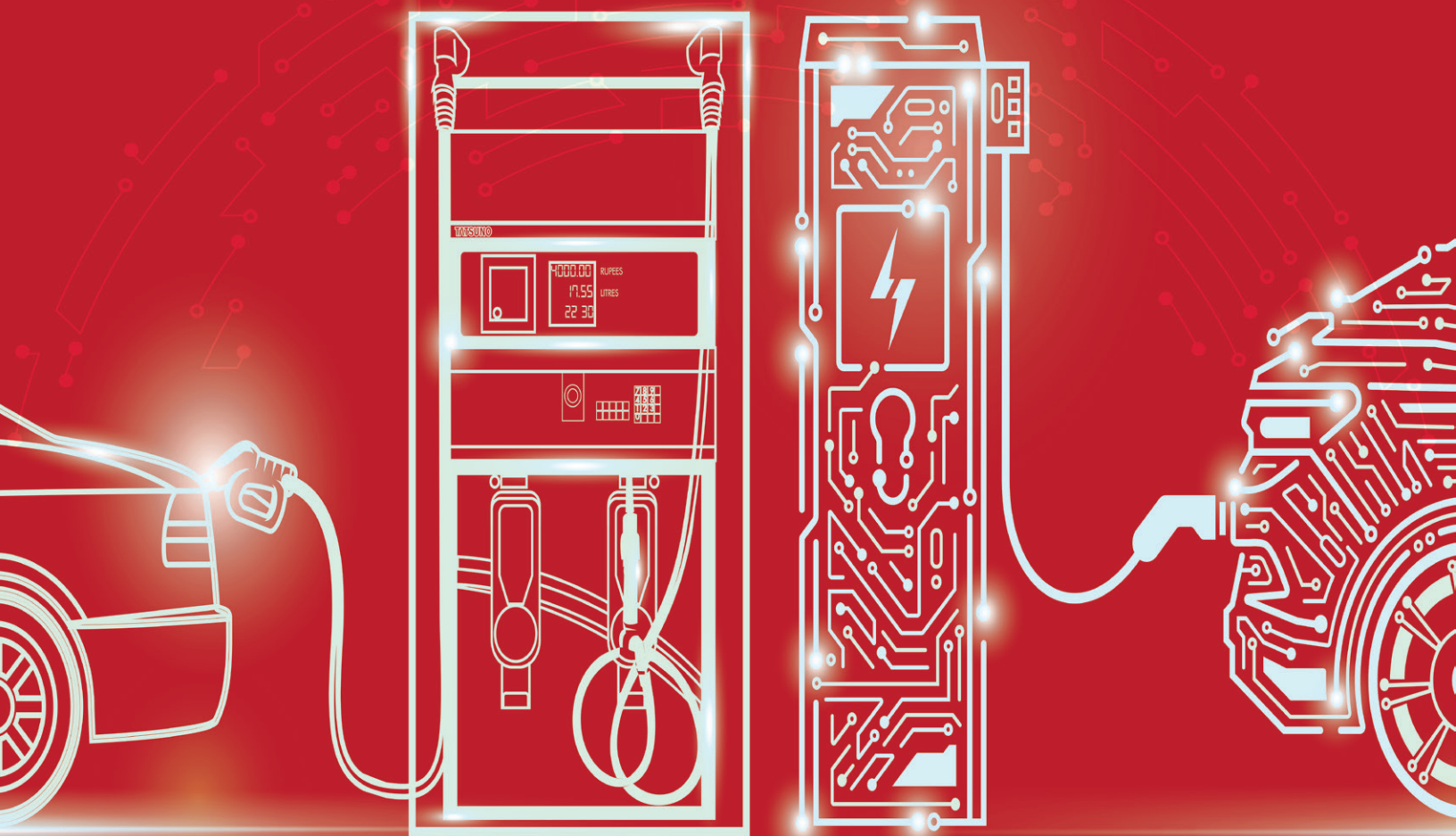




ANNUAL REPORT 2023



FUELING A NEW TOMORROW

COVER STORY



Fueling a New Tomorrow

A minimal, vector based theme that portrays the organization's expansion with a more technological perspective. The theme promises a new vision for the future and explicitly depicts the EV (Electric Vehicle) charging, symbolic of the retail expansion, specifically focusing on the adoption of new technology.



FINANCIAL HIGHLIGHTS

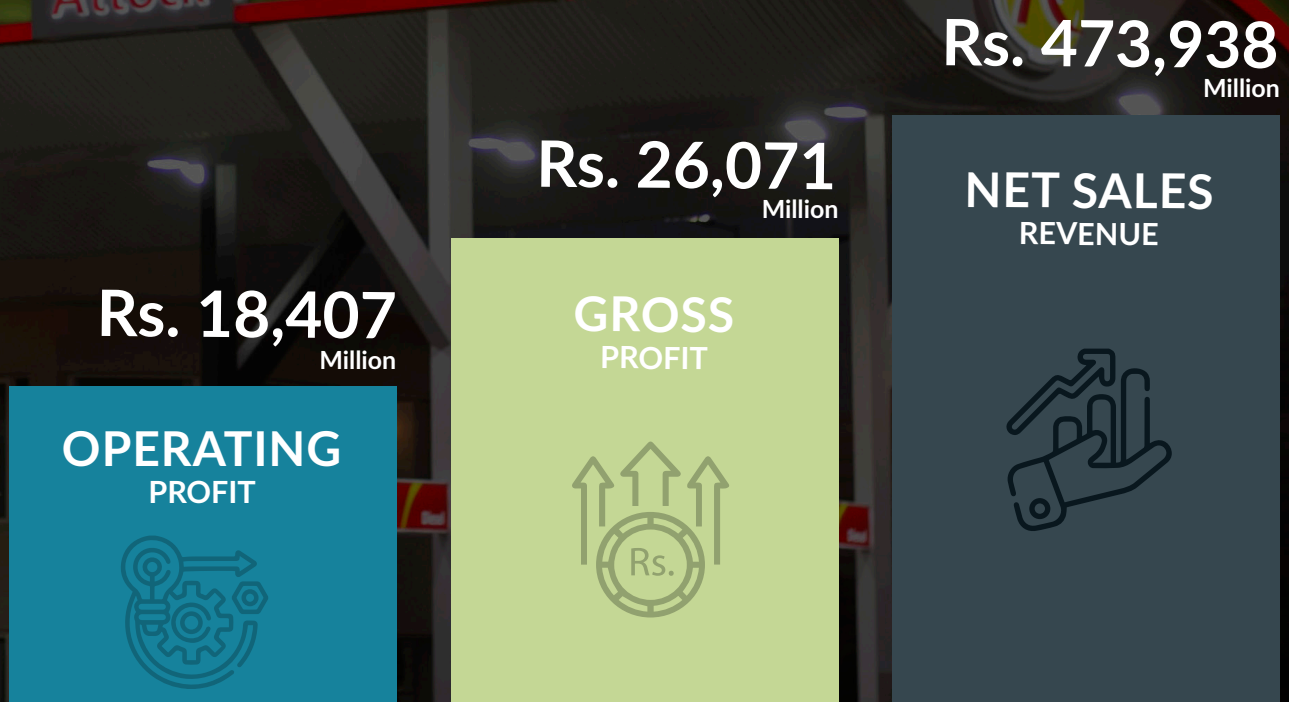
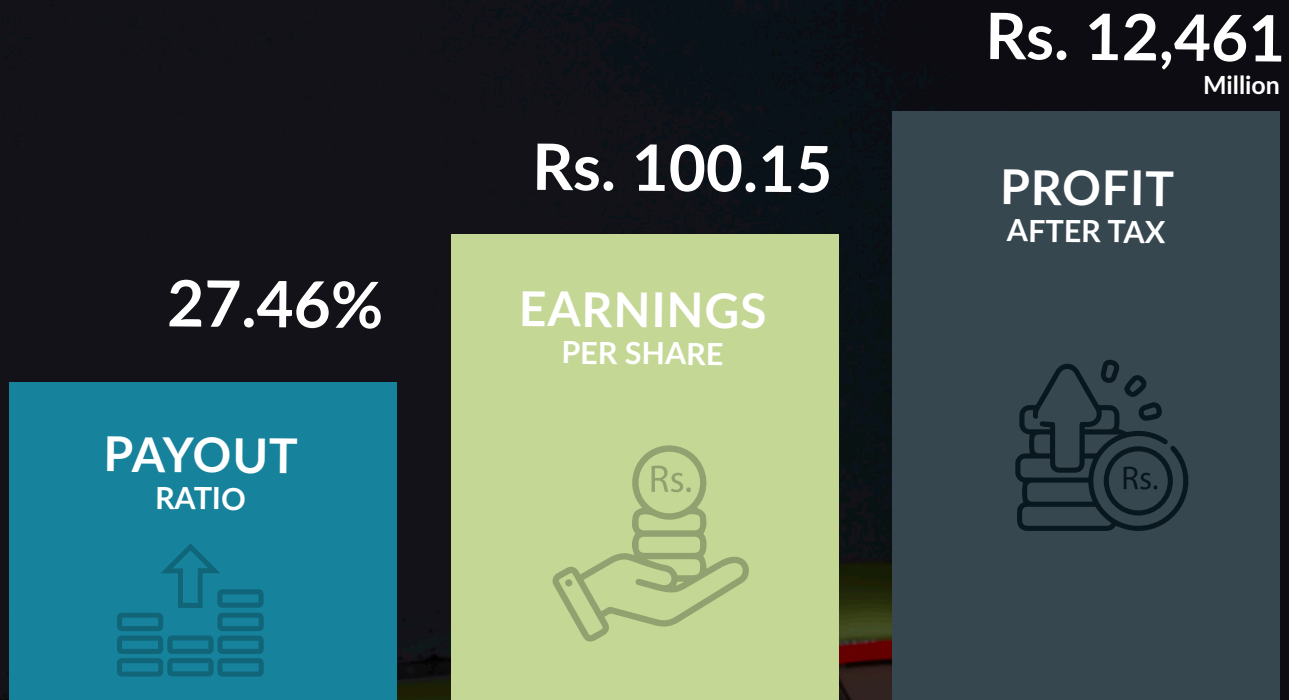
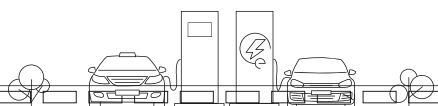


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CORPORATE STRATEGY

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.



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.

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. Individual and corporate integrity are given paramount importance.



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's 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's 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.

1. 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.

2. 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 / she holds, is responsible for ensuring compliance with applicable laws.

3. 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.

4. 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.





Eagle 2 Filling Station (DHA) Lahore

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.

5. 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.

6. 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 confidentially 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.

7. 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.

8. Corporate Opportunities

Directors and Employees are expected not to:

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



- b) use Company's property, information, or position for personal gains.

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

9. Competition and Fair Dealing

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors, and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice.

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

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

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. Protection and 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.

16. 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.

17. Communication

All communications, whether internal or external, should be accurate, forthright



BAY-2
HSD/PMG

BAY-3
SKONAP

BAY-4
SKONAP

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 security purposes.

18. 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 programmes are arranged regularly.

19. 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.

20. 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.

21. 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.



Hunza Filling Station, Hunza

BRIEF COMPANY PROFILE



Independence Day Celebration at Attock House, Morgah Rawalpindi

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 health, safety and environment standards.

APL is the 3rd largest Oil Marketing Company in Pakistan and its market share for the financial year 2022-23 is 10.1%. Our growing market share and customer confidence is a testimony to our successful policies, proactive endeavours and visionary approach.

As at June 30, 2023 the Company operates the Retail Network of 754 pumps countrywide including 37 Company operated sites, 01 with electric vehicle charging facility, 08 depots/terminals having total capacity of 192,397 M. Tons.

PRINCIPLE BUSINESS ACTIVITIES AND MARKETS

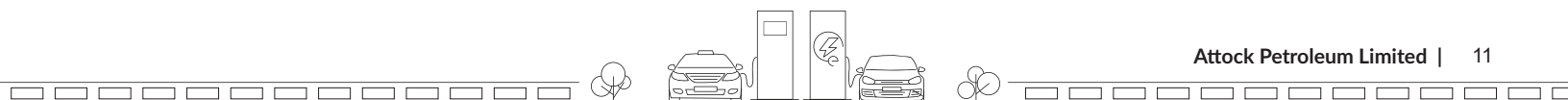
Being part of a fully integrated oil group based in Pakistan, the Company deals in marketing and distribution of a wide range of petroleum products and serves local and international clients.

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. The Company is expanding its foot prints in Electric Vehicle business through its Electric Vehicle charging facility. APL is expanding into the highly lucrative business of selling Liquefied Petroleum Gas. APL's unique proposition of its own cafe name "AT CAFE" explore the culinary delights, range of various coffee combo, divine desserts, delicious food and finest drinks all in one place.

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.

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.



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.

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.

Naphtha

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

Cutback Asphalts

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

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.

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.

Bitumen

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

Jute Batching Oil

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

Lube Base Oil

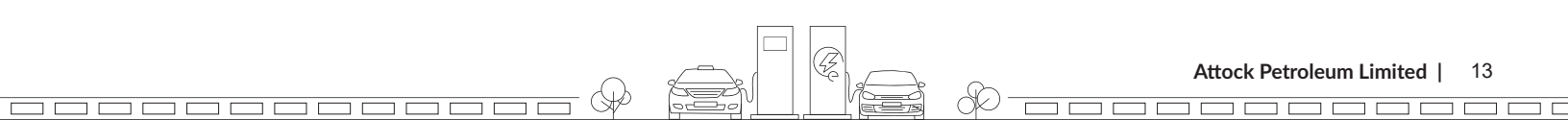
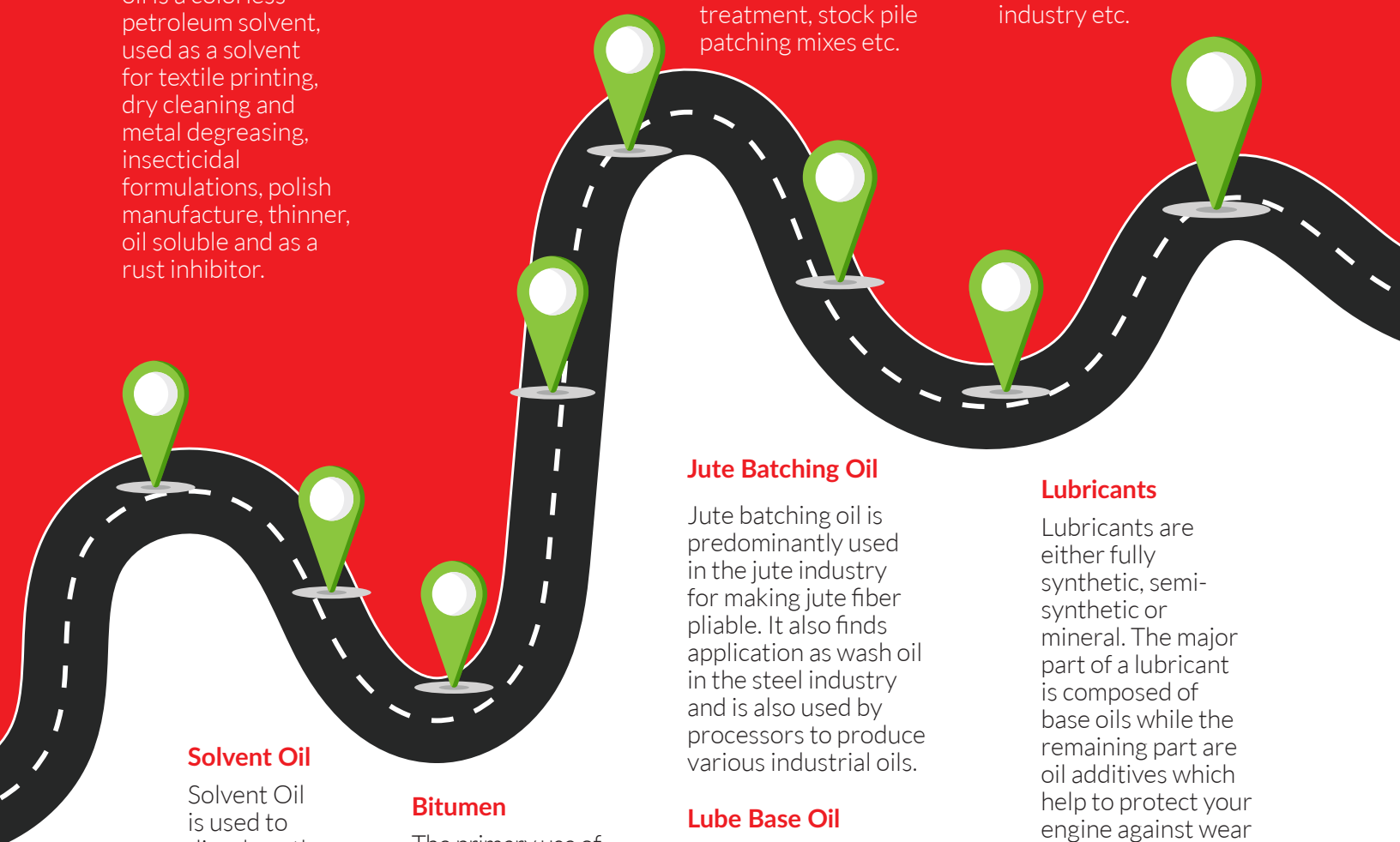
Lube base oils are used to manufacture products including lubricating greases, automotive & industrial lubricants and metal processing fluids. It is mostly used in motorized vehicles, where it is known specifically as motor oil and transmission fluids.

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.

