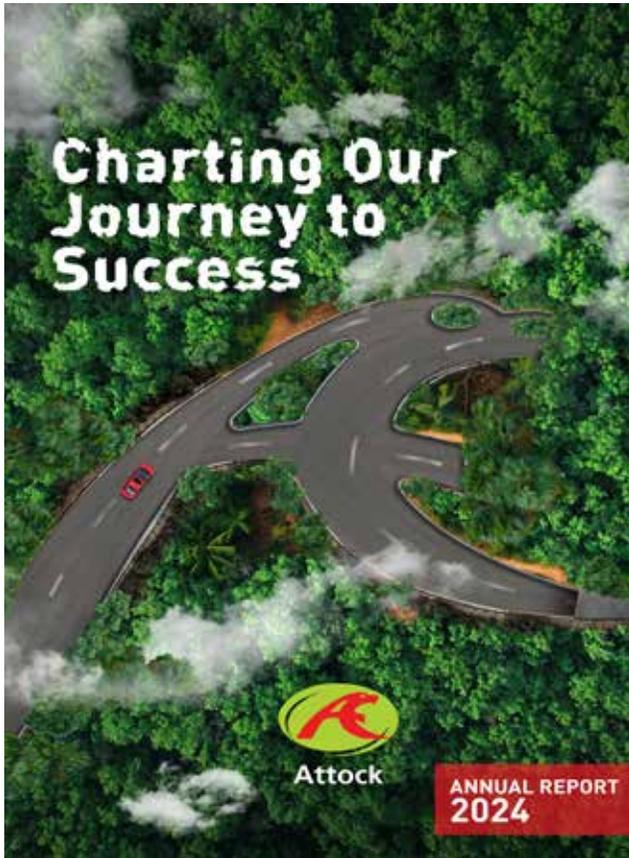


Charting Our Journey to Success



Attock

ANNUAL REPORT
2024



Cover Story

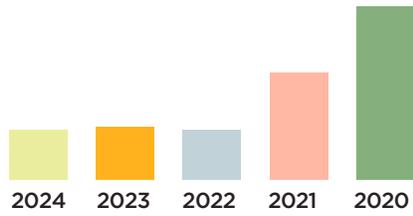
Our cover design features dynamic typography intertwined with our logo, forming a crossroads that symbolizes the multiple paths ahead. The road is shaped like an eagle from a bird's eye view, representing our foresight and vision. The green reflects our focus on growth and stability, while the white stands for clarity and positivity, aligning with our brand's ethos of envisioning a clear and promising future.

Financial Highlights



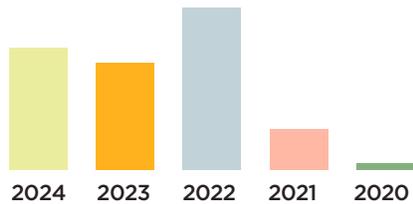
PAYOUT
ratio

24.75%



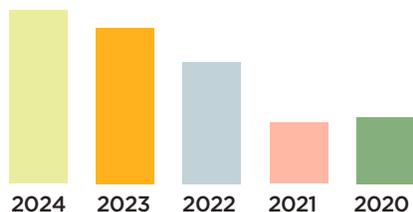
EARNINGS
per share

Rs. 111.09



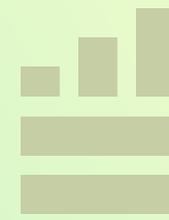
NET SALES
Revenue

Rs. 526,317
Million



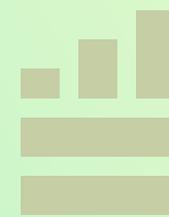
PROFIT
after tax

Rs. 13,822
Million



OPERATING
Profit

Rs. 16,506
Million



GROSS
Profit

Rs. 22,042
Million



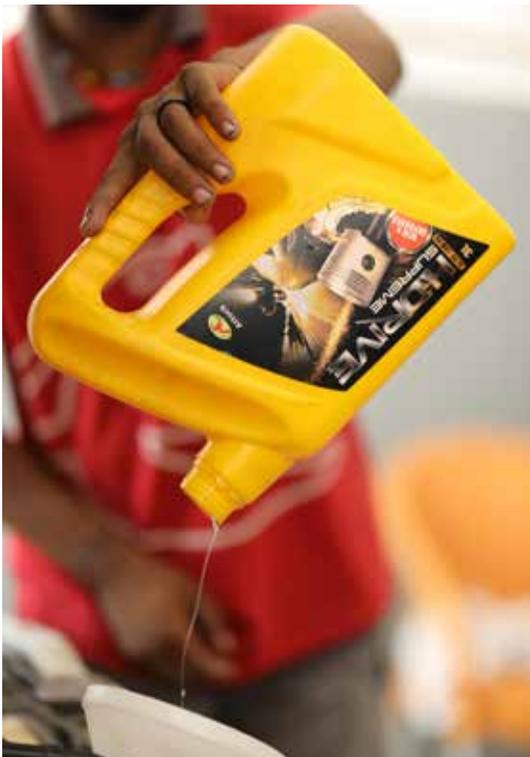
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Corporate Strategy

To ensure APL's sustained success, we are dedicated to integrating sustainability into our business strategy. By investing in our human capital, and upholding the principles of total quality and environmental protection strategies, we aim to elevate APL to unprecedented heights with the help of Almighty Allah. We are committed to expand our retail network responsibly, reaching untapped markets with care and consideration. Our approach emphasizes proactive measures and meticulous planning, execution, and implementation, with a steadfast focus on fostering long-term environmental and social sustainability.

Our objective is to successfully deliver premium-quality products and services, which will translate into maximum customer satisfaction while prioritizing sustainability across all facets of our business. Beyond achieving technical excellence, we aspire to be a paragon of responsible entrepreneurship. Our dedication extends beyond mere economic success to encompass conscientious engagements with our employees, communities, and the environment. By adhering to self-defined models of economic, social, and ecological responsibility, we aim to enhance customer satisfaction while minimizing our ecological footprint and contributing positively to society.

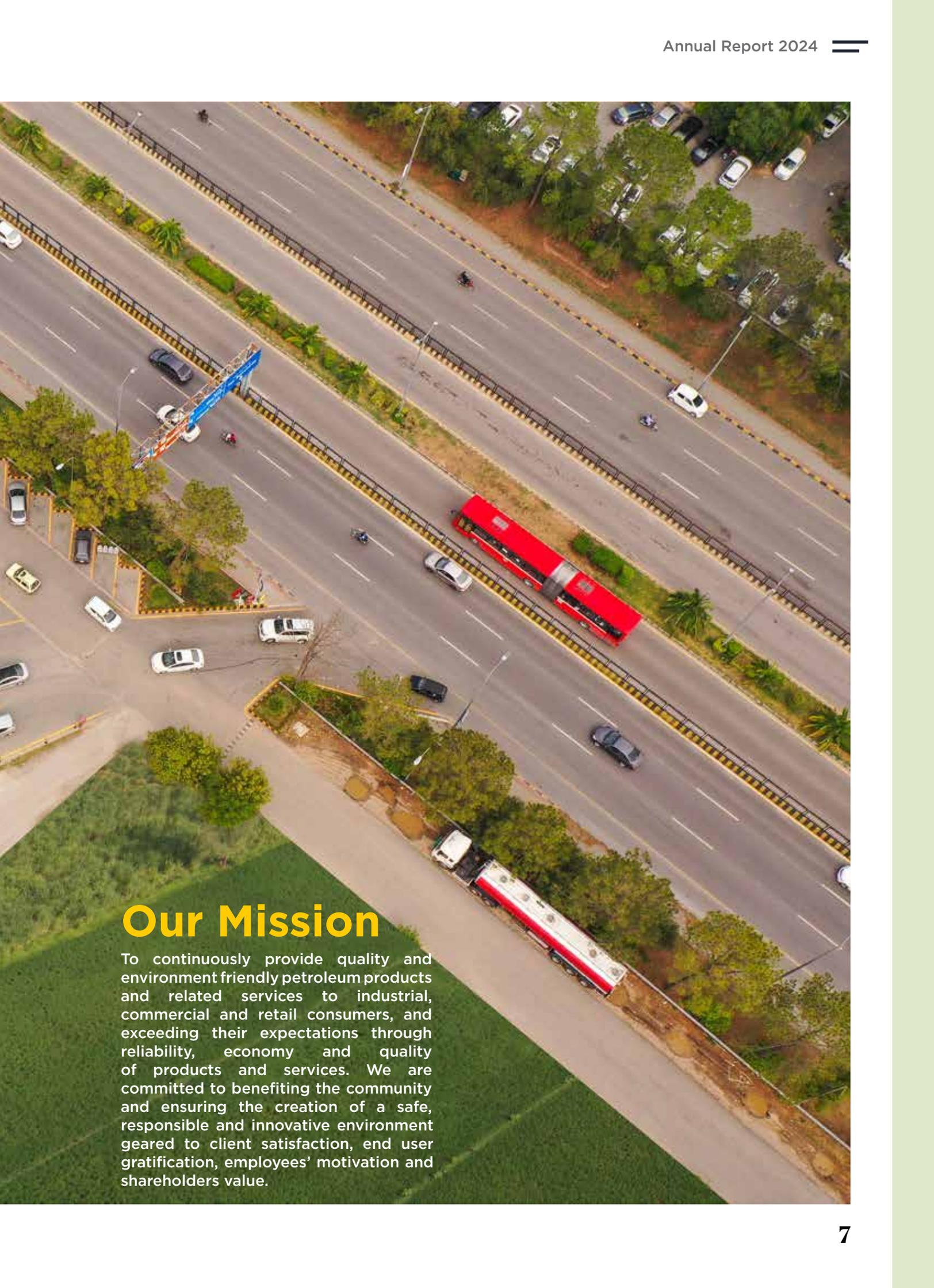




Our Vision

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.

COMMITMENT & COOPERATION

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.

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.

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.

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.

TRANSPARENCY AND ACCOUNTABILITY

We prioritize open communication, accountability for actions and decisions, and building trust with stakeholders through consistent dialogue, feedbacks, and transparent decision-making processes. We conduct regular audits to maintain compliance with standards and identify areas for improvement.

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.

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.

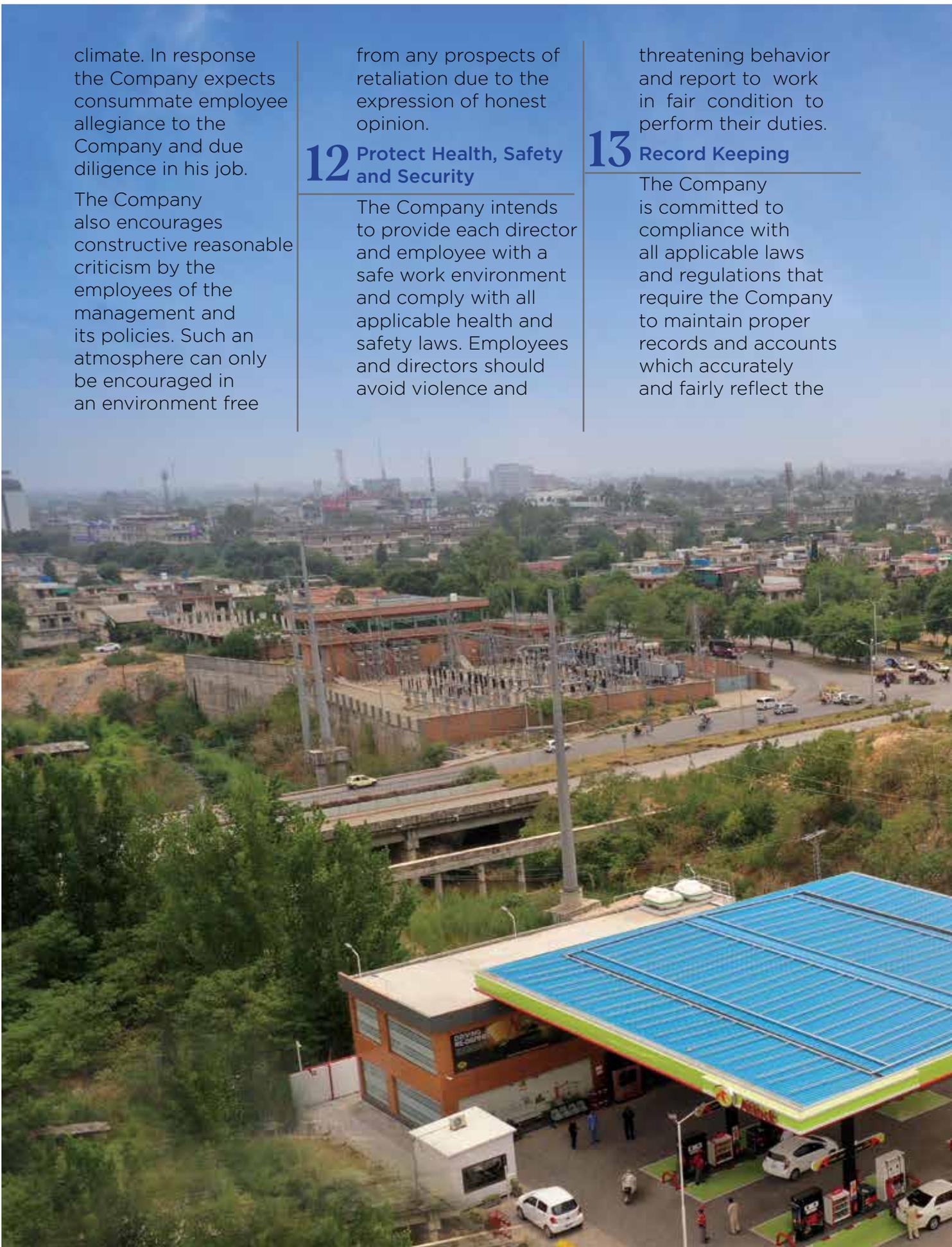
12 Protect Health, Safety and Security

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 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.



Brief Company Profile

Attock Petroleum Limited was established in Pakistan as a Public Limited Company on December 3, 1995. Being the fourth Oil Marketing Company granted a marketing license, APL commenced operations in February 1998. The company was subsequently listed on the Pakistan Stock Exchange (formerly known as the Karachi Stock Exchange) on March 7, 2005. In a remarkably short span, APL has solidified its presence as a key player in shaping the future of energy through sustainable practices and a customer-centric approach and earned the reputation of a progressive and dynamic organization dedicated to delivering high-quality

petroleum products and services both domestically and internationally. Central to our operations is a steadfast commitment to upholding health & safety, and environmental standards. The company distinguishes itself through a robust infrastructure that supports a wide-ranging supply chain, distribution, and retailing.

APL proudly ranks as the third-largest Oil Marketing Company in Pakistan, with a market share of 10.2% for the financial year 2023-24. This growth is a testament to our successful policies, proactive initiatives, and forward-thinking approach. As of June 30, 2024, our retail network comprises 798 pumps nationwide, including 42 company-

operated sites with superior customer service, providing a seamless and pleasant experience for customers, combining quality products, excellent service, and a commitment to safety and environmental stewardship.

APL has installed 03 180KW Fast Electric Vehicle (EV) charging systems at key locations with plans to expand nationwide to facilitate the adoption of EVs, thereby contributing to cleaner air and mitigating climate change as EV charging stations play a crucial role in the transition to sustainable transportation. Additionally, On-Grid Solar Systems with net metering are now operational at several Company sites, demonstrating our





commitment to renewable energy integration.

APL manages 09 depots/terminals with a combined capacity of 210,885 metric tons. By strategically locating depots in different regions, APL ensures widespread coverage and timely delivery of products across Pakistan meeting present demand and anticipating future expansion. The recent establishment of Company's Dera Ismail Khan Bulk Oil Terminal in Khyber Pakhtunkhwa marks a significant milestone for the Company opening avenues for further retail expansion within the province.

You can reach APL at the following links



[attock.petroleum](https://www.instagram.com/attock.petroleum)



[apl.com.pk](https://www.facebook.com/apl.com.pk)



[attock-petroleum-limited](https://www.linkedin.com/company/attock-petroleum-limited)



[APL_Pakistan](https://twitter.com/APL_Pakistan)



[attockpetroleumlimited](https://www.tiktok.com/@attockpetroleumlimited)



[attockpetroleumlimited](https://www.youtube.com/channel/UCattockpetroleumlimited)

Principle Business Activities and Markets

Being part of a fully integrated oil group based in Pakistan, the Company specializes in the marketing and distribution of a diverse array of petroleum products, catering to both local and international clientele.

APL effectively markets and supplies fuels to a variety of sectors including retail, industrial, armed forces, power producers, government/semi-government entities, development sector, aviation, and agriculture.

Key Brands & Products

APL specializes in the marketing and distribution of a comprehensive range of petroleum products, including High-Speed Diesel, Premier Motor Gasoline, Light Diesel Oil, Furnace Oil, Bitumen, Kerosene, and Lubricants, among others. We offer a variety of automotive and industrial-grade lubricants. Additionally, APL is actively engaged in the marketing of LSFO, Naphtha and LBO. The Company is penetrating

into the EV market with the establishment of Electric Vehicle charging facilities at its key sites. APL is also diversifying its revenue stream by entering into the Liquefied Petroleum Gas (LPG) business, with the completion of the LPG storage facility, Rawalpindi expected to be commissioned by the end of year 2024.

APL also offers a diverse selection of fuel cards tailored to meet the specific requirements of its customers across various categories, including Corporate, Business, Club and Voyage. Non-Fuel Retailing services at our pumps also provide a pleasant experience that exceeding customers' expectations. Moreover collaboration with renowned multinational food franchises has been established to introduce food outlets at motorway service areas, enhancing travelers' convenience and making their brief stops not just necessary, but enjoyable.

The Company's products portfolio is briefed 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.

1

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.

2

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.

3

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.

4

Residual Fuel Oil

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

5





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.

6

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.

7

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.

8

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.

9

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.

10



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.

11



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.

12



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.

13



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.

14



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.

15





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.

EV Ultra Fast Charging Facilities

These charging facilities are designed to deliver high-power charging for electric vehicles, significantly reducing charging times.

Fuel Cards

APL offers a range of Attock Smart Fuel Cards, designed to meet the diverse needs of individuals & businesses.

NFR Facilities

Our prime retail outlets offer wide range of non-fuel retailing facilities such as Tuck shops, Service Station, Tyre Shop and lube oil change facilities.

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 of Companies 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 such as 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 - incorporated in Lebanon | Common Directorship/ Associate | 34.38% |
| The Attock Oil Company Limited - incorporated in U.K | | 2.20% |
| Attock Refinery Limited | | 21.88% |
| Pakistan Oilfields Limited | | 7.02% |
| COMPANY'S SHAREHOLDING IN THE ASSOCIATE | | |
| Attock Refinery Limited | Common Directorship/ Associate | 1.68% |
| National Refinery Limited | | 1% |
| Attock Information Technology Services (Private) Limited | | 10% |
| NIL SHAREHOLDING AND VICE VERSA | | |
| Attock Cement Pakistan Limited | Common Directorship/ Associate | Nil |
| Attock Gen Limited | | Nil |
| Attock Energy (Private) Limited | | Nil |
| Attock Hospital (Private) Limited | | Nil |
| Attock Leisure & Management Associates (Private) Limited | | Nil |
| Attock Sahara Foundation | | Nil |



Geographical presence of APL business units



Head office / Marketing & Sales Office

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

Regional Offices

| | | | | | |
|--|---|---|---|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 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. | Hyderabad Shanghai Trade Center, Office number 539, Fifth floor, Main Autobahn Road, Hyderabad |

Bulk Oil Terminals

- 01 Rawalpindi Bulk Oil Terminal**
 Caltex Road, New Lalazar
 Rawalpindi.
- 02 Machike Bulk Oil Terminal**
 Mouza Dhan Pura, Machike
 Distt. Sheikhpura.
- 03 Sahiwal Bulk Oil Terminal**
 105/9L, Adda Sharin Mor,
 Main Arif Wala Road
 Sahiwal.
- 04 Mehmood Kot Bulk Oil Terminal**
 Near PARCO Refinery, Gate R-1
 Mehmood Kot, Qasba Gujrat
 Distt. Muzaffargarh.
- 05 Shikarpur Bulk Oil Terminal**
 Near PARCO Pumping Station
 No.3 Kandhkot Road, Shikarpur.
- 06 Daulatpur Bulk Oil Terminal**
 N-5 Tehsil Kazi Ahmed, Distt.
 Shaheed Benazirabad, Sindh.
- 07 Karachi Bulk Oil Terminal & CSC**
 C/o National Refinery Limited
 Sector 7-B, Korangi Industrial
 Area Karachi.
- 08 Port Qasim Bulk Oil Terminal**
 Plot No. SP-07 / POI, North
 West Industrial Zone, Port
 Qasim, Karachi.
- 09 Dera Ismail Khan Bulk Oil Terminal**
 Main Bypass Road, Mouza Korai,
 Dera Ismail Khan.

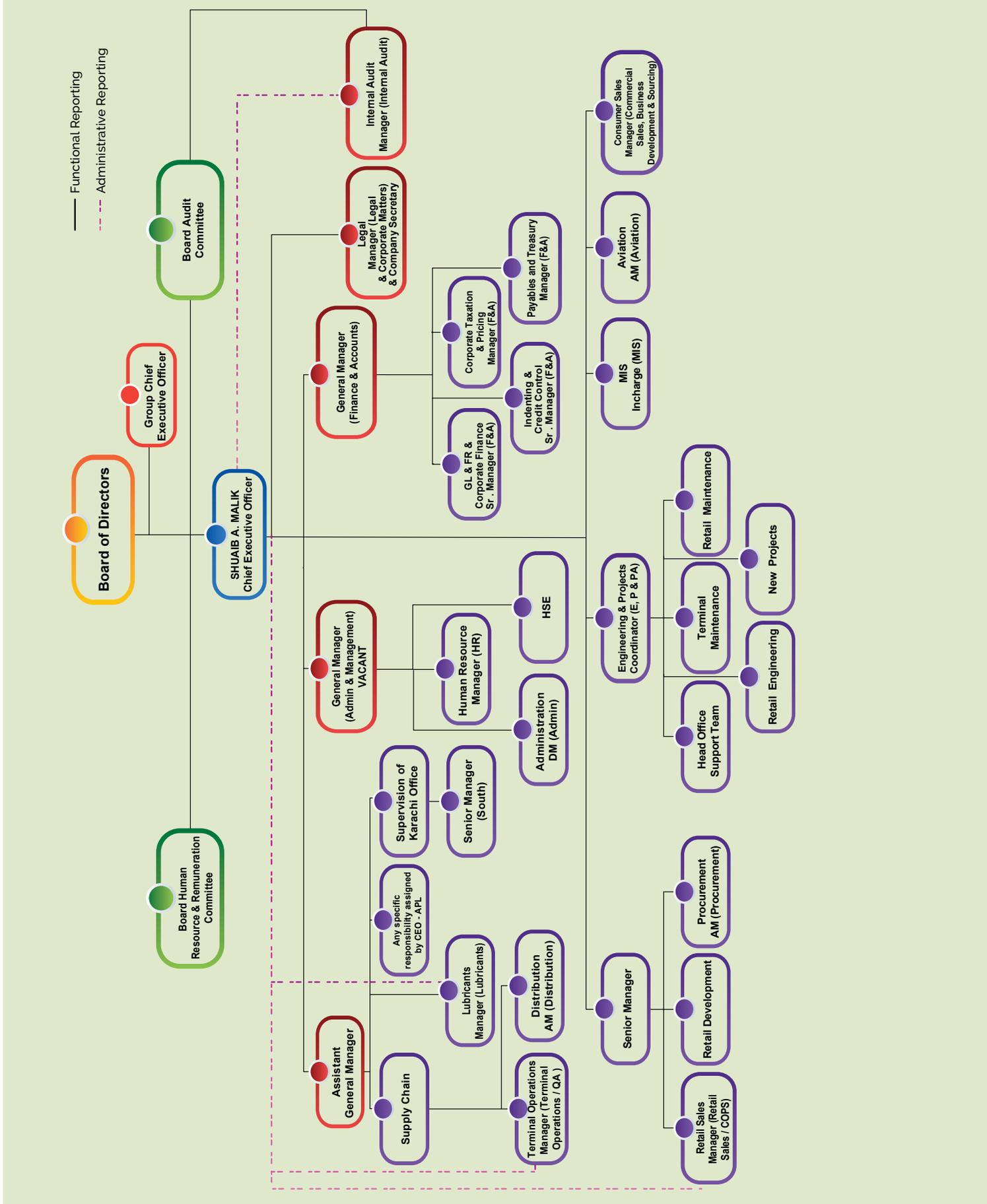
Invoicing Offices

- 01 Gatti**
 Near Dry Port Jhumra
 Road Faisalabad.
- 02 Tarujabba**
 Plot # 256, Near Wapda
 Colony Main G.T. Road,
 Tarujabba, Distt.
 Nowshera, Peshawar.
- 03 Mehmood Kot**
 New Marketing &
 Commercial Building,
 PARCO Gate R-2
 Mehmood Kot,
 Qasba Gujrat Distt.
 Muzaffargarh.

