seasonality. HSD supplies are spurred in agricultural harvesting season while Furnace Oil demand is increased in summer due to IPPs requirement for power production.

A brief overview on the external environment factors affecting the Company's business are as under:

Political Environment

National and International political environment has a direct impact on oil industry. Any variation in supplies from OPEC significantly impact the industry. The Company's strategy moves are directly linked with and exposed to the political challenges.

Unprecedented hike in international oil prices as a result of Ukraine - Russia conflict has badly impacted the global as well as the national economy. The continued Political Instability in the country, change in government policies of keeping petroleum product prices unchanged through Price Differential Claims (PDC) and resultant increased Country Risk have negatively impacted on the oil companies' strategies specially their procurement pattern, working capital management, corporate financing and difficulties are also faced in adding foreign banks' confirmations to import LCs.

The Company's management keeps a close eye on such challenges and align its strategies accordingly by making appropriate and timely decisions and at the same time raising the issues at appropriate forums.

Economic Environment

During the financial year 2021-22 the global as well as country's economy faced many challenges. Surge in global oil prices have led to high inflation worldwide and the continuous devaluation of Pak Rupee against US Dollar has added further fuel to the fire for the national economy. This had impacted Company's procurement pattern and increased operational costs significantly affecting the profit margins. The Company is coping with these challenges through effective product procurement, cost controls and lining up its strategies accordingly.

Social Environment

One of the most significant changes in our social environment is the growing popularity of social media and consumers shift to the digital technology, resulting in greater customer awareness. Women empowerment and developing sense of social responsibility are also other contributing factor. APL is keeping pace with the changing societal needs. Advanced marketing tools are used including social media platforms, Fuel Card Supplies are promoted and user-friendly applications are being developed. Gender diversity is promoted and equal employment opportunities are provided. APL is fully aware of its wider responsibility

towards the community and is a socially responsible Company. It is a donor for various social causes working for public well-being. Educational Scholarships and Health Welfare Assistance are also provided to the needy staff. Multiple Jobs are created at the company's developed Bulk Oil Terminals and hiring are made from the local communities.

Commercial Environment

The Company continuously revamps its business' strategies in line with the changes in commercial environment including industry competition, alternate/substitute products and it constantly keep on tapping up the untapped business segments with the growth prospective.

Technological Environment

The world is proceeding towards digitalization at an unbelievably fast pace. The Government of Pakistan has been trying to cultivate a business environment that supports innovation and technology. The petroleum industry is also working on technical development & digitalization of business. APL's business processes are being continuously mapped, documented, re-engineered and improved on for transformation into automated functions by its IT team. APL is working on technology driven innovative business solutions. The Company has an on-going commitment to continuously improve on its IT infrastructure, technologies, processes and procedures to ease work process.

Legal Environment

The Company observes compliance with the applicable laws and regulatory requirements of Oil & Gas Regulatory Authority, Ministry of Energy (Petroleum Division), Land Acquisition Act, 1894, Securities & Exchange Commission of Pakistan, Pakistan Stock Exchange, Federal Board of Revenue, Provincial Tax Authorities and Pakistan Customs. APL hugely contributes to national exchequer in terms of taxes, duties and levies.

Natural Environment

Pakistan is faced with serious challenges of environmental pollution, land degradation, water and air pollution. APL's Environmental Management System (EMS) is aimed to provide safest and healthiest possible working conditions. APL has committed to comply with all environmental applicable and regulatory requirements and ensures its effectiveness through National Environmental Quality standards (NEQS) as per Pakistan Environmental Protection Act (1997). APL monitors environmental emissions and effluent at all its installation through recognized and renowned testing laboratories on an annual basis in line with NEQS requirements. Efficient utilization of natural resources, working on energy saving solutions and tree plantation drives for Clean and Green Pakistan are the measures taken by the Company to protect the natural environment.

BUSINESS MODEL

Key Elements

Input

- » Fully Integrated Oil Group
- » Geographical Presence
- » Well Developed, Sophisticated Policies & Procedures
- » Skilled Work Force & Continuing Professional Development
- » Efficient Treasury Management
- » Effective Stakeholder Engagements
- » Strong Supply Chain
- » Quality Assurance

Business Activities

- » Marketing & Sales of Petroleum Products Transported through Tank Lorries & Pipelines

Output

- » Brand Image & Market Reputation
- » 2nd Largest OMC In Terms Of Market Share
- » Best Corporate Governance & Business Practices
- » Effective Working Capital Management
- » Maximum Shareholder's Return
- » Stakeholders Relationship & Trust Building
- » Best CSR Practices & ISO Compliant Operations
- » Smooth & Un-interrupted Supply Chain
- » Premium Quality Products
- » Customer Satisfaction & Brand Loyalty



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.

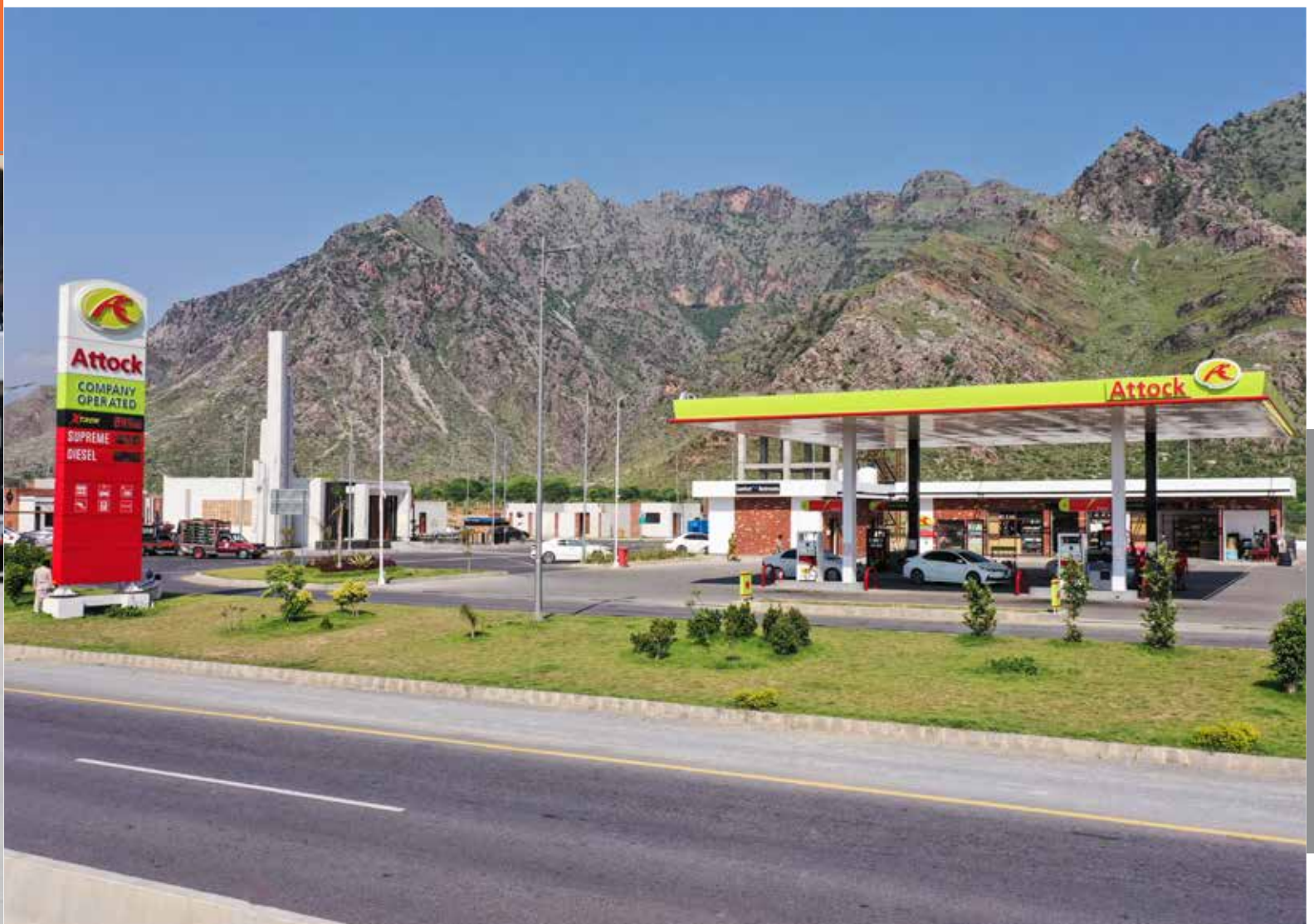
The strategic alignment to the competition and situational awareness is evident from the Company securing the 2nd highest market share for the year 2021-22 amid competitors.



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

Approximately 30-35 % of Company's total product sourcing during financial year 2021-22 comprised of imports while rest was procured from local refineries.

Import transactions are conducted in USD which exposes the company to exchange rate risk. High volatility is observed in Rupee vs Dollar parity in 2021-22. 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, 2022 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.

CHAIRMAN'S **REVIEW**



Dear Shareholders,

I am pleased to welcome you to the 27th Annual General Meeting of Attock Petroleum Limited (the Company) and present the Annual Report for the year ended June 30, 2022.

The year 2021-22 saw strong economic revival across the world as global coordinated efforts brought the COVID-19 pandemic under control. In Pakistan, concerted efforts initiated by the Federal Government to tackle the COVID-19 pandemic continued to bear fruits and the economy continued its trajectory of recovery and growth during the year. This was supported mainly by year-on-year higher revenues generated by the Agriculture and Large-scale manufacturing sectors coupled with strong growth in exports by Textile and IT sectors.

On the other hand, brisk economic revival across the globe resulted in supply-demand imbalances becoming apparent, aggravated by supply chain disruption and bottlenecks in the global transport sector. Meanwhile, the Russia-Ukraine war during second half of the year caused an acceleration of inflation, further disrupting the global supply-chain and the prices of energy commodities skyrocketed leading to low business confidence and increased investors' uncertainty. Pakistan is among the countries which have been most impacted by the current global political uncertainty and economic situation. Being a net-importing economy, the risk has been amplified by high international commodity and oil prices and significant current account deficit, leading to depleting foreign exchange reserves, high inflation and significant currency devaluation.

During the year, local oil prices continued to rise, resulting from increase in international oil prices and devaluing PKR against USD. The increased prices together with efficient inventory management and improved margins on imported and de-regulated petroleum products led to record profitability. Resultantly, the Company managed to earn profit after tax of Rs. 18,536 million (2020-21: Rs. 4,920 million). The profit translated into earnings per share of Rs. 186.23 (2020-21: Rs. 49.43).

We are maintaining a disciplined approach to capital allocation as we expand our business and reach, so that our customers continue to have access to the reliable energy they require to support their needs. With this in mind, your Company continued commissioning retail outlets across Pakistan for increasing its footprint and enhancing the brand with particular focus on expansion on Motorways and urban areas of Punjab and Sindh. Major resources have also been invested for enhancement of Shikarpur Bulk Oil Terminal by addition of a High Speed Diesel storage tank while the said Terminal has also been equipped with the capability to offtake both Premier Motor Gasoline and High Speed Diesel through White Oil Pipeline.

On the governance front, the Board and its Committees actively oversaw direction & performance of the Company as well as risks and challenges faced by it. The excellent guidance, collective contributions and efforts of our Board members allowed the Company to not only

execute its overall strategy but also achieve its targets while maintaining excellent market reputation. The Board ensured implementation of best practices for corporate governance by maintaining high level of professional and business conduct and implementing effective internal controls.

While the primary aim of the Company is to create value for its shareholders, it also remains focused on elevating the communities in which it operates by providing opportunities for education and employment. It is our 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. By building long-lasting connections with customers through knowledge, ingenuity and commitment of its people as well as through the products and services it offers, your Company continues to play an important role in the economic development of Pakistan.

With regards to future economic outlook, International Monetary Fund, the World Bank and other key global institutions have revised down their forecasts for global economic growth on the back of Russia-Ukraine War and the resulting global spillovers with key risk being global stagflation i.e. high inflation rate accompanied by tepid growth rate. Both fiscal and monetary policies, therefore, will likely need to be tightened further. The brunt of the impact will be felt by the Rupee, which has already devalued by more than 30% during the year. International rating agencies have forecasted slower growth for the Country during next year amidst fiscal and monetary tightening, high imported inflation, and a weaker external demand outlook, all of which will also affect household and business confidence. All these factors are a cause of concern for the local oil industry as well. However, relying on their vast experience and sound position of the Company, the Board and the management are fully prepared to tackle all challenges ahead.

I would like to extend my thanks to all our shareholders, Ministry of Energy and other government authorities as well as our customers, suppliers and contractors for their continued trust. Your support has been the foundation of our continued success. My gratitude also goes towards our Board of Directors and employees for their constant efforts and commitment that has led us to where we are today. The future is bright for your Company as it is very well-positioned to tackle any potential challenges and we can look ahead with confidence to move towards even greater heights of success.



Laith G. Pharaon
Chairman

Rawalpindi
August 16, 2022

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.





Katlang Service Area, North & South Bound at Swat Expressway



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 & Alternate Director

The Attock Oil Company Limited

Chairman & Director

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, one of the largest conglomerates in the Country having diversified interests in Oil & Gas, Power Generation, Cement, Information Technology, Renewable Energy, Medical Services and Real Estate Development etc., for more than four decades. He 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 became the youngest Chief Executive of the Group Holding Company, "The Attock Oil Company Limited" on September 01, 1995. With his hard work, dedication, business acumen and professional abilities, he eventually rose to the highest management position in the Group and was appointed as Group Chief Executive of "Attock Group of Companies" in July 2006.

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.

He has exhaustive experience and in depth knowledge related to various aspects of upstream, midstream and downstream petroleum business and it was due to his visionary leadership that the Attock Group was able to grow leaps and bounds and diversify into various trades and industries.

In addition to holding the position of Group Chief Executive of the Attock Group of Companies, presently, he is serving as Chairman & Chief Executive of Pakistan Oilfields Limited, Chairman of Attock Refinery Limited and National Refinery Limited and Chief Executive Officer of The Attock Oil Company Limited and Attock Petroleum Limited besides being the Director on the Board of all the Companies in the Group including listed and unlisted public/private limited Companies.