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



BULK OIL TERMINALS



REGIONAL MARKETING & SALES OFFICES



INVOICING POINTS



VIRTUAL DEPOTS



MEHMOOD KOT-FAISALABAD-MACHIKE PIPELINE (MFM)



WHITE OIL PIPELINE (WOP)

HEAD OFFICE / MARKETING & SALES OFFICE

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

REGIONAL OFFICES

Karachi

House # C-149, Block 2, Scheme 5,
Near Bilal Masjid, 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, Distt.
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

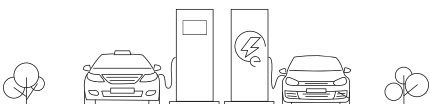
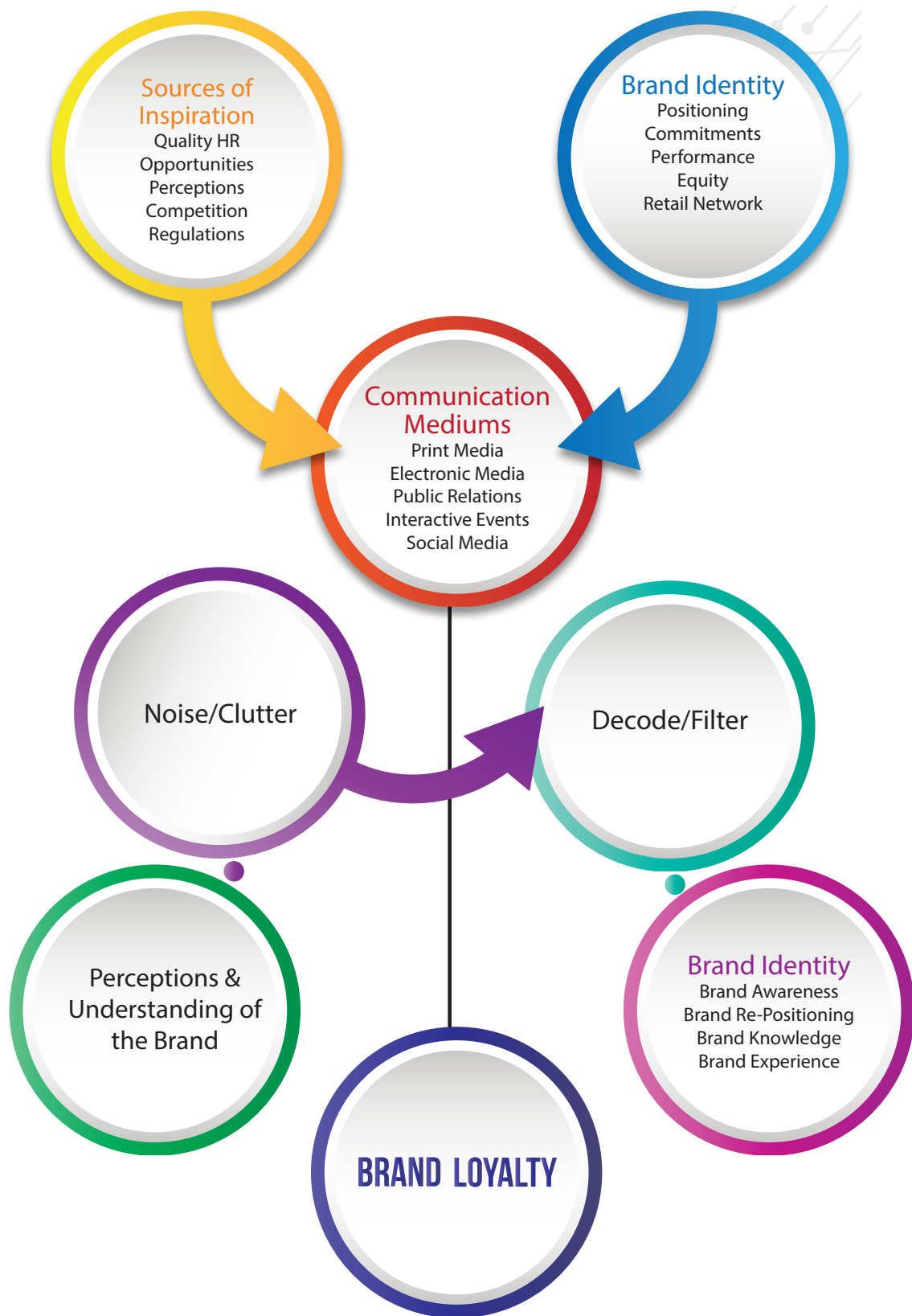
Plot # 256, Near Wapda Colony
Main G.T. Road, Tarujabba,
Distt. Nowshera, Peshawar.

Mehmood Kot

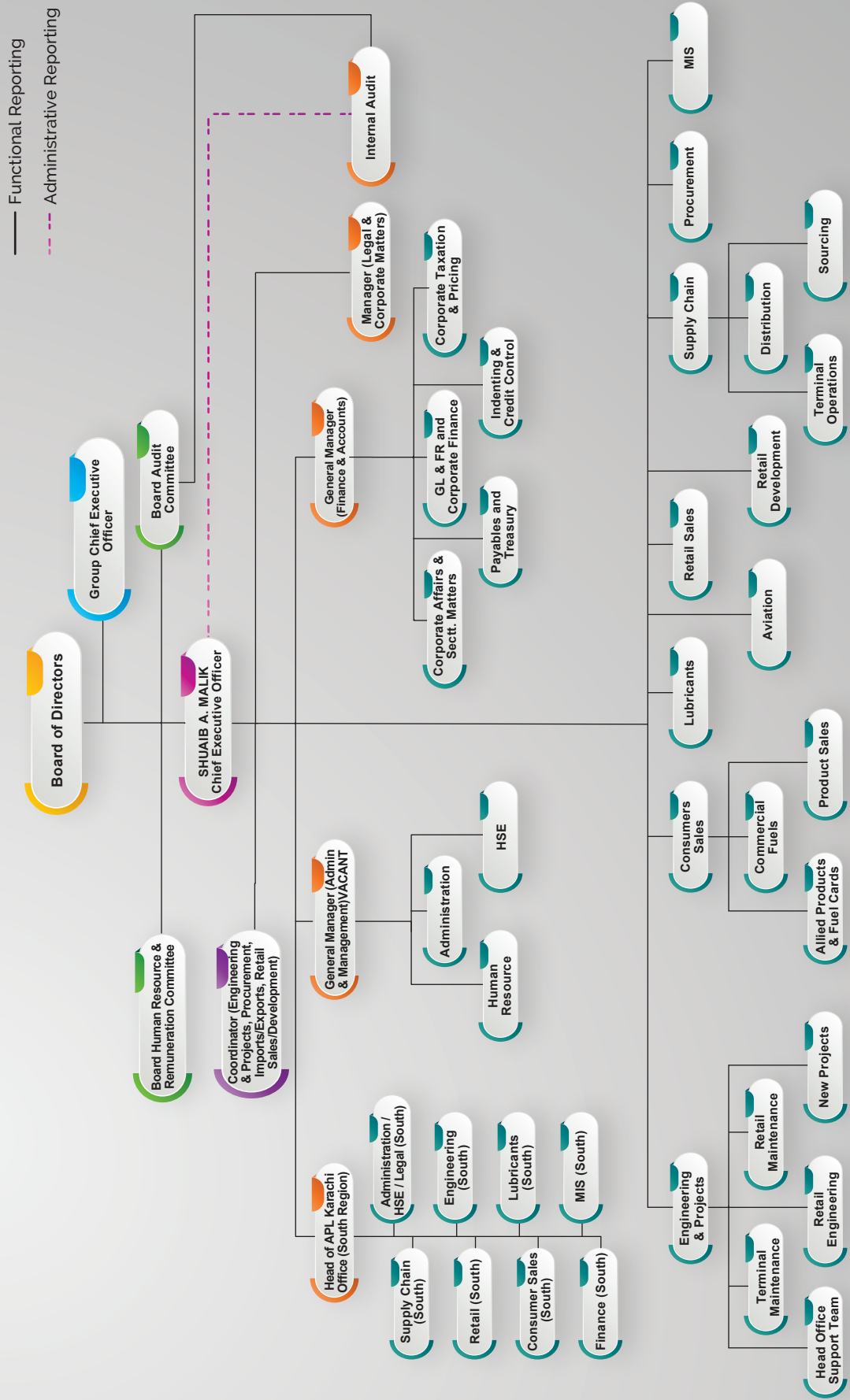
New Marketing & Commercial
Building, PARCO Gate R-2
Mehmood Kot, Qasba Gujrat
Distt. Muzaffargarh.



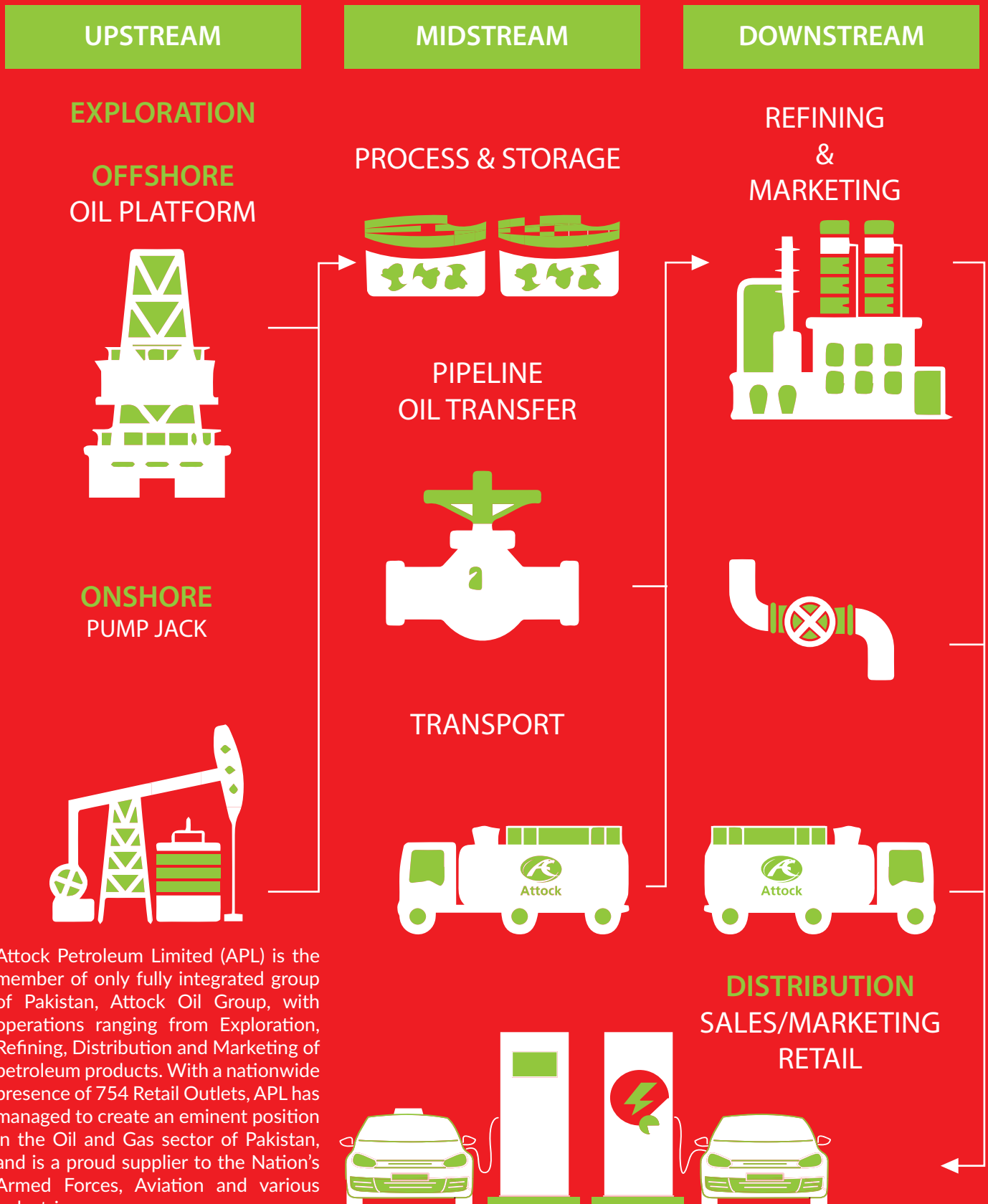
OUR BRAND STRATEGY



ORGANIZATIONAL CHART



VALUE CHAIN



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 754 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.

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.

Diversified

Our team comprise of competent staff from diverse backgrounds, ages, genders, ethnicities and educational levels resulting in variety of different perspectives, ideas and increased creativity.

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 persistently strive for continues improvement to attain our goals. Having the knowledge, the positive approach, the utmost support & motivation from the Management; we create synergies which ultimately culminate in extraordinary 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 Processes & Procedures Digital Marketing Penetration to EV Market 	<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 Introduction of Alternative Fuel / Technologies

LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES

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

Oil and Gas Regulatory Authority

APL, being an oil marketing company, operates under the regulatory framework of Oil and Gas Regulatory Authority ("OGRA"). In this regard, OGRA is empowered to regulate the business of APL through Oil and Gas Regulatory Authority Ordinance, 2002 and The Pakistan Oil (Refining, Blending, Transportation, Storage & Marketing) 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. APL ensures compliance with all applicable rules and directives of the Ministry of Energy (Petroleum Division).

Department of Explosives

Currently, the Department of Explosives (the "DoE") is under 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 marketing and storage licenses. The core function of the Department with regard to petroleum products is to ensure the public safety and security of human life and their

properties within the licensed premises. APL always uses its best endeavors to comply with all applicable directives of the Department of Explosives.

Securities & Exchange Commission of Pakistan & Pakistan Stock Exchange

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

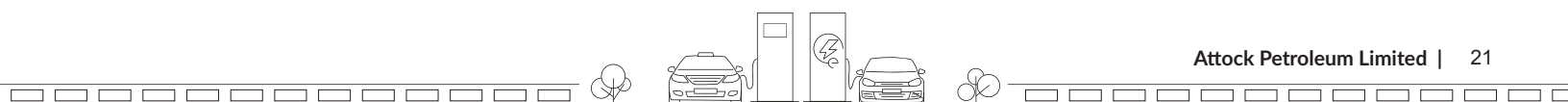
The Shares of APL are listed on Pakistan Stock Exchange (the "PSX") making APL subject to the relevant provisions of the PSX Rule Book.

Federal Board of Revenue, Provincial Tax Authorities & Pakistan Customs

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

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 under respective labor laws by competitive 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. High Speed Diesel 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 significant impact on oil industry. Any variation in global prices/supplies from OPEC significantly impact the industry. The Company's strategic moves are directly linked with and exposed to the political challenges.

Oil industry is recovering from Russian invasion of Ukraine which has caused fuel prices to rise worldwide and disruption of global supply. The continued political instability in the country, frequent change in government policies, unfriendly business environment, mounting Government's debt and increased taxation has impacted the business environment adversely.

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

Pakistan is facing ongoing economic crisis due to continued political unrest. It has caused severe economic challenges due to which consumer prices of all commodities has skyrocketed. Foreign exchange reserves are dwindling in the country which has negatively affected all the import based industries furthermore steep devaluation of Rupees against US Dollar and less economic activities have hampered the economic crises which has directly impacted the Company's procurement pattern and has increased operational costs significantly. The Company is coping up with these challenges through effective product procurement, cost controls and lining up its strategies accordingly.

Oil marketing companies individually, as well as collectively through Oil Companies Advisory Council, have raised their concerns and approached all the relevant forums including the Ministry of Energy, Oil & Gas Regulatory Authority, Ministry of Finance and the State Bank of Pakistan to resolve the ongoing crisis faced by oil industry.

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 reach and customer awareness. APL is keeping pace with the changing societal needs. Advanced marketing tools are being used including social media platforms, Fuel Card supplies are promoted and user-friendly applications are being developed. To promote gender diversity, 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. Multiple Jobs are created at the Company's developed Bulk Oil Terminals / COCO sites 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, fuel efficient vehicles/EVs popularity in masses and it constantly keep on tapping up the untapped business segments with the growth prospective.

By applying forward-thinking approach towards diversification of revenue streams, the Company is expanding into the highly profitable business of selling Liquefied Petroleum Gas (LPG). The LPG facility is adding a new dimension to APL's already impressive portfolio. APL's unique proposition of its own café named "AT CAFÉ" is another exciting development. APL's commitment to providing unique and diverse experiences for its customers is truly promising and sets it apart from its competitors.

APL also ventured with leading fast food chains to open up its restaurants at prominent locations in a bid to diversify the Company's portfolio.

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.

Increased popularity of EV/fuel efficient vehicles will lead to decrease in petroleum products demand. Government of Pakistan is promoting renewable energy due to which popularity of solar and wind energy may also pose some threat to OMCs as consumers are rapidly shifting from diesel generators to solar energy. Company is keeping up with the technological advancement in energy field and updating its strategies accordingly to aid operational efficiency and reduced cost.

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, global warming, natural disasters & water scarcity. Unprecedented floods in 2022-23 affected various parts of the country and millions of lives which further severely damaged the transport and communications infrastructure in effected part of the country. During these testing times, APL stand firm with its nation and provided seamless supplies of its products to all over Pakistan.

To conserve environment, 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

APL is working towards creating a sustainable future by reducing its carbon footprint and embracing energy conservation projects. APL aims to combat climate change, promote green business initiatives, and reduce carbon footprint in Pakistan by creating a robust EV charging infrastructure.

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
- 3rd 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 operations.

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.

Manufactured Capital

Manufactured capital is crucial for achieving the strategic objectives. APL's country wide retail network, state of the art infrastructures, advance information technology systems and extensive marketing and distribution channels are key contributors in achieving its long term business objectives. The company is making conscious efforts by strategically investing in storage developments, digitalization and enhancement of retail network, thereby achieving a competitive edge over it competitors. Company ensure uninterrupted products supplies through its well established retail network across the country to meet customers demand and ensure sustainable business growth.

Continuity of Sustainable Business Model

Company is determined to deliver value to its customers, protect environment and achieve its sustainable goals and strategic objectives by improving its core business activities without significantly changing its existing sustainable business model.

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, political uncertainty, economic instability, product demand variations due to seasonality and unprecedented volatility in commodity prices impacting the whole supply chain behavior, poses greater challenges for the Company.

The Company stands firmly within this competitive landscape. Keeping a keen eye on the fluidity of all factors and market forces, enables the Company to maneuver optimally to fulfill its vision and to serve its clientele in the best possible manner. Greater market presence of competitors vide their large retail networks is challenge to the market penetration of the Company. APL is specifically addressing it through keen focus on its retail network expansion. Through continuous focus on product and services quality improvement,

efficient and multiple product sourcing, undertaking effective marketing operations, working keenly on nurturing relationships by strengthening existing customers & tapping new business segments, and pursuing new opportunities proactively to explore feasibilities while meeting its customers' current and future requirements, the Company is well positioned for the future.

The strategic alignment to the competition and situational awareness is evident from the Company securing the 3rd highest market share for the year 2022-23 amid competitors.

Technological Changes and Innovation - Initiatives Taken by the Company

APL keeps on revamping its Enterprise Resource Planning (ERP) system and continuous possible automation for more efficiency and accuracy. Furthermore encryption technologies and frontend integrations are also sought for enhanced performance.



Galiyat Filling Station (Changla Gali) Abbottabad

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

Approximately 17 % of Company's total product sourcing during financial year 2022-23 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 2022-23. The sensitivity analysis of the currency risk arising from commercial transactions of the Company is detailed in note 32.3.1 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

APL's 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, 2023 and average number of employees during the year, disclosing separately the information of employees at storage facilities, is disclosed in note 39 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.



Katlang Service Area - North & South Bound, Swat Expressway

CHAIRMAN'S REVIEW



Dear Shareholders,

It is my pleasure to welcome you to the 28th Annual General Meeting of Attock Petroleum Limited and present the Annual Report for the year ended June 30, 2023.

The year under review, has been characterized by formidable challenges, both on a national and industry level. The international landscape has been shadowed by intricate political and economic uncertainties, predominantly stemming from the Russia-Ukraine conflict, casting far-reaching ramifications across nations. Our own homeland experienced the harrowing impact of devastating floods, causing reverberations across all sectors, including the vital Oil & Gas industry. Concurrently, the prevailing economic environment witnessed fragility, marked by historic levels of inflation and a precarious state of foreign exchange reserves, culminating in considerable currency devaluation.

Although foreign investments are critical for the advancement of the Country. Nevertheless, a conducive environment need to be executed for the business, particularly for foreign investors. Prolonged imposition of restrictions by the banks and regulator on the remittance of dividends to foreign shareholders has raised strong concern within the investment community. As stakeholders assess the implications of these developments, it becomes imperative for regulatory authorities to carefully balance the goals of safeguarding the economy's stability and attractiveness for foreign investment, with the imperative of maintaining a conducive environment that promotes investor trust and long-term economic growth.

In the financial realm, the year bore witness to notable shifts in local oil prices, chiefly attributed to the depreciation of the Pakistani Rupee against the US Dollar, coupled with adjustments in petroleum levy. Natural disaster, high inflation and reduced economic activity negatively affected the sales volume during the year. Reduction in sales volume and lesser inventory gain as compared to last year led to decrease in gross profitability of the Company. However, increase in income on bank deposits and short term investments together with decreased exchange loss, supported the net profitability to some extent. Accordingly, the Company earned profit after tax of Rs 12,461 million (2021-22: Rs 18,536 million) which is a decrease of 33%. The results translate into earnings per share of Rs 100.15 (2021-22: Rs 148.99).

Our dedication to ensuring a consistent and reliable energy supply for our valued customers remains unwavering. With this paramount goal in sight, we have been proactively engaged in the establishment of new retail outlets throughout the length and breadth of Pakistan. This strategic expansion drive is designed not only to augment our market presence but also to fortify our brand's resonance. Particular emphasis has been placed on expanding our footprint along the motorways and within the urban enclaves of Punjab and Sindh.