Our Brand Strategy

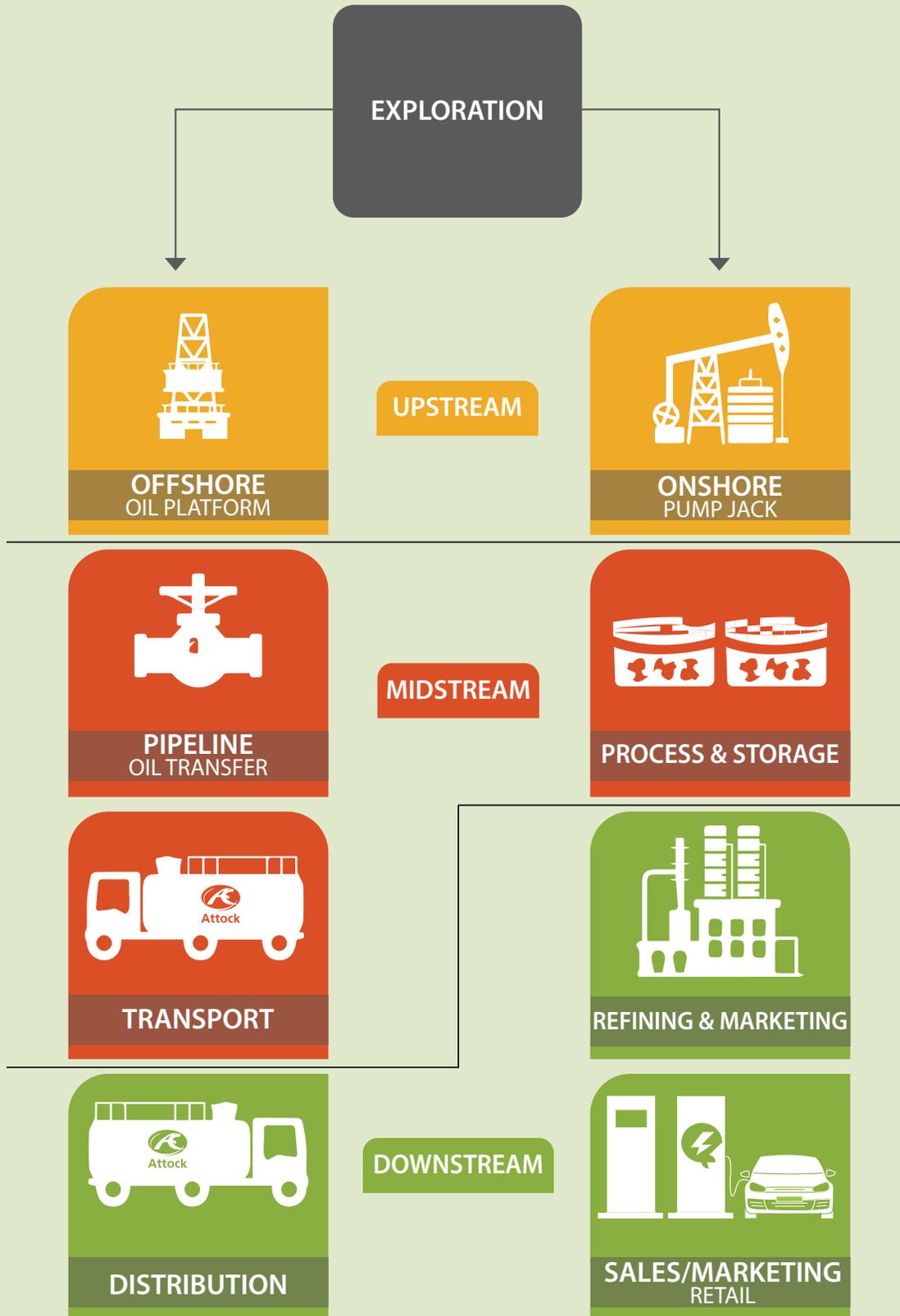


Organizational Chart



Value Chain

Attock Petroleum Limited is an oil marketing company with a nationwide presence of 798 retail outlets and is a part of the downstream sector of the oil and gas industry. Downstream operations involve refining crude oil into various petroleum products and then distributing and marketing these products to consumers and businesses.



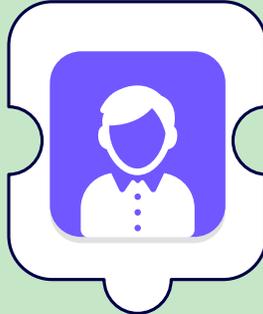


Our Team



Competent

Our panel of experts possesses in-depth knowledge of petroleum products, the legal and regulatory framework within the country, as well as safety and handling processes. They boast a comprehensive skill-set that ensures thorough understanding and proficient execution.



Diversified

Our team comprises competent staff from diverse backgrounds, ages, genders, ethnicities, skills, experience, and educational levels. This diversity enriches our collective perspective, fosters a variety of ideas, and promotes creativity within our endeavors.



Optimistic

In our lexicon, "Not Possible" simply does not exist. Empowered by deep knowledge in their respective fields, our employees tackle challenges head-on. We firmly believe that every problem holds an optimal solution, and we are dedicated to developing it for our clients.



Dedicated

At APL, we persistently strive for continuous improvement to achieve our goals. With knowledge, a positive approach, and unwavering support and motivation from management, we forge synergies that culminate in extraordinary benchmarks.



Motivated

Motivation stems from a thorough grasp of the operational dynamics of fuel supplies, coupled with constant support and guidance from management. This synergy fosters an insatiable drive within our team to deliver results effectively and efficiently.



Transparent

At APL, we communicate openly and transparently. Our team share information, feedback, and ideas freely, ensuring that everyone is on the same page and understands their role within the team. Respect for each other's contributions and perspectives and enhances collaboration.



Adaptable

Adaptability is a key to success. Here at APL, our teams are able to respond quickly to changes, whether in the market, technology, or internal dynamics, and adjust our strategies and tactics accordingly.

Positive Team Dynamics

At APL, we are committed to cultivating a positive and supportive team culture. We celebrate success, acknowledge individual contributions, and foster a strong sense of solidarity and belonging among our team members.

By embodying these core qualities, APL's teams is able to enhance its effectiveness and achieve sustainable success in today's competitive landscape.

SWOT Analysis



S

- 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

STRENGTHS

WEAKNESS

W

- Refineries/Suppliers Capacity Constraints
- Reliance on Imported Products
- Limited Alternatives and Fuel Resources
- Regulated Profit Margins
- Rising Input Cost & Fuel Prices
- Environment Impact
- Fluctuating Oil prices
- Regulatory Challenges



O

- 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/LPG Market

OPPORTUNITIES

THREATS

T

- 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
- Economic Instability & Inconsistencies in Government Policies
- Build up in Circular Debt
- Introduction of Alternative Fuel / Technologies
- Rupees devaluation /weak currency
- Shift toward renewable energy
- Regulatory Changes



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 complies with applicable labor laws to the relevant extent.



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.

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

Political Environment

The oil industry is profoundly shaped by national and international political landscapes. Global political dynamics significantly impact global oil supply and demand, international oil prices, and investment decisions in the oil and gas sector.

Due to Geopolitical events and tensions, any variation in global prices/supplies from OPEC significantly impact the local industry. Political instability in oil-producing countries disrupts supply chains and triggers price fluctuations.

The Company's strategic decisions are closely intertwined with political challenges. The company's leadership remains vigilant, ensuring agile decision and raising the issues at appropriate forums at appropriate time.

Economic Environment

Pakistan is dealing with a severe economic challenges characterized by high inflation, a devalued currency, and critically low foreign reserves, raising the risk on import payments. The absence of robust growth, industrial, and export policies stifles investment and economic progress.

The economic turmoil, exacerbated by IMF conditions, has led to soaring consumer prices across all commodities,

impacting GDP growth, inflation rates, unemployment, and income distribution. This crisis has directly influenced the Company's procurement strategies, escalating operational costs. To navigate these challenges, the company focuses on efficient product procurement, stringent cost controls, and aligning strategies accordingly.

Social Environment

In Pakistan, the social environment for Oil Marketing Companies (OMCs) presents a spectrum of opportunities and challenges, necessitating adept navigation of regulatory, cultural, and societal factors to thrive in the market.

APL remains committed to fostering gender diversity & inclusion by ensuring equal employment opportunities. Pakistan's youthful demographic offers potential, yet youth unemployment rates remain high. APL addresses this by creating multiple jobs at its various Bulk Oil Terminals and COCO sites, creating local job opportunities which further contribute to the economic growth of those communities.

The societal landscape is undergoing significant change with the rise of social media and digital technology adoption, enhancing consumer reach and awareness. APL aligns with these trends, employing advanced marketing tools and emphasizing social media for promoting fuel card services and enhancing customer experiences. Beyond business operations, APL fulfills its social responsibilities through philanthropic initiatives aimed at supporting public well-being and community development.

Commercial Environment

The commercial environment for oil marketing companies (OMCs) in Pakistan is shaped by several influential factors, driving industry dynamics and strategies. APL continually adjust its business strategies to align with evolving conditions such as industry competition, the emergence of alternate and substitute products, and the increasing popularity of fuel-efficient vehicles and electric vehicles among the masses.

Government regulations play a crucial role in determining the pricing of petroleum products, including taxes, duties, and subsidies, impacting profit margins and pricing strategies of APL. By applying forward-thinking approach towards diversification of revenue streams, the Company is expanding its horizons by entering the LPG market. The addition of the Bulk Oil Terminal in KPK represents a significant milestone, opening new opportunities for further retail expansion within the province. 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

Technological advancements are reshaping the operational landscape of Oil Marketing Companies (OMCs) like APL. Embracing innovation enhances operational efficiency and fosters customer engagement. APL leverages technology to enhance customer experience and loyalty, while navigating the opportunities and challenges posed by advancements in alternative fuels.

The Company's IT team continuously maps,



documents, and improves business processes, aiming for automation and innovative solutions. APL maintains a commitment to enhancing its IT infrastructure and operational procedures through adoption of multiple digital solutions to stay competitive in this digital era.

Legal Environment

Government regulations are pivotal in shaping the strategic & operational direction of Oil Marketing Companies (OMCs), influencing aspects such as pricing, taxation, subsidies, environmental standards, and energy security. These policies, overseen by entities like the Oil & Gas Regulatory Authority and Ministry of Energy (Petroleum Division), impact the profitability, operational strategies, and investment decisions of OMCs. APL, adheres rigorously to these regulations, encompassing laws from the Land Acquisition Act of 1894 to the directives of the Securities & Exchange Commission of Pakistan and Federal and provincial tax authorities. By complying with these frameworks, APL not only ensures regulatory compliances but also contributes significantly to national treasury through taxes and duties, thereby supporting Pakistan's fiscal stability and development efforts.

Natural Environment

Air pollution, inadequate clean water supply, noise pollution, and associated health impacts are critical environmental concerns in Pakistan. The increasing awareness of these issues, including air pollution and climate change, is shaping public opinion and driving government policies, particularly within the oil industry. Oil Marketing Companies (OMCs) like APL face mounting pressure to adopt cleaner fuel technologies and mitigate emissions. APL is responding to these challenges by prioritizing eco-friendly practices, investing in clean technologies, and advancing corporate social responsibility initiatives.

APL is committed to responsible water resource management, emphasizing water conservation and pollution prevention measures. Operating within this natural environment presents both challenges and opportunities for sustainable development, prompting APL to integrate environmental considerations into its business strategies and decision-making processes. Through its Environmental Management System (EMS) and adherence to regulatory standards such as the National Environmental Quality Standards (NEQS), APL monitors environmental emissions and effluents rigorously. APL is dedicated to

reducing its carbon footprint, promoting energy conservation, and fostering a sustainable future in Pakistan, including initiatives to establish a robust electric vehicle charging infrastructure.

Effect of Seasonality

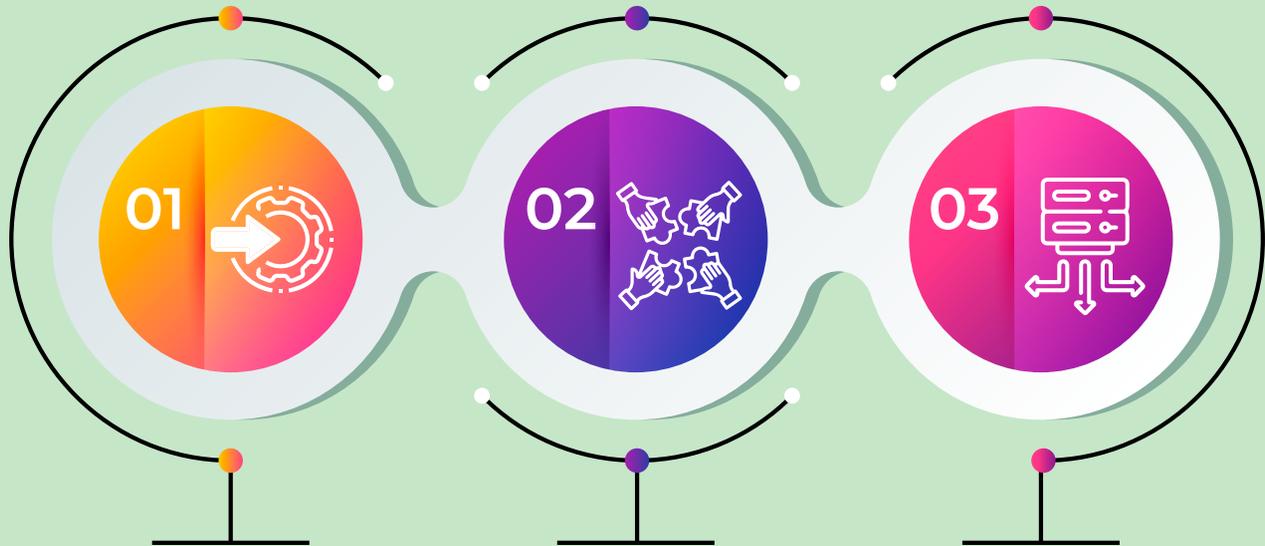
In regions such as Pakistan, the demand for oil and gas exhibits a seasonal pattern, influencing consumption trends throughout the year. APL's procurement and sales strategies are notably influenced by these seasonal variations. For instance, there is an increased demand for High Speed Diesel during the agricultural harvesting season. In summer, the demand for Furnace Oil increases to meet IPPS demand due to higher electricity generation needs. Moreover, summer months witness an uptick in travel and transportation activities, boosting the demand for petrol and diesel. Urban areas typically experience higher demand for transportation fuels, whereas rural regions rely more on agricultural machinery and diesel generators. These seasonal fluctuations significantly impact inventory management at APL. Consequently, the Company's management closely monitors the forecasts and seasonal trends to optimize its operations and ensure uninterrupted fuel supply chain management.

Business Model

At the foundation of our business strategy lies a robust and adaptive business model designed to drive innovation, efficiency, and sustainable growth. This model serves as the blueprint guiding our decisions and actions,

from resource allocation and operational tactics to customer engagement and market expansion. By continually refining and aligning our business model with evolving market dynamics and stakeholder expectations, we

aim to deliver superior value and achieve enduring success in our industry. It provides a roadmap to success in the highly competitive and ever-changing energy industry.



APL's sustainable business model's key elements include:

Input

- Fully Integrated Oil Group
- Market Intelligence & Research
- Robust Storage, Distribution & Retail Network
- Well Developed, Sophisticated Policies & Procedures
- Skilled Work Force & Continuing Professional Development
- Efficient Treasury Management
- Effective Stakeholder Engagements
- Strong Supply Chain
- Quality Assurance
- Good Governance
- Financial Resources

Business Activities

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

Output

- Financial Performance
- Brand Image & Market Reputation
- Customer Satisfaction & Brand Loyalty
- Customer Service and support
- Supply Chain Management
- 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
- Premium Quality Products
- Environmental and Regulatory Compliance
- Operational Efficiency

Resource Allocation

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 introduction 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 its 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 2023-24 amid competitors.

A General Review of the Performance of the Company for the Year and Major Improvements from Last Year

Please refer to the Director's Report for details.





Performance of the Various Activities / Product(s) / Service(s) / Segment(s)

Please refer to Page 68 & 125 for details.

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.

Composition Local versus Imported Material and Sensitivity Analysis due to Foreign Currency Fluctuations

Approximately 24 % of the Company's total product sourcing during financial year 2023-24 comprised of imports with the remainder

procured from the local refineries. Highest contributor remained Premier Motor Gasoline i.e. 56% of the total PMG procurement was through import.

Import transactions are conducted in US Dollars (USD) which exposes the Company to exchange rate risk. The Pakistani Rupee (PKR) had depreciated significantly during the first half of the financial year 2024. However, after the State Bank of Pakistan's reforms and measures to improve exchange companies business, the rupee began to appreciate significantly. Although it has sustained this positive trend, it remains under pressure due to Pakistan's ongoing current account deficit and import reliance.

In the current calendar year of 2024, the Pakistani Rupee has continued to demonstrate

stability and strength, with the USD to PKR exchange rate maintaining a steady course.

The sensitivity analysis of the currency risk arising from commercial transactions of the Company is detailed in note 33.3.1 of the notes to the financial statements.

Short, Medium and Long-Term strategic Objectives and Strategies in Place to Achieve those Objectives

By setting clear objectives, the Company creates a road map for success that balances and aligns short-term priorities with long-term sustainability and growth objectives. Regular review and adjustment of these objectives in response to evolving market dynamics and stakeholder expectations require agility and competitiveness in the expanding oil and gas industry in Pakistan.



APL's Short, Medium and Long term objectives spans from expanding market share and geographical presence, deploying effective marketing tools for brand image development , storage infrastructure development, total quality management, customers satisfaction, cost efficiencies, maximizing stakeholders' returns, to investment in alternate energy resources, exploring business opportunities in the competitive environment, keeping pace with Technological advancements and sustainable development through exercising a resilient business model adaptive to evolving market dynamics.

The objectives of the Company are defined in a manner such that the realization of short-term objectives leads to achievement of medium and long term goals. The management formulated effective strategies to achieve Company's objectives in line with the vision and mission 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 ensure targets achievements.

Linkage of Objectives with Mission/Vision

The objectives of the Company achieved

through executing right strategies are aligned to the overall stated mission of the Company in line with its stated broader vision to become 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.

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, 2024 and average number of employees during the year, disclosing separately the information of employees

at storage facilities, is disclosed in note 40 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.

Strategy on Market, Product & Service Development



APL prioritizes customer-centric approach and sustainability in its journey of Market, Product and Service development. Company's strategy on market penetration is focused on strategic alliances with dealers and distributors to maximize market share through dealer network and through Company operated models where brand image building is required. Investment on infrastructure development for expansion of storage terminals and distribution networks is strategized accordingly.

At product development side innovation, diversification, product quality management and provision of environment friendly

fuels are strategized to gain customers trust. APL markets high-quality products aimed at improving fuel efficiency and reducing emissions. At service development front customer satisfaction is the core focus which are catered through effective marketing strategies,

introduction of multiple payments alternatives and mobile apps for ordering, launching of loyalty programs & schemes, Product quality management and focusing on non-fuel retailing facilities for better customer experience.

Sustainability is the base of all the development strategies of the Company across its operations, focusing on reducing carbon footprints, improving waste management, and engaging in community outreach programs. These strategies underscore APL's growth, competitiveness, and long-term success in Pakistan's dynamic energy market.



The Capabilities and Resources of the Company that Provide Sustainable Competitive Advantage, Resulting in Value Creation by the Company

- Attock Petroleum Limited (APL) is a proud member of the Attock Oil Group being Pakistan's only fully integrated oil group. Its operations span the entire petroleum value chain, encompassing exploration, refining, distribution, and marketing of petroleum products.
- APL strategically positions bulk oil terminals across Pakistan, ensuring geographic presence and optimal distribution throughout the country to gain a competitive advantage. Leveraging this strategic footprint, APL has capitalized on cost and freight advantages.
- APL has a great focus on Total Quality Management. Company's Quality Assurance Unit ensures POL products' quality and reliability thereby enhancing customer satisfaction through building a strong and trustworthy customer relationship.
- APL's strong financial position & financial stability provides yet another competitive edge, bolstering Company's ability to invest in lucrative avenues. Company's consistent sound liquidity is paramount to efficient working capital management. Company's is majorly equity financed however significant financing facilities are also established by the Company as backup.
- Company's has a strategic approach towards diversification to stand out in competition. Stepping into LPG business and EV charging stations are testimony to Company's strategic direction. The establishment of the largest Fuel Farm Facility at Islamabad International Airport positions Company well into Aviation segment with opening horizon for significant new opportunities for the Company.
- APL's strength also lies in its competitive human resources. Its ability to attract, develop, and retain top talent in a highly specialized industry gives it another strategic advantage.
- Company's effective supply chain and inventory management ensures the smooth and uninterrupted product supply across the country even in the testing times.



Effect of “Technological Changes, Sustainability Reporting and Challenges, Initiatives Taken by the Company in Promoting and Enabling Innovation and Resource Shortages” on the Company Strategy and Resource Allocation

| Factors Effecting | Impact on the Company’s Strategy & Resource Allocation |
|---|--|
| <p>Technological Changes</p> | <ul style="list-style-type: none"> ■ By staying agile and proactive, technological challenges can be turned into opportunities for growth and leadership in the industry. APL effectively harness new technologies to gain a competitive edge by focusing its strategy on leveraging tech to optimize operations, enhance productivity, and offer unique value propositions. ■ Adaptation and Innovation is needed to stay abreast with Technology and for it the Company strategies to invest in exploring emerging technologies to stay ahead of the curve. Technological changes require upgrading infrastructure, tools, or software, which can increase costs. Company’s strategic planning account for these investments while ensuring cost-efficiency. ■ With technology evolving rapidly, talent shortages is faced for specialized skills. APL’s strategy focuses on upskilling current employees or recruiting tech-savvy talent. New technologies may introduce security risks, regulatory challenges, or data management issues. The Company adapted its risk management strategies to safeguard operations and customer data. ■ Business Model adaptation is leveraged to remain flexible to pivot toward new opportunities, such as digital transformation or automation, and adjust product offerings or customer engagement methods. A customer-centric strategy leveraging technology enhances loyalty and satisfaction. |
| <p>Sustainability Reporting and Challenges</p> | <ul style="list-style-type: none"> ■ Sustainability reporting is an essential tool to demonstrate Company’s commitment to responsible business practices. Companies are increasingly integrating sustainability into their overall strategy, recognizing its importance for long-term growth and resilience. ■ The process presents several challenges including Standardization, Data collection and Accuracy, Resource and Cost constraints, Cultural and Organizational change and Evolving Regulatory compliances. To overcome these challenges, APL has prioritized long-term value creation in its strategy and emphasizes regulatory compliances, stakeholder engagement and risk management. The Company has allocated its resources toward sustainable practices, innovate responsibly, and foster internal cultural changes to meet reporting demands and remain competitive. |

| Factors Effecting | Impact on the Company's Strategy & Resource Allocation |
|---|---|
| <p>Initiatives Taken by the Company in Promoting and Enabling Innovation</p> | <ul style="list-style-type: none"> ■ Companies that embrace innovation see strategic shifts towards long-term value creation, market differentiation, and continuous improvement across all areas of the business. While promoting innovation can drive long-term growth and competitive advantage, several challenges are faced in implementing innovation initiatives which include cultural resistance, resource constraints, balancing daily operations with innovation and managing risks and uncertainty. ■ To overcome these challenges, Company has shaped its approach and strategy by placing innovation at the core of growth, adaptability and competitiveness with a strong leadership commitment and a willingness to invest in the necessary resources, infrastructure, and cultural changes that enable innovation to thrive. The Company drives its resource allocation towards diversification to new market segments, product lines, new technologies and new alliances with a thorough market research and intelligence; Risks & uncertainty management with frequent performance reviews of new segments and talent's training & development while also encouraging a culture of innovation. |
| <p>Resource Shortages</p> | <ul style="list-style-type: none"> ■ Resource shortages drive companies to rethink their strategies, prioritize key initiatives, and optimize resource allocation. APL ensures availability of adequate resources for smooth business operations of the Company and also actively optimize its resources utilization. |



Chairman's Review



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Dear Shareholders,

On behalf of the Board of Directors, I warmly welcome the esteemed shareholders to the 29th Annual General Meeting. I am also pleased to welcome all members of the newly constituted Board of Directors. Their extensive vision and vast market experience will continue to drive fresh insights into the Company's strategic and operational activities. I extend my sincere appreciation for the valuable contributions made by the outgoing member of the Board of Directors.

During the year under review, the economy showed some signs of recovery and steady improvement. This was highlighted by agricultural growth, reduced inflationary pressure and an improved current account balance. An increase in foreign exchange reserves stabilized the PKR/USD exchange rate parity, bolstered by the successful completion of IMF program. However, challenges remain, particularly in manufacturing activity and the high cost of debt servicing.

The global oil market is influenced by interconnected factors such as supply and demand dynamics, geopolitical events, and speculative activities, which drive price trends. These global factors impact domestic oil markets, leading to fluctuation in fuel costs and affecting the broader economy and consumer expenditures. Recent fluctuations in global oil prices and exchange rates have particularly influenced impacted domestic fuel costs, while geopolitical disruptions in major oil-producing regions have further strained oil market stability and energy security, prompting adjustments in the country's energy policies, including subsidies and pricing mechanisms. The energy crisis has intensified the focus on energy security, accelerating the transition to clean energy technologies, reshaping consumer behavior, and driving investments in renewable energy and decarbonization.

Amidst these challenges and the recent political transition in Pakistan following the elections, the economic and geopolitical

dynamics have undergone swift transformation, unveiling a multifaceted and unpredictable milieu. Additionally, illicit trade has disrupted the entire supply chain of petroleum products, adversely affecting the profitability of OMCs, refinery health, and White Oil Pipeline operations. This disruption has caused the oil industry to lose business and the government to lose revenue from petroleum levies and other duties and taxes. Despite reduction in sales volume coupled with the challenges in inventory management the Company managed to improve its bottom line due to its proactive approach by maximizing its revenue from other segments. Consequently, the Company earned a profit after tax of Rs 13,822 million, reflecting an increase of 11% over the last year.

Foreign investments are crucial for the country's advancement, but creating a conducive business environment, especially for foreign investors, is essential to attract and retain these investments. To stabilize the economy and build investor confidence, it is crucial to implement prudent policy management and associated reforms. It becomes imperative for regulatory authorities to carefully balance safeguarding the economy's stability and attractiveness for foreign investment with maintaining an environment that promotes investor trust and long-term economic growth.