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

He has an illustrious career span of over 40 years with the Attock Group of Companies. During this period he has held various positions in Finance, Marketing, Personnel & General Management, before being appointed as the Chief Executive Officer of Attock Cement Pakistan Limited in 2002. Mr. Bashir holds a postgraduate degree in Business Administration from the Quaid-e-Azam University, Islamabad. At present, he is serving as a Director on the Boards of all the listed companies of the Attock Group in Pakistan. Being a seasoned professional, he has attended various courses, workshops and seminars in Pakistan and abroad on the business management and carries enormous knowledge of the cement industry in Pakistan. Currently, he is the Vice Chairman of All Pakistan Cement Manufacturers Association (APCMA).

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) 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 Shakra-e-Faisal
Karachi.
Tel: +92-21-111-111-500
Fax: +92-21-34326053
Customer Support Service:
(Toll Free) 0800-CDCPL (23275)

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan 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 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.



NATCO-3 Mountain Filling Station - Sost, Hunza

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.



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 polices, 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 polices 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.



WHISTLE
BLOWER

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, 2022. ’

FINANCIAL PERFORMANCE

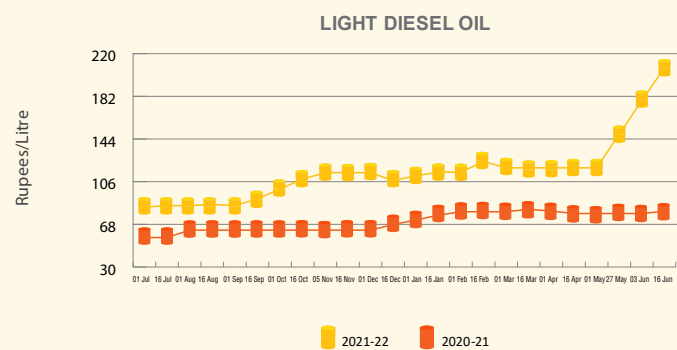
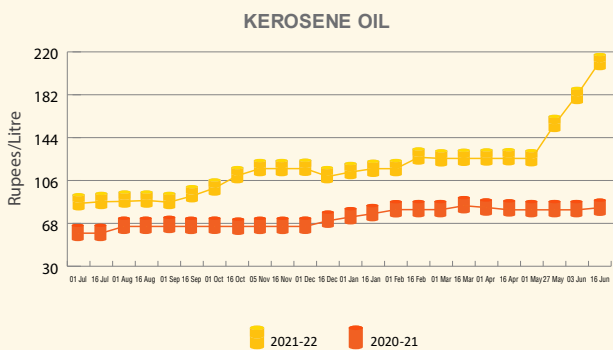
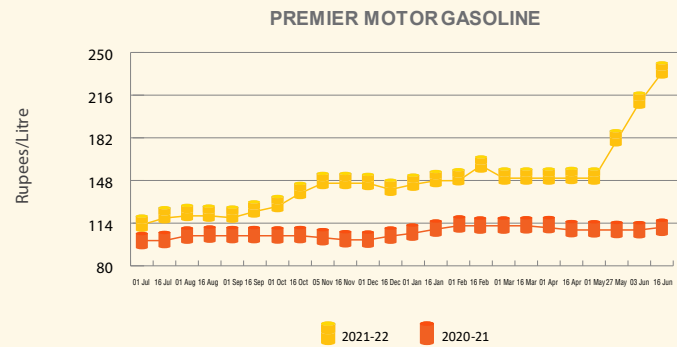
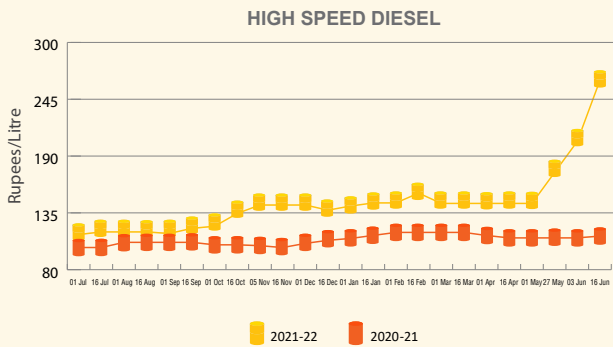
The Company recorded net sales revenue of Rs 370,075 million as compared to Rs 188,645 million earned during last year reflecting a significant increase of 96%. Increase in supply of petroleum products to retail and industrial consumers due to increased economic activities led to growth in volumes sold. The Company’s sales volume increased remarkably by 22% whereas overall industry sales increased by 14%. Besides increase in sales volume, 47% increase in average selling prices of products as compared to last year also led to increase in sales revenue of the Company.

Increase in the sales volume, efficient inventory management, together with increase in average prices and average margins of the petroleum products and significant inventory gains led to substantial increase in gross profitability of the Company. The bottom line was offset to some extent by increase in operating expenses mainly due to significant exchange loss caused by a massive 30% devaluation of PKR against USD and applicability of additional super tax at the rate of 10% on taxable profits effective tax year 2021-22 in addition to corporate taxation at the rate of 29%.

As a consequence of above, the Company earned highest ever profit after tax of Rs 18,536 million (2020-21: Rs 4,920 million) which is an increase of 277%. The results translate into earnings per share of Rs 186.23 (2020-21: Rs 49.43).

Financial results and appropriations for the year ended June 30, 2022 have been summarized below:	Rs in Million
Profit before taxation	30,609
Less: Provision for taxation	(12,073)
Profit after taxation	18,536
Add: un-appropriated profit as at June 30, 2021	21,506
Less: Other comprehensive loss for the year	(6)
Less: Transfer to special reserve	(46)
Profit available for appropriation	39,990
Appropriations during the year:	
Final cash dividend for the year 2020-21 @ 245% (Rs 24.50 per share of Rs 10/- each)	2,439
Interim cash dividend for the year 2021-22 @ 150% (Rs 15/- per share of Rs 10/- each)	1,493
	3,932
Balance as at June 30, 2022	36,058
Subsequent Effects:	
Final cash dividend for the year 2021-22 @ 300% (Rs 30/- per share of Rs 10/- each)	2,986
Transfer from reserve for issue of bonus shares in the proportion of one share for every four shares held i.e.25%	249
	32,823

PRICE TREND ANALYSIS



Dividend

The Board has recommended a final cash dividend @ 300% (Rs 30/- per share of Rs 10/- each) and bonus issue of 25% i.e. one share for every four shares held out of the profits for the year ended June 30, 2022. This is in addition to the interim cash dividend @ 150% (Rs 15/- per share of Rs 10/- each) already declared and paid to the shareholders, thus making a total of 450% cash dividend for the year under review.

Contribution towards National Exchequer and Economy

The Company contributed Rs 60,682 million towards national ex-chequer in the form of taxes and levies thus serving its community and nation. Expansion of its network of retail outlets and distributors by including remote and far flung localities in the development plan has led to generation of employment in those areas and the quality of life of the local populace is being improved.

Liquidity Management, Financing arrangements & Strategies to overcome financial problems

During the year under review, cash and cash equivalents decreased by Rs 4,802 million mainly on account of cash outflow of Rs 553 million from operating activities due to significant increase in stock in trade and trade debts which resulted in decrease in cash and cash equivalents from Rs 10,241 million as on July 01, 2021 to Rs 5,439 million as at June 30, 2022.

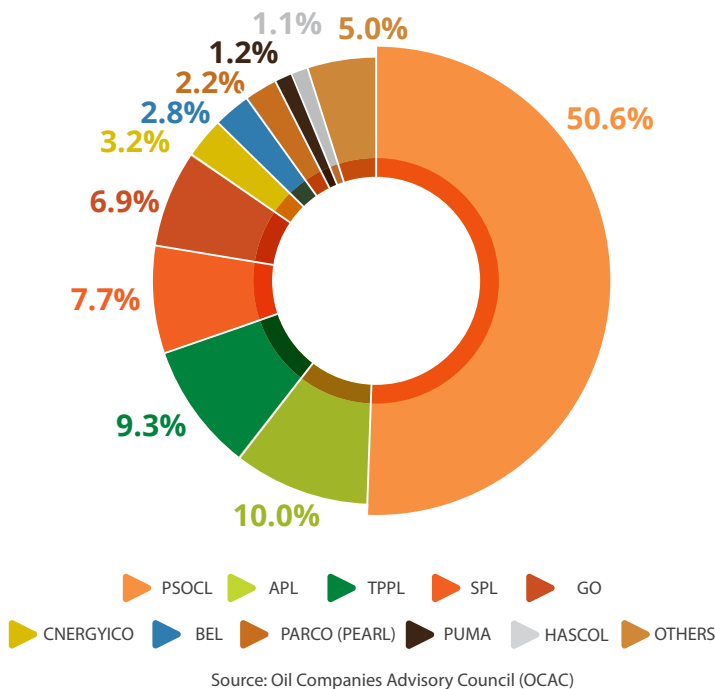
Cash flows remained under pressure during second half of the year as the international oil prices increased abnormally due to sanctions on Russian exports as a result of Russia-Ukraine conflict. Unprecedented devaluation of PKR against USD also resulted in expensive imports to the Company. Moreover, the subsidy announced by the Government on petroleum products further aggravated the situation and adversely

affected the cash operating cycle of the OMCs as hefty receivables piled up as Price Differential Claim (PDC) from the Government.

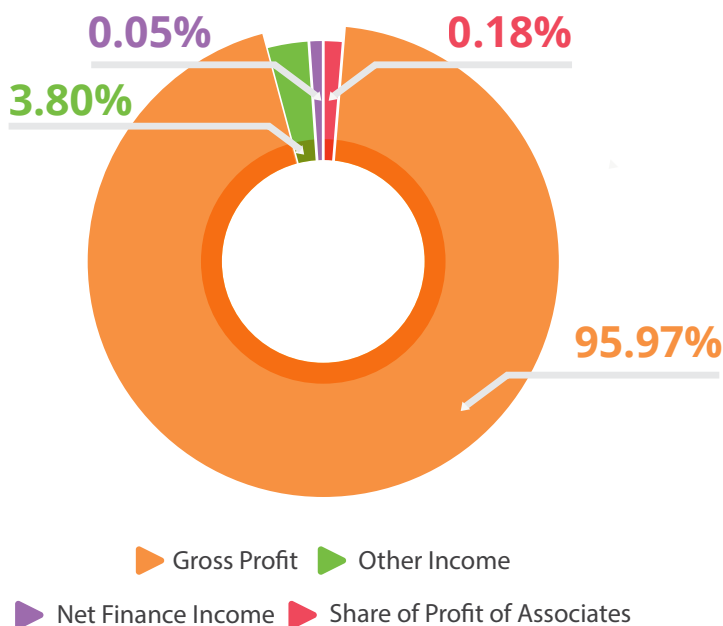
The Company faced cash flow difficulties due to the above stated factors. However, the working capital requirement was effectively managed during this liquidity crisis by ensuring availability and effective utilization of financing lines and efficient scheduling of repayments minimizing the impact of financing cost.

The Company ensured availability of funds 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. Various other standby arrangements are also in place with financial institutions to ensure smooth continuation of the operations and availability of liquidity to fund working capital requirements.

OVERALL MARKET SHARE



REVENUE CONTRIBUTION





Capital Structure

The capital of the Company is based entirely on equity finance. There was no change in the capital structure during the year other than financing facilities obtained for a short period of time and subsequently paid off. 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, 2022, total assets increased to Rs 96,351 million and total liabilities increased to Rs 59,032 million. Increase in current assets from Rs 44,211 million to Rs 78,375 million is mainly due to increase of Rs 35,541 million in stock in trade and increase of Rs 7,194 million in trade debts due to significant increase in cost of petroleum products together with increase in the Company's business.

Cash outflow from operating activities for the year was Rs 553 million as compared to cash inflow of Rs 5,632 million last year mainly due to increase in payments of taxes and other charges in line with increase in profitability. Outflow of Rs 1,250 million was recorded from investment in property, plant and equipment. Income earned on investments resulted in an inflow of Rs 1,027 million. Total cash inflow of Rs 966 million was recorded from investing activities. Outflow relating to financing activities, mainly on account of dividend payments and payment of lease liabilities, was Rs 5,224 million.



Market and industrial review

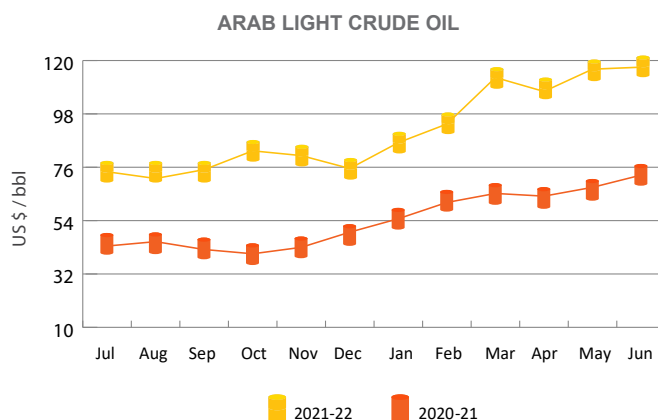
Full scale revival of economic activities, due to worldwide efforts to control COVID-19, led to increased demand of petroleum products across the globe and accordingly, the oil industry witnessed a remarkable growth during the year under review. As a result of this increased demand and other factors, international oil prices surged significantly. On the backdrop of Russia-Ukraine crisis, severe volatility was observed in the prices during the last quarter due to the sanctions on Russian exports by USA & EU, leading to reduced supply in the market and decade-high prices were recorded as buyers fretted over energy availability.

While the increased economic activity and Russia-Ukraine crisis pushed the prices higher, such a sharp increase brought along many other challenges as the cost of living, basic amenities and food essentials increased manifold across various countries. Financial institutions and think tanks are now indicating a looming recession, deteriorating fiscal balances and reduced business investment leading to unemployment and reduced consumer

spending which in turn could possibly dampen the demand of petroleum products.