Our commitment extends beyond the corporate sphere, embracing the generation of shareholder value and

proactive endeavors toward community upliftment through education and employment initiatives. We remain steadfast in upholding the highest standards of health, safety, and environmental consciousness, a testament to our unwavering commitment to environmental stewardship and sustainable development.

In the wake of unprecedented monsoon rains, Pakistan bore the brunt of the most severe destruction in its recent history, leaving a trail of devastation. The repercussions were dire, with millions of displaced people struggling to survive amidst acute shortages of food and shelter.

In this time of tribulation, the rehabilitation of our fellow citizens necessitated substantial financial aid. Understanding its profound corporate social responsibility as a compassionate corporate citizen and upholding its longstanding tradition, APL once again stepped forward and contributed Rs. 20 million to the Prime Minister's Flood Relief Fund - 2022. In addition, the employees of the Company wholeheartedly came together, collectively allocating a day's salary to manifest their unwavering commitment to this noble cause.

Demonstrating its dedication to profound corporate social responsibility, energy saving, curtailing desecration to environment, Company is setting electric vehicle charging facilities at its outlets. This expansion of the electric vehicle charging network throughout Pakistan will not only contribute to combating climate change in the country but also align with green business initiatives by reducing the overall carbon footprint.

Guiding us through these endeavors has been a resolute Board of Directors and its Committees, exercising diligence in shaping the Company's trajectory, evaluating its performance, and astutely managing risks. The Board's unwavering commitment to sound corporate governance is underscored by a commitment to professionalism, the propagation of best practices, and the institution of effective internal controls.

Before I conclude, I wish to extend my profound gratitude to the unwavering support and trust vested in us by our esteemed shareholders, the Ministry of Energy, Oil and Gas Regulatory Authority and other governmental authorities, cherished customers, invaluable suppliers, and steadfast contractors. A special acknowledgment is reserved for our Board of Directors and dedicated workforce, whose tireless dedication and contributions have charted our course of achievement.



Laith G. Pharaon
Chairman

Rawalpindi
August 29, 2023



Hassan Filling Station, Blue Area - Islamabad



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.



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



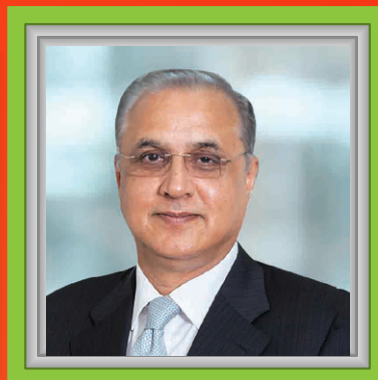
Lt Gen (Retd.) Javed Alam Khan
Independent
Non Executive Director



Mr. Mohammad Raziuddin
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



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. 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

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. Abdus Sattar
Non 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

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 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 (Retd.) Javed Alam Khan
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
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. Presently, he is on the Board of Attock Refinery Limited and National Refinery Limited as an Alternate Director. Further, Mr. Raziuddin holds position of Chief Executive Officer, Attock Gen Limited.

Other Engagements
Chief Executive Officer

Attock Gen Limited

Alternate Director

Attock Refinery Limited

National Refinery Limited



Ms. Zehra Naqvi
Independent
Non Executive Director



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

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

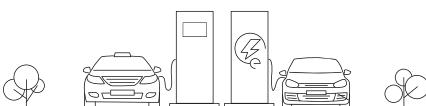
Attock Cement Pakistan Limited

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 position of Chief Executive Officer of 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

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

Board Human Resource & Remuneration Committee

Ms. Zehra Naqvi	Chairperson
Mr. Shuaib A. Malik	Member
Mr. Mohammad Raziuddin	Member
Mr. Babar Bashir Nawaz (Alternate director to Mr. Laith G. Pharaon)	Member

Chief Financial Officer

Mr. Rehmat Ullah Bardaie
FCA, FCMA, FCCA (UK)

Company Secretary

Mr. Faizan Zafar
ACA

Auditors

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

Legal Advisor

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

Share Registrar

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

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan 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.



Board of Directors' Meeting in progress

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 policies, any misuse of company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation. The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound, effective and efficient internal control system and operational procedures.

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

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

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

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building

trust with its employees and manage fair and transparent operations. The Company therefore provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal to any of the above offices.

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



DIRECTORS' REPORT



Mr. Shuaib A. Malik
Chief Executive Officer

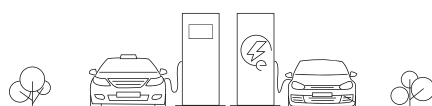
‘ The Board of Directors is pleased to present the Company’s annual report, which outlines its performance and progress for the year ended June 30, 2023. This report includes the audited financial statements, providing a comprehensive overview of the Company’s financial health and achievements.’

FINANCIAL PERFORMANCE

The Company recorded net sales revenue of Rs 473,938 million as compared to Rs 370,075 million earned during last year reflecting increase of 28% mainly on account of Increase in average selling prices by 60% whereas sales volume declined by 24% as against decline of 26% in overall industry sales.

Severe flash floods, high inflation, and fuel price together with reduced economic activity due to import restrictions by the Central bank contributed to reduced sales volume during the year. The decrease in sales volume together with increased fuel prices led to 36% decrease in gross profitability of the Company. The bottom line was slightly supported by increase in other income, net finance income and decrease in operating expenses on account of decrease in exchange loss. Accordingly, the Company earned profit after tax of Rs 12,461 million (2021-22: Rs 18,536 million) which is a decrease of 33%. The results translate into earnings per share of Rs 100.15 (2021-22: Rs 148.99).

Financial results and appropriations for the year ended June 30, 2023 have been summarized below:	Rs in Million
Profit before taxation	20,385
Less: Provision for taxation	(7,924)
Profit after taxation	12,461
Add: un-appropriated profit as at June 30, 2022	36,058
Less: Other comprehensive loss for the year	(19)
Less: Transfer to special reserve	(297)
Profit available for appropriation	48,203
Appropriations during the year:	
Final cash dividend for the year 2021-22 @ 300% (Rs 30 per share of Rs 10/- each)	2,986
Interim cash dividend for the year 2022-23 @ 125% (Rs 12.5 per share of Rs 10/- each)	1,555
Issue of bonus shares for the year 2021-22 @ 25% at par value	249
	4,790
Balance as at June 30, 2023	43,413
Subsequent Effects:	
Final cash dividend for the year 2022-23 @ 150% (Rs 15/- per share of Rs 10/- each)	1,866
	41,547



PRICE TREND ANALYSIS



Dividend

The Board has recommended a final cash dividend @ 150% (Rs 15/- per share of Rs 10/- each) for the year ended June 30, 2023. This is in addition to the interim cash dividend @ 125% (Rs 12.50 per share of Rs 10/- each) already declared and paid to the shareholders, thus making a total of 275% cash dividend for the year under review.

Contribution towards National Exchequer and Economy

The Company contributed Rs 77,922 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 masses is being improved.

Liquidity Management, Financing arrangements and Cash Flow Strategy

During the year under review, cash and cash equivalents increased by Rs 34,132 million. The cash was used mainly for purchase of property, plant & equipment, payments of petroleum products and operating expenses. Cash and cash equivalents at year end were Rs 39,571 million. Availability of funds is ensured by employing different methods including financial projections which are updated on a regular basis to stay up-to-date with the liquidity requirements. Even though the Company has sufficient borrowing capacity and is adequately geared to meet its future commitments and development plans, currently, all fund requirements are met by internal cash generation.

Capital Structure

The Company's capital is fully sourced from equity finance. Throughout the year, the capital structure remained unchanged, except for the utilization of short-term financing facilities that were promptly repaid. There have been no instances of debt payment defaults. The management firmly believes that the current capital structure is well-suited for the foreseeable future.

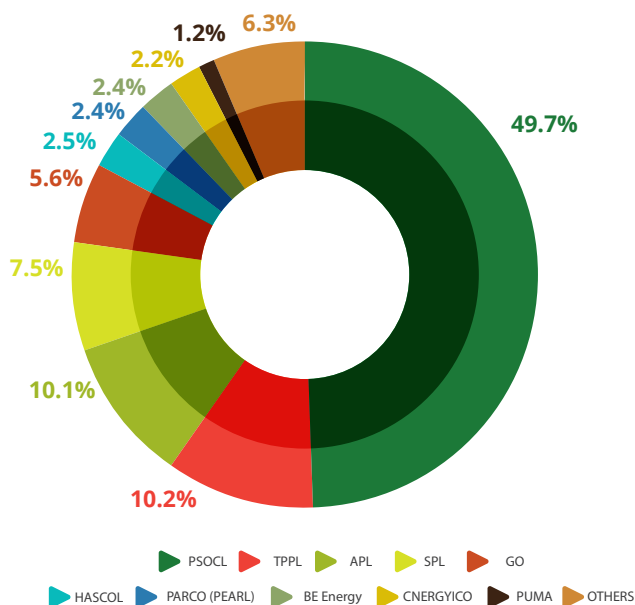
Significant Changes in Financial Position and Liquidity from last year

As at June 30, 2023, total assets increased to Rs 107,954 million and total liabilities increased to Rs 62,734 million. Increase in current assets from Rs 78,375 million to Rs 87,220 million is mainly

due to increase of Rs 33,344 million in short term investments whereas stock in trade decreased by Rs 21,492 million.

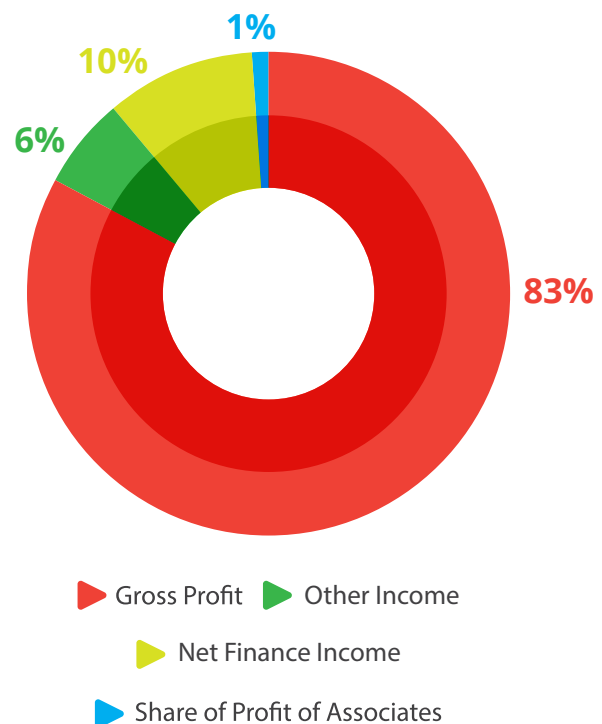
Cash inflow from operating activities for the year was Rs 37,354 million as compared to cash outflow of Rs 553 million last year mainly due to increase in fuel prices and decrease in payments of taxes and other charges in line with decrease in profitability. Outflow of Rs 2,751 million was recorded from investment in property, plant and equipment. Income earned on investments resulted in an inflow of Rs 4,451 million. Total cash inflow from investing activities was Rs. 1,753 million. Outflow relating to financing activities, mainly on account of dividend payments and payment of lease liabilities, was Rs 4,989 million.

OVERALL MARKET SHARE



Source: Oil Companies Advisory Council (OCAC)

REVENUE CONTRIBUTION



Donation to the Prime Minister's Flood Relief Fund - 2022

In the wake of unprecedented monsoon rains, Pakistan bore the brunt of the most severe flooding in its recent history, leaving a trail of devastation. Vast stretches of the country's infrastructure, from roads to homes, schools, and hospitals, suffered extensive damage. The repercussions were dire, with millions of displaced people struggling to survive amidst acute shortages of food and shelter. Additionally, thousands of square kilometers of vital agricultural land lay in ruins, and the loss of livestock was profound.

In these trying times, the rehabilitation of our fellow citizens necessitated substantial financial aid. Understanding its profound responsibility as a compassionate corporate citizen, and upholding its longstanding tradition, APL once again stepped forward and contributed Rs. 20 million to the Prime Minister's Flood Relief Fund - 2022. Moreover, the Company's employees wholeheartedly joined hands with a day's worth of their salaries as a testament to their commitment to this noble cause. In unity and compassion, we work to alleviate the suffering and rebuild the lives of those affected by this catastrophic natural disaster.



Group Chief Executive of the Attock Group of Companies Mr. Shuaib A. Malik presenting cheque of Rs 100 million along with one-day salary cheque of Rs 7.39 million from employees of Attock Group to Prime Minister Shehbaz Sharif for Prime Minister's Flood Relief Fund 2022

Market and industrial review

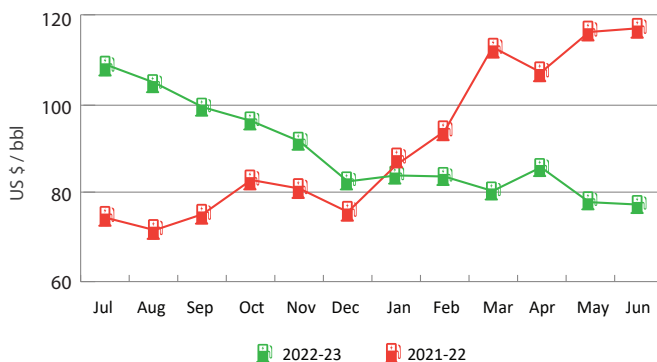
The global oil market is intricate and interconnected, influenced by diverse factors such as supply and demand dynamics, geopolitical events, and market speculation, which collectively shape price trends. Recent years saw turmoil as the Covid-19 pandemic and Russia's invasion of Ukraine significantly affected oil demand and price fluctuations.

Simultaneously, the global economy encountered challenges, characterized by weak performance in advanced economies, inflation-combating monetary policies, and rising commodity prices leading to currency depreciation and higher production costs. Consequently, smaller heavily indebted oil companies faced financial strain, prompting bankruptcies and consolidations.

The energy crisis heightened emphasis on energy security and accelerated the adoption of clean energy technologies, reshaping consumer behaviour and impacting oil demand. Amidst uncertainties in transportation patterns and energy consumption, the industry is diversifying, investing in renewables, and pursuing de-carbonization. Sustainability is at the forefront for governments, companies, and investors, evident in recovery plans and stimulus packages emphasizing renewable energy and green technologies.

Pakistan's economy remained under constant pressure from trickledown impact of global economic contraction. Uncertain political environment, rapidly rising commodity prices and supply side disruptions compounded the

ARAB LIGHT CRUDE OIL





Refueling Air Carrier at Islamabad International Airport

macroeconomic imbalances. On top of these issues, the country was jolted by one of the most devastating events in its history as cataclysmic floods drowned almost one-third of the country underwater, claiming many lives, displacing millions of people homeless, destroying road networks, farmlands and livestock with damages estimated to be running in the billions of dollars. In addition, this event gave rise to a food crisis as well, directly affecting social and economic condition of the masses.

The poor economic conditions were further compounded due to the ever increasing twin deficits amid a huge burden of international and domestic debts. The already precarious situation has been made further arduous and challenging due to IMF conditions resulting in an unprecedented increase in cost of doing business, high fuel/energy prices and increased taxation measures. Political instability, high international fuel and food prices and the growing trade deficit exerted huge pressure on foreign exchange reserves, resulting in significant depreciation of Pak Rupee which in turn contributed towards higher inflation in the country. Inflation stayed significantly high during the period under review, affecting the buying power of the populace.

In the fiscal year 2023, the repatriation of dividends and profits relating to Foreign Direct Investment (FDI) experienced a significant decrease. This decline can be attributed to two main factors: the country's fragile foreign exchange reserve position and the consequent measures implemented by the State Bank of Pakistan to restrict the outflow of dollars, including import restrictions aimed at supporting the balance of payments.

With the foreign reserves situation staying critical, which coupled with heightened country risk and downgrades in economic ratings by international agencies, made the issuance of Letters of Credit for routine oil imports a gargantuan challenge. Oil Marketing Companies, both individually and collectively through the Oil Companies Advisory Council, have been seeking resolution through relevant forums and authorities, stressing the need to take timely decisions in the right direction.

Accordingly, the oil consumption in the country witnessed a decline in the current fiscal year due to sluggish industrial activity, weak auto sales and rising product prices. This drop in sales can be attributed to economic slowdown, the availability of smuggled petroleum products, and the destructive impact of unprecedented rainfall.



Electric Vehicle (EV) Charging Facility at Garrison Filling Station, Janda Chichi Rawalpindi

COMPANY'S SALES AND MARKETING REVIEW

During the year under review, due to multitude of challenges mentioned above, the Company's sales volume decreased by 24% from last year whereas overall industry sales volume declined by 26%. Accordingly, APL's overall market share of petroleum products remained at 10.1%.

The factors explained above severely affected sales of petroleum products within the Country. APL sales volume of HSD and PMG decreased by 28% and 16% respectively against decrease in industry sales volume of 29% and 17%. Sales volume of Bitumen decreased by 36%. Industry wide Furnace Oil sales volume decreased by 46% this year while APL recorded a decrease in sales volume of 31%.

Despite 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 accomplished successful execution of its contract to

supply Jet Petroleum to the Pakistan Army during the period of 2022-23, and it has also been awarded the contract to supply HSD, PMG and Jet Petroleum to the Pakistan Army for the year 2023-24.

Commercial flight operations have resumed significantly after the ease of restrictions worldwide. Consequently, APL sales volume of Jet Petroleum increased by 16% on account of improvement in commercial aviation activities, including Hajj and Umrah operations, previously subdued due to the pandemic.

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, 2023 the total number of retail outlets has reached 754. It is pertinent to mention that 32 new retail outlets have been established while 09 retail outlets have been phased out under a retail network purification plan. The Company has focused on establishing Company



Galiyat Filling Station (Changla Gali) Abbottabad

Owned Company Operated (COCO) retail outlets in Islamabad, Lahore, Karachi and across various motorways.

Infrastructure Development

The importance of infrastructure development goes beyond its conventional role as an economic catalyst; it emerges as a crucial force driving comprehensive growth across all sectors of society. In this era of intense competition, APL remains steadfast in its belief that expanding infrastructure is not optional but an imperative necessity. This strategic undertaking allows us to adeptly navigate the constantly changing operational landscape of the oil marketing industry, positioning ourselves at the forefront of progress and innovation.

Keeping above in view, a dedicated pipeline was installed which connects the Fauji Oil Terminal & Distribution Company (FOTCO) Jetty to the APL Port Qasim Terminal, enabling the initiation of imported product receipt at our Port Qasim Terminal. Additionally, after approval from Pak-Arab Pipeline Company (PAPCO), product transfer from the APL Port Qasim Terminal to PAPCO via FTTL commenced in June 2023. These pipelines play a crucial role in establishing a dependable and swift oil transportation system, ensuring efficient oil delivery, and contributing to improved operational efficiency.

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 Company is currently in the process for development of sites on the motorways including four fuelling stations on Service Areas of Hakla – Dera Ismail Khan Motorway (M-14) and five retail outlets on Pindi Bhattian – Faisalabad – Multan Motorway (M-4). As a result, a significant portion of entire developed service areas on Motorways countrywide will be covered by the Company.

We have built strategic partnerships with esteemed organizations to spearhead the development of multi-fuel retail outlets on a nationwide scale. These alliances with reputable entities exemplify our commitment to long-term growth and success. Moreover, we have extended our footprint in prominent metropolitan cities like Rawalpindi, Islamabad and Lahore by establishing new “Company Owned and Company Operated” filling stations. These endeavours signify our unwavering dedication to expanding our presence and catering to the evolving needs of our discerning customers. The Company, for the first time, developed a “Company Owned and Company Operated” retail outlet in the city of Rawalpindi, at a prominent and strategic location which serves significant volume of traffic between G.T Road and Islamabad Expressway.