Our commitment to providing a consistent and reliable energy supply for our valued customers remains unwavering. With this paramount goal in mind, we have proactively established new retail outlets across the country, continuously increasing our footprint nationwide. This strategic expansion is designed to enhance our market presence and strengthen our brand's resonance. Particular emphasis has been placed on expanding our footprint along motorways and within the urban areas of Punjab and Sindh. Additionally, we have commissioned Bulk Oil Terminal at D.I. Khan, Khyber Pakhtunkhwa, which further bolsters our storage capacity and supports the efficient expansion of

our retail network across the region.

Our commitment extends beyond the corporate sphere to generating shareholder value and engaging in community upliftment through education and employment initiatives. We uphold the highest standards of health, safety, and environmental consciousness, demonstrating our dedication to environmental stewardship and sustainable development. In line with this dedication, and as part of our broader commitment to corporate social responsibility, energy savings, and environmental protection, we are setting up electric vehicle charging facilities at our retail outlets. This expansion of the electric vehicle charging network throughout Pakistan will not only help combat climate change but also align with green business initiatives by reducing the overall carbon footprint.

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

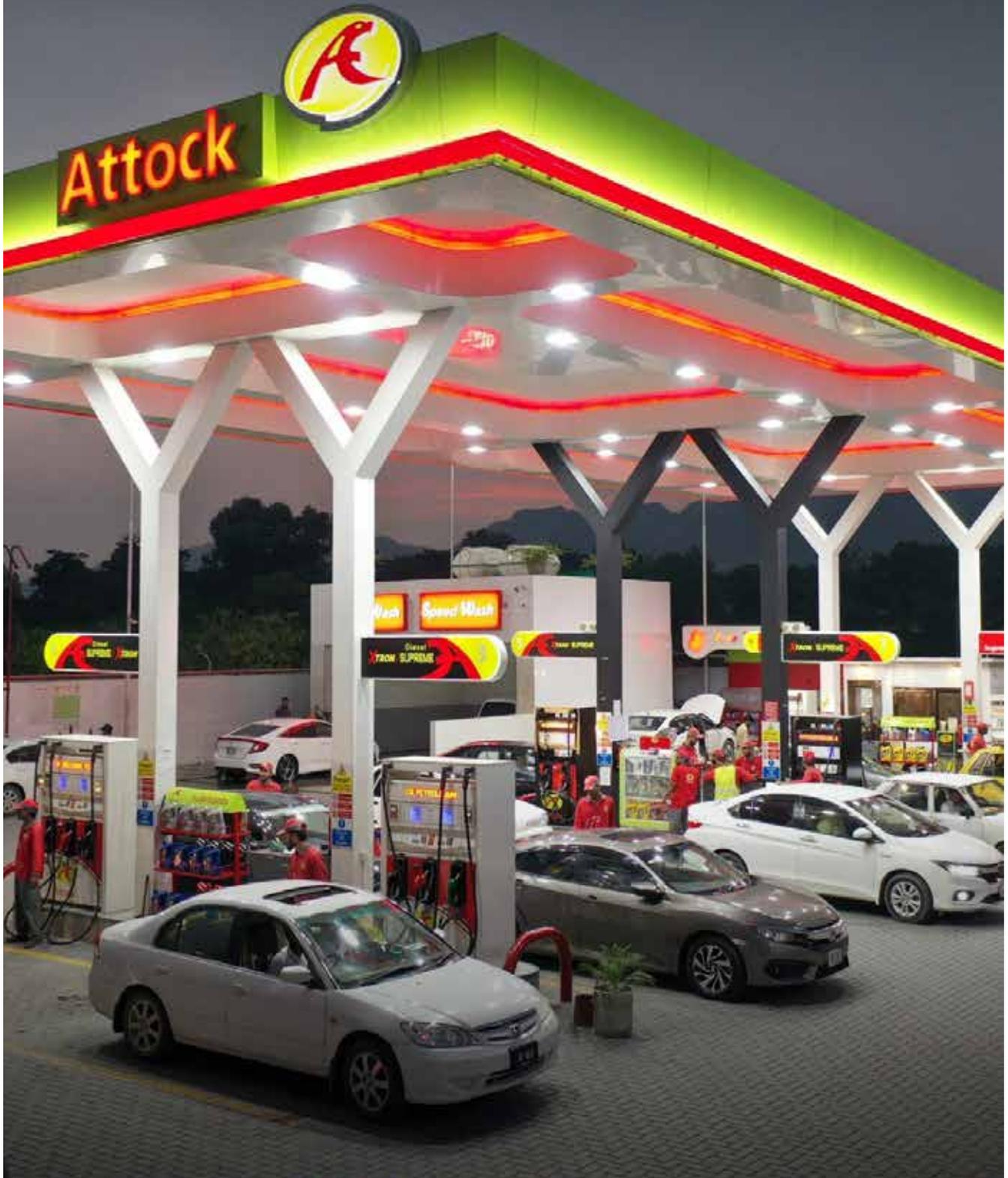
Before concluding, I extend my profound gratitude to our esteemed shareholders, the Ministry of Energy, the Oil and Gas Regulatory Authority, and other governmental authorities for their unwavering support and trust. I also wish to thank our cherished customers, invaluable suppliers, and steadfast contractors. 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
September 02, 2024

FUELING THE NATION'S SPIRIT





Governance

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

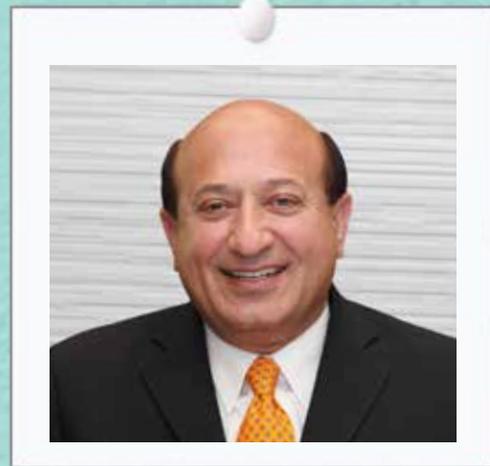
At these retail outlets, our customers get to experience world class facilities of refuelling their vehicles in a friendly and secure environment at all times.



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



Ms. Zehra Naqvi
Independent
Non Executive Director



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



Mr. Babar Bashir Nawaz
Non Executive Director



Mr. M. Adil Khattak
Alternate Director to
Mr. Wael G. Pharaon
Non Executive Director



Mr. Rehmat Ullah Bardaie
Alternate Director to
Mr. Laith G. Pharaon
Non Executive Director

Profile of Board of Directors



Mr. Laith G. Pharaon

Chairman

Non Executive Director

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

Other Engagements

Chairman, Director & Alternate Director

- ◆ The Attock Oil Company Limited

Director

- ◆ Pakistan Oilfields Limited
- ◆ Attock Refinery Limited
- ◆ National Refinery Limited
- ◆ Attock Cement Pakistan Limited
- ◆ Attock Gen Limited



Mr. Wael G. Pharaon

Non Executive Director

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

Other Engagements

Director

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



Mr. Shuaib A. Malik

Chief Executive Officer

Executive Director

Mr. Shuaib A. Malik has been associated with Attock Group of Companies, one of the largest conglomerates in the Country having diversified interests in Oil & Gas, Power Generation, Cement, Information Technology, Renewable Energy, Medical Services and Real Estate Development etc., for more than four decades. He served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies.

He became the youngest Chief Executive of the Group Holding Company, "The Attock Oil Company Limited" on September 01, 1995. With his hard work, dedication, business acumen and professional abilities, he eventually rose to the highest management position in the Group and was appointed as Group Chief Executive of "Attock Group of Companies" in July 2006.

He 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.

In recognition of his outstanding and visionary leadership, Mr. Shuaib A. Malik has been conferred upon the Sitara e Imtiaz by the Government of Pakistan.

Other Engagements

Chairman, Chief Executive Officer, Director & Alternate Director

- ◆ Pakistan Oilfields Limited

Chairman, Director & Alternate Director

- ◆ Attock Refinery Limited
- ◆ National Refinery Limited

Chairman & Director

- ◆ Attock Cement Pakistan Limited

Group Chief Executive

Chief Executive Officer & Director

- ◆ The Attock Oil Company Limited

Director & Alternate Director

- ◆ Attock Gen Limited

Resident Representative

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



Mr. Abdus Sattar

Non Executive Director

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

Other Engagements

Director

- ◆ Pakistan Oilfields Limited
- ◆ Attock Refinery Limited
- ◆ Attock Cement Pakistan Limited
- ◆ National Refinery Limited



Lt General (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).



Ms. Zehra Naqvi

Independent

Non Executive Director

Ms. Zehra Naqvi was the CEO of Chubb Insurance Pakistan, (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware, USA) from September 2005 to September 2017. She has over 36 years of work experience in the insurance sector. Prior to joining Chubb and its predecessor companies (CIGNA and ACE) in 1990, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with Adamjee Insurance Company in Pakistan. Ms. Naqvi holds a B.Sc. Degree, and an MBA Degree from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan. She has served as an elected Member of the Executive Committee of the Insurance Association of Pakistan, the Executive Committee of The American Business Council and the Managing Committee of the Overseas Investors Chamber of Commerce & Industry. Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the Institute for the term of 2016. She has been a visiting faculty member at the Institute. Ms. Naqvi has served as an Independent Director on the Board of Abbott Laboratories (Pakistan) Limited. She presently serves as a Non-Executive Director on the Board of Chubb Insurance Pakistan Limited, as an Independent Director on the Board of Atlas Asset Management Limited and on the Board of IGI Life Insurance Limited.



Mr. Babar Bashir Nawaz

Non Executive Director

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

Other Engagements

Chief Executive Officer & Director

- ◆ Attock Cement Pakistan Limited
-

Alternate Director

- ◆ Pakistan Oilfields Limited
 - ◆ Attock Refinery Limited
 - ◆ National Refinery Limited
-



Mr. M. Adil Khattak

Alternate Director to
Mr. Wael G. Pharaon

Non Executive Director

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

Mr. Khattak also holds the 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.



Mr. Rehmat Ullah Bardaie

Alternate Director to Mr. Laith G.
Pharaon & Chief Financial Officer

Mr. Rehmat Ullah Bardaie is associated with Attock Group of Companies since June 1997 and has been part of the various assignments / projects including but not limited to mergers & acquisition and listing on the stock exchange undertaken from time to time.

Presently, he is holding the charge of General Manager (Finance and Accounts). He has attended various financial management courses, training programs, seminars and conferences in Pakistan and abroad. He is a fellow member of The Institute of Chartered Accountants of Pakistan, The Institute of Cost and Management Accountants of Pakistan and Association of Chartered Certified Accountants (UK).

Other Engagements

Alternate Director

- ◆ Attock Gen Limited
-

Company Secretary

- ◆ The Attock Oil Company Limited
-

Board Committees & Corporate Information

Board Audit Committee

Ms. Zehra Naqvi

Chairperson

Mr. Abdus Sattar

Member

Mr. Babar Bashir Nawaz

Member

Lt Gen (Retd.) Javed Alam Khan

Member

Board Human Resource & Remuneration Committee

Ms. Zehra Naqvi

Chairperson

Mr. Shuaib A. Malik

Member

Mr. Babar Bashir Nawaz

Member

Chief Financial Officer

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

Company Secretary

Mr. Sabih Ul Haq Qureshi
L.L.B

Auditors

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

Legal Advisor

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

Share Registrar

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

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank Limited
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

RECOGNITION OF EXCELLENCE

HONORING OUR CEO'S DISTINGUISHED ACHIEVEMENTS



Mr. Shuaib A. Malik, Group Chief Executive of Attock Group of Companies, receiving the Sitara-e-Imtiaz from The President of the Islamic Republic of Pakistan.

Mr. Shuaib has been recognized for the outstanding contributions in fostering and facilitating interests of Foreign Direct Investments in the ever challenging business environment of Pakistan.

His unwavering dedication, exceptional leadership and tireless efforts have not only propelled the influx of FDIs to new heights but have also left an indelible mark on the businesses and the communities at large.

Board Committees & their terms of Reference



Board of Directors' Meeting in progress

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 updated 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.

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

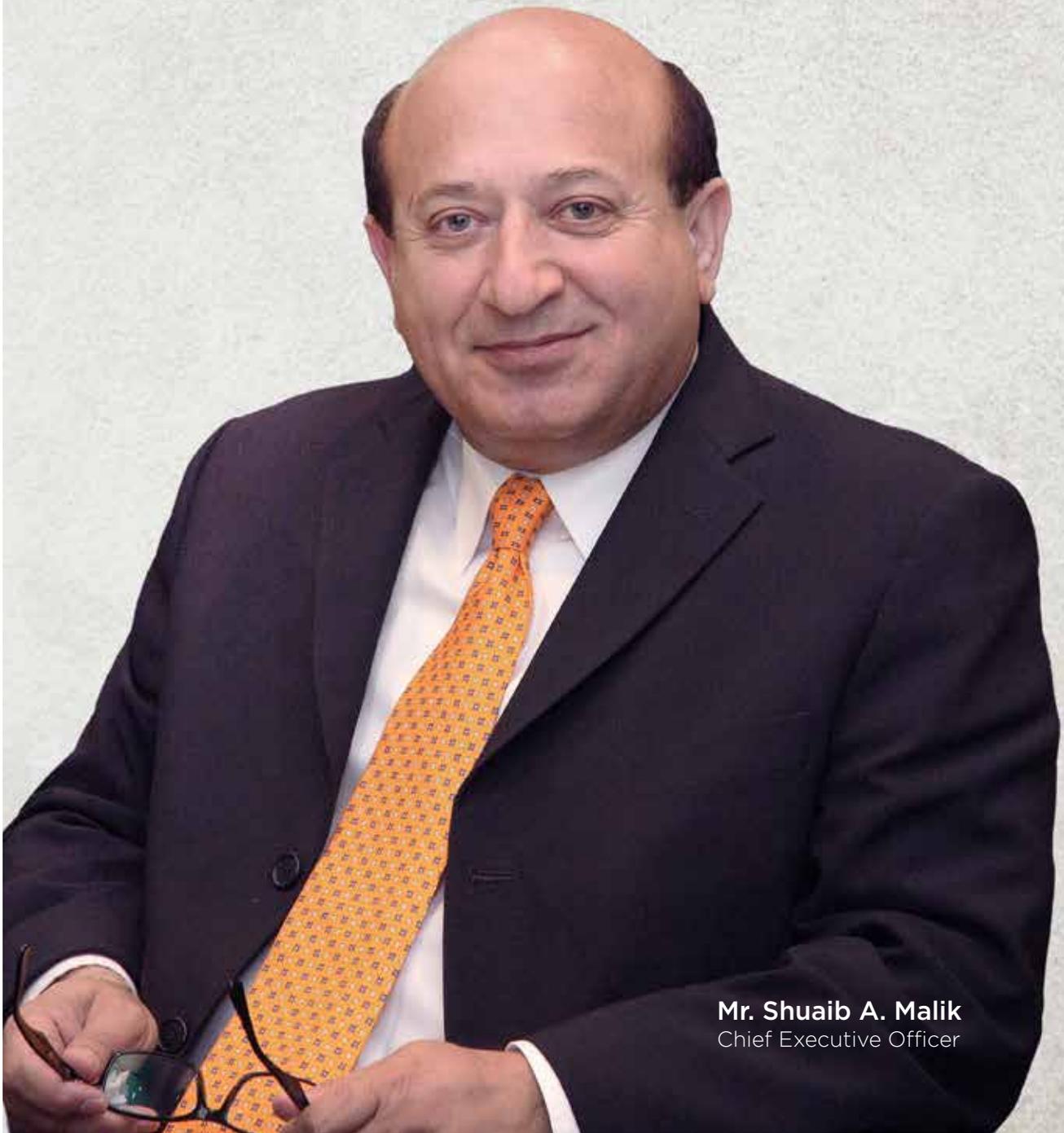
seriousness of his /her action and is ready to assume his / her own responsibility.

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 for the fiscal year ended June 30, 2024. This report includes audited financial statements and provides a comprehensive overview of the Company's performance, progress, and financial health throughout the year.

Financial Performance

During the year, the Company recorded net sales revenue of Rs. 526,317 million as compared to Rs. 473,938 million earned during the last year representing an increase of 11% mainly driven by higher average selling prices. Due to certain economic challenges, the overall industry volumes declined by 9% whereas the Company

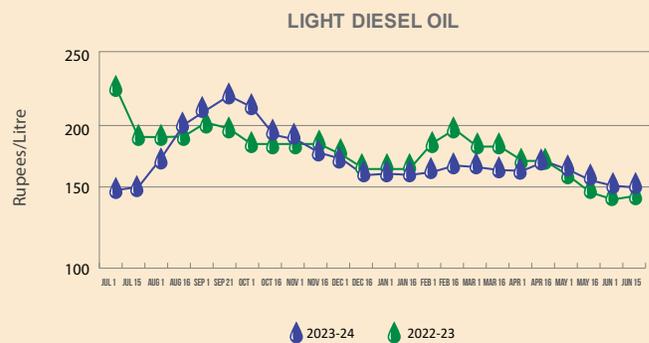
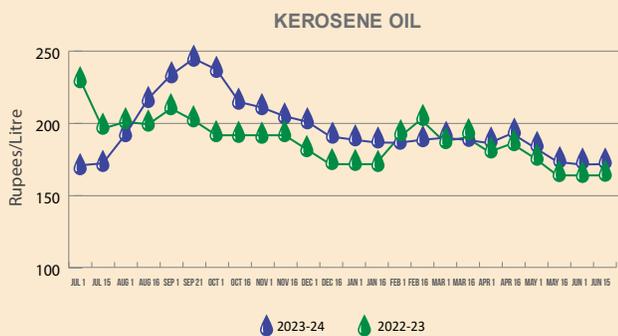
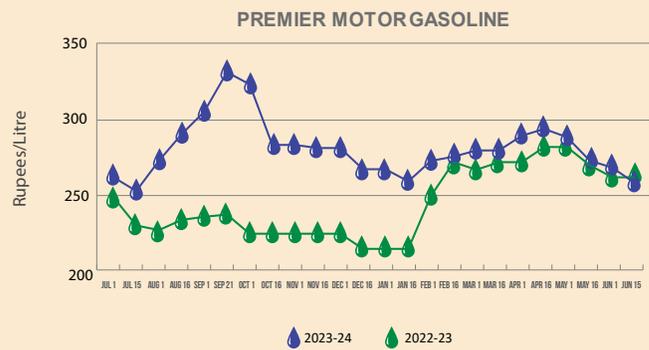
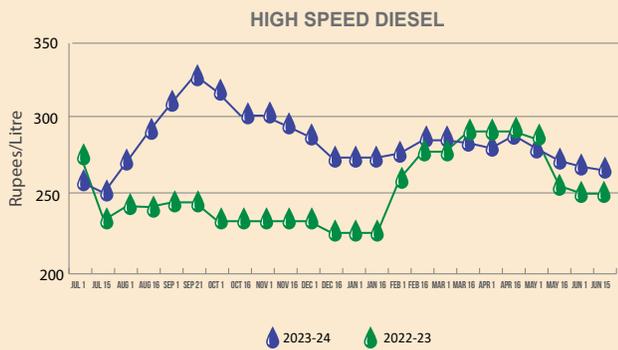
was able to restrict its dip in sales volume to 8%. The negative impact on gross profitability due to decrease in sales volume was offset by increased notified margins on High-Speed Diesel (HSD) and Premier Motor Gasoline (PMG).

Further, a significant increase in finance income

coupled with the reduced exchange losses substantially contributed in enhancing the Company's net profitability. Accordingly, the Company earned profit after tax of Rs 13,822 million (2022-23: Rs 12,461 million) reflecting an increase of 11%. The results translate into earnings per share of Rs 111.09 (2022-23: Rs 100.15).

| Financial results and appropriations for the year ended June 30, 2024 have been summarized below: | Rs in Million |
|---|---------------|
| Profit before taxation | 22,713 |
| Less: Provision for taxation | (8,891) |
| Profit after taxation | 13,822 |
| Add: un-appropriated profit as at June 30, 2023 | 43,412 |
| Add: Other comprehensive income for the year | 7 |
| Less: Transfer to special reserve | (165) |
| Profit available for appropriation | 57,076 |
| Appropriations during the year: | |
| Final cash dividend for the year 2022-23 @ 150% (Rs 15 per share of Rs 10/- each) | 1,866 |
| Interim cash dividend for the year 2023-24 @ 100% (Rs 10 per share of Rs 10/- each) | 1,244 |
| | 3,110 |
| Balance as at June 30, 2024 | 53,966 |
| Subsequent Effects: | |
| Final cash dividend for the year 2023-24 @ 175% (Rs 17.50 per share of Rs 10/- each) | 2,177 |
| | 51,789 |

Price Trend Analysis



Dividend

The Board has recommended a final cash dividend @ 175% (Rs 17.50 per share of Rs 10/- each) for the year ended June 30, 2024. This is in addition to the interim cash dividend @ 100% (Rs 10/- per share of Rs 10/- each) already declared and paid to the shareholders, thus making a total of 275% cash dividend for the year under review.

Contribution towards National Exchequer and Economy

The Company contributed Rs 124,011 million to the national exchequer

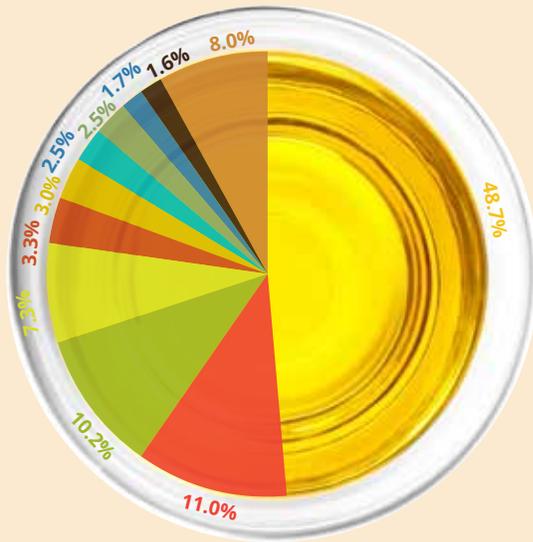
through taxes and levies, thereby serving both the community and the nation. The expansion of its network of retail outlets and distributors into remote and underdeveloped areas has generated employment opportunities, enhancing the quality of life for local populations.

Liquidity Management, Financing arrangements and Cash Flow Strategy

During the year under review, cash and cash equivalents decreased by Rs 10,466 million. The cash was primarily used for purchasing property, plant, and equipment, as

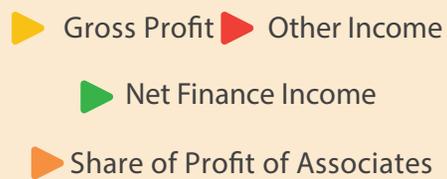
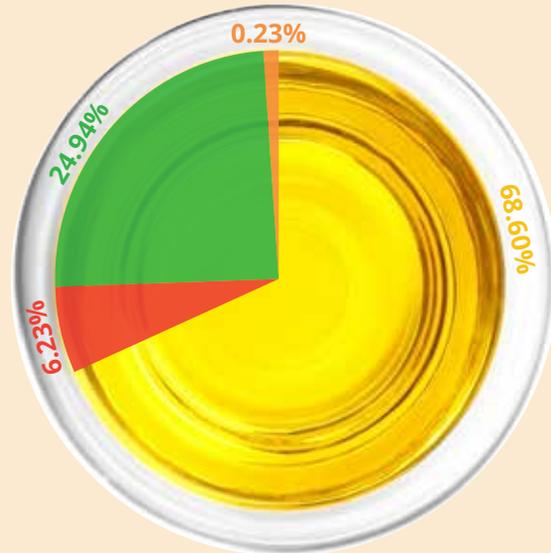
well as covering payments for petroleum products and operating expenses. By year-end, cash and cash equivalents totalled Rs 29,105 million. To ensure the availability of funds, the Company employs various methods, including regularly updating financial projections to stay aligned with liquidity needs. Although the Company has ample borrowing capacity and is well-positioned to meet future commitments and development plans, all current funding requirements are being met through internal cash generation.

Overall Market Share



Source: Oil Companies Advisory Council (OCAC)

Revenue Contribution



Capital Structure

The Company’s capital is entirely sourced from equity financing. Throughout the year, the capital structure remained unchanged. There have been no instances of debt payment defaults. 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, 2024, total assets decreased to Rs 105,279 million and total

liabilities decreased to Rs 49,341 million. Decrease in current assets from Rs 87,220 million to Rs 79,678 million is mainly due to decrease of Rs 8,394 million in short term investments and decrease of Rs 6,271 million in trade debts, whereas stock in trade increased by Rs 5,322 million.