On the domestic front, the price of POL products in the Country increased mainly due to the increasing global oil prices as the majority of demand is met through imports, and worsening situation of the price parity of US Dollar (USD) to Pakistani Rupee (PKR).

In February 2022, the Government slashed the prices of petroleum products and froze them till June 2022. This subsidy, during increasing crude oil price trend resulted in further worsening of the USD-PKR exchange rate. The subsidy in the form



of Price Differential Claim put immense pressure on cash flows of the already cash strapped oil marketing segment.

Further, Pakistan has also announced an Alternate Renewable Energy Policy which aims to increase the share of renewable energy in the national power grid from 5% to 20% in 2025 and to 30% in 2030. This will directly impact the demand patterns and fuel consumption in the coming decade.

However, the energy demand of the Country has improved during the current year due to revival of

economic activity post COVID-19. Consumption has increased due to the recovering economy and increased social and economic activities after the lift-up of lockdowns and Government subsidy on petroleum products. Total industry volume of all petroleum products jumped by 14% due to these factors. Demand for High Speed Diesel (HSD) increased by 14% and demand for Premier Motor Gasoline (PMG) increased by 8%. Demand for Furnace Oil also improved by 32% due to resumed consumption of Furnace Oil by power producers.



COMPANY'S SALES AND MARKETING REVIEW

During the year under review, despite stiff competition amid aforementioned challenges, the Company has increased its sales volume by 22% from last year whereas overall industry sales volume grew by 14%. Accordingly, APL's overall market share of petroleum products increased from 9.4% to 10.0%.

Increased business activities positively affected the demand of petroleum products within the Country. APL sales volume of HSD and PMG increased by 37% and 20% against increase in industry sales volume of 14% and 8% respectively, thereby, significantly outperforming the industry. Sales volume of Bitumen decreased by 4% against a drop of 11% in overall industry sales volume, thereby, increasing the Company's market share of Bitumen from 80% to 87%. Industry wide Furnace Oil sales volume increased by 32% this year due to unavailability of alternate fuels for electricity generation while APL recorded an increase in volume by 18%.

Despite above referred domestic and international challenges, the Company ensured uninterrupted supplies to its customers and continued to extend its network of corporate and industrial clients and has added many new prestigious customers. The Company successfully completed its contract for supply of petroleum products to defence segment for the year 2021-22 and has won the defence contract for supply of Jet Petroleum to Pakistan Army for the year 2022-23. The Company has also won major supply contract of HSD & PMG to Pakistan Air Force for the next three years starting from 2022-23.

During the year under review, APL successfully introduced another premium product XTRON at its selected retail outlets. Since its introduction in the market, the Company is constantly capturing high-end market share which is increasing day by day. This launch was very well received, supported by a comprehensive marketing campaign including but not limited to branding at retail outlets,



advertisement campaign in print, radio and social media and approaching consumers through other means of digital marketing.

Commercial flight operations have resumed significantly after the ease of restrictions worldwide. Consequently, APL sales volume of Jet Petroleum increased by 55% on account of improvement in commercial aviation activities previously subdued due to the pandemic. The Company has been efficiently managing the entire field operations at Islamabad International Airport, ensuring smooth flight operations through the largest fuel farm at any airport of the Country.

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, 2022 the total number of retail outlets has reached 731. It is pertinent to mention that 30 new retail outlets have been established while 37 retail outlets have been phased out under a retail network purification plan. 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.



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 establishing itself as 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 explore new business avenues and contribute towards the revenue stream, the Company has put a renewed focus to strengthen the Non Fuel Retail (NFR) business segment. Several negotiations were held with leading food franchises in the Country for establishment of food outlets at Motorway service areas and other urban sites. The Company has entered into agreements with one of the leading international fast food chain for setting up their outlets at Company sites. With successful operations of the food outlets, the venture will be expanded for development of food franchises on other retail outlets.

The Company had previously installed Electric Vehicle (EV) charging facility as a pilot project at one retail outlet in Islamabad. The said EV charging facility is being upgraded with a heavier capacity charger and the Company is planning for installation of EV charging facility at 05 other selected retail outlets across the Motorways. The project is in the procurement phase. Expansion of electric vehicles charging network across Pakistan shall help combat climate change in the Country and the project shall support green business



initiatives by reducing carbon footprint in the Country, while creating an additional revenue stream for the Company.

Being a customer oriented Company, APL has highlighted another dimension of convenience by venturing and partnering with other products and creative solutions providers. APL has created diversified forecourt-enriched offers including various restaurants and ease stores and also intends to offer wide array of other services. With dedicated and fully equipped state of art lube oil change facility, it takes few minutes for the end to end oil change service. This includes free safety checks and services allowing customers to live monitor their vehicle's oil change. APL aims at uninterruptedly delivering improved service by redefining accessibility across the Country.

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 and aggressively expanded its Bulk Oil Storage Terminals across the Country. During the year in review, storage capacity at Shikarpur Bulk Oil Terminal was enhanced by addition of a HSD storage tank. With the commissioning of White Oil Pipeline (WOP) multi-grade operations, pumping and piping arrangements were completed at Shikarpur Bulk Oil Terminal for handling of dual products through single laid pipeline. This has resulted in capability of the Company to offtake both PMG and HSD at Shikarpur through WOP.

After commissioning of Port Qasim Bulk Oil Terminal having total storage capacity of 39,481 M.Tons, the Company has successfully completed construction of 30-inch diameter pipeline connecting with FOTCO jetty, FTTL and PAPCO. This has enabled the Company to handle imported products from FOTCO jetty to APL storage tanks. Furthermore, these pipelines are also connected with PAPCO for additional capability of upcountry pumping of products.

Following the Company's long-term strategy to keep on increasing its presence through developing retail outlets, APL commissioned its retail outlets across the length and breadth of Pakistan for enhancing the brand manifestation with renewed focus on expansion on Motorways, and urban centres of Punjab and Sindh.

The focus in the current year was obtaining approvals from the respective Government departments for development of high throughput sites on Motorways and city centres. The Company is currently in the process for development of sites on the motorways including 08 fuelling stations on Service Areas of Hakla – Dera Ismail Khan Motorway (M-14), 05 retail outlets on Pindi Bhattian – Faisalabad – Multan Motorway (M-4), 02 retail outlets on Havailian – Thakot Motorway / Hazara Expressway (E-35), and 02 sites on Multan – Hyderabad Motorway (M-6). As

a result, 56% share of entire developed service areas on Motorways countrywide will be covered by the Company.

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 is in process of establishing another retail outlet at a prominent location of Islamabad i.e. New Blue Area. Further, a flagship site opposite Jinnah Park, Rawalpindi in under construction and will commence its operations shortly.



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. 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.



Volatility in International Oil Prices and Regulatory Risks

Oil is one of the most important natural resources 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 2021-22, global events including resumption of activities post COVID-19 and Russia-Ukraine conflict 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 increase in global demand against limited output by the producers has driven the price to record highs. Regulation of demand by the OPEC and OPEC+ members, coupled with sanctions on Russian exports, 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 and devaluation of PKR

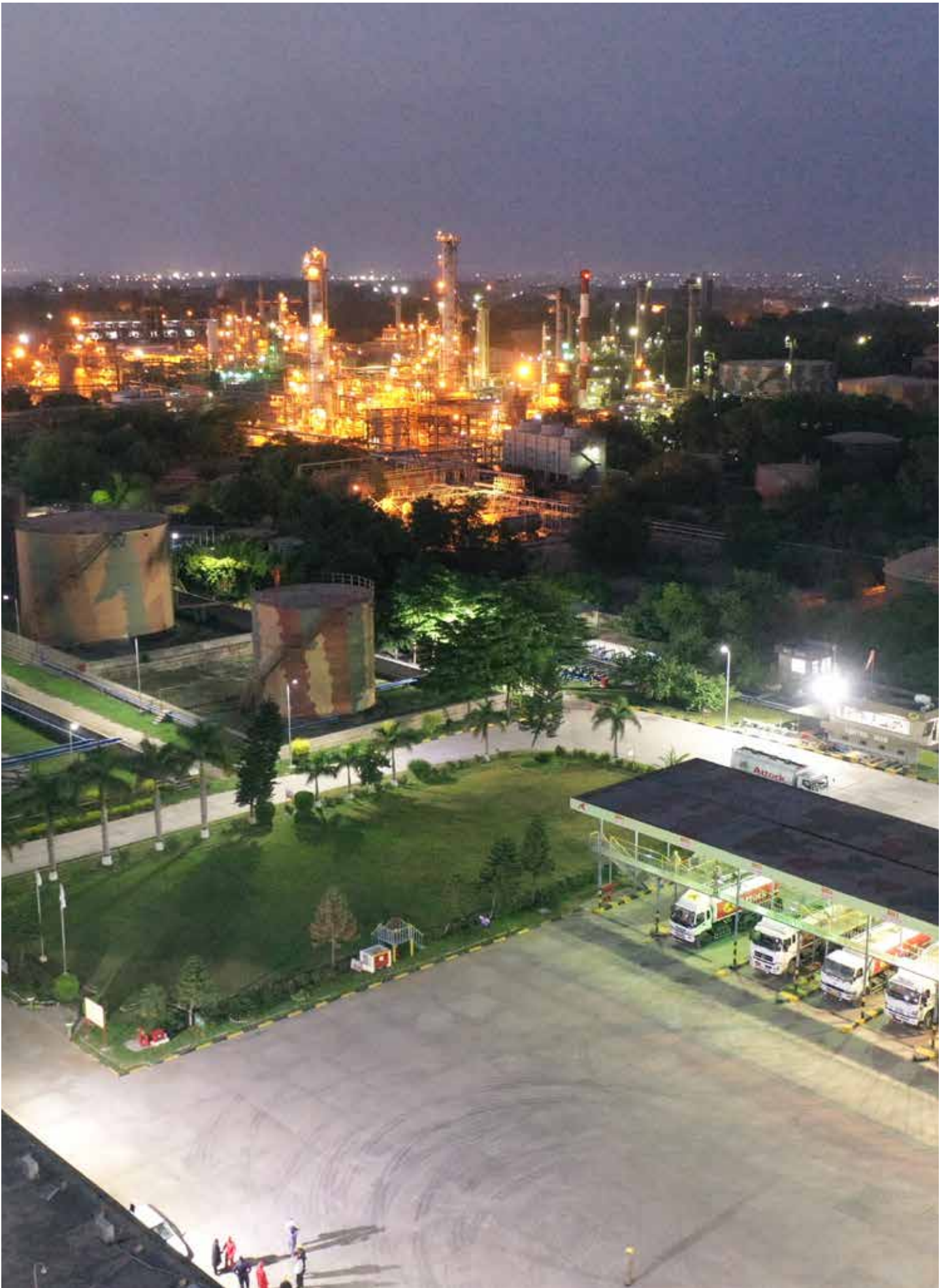
against USD. To manage these challenges, APL continues to focus on potential opportunities and develops institutional arrangements with adequate technical capacity, political independence and coordinates across all sectors.

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

Geopolitical and Security Risks

Geopolitics is a dominant distress for the companies in Pakistan operating in oil and gas sector and this can be observed as a source of both risk and opportunity. Although, law and order and security situation 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. Russia – Ukraine crisis, 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.

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 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 customers 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. Accordingly, APL is the 2nd largest oil marketing company of the Country in terms of market share.



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.

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 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, up-gradation of the current bulk oil terminals along with construction of the new ones and aggressive 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 a thorough and practicable knowledge of the various regulations under Companies Act, 2017 in addition to the Code of Corporate Governance. Further, newly appointed directors on Board are provided with extracts of relevant laws and regulations. The Chairman of the Board also communicates roles and responsibilities of Directors at the start of their term. Any changes in prevalent laws or newly issued notifications are shared with directors from time to time.

Whistleblower Protection Mechanism

Whistleblowing protection mechanism aspires to prevent or detect the probable attempts of defrauding the organization and other malpractices

by its employees, customers or other stakeholders and ensures protection of the whistleblowers. It encourages the employees to highlight and report their concerns about malicious activities without any fear and prejudice.

This policy is predetermined to provide a platform for whistleblowers to call out their 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.



Decisions taken by the Board and Delegated to Management

The Board of Directors ensures that the management upholds the vision and mission 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, 2022, 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, 2022 are as follows:
 - Employees' Gratuity fund
Rs 193.960 million
 - Employees' Provident fund
Rs 366.573 million
 - 12) The total number of Company's shareholders as at June 30, 2022 was 3,883. The pattern of shareholding as at June 30, 2022 is annexed.





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

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	Lt. Gen (Retd.) Javed Alam Khan	5/5	4/4	-
6	Mr. Mohammad Raziuddin	5/5	4/4	1/1
7	Ms. Zehra Naqvi	5/5	4/4	-

*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, 2022, 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 2022-23. 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, 2023 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 oil marketing company operating in challenging environment, APL aims to set high standards for uninterrupted supply of finest petroleum and energy products and remarkable services across Pakistan. Building on our core values to sustain a competitive edge in the market, available opportunities are vigorously followed and exploited with our distinctive strengths and capabilities and efficient responding to transitional impacts.

In view of enhanced demand, the Company has embarked on establishing and commissioning Dera Ismail Khan Terminal having storage capacity of 17,500 M.Tons. In addition to above, the Company is also engaged in construction of Bulk Oil Terminal at Tarujabba with storage capacity of 22,950 M.Tons. At present, its boundary wall is under construction.

These terminals will cater for the regulatory storage requirement for retail outlets being constructed in KPK province, enabling the Company to pursue aggressive growth in the region.



The Company had previously procured land for construction of Bulk Oil Terminal at Gatti, Faisalabad. During the next year, laying of pipeline will be carried out ensuring secure connection with PARCO to uplift product through WOP at Gatti terminal in future.