APL has embarked on the construction of its second flagship retail outlet at prime location of Blue Area in the Federal Capital. This strategic move not



only enhances our visibility but also reinforces our brand equity, paving the way for increased revenue generation. Simultaneously, we are in the process of establishing another retail outlet along the Srinagar Highway, a crucial artery connecting the twin cities of Islamabad and Rawalpindi. Land has been acquired and this forthcoming addition to our network of outlets represents another significant milestone in our journey towards sustained growth and profitability.

With an innovative and forward-thinking approach to business and recognizing the immense potential of the market, the Company is venturing into selling Liquefied Petroleum Gas (LPG). This strategic expansion aims to capitalize on lucrative opportunities and unlock new avenues for growth. Necessary approvals to establish a state of the art LPG storage and filling facility have been secured. This forthcoming LPG facility represents a compelling new dimension to the Company's business endeavours. By venturing into LPG sales, the Company is demonstrating its adaptability, agility, and ability to seize opportunities that align with its long-term growth strategy. This facility will be adhering to the highest industry standards and serve as an important part of the Company's expansion plans, poised to enhance APL's already formidable portfolio. It is scheduled to be operational early 2024.

Other Business Activities

At the core of APL's mission lies the unwavering commitment to deliver customer convenience and enhancing the overall fuelling experience. APL recognizes the importance of extending its brand image beyond the sphere of fuel, acknowledging the evolving market dynamics and the diverse needs of its customers. In pursuit of this vision, APL has set ambitious targets to become a truly customer-centric organization, positioning itself as a "Customer Convenience Focused Company."

We have meticulously curated a range of expedient solutions within our retail outlets to cater to the needs of our valued customers. These include convenient payment options through Credit Cards, the availability of ATM facilities, the utilization of the Attock Smart Fuel Card, comprehensive Tyre Care services, efficient





Speed Wash facilities, the expertise of Lube Xpert for optimal engine performance, and the tranquil haven of Time Out tuck shops. Our goal is to provide a comprehensive and enriching experience that goes beyond the traditional boundaries of a fuel provider. By prioritizing convenience and focusing on the evolving needs of our customers, APL aims to establish itself as a trusted partner, offering a wide array of services that enhance their overall satisfaction and convenience.

The Company has prioritized strengthening the Non-Fuel Retail (NFR) business segment, engaging in negotiations with prominent food franchises to establish outlets at Motorway service areas and urban sites. The success of these food outlets will pave the way for further expansion, including the development of food franchises at additional retail outlets.

In a significant stride, APL proudly unveiled its very own café, “At-Café”, situated strategically within the bustling retail hub of Blue Area, Islamabad, in June 2023. With its remarkable debut, this venture is poised to flourish, marking the commencement of an exciting addition to the NFR services portfolio of APL. The success of “At-Café” will pave the way for future growth, as this successful venture will be expanded to other fitting retail destinations in the near future.

Demonstrating its dedication to enhancing customer experience, the Company had initially implemented an Electric Vehicle (EV) charging facility as a pilot project at a retail outlet in Islamabad. EV charging

facility has now been upgraded with a more powerful supercharger, ensuring faster and more efficient charging for our valued customers. In line with our commitment to continuous improvement, the Company has set its sights on installing EV charging facilities at five (05) carefully selected retail outlets along the Motorways. This expansion of the electric vehicle charging network throughout Pakistan will not only contribute to combating climate change in the country but also align with green business initiatives by reducing the overall carbon footprint. Moreover, it presents an exciting opportunity for the Company to generate an additional revenue stream while providing these environmentally friendly services.

APL, as a customer-oriented company, has expanded its focus on enhancing convenience by forging partnerships with other product and solution providers. This strategic approach has led to the creation of a diverse range of forecourt-enriched offerings, which encompass various restaurants and convenience stores, with plans to extend the array of services further. As part of this commitment, APL has established dedicated and fully equipped state-of-the-art lube oil change facilities, enabling end-to-end oil change services in just a few minutes. In addition, these services include complimentary safety checks and customer-accessible monitoring of their vehicle’s oil change status. APL’s unwavering goal is to continuously deliver improved services, redefining accessibility throughout the country, ensuring an uninterrupted and enhanced experience for its valued customers.



Digitalization

In today's digital era, where print and electronic media have revolutionized the world, it is imperative to embrace digitalization. APL fully recognizes the significance of expanding its outreach and thriving in this digitally enabled environment. We have partnered with a dedicated team of seasoned professionals with the aim of not only enhancing its reach but also amplifying visibility across various digital platforms.

With this step, APL sets forth on a path that embraces innovation, harnesses the power of digital channels, and showcases our brand's essence to a wider audience. With a team of experts at our side, we gain the advantage of having creativity and latest industry insights at our disposal, enabling us to craft compelling brand narratives that resonate with our target market. Additionally, this will ensure that we engage with our customers effectively, fostering meaningful connections and nurturing brand loyalty.

Quality Assurance of Products

Exceptional product and service quality are fundamental to the success of any company and are pivotal in ensuring customer satisfaction. At APL, we uphold a steadfast commitment to a philosophy of continuous improvement. Our extensive array of measures and systems are meticulously implemented to guarantee that only the highest quality standard products reach our esteemed clientele. APL takes great pride in maintaining an unwavering dedication

to delivering top-notch products and constantly striving for service excellence.

To ensure consistent product quality across the country, APL operates a comprehensive product quality assurance system. This system meticulously monitors the entire range of operations in accordance with the existing product specifications of the country. From the procurement of petroleum products to their storage within our bulk oil terminals and retail outlets, stringent quality checks are in place.

APL's unwavering pursuit of impeccable quality standards is further reinforced by the utilization of state of the art laboratories at our terminals and mobile quality assurance vans, which are strategically deployed nationwide.



RISK MANAGEMENT

Risk management encompasses the essential task of achieving mutual comprehension and consensus among all involved parties regarding the true nature of risks and the most effective approaches to mitigate them. By doing so, it facilitates the enhancement of overall performance, the augmentation of businesses' value, and the alleviation of financial strain.

APL finds itself confronted with uncertainties, manifested both in the fluctuating supply and demand of products and the volatility of market prices. Moreover, the landscape is evolving rapidly with technological advancements and disruptive changes. To navigate these complexities successfully and ensure sustained profitability, profound insights and judicious allocation of resources become imperative.

Consequently, APL diligently crafts its future strategy through an inclusively participatory consultative process, actively engaging and involving all stakeholders. This comprehensive approach ensures that every perspective is considered, thus paving the way for a well-informed and collectively endorsed path to enduring success.

Risk Management Framework

An effective risk management framework is strategically designed to safeguard an organization's capital base and earnings while fostering unhindered growth. It is imperative for the Company to embrace a risk management framework that seamlessly integrates best practices into its risk culture, as this constitutes the very foundation upon which the Company's financial future rests.

Our Company's risk management framework is solidly anchored on the following pillars:

Risk Identification: Thoroughly recognizing and understanding potential risks is the initial step in our approach. By meticulously identifying risks, we empower ourselves to address them proactively.

Risk Assessment: A comprehensive assessment of identified risks is undertaken, allowing us to gauge their potential impact and likelihood of occurrence. This process facilitates a clear understanding of the Company's risk landscape.

Risk Mitigation: Once risks are identified and assessed, effective measures are meticulously devised to mitigate their adverse effects. This proactive approach helps in minimizing potential vulnerabilities.

Risk Reporting and Monitoring: Transparent and timely communication regarding risks is vital.





Regular monitoring ensures that we stay vigilant and well-informed, empowering us to respond promptly to any changes in the risk landscape.

Risk Governance: Sound governance practices are integral to our risk management framework. By establishing clear roles and responsibilities, we ensure that risk management is embedded throughout the organization.

The Board of Directors has approved a Risk Management Policy, which serves as a guiding document in determining the Company's level of risk tolerance. Additionally, this policy ensures that identified risks are promptly reported, managed, or mitigated in alignment with our risk management framework.

In accordance with this framework, we periodically gauge risk exposures to ensure their alignment with our risk management objectives. Moreover, the Board of Directors has diligently conducted a thorough assessment of principal risks facing the Company, including those that could potentially impact its future performance, solvency, or liquidity.

By diligently adhering to our robust risk management framework, we are committed to safeguarding the Company's long-term stability and prosperity, while confidently embracing opportunities for growth.

Geopolitical and Security Risks

Geopolitics poses a pervasive challenge for companies operating in Pakistan's Oil & Gas sector, presenting both risks and opportunities. Despite improvements in law and order and security within the country, there is a visible trend towards

aggressive political behaviour, coupled with global economic fluctuations, commodity constraints, pricing volatility, lower monetary growth, energy crises, export deficits, and unemployment, all of which contribute to an escalating sense of instability.

Various factors such as the Russia-Ukraine crisis, rapid technological advancements, trade competitions among major economic players, and mounting environmental concerns have significantly impacted the global demand and supply dynamics. In light of these complex geopolitical realities, APL recognizes the utmost importance of comprehending the underlying forces at work. It firmly believes that gaining a deeper appreciation for geopolitics can serve as a catalyst for developing robust strategies and processes, thereby empowering the Company to make well informed and prudent business decisions.



Amidst the intricacies and uncertainties of geopolitical landscapes, APL remains committed to proactively navigating these challenges, leveraging potential opportunities, and upholding its dedication to operating responsibly and sustainably in the oil and gas sector in Pakistan. By staying attuned to the evolving geopolitical climate, the company endeavours to chart a course that not only ensures its resilience but also fosters growth and success in the face of an ever-changing global context.

Intense Competition

With a network of over 750 retail outlets and strategically positioned bulk oil terminals across Pakistan, APL stands proudly as one of the nation's foremost oil marketing companies, catering to both retail and industrial clientele. Backed by the collective experience of its group companies spanning more than a century, APL remains at the forefront of market trends, demonstrating a proactive approach to both global and domestic shifts.

In the face of a growing number of new entrants in the industry, APL acknowledges the intensifying competition alongside the multiple opportunities that arise. In response, the company is resolutely

focused on seizing these opportunities to establish itself as the preferred oil marketing company in the country. This determination is underpinned by a strategic emphasis on the expansion of its storage terminal network and retail presence, along with increasing storage capacities, optimizing energy management, and streamlining filling and delivery processes.

The Company's overarching goal is to consolidate its strengths and continually build upon them, thereby creating enhanced value for its esteemed clients. As a testament to its efforts and accomplishments, APL proudly holds the position of the third largest oil marketing company in the country in terms of market share.

Human Resource

APL, as an equal opportunity employer, is deeply committed to nurturing a workforce of exceptionally talented and innovative professionals. Each employee is regarded as an invaluable investment, recognizing their significant contributions in driving the Company's profitability and overall growth.

Fostering a culture that places paramount importance on the growth and development of



its employees' managerial and technical skills, the Company creates an environment that is supportive and positive, granting it a distinct advantage in attracting and retaining top tier talent. Comprehensive packages and benefits, including market-competitive salaries, medical facilities, and paid leaves, serve as tangible expressions of the organization's unwavering commitment to valuing its employees.

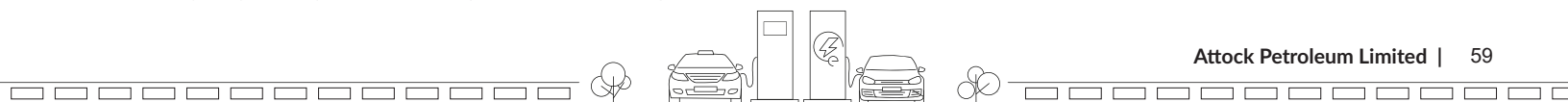
Moreover, APL takes its responsibility with utmost seriousness when it comes to managing, supporting, and addressing all matters related to its workforce. From policy management and recruitment processes to compliance with employment and labour laws, from conducting comprehensive new employee orientations to providing ongoing training and development, the company leaves no stone unturned in nurturing a well-supported and engaged workforce. Diligent personnel records retention and thoughtfully crafted employee engagement programs further underscore the organization's dedication to fostering a thriving and fulfilling work environment for all.

Health, Safety, Environment and Security

APL is committed to an accident 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 booklet titled "Security and Protection of Key Points - 2020". All recommended security measures for the Key Points 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.



APL's unwavering commitment to fostering a healthy environment for all has driven us to actively mitigate the environmental impact of our business operations. Guided by this vision, we have prioritized initiatives aimed at reducing our carbon footprint and promoting energy conservation. In this pursuit, the Company has established a strategic alliance

with the National Energy Efficiency and Conservation Authority (NEECA) for the "Development of EV Charging Infrastructure in Pakistan." As a testament to our dedication, we have submitted a letter of commitment outlining our efforts to standardize the EV charging policy and spearhead the development of EV charging infrastructure throughout the country.

By actively engaging in these efforts, APL strives to make a substantial and meaningful impact on environmental conservation. Our dedication to reducing carbon emissions and championing eco-friendly practices underscores our commitment to a greener future, while simultaneously aligning with the broader national and global goals of combatting climate change.

Information Technology Risk

The domain of information technology risk encompasses a multifaceted interplay of internal and external factors, each demanding meticulous attention. Within the organization, internal facets involve gauging the frequency and duration of system failures, ensuring stringent employee access controls, and fortifying the system that guards confidential data and vital information. On the other hand, external variables come to the fore, exemplified by the advent of cutting edge software and hardware in the industry and the rising tide of cybercrime incidents.

In safeguarding against potential vulnerabilities, APL employs a robust and technologically advanced approach. Centralizing its database environment, the organization conducts real-time online transactions, facilitating seamless operations. Furthermore, a well-designed automated procedure diligently generates daily backups of critical data, concluding at the stroke of midnight. By integrating incremental and monthly backups, duly preserved on resilient hard drives and data tapes, the organization ensures layers of defence against untoward data loss. Demonstrating prudence in disaster recovery preparedness, an offsite backup mechanism stands ready as an additional safeguard, fostering the preservation of data integrity even in the face of unforeseen adversities. Through this holistic and meticulous approach, the Company exemplifies its unwavering commitment to upholding the sanctity and security of its technological foundations.



Electric Vehicle (EV) Charging Facility at Hassan Filling Station, Blue Area – Islamabad



Disaster Recovery and Business Continuity Planning

In a dynamic landscape shaped by global trends, heightened inflation, complex global economics, political chaos, fluctuating commodity prices, and the constraints and complexities of pricing, the business realm finds itself facing an array of challenges. The convergence of lower monetary growth,

energy crises, and deficits in exports, mounting unemployment, breakthrough technological innovations, and intensifying competition has brought forth the imperative to assess business continuity critically. In response, an unwavering need emerges to fortify the organization's line of defence against potential disruptions.

To bolster resilience and counter the potential impact of disasters, a comprehensive recovery plan serves as a crucial instrument, ensuring the ability to rebound from the most severe disruptions with minimal repercussions. The Company has diligently implemented effective and efficient business practices, fostering the enduring and uninterrupted flow of operations. Key to this approach is the strategic development of infrastructure, thoughtfully designed to withstand challenges, and the establishment of alternative supply channels through multiple import lines. This multipronged strategy exemplifies the organization's commitment to maintaining operational stability even in the face of difficulties.



CORPORATE GOVERNANCE

The Company has cultivated a resolute commitment to fostering a corporate culture deep rooted in the principles of good governance, harmoniously interwoven into its policies and practices. This unwavering dedication to sound corporate governance is essential for attaining sustainable progress and securing a thriving future. Guided by an astute Board, APL has been unwavering in ensuring that every facet of its operations aligns with the highest standards of excellence, benchmarked against prevailing best practices.

In response to the evolving landscape of corporate governance, APL has demonstrated its proactive stance by embracing the changes implemented through the Listed Companies (Code of Corporate Governance) Regulations, 2019. While these regulations offer flexibility to comply or explain any divergences, APL steadfastly adheres to all requirements, underscoring its unwavering dedication to upholding the Code of Corporate Governance in its entirety. This steadfast adherence has garnered profound trust from investors, reinforcing the Company's reputation as a highly reliable and responsible entity.

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.



Jand Service Area North & South Bound, Hakla-DI Khan Motorway M-14



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. 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. He also manages conflicts of interests arising, if any, and makes recommendations to improve performance and effectiveness of the Board.

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. M. 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.



Whistle blower Protection Mechanism

The Whistle blowing Protection Mechanism represents a pivotal safeguard aimed at thwarting potential acts of fraud and malpractice within the organization, originating from employees, customers, or other stakeholders. At its core, this mechanism is designed to create a safe haven for whistle blowers, empowering them to fearlessly raise concerns about any suspicious activities without facing any repercussions.

By providing a well-defined platform, this policy allows whistle blowers to communicate their grievances and apprehensions to a pre-identified authority, knowing that they will be shielded from any form of retaliation, be it discrimination, victimization, or harassment. Such concerns may pertain to activities that run counter to the Company's policies or may jeopardize its operations and reputation.

Central to the Company's ethos is the unwavering confidence in cultivating an authentic and transparent working environment. Any claims brought forth by whistle blowers are meticulously and impartially investigated, with due diligence exercised in evaluating their veracity. Management takes these assertions seriously and acts upon them as deemed necessary and appropriate.

It is worth noting that, during the reporting period, no incidents of whistleblowing have been brought to light, further affirming the Company's commitment to fostering an ethical and compliant corporate culture. As the policy continues to stand as a beacon of integrity, it reinforces the organization's dedication to upholding the highest standards of accountability and responsibility in its operations.



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 the Company.

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 summarized form is annexed with the Report.
- 9) All major Government levies in the normal course of business, payable as at June 30, 2023, 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 Financial Statements as of June 30, 2023 are as follows:
Employees' Gratuity fund
Rs 237.04 million
Employees' Provident fund
Rs 444.96 million
- 12) The total number of Company's shareholders as at June 30, 2023 was 4,989. The pattern of shareholding as at June 30, 2023 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 serve a crucial purpose in ensuring the seamless and efficient functioning of our business operations. They are specifically designed to safeguard the Company's valuable assets, preempt and uncover instances of fraud and errors, guarantee the accuracy and completeness of our financial records, and ensure the timely preparation of reliable financial information.

The presence of these robust internal controls instils confidence and provides reasonable assurance regarding the achievement of the Company's objectives, especially in the realm of reliable financial reporting. By adhering to these well-crafted policies, we can better navigate the

complexities of financial management and maintain the highest standards of transparency and accountability.

Furthermore, our Internal Financial Controls play a pivotal role in facilitating compliance with relevant laws and regulations. These controls have been carefully tailored to ensure that we meet all the necessary legal requirements and uphold our ethical responsibilities.

It is important to emphasize that these Internal Financial Controls are not static; rather, they are continuously monitored and periodically reviewed to ensure their continued effectiveness. The dynamic nature of laws and regulations demands that our internal controls remain adaptable and up-to-date. As a result, we stay at the forefront of any changes in the regulatory landscape, enhancing our ability to navigate challenges effectively.

In summary, our Company's Internal Financial Controls are the bedrock of our financial governance. They serve as a vigilant guardian, protecting the interests of our stakeholders,

employees, and customers alike. By adhering to these controls, we solidify our commitment to excellence, integrity, and responsible financial management.

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 two 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, 2023, one meeting of the Board of Directors was held outside Pakistan in Dubai, U.A.E.

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 37 to the financial statements.

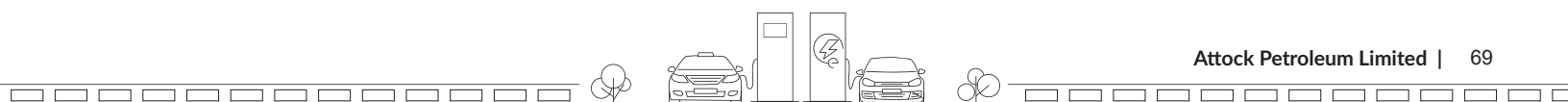
Policy for Related Party Transactions

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, retired and are eligible for reappointment for the year 2023-24. 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, 2024 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 forefront oil marketing company navigating a challenging landscape, APL aspires to establish

exceptional benchmarks for the seamless provision of superior petroleum and energy products and services throughout Pakistan. Guided by our unwavering core values, we relentlessly pursue and harness available opportunities, leveraging our unique strengths and capabilities to respond efficiently to dynamic market shifts. Our steadfast commitment to excellence ensures a sustained competitive advantage in the ever-evolving industry.