Cash outflow from operating activities for the year was Rs 7,761 million as compared to cash inflow of Rs 37,354 million last year mainly due to consumption in working capital and

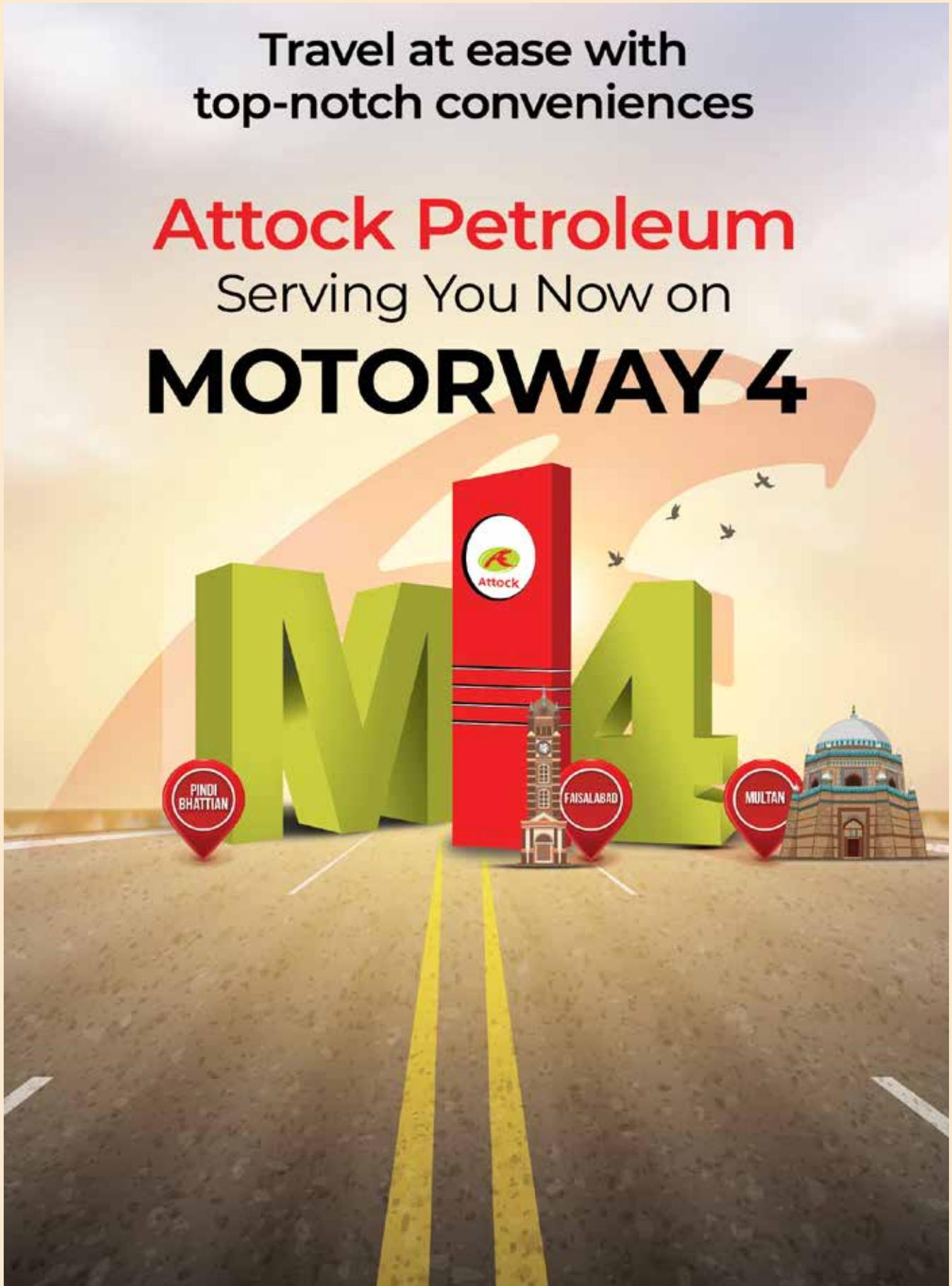
payment of taxes. Outflow of Rs 2,713 million was recorded from investment in property, plant and equipment. Income earned on investments resulted in an inflow of Rs 7,539 million. Total cash inflow from investing activities was Rs. 5,034 million. Outflow relating to financing activities, mainly on account of dividend payments and payment of lease liabilities, was Rs 7,738 million.

Travel at ease with
top-notch conveniences

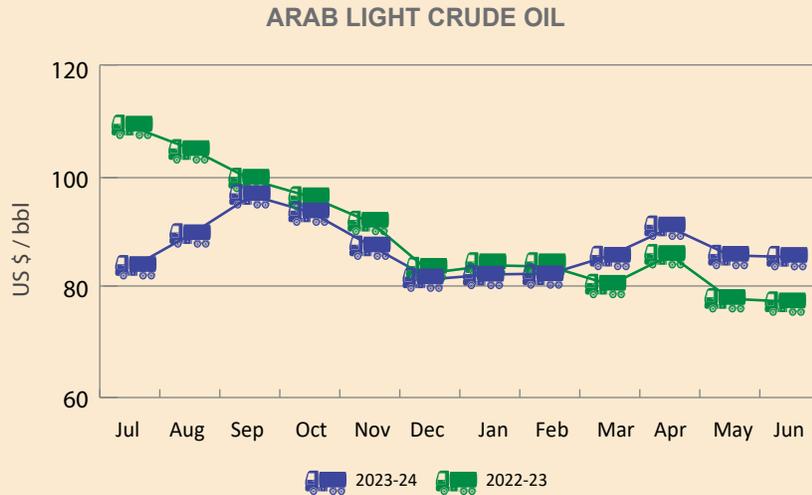
Attock Petroleum

Serving You Now on

MOTORWAY 4



Market and industrial review



The global oil market operates within a complex web of interconnected factors, including supply and demand dynamics, geopolitical events, and speculative market activities, all of which collectively influence price trends. Simultaneously, the global economy has faced

challenges characterized by subdued growth in advanced economies, inflationary pressures prompting stringent monetary policies, and fluctuations in commodity prices leading to currency depreciation and increased production costs.

Global oil prices and exchange rates directly influence the cost of imported crude oil and petroleum products in the country. Recent years have shown significant fluctuations in global oil



prices translating into changes in domestic fuel prices, highlighting the direct impact on economy and consumer expenditures in the country.

Fluctuations in global oil supply and prices prompt adjustments in the country's energy policies, affecting subsidies, pricing mechanisms, and regulatory frameworks. Geopolitical developments in major oil-producing regions, such as the Middle East and Russia, have disrupted global oil supply chains, indirectly impacting the country's oil market stability and energy security.

The energy crisis has intensified global focus on energy security and accelerated the adoption of clean energy technologies, reshaping consumer behaviour and reducing reliance on traditional oil sources. Amid uncertainties in transportation patterns and energy consumption, the industry is diversifying its investments towards renewable energy and pursuing decarbonisation initiatives. Governments, companies, and investors are increasingly prioritizing sustainability, evident in recovery plans and stimulus packages that emphasize renewable energy and green technologies.

Accordingly, the country has experienced a notable reduction in oil consumption. This decline can be linked to decreased demand for High-Speed Diesel (HSD), Motor Spirit

(MS), and Furnace Oil (FO), which collectively constitute a significant portion of the overall demand. Factors contributing to this trend include subdued industrial activity, sluggish auto





sales, and lingering effects of inflationary pressures, economic deceleration, and more importantly, the illicit import of petroleum products.

In the fiscal year 2024, the repatriation of dividends

and profits relating to Foreign Direct Investment (FDI) experienced a gradual release. This is due to prudent policy management and the resumption of inflows from multilateral and

bilateral partners. These developments have significantly contributed to the economic recovery and an increase in the country's overall economic confidence.



Company's Sales and Marketing Review

During the year under review, the Company faced numerous challenges, resulting in a 8% decrease in sales volume from the previous year, compared to a 9% decline in (OMCs) overall industry sales volume. Consequently, APL's market share of petroleum products increased to 10.2%.

Despite the impact of aforementioned challenges on the sales of petroleum products within the country, the Company's prudent policy management and efficient marketing strategies led to an increase in sales volume of High-Speed Diesel (HSD) and Premier Motor Gasoline

(PMG) by 5% and 4%, respectively, in contrast to the OMC industry's decline of 2% and 4%. Bitumen sales volume dropped by 42% as against 9% decline in industry sales volume due to its less availability in the southern region. Industry-wide sales volume of Furnace Oil fell by 47%, while APL experienced a 36% decrease.

Amidst these domestic and international challenges, the Company ensured uninterrupted supplies to its customers and continued to expand its network of corporate and industrial clients, adding many new prestigious customers.

The Company successfully executed its contract to supply Jet Petroleum to the Pakistan Army during 2023-24 and has been awarded the contract to supply HSD, PMG, and Jet Petroleum to the Pakistan Army for 2024-25.

Expansion of Retail Network

The recent additions of services areas to the retail infrastructure aim to enhance commuter convenience by providing essential amenities such as fuelling stations, restrooms, food courts, and prayer areas which include the newly commissioned Dandewal Service Areas (North and South) and Khanewal Service Areas (North and South) located along the Pindi Bhattian – Faisalabad – Multan Motorway (M-4). Additionally, the Jumani Service Area (North) is in the final stage of completion and will soon be commissioned. Furthermore, during the last quarter of the year under review, four service areas on the M-14 Motorway (Hakla – D.I Khan Motorway) were also inaugurated, further expanding the network of operational service facilities.

Moreover, on the Hazara Motorway, the Company is constructing state-of-the-art service areas offering fuelling facilities, lodging, and





other amenities on North and South Bound, expected to be completed in the first and second quarter of the year 2024-25 respectively. These advancements will enhance the service capabilities for commuters on Expressway.

In FY 2023-24, the Company achieved a significant milestone by constructing 47 new retail outlets, comprising both company-financed and dealer-financed outlets. The Company has developed a flagship retail outlet in the prime location of New Blue Area, F-9/G-9 Islamabad, in addition to commissioning of retail outlets at various other locations of the country. This expansion strategy demonstrates the Company's robust growth and commitment to increasing its market presence.

The Company has focused on establishing Company Owned Company Operated (COCO) retail outlets in Islamabad, Lahore, Karachi, and along various motorways. Following its long-term strategy to expand its retail presence, the Company has significantly strengthened its retail network, reaching 798 retail outlets as of June 30, 2024 after phasing out 3 outlets under the retail network purification plan.

During the reporting year, the Company has launched four new fully synthetic lubricant grades designed to meet market demands and customer preferences, aligning closely with current market trends. This expansion is anticipated to broaden APL's customer

reach, particularly appealing to owners of luxury and high-performance vehicles.

Infrastructure Development

Infrastructure development transcends its traditional role as an economic catalyst, emerging as a pivotal force driving holistic growth across all sectors of society. In an era marked by fierce competition, the Company firmly believes that expanding infrastructure is not merely a choice but an essential requirement. This strategic initiative allows us to navigate adeptly through the ever-evolving operational landscape of the oil marketing industry, positioning the Company as a leader in both progress and innovation.



Mr. Shuaib A. Malik, Group Chief Executive of Attock Group of Companies, presents a souvenir to the Chief Guest Mr. Masroor Khan, Chairman OGRA, during the inauguration ceremony of APL's Flagship Park View Filling Station in New Blue Area, Islamabad.

Recognizing the critical importance of infrastructure development, the Company is aggressively investing substantial resources in expanding and enhancing its Bulk Oil Storage Terminals nationwide. During the year, the Company has commissioned the first Bulk Oil Terminal in the province of Khyber Pakhtunkhwa (KPK), located in Dera Ismail Khan. This terminal boasts a storage capacity of 10,945 M.tons for HSD and 7,963 M.tons for PMG.

The addition of the Bulk Oil Terminal in KPK represents a significant milestone, opening new opportunities for further retail expansion within the province. The

D.I. Khan Terminal is a major breakthrough in strengthening our network in the KPK region. Currently, 23 retail outlets are in various stages of development and there is a renewed focus on developing new retail sites in population centers such as Peshawar, Mardan, Nowshera, and Swat.

With an innovative and forward-thinking approach, the Company is expanding its horizons by entering the LPG market. After securing necessary approvals for development of a state-of-the-art LPG facility, the Company is establishing an LPG storage and filling plant in Rawalpindi with a capacity of 203 M. tons, comprising

four storage tanks and a daily filling capacity of 50 M. tons. This strategic expansion aims to capitalize on lucrative opportunities and unlock new growth avenues.

By venturing into LPG sales, the Company demonstrates its adaptability, agility, and commitment to seizing opportunities that align with its long-term growth strategy. The facility, developed to the highest industry standards, will enhance the Company's already formidable portfolio. The construction is substantially complete and is expected to be commissioned by the end of Year 2024.

Other Business Activities

The Company is dedicated to enhancing customer convenience and the overall fuelling experience, recognizing the evolving market dynamics and diverse customer needs. Embracing a vision of becoming a truly customer-centric organization, the Company positions itself as a “Customer Convenience Focused Company.”

At retail outlets, the Company offers a range of convenient solutions tailored to customers’ needs. These include easy payment options through credit cards, ATM facilities, the Attock Smart Fuel Card, comprehensive tyre care

services, efficient Speed Wash facilities, Lube Xpert services for optimal engine performance, and Time Out tuck shops for comfort. Our aim is to provide a comprehensive and enriching experience that goes beyond traditional fuel services, prioritizing convenience and addressing the evolving needs of our customers. The Company strives to be a trusted partner, offering a wide array of services to enhance overall satisfaction and convenience.

The Company is also focused on strengthening its Non-Fuel Retail (NFR) business segment. It has collaborated 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 developing food franchises at additional retail locations.

The Company is actively working on expanding its DC Fast Electric Vehicle Charging network to Motorway service areas. Furthermore, the Company plans switch over to On-Grid Solar Systems at retail outlets and other storage terminals. It has successfully installed and commissioned the EV-Charger facility at Islamabad Club and Garrison Filling Station, moreover, EV charging facility at Hassan Petroleum, Blue Area, Islamabad, has been upgraded.





Inauguration ceremony of the EV (Electric Vehicle) charging facility at Islamabad Club, Islamabad

During the year under review, the Company reached a significant milestone by executing Low Sulfur Furnace Oil (LSFO) Export of Attock Refinery Limited (ARL), shipping the first LSFO Export cargo consignment around 28,000 metric tons.

As a customer-oriented company, APL has enhanced convenience by partnering with various product and solution providers. This strategy has resulted in diverse forecourt offerings, including restaurants and convenience stores, with plans for further expansion. The Company has also established state-of-the-art lube oil change facilities, providing quick, end-to-

end oil change services with complimentary safety checks and customer-accessible monitoring of their vehicle's oil change status. The Company aims to continuously improve services, redefine accessibility nationwide, and ensure 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. The Company 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, the Company 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,

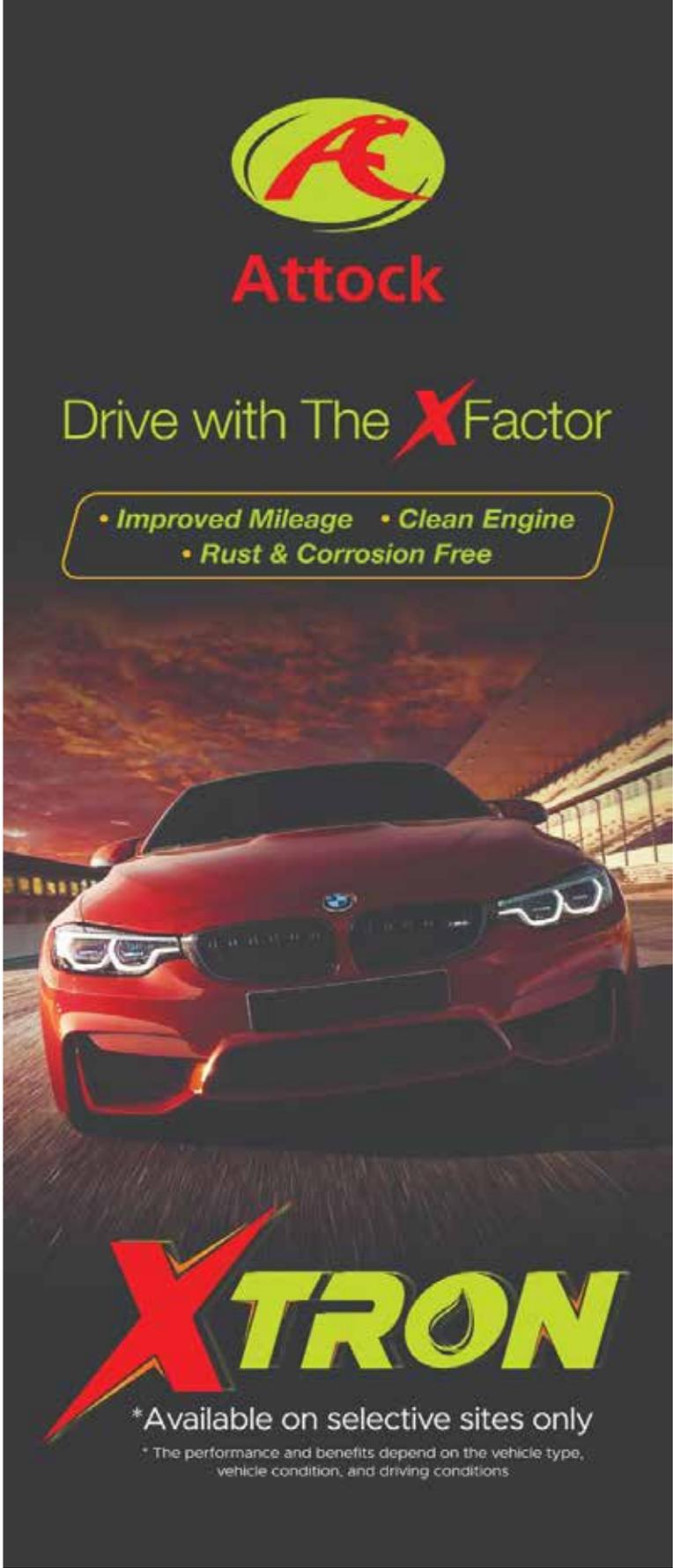
fostering meaningful connections and nurturing brand loyalty.

Quality Assurance of Products

Exceptional product and service quality are fundamental to the success of any company and pivotal in ensuring customer satisfaction. At APL, we uphold a steadfast commitment to continuous improvement. We meticulously implement extensive measures and systems to guarantee that only the highest quality products reach our esteemed clientele. The Company takes great pride in its unwavering dedication to delivering top-notch products and consistently striving for service excellence.

To ensure consistent product quality across the country, the Company operates a comprehensive quality assurance system. This system meticulously monitors every stage of operations, adhering to national product specifications. From the procurement of petroleum products to their storage at our bulk oil terminals and retail outlets, we enforce stringent quality checks to maintain our high standards.

APL's pursuit of impeccable quality standards is further reinforced by its use of state-of-the-art laboratories at our terminals and mobile quality assurance vans, which are strategically deployed nationwide. These advanced facilities and technologies enable us to continuously monitor and verify the quality of our products, ensuring that our customers receive nothing but the best.



The advertisement features the Attock logo at the top, which consists of a stylized red 'A' inside a green oval. Below the logo, the word 'Attock' is written in red. The main headline reads 'Drive with The XFactor' in green, with a large red 'X' between 'The' and 'Factor'. Below this, a yellow rounded rectangle contains three bullet points: 'Improved Mileage', 'Clean Engine', and 'Rust & Corrosion Free'. The background shows a red car driving on a road at sunset. At the bottom, the word 'XTRON' is written in large, bold letters, with a red 'X' and green 'TRON'. Below 'XTRON', it says '*Available on selective sites only' and a smaller note: '* The performance and benefits depend on the vehicle type, vehicle condition, and driving conditions'.



Attock

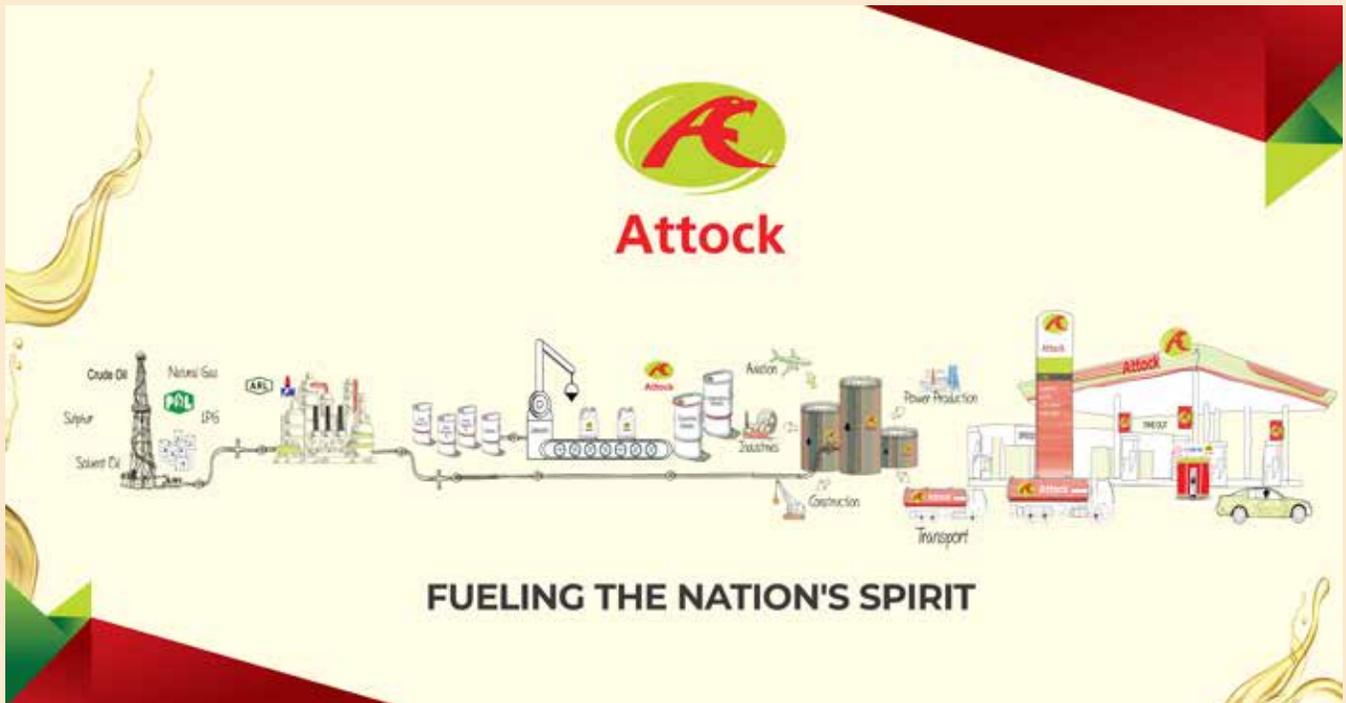
FIRST TO FUEL THE M14 (HAKLA - DERA ISMAIL KHAN) MOTORWAY

Attock Petroleum Limited (APL) is taking the lead in covering more than 50% of the motorway network across Pakistan.

APL has further invested around 1 Billion Rupees in Khyber Pakhtunkhwa to expand its storage capacity (8000 MT approx. for PMG and 11,000 MT approx for HSD), providing for greater depth in strategic reserves and product accessibility while generating employment opportunities.



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.

The Company 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, the Company 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.

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. The 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.

In accordance with this framework, the Company periodically gauges risk exposures to ensure alignment with its 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 its robust risk management framework, the Company is committed to safeguarding its long-term stability and prosperity, while confidently embracing opportunities for growth.

Geopolitical and Security Risks

Geopolitics presents pervasive challenges for companies in Pakistan's Oil & Gas sector, offering both risks and opportunities. There is a noticeable trend towards aggressive political behaviour, compounded by global economic fluctuations, commodity constraints, pricing volatility, lower monetary growth, tough economic conditions, export deficits, and unemployment, all contributing to a growing

sense of instability.

Factors such as the crises in the Middle East, rapid technological advancements, trade competitions among major economic players, and mounting environmental concerns have significantly impacted global demand and supply dynamics. In light of these complex geopolitical realities, the Company recognizes the critical importance of understanding these underlying forces. The Company believes that a deeper appreciation for geopolitics can drive the development of robust strategies and processes, enabling well-informed and prudent business decisions.

The Company is committed to proactively navigating

these challenges, leveraging potential opportunities, and maintaining its dedication to responsible and sustainable operations in Pakistan's oil and gas sector. By staying attuned to the evolving geopolitical climate, the Company aims to chart a course that ensures resilience while fostering growth and success in an ever-changing global context.

Intense Competition

With a network of over 798 retail outlets and strategically positioned bulk oil terminals across Pakistan, the Company 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, the Company 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.

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, the Company 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

The Company 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. The Company ensures an active commitment to HSE in all work activities wherever the Company operates. 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, the Company 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 involves a multifaceted interplay of internal and external factors, each demanding meticulous

attention. Internally, this includes gauging the frequency and duration of system failures, ensuring stringent employee access controls, and fortifying systems that protect confidential data and vital information. Externally, it encompasses the adoption of cutting-edge software and hardware amid rising tide of cybercrime incidents.

At APL, we recognize the critical importance of robust information technology risk management to safeguard our operations and data. The Company's IT risk management strategy is built upon adherence to established cyber security frameworks, ensuring comprehensive compliance and protection against potential threats. We conduct

thorough gap assessments to identify vulnerabilities. These assessments allow us to pinpoint and implement targeted improvements to enhance our cyber security posture.

The Company's approach includes regular risk assessments, vulnerability, and penetration testing to proactively identify and address potential security weaknesses. We rigorously test our systems to ensure that our defenses are resilient against cyber threats, maintaining integrity, confidentiality, and availability of our information assets. The Company employs a robust and technologically advanced approach to safeguard against potential vulnerabilities.





INCIDENT



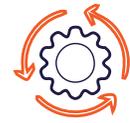
PROCEDURE



TECHNOLOGY INFRASTRUCTURE



PLAN



RESTORING DATA

Disaster Recovery and Business Continuity Planning

In a dynamic landscape shaped by global trends, including heightened inflation, complex global economics, political instability, fluctuating commodity prices, tough economic conditions, and the intricacies of pricing, the business sector faces a myriad of challenges. Lower monetary growth, energy crises, export deficits, and rising unemployment, breakthrough technological innovations, and intensifying competition converge to necessitate a critical assessment of business continuity. This environment underscores the imperative for organizations to fortify their defences against potential disruptions.

To enhance resilience and mitigate the impact of disasters, a comprehensive recovery plan is essential. Such a plan ensures the ability to recover from severe disruptions with minimal repercussions. The Company has diligently implemented effective and efficient business practices to maintain continuous operations. The strategic

development of robust infrastructure designed to withstand challenges and the establishment of alternative supply channels through diversified import lines is

central to this approach. This multipronged strategy exemplifies the organization's commitment to operational stability in the face of adversity.