Since the last few years, the Company has significantly expanded its retail presence in the northern region, along with securing commercial contracts with defence entities. This has resulted in significantly increased demand in the region. In this regard, the Company has planned to establish additional storage of 10,000 M.Tons of PMG at Rawalpindi Bulk Oil Terminal to cater for the storage requirements of this increased demand.

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 industrial

consumers. The Company has already positioned itself as one of the leading private sector oil marketing company backed by refineries being the associated companies and is now focused to strengthen its market share by utilizing innovative business techniques and sustainable financial models. As part of the expansion plan, the Company intends to add many number of retail outlets in the next financial year including many COCO sites. Retail outlets in New Blue Area Islamabad, DHA Phase 7 Lahore, Jinnah Park Rawalpindi along with retail outlets in Gujranwala and Faisalabad in conjunction with Askari CNG Projects will be added in the network by next year.

The Company has planned to install Auto Car Wash facilities on selected retail outlets. The installation will not only result in water conservation but operations of the facilities will contribute towards income generation from the Non Fuel Retail Segment.



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. Similarly, dependence of supplies on imports amid highly 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 Terminals at Dera Ismail Khan and Tarujabba has progressed further.

After successful completion of design phase, the Company is now entering in to construction phase after obtaining necessary regulatory approvals.

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 731 as at June 30, 2022.

ACKNOWLEDGEMENT

The Board would like to thank and appreciate shareholders, customers and strategic partners for placing their confidence and trust to steer the Company towards the path of success. 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 16, 2022



PATTERN OF SHAREHOLDING

As of June 30, 2022

Corporate Universal Identification Number 0035831 Form-34

Sr. No.	Number of Shareholders	From	To	Total Shares Held	Percentage
1	714	1	100	34,406	0.04
2	931	101	500	274,093	0.28
3	493	501	1000	392,272	0.39
4	1390	1001	5000	2,533,802	2.55
5	135	5001	10000	997,499	1.00
6	58	10001	15000	707,377	0.71
7	33	15001	20000	589,999	0.59
8	27	20001	25000	630,424	0.63
9	19	25001	30000	530,881	0.53
10	10	30001	35000	325,314	0.33
11	6	35001	40000	221,484	0.22
12	5	40001	45000	209,701	0.21
13	8	45001	50000	386,830	0.39
14	3	50001	55000	160,725	0.16
15	2	55001	60000	118,500	0.12
16	4	60001	65000	256,193	0.26
17	4	65001	70000	266,077	0.27
18	1	70001	75000	74,216	0.07
19	1	75001	80000	75,432	0.08
20	1	80001	85000	85,000	0.09
21	2	85001	90000	177,300	0.18
22	1	90001	95000	91,844	0.09
23	2	95001	100000	197,329	0.20
24	1	100001	105000	101,680	0.10
25	1	110001	115000	112,980	0.11
26	1	115001	120000	120,000	0.12
27	2	130001	135000	266,099	0.27
28	2	140001	145000	289,000	0.29
29	1	145001	150000	149,470	0.15
30	1	160001	165000	160,800	0.16
31	1	165001	170000	168,000	0.17
32	1	180001	185000	184,900	0.19
33	1	185001	190000	187,806	0.19
34	1	190001	195000	190,400	0.19
35	1	210001	215000	212,940	0.21
36	1	285001	290000	286,620	0.29
37	1	335001	340000	338,900	0.34
38	1	440001	445000	440,500	0.44
39	1	465001	470000	465,240	0.47
40	1	480001	485000	480,400	0.48
41	1	510001	515000	513,120	0.52
42	1	540001	545000	540,700	0.54
43	1	620001	625000	621,000	0.62
44	1	655001	660000	660,000	0.66
45	1	795001	800000	798,334	0.80
46	1	1025001	1030000	1,029,592	1.03
47	1	1340001	1345000	1,343,100	1.35
48	1	1605001	1610000	1,606,140	1.61
49	1	2185001	2190000	2,189,721	2.20
50	1	6640001	6645000	6,758,385	6.79
51	1	6980001	6985000	6,984,714	7.02
52	1	7000001	7005000	7,003,220	7.04
53	1	21770001	21775000	21,772,965	21.88
54	1	34215001	34220000	34,219,376	34.38
	3883			99,532,800	100.00

CATEGORIES OF SHAREHOLDERS

As at June 30, 2022

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		6,758,385	6.79
	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	6,801,471	6.83
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.	9	5,314,588	5.34
5	Insurance Companies	7	1,968,042	1.98
6	Modarabas and Mutual Funds	25	1,662,114	1.67
7	General Public			
	a. Local	3,620	8,596,686	8.64
	b. Foreign	72	154,131	0.15
8	Others			
	Trust and Funds	66	1,304,400	1.31
	Joint Stock Companies	69	1,530,398	1.54

* Share holders holding 10% or more

Trade in shares by Directors, Executives, their spouses and minor children during 2021-22:

	Purchase	Sale
Mr. Shuaib A. Malik (Chief Executive Officer)	115,000	-
Mr. Rehmat Ullah Bardaie (Chief Financial Officer)	36,200	-

Except for detail given above no trade in shares was reported by Directors, Executives*, their spouses and minor children from July 01, 2021 to June 30, 2022 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 September 22, 2021 and the queries of shareholders were appropriately responded. Following is the brief of shareholders' queries and responses thereto:

Shareholders' Queries	Response by Management	Action taken
A query was raised by a shareholder on the decline in market share of High Speed Diesel (HSD) and Premier Motor Gasoline (PMG) and impact was inquired of commissioning of Port Qasim Bulk Oil Terminal on market share of these products.	It was responded that investment in storage terminals and market share are not correlated and it is a continuous effort to sustain and increase the market share in a business environment where unethical business practices are being undertaken by some players due to lack of accountability and oversight.	For the financial year 2021-22 market share of HSD increased from 7.2 % to 8.6 % and PMG has increased from 7.5 % to 8.3 %. Total 30 new retail outlets were commissioned during financial year 2021-22. Port Qasim Bulk Oil Terminal has storage capacity of approximately 40,000 M. Tons and it has been made operational.
A shareholder inquired about the Company's focus in the south region of the Country.	It was responded that Company's focus in south region is evident from commissioning of Port Qasim Bulk Oil Terminal having significant storage capacity of 40,000 M. Tons in Karachi.	Further, 08 new pumps have been commissioned in the Hyderabad-Sukkur-Karachi region in financial year 2021-22.
Commenting on the Increased Furnace Oil sales, shareholder inquired about the expected future trend of the sales volume of Furnace Oil.	It was responded that market dynamics determine the sales volume and it is expected that in upcoming winters, Furnace Oil sales are likely to improve due to shortage of natural gas.	Sales volumes for financial year 2021-22 increased by 18.1% compared to the financial year 2020-21.

Query was raised about the Company's average inventory days & Inventory gain.	It was replied that Inventory gain vary significantly from time to time depending on price change & quantity of inventory held. The Company is maintaining mandatory inventory cover and, at times, this increases to 30 days, which is well above the mandatory requirement.	The Company is managing inventory cover well above the mandatory requirements of the regulatory bodies.
Expected revision in distribution margins was inquired about.	It was replied that revision is overdue, and the slight revision has been allowed during the year which was not enough. It was initially agreed to revise the distribution margins annually in line with the Consumer Price Index (CPI) and the industry has taken up the same with the Government Authorities.	Distribution margin was revised in December 2021 for HSD & PMG from Rs 2.97/Ltr to Rs 3.68/Ltr each and further revision due to increased cost of business is again taken up by the industry with Government Authorities.
A shareholder inquired about overall industry's and Company's sales volume of Bitumen.	It was responded that actual overall industry sales volume of Bitumen is difficult to ascertain due to influx of smuggled Bitumen, however, based on domestic production, the Company has increased its sales volume of Bitumen.	Overall industry sales of Bitumen decreased by 9.8 % whereas APL's sales decreased by 3.5 % during the financial year 2021-22 and has outperformed the industry.
Commenting on the Company's exceptional results, a shareholder proposed that as market players are not performing well, Company may consider expansion through acquisition of any competitor.	Shareholder's suggestion was welcomed and thanked. It was responded that although none of the companies have put out any offer for sale, the Management will look into any suitable opportunity that may arise in future and permission of the shareholders will be obtained accordingly.	Company is not aware of any such entity available for acquisition.

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 record and documents retention and destruction 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.
- Unique ID record management system is used for all filing record rooms and APL has also designed proper record in/out management system which help retrieve files easily.

- 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 etc has 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.

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	04

* 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 September 22, 2021 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 September 29, 2021 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 2021 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.

Disclosure of Beneficial Ownership

Details of group shareholding and nature of relationships of associated companies is disclosed on Page 15 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

Institutional Investors / Shareholders

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

The financiers of capital help APL:

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

Customers and Suppliers

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

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

Banks

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

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

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

Media

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

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

Stakeholders

Management of Stakeholder Engagement

Effect and Value to APL

Regulators

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

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

Analysts

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 2021-22 for Analyst community.

Providing required information to analysts helps:

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

Employees

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

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

General Public

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

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

CORPORATE SUSTAINABILITY

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

Transparency is promoted by having an engaging environment within 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 (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 has 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. The Company took initiative for energy saving by replacing all existing conventional lighting system with energy efficient LED lights at Machike & Mehmoodkot Terminals and has plan to complete these replacements at all its oil terminals enabling significant reduction in energy consumption. The Company further plans to fully or partially switch over to Hybrid Solar System at Motorway Service Areas, COCO Retail Outlets on which working is in progress in coordination with M/s Attock Energy (Pvt) Limited. In second phase it is also planned to install ON-GRID Solar System with net metering at APL Daulatpur Terminal, which will provide a clean source of energy generation and contribute to the reduction of greenhouse carbon emissions and to minimize financial and environmental impacts.



EFFORTS MADE TO MITIGATE ADVERSE IMPACT OF INDUSTRIAL EFFLUENTS

Waste Management Plan

APL Waste Management Plan (WMP) provides 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 (PEPA), 1997. To comply with all existing environmental laws and other requirements, APL monitors environmental emissions and effluent at all its installation through recognized and renowned testing laboratories on an annual basis for the compliance of NEQS.



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 are an integral part here at APL to safe and health-oriented behavior. One of most common methods 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 programs to their employees in FY 2021-2022 which summed up in Occupational Safety and Health & Fire prevention training programs. APL is committed to sustain these trainings to meet occupational health and safety guidelines designed to protect workers and environment from workplace accidents.

Achievements

In FY 2021-22 major milestones that have been achieved by Attock Petroleum Limited are as under:

- Construction and commissioning of 138 Metric-Ton of product tank at APL Bulk Oil Terminal Shikarpur. Project was started on 20

April, 2021 and went onto its completion on 27 July, 2021 without any workplace accident throughout its construction phase. Project has now been commissioned successfully by adding total safe man-hours 1,296,690 to our company's overall statistics.

- Successful completion of 100% COVID-19 Vaccination of APL employees during this pandemic emergency situation is another major milestone achieved. Awareness about self-quarantine and thematic social distancing campaigns were successfully launched across the APL. Attock Hospital Limited (Company's dedicated Health Care Unit) played a pivotal role.

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.

Annual Surveillance audit of APL's ISO 9001:2015 certification (Quality Management System) of selected Bulk Oil Terminals & Head Office was successfully completed as per existing scope. No further new site was added in the existing scope of APL's ISO 9001:2015 certification this year.

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 2020 was awarded 4th position in Fuel & Energy Sector of the Best Corporate Report Awards jointly organized by ICAP & ICMAP.

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.

Internship Programs

Company considers it a social responsibility to provide opportunity for first hand practical experience to students of reputable educational institutions of the Country. This is also helpful to APL in identifying potential talent for Company's

future inductions as well as from Employer Branding point of view.

Women Empowerment

APL promotes gender diversity, women empowerment and is an equal opportunity employer. Women's Day is marked and celebrated at Company Operated Sites and Offices of APL to acknowledge women's contribution towards the society & in particular to the Company's growth.

Employer Branding

Attock Petroleum Limited Participated in the Job Fair 2022 at TMUC Bahria Springs and COMSATS University, Islamabad to make APL's brand name stand out in the job market.

Energy Conservation

The Company makes sure the optimal consumption of energy at its various Bulk Oil Terminals and sites by introducing energy efficient processes. Further, employees are encouraged through ongoing





awareness programmes to conserve the use of electricity, gas and water.

Product Quality Assurance

Attock Petroleum Limited has incorporated, in its vision and mission, the objective of providing value added quality and environment friendly products to its customers. Product Responsibility is at the core of the Company's activities so that the Company plays its effective role of a socially responsible corporate citizen. APL is committed to deliver the product and services ensuring that they pose no hazards to health and safety of the employees or customer.

Environment Conservation

Attock Petroleum Limited is further developing environmental management practices that minimize waste and maximize efficiencies. APL continuously initiate tree plantation drives in and around its terminals, offices & sites for environment conservation and green Pakistan.



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 the FY 2021-22 Human Resources has executed nine in-house trainings and sent staff on external trainings and conferences.

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.

Recreational Activities

Employees of the company are a smaller fragment of a large society and APL considers it to be its prime responsibility to focus its efforts towards this integral segment which leads to

the improvement of employee motivation and company productivity.

APL values the services provided by all employees specially its female staff members. Women's Day was celebrated at Company Operated Sites and Offices of APL to value them and mark the occasion of International Women's day.

Different team building activities are conducted to bring people together to encourage collaboration and teamwork.

Employees birthdays are celebrated and greeting cards along with giveaways are given to APL staff on their birthdays. This create the sense of appreciation and gesture of concern for our employees.



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.