In view of enhanced demand and to ensure regulatory compliance, the company is establishing a Bulk Oil Terminal in the province of Khyber Pakhtunkhwa (KPK) in Dera Ismail Khan with storage capacity of 17,500 M. tons. The complete terminal design allows further enhancement of the current storage capacities at a later stage, if needed to cater to any additional requirement. Certain challenges are being faced due to delayed opening of LCs against imported material. Terminal is expected to be commissioned by the end of





2023, enabling the Company to pursue aggressive growth in the region. 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. However, there are legal challenges involved in its construction which the Company is working diligently to resolve.

Since the last few years, the Company has significantly expanded its retail presence in the north 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 plans 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. Considering the huge benefits for the tourism industry in the KPK region and to better serve its clientele, the Company has planned for construction of underground mini storage. 464 M. Tons each at Mansehra and Katlang service areas as well.

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 at key locations across the country.

Trends and uncertainties affecting Company's revenues and operation

The Company's operations are impacted by oil price fluctuations caused by external environmental factors. The unrest and instability



Bulk Oil Terminal, Dera Ismail Khan (KPK) under completion phase



of prices can be attributed to various global events, geopolitical issues, and market factors. Furthermore, the Company's reliance on imports for supplies, alongside restrictions on foreign exchange remittance, highly volatile exchange rates, and fluctuating prices, can also affect its revenues and operations.

The interplay of oil price volatility, currency exchange fluctuations, and unpredictable demand patterns has resulted in numerous challenges that the Company must confront on a daily basis. Despite these uncertainties, APL is committed to effectively managing and navigating these complexities to the best of its abilities.

Performance related to forward-looking disclosure made in last year

Construction of Bulk Oil Terminals at Dera Ismail Khan has progressed further. After successful completion of design phase, the Company has entered in to construction phase after obtaining

necessary regulatory approvals. This terminal is expected to be completed by the end of 2023.

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 754 as at June 30, 2023.

ACKNOWLEDGEMENT

The Board extends its heartfelt gratitude to shareholders, customers, and strategic partners for their unwavering confidence and trust, which has been pivotal in leading the Company to success. We also appreciate the dedication and commitment of our employees and express our thanks to the Government of Pakistan, regulatory bodies, and suppliers for their resolute cooperation. Your support has been invaluable.

On behalf of the Board

Shuaib A. Malik
Chief Executive

Rawalpindi.
August 29, 2023

Abdus Sattar
Director



PATTERN OF SHAREHOLDING

As of June 30, 2023

Corporate Universal Identification Number 0035831 Form-34

Sr. No.	Number of Shareholders	From	To	Total Shares Held	Percentage
1	1144	1	100	38,735	0.03
2	1199	101	500	326,050	0.26
3	589	501	1000	442,907	0.36
4	1601	1001	5000	3,263,296	2.62
5	195	5001	10000	1,435,956	1.15
6	77	10001	15000	993,562	0.80
7	30	15001	20000	510,725	0.41
8	30	20001	25000	676,453	0.54
9	17	25001	30000	465,336	0.37
10	15	30001	35000	493,964	0.40
11	16	35001	40000	605,214	0.49
12	10	40001	45000	424,268	0.34
13	3	45001	50000	147,380	0.12
14	4	50001	55000	210,876	0.17
15	5	55001	60000	296,362	0.24
16	3	60001	65000	189,743	0.15
17	1	65001	70000	68,400	0.05
18	1	70001	75000	75,000	0.06
19	6	80001	85000	499,936	0.40
20	3	90001	95000	280,769	0.23
21	2	95001	100000	200,000	0.16
22	1	100001	105000	103,975	0.08
23	1	105001	110000	105,845	0.09
24	2	110001	115000	227,305	0.18
25	4	120001	125000	489,275	0.39
26	1	140001	145000	143,750	0.12
27	1	145001	150000	150,000	0.12
28	1	160001	165000	165,000	0.13
29	1	165001	170000	167,623	0.13
30	1	175001	180000	180,000	0.14
31	1	180001	185000	185,000	0.15
32	1	200001	205000	201,000	0.16
33	2	230001	235000	464,872	0.37
34	1	235001	240000	238,000	0.19
35	1	245001	250000	250,000	0.20
36	1	255001	260000	258,310	0.21
37	1	265001	270000	266,175	0.21
38	1	355001	360000	358,275	0.29
39	1	390001	395000	390,209	0.31
40	1	540001	545000	540,895	0.43
41	1	580001	585000	581,550	0.47
42	1	640001	645000	641,400	0.52
43	1	820001	825000	825,000	0.66
44	1	830001	835000	834,349	0.67
45	1	975001	980000	978,224	0.79
46	1	1065001	1070000	1,069,638	0.86
47	1	2005001	2010000	2,007,675	1.61
48	1	2285001	2290000	2,287,248	1.84
49	1	2735001	2740000	2,737,151	2.20
50	1	8400001	8450000	8,447,981	6.79
51	1	8730001	8735000	8,730,892	7.02
52	1	8750000	8755000	8,754,025	7.04
53	1	27215001	27220000	27,216,206	21.88
54	1	42770001	42775000	42,774,220	34.38
	4989			124,416,000	100.00

CATEGORIES OF SHAREHOLDERS

As at June 30, 2023

Sr. No.	Categories	Number of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, their Spouse(s) and Minor Children			
	Mr. Wael G. Pharaon		1	0.00
	Mr. Laith G. Pharaon		1	0.00
	Mr. Shuaib A. Malik		8,447,981	6.79
	Mr. Abdus Sattar		900	0.00
	Lt Gen (Retd.) Javed Alam Khan		75	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		52,876	0.04
		9	8,501,837	6.83
2	Associated Companies, Undertakings and Related Parties			
	* Pharaon Investment Group Limited (Holding) S.A.L		42,774,220	34.38
	* Attock Refinery Limited		27,216,206	21.88
	Attock Petroleum Limited Employees Welfare Trust		8,754,025	7.04
	Pakistan Oilfields Limited		8,730,892	7.02
	The Attock Oil Company Limited		2,737,151	2.20
		5	90,212,494	72.51
3	National Investment Trust & Industrial Corporation of Pakistan	1	38,717	0.03
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	10	5,655,363	4.55
5	Insurance Companies	6	3,274,227	2.63
6	Modarabas and Mutual Funds	39	1,946,539	1.56
7	General Public			
	a. Local	4,587	11,055,430	8.89
	b. Foreign	187	224,453	0.18
8	Others			
	Trust and Funds	72	1,355,615	1.09
	Joint Stock Companies	73	2,151,325	1.73

* Share holders holding 10% or more

Trade in shares by Directors, Executives, their spouses and minor children during 2022-23:

	Purchase	Sale
Mr. Nabeel Rauf (Executive)	333	333

Except for detail given above no trade in shares was reported by Directors, Executives*, their spouses and minor children from July 01, 2022 to June 30, 2023 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.

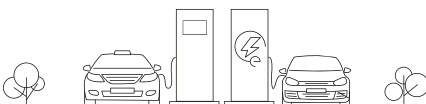
- The Company has maintained an investor's relations section on the website.
- An email ID is designated for the investor's queries and complaints.
- Feedback/complaint forms are available on website where investors can lodge their complaints at any time.
- Complaints are addressed by designated employees 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. The AGM of the Company was conducted in person and virtually through video link on September 20, 2022 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 Company's plans to compete with its competitors with reference to its retail network.	It was responded, that the Company intends to open over 60 new retail outlets at strategic locations nationwide soon, expanding its reach to a wider customer base and increasing revenue. Although these prime locations will require substantial capital investment, however, management is confident these sites will yield significant profits.	In the fiscal year 2022-23, APL commissioned 32 new retail outlets, leading to a market share increase to 10.1%. This increase is attributed to HSD market share rising from 8.6% to 8.7% and PMG market share rising from 8.3% to 8.4%.
A question was raised about the reasons behind lubricant products not being able to penetrate the market.	It was responded that the management acknowledges the potential for improvement in the lubricants segment. However, expanding the segment would necessitate a dedicated blending plant, requiring significant investment. Currently, the Company is prioritizing expanding storage capacity to enhance the supply chain and support the growth of its retail network.	Focus remained on strengthening retail network and expansion of storage capacity. Bulk Oil Storage Terminal is being established at D. I. Khan whereas additional storage is planned at Rawalpindi Bulk Oil Terminal. 32 additional retail outlets were established during the year across the country.

Shareholders' Queries	Response by Management	Action taken
It was enquired about the plans of APL to expand its aviation business.	It was explained that the management treads carefully in the aviation business after analyzing a diverse range of factors and challenges, both local and international, and take decisions accordingly. It was further stated that various options / avenues are being looked into in this regard.	Management is fully concentrating on aviation segment and also eyeing on avenues for future.
A shareholder highlighted that surplus funds have been largely invested by the Company in Government Securities and placed in interest bearing bank accounts. It was suggested to diversify the investment portfolio by buying back own shares and/or making investments in shares of other companies, including Oil Marketing Companies and Oil Exploration & Production Companies, to maximize returns.	It was explained that the management primarily focuses on generating revenues through its core business and, principally, invests surplus funds in risk free securities.	At the close of financial year 2022-23 APL has invested Rs. 31.40 billion in Government Treasury Bills (T-Bills) out of total investment of Rs. 34.40 billion.
A question regarding recovery of significant receivables from Attock Gen Limited (AGL) was raised by a shareholder.	It was explained that these receivables from AGL are part of the circular debt and once the dues payable by the Government of Pakistan are paid to AGL, AGL will clear its outstanding payment towards APL and subsequently APL will settle its dues towards Attock Refinery Limited (ARL).	Significant decrease from Rs. 10.6 billion to Rs. 3.3 billion for the year ended June 30, 2023 has been reported in this segment.
It was further remarked that other receivables of the Company include balances due for more than 365 days and recovering these balances will allow the Company to reduce its receivables.	It was explained that such balances constitute a negligible percentage of overall receivables of the Company and, importantly, the Company has recognized a provision for doubtful debts in case of these balances since last three years.	Such receivable balances are part and parcel of routine business process. However, the Company regularly reviews its receivables balances and recognizes provision for doubtful debts.
In relation to the inquiry conducted by the government in relation to petroleum crisis in June 2020, it was mentioned that the Company, along with other OMCs, was held responsible as stated in the annual report 2021-22 and the Company is awaiting decision for a case filed in the High Court in this regard. It was enquired about the current status of the case and whether the Company will be able to defend itself against any negative outcome.	It was responded that the allegations levelled against the Company are without any basis and the management is fully confident that the Company will be able to defend its stance effectively and have its name cleared from all charges/allegations.	The Company continues to defend the baseless allegations, and it is confident that these allegations will be cleared for good.



Shareholders' Queries	Response by Management	Action taken
It was enquired whether the Company plans to establish additional bulk oil terminals, particularly in the South region.	It was replied that storage terminals are constructed according to the legal and operational requirements and APL has sufficient storage capacity in the South region at the moment. It was added that the existing requirement is to build a bulk oil terminal in Khyber Pakhtunkhwa for which the Company is constructing a bulk oil terminal in D. I. Khan while it is facing legal challenges relating to construction of a terminal at Taru Jabba which the Company is trying to resolve diligently.	D. I. Khan Terminal will be completed and operational by the end of year 2023. Construction of two mini storages at strategically important locations of Babu Zai (Rashakai) and at Mansehra is being considered and negotiations for acquisition of land are at final stages. It will support APL to timely supply of additional fuel requirements in far-flung areas.
It was enquired about the reasons for volumetric growth per retail outlet being low as compared to other OMCs.	It was explained that the primary reason is the Company not being engaged in any unethical business practice and the management ensures that growth in sales, and market share, is achieved through just and fair means.	Volumetric sales of industry was down as of last year, whereas APL performance remained slightly better than the industry.
A shareholder inquired about impact of deregulation within the industry.	It was explained that it is anticipated that deregulation will improve the growth prospects as market forces will drive the direction of prices and competition will improve. Principally, with the market forces coming into play, the prices should be lowest in places closest to the ports and refineries and vice versa in far flung areas. This shall be advantageous to market players who can offer competitive prices.	This is the prerogative of the government and nothing has been proposed in this regard so far.
It was questioned that the Company has incurred a significant exchange loss of Rs 5,093 million during the year and if the Company will be able to recover these losses going forward.	The CFO explained that exchange loss is absorbed in price structure and will be subsequently fully recovered.	During current year, decrease in imports resulted lower exchange loss of Rs. 3,673 million as against exchange loss Rs 5,093 million last year.
It was enquired about the viability of the Electric Vehicle (EV) charging business in coming years and plans of the Company in this regard.	The Company is already engaged in providing these facilities and the management is quite hopeful of this segment adding to the revenues of the Company in future. It was also informed that APL has installed first ever 180kw EV charger in Pakistan and that the Company is rapidly expanding EV charging facilities in major cities including Rawalpindi, Lahore and Karachi in next few months including Installation of EV facilities at prominent locations across Motorways.	Recently APL has entered into an agreement with National Highway Authority (NHA) under which 04 EV chargers will be installed at different motor ways. Same facility has also been provided at Garrison filling station, Rawalpindi.

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 34 (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 20, 2022 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 22, 2022 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 2022 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



27th Annual General Meeting held on September 20, 2022

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 14 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

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. Investors have full access to the Company's informations available at our websites updated regularly and a dedicated helpline for investor's complaint handling.

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. Customer's helpline ensure customer's satisfaction by resolving their issues on the spot & regular field visits of company's representative provide ample opportunity for the customer's to engage and resolve their issues personally.

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 used for advertisement, marketing and public awareness to reach wide audience and to get instant feedback. 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.

Regulators

APL prides itself for being a responsible corporate citizen. The Company abide 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. Industry related issues raised at various forums to resolve them amicably.

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 was held by the company during FY 2022-23 for Analyst community.

Providing required information to analysts helps:

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

Employees

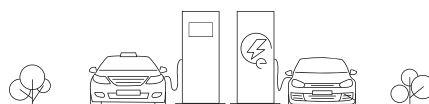
Focus on the Company's most valuable resource "our competent and committed workforce" is the base of APL's Human Resource Strategy. Multiple in-house and external training are conducted for continuing professional developments of our employees. APL provides a nurturing and employee friendly work environment.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

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.



NATCO Mountain-3 Filling Station, Hunza

- 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 46 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 (EHS) 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 & Rawalpindi Terminals and has plan to complete these replacements at all its oil terminals enabling significant reduction in energy consumption.

The Company has taken initiative to install the ON-GRID Solar System with Net metering at various APL Locations, 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.

The Company further plans to fully or partially switch over to On Grid Solar System at COCO Retail Outlets & other Storage Bulk Oil Terminals on which working is in progress.



Garrison Filling Station, Janda Chichi Rawalpindi

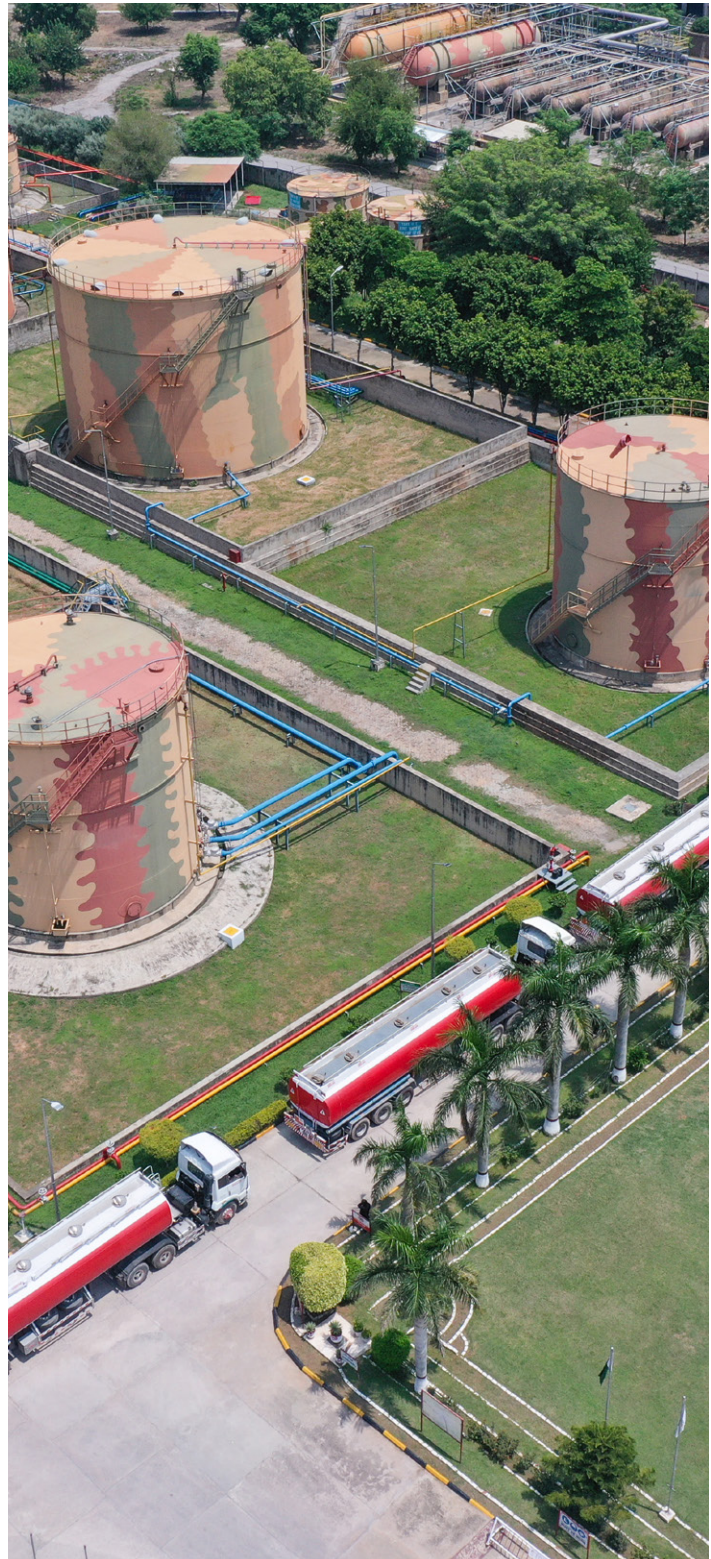
EFFORTS MADE TO MITIGATE ADVERSE IMPACT OF INDUSTRIAL EFFLUENTS

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

Attock Petroleum Limited strives to achieve excellent performance and eliminate all possible injuries, occupational illnesses, unsafe practices and incidents of environmental harm caused by operational activities.

Attock Petroleum Limited, to comply with Pakistan environmental regulations as per Pakistan Environmental Protection Act (PEPA, 1997) on their projects to meet the requirement of EPA applicable sections controlled by the Federal or Provincial Government.

Health Safety & Environment Management

Attock Petroleum Limited believes that A Safe Workplace Is Sound Business. The main goal of safety and health programs is to prevent workplace injuries, illnesses, and APL is committed to provide accident free environment. To accomplish this,

we have developed our hazard identification tool along with our job hazard and safety analysis procedures. Written safe-work practices are fundamental part of our comprehensive safety program. These safe-work practices help to ensure that potentially hazardous work, such as distribution of petroleum products from refineries and bulk oil terminals to retail outlets and industrial customers. Potential hazardous works i:e transportation of flammable products, work at height, maintenance on live electrical equipment's & high pressure lines and entry into a confined spaces are properly planned and permitted, to prevent workplace incidents. APL workforce truly believes that incidents are preventable and goal of "ZERO INCIDENTS" is achievable. Therefore APL have policies, processes, tools and behavioral expectations in-place 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 projects. This includes engaging with our contractors to improve oversight of their activities.