ENSURING SAFE FUELING ROUND THE CLOCK



| | | |
|---|---|---|
|  <p>Stay Alert</p> <p>Avoid distractions and stay vigilant to prevent spills or accidents.</p> |  <p>No Smoking</p> <p>Smoking near fuel pumps is extremely dangerous. Always extinguish cigarettes before fueling.</p> |  <p>Static Electricity</p> <p>To prevent static sparks, touch your vehicle's metal surface before touching the fuel nozzle.</p> |
|  <p>Turn Cellphones Off</p> <p>Turn off your cellphone while refueling to avoid potential ignition sources.</p> |  <p>Child Safety</p> <p>For safety, keep children inside the vehicle while refueling and remove them from the fuel tank if seated.</p> |  <p>Fuel Cap Secure</p> <p>Ensure your fuel cap is tightly closed before driving off.</p> |
|  <p>Motorcycle Tank</p> <p>Get off your motorcycle before fueling.</p> |  <p>Keep Engine Off</p> <p>Turn the engine off before refueling and ensure that the vehicle engine is not running while refueling.</p> |  <p>Maintain Safe Distance</p> <p>Keep a safe distance from your motorcycles while refueling.</p> |

Stay Safe with Attock Petroleum Limited

 apl.com.pk
 attock-petroleum-limited
 www.apl.com.pk

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, the Company has demonstrated its proactive stance by embracing all applicable 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

The Board has adopted the Code of Corporate Governance in its true spirit. The performance of Board members, Board Committees, and the Board as a whole significantly shapes the overall performance of the Company and is therefore essential. Implementing best practices can enhance the effectiveness of the Board

and its Committees, while fostering a professional corporate culture can improve individual Board members' performance.

The Code of Corporate Governance mandates that the Board establish a formal and effective mechanism for the annual evaluation of its own performance, the performance of its members, and its Committees.

Accordingly, the Company's Board of Directors has developed and approved an internal mechanism for this annual evaluation.

During the year, the Board and its Committees were assessed using this mechanism to enhance their effectiveness. Corporate governance developments are continuously reviewed and implemented to ensure the Board remains aligned with principles of good corporate governance.





Role of the Chairman and CEO

The Board of Directors is chaired by the Chairman, who is selected from among the Non-Executive Directors. The Chairman's primary responsibilities include presiding over meetings, setting agendas, and signing the minutes. At the start of the Directors' term, the Chairman briefs them on their roles, responsibilities, duties, and powers to ensure effective management of the Company's affairs. Additionally, the Chairman addresses any conflicts of interest and provides recommendations to enhance the performance and effectiveness of the Board.

The CEO oversees the management of the

Company and is accountable for all its operations. This includes designing and proposing strategies, implementing Board decisions, and reporting on the Company's performance and profitability. The CEO also suggests measures to improve shareholder value.

The Board of Directors has clearly defined and segregated the roles and responsibilities of the Chairman and the CEO to ensure effective governance and operational efficiency.

CEO Performance Review

The Board evaluates the CEO's performance through key performance indicators based on both financial and non-financial measures. Additionally, the Board engages in discussions with the CEO regarding the

Company's prospects to ensure the smooth operation of its affairs.

The Board is highly satisfied with the CEO's performance for the year. Notable achievements include the launch of multiple new ventures, enhanced market presence, upgrades to existing bulk oil terminals, the construction of new storage terminals, and the aggressive expansion of the retail network.

Directors' Training Programme

The Company ensures compliance with the requirements stipulated by the Securities and Exchange Commission of Pakistan (SECP) through the Code of Corporate Governance, including adherence to the criteria of the Directors'

Training Programme (DTP). Three Directors, namely Lt Gen (Retd.) Javed Alam Khan, Mr. Babar Bashir Nawaz, and Ms. Zehra Naqvi, have previously completed the Directors' Training Programme from a recognized institution approved by the SECP. Additionally, four Directors, Mr. Laith G. Pharaon, Mr. Wael G. Pharaon, Mr. Shuaib A. Malik, and Mr. Abdus Sattar, meet the exemption criteria established for this purpose.

Formal Orientation for Directors

The Directors are regularly briefed on pertinent laws and current developments in corporate governance, including updates to governance frameworks and regulatory requirements. They possess comprehensive knowledge of the regulations stipulated in the Companies Act, 2017, as well as the Code of Corporate Governance, ensuring they are well-informed and equipped to fulfill their responsibilities effectively. Newly appointed Directors receive relevant extracts of laws and regulations upon joining the Board. Additionally, at the outset of their term, the Chairman communicates the roles and responsibilities expected of Directors. Any updates or notifications regarding changes in existing laws are promptly shared

with Directors as they occur.

Whistle blower Protection Mechanism Policy

The Whistleblowing Protection Mechanism Policy serves as a critical safeguard against potential acts of fraud and malpractice within the organization, originating from employees, customers, or other stakeholders. This mechanism is designed to provide a secure environment for whistleblowers, enabling them to raise concerns about suspicious activities without fear of reprisal.

Through a well-defined platform, this policy allows whistleblowers to report grievances and concerns to a designated authority, ensuring protection from retaliation such as discrimination, victimization, or harassment. These

concerns may involve activities that contradict Company policies or could impact its operations and reputation.

At the core of the Company's values is a commitment to fostering an authentic and transparent working environment. Claims brought forward by whistleblowers are rigorously and impartially investigated, with careful consideration given to their credibility. Management takes these reports seriously and acts upon them as necessary and appropriate.

It is notable that no incidents of whistleblowing were reported during the reporting period, underscoring the Company's dedication to promoting an ethical and compliant corporate culture. The policy continues to exemplify the





organization's commitment to maintaining 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 aligns with the Company's vision and mission. To achieve this, the Board establishes policies and objectives designed to benefit the Company through effective implementation by the management. The Board is actively involved in high-level strategic decisions with long-term implications, including major investments, capital financing, capital expenditures, disposal of property, plant and

equipment, budget approvals, financial statement approvals, acquisitions, and dividend declarations.

Operational decisions having medium-term implications spanning 1-2 year, such as investments, sales and purchase contracts, policy implementation, treasury management, taxation, and stock management, are delegated to the management. The Board entrusts the management with the day-to-day operations 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:

- | | | |
|--|---|---|
| <p>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.</p> <p>2) Proper books of account have been maintained.</p> <p>3) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.</p> <p>4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of</p> | <p>financial statements.</p> <p>5) The system of internal control is sound in design and has been effectively implemented and monitored.</p> <p>6) There are no significant doubts upon the Company's ability to continue as a going concern.</p> <p>7) Significant deviations from the last year's operating results have been disclosed in this Report.</p> <p>8) Key operating and financial data of the last 6 years in summarized form is annexed with the Report.</p> <p>9) All major Government levies in the normal course of business,</p> | <p>payable as at June 30, 2024, have been cleared subsequent to the year-end.</p> <p>10) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.</p> <p>11) The total number of Company's shareholders as at June 30, 2024 was 4,317. The pattern of shareholding as at June 30, 2024 is annexed.</p> <p>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.</p> |
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Adequacy of Internal Financial Controls

The Board of Directors has developed and implemented comprehensive internal financial controls through various policies aimed at ensuring the smooth and efficient operation of our business. These controls are essential for safeguarding the Company's assets, detecting and preventing fraud and errors, maintaining the accuracy and completeness of our financial records, and ensuring the timely preparation of reliable financial information.

These robust internal controls provide confidence and reasonable assurance in achieving the Company's

objectives, particularly in the area of reliable financial reporting. Adherence to these well-defined policies enables us to effectively manage financial complexities while upholding the highest standards of transparency and accountability.

Moreover, our Internal Financial Controls play a crucial role in ensuring compliance with applicable laws and regulations. They have been carefully designed to meet all legal requirements and uphold our ethical obligations.

Importantly, our Internal Financial Controls are dynamic and undergo continuous monitoring and periodic review to ensure

ongoing effectiveness. This proactive approach is necessary to adapt to changes in laws and regulations, allowing us to navigate regulatory challenges adeptly and maintain our regulatory compliance.

In summary, the Company's Internal Financial Controls are fundamental to our financial governance framework. They serve as vigilant safeguards, protecting the interests of our stakeholders, employees, and customers alike. By steadfastly adhering to these controls, we reaffirm our commitment to excellence, integrity, and prudent financial management.

Board of Directors Structure, its Committees and Meetings

On completion of statutory term of three years, the election of directors was held on March 09, 2024 and new directors assumed offices effective March 10, 2024. The new Board comprised of 07 directors out of which six are non-executive directors. Mr. Mohammad Raziuddin retired from the Board on completion of his term and Mr. Babar Bashir Nawaz is the newly elected director. Six directors were re-elected.

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.

Throughout the year, the Board has been actively engaged in fulfilling its obligations under applicable laws and the Company's Memorandum and Articles of Association, all aimed at enhancing the Company's profitability and maximizing shareholder returns. The Board members bring a wealth of skills, competence, knowledge, and experience to address diverse business challenges. The Chairman of the Board serves in a non-executive capacity.

During the year, the Board convened five meetings to review periodic Financial Statements, annual budgets, and forecasts. These sessions also included deliberations on significant and routine matters brought forward 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. The 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 meetings |
|---------|---------------------------------|-----------------------------|--------------------------|-------------------------|
| 1 | Mr. Laith G. Pharaon* | 5/5 | - | - |
| 2 | Mr. Wael G. Pharaon* | 4/5 | - | - |
| 3 | Mr. Shuaib A. Malik | 5/5 | - | 1/1 |
| 4 | Mr. Abdus Sattar | 5/5 | 4/4 | - |
| 5 | Mr. Babar Bashir Nawaz | 2/2 | 1/1 | 1/1 |
| 6 | Lt. Gen (Retd.) Javed Alam Khan | 5/5 | 4/4 | - |
| 7 | Mr. Mohammad Raziuddin | 2/3 | 2/3 | - |
| 8 | Ms. Zehra Naqvi | 5/5 | 4/4 | 1/1 |

*Overseas directors attended the meetings either in person or through alternate directors
The above is an exhaustive list of all persons who have remained director of the Company during the year.

Meetings held outside Pakistan

During the year ended June 30, 2024, 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 38 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 has 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 the 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 2024-25. 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, 2025 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 aims to set exceptional benchmarks for delivering superior petroleum & energy products and services across Pakistan. Driven by our core values, we actively pursue

opportunities, leveraging our unique strengths and capabilities to respond efficiently to market shifts. Our commitment to excellence ensures a sustained competitive advantage in the ever-evolving industry.

The Company is currently working on addressing the legal challenges for constructing a Bulk Oil Terminal at Tarujabba with a storage capacity of 22,950 M. Tons.

In recent years, the Company has significantly expanded its retail presence in the northern region and secured commercial contracts with defence entities, resulting in increased demand. To meet this demand, the Company plans to add 10,000 M. Tons of PMG storage at the Rawalpindi Bulk Oil Terminal





and 18,700 M. Tons of PMG storage at Port Qasim Terminal Karachi.

To increase brand visibility in Rawalpindi, APL is constructing new retail sites on Murree Road and in Bahria Town. In Lahore, we are expanding our network with new sites on major roads, including Raiwind Road and Canal Road in Izmir Town. In Karachi, to enhance brand equity, new sites are being developed in the Industrial Area, Naval Colony Road, Nazimabad, Main Korangi Road, and M.A. Jinnah Road.

Looking ahead, the management is dedicated to enhancing the supply chain and investing significant resources in

developing and expanding the retail network. This strategy aims to consolidate revenue from the growing market and generate sustainable income from industrial consumers. The Company has established itself as a leading private sector oil marketing company, supported by associated refineries. Now, it is focused on strengthening its market share through innovative business techniques and sustainable financial models. As part of its expansion plan, the Company intends to add numerous retail outlets in the next financial year, including several COCO sites at key locations nationwide.

In alignment with the country's vision for a Clean & Green Pakistan and in support of the initiative of the Government for Alternative and Renewable Energy Policy, the Company has taken significant steps towards sustainable energy solutions. This includes the successful installation and commissioning of Electric Vehicle Stations and On-Grid Solar Systems with net metering at different APL locations. The Company is actively working on expanding its DC Fast Electric Vehicle Charging network to Motorway service areas. Furthermore, the Company plans to switch over to On-Grid Solar Systems at selected retail outlets and other



storage terminals.

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 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, the Company 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

The construction of the Bulk Oil Terminal in Dera Ismail Khan, Khyber Pakhtunkhwa, has been successfully completed and



it has started operations. This development has created new opportunities for development of additional retail sites within the province.

Setting its target for development of retail network, the Company successfully established 47 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 798 as at June 30, 2024.

Disclosures Regarding the Assessment of Sustainability Related Risks

The Company is dedicated to enhancing environmental, social, and corporate governance practices in line with best practices. Our commitment to corporate social responsibility is reflected in initiatives that

prioritize ethical conduct, environmental conservation, and community development, ensuring our actions align with legal and ethical standards. Every employee and director is responsible for adopting and implementing measures that promote sustainability and contribute to environmental preservation.

APL values and promotes merit, perseverance, and diversity. All employees and directors are encouraged to foster a culture of respect and inclusion, valuing and treating all individuals with dignity, regardless of race, gender, religion, age, disability, or any other legally protected characteristic. We believe in providing equal opportunities to everyone, including customers and suppliers, and strictly prohibit any form of harassment or discrimination. Directors

and employees are required to uphold these standards without exception. Equal opportunities are ensured in all aspects of employment, including recruitment, hiring, promotions, training, and other employment practices, with decisions based on merit, qualifications, and performance.

ACKNOWLEDGEMENT

The Board extends its heartfelt gratitude to our shareholders, customers, and strategic partners for their unwavering confidence and trust, which have been instrumental in driving the Company's success. We also deeply appreciate the dedication and commitment of our employees. Additionally, we express our sincere thanks to the Government of Pakistan, regulatory bodies, and suppliers for their steadfast cooperation. Your support has been invaluable.

On behalf of the Board



Shuaib A. Malik
Chief Executive

Rawalpindi.
September 02, 2024



Abdus Sattar
Director

Pattern of Shareholding

As of June 30, 2024

Corporate Universal Identification Number 0035831 Form-20

| Sr. No. | Number of Shareholders | From | To | Total Shares Held | Percentage |
|---------|------------------------|----------|----------|-------------------|------------|
| 1 | 1172 | 1 | 100 | 37,338 | 0.03 |
| 2 | 936 | 101 | 500 | 257,435 | 0.21 |
| 3 | 461 | 501 | 1000 | 355,544 | 0.29 |
| 4 | 1381 | 1001 | 5000 | 2,766,539 | 2.22 |
| 5 | 152 | 5001 | 10000 | 1,133,881 | 0.91 |
| 6 | 53 | 10001 | 15000 | 692,403 | 0.56 |
| 7 | 30 | 15001 | 20000 | 524,687 | 0.42 |
| 8 | 21 | 20001 | 25000 | 480,730 | 0.39 |
| 9 | 13 | 25001 | 30000 | 360,384 | 0.29 |
| 10 | 12 | 30001 | 35000 | 393,852 | 0.32 |
| 11 | 14 | 35001 | 40000 | 533,674 | 0.43 |
| 12 | 5 | 40001 | 45000 | 218,360 | 0.18 |
| 13 | 5 | 45001 | 50000 | 244,543 | 0.20 |
| 14 | 3 | 50001 | 55000 | 158,979 | 0.13 |
| 15 | 5 | 55001 | 60000 | 291,255 | 0.23 |
| 16 | 4 | 65001 | 70000 | 268,660 | 0.22 |
| 17 | 2 | 70001 | 75000 | 150,000 | 0.12 |
| 18 | 1 | 75001 | 80000 | 78,709 | 0.06 |
| 19 | 4 | 80001 | 85000 | 328,062 | 0.26 |
| 20 | 2 | 90001 | 95000 | 187,060 | 0.15 |
| 21 | 2 | 95001 | 100000 | 200,000 | 0.16 |
| 22 | 3 | 100001 | 105000 | 307,468 | 0.25 |
| 23 | 1 | 105001 | 110000 | 105,845 | 0.09 |
| 24 | 1 | 110001 | 115000 | 112,500 | 0.09 |
| 25 | 1 | 115001 | 120000 | 119,500 | 0.10 |
| 26 | 2 | 120001 | 125000 | 246,661 | 0.20 |
| 27 | 1 | 160001 | 165000 | 165,000 | 0.13 |
| 28 | 1 | 170001 | 175000 | 170,398 | 0.14 |
| 29 | 1 | 175001 | 180000 | 180,000 | 0.14 |
| 30 | 2 | 185001 | 190000 | 380,000 | 0.31 |
| 31 | 3 | 200001 | 205000 | 608,838 | 0.49 |
| 32 | 1 | 230001 | 235000 | 234,757 | 0.19 |
| 33 | 1 | 235001 | 240000 | 238,000 | 0.19 |
| 34 | 1 | 245001 | 250000 | 250,000 | 0.20 |
| 35 | 1 | 250001 | 255000 | 253,750 | 0.20 |
| 36 | 1 | 265001 | 270000 | 266,175 | 0.21 |
| 37 | 1 | 320001 | 325000 | 320,042 | 0.26 |
| 38 | 1 | 355001 | 360000 | 358,275 | 0.29 |
| 39 | 1 | 375001 | 380000 | 375,163 | 0.30 |
| 40 | 1 | 385001 | 390000 | 387,636 | 0.31 |
| 41 | 1 | 540001 | 545000 | 540,895 | 0.43 |
| 42 | 1 | 580001 | 585000 | 581,550 | 0.47 |
| 43 | 1 | 820001 | 825000 | 825,000 | 0.66 |
| 44 | 1 | 830001 | 835000 | 834,349 | 0.67 |
| 45 | 1 | 855001 | 860000 | 858,609 | 0.69 |
| 46 | 1 | 965001 | 970000 | 969,756 | 0.78 |
| 47 | 1 | 2005001 | 2010000 | 2,007,675 | 1.61 |
| 48 | 1 | 2735001 | 2740000 | 2,737,151 | 2.20 |
| 49 | 1 | 4395001 | 4400000 | 4,395,588 | 3.53 |
| 50 | 1 | 8400001 | 8450000 | 8,447,981 | 6.79 |
| 51 | 1 | 8730001 | 8735000 | 8,730,892 | 7.02 |
| 52 | 1 | 8750001 | 8755000 | 8,754,025 | 7.04 |
| 53 | 1 | 27215001 | 27220000 | 27,216,206 | 21.88 |
| 54 | 1 | 42770001 | 42775000 | 42,774,220 | 34.38 |
| | 4317 | | | 124,416,000 | 100.00 |

Categories of Shareholders

As at June 30, 2024

| 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. Babar Bashir Nawaz | | 1 | 0.00 |
| | Mr. Abdus Sattar | | 900 | 0.00 |
| | Lt (Gen) Javed Alam Khan | | 75 | 0.00 |
| | Ms. Zehra Naqvi | | 1 | 0.00 |
| | Mr. Muhammad Adil Khattak | | 52,876 | 0.04 |
| | Mr. Rehmat Ullah Bardaie | | 68,756 | 0.06 |
| | | 9 | 8,570,592 | 6.89 |
| 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 Ltd | | 8,730,892 | 7.02 |
| | The Attock Oil Company Limited | | 2,737,151 | 2.20 |
| | Trustees of ARL Management Staff Pension Fund | | 201,000 | 0.16 |
| | Trustees of ARL Staff Provident Fund | | 165,000 | 0.13 |
| | Trustee National Refinery Ltd. Management Staff Pension Fund | | 121,661 | 0.10 |
| | Trustees of ARL General Staff Provident Fund | | 92,770 | 0.07 |
| | | 9 | 90,792,925 | 72.98 |
| 3 | NIT & ICP | 1 | 1 | 0.00 |
| 4 | Banks Development Financial Institutions, Non Banking Financial Institutions. | 7 | 4,496,835 | 3.61 |
| 5 | Insurance Companies | 8 | 5,600,246 | 4.50 |
| 6 | Modarabas and Mutual Funds | 40 | 2,918,703 | 2.35 |
| 7 | General Public | | | |
| | a. Local | 3,974 | 9,714,963 | 7.81 |
| | b. Foreign | 163 | 206,932 | 0.17 |
| 8 | Others | | | |
| | - Trust and Funds | 42 | 837,101 | 0.67 |
| | - Joint Stock Companies | 64 | 1,277,702 | 1.03 |
| | * Share holders holding 10% or more | | | |

Trade in shares by Directors, Executives, their spouses and minor children during 2023-24:

| | Purchase | Sale |
|--|----------|------|
| Mr. Rehmat Ullah Bardaie (Chief Financial Officer) | 5,000 | - |

Except for detail given above no trade in shares was reported by Directors, Executives*, their spouses and minor children from July 01, 2023 to June 30, 2024 in the shares of Company.

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

Other Corporate Governance matters

Investor Grievance Handling and Redressal of Investor Complaints

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 the Company's operations in addition to details of investments, dividend distribution and circulation of regulatory publications.

Investor Grievances are managed centrally by Company Secretarial Matters (CSM) section. CSM 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.

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's 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.

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 October 09, 2023 and the queries of shareholders were appropriately responded.

Following is the brief of shareholders' queries and responses thereto:

28th AGM held on October 09, 2023:

| Shareholders' Queries | Response by Management | Action taken |
|--|--|---|
| <p>A query was raised by a shareholder regarding the Company's retail expansion, noting the addition of 32 new retail sites compared to the planned 40 sites for the year. The shareholder sought insights into future plans particularly in the southern region of the country, and inquired about the Company's expected performance for the next year.</p> | <p>It was replied that the Company has laid out plans for expansion in retail network including the southern region and is actively engaged in executing those plans. While the Company is committed to the expansion plans and anticipates strong performance in the next year as well, however, it is pertinent to highlight that the expansion plans and overall performance depend on multiple external factors, including the enforcement of laws and policies aimed at countering illicit trade.</p> | <p>In the fiscal year 2023-24, the Company commissioned 47 new retail outlets, including 13 in the southern region, leading to a market share increase to 10.2%.</p> |
| <p>A shareholder appreciated that APL's performance and its transparency are accurately demonstrated in its financial statements, including the fact that the comments of shareholders during the proceedings of previous AGM, have been meticulously and truthfully documented. He added that it is truly praiseworthy and expressed his gratitude to the Chairman, the Board of Directors and the management of the Company. It was further expressed that the Company's financial statements are presented in a highly informative and detailed manner, and suggested that segment-wise reporting inventory gains / losses figures with quantities may also be added.</p> | <p>It was responded that CFO of the Company deserves huge credit for the excellent financial statements. The CFO responded to the suggestion part by proposing that such details could be tried to be explained in percentage terms in the upcoming Corporate Briefing Session because these numbers tend to fluctuate significantly, and presenting one fixed number might give the impression of this being a permanent feature, which is not the case, therefore, may not be appropriate to share so. It was further elaborated that APL's fundamental business focus is on sales through retail outlets, and the primary objective is not to generate profits through inventory gains. He emphasized that while managing inventory gains is important, it is not the central focus of APL's core operations.</p> | <p>During the corporate briefing session, the CFO elaborated on the issue of using a fixed number or percentage of inventory gains or losses. He explained that this approach would be misleading due to significant fluctuations in these figures. However, the CFO noted that while inventory gains or losses can be observed/ obtained in numerical or percentage terms from printed financial statements, they are inherently unpredictable and more significantly in both directions, therefore, should be interpreted with caution.</p> |

| Shareholders' Queries | Response by Management | Action taken |
|--|--|--|
| <p>One of the shareholder commended APL for effectively managing inventory losses. He shared that the Company had reduced its trade debts and inventories while increasing short-term investments, cash, and bank balances. He raised a question about whether holding a significant amount of cash was a feature of APL's long-term strategy.</p> | <p>It was explained that one of the reasons for the substantial cash balance was the reduction in the stock of oil as part of inventory management. As of the end of the financial year, there was a cash and bank balance of Rs. 39 billion. It was further elaborated that there was a liability of Rs. 12 billion outstanding, which was promptly paid to the refineries after the official cutoff date due to a prolonged weekend. The available cash primarily serves business activities, and surplus cash is invested in risk-free instruments in accordance with the Company's policy.</p> <p>The Chairman further added that the cost of doing business had increased significantly, and holding cash was necessary for the frequent import of fuel cargoes. It was further explained that APL has taken actions to address the issue of outstanding dividends for non-resident shareholders, and the necessary transactions are currently in progress.</p> | <p>An outstanding liability of Rs. 12 billion was promptly settled by making a payment to the refineries.</p> <p>At the close of financial year 2023-24 APL has invested Rs. 23 billion in Government Securities out of the total investment of Rs. 27 billion.</p> <p>Additionally, following continuous efforts and coordination with the apex regulator, approvals for the remittance of dividends to non-resident shareholders were secured. Resultantly, all pending dividends were successfully transmitted to the bank accounts of the non-resident shareholders.</p> |
| <p>A question was raised regarding the low dividend payout ratio as compare to Earning Per Share (EPS).</p> | <p>It was clarified that it is based on budgeted cash flows that are approved by the Board of Directors. Given APL's ongoing organic growth and the need for funding for its planned projects, the Company has to retain more of its earnings. Additionally, the cost of investments, especially in metropolitan areas, has increased significantly. The CFO also emphasized that the outflow of cash is managed in accordance with the capital budget approved by the Board of Directors for the next year, and payouts are made accordingly.</p> | <p>During the fiscal year 2023-24, APL invested in 47 new retail outlets, with significant investments in Company Owned Company Operated (COCO) sites including metropolitan area outlets. Additionally, APL invested in the development of the Bulk Oil Terminal at D.I. Khan and the LPG storage and filling plant in Rawalpindi.</p> |
| <p>Steps Taken by Management to Encourage Minority Shareholders to Attend AGM</p> <p>The management encourages shareholders to attend the general meetings of the Company. Date, time and venue of the meeting to be held is</p> | <p>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</p> | <p>Exchange for information of the shareholders. Further, the same is also published on the Company's website.</p> <p>Understanding Views of Major Shareholders</p> <p>Major shareholders of the Company include Pharaon Investment Group Limited</p> |

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

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 November 07, 2023 in compliance with the mandatory requirement of holding corporate briefing session by listed companies. A detailed presentation was given by the Company's management on the Company's financial results and performance for the year 2023 along with the brief on Company's future plans. All the queries raised by participants following the briefing were satisfactorily responded in the session.