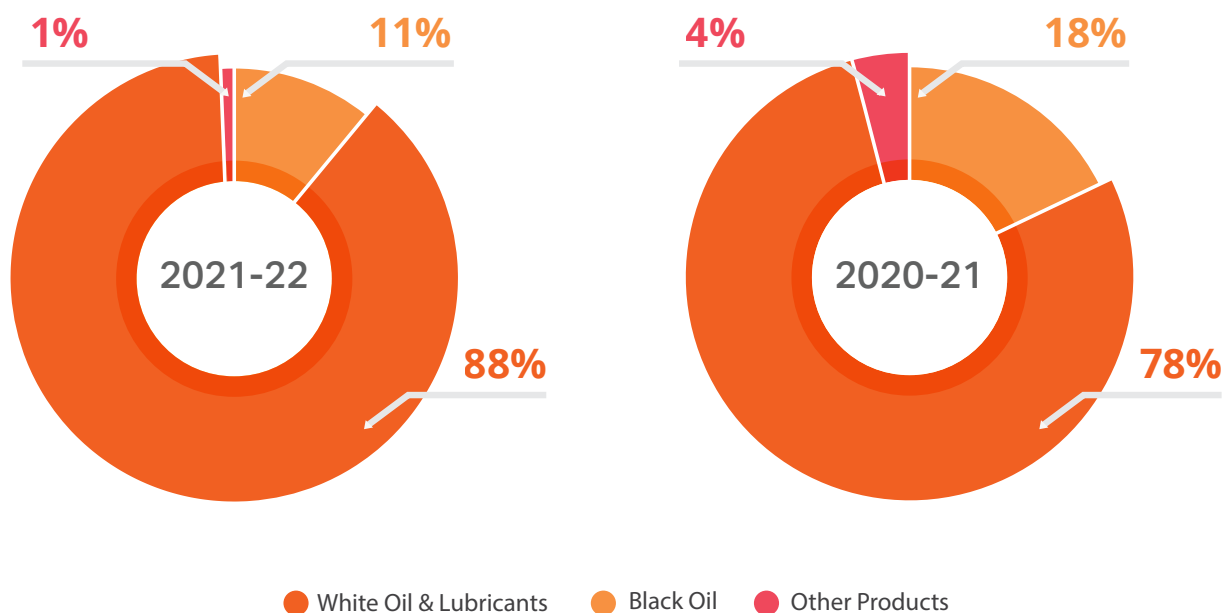
Development of China Pakistan Economic Corridor (CPEC) presents enormous opportunities to businesses across Pakistan. APL is actively participating in the project and contracts are

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:



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, 2022 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, 2022, 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.

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, 2023.
- 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.

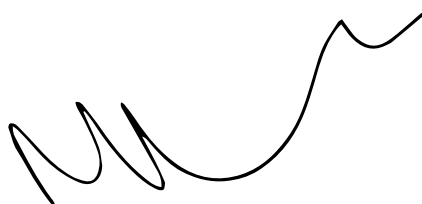
Views on Annual Report

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 15, 2022

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 285 to the mark of Rs 362. 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

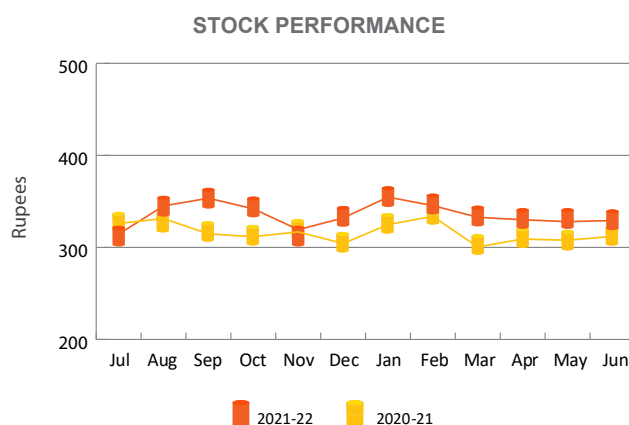
Government of Pakistan (GoP) for the regulated products shall directly affect the profitability and the same shall be reflected on the share price of the Company.

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.



HISTORY OF MAJOR EVENTS DURING THE YEAR

Successfully introduced another premium product XTRON at our selected retail outlets. XTRON ensure better engine performance and amplifies its efficiency to drive the car the way it is meant to be.

The Company has successfully completed construction of 30-inch diameter pipeline connecting with FOTCO jetty, FTTL and PAPCO, enabled the Company to handle imported products from FOTCO jetty to APL storage tanks.

Secured 4th position in Fuel and Energy Sector in best Corporate and Sustainability Report Awards 2020 jointly organized by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

Established 02 further state-of-the-art retail outlet / service areas at SWAT Motorway and Hazara expressway accordingly captured the entire traffic volume.

Successfully commissioned WOPP multigrade Operations at Machike Bulk Oil Terminal & received Imported PMG through pipeline, pumped at Port Qasim in PAPCO system.

Successfully commissioned Ground Laboratory at Port Qasim Bulk Oil Terminal which will play a vital role in quality samples of Imported & Terminals storage Tanks.

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

Participated in Tree Plantation campaign with Capital Development Authority in maintaining green character of Capital city.

Progressing forward in Retail, APL celebrated the commissioning of 731st retail outlet - Ensuring commitment of uninterrupted quality fuel supplies within your neighborhoods and state of art Non-Fuel Retail (NFR) services for all our valued customers.

INFORMATION TECHNOLOGY GOVERNANCE AND CYBERSECURITY

As businesses evolve and adapt to the changing market dynamics, they require a flexible approach to Information Technology introduction and implementation for achieving their strategic goals and objectives while at the same time it exposes the Company to cybersecurity risks and this is where the need for cybersecurity arises.

APL's IT Committee oversees IT Governance and Cybersecurity Risks Management. In case of any breaches, APL IT Security Committee investigates the incident and takes appropriate action.

Best practices of IT governance policies and procedures in terms of value delivery, strategic alignment, performance management, resource management and risk management are adopted by the Company.

- **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 into APL functions.

- **Business Process Streamlining**

Business processes are being continuously mapped, documented, re-engineered

and improved upon for transformation into automated functions. Plans are also being developed for the introduction of an automated Work Flow System.

- **Business Alignment with Information Technology**

APL is endeavoring to transform its strategic vision into automated systems that encapsulate the APL business cycle into a web-based / mobile app environment to process and track every key transaction in a real time environment.

- **Value Addition and Return on Investment**

APL is committed to continuously improving its IT infrastructure, technologies, processes and procedures. This directly translates into 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.

- **Risk Assessments and Mitigation Plan**

The risk register is being maintained and SOPs have been documented accordingly. In this regard, multiple reviews have been carried out quarterly and half yearly based on their severity.



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 mechanisms are being planned to ensure system integrity.

- **Real Time Reporting for Decision Making**

The online Real Time System opens up possibilities for real time reporting and real time decisions 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 into the how and why 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.

Cybersecurity Measures

Cybersecurity programs including Network security and Application security are adopted and applied to protect against the risk of Malware, Ransomware, Spam, Phishing, or any type of cyber attacks on our system. Moreover, contingency plan is in place to deal with any possible IT failure.

Oversights on IT Governance and Cybersecurity are being exercised through different reports submitted to the board from time to time. IT Governance and Cybersecurity matters are managed by APL IT committee.

An automated process is also developed and works in the capacity of an “Early Warning System” to highlight the transactional level ambiguities or discrepancies in real time. It enables the company in making timely disclosures of any breaches,

assessing and identifying cybersecurity risks and reporting and address the same accordingly.

Security assessment of APL’s technology environment is carried out internally by the MIS professionals frequently i.e. on a quarterly and half yearly basis depending upon the sensitivity associated with the area under review.

Business Contingency Plan to Deal With Possible IT and Cyber Breach

To ensure smooth operations without any disruption, Business contingency plan is very critical. In this regard, APL has developed a Business Contingency Plan. Moreover, the concept of Edge Computing has also been used during the development of solutions to minimize the probability of operational disruption in case of any disaster.

Digital Transformation

Digitalization of operations helps in better transparency and improves governance. APL has a vision of digitalization for its operations. The digitalization process at APL is in the transition phase. Internet of things based Micrometer related operation has already been commissioned on all terminals and other multiple projects are in the evaluation, design and development phase to increase efficiency and as well as to improve governance and transparency.

APL is advancing in Artificial Intelligence and Cloud Computing. Artificial Intelligence based reporting tools and mobile apps have been developed.

Focus on Cybersecurity Risks Mitigation

To protect system’s network and programs from digital attacks, APL conducts several training sessions for its employees to provide awareness and education regarding cybersecurity to ensure uninterrupted and smooth running of the Company’s operations in a safe and protected technological environment.

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, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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



A.F. Ferguson & Co.

Chartered Accountants

Islamabad

Date: August 24, 2022

Engagement partner: Muhammad Imtiaz Aslam

UDIN: CR202210050XePyCw2qM

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

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■ 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, 2022

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, (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, (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 16, 2022

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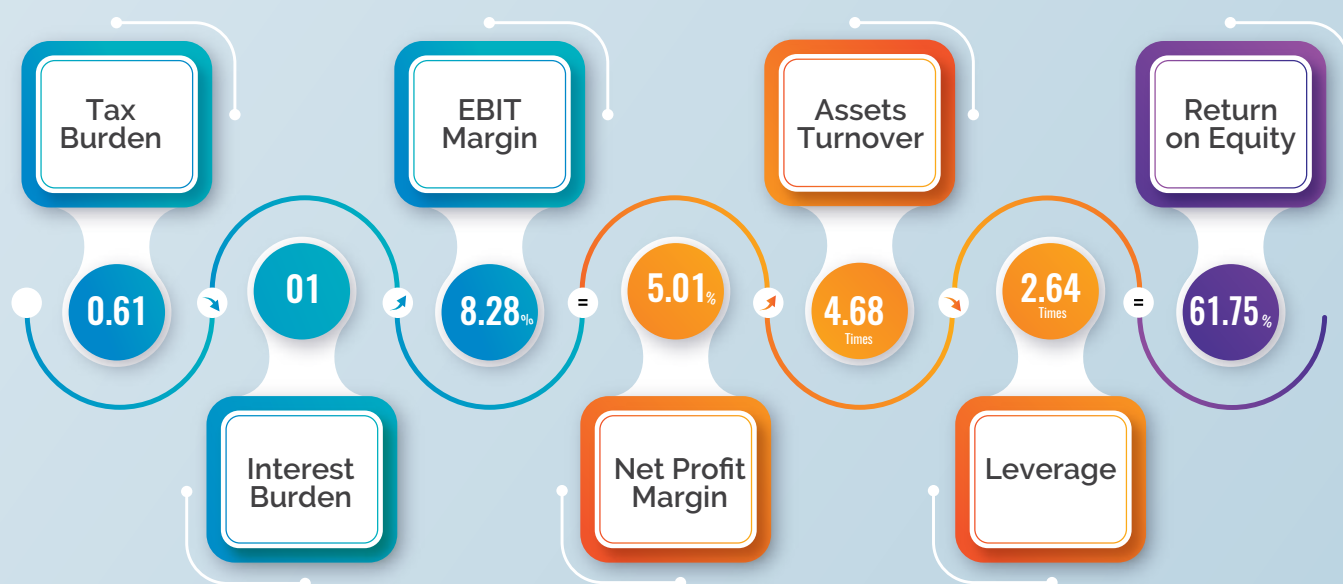
FINANCIAL ANALYSIS



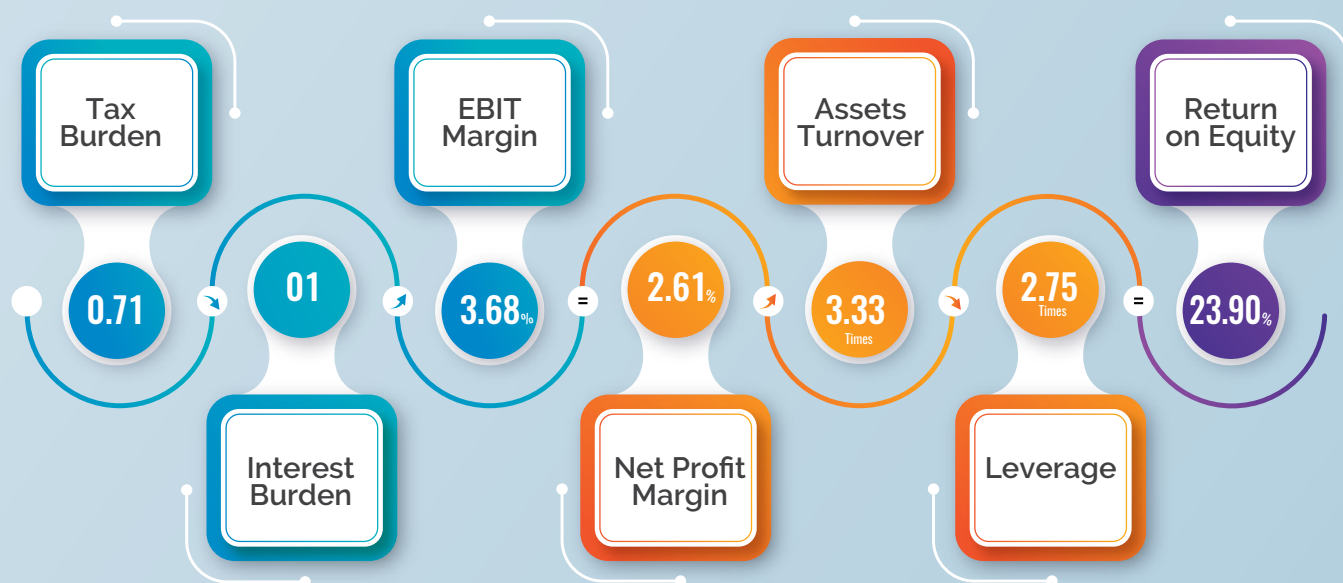
DUPONT ANALYSIS

Return on Equity (ROE) increased from 23.90% to 61.75% due to significant increase in net profit margin on account of healthy growth in Company's sales volumes coupled by increase in inventory gains and average margins.