Safety Operating 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's 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 continuous improvement.
- Make efforts to preserve ecological balance and heritage.



Safety Trainings

Safety Trainings at APL is an essential part of the business to make the environment safe and healthy. The Purpose of safety training is to provide workforce with knowledge and skills to perform their work in a way that is safe for them and their co-workers. One of most communally method used to conduct such trainings at APL is ASCIE method, 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's Health Safety & Environment system, 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 given to focused group to meet the challenges, e.g. purchasing a new equipment, changes in technique of operation. 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 has successfully delivered various training programs to its employees in FY 2022-23 which summed up in Occupational Safety and Health & Fire Prevention trainings program. 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 2022-23 major milestones that have been achieved by Attock Petroleum Limited are

unprecedented in the Oil Marketing industry. It was only possible because of the Top Management commitment and efforts made by the best safety practices of whole team.

- Construction phase of 17,500 Metric-Ton APL Bulk Oil Terminal DI-Khan KPK has been completed successfully without any workplace incident throughout its construction phase. Project was started on 7 October, 2022 and moving towards its operational phase on 30 September, 2023 by adding total safe man-hours 1,475,890 to our Company's overall statistics.



- Successful completion of ON-GRID Solar System with Net metering,
 - 103KW System at APL Bulk Oil Terminal, Daulatpur
 - 74KW System at APL Retail Outlet Garrison Filling Station, Rawalpindi and
 - 39KW System at APL Regional Office, Karachi.

This achievement towards environment protection measure will provide a clean source of energy generation and contribute to the reduction of greenhouse carbon emissions and to minimize financial and environmental impacts to following the ritual of sustainable growth & corporate social responsibility.

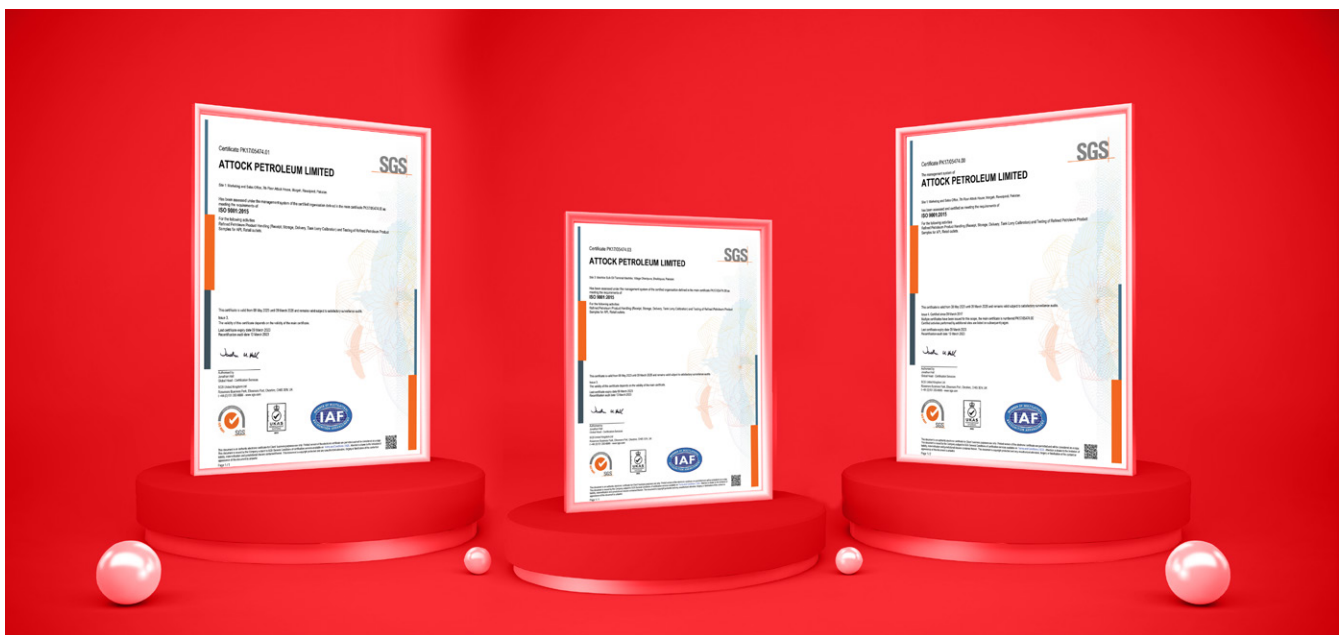


CERTIFICATION ACQUIRED AND INTERNATIONAL STANDARDS ADOPTED FOR BEST SUSTAINABILITY & CSR PRACTICES

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 all Bulk Oil Terminals & Head Office was successfully completed as per existing scope.

The Company is also committed to implementation of ISO 14001:2015 & OHSAS 45001:2018 standards in its future 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 2021 was awarded 3rd position in Fuel & Energy Sector of the Best Corporate Report Awards jointly organized by ICAP & ICMAP.

CORPORATE SOCIAL RESPONSIBILITY

Attock Petroleum Limited is committed to play an active role in supporting and working with its stakeholders for sustainable community and social development programs in the country. CSR activities help forge a stronger bond between employees and corporations, boost morale, and aid both employees and employers in feeling more connected to the world around them. By integrating CSR into our business strategy, APL is helping to drive shared value amongst its stakeholders and to enhance its corporate brand image community wide.

APL donated 20 million Rupees in Prime Minister's Flood Relief Fund, which also included one (01) day's basic salary contribution by the employees amounting to one (01) million Rupees.



LAHORE JUBILEE TOWN Filling Station

Operational Now



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.

APL is also a donor to various trusts working for the public welfare. It includes donation to Attock Sahara Foundation for Meena bazar.

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.

Scholarship Program

APL acknowledges the importance of education, hence, it provides Scholarship opportunities to dependents of APL Staff in Junior Management

cadre and 3rd Party Contractual staff members, on need cum merit basis. During the year, scholarship was provided to children of 158 employees in Category I (Class I to Intermediate) and 02 employees in Category 2 (Under Graduate & Post Graduate Degree Programs).

Internship Opportunities

Company considers it a social responsibility to provide opportunity for first hand professional learning experience to the students having diverse backgrounds from various reputable educational institutions of the country. This is also helpful to APL in identifying potential talent for Company's future inductions, bringing in new ideas and offer a fresh look at a company's day-to-day business and procedures as well as from Employer Branding point of view.

As part of APL's 2022-23 summer internship program, APL offered Internship opportunities in multiple disciplines at several locations to nineteen (19) students from various universities such as NUST, Quaid-e-Azam University, International Islamic University, Comsats, Hamdard University, Skans, Foundation University, University of Veterinary and Animal Sciences, NUML and National Fertilizer Corporation Institute of Engineering and Technology, Multan.





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.

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 Quality Assurance 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 these pose no hazards to health and safety of its employees or customers.

Environment Conservation

Attock Petroleum Limited is further developing environmental management practices that minimize waste and maximize efficiencies. APL continuously initiates 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.

Employees Leave Module is integrated with HRMS and they can apply leaves online and can also view their updated leave record through employee self-service system.

Annual Appraisals of the staff is also 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.

Employee's Job descriptions, performance appraisal, payroll and tax certificates record is available at employee self-service system.





Training and Organizational Development

Attock Petroleum Limited (APL) is committed to personal and professional development of all its employees and aims to facilitate them in achieving their full potential. Training is seen as a necessary investment in order to provide excellent services APL demands. The Company aims to harness full potential of its employees by investing in training and development programs that channelize their energies to focus on organizational needs as well as personal development and job satisfaction.

Our trainings are composed of In-house and external trainings. During the year 2022-23, a number of trainings were organized for APL staff members on areas such as Personal Effectiveness, Communication Skills, Microsoft Excel and International Accounting Standards etc. Total of 112 APL employees were trained during the year in above-mentioned training areas.

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 and contractual staff, Company also provides need based medical assistance to its 3rd party staff which aims to ensure a healthy and efficient work force by maintaining good physical and mental health of its employee.

Employee Engagement and 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.

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

• Employee's Birthday Celebrations

Employee's 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.



o Sports Activities

APL encourage sports and recreational activities to rejuvenate its employees and reap the rewards of more productive and a healthy workforce. In addition to availing gym and sports facility at Morgah club and Elliot club, APL's employee actively participate in industry's cricket tournaments held between different leading companies in Islamabad, Lahore and Karachi.

This not only provide healthy engagement and strengthen the bond of the fraternity, it also shows a thrilling display of cricketing talent and sportsmanship. Individuals get to know each other on a personal level. Strengthening these bonds amongst employees help them work better as a team.

o Independence Day Celebrations

Independence day was celebrated with great fervor and enthusiasm in APL. A special cake cutting ceremony was held in Head Office and

flags and buntings were distributed among general public on APL's COCO sites which were illuminated and decorated in solidarity to show national pride and patriotism.



o Women's Day Celebrations

APL values the services provided by female staff members. Women Day is celebrated to acknowledge the women's contribution and efforts towards the growth of the company as well as society. A special lunch was arranged for the female staff of the company at this occasion. In door activities were also arranged specifically for the occasion where prizes were distributed among winners.



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

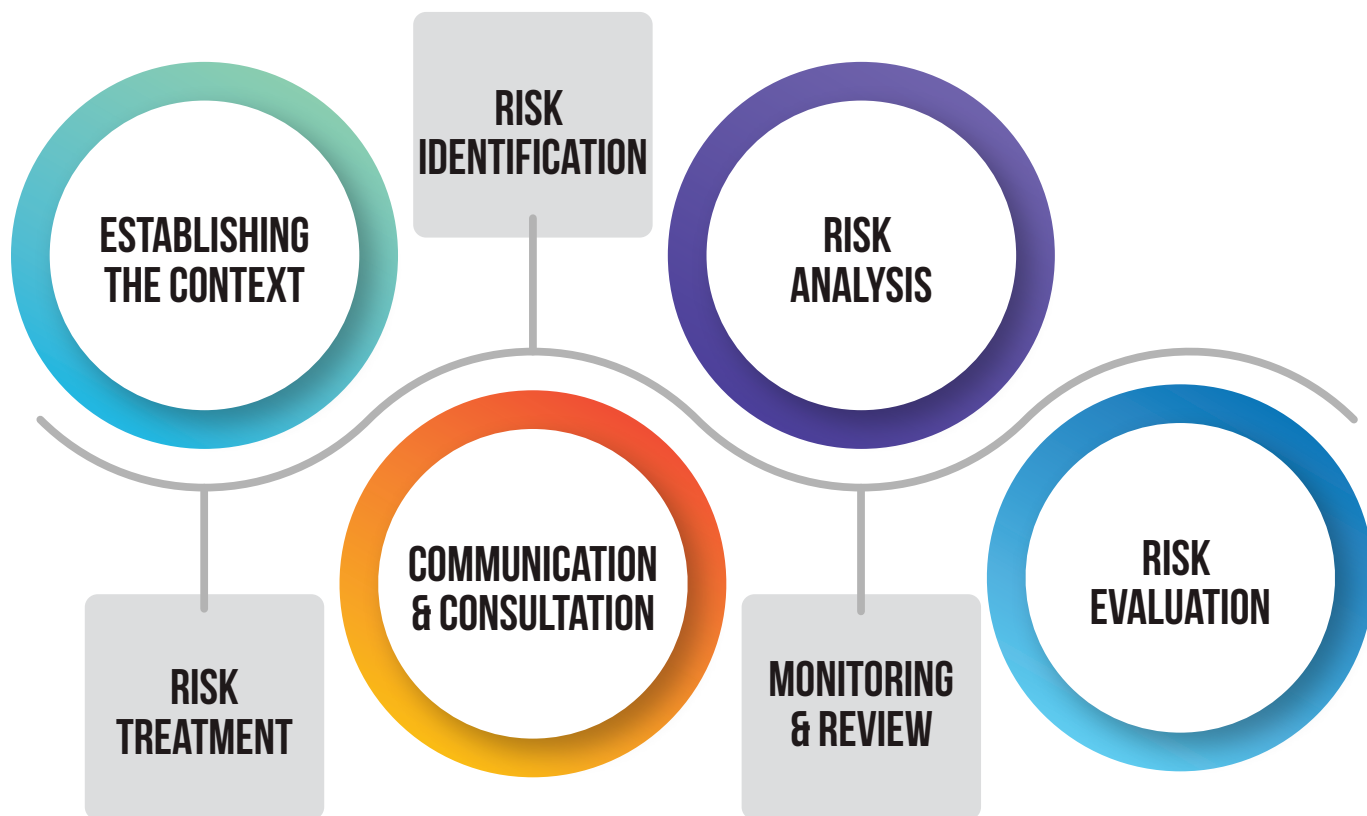
Effective risk management remains of utmost importance to the companies for sustainable business growth. Management endeavors to stay committed to the long-term strategy of the Company while minimizing the risks associated with short-term goals. Another challenge for the decision makers is to exploit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

and adhering to the vision and mission of the Company.

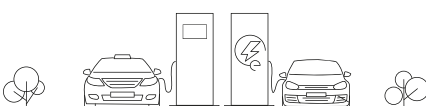
Risks

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 ASSESSMENT



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.

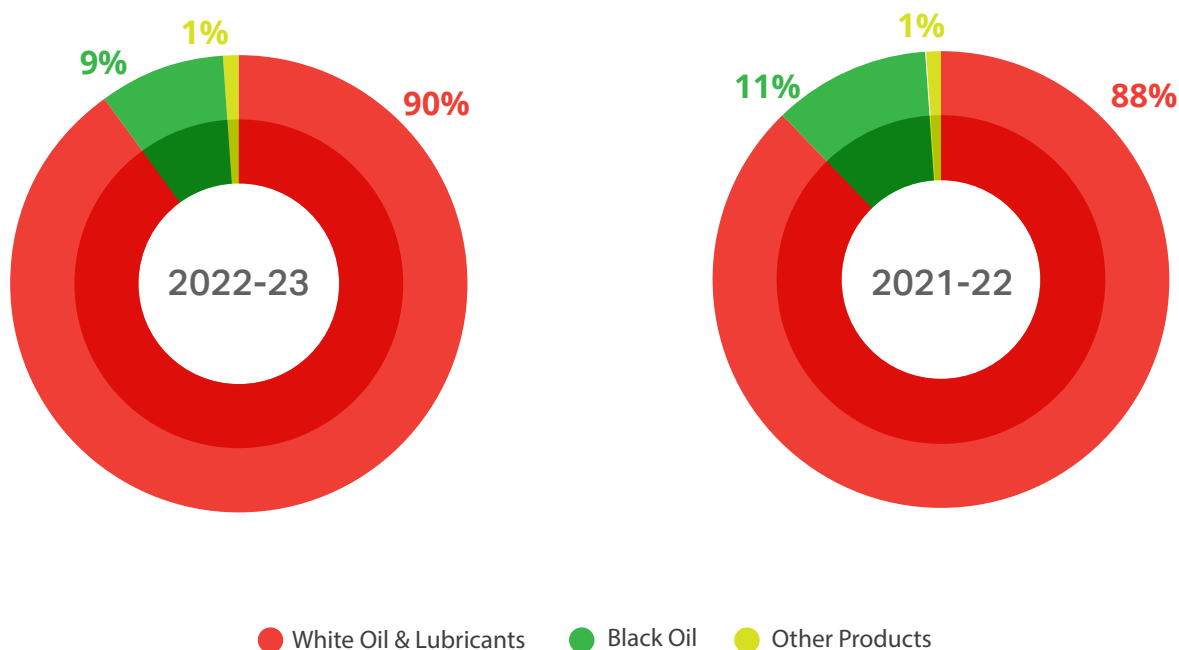
Development of China Pakistan Economic Corridor (CPEC) presents enormous opportunities to businesses across Pakistan. APL is actively participating in the project and contracts are

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 02 members including Chairman are independent non-executive directors.

Composition of the Audit Committee meets all applicable independence requirements. Each member of the Committee is equipped with appropriate professional knowledge and 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, 2023 and reports as follows:

Discharging Responsibilities towards Financial Statements

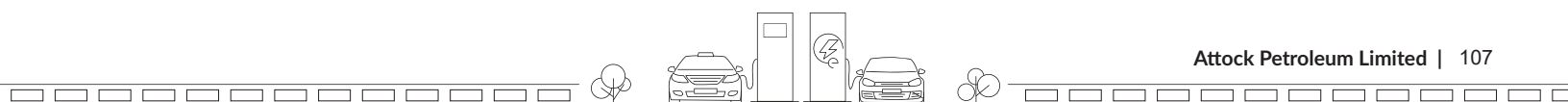
- Appropriate accounting policies have been consistently applied. All core and other applicable International Financial Reporting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2023, which fairly present the state of affairs, results of operations, cash flows and changes in equity of the Company.
- Accounting estimates are based on reasonable and prudent judgments. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017

and the external reporting is consistent with management processes and adequate for stakeholders’ needs.

- The Audit Committee has reviewed the related party transactions and recommended the same for approval of the Board of Directors.
- The CEO, CFO and a director who is member of the Audit Committee have endorsed the financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the Company’s financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.

Corporate Governance Compliances

- The Board has issued a “Statement of Compliance with the Code of Corporate Governance” which has also been reviewed and certified by the External Auditors of the Company.
- All direct or indirect trading of Company’s shares by the Directors and/or Executives or their spouses were notified in writing to the Company Secretary, the same were notified by the Company Secretary to the Board within stipulated time. All such trades have been disclosed in the pattern of shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim/final results, distribution to shareholders or any other



business decision, which could materially affect the market share price of Company, along with maintenance of confidentiality of all business information.

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

Approach to Risk Management and Internal Control

- The Committee has ensured the achievement of operational, compliance, risk management and financial reporting control objectives thus safeguarding the assets of the Company and the shareholders wealth at all levels within the Company by having deployed an independent internal audit function in the Company which is responsible for monitoring risks associated with its internal controls framework hampering the achievement of control objectives.
- The Company's risk management approach is elaborated in detail in the Directors report.

Role of Internal Audit Function

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

with compliance status are regularly presented to the Committee. The role of Internal Audit department includes review of systems within the Company at appropriate intervals to determine whether they are effectively designed and carrying out the functions in accordance with management instructions, policies and procedures and in a manner that is in agreement with Company's objectives and core values.

- 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, 2024.

- 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.



Zehra Naqvi

Chairperson – Audit Committee

Rawalpindi.
August 28, 2023



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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 275 to the mark of Rs 399. 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.

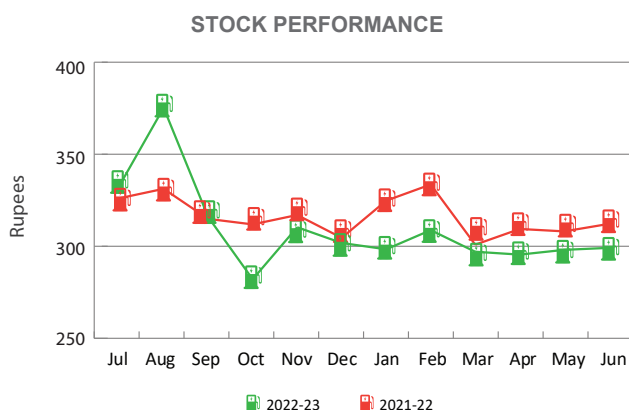
Exchange Losses

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 losses 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 installed dedicated pipeline, which connects the Fauji Oil Terminal & Distribution Company (FOTCO) Jetty to the APL Port Qasim Terminal, enabling the initiation of imported product receipt at our Port Qasim Terminal.

The Company, for the first time, developed a "Company Owned and Company Operated" retail outlet in the city of Rawalpindi, at a prominent and strategic location which serves significant volume of traffic between G.T Road and Islamabad Expressway.