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/her interest in any contract, agreement and/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 such meeting, if any. Any such conflicts of interests are recorded in the 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 the Company 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.

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

The Company 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 group companies:

| Sr. No. | Name | No. of Companies* |
|---------|---------------------|-------------------|
| 1 | Mr. Shuaib A. Malik | 04 |

* Refer to Page 51 (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 Board Audit Committee at AGM

Chairman of the Board 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 Board Audit Committee, Ms. Zehra Naqvi was present at the last AGM held on October 09, 2023 to answer queries of shareholders regarding above mentioned matters.

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 Attock Group shareholding and nature of relationships of associated companies is disclosed on Page 22 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.

Corporate Benefits to Shareholders

Corporate benefits to shareholders are essential in enhancing the appeal of holding equity in the Company, aligning shareholder interests with the Company's performance and strategic objectives.

Shareholders of APL are entitled to the following benefits:

- **Capital Appreciation**

Shareholders experience an increase in the market value of their shares, reflecting the company's growth and performance.

- **Dividend Distributions**

APL is currently providing regular dividend payments, offering shareholders a direct return on their investment.

- **Voting Rights**

Shareholders have voting rights, which enable them to participate in key Company decisions, including corporate governance matters.

- **Liquidity and Flexibility**

As a public listed Company, shareholders of APL enjoy the advantage of liquidity, allowing for flexible management of their investment portfolios.

- **Participation in Company Growth**

Shareholders benefit from APL's expansion and profitability, which contribute to the overall value of their investment.



Stakeholder’s Identification and Engagement

Effective stakeholder engagement is fundamental to organizational success. Engaging with stakeholders fosters trust and strengthens relationships for long-term partnerships and collaboration.

APL effectively manages relationships with key stakeholders by actively engaging with them, addressing concerns, and aligning strategies to meet their expectations and interests. This engagement significantly enhances APL’s performance and contributes to its sustainable growth. The Company regularly communicate with the stakeholders through various formal and informal channels. Engaging stakeholders helps APL gain insights into their needs, expectations, and concerns. This understanding allows for better decision-making and strategy formulation.

Brief on the engagement with the main stakeholders of APL likely to affect the performance and value of the Company is as follows:

The infographic consists of three vertical purple panels, each with a circular icon on the left and a text box on the right. The top panel is for 'Investors/ Shareholders' with an icon of three people and 'Rs.' symbols. The middle panel is for 'Customers and Suppliers' with an icon of a person on a phone. The bottom panel is for 'Banks' with an icon of a bank building.

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 information available at our websites updated regularly and a dedicated helpline for investor's complaint handling. A Corporate briefing session is also held annually by the Company's for analysts' community to solicit and understand views of stakeholders.

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/ distributor's 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, 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 Company's website, Instagram, Facebook, X (Formerly Twitter) and LinkedIn accounts of the Company are also used as a medium to communicate information to stakeholders and share updates, promotions, and respond to customer promptly.

Media communication of the Company's achievements helps strengthen APL brand image & visibility. 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 are raised at various appropriate 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 on November 07, 2023 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 / Local Communities



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.

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

The Legitimate Needs, Interests of Key Stakeholders and Industry Trends

Stakeholders including customers, employees, investors, and communities play a critical role in the long-term success and sustainability of a business. Aligning strategy with their needs fosters a sustainable business model that creates long-term value for all. When stakeholders' needs and concerns are understood and addressed by the Company's strategy, they are more likely to engage positively with the organization.

Investors and shareholders prioritize sustainable profitability and the Company's growth trajectory, expecting reasonable returns through dividends or capital appreciation. They also value transparency and ethical standards in corporate governance practices. Customers seek consistently high-quality petroleum products at fair and competitive prices, conveniently available at accessible locations. They prioritize efficient service and reliable fuel supply.

Government and regulatory authorities require strict adherence to regulatory standards and expect contributions to national ex-chequer through taxes and duties. Employees and workforce members expect a safe and supportive work environment. Local communities expect engagement with them through partnerships and support for the community development projects and emphasize minimizing environmental impact through responsible practices and actively contribute to the community welfare.

APL aligns its strategies as per stakeholders' interest and industry trends. Aligning with the evolving energy landscape requires APL to adopt strategic approaches to maintain relevance and competitiveness. APL is actively diversifying its energy portfolio by investing in alternative fuels such as LPG and developing electric vehicle charging infrastructure. This initiative enables us to meet the

increasing demand for cleaner energy sources. Investments in renewable energy projects such as solar, further integrating sustainable practices into APL's business model and significantly reduce its carbon footprint.

By embracing digital technologies for energy management, enhancing customer engagement, and optimizing operational efficiency, APL enhances agility and responsiveness to market trends and shifts. APL's proactive stance in adapting to and leveraging the changing energy landscape for sustainable growth and competitiveness enable it to adopt to the changing industrial dynamics. Promoting sustainable practices and responsible resource management is integral to our operations. By addressing these needs and interests effectively, APL builds trust, enhances its reputation, and contributes positively to the well-being of its stakeholders and the broader community.



Corporate Sustainability

APL is committed to adopt best CSR practices and Sustainability in its broader strategy and business operations. In pursuit of this commitment, APL consistently strives to enhance compliance with the SECP's Corporate Social Responsibility (Voluntary) Guidelines 2013 and the United Nations Sustainable Development Goals (SDGs). These efforts are aimed at strengthening the Company's sustainability and resilience in the face of evolving global challenges.

The management's commitment to CSR best practices and sustainability is outlined in the Director's Report on pages 79 and 93.

The milestones achieved in this domain by the Company are detailed in the Sustainability and CSR section, spanning from page 105 to page 121.

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

Transparency is promoted by having an engaging

environment within the Company and within the community and is attained through open communications with stakeholders characterized by high levels of information disclosure, clarity, and accuracy.

Consumer Protection Measures

In line with its vision, APL always strives to protect its valued customers by providing the highest quality products and services. Our quality assurance team ensures premium quality of petroleum products received at our terminals and



supply points. We ensure consistency in quality and quantity of all the products supplied to customers at retail outlets and other valuable clients by employing state-of-the-art ground and mobile Quality Assurance Labs - equipped with modern apparatus followed by quick responsiveness to queries on quality whenever required by the customers.

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

Quality Policy Statement

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

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

- The primary objective of the Quality Management System is to ensure conformance to product specifications of all goods shipped to customers.
- Clearly identify and understand our internal and external customers

stated and hidden needs, to develop a way of working to meet and exceed the expectations of customers.

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

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

Industrial Relations

APL is the member of Oil Companies Advisory Council (OCAC) a forum of oil industry which is responsible to ensure that its members i.e. refineries and OMCs abide by the ethical standards, observe regulations applicable to

industry, including those related to HSEQ, laws of country, conduct business with integrity and honesty. The Downstream Oil Sector (Marketing, and Distribution) plays a very significant role in Pakistan's economic development, ensuring uninterrupted supply of petroleum product to the country in order to keep the wheels of the economy moving.

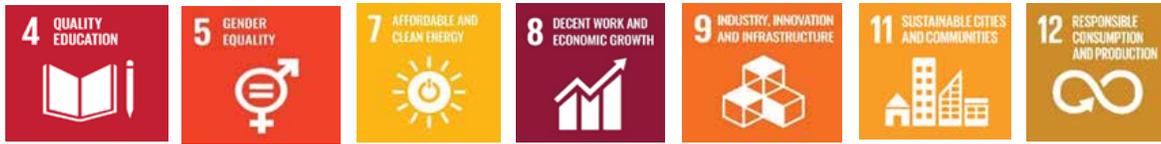
Business Ethics & Anti-Corruption Measures

The Company is committed to conduct/govern its business operations and relationship honestly and will not pursue any activity that requires to act unlawfully or in violation of the Code of Conduct. Ethical codes and policies are implemented to eliminate corruption; each director and employee is expected to deal fairly with Company's customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information, or any other unfair practice. The Company has zero tolerance to all types of corrupt practices. All employees are required to sign the compliance of Code of Conduct annually, certifying adherence to business ethics and anti-corruption measures.

Contribution to National Exchequer

Please refer to Page 62 for details.

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 enhance its corporate brand image community wide.

Community Welfare

The Company is fully cognizant of its wider responsibility towards the community. APL takes different measures for prosperity, health and literacy of the local communities from time to time. Multiple jobs are created at the Company's developed Bulk Oil Terminals, Coco Sites 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 227 employees in Category I (Class I to Intermediate) and 03 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. During the year 2023-24, Attock Petroleum Limited offered Internship opportunities in different disciplines at several

locations to 23 students from various universities such as Foundation University, SZABIST, NUST, Comsats, Air University, FAST, TMUC, NUML, IBA Karachi, UET Lahore, NED University Karachi and University of Central Punjab.

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 products 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.

Merit Based Recruitment

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.

Performance Based Appraisal

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 and Diversity Policy

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

The Company is dedicated to upholding the principles of equal opportunities and gender equality, ensuring no gender-related pay disparities among employees in comparable grades. Our commitment to equity is reflected in our overall compensation structure, which tends to support and benefit female employees, fostering a fair and inclusive workplace for all.

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 2023-24, APL staff members were nominated for various trainings and conferences / seminars on areas such as HSE, Leadership, Pakistan Oil & Gas Industry - Supply Chain Modalities, Consumer and Operational Safety at Retail Outlets, Finance for Non-Finance Managers, HRM and 3-D Studio Max. Total of 103 APL employees attended these trainings

and conferences / seminars during the year in above-mentioned training areas.

Employee Benefits - Promotions & Rewards

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's 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.

Employee Sports Activities

APL aims to provide and develop healthy and harmonious work environment among employees by organizing various different sports and recreational activities. This promotes networking and collaboration/ teamwork among the employees.

APL Cricket Team participated in following corporate tournaments held during the year (2023-24), in which teams from various organizations from government and private sectors competed:

- a. Corporate Premiere League Tournament held at Lahore, during the months of October - December, 2023
- b. Oil & Gas Cricket Championship held at Islamabad/Rawalpindi, during the month of November, 2023

Independence Day Celebrations

Independence day was celebrated with great fervor and enthusiasm in APL. COCO sites were illuminated and decorated in solidarity to show national pride and patriotism and flags are distributed to walk-in-customers.

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.



Environmental Responsibility



Our approach to sustainability includes sharing benefits with the communities where we operate, and we are helping to shape a more sustainable energy future, by collaborating with others on global energy challenges. Compliance with all regulatory requirements as stated in National Environmental Quality Standards (NEQS) is strictly adhered to and all operations are carried out in such a way 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, the 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 motivating them to act on matters such as waste reduction or energy efficiency.

Environmental Protection Measures

APL is deeply committed to prioritizing environmental protection in all aspects of its operations. Our Environmental Management System (EMS) is designed to ensure the safest and healthiest working conditions for our employees and those in the surrounding community. To

safeguard and enhance the environment, APL adheres to the following core 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 to set environmental targets and objectives.
- To take corrective and preventive actions for the proper functioning of the system.
- To train its employees to recognize and handle unsafe or environmentally harmful conditions.



APL takes the following measures to protect our environment:

- Arrange tree plantation in and around its facilities as proposed in the Environment Management Plan (EMP).
- Ensure proper disposal of waste (hazardous and non-hazardous waste), as described in the Environment Management Plan (EMP).
- Arrange immediate remedial measures to control/minimize the impact of pollution in and around the facility as proposed in the EMP.
- Ensure energy saving measures at APL bulk oil facilities and Company operated retail outlets.

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 is more important than the health and safety of any individual or the protection of the 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 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, terminal offices 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 service costs. However, Enormous energy savings are possible using energy efficient equipment and effective controls. Using a less energy consuming lighting system reduces heat gain. Electric lighting also strongly affects visual performance and visual comfort by aiming to maintain adequate and appropriate illumination. Following the ritual of sustainable growth & corporate social responsibility, APL is continuously working on energy conservation to optimize energy consumption across the Company. The Company took the initiative for energy saving by replacing all existing conventional lighting systems with energy efficient LED lights at its terminals and COCO retail sites, enabling a



significant reduction in energy consumption.

The Company has successfully completed On-Grid Solar System with Net metering at the following APL Locations, which are providing a clean source of energy generation and contributing to the reduction of greenhouse carbon emissions and to minimizing financial and environmental impacts.

- 103KW System at APL Bulk Oil Terminal, Daulatpur
- 74KW System at APL Retail Outlet Garrison Filling Station, Rawalpindi
- 39KW System at APL Regional Office, Karachi

The Company further plans to fully or partially switch over to On-Grid Solar System at COCO retail outlets & other Storage Bulk Oil Terminals.

By investing in and installing EV fast charging stations, APL supports the transition to electric mobility. This infrastructure provides convenience for EV owners, encourages the adoption of electric vehicles and improves energy efficiency. To enhance the sustainability of EV charging stations, Company integrate renewable energy sources, such as solar panels, to power the stations. This reduces the carbon footprint

associated with electricity consumption.

APL provides high quality products to its customers which leads to reduced emissions from vehicles. APL recently introduced premium fully synthetic engine oil to enhance engine performance and fuel efficiency by reducing friction and wear. This leads to better fuel economy and lower emissions from vehicles. Euro-5 PMG is preferred in imports which leads to lesser toxic emissions into the air, therefore, making our fuel cleaner and better for the environment.



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 with 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 and Environmental Safety and Health

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 the Pakistan Environmental Protection Act (PEPA, 1997) on their projects to meet the requirements of EPA applicable sections controlled by the Federal or Provincial Government.

Health Safety and 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 providing an 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, i.e. transportation of flammable products, work at height, maintenance on live electrical equipment's and high pressure lines and entry into a confined spaces are properly planned and permitted, to prevent workplace incidents. The job is carried out with minimal risk to personnel, the environment, and public safety, while maintaining operational efficiency and compliance with regulatory standards.

The APL workforce truly believes that incidents are preventable and that the goal of "ZERO INCIDENTS" is achievable. Therefore



APL has policies, processes, tools and behavioral expectations in-place for 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 conducting business with a strong environmental conscience ensuring sustainable development, safe workplaces and enrichment of the 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 Company's endeavor is to:

- Establish and maintain high standards for the 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 an effective and prompt response to accidents and emergencies.
- Welcome audit of our HSE conducted by an external body, so that stakeholder confidence is safeguarded.
- Conduct safety audits on monthly basis and 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 being a leader in Safety, Occupational Health and Environmental Protection through continuing improvement.
- Make efforts to preserve ecological balance and heritage.

Safety Trainings

Safety Training at APL is an essential part of the business to make the environment safe and healthy. The purpose of safety training is to provide the workforce with the knowledge and skills to perform their work in a way that is safe for them and their co-workers. Two training modules are being used in APL to make the program effective and achieve its goal.





The 1st Training Module comprises, on ground training sessions and according to the ASCIE (Assess training needs - Set organizational training objectives - Create training action plan - Implement training initiatives - Evaluate & revise training) training method, total 263 training programs have been successfully completed at APL bulk-oil facilities and Company operated retail outlets.

The 2nd Training Module is designed on four basic grounds set at APL,

1. New candidates, who join APL, are given training. This training familiarize them with the Company Health Safety and Environment system, vision, rules and regulations and working conditions.
2. The existing employees are trained to refresh and enhance their knowledge.
3. If any updates and amendments take place in technology, training will be given to meet the challenges. For instance, purchasing new equipment, change in technique of operation. The employees are trained about the use of new equipment and work methods.
4. When promotion and career growth become important. Training is given so that employees are prepared to share the responsibilities of the higher-level job.



Training Achievements and Commitments

APL's HSE has successfully delivered various training program to their employees in FY 2023-24 which summed up in the Occupational Safety and Health and Fire prevention training program. APL is committed to sustaining



these trainings to meet the target Zero Incident and safety guidelines designed to protect workers and the environment from workplace accidents.

Achievements

In FY 2023-24 major milestones that Attock Petroleum Limited has achieved are unprecedented in the Oil Marketing industry.

- The construction of 203 Metric-Ton LPG storage and filling plant by APL was started on May, 2024 and moving towards its operational phase, adding total safe man-hours 1,666,290 (till

June) to our Company's overall statistics.

- APL Health and Safety Management System (based on applicable ISO standards of Health and Safety) for automation of Incidents has been completed successfully. The project was successfully completed on April 2024.
- The commissioning and operational phase of 18,908 Metric-Ton

APL Bulk Oil Terminal DI-Khan KPK have been completed successfully without any workplace incidents. The project was started on October 07, 2022 and successfully commissioned and operational on April 05, 2024 by adding total safe man-hours of 1,479,090 to our Company's overall statistics.



Certification Acquired and International Standards Adopted for Best Sustainability & CSR Practices

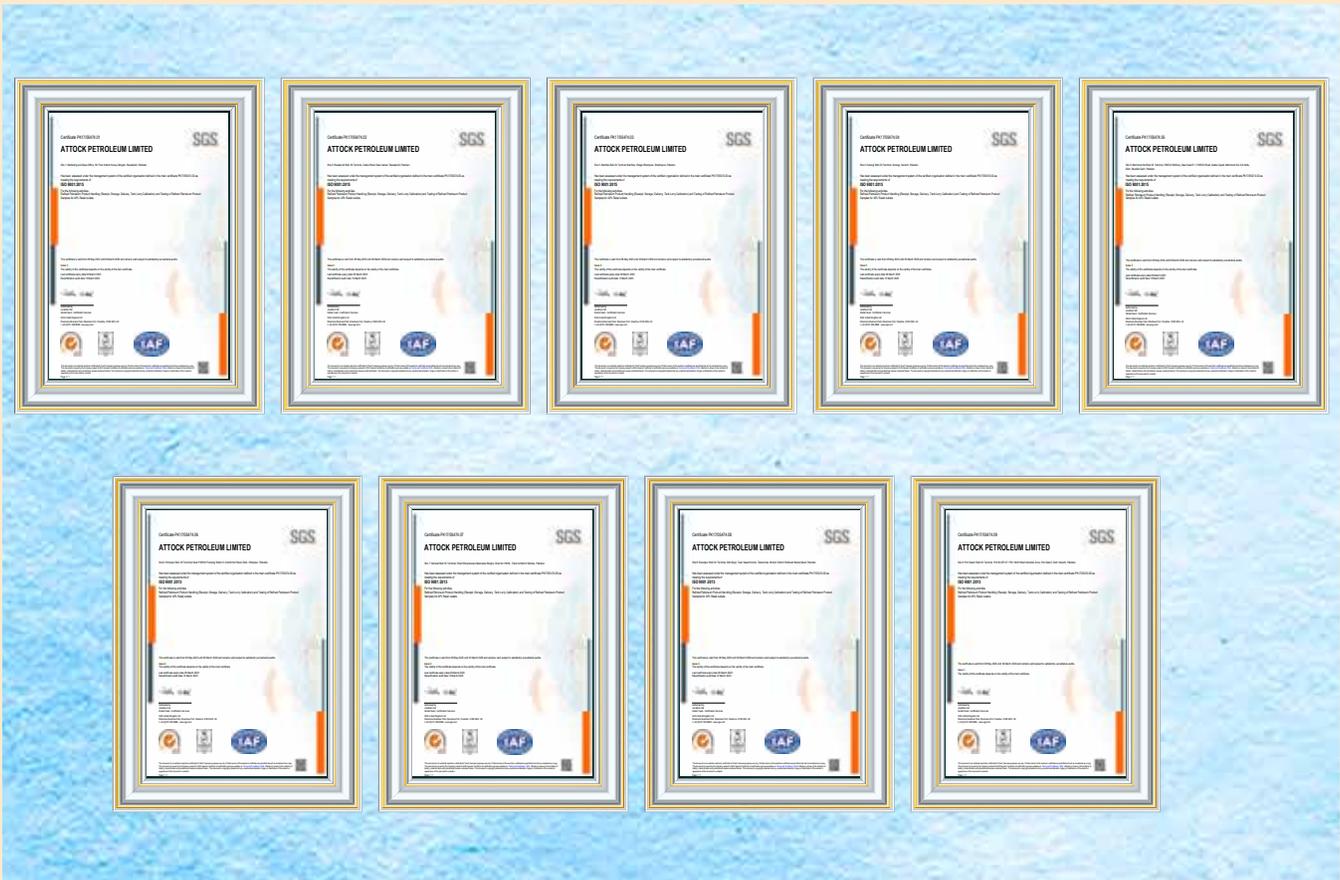
Compliance with all relevant industry standards and executing all its operations in a safe and environment friendly manner is a core value here at APL.

Sample based Annual Surveillance Audit of various APL sites (bulk oil terminals and Head Office)

was successfully carried out by the 3rd Party Auditors from M/s SGS Pakistan Pvt. Limited during the current financial year, in order to ensure continuity of APL's existing ISO 9001:2015 certification.

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 2022 was awarded merit certificate in Fuel & Energy Sector of the Best Corporate Report Awards jointly organized by ICAP & ICMAP.

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. |

Risk & Opportunity Report

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.

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.

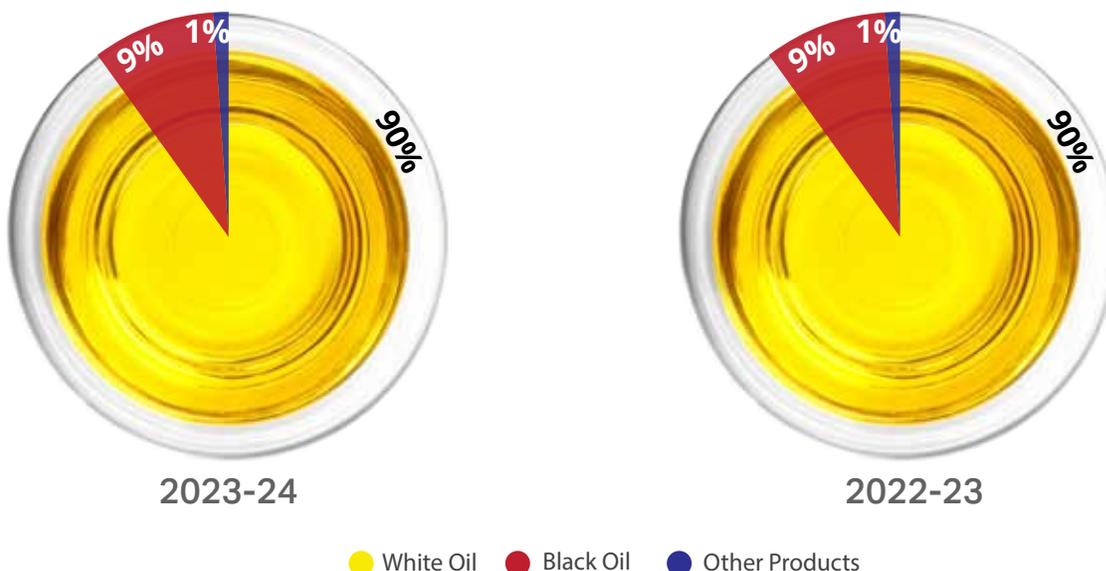
The aviation segment presents a huge opportunity for APL to grab market share. Establishment of largest Fuel Farm facility at Islamabad International Airport shall help to achieve maximum advantage from the sector including financial and non-financial benefits. Another revenue stream has been added generating cash flows for the Company.

APL is seizing the opportunity to drive positive environmental change by actively reducing the ecological impact of its operations. In line with this commitment, Company is prioritizing initiatives to lower carbon footprint and promote energy efficiency. A key step in this direction is our strategic partnership with the National Energy Efficiency and Conservation Authority (NEECA) for the "Development of EV Charging Infrastructure in Pakistan".

The Company is grabbing a growth opportunity by entering the LPG market with the development of a state-of-the-art storage and filling plant in Rawalpindi. This strategic expansion demonstrates the Company's agility and commitment to diversifying its portfolio, unlocking new revenue streams in a high-potential sector.