YEAR 2021-22



YEAR 2020-21



KEY OPERATING AND FINANCIAL DATA

FOR SIX YEARS FROM 2016-17 TO 2021-22

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Summary of Profit or Loss							
Sales volume	Metric Tons	2,320,736	1,912,823	1,907,342	2,147,038	2,488,810	2,360,529
Net sales	Rs thousand	370,074,929	188,645,375	201,078,720	223,054,352	177,216,737	138,660,665
Gross profit	Rs thousand	41,003,092	9,981,941	3,637,890	8,221,167	9,743,294	7,335,321
Operating profit	Rs thousand	32,759,923	7,499,729	1,083,793	5,708,378	8,085,325	6,367,177
Profit before tax	Rs thousand	30,609,769	6,939,058	1,503,086	5,722,857	8,289,312	7,699,168
Profit after tax	Rs thousand	18,536,343	4,919,632	1,008,294	3,960,606	5,656,349	5,299,168
Earnings before interest, tax, depreciation and amortization (EBITDA)	Rs thousand	32,620,852	8,567,400	2,677,291	6,314,452	8,711,258	8,046,868

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Summary of Financial Position							
Share capital	Rs thousand	995,328	995,328	995,328	995,328	829,440	829,440
Reserves	Rs thousand	36,323,827	21,725,606	17,450,693	17,931,407	17,588,222	15,465,051
Shareholders' equity	Rs thousand	37,319,155	22,720,934	18,446,021	18,926,735	18,417,662	16,294,491
Non-current liabilities							
Long term lease liabilities	Rs thousand	6,257,911	6,274,485	3,978,932	-	-	-
Others	Rs thousand	1,088,247	1,107,011	904,651	792,993	911,540	733,581
	Rs thousand	7,346,158	7,381,496	4,883,583	792,993	911,540	733,581
Current assets							
Stock in trade	Rs thousand	51,662,152	16,121,539	9,464,503	12,865,862	12,460,539	7,234,415
Trade debts	Rs thousand	18,218,902	11,025,245	13,970,178	16,838,255	16,475,576	10,801,077
Cash, bank balances & Short term investments	Rs thousand	5,438,672	11,391,415	8,279,393	3,810,956	5,839,645	11,843,739
Others	Rs thousand	3,055,306	5,672,781	3,812,064	3,587,872	3,372,804	2,620,715
	Rs thousand	78,375,032	44,210,980	35,526,138	37,102,945	38,148,564	32,499,946
Current liabilities							
Trade and other payables	Rs thousand	47,614,884	31,179,480	27,561,324	26,633,386	26,138,159	21,061,447
Others	Rs thousand	4,070,848	615,975	347,404	49,598	663,965	277,433
	Rs thousand	51,685,732	31,795,455	27,908,728	26,682,984	26,802,124	21,338,880
Net current assets	Rs thousand	26,689,300	12,415,525	7,617,410	10,419,961	11,346,440	11,161,066
Property, plant and equipment	Rs thousand	16,597,854	16,616,819	13,839,661	8,348,942	6,417,787	4,339,301
Other non-current assets	Rs thousand	1,378,159	1,070,086	1,872,533	950,825	1,564,975	1,527,705
Capital expenditure during the year	Rs thousand	1,249,610	1,597,707	2,135,057	2,523,060	2,503,439	1,676,134
Total assets	Rs thousand	96,351,045	61,897,885	51,238,332	46,402,712	46,131,326	38,366,952
Total liabilities	Rs thousand	59,031,890	39,176,951	32,792,311	27,475,977	27,713,664	22,072,461

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Summary of Cash Flows							
Cash flow from operating activities	Rs thousand	(552,540)	5,631,875	7,414,512	2,998,293	(1,030,368)	4,848,276
Cash flow from investing activities	Rs thousand	965,658	(1,177,105)	(1,681,346)	(1,246,624)	(2,491,841)	1,046,533
Cash flow from financing activities	Rs thousand	(5,223,655)	(1,498,680)	(1,851,147)	(3,492,842)	(3,088,661)	(3,312,880)
Effect of exchange rate changes	Rs thousand	8,426	1,726	(1,684)	6,500	3,822	142
Net change in cash and cash equivalents	Rs thousand	(4,802,111)	2,957,816	3,880,335	(1,734,673)	(6,607,048)	2,582,071
Cash & cash equivalents at end of the year	Rs thousand	5,438,672	10,240,783	7,282,967	3,402,632	5,137,305	11,744,353
Free cash flow	Rs thousand	(2,913,000)	3,076,028	4,740,157	475,233	(3,533,807)	3,172,142

PERFORMANCE INDICATORS (RATIOS)

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Profitability and Operating Ratios							
Gross profit	%	11.08	5.29	1.81	3.69	5.50	5.29
Net profit to sales	%	5.01	2.61	0.50	1.78	3.19	3.82
EBITDA margin to sales	%	8.81	4.54	1.33	2.83	4.92	5.80
Operating leverage	%	354.69	(5,848.86)	748.42	(119.70)	27.57	136.12
Return on equity	%	61.75	23.90	5.40	21.21	32.59	34.62
Return on capital employed	%	61.68	23.80	5.38	21.21	32.59	34.62
Shareholders' Funds	%	38.73	36.71	36.00	40.79	39.92	42.47
Return on Shareholders' Funds	%	61.75	23.90	5.40	21.21	32.59	34.62

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Liquidity Ratios							
Current	Times	1.52	1.39	1.27	1.39	1.42	1.52
Quick / Acid test ratio	Times	0.51	0.88	0.93	0.90	0.96	1.18
Cash to current liabilities	Times	0.11	0.32	0.26	0.13	0.19	0.55
Cash flow from operations to sales	Times	(0.00)	0.03	0.04	0.01	(0.01)	0.03
Cash flow to capital expenditures	Times	(0.44)	3.52	3.47	1.19	(0.41)	2.89
Cash flow coverage ratio	Times	(3.18)	27.12	90.77	-	-	-

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Activity / Turn Over Ratios							
Inventory turnover	Times	9.71	13.97	17.68	16.97	17.01	21.76
No. of days in inventory		38	26	21	22	21	17
Debtors turnover	Times	25.31	15.09	13.05	13.39	12.99	16.46
No. of days in receivables		14	24	28	27	28	22
Creditors turnover	Times	8.35	6.08	7.29	8.14	7.10	7.20
No. of days in payables		44	60	50	45	51	51
Total assets turnover	Times	4.68	3.33	4.12	4.82	4.19	4.03
Fixed assets turnover	Times	22.28	12.39	18.12	30.21	32.95	37.73
Operating cycle	Days	8	(10)	(1)	4	(2)	(12)
Number of retail outlets		731	738	702	662	629	604

		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Investment / Market Ratios							
Basic and diluted EPS	Rs	186.23	49.43	10.13	39.79	68.19	63.89
Basic and diluted EPS (restated)	Rs	186.23	49.43	10.13	39.79	56.83	53.24
Price earning	Times	1.73	6.50	30.13	7.25	8.65	9.81
Price to book	Times	0.86	1.41	1.65	1.52	2.66	3.19
Dividend yield	%	14.25	8.05	2.96	4.38	6.68	6.94
Dividend payout	%	24.16	54.63	88.84	50.26	58.66	66.52
Dividend cover	Times	4.14	1.83	1.13	1.99	1.70	1.50
Cash dividends	Rs thousand	4,478,976	2,687,386	895,795	1,990,656	3,317,760	3,525,120
Cash dividend per share	Rs	45.00	27.00	9.00	20.00	40.00	42.50
Bonus shares issued	Rs thousand	248,832	-	-	-	165,888	-
Bonus per share	%	25	-	-	-	20	-
Break-up value per share without surplus on revaluation of Property plant and equipment	Rs	374.94	228.28	185.33	190.16	222.05	196.45
Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments	Rs	374.94	228.28	185.33	190.16	222.05	196.45
Break-up value per share including investment in related parties at fair/ market value and with surplus on revaluation of Property plant and equipment	Rs	384.11	236.74	193.44	199.24	235.77	210.90
Market value per share							
Year end	Rs	321	321	305	289	590	626
Highest (during the year)	Rs	362	390	398	633	706	765
Lowest (during the year)	Rs	285	297	207	255	486	430
Capital Structure Ratios							
Debt to equity	%	0:100	0.27 : 99.73	0.65 : 99.35	0:100	0:100	0:100
Financial leverage	Times	-	0.00	0.01	-	-	-
Weighted average cost of debt	%	-	0.64	0.93	-	-	-
Net assets per share	Rs	374.94	228.28	185.33	190.16	222.05	196.45
Interest cover	Times	881	5,183	1,989	-	-	-
Employee Productivity Ratios							
Revenue per Employee	Rs thousand	815,143	404,818	430,575	494,577	438,655	385,169
Staff Turnover Ratio	%	10.57	6.22	7.28	6.43	8.91	9.72
Others							
Spares Inventory as %age Assets Cost	%	0.16	0.21	0.32	0.20	0.16	0.13
Maintenance Cost as % of operating expenses	%	3.09	6.22	5.57	4.91	6.60	6.08
Market Share (Source: OCAC)	%	10.00	9.40	10.90	10.80	9.70	9.00

VERTICAL ANALYSIS

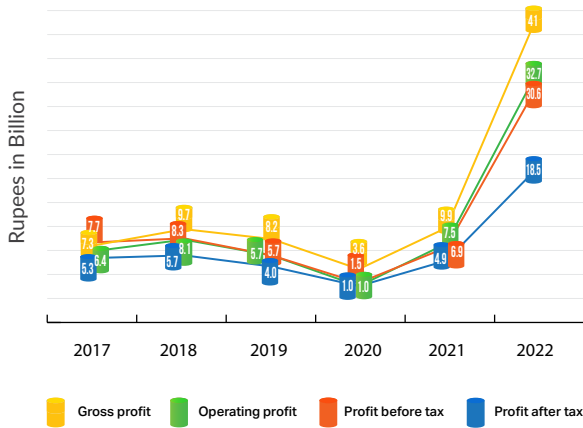
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	Rs ('000)	%	Rs ('000)	%	Rs ('000)	%
Statement of Financial Position						
Property, Plant and Equipment	16,597,854	17.2	16,616,819	26.8	8,348,942	18.0
Other Non-Current Assets	1,378,159	1.4	1,070,086	1.7	1,564,975	3.4
Current Assets	78,375,032	81.3	44,210,980	71.4	37,102,945	80.0
Total Assets	96,351,045	100.0	61,897,885	100.0	46,131,326	100.0
Shareholders' Equity	37,319,155	38.7	22,720,934	36.7	18,926,735	40.8
Non- Current Liabilities	7,346,158	7.6	7,381,496	11.9	792,993	1.7
Current Liabilities	51,685,732	53.6	31,795,455	51.4	26,682,984	57.5
Total Shareholders' Equity & Liabilities	96,351,045	100.0	61,897,885	100.0	46,131,326	100.0
Statement of Profit or Loss						
Net Sales	370,074,929	100.0	188,645,375	100.0	223,054,352	100.0
Cost of Products Sold	329,071,837	88.9	178,663,434	94.7	214,833,185	96.3
Gross Profit	41,003,092	11.1	9,981,941	5.3	8,221,167	3.7
Operating Profit	32,759,923	8.9	7,499,729	4.0	5,708,378	2.6
Profit before Taxation	30,609,769	8.3	6,939,058	3.7	5,722,857	2.6
Profit for the Year	18,536,343	5.0	4,919,632	2.6	3,960,606	1.8

HORIZONTAL ANALYSIS

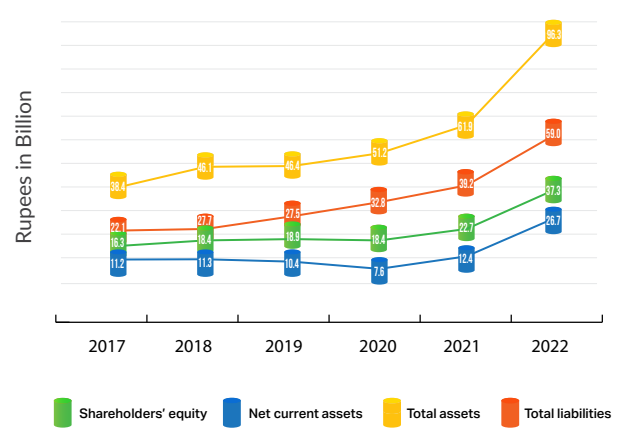
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
Statement of Financial Position						
Property, Plant and Equipment	16,597,854	16,616,819	13,839,661	8,348,942	6,417,787	4,339,301
	(0.1)	20.1	65.8	30.1	47.9	44.1
Other Non-Current Assets	1,378,159	1,070,086	1,872,533	950,825	1,564,975	1,527,705
	28.8	(42.9)	96.9	(39.2)	2.4	1.1
Current Assets	78,375,032	44,210,980	35,526,138	37,102,945	38,148,564	32,499,946
	77.3	24.4	(4.2)	(2.7)	17.4	25.0
Total Assets	96,351,045	61,897,885	51,238,332	46,402,712	46,131,326	38,366,952
	55.7	20.8	10.4	0.6	20.2	25.7
Shareholders' Equity	37,319,155	22,720,934	18,446,021	18,926,735	18,417,662	16,294,491
	64.3	23.2	(2.5)	2.8	13.0	13.8
Non- Current Liabilities	7,346,158	7,381,496	4,883,583	792,993	911,540	733,581
	(0.5)	51.1	515.8	(13.0)	24.3	17.2
Current Liabilities	51,685,732	31,795,455	27,908,728	26,682,984	26,802,124	21,338,880
	62.6	13.9	4.6	(0.4)	25.6	36.9
Total Shareholders' Equity & Liabilities	96,351,045	61,897,885	51,238,332	46,402,712	46,131,326	38,366,952
	55.7	20.8	10.4	0.6	20.2	25.7
Statement of Profit or Loss						
Net Sales	370,074,929	188,645,375	201,078,720	223,054,352	177,216,737	138,660,665
	96.2	(6.2)	(9.9)	25.9	27.8	26.9
Cost of Products Sold	329,071,837	178,663,434	197,440,830	214,833,185	167,473,443	131,325,344
	84.2	(9.5)	(8.1)	28.3	27.5	26.9
Gross Profit	41,003,092	9,981,941	3,637,890	8,221,167	9,743,294	7,335,321
	310.8	174.4	(55.7)	(15.6)	32.8	27.6
Operating Profit	32,759,923	7,499,729	1,083,793	5,708,378	8,085,325	6,367,177
	336.8	592.0	(81.0)	(29.4)	27.0	27.7
Profit Before Taxation	30,609,769	6,939,058	1,503,086	5,722,857	8,289,312	7,699,168
	341.1	361.7	(73.7)	(31.0)	7.7	36.7
Profit for the Year	18,536,343	4,919,632	1,008,294	3,960,606	5,656,349	5,299,168
	276.8	387.9	(74.5)	(30.0)	6.7	38.4