APL has embarked on the construction of its second flagship retail outlet at prime location of Blue Area in the Federal Capital. This strategic move not only enhances our visibility but also reinforces our brand equity.

APL is venturing into selling of Liquefied Petroleum Gas (LPG). This strategic expansion aims to capitalize on lucrative opportunities and unlock new avenues for growth. By venturing into LPG sales, the Company is demonstrating its adaptability, agility, and ability to seize opportunities that align with its long-term growth strategy

The Company has set its sights on installing EV charging facilities at five (05) carefully selected retail outlets along the Motorways. This expansion of the electric vehicle charging network throughout Pakistan will not only contribute to combating climate change in the country but also align with green business initiatives by reducing the overall carbon footprint

APL proudly unveiled its very own café, "At-Café", situated strategically within the bustling retail hub of Blue Area, Islamabad. With its remarkable debut, this venture is poised to flourish, marking the commencement of an exciting addition to the Non-Fuel Retail (NFR) services portfolio of APL. The success of "At-Café" will pave the way for future growth, as this successful venture will be expanded to other fitting retail destinations in the near future.

Secured 3rd position in Fuel and Energy Sector in best Corporate and Sustainability Report Awards 2021 jointly organized by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

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.

Progressing forward in Retail, APL celebrated the commissioning of 754th 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.

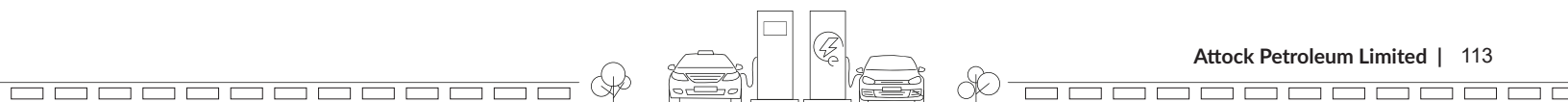
Digital Transformation

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, 2023 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, 2023.



Chartered Accountants

Islamabad

Date: September 6, 2023

UDIN: CR202310050fcBY00QMx

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, 2023

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

* Alternate Director – Mr. Babar Bashir Nawaz

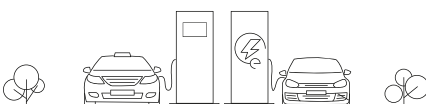
** Alternate Director – Mr. M. Adil Khattak

*** Became non-independent director effective June 14, 2023 after appointment as CEO of Attock Gen Limited (an associated company).

Prior to change in status of independence of Mr. M. Raziuddin effective June 14, 2023 due to his appointment as CEO of an associated company, the number of independent directors on the Company's Board of Directors was 03. Since there has been no change in total number of directors as fixed by the Board at the time of election of

directors, another independent director cannot be appointed. Accordingly, the number of independent directors has not been rounded up.

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
Ms. Zehra Naqvi (Chairperson) *	Ms. Zehra Naqvi (Chairperson) *
Mr. Abdus Sattar	Mr. Shuaib A. Malik
Lt Gen (Retd.) Javed Alam Khan	Mr. Mohammad Raziuddin
Mr. Mohammad Raziuddin	Mr. Babar Bashir Nawaz

*Before June 14, 2023, Mr. M. Raziuddin was Chairman of both committees.

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 requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Committee	Reg No	Explanation
<p>Nomination Committee: 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: 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>

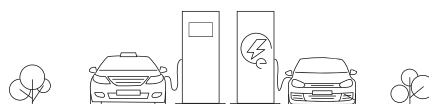


Laith G. Pharaon
Chairman



Shuaib A. Malik
Chief Executive

Rawalpindi.
August 29, 2023



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FINANCIAL ANALYSIS



DUPONT ANALYSIS



Return on Equity (Profit / Equity)

Decreased due to significant decrease in net profit by 33% on account of decline in Company's sales volume and decrease in gross profit.

Leverage (Asset / Equity)

Decreased due to increase in equity by 37% on account of income retained during the year, whereas assets increased by 29%.

Asset Turnover (Sales / Assets)

Decreased due to increase in assets by 29% whereas sales increased by 28%.

Net Profit Margin (Profit / Sales)

Decreased due to increase in sales by 28% on account of increase in prices whereas profit decreased by 33% due to decrease in gross profit on account of low sales volume.

KEY OPERATING AND FINANCIAL DATA

FOR SIX YEARS FROM 2017-18 TO 2022-23

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Summary of Profit or Loss							
Sales volume	Metric Tons	1,743,161	2,320,736	1,912,823	1,907,342	2,147,038	2,488,810
Net sales	Rs thousand	473,938,329	370,074,929	188,645,375	201,078,720	223,054,352	177,216,737
Gross profit	Rs thousand	26,070,668	41,003,092	9,981,941	3,637,890	8,221,167	9,743,294
Operating profit	Rs thousand	18,407,445	32,759,923	7,499,729	1,083,793	5,708,378	8,085,325
Profit before tax	Rs thousand	20,384,969	30,609,769	6,939,058	1,503,086	5,722,857	8,289,312
Profit after tax	Rs thousand	12,460,790	18,536,343	4,919,632	1,008,294	3,960,606	5,656,349
Earnings before interest, tax, depreciation, and amortization (EBITDA)	Rs thousand	22,604,141	32,620,852	8,567,400	2,677,291	6,314,452	8,711,258
Summary of Financial Position							
Shareholders' equity							
Share capital	Rs thousand	1,244,160	995,328	995,328	995,328	995,328	829,440
Reserves	Rs thousand	43,975,745	36,323,827	21,725,606	17,450,693	17,931,407	17,588,222
	Rs thousand	45,219,905	37,319,155	22,720,934	18,446,021	18,926,735	18,417,662
Non-current liabilities							
Long term lease liabilities	Rs thousand	7,531,422	6,257,911	6,274,485	3,978,932	-	-
Others	Rs thousand	1,103,923	1,088,247	1,107,011	904,651	792,993	911,540
	Rs thousand	8,635,345	7,346,158	7,381,496	4,883,583	792,993	911,540
Current assets							
Stock in trade	Rs thousand	30,169,689	51,662,152	16,121,539	9,464,503	12,865,862	12,460,539
Trade debts	Rs thousand	13,917,495	18,218,902	11,025,245	13,970,178	16,838,255	16,475,576
Cash, bank balances & Short term investments	Rs thousand	39,571,022	5,438,672	11,391,415	8,279,393	3,810,956	5,839,645
Others	Rs thousand	3,561,318	3,055,306	5,672,781	3,812,064	3,587,872	3,372,804
	Rs thousand	87,219,524	78,375,032	44,210,980	35,526,138	37,102,945	38,148,564
Current liabilities							
Trade and other payables	Rs thousand	48,512,728	47,614,884	31,179,480	27,561,324	26,633,386	26,138,159
Others	Rs thousand	5,586,287	4,070,848	615,975	347,404	49,598	663,965
	Rs thousand	54,099,015	51,685,732	31,795,455	27,908,728	26,682,984	26,802,124
Net current assets	Rs thousand	33,120,509	26,689,300	12,415,525	7,617,410	10,419,961	11,346,440
Property, plant and equipment	Rs thousand	19,077,870	16,597,854	16,616,819	13,839,661	8,348,942	6,417,787
Other non-current assets	Rs thousand	1,656,871	1,378,159	1,070,086	1,872,533	950,825	1,564,975
Capital expenditure during the year	Rs thousand	2,751,209	1,249,610	1,597,707	2,135,057	2,523,060	2,503,439
Total assets	Rs thousand	107,954,265	96,351,045	61,897,885	51,238,332	46,402,712	46,131,326
Total liabilities	Rs thousand	62,734,360	59,031,890	39,176,951	32,792,311	27,475,977	27,713,664

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Summary of Cash Flows							
Cash flow from operating activities	Rs thousand	37,354,107	(552,540)	5,631,875	7,414,512	2,998,293	(1,030,368)
Cash flow from investing activities	Rs thousand	1,752,668	965,658	(1,177,105)	(1,681,346)	(1,246,624)	(2,491,841)
Cash flow from financing activities	Rs thousand	(4,988,807)	(5,223,655)	(1,498,680)	(1,851,147)	(3,492,842)	(3,088,661)
Effect of exchange rate changes	Rs thousand	14,382	8,426	1,726	(1,684)	6,500	3,822
Net change in cash and cash equivalents	Rs thousand	34,132,350	(4,802,111)	2,957,816	3,880,335	(1,734,673)	(6,607,048)
Cash & cash equivalents at end of the year	Rs thousand	39,571,022	5,438,672	10,240,783	7,282,967	3,402,632	5,137,305
Free cash flow	Rs thousand	32,825,240	(2,913,000)	3,076,028	4,740,157	475,233	(3,533,807)

PERFORMANCE INDICATORS (RATIOS)

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Profitability and Operating Ratios							
Gross profit	%	5.50	11.08	5.29	1.81	3.69	5.50
Net profit to sales	%	2.63	5.01	2.61	0.50	1.78	3.19
EBITDA margin to sales	%	4.77	8.81	4.54	1.33	2.83	4.92
Operating leverage	%	(119.02)	354.69	(5,848.86)	748.42	(119.70)	27.57
Return on equity	%	30.19	61.75	23.90	5.40	21.21	32.59
Return on capital employed	%	30.19	61.68	23.80	5.38	21.21	32.59
Shareholders' Funds	%	41.89	38.73	36.71	36.00	40.79	39.92
Return on Shareholders' Funds	%	30.19	61.75	23.90	5.40	21.21	32.59
Total Shareholder Return	%	31.01	12.39	7.39	10.73	(34.95)	0.97

Liquidity Ratios

Current	Times	1.61	1.52	1.39	1.27	1.39	1.42
Quick / Acid test ratio	Times	1.05	0.51	0.88	0.93	0.90	0.96
Cash to current liabilities	Times	0.73	0.11	0.32	0.26	0.13	0.19
Cash flows from operations to sales	Times	0.08	(0.00)	0.03	0.04	0.01	(0.01)
Cash flow to Capital expenditures	Times	13.58	(0.44)	3.52	3.47	1.19	(0.41)
Cash flow to Coverage Ratio	Times	784.34	(3.18)	27.12	90.77	-	-

Activity / Turn Over Ratios

Inventory turnover	Times	10.95	9.71	13.97	17.68	16.97	17.01
No. of days in inventory		33	38	26	21	22	21
Debtors turnover	Times	29.50	25.31	15.09	13.05	13.39	12.99
No. of days in receivables		12	14	24	28	27	28
Creditors turnover	Times	9.32	8.35	6.08	7.29	8.14	7.10
No. of days in payables		39	44	60	50	45	51
Total assets turnover	Times	4.64	4.68	3.33	4.12	4.82	4.19
Fixed assets turnover	Times	26.57	22.28	12.39	18.12	30.21	32.95
Operating cycle	Days	7	8	(10)	(1)	4	(2)
Number of retail outlets		754	731	738	702	662	629

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Investment / Market Ratios							
Basic and diluted EPS	Rs	100.15	186.23	49.43	10.13	39.79	68.19
Basic and diluted EPS (restated)	Rs	100.15	148.99	39.54	8.10	31.83	45.46
Price earning	Times	3.00	1.73	6.50	30.13	7.25	8.65
Price to book	Times	0.83	0.86	1.41	1.65	1.52	2.66
Dividend yield	%	8.89	14.25	8.05	2.96	4.38	6.68
Dividend payout	%	27.46	24.16	54.63	88.84	50.26	58.66
Dividend cover	Times	3.64	4.14	1.83	1.13	1.99	1.70
Cash dividends	Rs thousand	3,421,440	4,478,976	2,687,386	895,795	1,990,656	3,317,760
Cash dividend per share	Rs	27.50	45.00	27.00	9.00	20.00	40.00
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	363	375	228	185	190	222
Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments	Rs	363	375	228	185	190	222
Break-up value per share including investment in related party at fair/ market value and with surplus on revaluation of Property plant and equipment	Rs	363	375	228	185	190	222
Market value per share							
Year end	Rs	300	321	321	305	289	590
Highest (during the year)	Rs	399	362	390	398	633	706
Lowest (during the year)	Rs	275	285	297	207	255	486
Economic Value Added	Rs thousand	3,840,179	13,876,268	1,879,728	(1,912,101)	545,971	3,580,594

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Capital Structure Ratios							
Debt to equity	%	0:100	0:100	0.27 : 99.73	0.65 : 99.35	0:100	0:100
Financial leverage	Times	-	-	0.00	0.01	-	-
Weighted average cost of debt	%	-	-	0.64	0.93	-	-
Net assets per share		363	375	228	185	190	222
Interest cover	Times	-	881	5,183	1,989	-	-
Non-Financial Ratios							
Revenue per Employee	Rs thousand	1,050,861	815,143	404,818	430,575	494,577	438,655
Staff Turnover Ratio	%	10.64	10.57	6.22	7.28	6.43	8.91
Spares Inventory as %age Assets Cost	%	0.18	0.16	0.21	0.32	0.20	0.16
Maintenance Cost as % of operating expenses	%	3.34	3.09	6.22	5.57	4.91	6.60
Market Share (Source: OCAC)	%	10.1	10.0	9.4	10.9	10.8	9.7

VERTICAL ANALYSIS

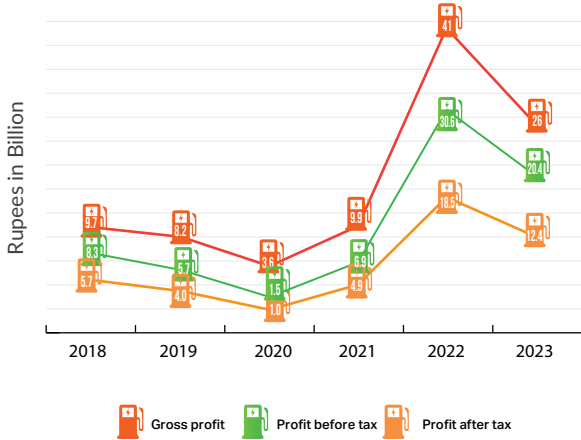
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
	%	%	%	%	%	%
Statement of Financial Position						
Property, Plant and Equipment	19,077,870	16,597,854	16,616,819	13,839,661	8,348,942	6,417,787
	17.7	17.2	26.8	27.0	18.0	13.9
Other Non-Current Assets	1,656,871	1,378,159	1,070,086	1,872,533	950,825	1,564,975
	1.5	1.4	1.7	3.7	2.0	3.4
Current Assets	87,219,524	78,375,032	44,210,980	35,526,138	37,102,945	38,148,564
	80.8	81.3	71.4	69.3	80.0	82.7
Total Assets	107,954,265	96,351,045	61,897,885	51,238,332	46,402,712	46,131,326
	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' Equity	45,219,905	37,319,155	22,720,934	18,446,021	18,926,735	18,417,662
	41.9	38.7	36.7	36.0	40.8	39.9
Non-Current Liabilities	8,635,345	7,346,158	7,381,496	4,883,583	792,993	911,540
	8.0	7.6	11.9	9.5	1.7	2.0
Current Liabilities	54,099,015	51,685,732	31,795,455	27,908,728	26,682,984	26,802,124
	50.1	53.6	51.4	54.5	57.5	58.1
Total Shareholders' Equity & Liabilities	107,954,265	96,351,045	61,897,885	51,238,332	46,402,712	46,131,326
	100.0	100.0	100.0	100.0	100.0	100.0
Statement of Profit or Loss						
Net Sales	473,938,329	370,074,929	188,645,375	201,078,720	223,054,352	177,216,737
	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Products Sold	447,867,661	329,071,837	178,663,434	197,440,830	214,833,185	167,473,443
	94.5	88.9	94.7	98.2	96.3	94.5
Gross Profit	26,070,668	41,003,092	9,981,941	3,637,890	8,221,167	9,743,294
	5.5	11.1	5.3	1.8	3.7	5.5
Operating Profit	18,407,445	32,759,923	7,499,729	1,083,793	5,708,378	8,085,325
	3.9	8.9	4.0	0.5	2.6	4.6
Profit before Taxation	20,384,969	30,609,769	6,939,058	1,503,086	5,722,857	8,289,312
	4.3	8.3	3.7	0.7	2.6	4.7
Profit for the Year	12,460,790	18,536,343	4,919,632	1,008,294	3,960,606	5,656,349
	2.6	5.0	2.6	0.5	1.8	3.2

HORIZONTAL ANALYSIS

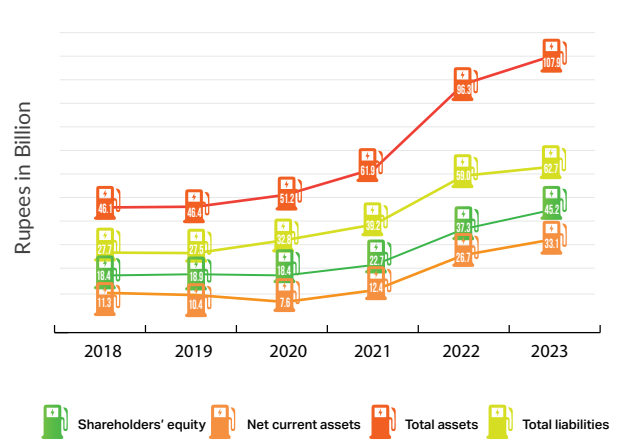
	2022-23		2021-22		2020-21		2019-20		2018-19		2017-18	
	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)	Rs ('000)	Increase / (decrease) from last year (%)
Statement of Financial Position												
Property, Plant and Equipment	19,077,870	14.9	16,597,854	(0.1)	16,616,819	20.1	13,839,661	65.8	8,348,942	30.1	6,417,787	47.9
Other Non-Current Assets	1,656,871	20.2	1,378,159	28.8	1,070,086	(42.9)	1,872,533	96.9	950,825	(39.2)	1,564,975	2.4
Current Assets	87,219,524	11.3	78,375,032	77.3	44,210,980	24.4	35,526,138	(4.2)	37,102,945	(2.7)	38,148,564	17.4
Total Assets	107,954,265	12.0	96,351,045	55.7	61,897,885	20.8	51,238,332	10.4	46,402,712	0.6	46,131,326	20.2
Shareholders' Equity	45,219,905	21.2	37,319,155	64.3	22,720,934	23.2	18,446,021	(2.5)	18,926,735	2.8	18,417,662	13.0
Non- Current Liabilities	8,635,345	17.5	7,346,158	(0.5)	7,381,496	51.1	4,883,583	515.8	792,993	(13.0)	911,540	24.3
Current Liabilities	54,099,015	4.7	51,685,732	62.6	31,795,455	13.9	27,908,728	4.6	26,682,984	(0.4)	26,802,124	25.6
Total Shareholders' Equity & Liabilities	107,954,265	12.0	96,351,045	55.7	61,897,885	20.8	51,238,332	10.4	46,402,712	0.6	46,131,326	20.2
Statement of Profit or Loss												
Net Sales	473,938,329	28.1	370,074,929	96.2	188,645,375	(6.2)	201,078,720	(9.9)	223,054,352	25.9	177,216,737	27.8
Cost of Products Sold	447,867,661	36.1	329,071,837	84.2	178,663,434	(9.5)	197,440,830	(8.1)	214,833,185	28.3	167,473,443	27.5
Gross Profit	26,070,668	(36.4)	41,003,092	310.8	9,981,941	174.4	3,637,890	(55.7)	8,221,167	(15.6)	9,743,294	32.8
Operating Profit	18,407,445	(43.8)	32,759,923	336.8	7,499,729	592.0	1,083,793	(81.0)	5,708,378	(29.4)	8,085,325	27.0
Profit Before Taxation	20,384,969	(33.4)	30,609,769	341.1	6,939,058	361.7	1,503,086	(73.7)	5,722,857	(31.0)	8,289,312	7.7
Profit for the Year	12,460,790	(32.8)	18,536,343	276.8	4,919,632	387.9	1,008,294	(74.5)	3,960,606	(30.0)	5,656,349	6.7