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 Chairperson 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, 2024 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, 2024, 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 Chairperson 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, 2025.
- 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

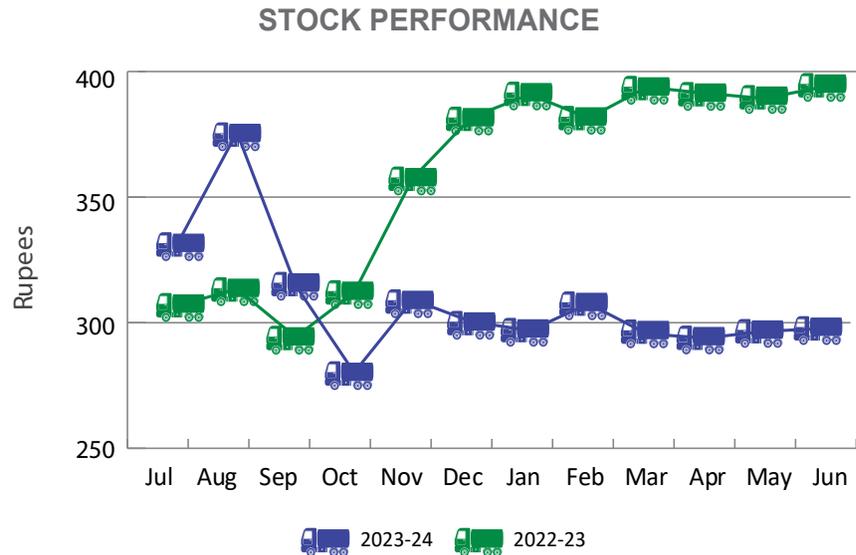
Rawalpindi.
August 12, 2024

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 280 to the mark of Rs 440. 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

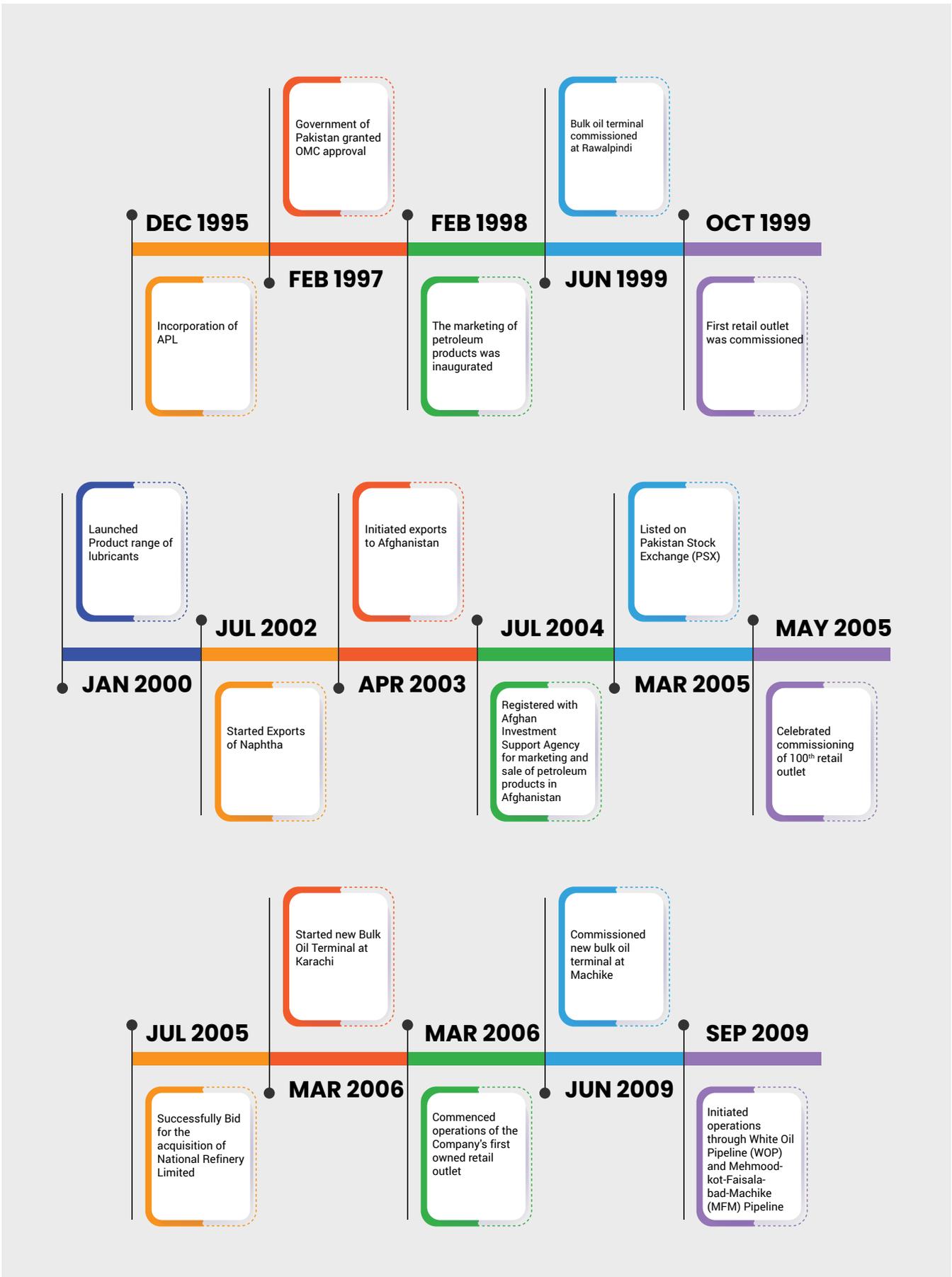
The Country is highly dependent for its energy requirements on import of petroleum products. APL also actively imports various POL products. Movement in Rupee - Dollar parity incurs exchange losses can also indirectly affect the share price.

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





Major Events During The Year

The Company has successfully established the first Bulk Oil Terminal in Khyber Pakhtunkhwa, located in Dera Ismail Khan. This achievement marks a significant milestone, paving the way for further retail expansion within the province.

The Company is nearing the completion of construction of its LPG Storage & Filling Plant in Rawalpindi, a strategic initiative that reflects its forward-thinking approach. This move aims to capitalize on lucrative opportunities and explore new growth avenues, underscoring the Company's adaptability and commitment to achieving its long-term growth objectives.

In efforts to reduce carbon emissions and promote energy conservation, the Company has installed and commissioned EV-Charger facilities at Islamabad Club and Garrison Filling Station. Additionally, the EV charging facility at Hassan Petroleum in Blue Area, Islamabad, has been upgraded.

The Company earned the Certificate of Merit in the Fuel and Energy Sector at the Best Corporate and Sustainability Report Awards 2022, jointly organized by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

A flagship retail outlet was commissioned in the prime location of New Blue Area, F-9/G-9, Islamabad. This strategic development not only boosts our market presence but also strengthens our brand image.

Continuing its retail expansion, the Company marked the commissioning of its 798th retail outlet, reaffirming our commitment to providing uninterrupted quality fuel and state-of-the-art Non-Fuel Retail (NFR) services to our valued customers.

The Company proudly celebrated Independence Day across all retail outlets, regional offices, and the head office. The festivities were marked by a unified display of patriotism and team spirit, reflecting the Company's commitment to national pride.

The Company celebrated International Women's Day, honoring the social, economic, cultural, and political contributions of women. As a forward-thinking organization, we recognize and celebrate the invaluable role women play in all aspects of society.

The Company launched special supplements focused on safety campaigns at fuel pumps. These supplements were designed to raise awareness and promote best practices in safety among customers and staff.

The Company successfully commissioned four new sites along the M4 Motorway at Dhandhewal and Khanewal (North and South). These strategically located sites enhance our service network, ensuring greater convenience and accessibility for travelers.

The Company prominently displayed the Public Service Message "Say No to Drugs" outside all COCO sites. This effort highlights the Company's active role in promoting social responsibility and contributing to public awareness campaigns.

Information Technology Governance and Cybersecurity

Information Systems Strategic Planning

The APL IT Committee is responsible for overseeing requirements, approving plans, and supervising the implementation of new automated functionalities essential for optimal business operations. The committee also reviews and integrates both generic and industry-specific best practices into APL functions.

Business Process Streamlining

Our business processes are continually mapped, documented, re-engineered, and improved to facilitate their transformation into automated functions. Additionally, we are developing plans for the introduction of an automated Workflow System to enhance efficiency and streamline operations.

Business Alignment with Information Technology

APL is striving to transform its strategic vision into automated systems, encapsulating the APL business cycle within a web-based and mobile app environment. This initiative aims to process and track every key transaction in real-time, ensuring seamless integration and operational efficiency.

Management Responsibility Statement on Cyber Risks

APL IT Department recognizes the critical importance of evaluating and enforcing legal and regulatory implications related to cyber risks. In today's increasingly digital landscape, the safeguarding of our Company's data and infrastructure against cyber threats is paramount. The

Management is committed to ensuring that robust cybersecurity measures are in place and that they comply with all relevant legal and regulatory standards.

In the event of a cyber-breach, the Management has a clearly defined set of responsibilities for Internal Audit and Risk Committee. These include immediate response and containment actions, transparent communication with stakeholders, and coordination with legal authorities as required. These Departments are also responsible for conducting a thorough investigation to understand the breach's root cause and implementing measures of any occurred breach.

Risk Assessments and Mitigation Plan

We maintain a comprehensive risk register and have documented Standard Operating Procedures (SOPs) accordingly. Multiple reviews are conducted quarterly and semi-annually based on the severity of the risks. Automated controls are integrated at each step of the APL supply chain to check and validate the information being entered, thereby reducing the possibility of human error.

Vulnerability Assessment and Penetration Testing

This year, we conducted a comprehensive vulnerability assessment and penetration testing to fortify our security posture against potential threats. Through meticulous examination and simulated attacks, we aimed to identify and address any weaknesses in our systems, networks, and applications. This proactive

approach ensures that our security measures remain resilient and up-to-date in the face of evolving cyber threats. By uncovering vulnerabilities and implementing necessary patches and safeguards, we are strengthening our defenses to protect sensitive data and maintain the trust of our stakeholders..

Real-Time Reporting for Decision Making

Our online real-time system enables real-time reporting and decision-making. With actionable data available instantly, business outcomes can be significantly improved by making informed decisions promptly.

Business Intelligence for Planning and Forecasting

APL continues to explore business intelligence tools and technologies that provide comprehensive insights through dashboards and analytical drill-downs across all business areas and functions. These tools enable targeted planning and forecasting based on existing data and "what-if" scenarios, enhancing our ability to make informed strategic decisions.

Cybersecurity Measures

In our ongoing commitment to safeguarding our digital assets, we have adopted and applied comprehensive cybersecurity programs, including Network Security and Application Security, to protect against threats such as Malware, Ransomware, Phishing, and other types of cyber-attacks on our systems. This year, we have strengthened our cybersecurity posture by formalizing ISO 27001 framework. This internationally recognized

standard provides a robust approach to managing and securing information assets.

In addition to ISO 27001, we have developed an automated process that functions as an “Early Warning System” to detect transactional-level ambiguities or discrepancies in real time. This system empowers the Company to make timely disclosures of any breaches, assess and identify cybersecurity risks, and report and address these issues promptly.

Business Contingency Plan for IT and Cyber Breaches

To ensure smooth operations without disruption, APL has developed a Business Contingency Plan. We understand the criticality of being prepared for potential IT and cybersecurity breaches. Additionally, we have integrated the concept of Edge Computing into our solutions to mitigate the probability of operational disruptions in case of any disaster.

Our Business Contingency Plan encompasses several key components:

Robust preventive measures are in place, including stringent cybersecurity measures and regular risk assessments, to minimize the likelihood of breaches. In the event of an incident, a dedicated response team is ready to take immediate action, following clear protocols for escalation and coordination.

The integration of Edge Computing technologies enables us to decentralize computing resources, reducing the impact of disruptions by allowing localized processing and data storage.

In the face of an incident, transparent communication channels ensure stakeholders are kept informed, providing

updates on the situation and response efforts. Our focus remains on rapid recovery and restoration of systems, supported by backup and redundancy mechanisms to ensure continuity of operations.

Post-incident reviews help us identify lessons learned and enhance our response capabilities continually. The Business Contingency Plan is regularly reviewed and updated to adapt to evolving threats and technologies.

Through these measures, we reinforce our commitment to maintaining seamless operations and minimizing disruptions, safeguarding the integrity of our systems and data, even in challenging circumstances.

Digital Transformation

The digitization of operations enhances transparency and governance. APL is committed to digitalizing its operations to achieve this vision. Currently, APL is in the transition phase of digitalization. IoT-based Micrometer operations have been implemented across all terminals, and several other projects are underway in the evaluation, design, and development stages to boost efficiency and enhance governance and transparency further.

APL is making strides in Artificial Intelligence and Cloud Computing. Reporting tools and mobile apps based on Artificial Intelligence are already been under development.

Focus on Cybersecurity Risks Mitigation

APL prioritizes cybersecurity to safeguard its systems, networks, and programs from digital threats. We conduct regular training sessions to educate employees, raising awareness about cybersecurity measures and protective

measures are being circulated time to time in order to protect our environment. This ensures the continuous and secure operation of the Company in a protected technological environment.

Cybersecurity and Management Risk Controls

Cybersecurity is integral to the Management’s overall risk oversight function. The Management ensures that cybersecurity is prioritized as a critical component of the Company’s risk management strategy. This involves an engagement with senior management IT Risk Committee to review and assess the Company’s cybersecurity posture, ongoing risks, and the effectiveness of implemented security measures. This collaborative approach ensures that the Company remains proactive in its cybersecurity efforts, continually enhancing its defenses and adapting to new challenges.

Oversight of IT Governance and Cybersecurity

The Management has designated the Internal Audit and Risk Committee to oversee IT governance and cybersecurity matters. This committee is specifically charged with the responsibility of monitoring and guiding the Company’s cybersecurity strategy and initiatives.

The Audit and Risk Committee regularly reviews reports from the Cyber Security Officers and other senior IT leaders to ensure that the Company’s cybersecurity policies and practices are robust and up-to-date. This includes evaluating the effectiveness of the Company’s cyber risk management framework and ensuring compliance with regulatory requirements.



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, 2024 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, 2024.



Chartered Accountants
Islamabad

Date: September 10, 2024

UDIN: CR202410050iCZu6nTLU

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
Tel: +92 (51) 2273457-60 / 2604934-37 ; Fax: +92 (51) 2277924 <www.pwc.com/pk>
■ 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, 2024

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. Babar Bashir Nawaz |
| iii. | Executive Director | Mr. Shuaib A. Malik |
| iv. | Female Independent Director | Ms. Zehra Naqvi |

* Alternate Director - Mr. Rehmat Ullah Bardaie

** Alternate Director - Mr. M. Adil Khattak

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that

appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with the dates of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017, (Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of the seven directors, four of the directors meet the exemption criteria of the directors' training program and three directors have obtained the directors' training program certification in prior years;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

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

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. However, fraction (0.33) contained in one-third number for Independent directors has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company; and

19. During the year, the Securities and Exchange Commission of Pakistan issued certain amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024. In

this regard, we are actively working towards ensuring its complete compliance at the earliest. This effort entails enhancing our existing compliance framework through the implementation of existing policies and development of new ones in accordance with the mandates of Regulation 10A.

20.Explanation for not meeting with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below. Also, refer paragraph 19 above of the Statement.

| 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> | <p>29 (1)</p> | <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> | <p>30 (1)</p> | <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



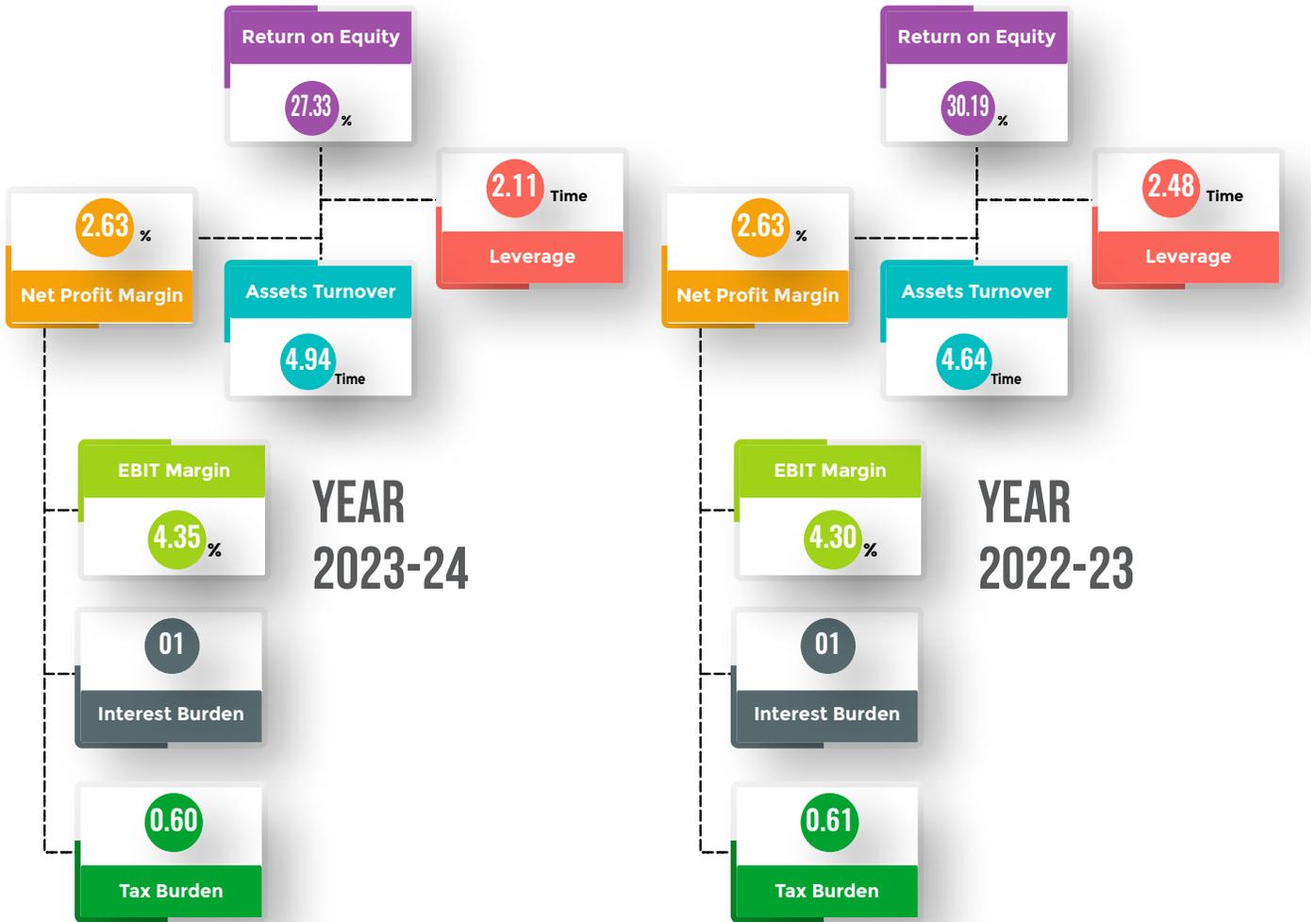
Shuaib A. Malik
Chief Executive

Rawalpindi.
September 02, 2024

Financial Analysis



Dupont Analysis



The decrease in Return on equity (ROE) this year can be primarily attributed to reduced financial leverage, despite the net profit margin remaining stable and an increase in asset turnover. While the company has improved its efficiency in generating revenue from its assets, the lower financial leverage has limited its ability to enhance ROE. This indicates that the decline in ROE is due to the reduced impact of leverage on amplifying returns, even as operational efficiency has improved.

Key Operating and Financial Data

for Six Years from 2018-19 to 2023-24

| | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Summary of Profit or Loss | | | | | | | |
| Sales volumes | Metric Tons | 1,605,261 | 1,743,161 | 2,320,736 | 1,912,823 | 1,907,342 | 2,147,038 |
| Net sales | Rs thousand | 526,316,756 | 473,938,329 | 370,074,929 | 188,645,375 | 201,078,720 | 223,054,352 |
| Gross profit | Rs thousand | 22,042,471 | 26,070,668 | 41,003,092 | 9,981,941 | 3,637,890 | 8,221,167 |
| Operating profit | Rs thousand | 16,506,220 | 18,820,534 | 32,759,923 | 7,499,729 | 1,083,793 | 5,708,378 |
| Profit before income tax and final taxes | Rs thousand | 22,911,766 | 20,384,969 | 30,609,769 | 6,939,058 | 1,503,086 | 5,722,857 |
| Profit after tax | Rs thousand | 13,821,630 | 12,460,790 | 18,536,343 | 4,919,632 | 1,008,294 | 3,960,606 |
| Profit before interest, tax, depreciation, and amortization (EBITDA) | Rs thousand | 25,356,502 | 22,604,141 | 32,620,852 | 8,567,400 | 2,677,291 | 6,314,452 |
| Summary of Financial Position | | | | | | | |
| Shareholders' equity | | | | | | | |
| Share capital | Rs thousand | 1,244,160 | 1,244,160 | 995,328 | 995,328 | 995,328 | 995,328 |
| Reserves | Rs thousand | 54,693,836 | 43,975,745 | 36,323,827 | 21,725,606 | 17,450,693 | 17,931,407 |
| | Rs thousand | 55,937,996 | 45,219,905 | 37,319,155 | 22,720,934 | 18,446,021 | 18,926,735 |
| Non- current liabilities | | | | | | | |
| Long term lease liabilities | Rs thousand | 8,447,613 | 7,531,422 | 6,257,911 | 6,274,485 | 3,978,932 | - |
| Others | Rs thousand | 2,049,101 | 1,103,923 | 1,088,247 | 1,107,011 | 904,651 | 792,993 |
| | Rs thousand | 10,496,714 | 8,635,345 | 7,346,158 | 7,381,496 | 4,883,583 | 792,993 |
| Current assets | | | | | | | |
| Stock in trade | Rs thousand | 35,492,045 | 30,169,689 | 51,662,152 | 16,121,539 | 9,464,503 | 12,865,862 |
| Trade debts | Rs thousand | 7,646,562 | 13,917,495 | 18,218,902 | 11,025,245 | 13,970,178 | 16,838,255 |
| Cash, bank balances & Short term investments | Rs thousand | 29,104,925 | 39,571,022 | 5,438,672 | 11,391,415 | 8,279,393 | 3,810,956 |
| Others | Rs thousand | 7,434,303 | 3,561,318 | 3,055,306 | 5,672,781 | 3,812,064 | 3,587,872 |
| | Rs thousand | 79,677,835 | 87,219,524 | 78,375,032 | 44,210,980 | 35,526,138 | 37,102,945 |
| Current liabilities | | | | | | | |
| Trade and other payables | Rs thousand | 35,325,521 | 48,551,243 | 47,614,884 | 31,179,480 | 27,561,324 | 26,633,386 |
| Others | Rs thousand | 3,518,885 | 5,547,772 | 4,070,848 | 615,975 | 347,404 | 49,598 |
| | Rs thousand | 38,844,406 | 54,099,015 | 51,685,732 | 31,795,455 | 27,908,728 | 26,682,984 |
| Net current assets | Rs thousand | 40,833,429 | 33,120,509 | 26,689,300 | 12,415,525 | 7,617,410 | 10,419,961 |
| Property, plant and equipment | Rs thousand | 23,226,936 | 19,077,870 | 16,597,854 | 16,616,819 | 13,839,661 | 8,348,942 |
| Other non-current assets | Rs thousand | 2,374,345 | 1,656,871 | 1,378,159 | 1,070,086 | 1,872,533 | 950,825 |
| Capital expenditure during the year | Rs thousand | 2,712,757 | 2,751,209 | 1,249,610 | 1,597,707 | 2,135,057 | 2,523,060 |
| Total assets | Rs thousand | 105,279,116 | 107,954,265 | 96,351,045 | 61,897,885 | 51,238,332 | 46,402,712 |
| Total liabilities | Rs thousand | 49,341,120 | 62,734,360 | 59,031,890 | 39,176,951 | 32,792,311 | 27,475,977 |

| | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Summary of Cash Flows | | | | | | | |
| Cash flow from operating activities | Rs thousand | (7,760,980) | 37,354,107 | (552,540) | 5,631,875 | 7,414,512 | 2,998,293 |
| Cash flow from of investing activities | Rs thousand | 5,034,259 | 1,752,668 | 965,658 | (1,177,105) | (1,681,346) | (1,246,624) |
| Cash flow from of financing activities | Rs thousand | (7,737,768) | (4,988,807) | (5,223,655) | (1,498,680) | (1,851,147) | (3,492,842) |
| Effect of exchange rate changes | Rs thousand | (1,608) | 14,382 | 8,426 | 1,726 | (1,684) | 6,500 |
| Net change in cash and cash equivalents | Rs thousand | (10,466,097) | 34,132,350 | (4,802,111) | 2,957,816 | 3,880,335 | (1,734,673) |
| Cash & cash equivalents at end of the year | Rs thousand | 29,104,925 | 39,571,022 | 5,438,672 | 10,240,783 | 7,282,967 | 3,402,632 |
| Free cash flow | Rs thousand | (13,689,120) | 32,825,240 | (2,913,000) | 3,076,028 | 4,740,157 | 475,233 |

PERFORMANCE INDICATORS (RATIOS)

| | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|---|-------------|------------|------------|------------|------------|------------|------------|
| Profitability and Operating Ratios | | | | | | | |
| Gross profit | % | 4.19 | 5.50 | 11.08 | 5.29 | 1.81 | 3.69 |
| Net profit to sales | % | 2.63 | 2.63 | 5.01 | 2.61 | 0.50 | 1.78 |
| EBITDA margin to sales | % | 4.82 | 4.77 | 8.81 | 4.54 | 1.33 | 2.83 |
| Operating leverage | % | 112.16 | (119.02) | 354.69 | (5,848.86) | 748.42 | (119.70) |
| Return on equity | % | 27.33 | 30.19 | 61.75 | 23.90 | 5.40 | 21.21 |
| Return on capital employed | % | 27.33 | 30.19 | 61.68 | 23.80 | 5.38 | 21.21 |
| Shareholders' Funds | Rs thousand | 55,937,996 | 45,219,905 | 37,319,155 | 22,720,934 | 18,446,021 | 18,926,735 |
| Return on Shareholders' Funds | % | 27.33 | 30.19 | 61.75 | 23.90 | 5.40 | 21.21 |
| Return on Investment | % | 12.96 | 12.20 | 23.43 | 8.70 | 2.07 | 8.56 |
| Total Shareholder Return | % | 40.80 | 31.01 | 12.39 | 7.39 | 10.73 | (34.95) |

Liquidity Ratios

| | | | | | | | |
|-------------------------------------|-------|--------|--------|--------|-------|-------|------|
| Current | Times | 2.05 | 1.61 | 1.52 | 1.39 | 1.27 | 1.39 |
| Quick / Acid test ratio | Times | 1.13 | 1.05 | 0.51 | 0.88 | 0.93 | 0.90 |
| Cash to current liabilities | Times | 0.75 | 0.73 | 0.11 | 0.32 | 0.26 | 0.13 |
| Cash flows from operations to sales | Times | (0.01) | 0.08 | (0.00) | 0.03 | 0.04 | 0.01 |
| Cash flow to Capital expenditures | Times | (2.86) | 13.58 | (0.44) | 3.52 | 3.47 | 1.19 |
| Cash flow to Coverage Ratio | Times | - | 784.34 | (3.18) | 27.12 | 90.77 | - |