GRAPHICAL PRESENTATION

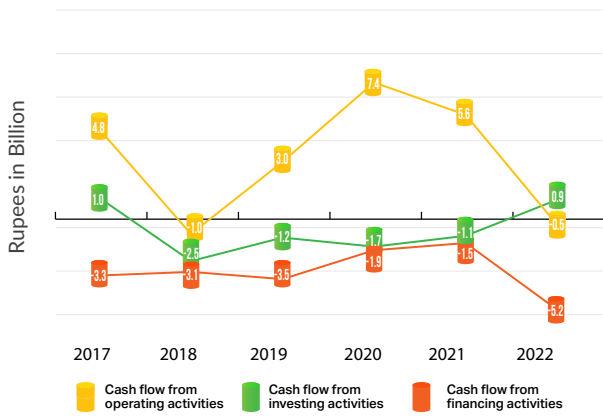
Profit or Loss



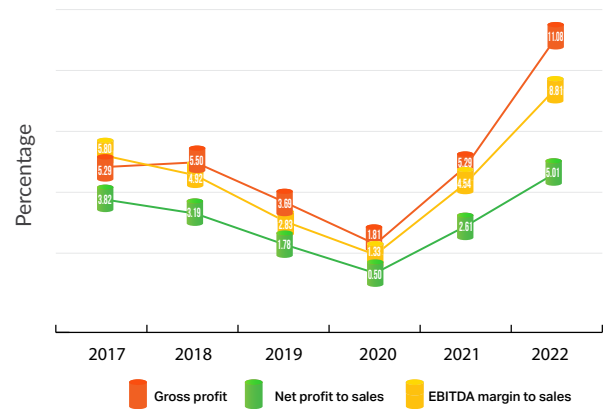
Financial Position



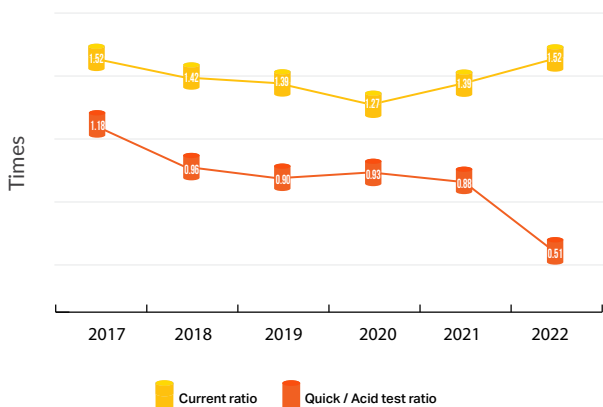
Cash Flows



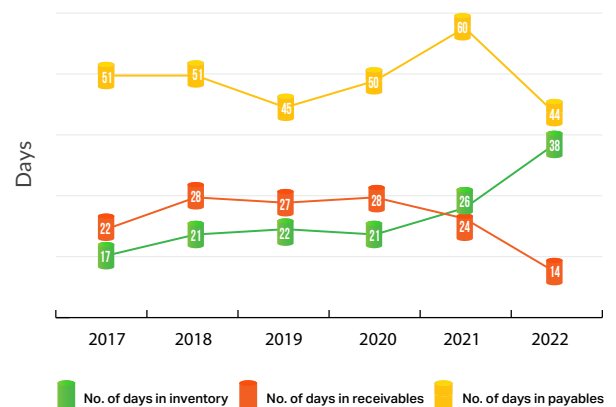
Profitability Ratios



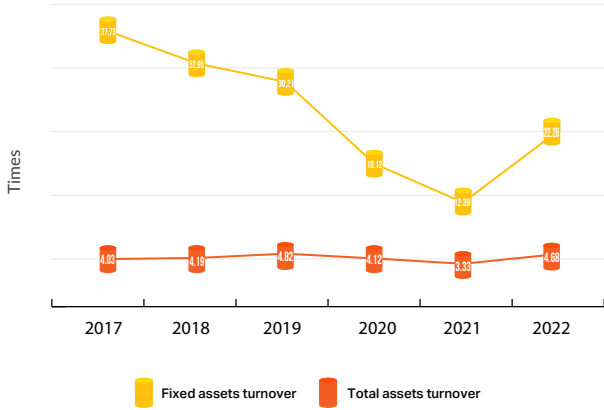
Liquidity Ratios



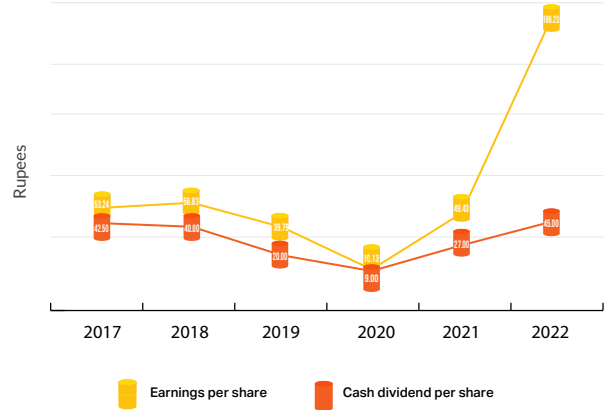
Activity Ratios



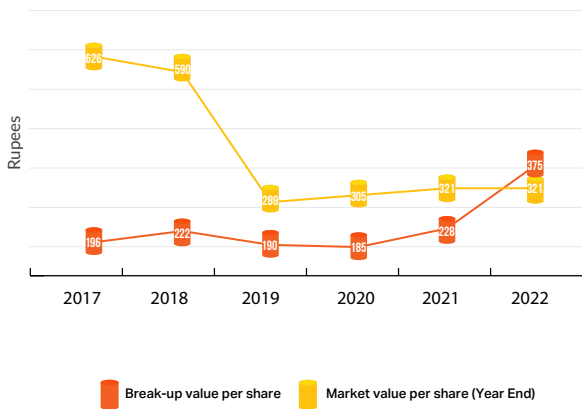
Turnover Ratios



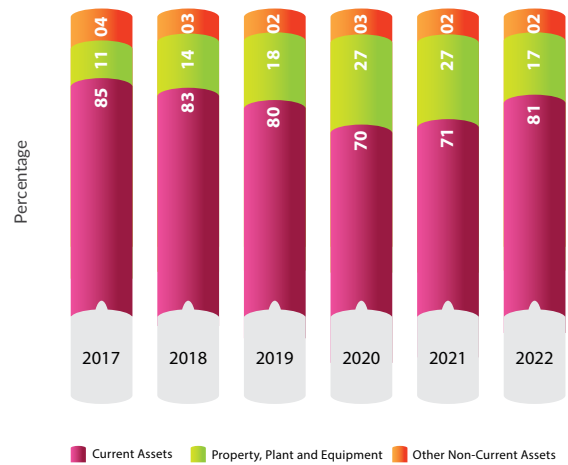
Investment Ratios



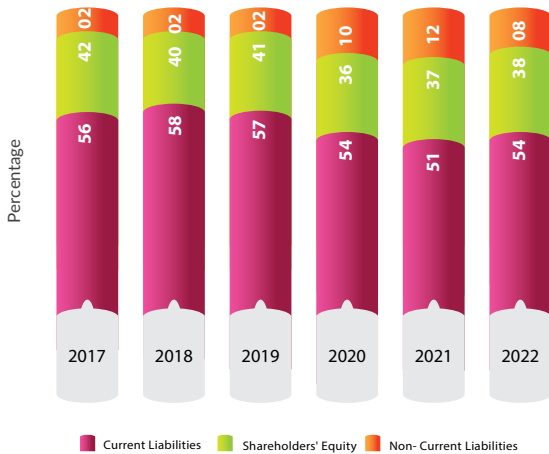
Market Ratios



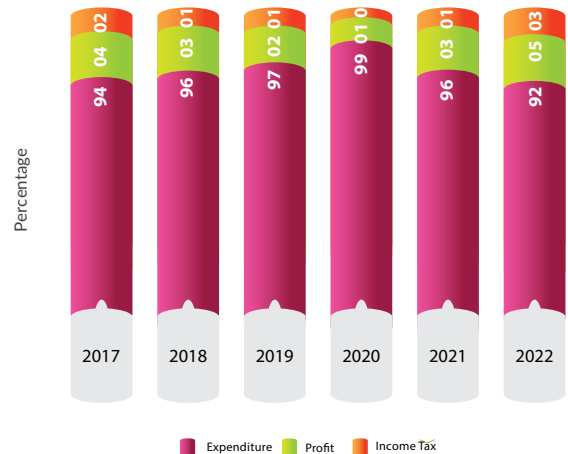
Composition of Assets



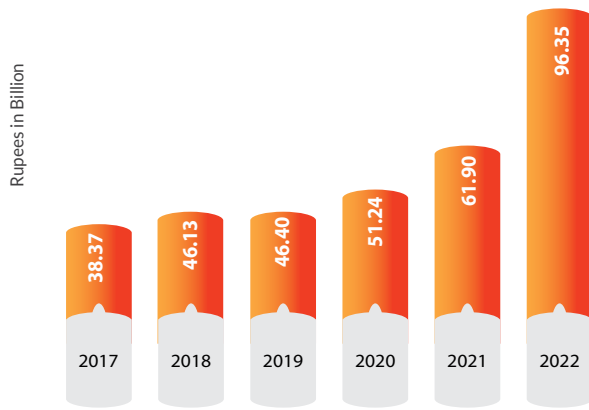
Composition of Total Liabilities & Shareholders' Equity



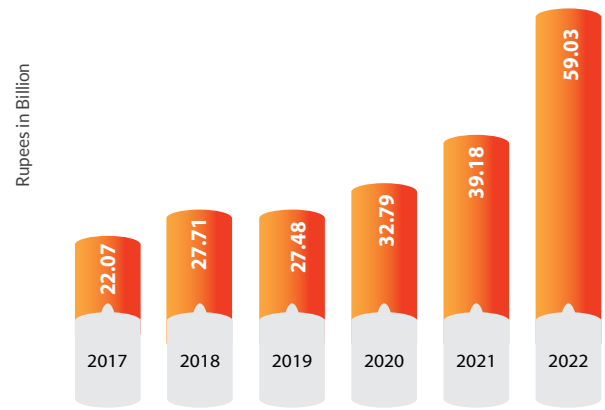
Composition of Profit and loss



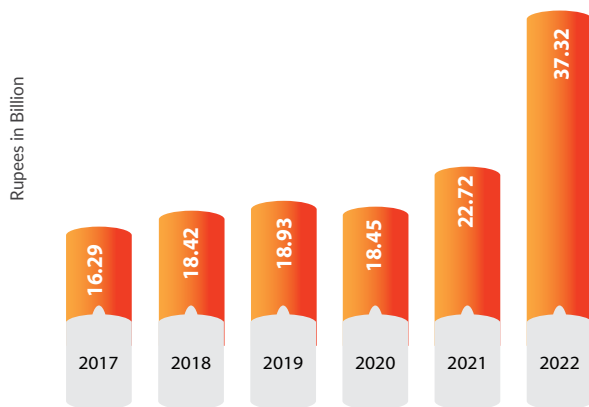
Total Assets



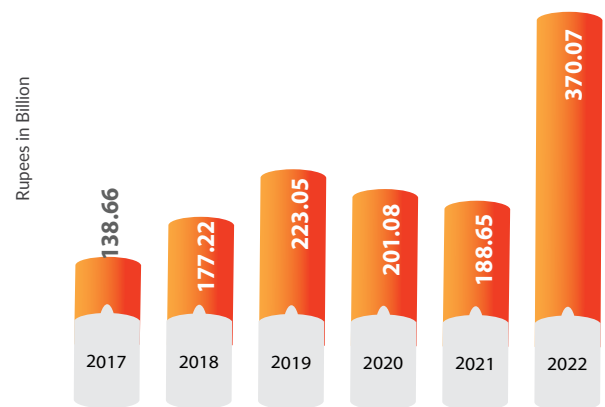
Total Liabilities



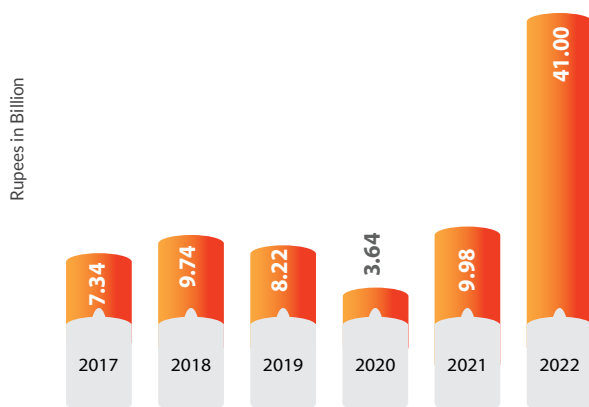
Total Shareholders' Equity



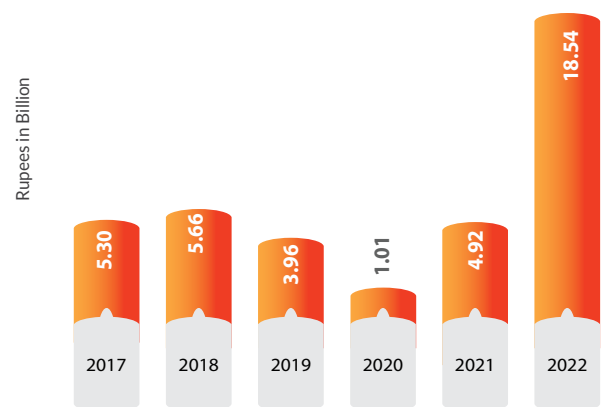
Net Sales



Gross Profit



Net Profit



COMMENTS ON FINANCIAL ANALYSIS

Cash flow

Cash flow from operating activities: In the year 2021-22, cash flows decreased by 110% as compared to last year mainly due to significant increase in stock in trade on account of increase in international oil prices and devaluation of PKR against USD during second half of the year resulted in expensive purchases to the Company. Over the last six years, cash flows remained positive, except for the years 2017-18 and 2021-22, where in they were negative due to increase in stock level.