GRAPHICAL PRESENTATION

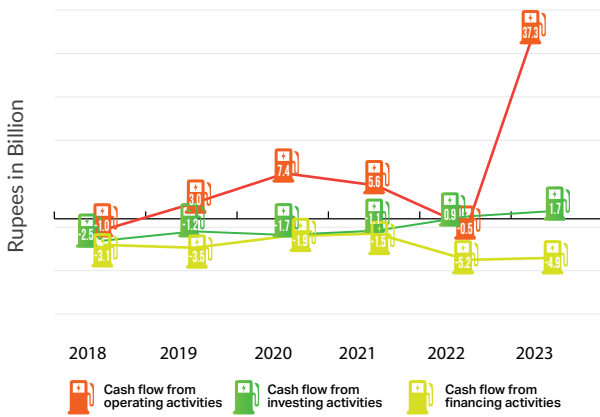
Profit or Loss



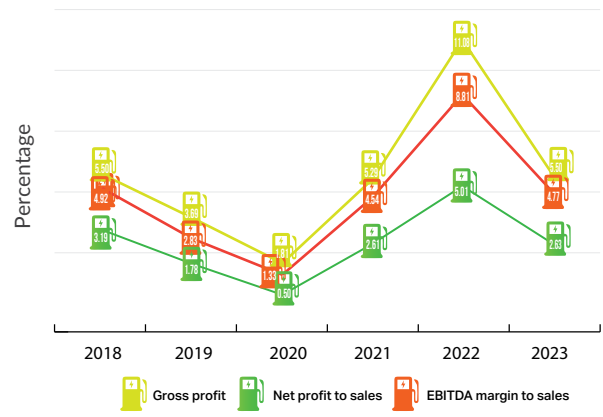
Financial Position



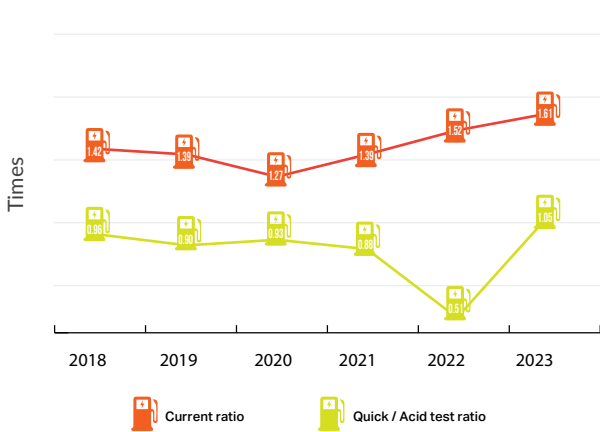
Cash Flows



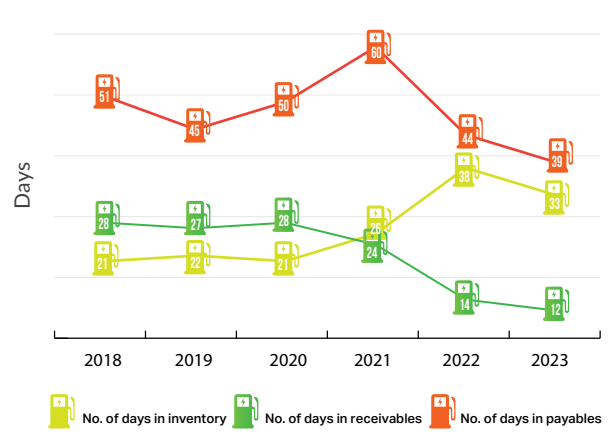
Profitability Ratios



Liquidity Ratios



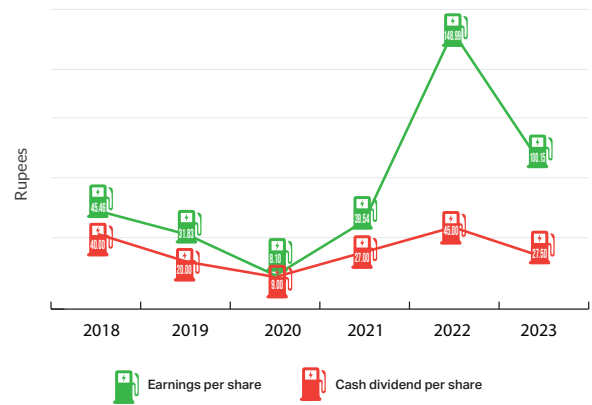
Activity Ratios



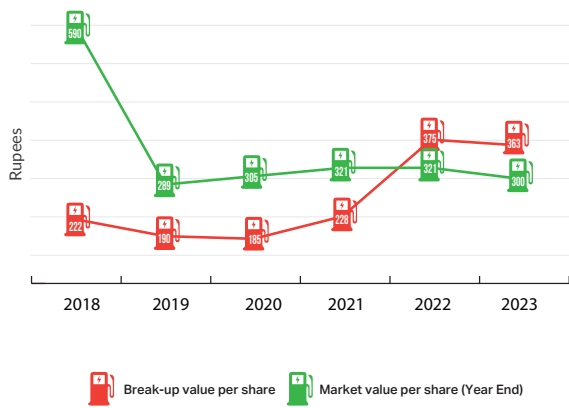
Turnover Ratios



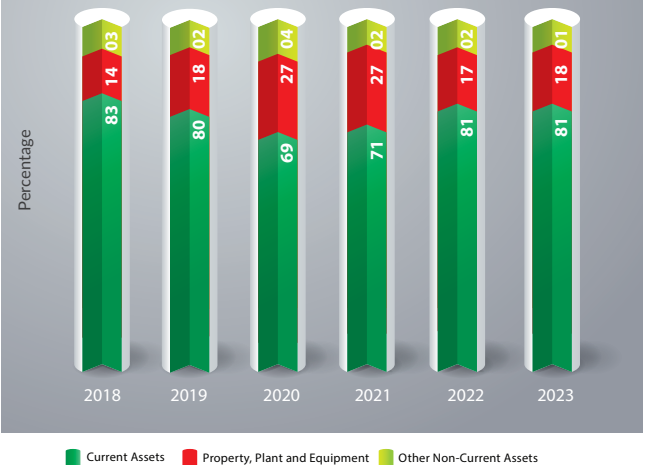
Investment Ratios



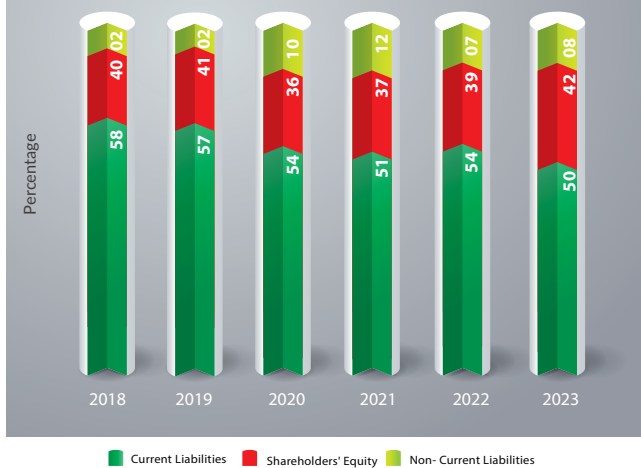
Market Ratios



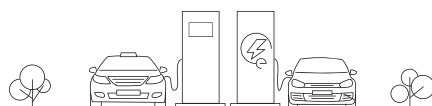
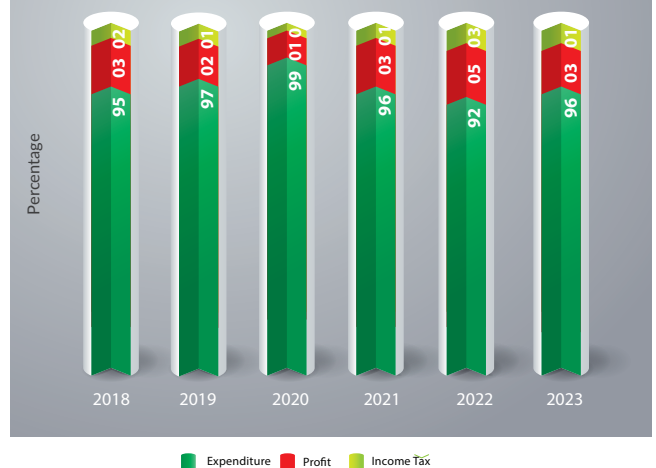
Composition of Assets

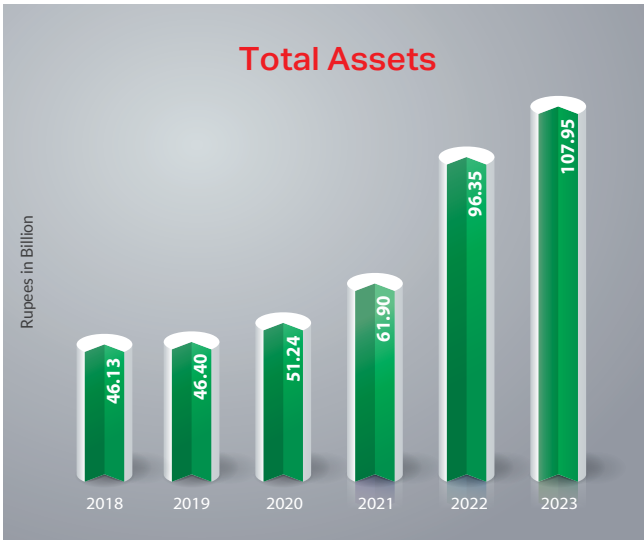


Composition of Total Liabilities & Shareholders' Equity



Composition of Profit and loss





COMMENTS ON FINANCIAL ANALYSIS

Statement of Cash flow

Operating activities: Cash flows generated from operations in the year 2023 was significantly increased to Rs 37,354 million (2022: cash outflow Rs 553 million) mainly due to decrease in stock in trade and higher receipts from customers

Over the last six years, cash flows remained positive, except for the years 2018 and 2022, wherein they were negative due to increase in stock level.

Investing activities: In year 2022 and 2023, excess interest income earned on bank deposits and investments than amount invested in property plant and equipment resulting in positive cash flows.

In the preceding year's, cash was used under investment activities due to significant amount of capital expenditures.

Financing activities: Cash outflow under financing activities mainly comprises of payment of dividends and lease liabilities, in the year 2023 cash outflow was Rs 4,989 million (2022: Rs 5,224 million) Cash outflow during the years 2018-2021 varies depending upon payment of dividends and lease liabilities.

Ratios Analysis

Profitability and operating ratios: In the year 2023, profitability ratios were lower as compared to last year due to decrease in profit on account of decrease in sales volume and inventory gains. Gross profit and net profit ratios decreased by 50% and 48% respectively as compared to year 2022. Further, these ratios fluctuate over the years due to varying margins, sales volume and product sale prices.

Over the six (06) years, return on shareholders' equity and capital employed was highest in the year 2022 due to highest profit earned during the year.

Liquidity ratios: During the year 2023, liquidity ratios of the company improved as compared to last five years due to greater percentage increase in current assets relative to current liabilities, resulting from profit earned and efficient liabilities management.

Activity / Turn over ratios: Stock levels, debtors and creditors and varying prices results in fluctuation of these ratios over the years. As compared to year 2022; Inventory turnover and number of days in inventory changed due to increase in cost of product sold. Debtors turnover ratio and number of days in receivable changed due to fluctuation in trade debts and net sales. Creditors' turnover changed due to greater percentage increase in cost of product sold than trade payable. Fixed assets turnover has increased by 19% as compared to last year due to significant increase in net sales.

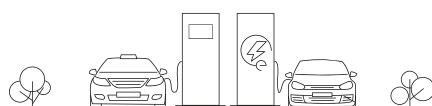
Investment / Market ratios: Earnings per share decreased due to lower profits as compared to year 2022, whereas Price earnings ratio increased from 1.73 times in 2022 to 3.00 times in 2023 due to varying degrees of changes in market value and earnings per share. Market value per share stood at Rs 300 as compared to Rs. 321 Last year. In the year 2023, total cash dividend is Rs 27.50 per share translating into dividend payout ratio at 27%.

Capital Structure ratios: All capital requirements are financed through equity contribution. Further, the Company had obtained term finance facility under State bank of Pakistan (SBP) Salary Refinance Scheme to pay Salary and wages to Employee. The Company fully paid off the loan during the year.

Vertical analysis

Statement of financial position: Weightage of property, plant and equipment increased slightly in the year 2023 vs 2022 due to increase in Company's investment in property, plant and equipment. 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". Weightage of current assets remained unchanged as compared to last year, however, it varies in the previous years mainly depending upon the requirements of stock in trade.

On the other hand, weightage of shareholders' equity increased in year 2023 as compared to last year due to profit retained in the business.



Statement of Profit or loss: Decrease in sales volume and relatively unfavorable impact of fluctuation in prices of petroleum products were the major factors, which reduced weightage of gross profit and net profit in the year 2023 as compared to 2022.

Horizontal Analysis

Statement of Financial Position: Property, plant and equipment increased by Rs 12,660 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 2017-18 was mainly due to fluctuations in trade debts on account of circular debts issue, stock in trade level according to operational requirements together with fluctuation in oil prices and cash and bank balances.

Shareholders' equity and current liabilities significantly increased in the year 2022 and 2023 over the previous years due to increase in amount of net profits retained and trade payables.

Statement of Profit or loss: Over the years, fluctuation in sale volumes, better margins and prices of products, resulted in varying level of sales and profits. Decrease in sales volume, relatively unfavorable impact of fluctuation in prices of petroleum products resulted in reduced profits in the year 2023 as compared to 2022.

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.

RATIONAL 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, 2023.

ANALYSIS OF PERFORMANCE AGAINST TARGET/BUDGET

- Gross profit was higher than target due to favorable impact of fluctuations in international oil prices, increase in margin of regulated products and higher sales revenue achieved during the year backed by increase in prices of petroleum products.
- Other Income, share of profit from associates and net finance income were higher against target mainly due to significant increase in interest income during the year.
- Operating expenses and other charges were higher than target mainly due to increase in exchange loss on account of depreciation of PKR against USD during the year.
- Provision for income tax increased due to increase in taxable profits and average tax rate due to enhancement of super tax rate from 4% to 10% in Finance Act 2023.
- Net profit after tax increased mainly due to the reasons mentioned above.

STATEMENT OF CHARITY ACCOUNT

Particulars	2022-23
	Rs ('000)
Donation	20,000
Community Welfare	18,299
Education and Scholarship	11,882
Health care and Environment	2,404
Sports Development	1,126
Total *	53,710

* Includes through Company's trust

ANALYSIS OF VARIATION

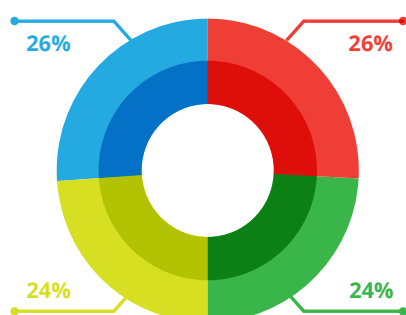
in results of interim reports with the final accounts

	Total for the year June 30, 2023	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)

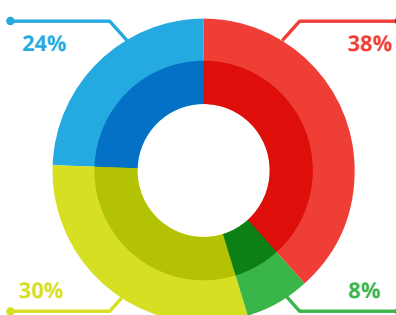
Statement of Profit or Loss

Sale Volume	1,743,161	419,780	421,689	438,232	463,460
Net Sales	473,938,329	123,103,302	113,057,143	113,846,444	123,931,440
Gross Profit	26,070,668	6,293,598	7,832,049	1,954,197	9,990,824
Profit Before Taxation	20,384,969	5,621,027	6,534,018	1,778,443	6,451,481
Provision for Taxation	(7,924,179)	(2,996,482)	(2,236,078)	(529,932)	(2,161,687)
Profit for the year	12,460,790	2,624,545	4,297,940	1,248,511	4,289,794
Earnings Per share basic and diluted (Rupees)	100.15	21.10	34.54	10.03	34.48

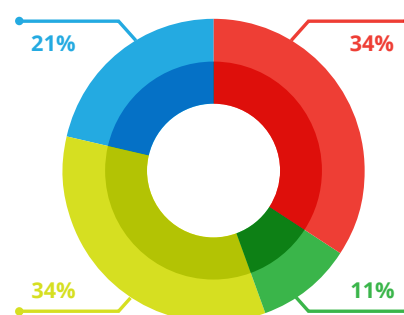
Net Sales



Gross Profit



Profit for the year



■ First Quarter ■ Second Quarter ■ Third Quarter ■ Fourth Quarter

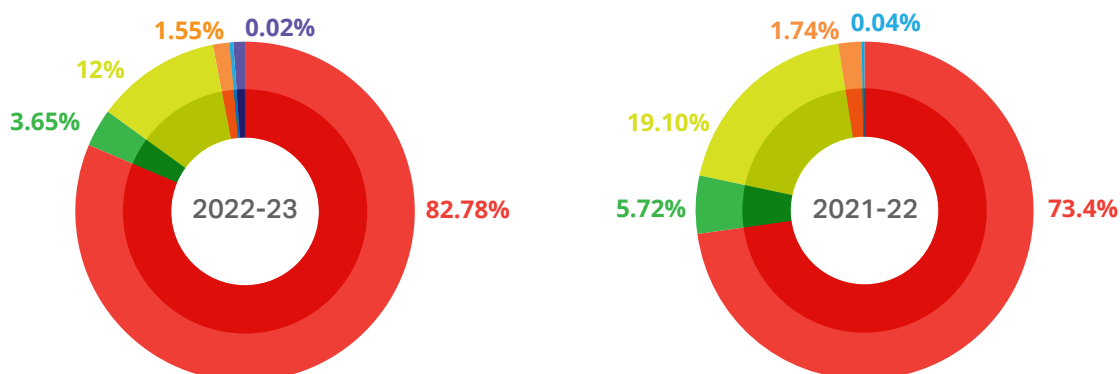
Net sales and gross profit were highest in the first quarter of the year resulting from highest volume sold due to high demand and favorable fluctuation in prices of petroleum products, whereas gross profit and net profit were lowest in the second quarter mainly due to the impact of unfavorable fluctuation in prices. Profit for the year was highest in the third quarter supported by optimum level of gross profit, operating expenses, net finance income and provision for taxation.

STATEMENT OF VALUE ADDED

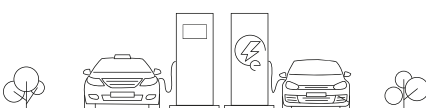
	2022-23		2021-22	
	Rs in thousand	%	Rs in thousand	%
Gross revenue and other income	496,049,992		402,511,718	
Cost of sales and operating expenses	(402,214,463)		(319,856,226)	
Total value added	93,835,529		82,655,492	

DISTRIBUTION

Employee remuneration:	1,455,269	1.55	1,438,882	1.74
Government as:				
Company taxation	7,924,179	8.44	12,073,426	14.61
Sales tax, duties and levies	68,272,337	72.76	46,346,105	56.07
WPPF and WWF	1,483,782	1.58	2,249,653	2.72
Shareholders as:				
Dividends	3,421,440	3.65	4,478,976	5.42
Bonus shares	-	-	248,832	0.30
Society as:				
Donation	20,000	0.02	-	-
Providers of finance as:				
Financial Charges	54	0.00	34,797	0.04
Retained in business:				
Depreciation	2,219,118	2.36	1,976,286	2.39
Net earnings	9,039,350	9.63	13,808,535	16.71
Total	93,835,529	100.00	82,655,492	100.00



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



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