Cash flow from investing activities: In year 2021-22, Company invested substantial amount in property, plant and equipment, however, income earned on investments and encashment of short term investments resulting in net positive inflow. In year 2016-17, cash flow from investing activities was also positive due to encashment of short term investments.

Cash flow from financing activities: Financing activities mainly comprises of payment of dividend and lease liabilities, which was at highest level in year 2021-22 as compared to previous five years due to increase in payment of dividends and lease liabilities.

Ratio Analysis

Profitability and operating ratios: Profitability ratios improved significantly in year 2021-22 as Company earned highest ever profit after tax. Gross profit ratio increased by 109% due to better margins of petroleum products and significant inventory gains. Net profit to sales and EBITDA margin to sales also increased due to increase in gross profit. Further, these ratios fluctuate over the years due to varying margins and product sale prices.

Return on shareholders' equity and capital employed was highest in the year 2021-22 as compared to last five years due to highest profit earned during the year.

Liquidity ratios: Current ratio has improved due to greater percentage increase in current assets as compared to current liabilities on account of significant increase in stock in trade, whereas, Quick ratio decreased.

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 increase in stock level. Debtors turnover ratio and No. of days in receivable changed due to fluctuation in trade debts and net sales. Creditors' turnover increased by 37% due to more percentage of increase in cost of product sold than trade payables. Total assets turnover and fixed assets turnover has increased by 40% and 80% respectively as compared to last year due to significant increase in net sales.

Investment / Market ratios: Earnings per share improved significantly due to higher profits as compared to last year, whereas Price earnings ratio decreased from 6.50 times in 2020-21 to 1.73 times in 2021-22 due to varying degrees of changes in market value and earnings per share. Market value per share stood at Rs 321 as at June 30, 2022. In the year 2021-22, total cash dividend is Rs 45 per share translating into dividend payout ratio at 24%. In addition, 25% bonus shares are issued.

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

Financial Position: Weightage of property, plant and equipment has decreased in the year 2021-22 vs 2020-21 due to substantial increase in stock in trade and trade debts resulted in increase in weightage of current assets. In the financial year 2019-20, property, plant and equipment, weightage was highest due to substantial investment in storage terminals and recognition of right-of-use assets as required by newly implemented International Financial Reporting Standard (IFRS) -16 "Leases". On the other hand, weightage of Shareholders Equity and Current Liabilities increased as compared to last year due to increase in net profit and current liabilities.

Profit or loss: Increase in sales volume, favorable impact of fluctuation in prices of petroleum products and better product margins were the major factors, which improved weightage of gross profit and net profit in the year 2021-22 as compared to last five years.

Horizontal Analysis

Financial Position: Property, plant and equipment increased by Rs 12,259 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 2016-17 was mainly due to fluctuations in trade debts mainly due to circular debts issue, stock balances as per operational requirements together with fluctuation in oil prices and cash and bank balances.

Shareholders equity and current liabilities significantly increased in the year 2021-22 and 2020-21 over the previous years due to increase in net profits and trade payables.

Profit or loss: Over the years, fluctuation in sale volumes and prices of products, which depends on international oil prices, resulted in varying sales and profits. Increase in sales volume, favorable impact of fluctuation in prices of petroleum products and better product margins resulted in favorable performance in the year 2021-22.

METHODS/ASSUMPTIONS USED TO COMPILE THE INDICATORS

The Company's performance is effectively reflected through Key Operating and Financial data, which are 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.

RATIONALE FOR MAJOR CAPITAL EXPENDITURES

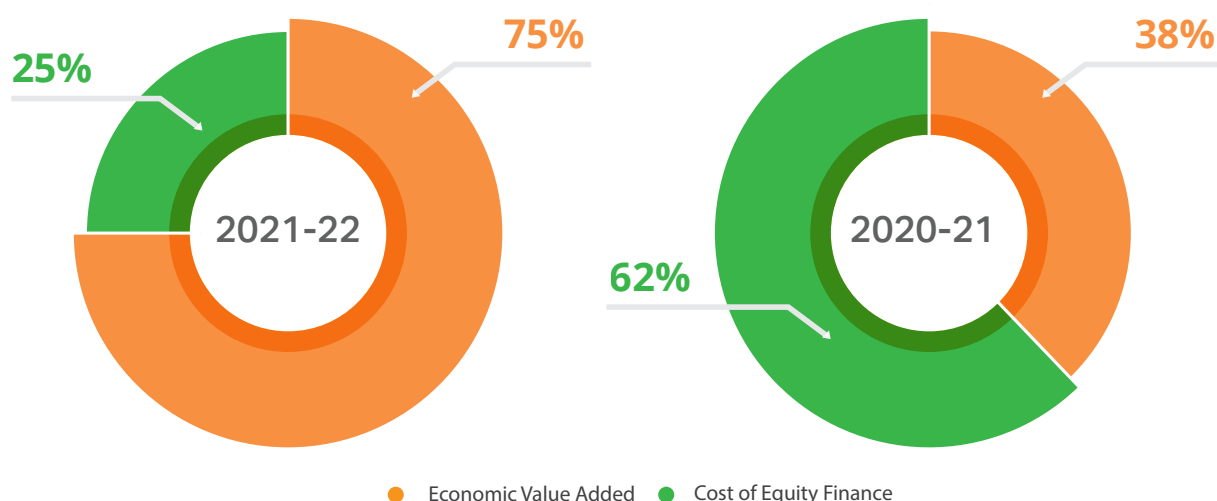
Major capital expenditure has been incurred for establishing and construction of retail outlets, rational for the same has been discussed in detail in Directors' report for the year ended June 30, 2022.

STATEMENT OF ECONOMIC VALUE ADDED

Description	2021-22	2020-21
	Rs ('000)	Rs ('000)
Net Profit After Tax	18,536,343	4,919,632
Cost of Equity Finance	(4,660,075)	(3,039,904)
Economic Value Added	13,876,268	1,879,728
Economic Value Added Per share (Rupees)	139.41	18.89

In year 2021-22, Economic Value Added (EVA) of Rs 13,876 million (Rs 139.41 per share) represents the returns above the cost of capital, resulting from increase in Net profit by 277% as compared to 2020-21.

Composition of Net Profit



STATEMENT OF FREE CASH FLOW

Description	2021-22	2020-21
	Rs ('000)	Rs ('000)
Cash Flow From Operating Activities	(552,540)	5,631,875
Less : Capital Expenditures and Lease Liabilities Paid	(2,360,460)	(2,555,847)
Free Cash Flow	(2,913,000)	3,076,028

Operating cash flow is greatly affected by the significant increase in stock in trade mainly due to exorbitant international oil prices coupled by devaluation of PKR against USD during second half of the year resulted in expensive purchases to the Company.

ANALYSIS OF PERFORMANCE AGAINST TARGET/BUDGET

- Gross profit increased by 404% as compared to target due to favorable impact of fluctuations in international oil prices and higher sales volume achieved during the year.
- Other Income (including share of profit from associates and net finance income) improved against target by 153% mainly due to increase in commission and handling income during the year.
- Operating expenses (including WPPF & WWF charges) increased by 166% against target mainly due to exchange loss on account of depreciation of Pak rupee against US dollar during the year.
- Provision for income tax increased by 903% due to increase in taxable profits by 714%. In addition, average effective tax rate increased by 23% due to imposition of super tax @ 10% in the current year.
- Net profit after tax increased by 625% mainly due to the reasons mentioned above.

STATEMENT OF CHARITY ACCOUNT

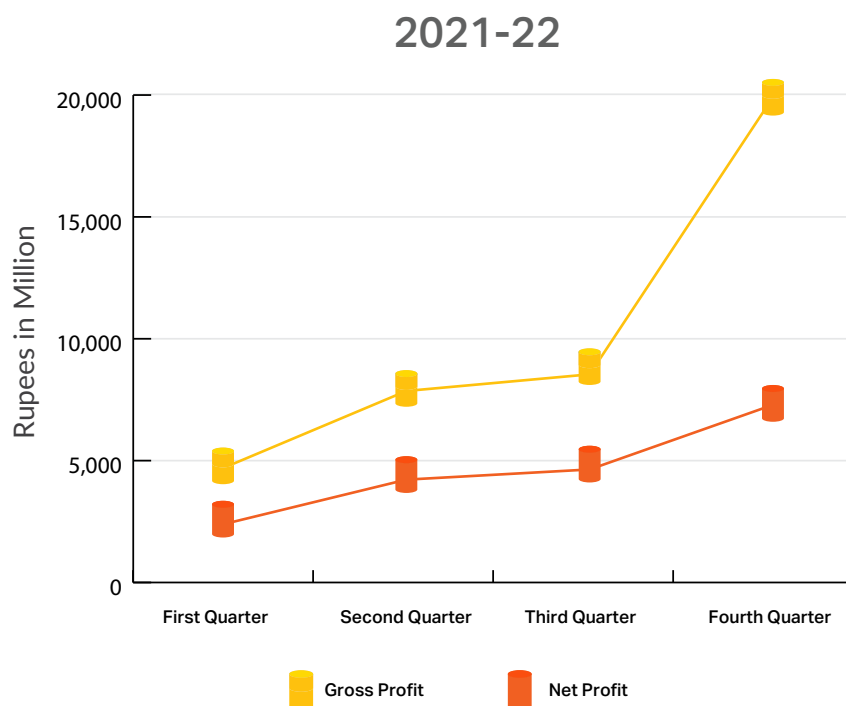
Particulars	2021-22
	Rs ('000)
Education and Scholarship	8,006
Health care and Environment	1,844
Sports Development	628
Community Welfare	5,974
Total *	16,453

* 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)
Statement of Profit or Loss					
Net Sales	370,074,929	129,038,670	86,759,716	81,439,025	72,837,518
Gross Profit	41,003,092	19,909,641	8,540,714	7,858,795	4,693,942
Profit Before Taxation	30,609,769	14,705,324	6,529,702	5,993,926	3,380,817
Provision for Taxation	(12,073,426)	(7,415,939)	(1,891,832)	(1,773,142)	(992,513)
Net Profit	18,536,343	7,289,385	4,637,870	4,220,784	2,388,304
Earnings Per share (Rupees)	186.23	73.22	46.60	42.41	24.00



Net sales were highest in fourth quarter resulting from increased demand together with higher prices of petroleum products, whereas net sales were lowest in first quarter due to lower prices.

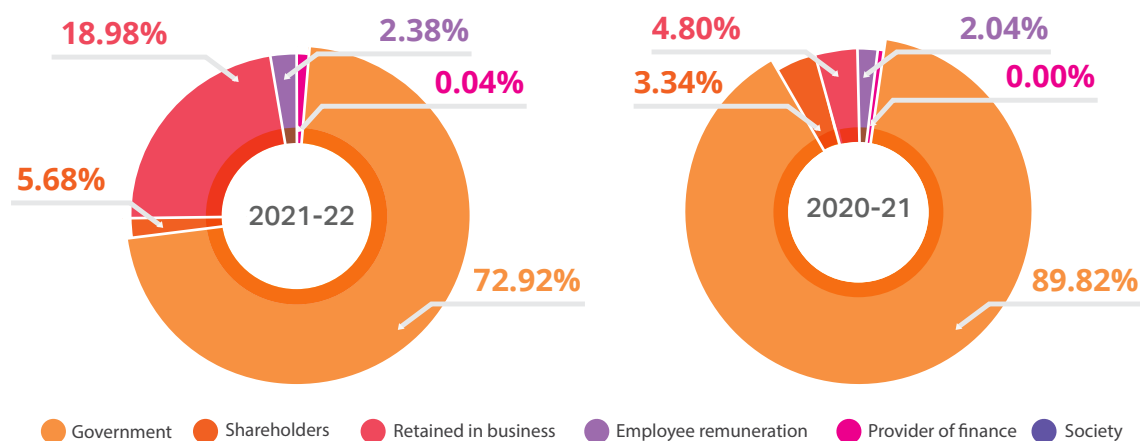
Gross profit and net profit were lowest in first quarter, but grew in second and third quarter and reached at highest level in fourth quarter due to favorable price regime and highest sales volume. Provision for taxation is higher in fourth quarter due to imposition of Super Tax @ 10% by the Government through Federal Budget 2022-23.

STATEMENT OF VALUE ADDED

	2021-22		2020-21	
	Rs in thousand	%	Rs in thousand	%
Gross revenue and other income	402,511,718		224,811,561	
Cost of sales and operating expenses	(319,317,071)		(144,336,461)	
Total value added	83,194,647		80,475,100	

DISTRIBUTION

Employee remuneration:	1,978,037	2.38	1,643,692	2.04
Government as:				
Company taxation	12,073,426	14.51	2,019,426	2.51
Sales tax, duties and levies	46,346,105	55.71	69,755,183	86.68
WPPF and WWF	2,249,653	2.70	508,825	0.63
Shareholders as:				
Dividends	4,478,976	5.38	2,687,386	3.34
Bonus shares	248,832	0.30	-	-
Society as:				
Donation	-	-	-	-
Providers of finance as:				
Financial Charges	34,797	0.04	1,339	0.00
Retained in business:				
Depreciation	1,976,286	2.38	1,627,003	2.02
Net earnings	13,808,535	16.60	2,232,246	2.78
	83,194,647	100.00	80,475,100	100.00



FINANCIAL STATEMENTS



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