Activity / Turn Over Ratios

| | | | | | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Inventory turnover | Times | 15.36 | 10.95 | 9.71 | 13.97 | 17.68 | 16.97 |
| No. of days in inventory | | 24 | 33 | 38 | 26 | 21 | 22 |
| Debtors turnover | Times | 48.81 | 29.50 | 25.31 | 15.09 | 13.05 | 13.39 |
| No. of days in receivables | | 7 | 12 | 14 | 24 | 28 | 27 |
| Creditors turnover | Times | 12.02 | 9.32 | 8.35 | 6.08 | 7.29 | 8.14 |
| No. of days in payables | | 30 | 39 | 44 | 60 | 50 | 45 |
| Total assets turnover | Times | 4.94 | 4.64 | 4.68 | 3.33 | 4.12 | 4.82 |
| Fixed assets turnover | Times | 43.01 | 45.09 | 38.79 | 20.75 | 23.53 | 30.21 |
| Operating cycle | Days | 1 | 7 | 8 | (10) | (1) | 4 |
| Number of retail outlets | | 798 | 754 | 731 | 738 | 702 | 662 |



| | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|-------------|-----------|-----------|------------|--------------|--------------|-----------|
| Investment / Market Ratios | | | | | | | |
| Basic and diluted EPS | Rs | 111.09 | 100.15 | 186.23 | 49.43 | 10.13 | 39.79 |
| Basic and diluted EPS (restated) | Rs | 111.09 | 100.15 | 148.99 | 39.54 | 8.10 | 31.83 |
| Price earning | Times | 3.48 | 3.00 | 1.73 | 6.50 | 30.13 | 7.25 |
| Price to book | Times | 0.86 | 0.83 | 0.86 | 1.41 | 1.65 | 1.52 |
| Dividend yield | % | 7.65 | 8.89 | 14.25 | 8.05 | 2.96 | 4.38 |
| Dividend payout | % | 24.75 | 27.46 | 24.16 | 54.63 | 88.84 | 50.26 |
| Dividend cover | Times | 4.04 | 3.64 | 4.14 | 1.83 | 1.13 | 1.99 |
| Cash dividends | Rs thousand | 3,421,440 | 3,421,440 | 4,478,976 | 2,687,386 | 895,795 | 1,990,656 |
| Cash dividend per share | Rs | 27.50 | 27.50 | 45.00 | 27.00 | 9.00 | 20.00 |
| Bonus shares issued | Rs thousand | - | - | 248,832 | - | - | - |
| Bonus per share | % | - | - | 25 | - | - | - |
| Break-up value per share without surplus on revaluation of Property plant and equipment | Rs | 450 | 363 | 375 | 228 | 185 | 190 |
| Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments | Rs | 450 | 363 | 375 | 228 | 185 | 190 |
| 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 | 450 | 363 | 375 | 228 | 185 | 190 |
| Market value per share | | | | | | | |
| Year end | Rs | 386 | 300 | 321 | 321 | 305 | 289 |
| Highest (during the year) | Rs | 440 | 399 | 362 | 390 | 398 | 633 |
| Lowest (during the year) | Rs | 280 | 275 | 285 | 297 | 207 | 255 |
| Economic Value Added (EVA) | Rs thousand | 4,106,818 | 3,840,179 | 13,876,268 | 1,879,728 | (1,912,101) | 545,971 |
| Capital Structure Ratios | | | | | | | |
| Debt to equity (as per book value) | % | 0:100 | 0:100 | 0:100 | 0.27 : 99.73 | 0.65 : 99.35 | 0:100 |
| Debt to equity (as per market value) | % | 0:100 | 0:100 | 0:100 | 0.02 : 99.98 | 0.04 : 99.96 | 0:100 |
| Financial leverage | times | - | - | - | 0.00 | 0.01 | - |
| Weighted average cost of debt | % | - | - | - | 0.64 | 0.93 | - |
| Net assets per share | Rs | 450 | 363 | 375 | 228 | 185 | 190 |
| Interest cover | times | - | - | 881 | 5,183 | 1,989 | - |
| Non-Financial Ratios | | | | | | | |
| Revenue per Employee | Rs thousand | 1,151,678 | 1,050,861 | 815,143 | 404,818 | 430,575 | 494,577 |
| Staff Turnover Ratio | % | 8.10 | 10.64 | 10.57 | 6.22 | 7.28 | 6.43 |
| Spares Inventory as %age Assets Cost | % | 0.22 | 0.18 | 0.16 | 0.21 | 0.32 | 0.20 |
| Maintenance Cost as % of operating expenses | % | 4.87 | 3.34 | 3.09 | 6.22 | 5.57 | 4.91 |
| Customer Retention Ratio | % | 99.57 | 99.66 | 98.95 | 99.63 | 99.16 | 98.75 |
| Market Share (Source: OCAC) | % | 10.2 | 10.1 | 10.0 | 9.4 | 10.9 | 10.8 |

Note: Due to the nature of the Company's operations, the percentage of plant availability for its products is not a relevant metric.

Figures from previous years have been restated, where necessary, for the purpose of comparison.

Vertical Analysis

| | 2023-24 | | 2022-23 | | 2021-22 | | 2020-21 | | 2019-20 | | 2018-19 | |
|---|--------------------|--------------|--------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | Rs ('000) | % | Rs ('000) | % | Rs ('000) | % | Rs ('000) | % | Rs ('000) | % | Rs ('000) | % |
| Statement of Financial Position | | | | | | | | | | | | |
| Property, Plant and Equipment | 23,226,936 | 22.1 | 19,077,870 | 17.7 | 16,597,854 | 17.2 | 16,616,819 | 26.8 | 13,839,661 | 27.0 | 8,348,942 | 18.0 |
| Other Non-Current Assets | 2,374,345 | 2.3 | 1,656,871 | 1.5 | 1,378,159 | 1.4 | 1,070,086 | 1.7 | 1,872,533 | 3.7 | 950,825 | 2.0 |
| Current Assets | 79,677,835 | 75.7 | 87,219,524 | 80.8 | 78,375,032 | 81.3 | 44,210,980 | 71.4 | 35,526,138 | 69.3 | 37,102,945 | 80.0 |
| Total Assets | 105,279,116 | 100.0 | 107,954,265 | 100.0 | 96,351,045 | 100.0 | 61,897,885 | 100.0 | 51,238,332 | 100.0 | 46,402,712 | 100.0 |
| Shareholders' Equity | 55,937,996 | 53.1 | 45,219,905 | 41.9 | 37,319,155 | 38.7 | 22,720,934 | 36.7 | 18,446,021 | 36.0 | 18,926,735 | 40.8 |
| Non-Current Liabilities | 10,496,714 | 10.0 | 8,635,345 | 8.0 | 7,346,158 | 7.6 | 7,381,496 | 11.9 | 4,883,583 | 9.5 | 792,993 | 1.7 |
| Current Liabilities | 38,844,406 | 36.9 | 54,099,015 | 50.1 | 51,685,732 | 53.6 | 31,795,455 | 51.4 | 27,908,728 | 54.5 | 26,682,984 | 57.5 |
| Total Shareholders' Equity & Liabilities | 105,279,116 | 100.0 | 107,954,265 | 100.0 | 96,351,045 | 100.0 | 61,897,885 | 100.0 | 51,238,332 | 100.0 | 46,402,712 | 100.0 |
| Statement of Profit or Loss | | | | | | | | | | | | |
| Net Sales | 526,316,756 | 100.0 | 473,938,329 | 100.0 | 370,074,929 | 100.0 | 188,645,375 | 100.0 | 201,078,720 | 100.0 | 223,054,352 | 100.0 |
| Cost of Products Sold | 504,274,285 | 95.8 | 447,867,661 | 94.5 | 329,071,837 | 88.9 | 178,663,434 | 94.7 | 197,440,830 | 98.2 | 214,833,185 | 96.3 |
| Gross Profit | 22,042,471 | 4.2 | 26,070,668 | 5.5 | 41,003,092 | 11.1 | 9,981,941 | 5.3 | 3,637,890 | 1.8 | 8,221,167 | 3.7 |
| Operating Profit | 16,506,220 | 3.1 | 18,407,445 | 3.9 | 32,759,923 | 8.9 | 7,499,729 | 4.0 | 1,083,793 | 0.5 | 5,708,378 | 2.6 |
| Profit before income tax and final tax | 22,911,766 | 4.4 | 20,384,969 | 4.3 | 30,609,769 | 8.3 | 6,939,058 | 3.7 | 1,503,086 | 0.7 | 5,722,857 | 2.6 |
| Profit for the Year | 13,821,630 | 2.6 | 12,460,790 | 2.6 | 18,536,343 | 5.0 | 4,919,632 | 2.6 | 1,008,294 | 0.5 | 3,960,606 | 1.8 |

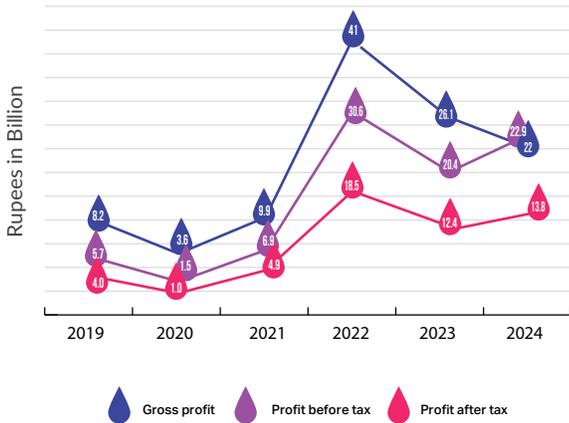


Horizontal Analysis

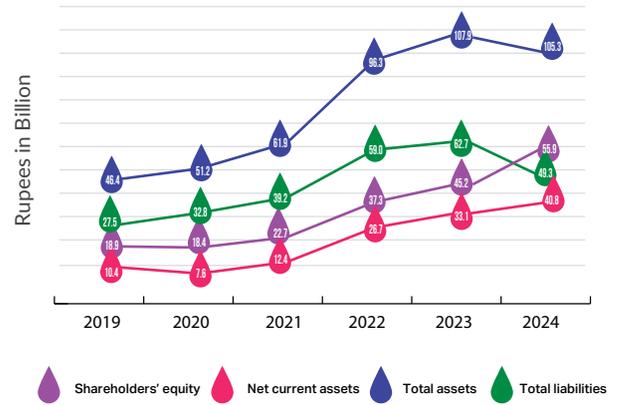
| | 2023-24 | | 2022-23 | | 2021-22 | | 2020-21 | | 2019-20 | | 2018-19 | |
|---|--------------------|--|--------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|
| | Rs ('000) | Increase / (decrease) from last year (%) | Rs ('000) | Increase / (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 | 23,226,936 | 21.7 | 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 |
| Other Non-Current Assets | 2,374,345 | 43.3 | 1,656,871 | 20.2 | 1,378,159 | 28.8 | 1,070,086 | (42.9) | 1,872,533 | 96.9 | 950,825 | (39.2) |
| Current Assets | 79,677,835 | (8.6) | 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) |
| Total Assets | 105,279,116 | (2.5) | 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 |
| Shareholders' Equity | 55,937,996 | 23.7 | 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 |
| Non- Current Liabilities | 10,496,714 | 21.6 | 8,635,345 | 17.5 | 7,346,158 | (0.5) | 7,381,496 | 51.1 | 4,883,583 | 515.8 | 792,993 | (13.0) |
| Current Liabilities | 38,844,406 | (28.2) | 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) |
| Total Shareholders' Equity & Liabilities | 105,279,116 | (2.5) | 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 |
| Statement of Profit or Loss | | | | | | | | | | | | |
| Net Sales | 526,316,756 | 11.1 | 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 |
| Cost of Products Sold | 504,274,285 | 12.6 | 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 |
| Gross Profit | 22,042,471 | (15.5) | 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) |
| Operating Profit | 16,506,220 | (10.3) | 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) |
| Profit before income tax and final tax | 22,911,766 | 12.4 | 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) |
| Profit for the Year | 13,821,630 | 10.9 | 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) |

Graphical Presentation

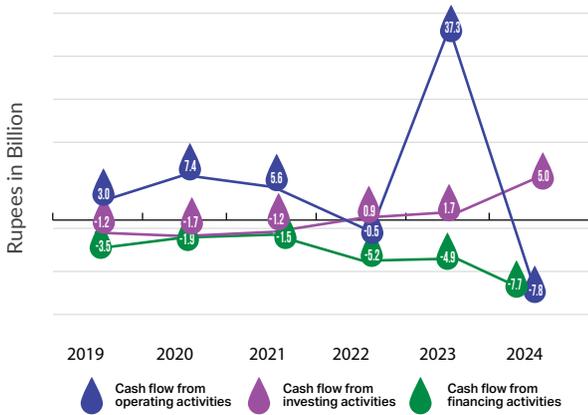
Profit or Loss



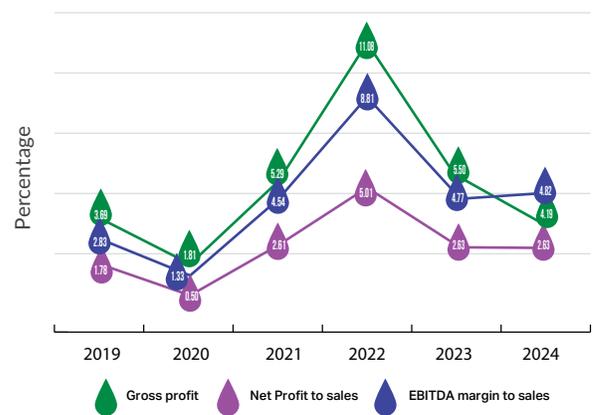
Financial Position



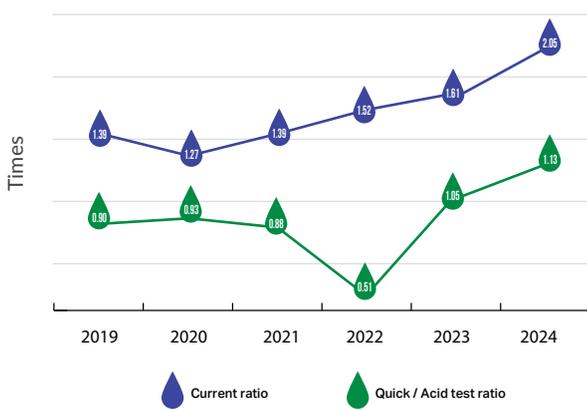
Cash Flows



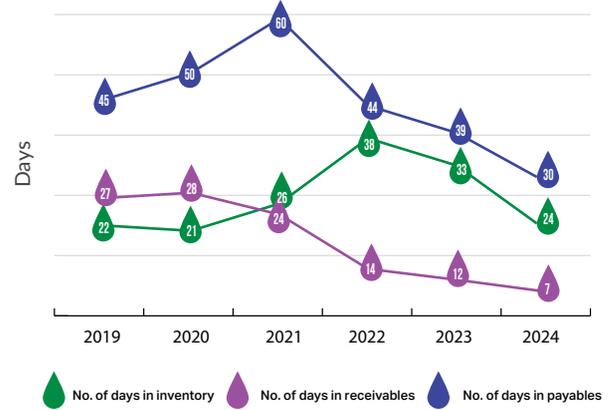
Profitability Ratios



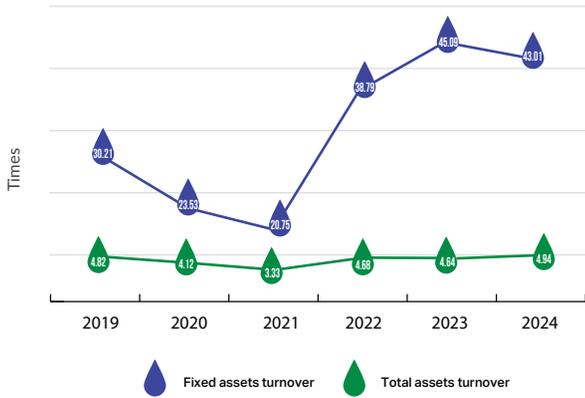
Liquidity Ratios



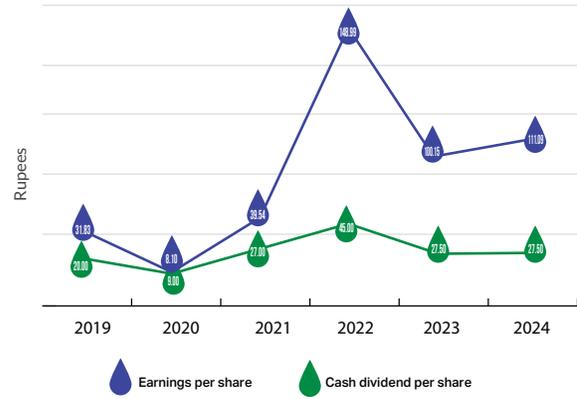
Activity Ratios



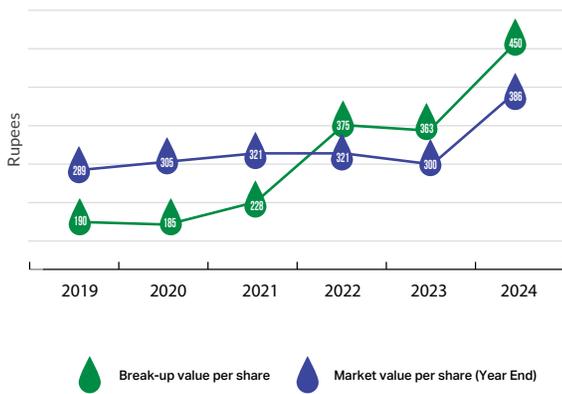
Turnover Ratios



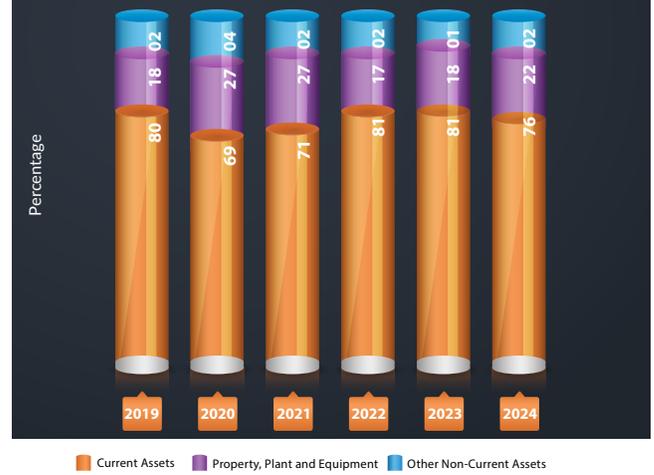
Investment Ratios



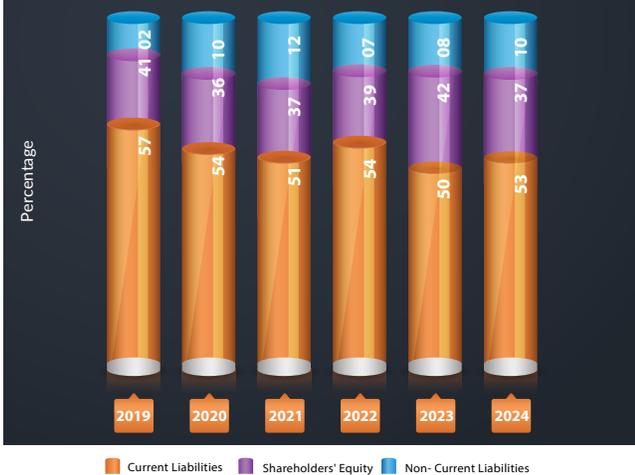
Market Ratios



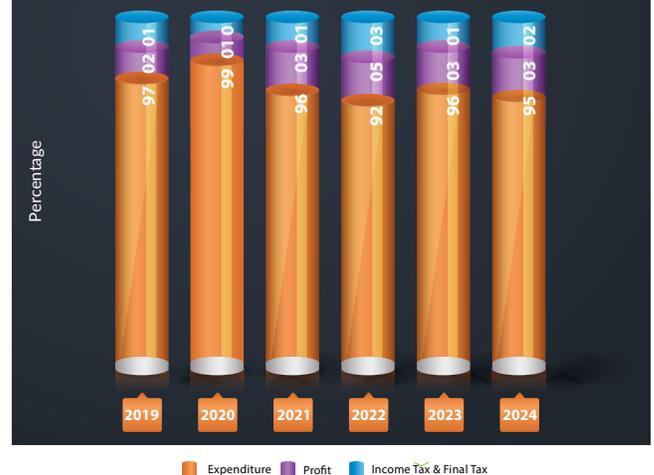
Composition of Assets



Composition of Total Liabilities & Shareholders' Equity



Composition of Profit and loss





Comments on Financial Analysis

Statement of Cash flow

Operating activities: Over the six years (2019 to 2024), cash flows fluctuated primarily due to variations in profitability, inventory levels, trade receivables and trade payables. In 2024, cash flows turned negative at Rs 7,761 million, primarily due to higher inventory levels and a decrease in trade payables. In contrast, 2023 experienced a strong positive cash flow of Rs 37,354 million, driven by decrease in inventory levels and reduced trade debts. In addition, fluctuations in operating cash flows from 2019 to 2022 reflect the company's operational performance, its working capital management strategies, and the effects of market conditions on inventory levels and trade balances.

Investing activities: From 2019 to 2024, cash flows from investing activities have fluctuated significantly, with positive inflows in recent years and negative outflows in earlier periods. In 2024, cash flow peaked at Rs 5,034 million, representing the highest amount recorded in the periods under review, driven by strong investment inflows, while 2023 and 2022 saw positive cash flows of Rs 1,753 million and Rs 966 million, respectively, due to favorable investment returns. In contrast, 2021, 2020, and 2019 experienced negative cash flows primarily due to substantial capital expenditures and reduced returns on investments during those years.

Financing activities: From 2019 to 2024, cash flows from financing activities

consistently reflected negative outflows, driven primarily by the payment of dividends and lease liabilities. In 2024, cash outflows reached Rs 7,738 million, the highest amount recorded in the periods under review, due to increased dividend payments and lease obligations. Similarly, 2023 and previous years experienced fluctuating negative cash flows, primarily due to changes in dividend payments and lease obligations.

Ratios Analysis

Profitability and operating ratios: Gross profit margin decreased significantly from 11.08% in 2021-22 to 4.19% in 2023-24, reflecting increased costs and higher selling prices. The stability in net profit margins for 2023-24 and 2022-23 indicates effective management of other expenses and enhanced other income, which helped maintain a steady net profit margin. The EBITDA margin improved from 1.33% in 2019-20 to 4.82% in 2023-24, driven by enhanced operational efficiency. Return on equity (ROE) showed strong performance, peaking at 61.75% in 2021-22 and stabilizing between 27-30% thereafter, due to effective equity utilization and high profitability.

Liquidity ratios: Current ratio improved from 1.27 times in 2019-20 to 2.05 times in 2023-24, indicating a stronger ability to cover short-term liabilities with current assets over the years. However, the quick ratio, which excludes inventory, showed more variability, rising from 0.90 times in 2018-19 to 1.13 times in 2023-24. This

increase in the quick ratio reflects improved liquidity excluding inventory, indicating a better capacity to meet short-term liabilities.

Activity / Turn over ratios: Debtors turnover ratio saw a substantial improvement, rising from 13.39 times in 2018-19 to 48.81 times in 2023-24, reflecting enhanced receivables collection and stronger cash flow management. The creditors turnover ratio improved over the years from 8.14 times to 12.02 times, indicating more frequent payments to creditors and effective cash management. The inventory turnover ratio decreased from 17.68 times in 2019-20 to 15.36 times in 2023-24, reflecting higher stock levels. Assets turnover ratio rose from 4.64 times in 2022-23 to 4.94 times in 2023-24, demonstrating improved efficiency in generating sales from assets, while Fixed assets turnover ratio surged from 20.75 times in 2020-2021 to 43.01 times in 2023-24, showing more effective use of fixed assets to drive revenue.

Investment / Market ratios: Basic and diluted EPS increased from Rs 100.15 in 2022-23 to Rs 111.09 in 2023-24, highlighting earnings growth and enhanced profitability. In 2019-20, EPS was Rs 10.13, which increased significantly to Rs 186.23 in 2021-22 before stabilizing. Dividend payout ratio ranged from 24.75% in 2023-24 to 88.84% in 2019-20, indicating a strong return to shareholders. Meanwhile, the market value per share increased from Rs 300 in 2022-23 to Rs 386,

reflecting the positive effect of improved earnings.

Capital Structure ratios: All capital requirements are financed through equity contribution.

Vertical analysis

Statement of financial position: The vertical analysis of the Statement of Financial Position from 2018-19 to 2023-24 reveals notable variations in the structure of assets, liabilities, and shareholders' equity. Weightage of Property, Plant, and Equipment increased from 18.0% in 2018-19 to 22% in 2023-24, reflecting sustained investment in fixed assets. The proportion was 17.7% in 2022-23, highlighting a significant rise in 2023-24, due to substantial capital expenditures. Current Assets, which fluctuated between 69.3% in 2019-20 and 80.8% in 2022-23, decreased to 75.7% in 2023-24, showing a minor reduction despite maintaining high levels over the years. Weightage of shareholders' equity increased from 36.0% in 2019-20 to 53.1% in 2023-24, with a notable rise from 41.9% in 2022-23, reflecting a substantial increase in equity primarily driven by retained earnings. Non-Current Liabilities increased from 8% in 2022-23 to 10.0% in 2023-24, indicating a growing proportion of long-term obligations, partly due to increased lease liabilities. Current Liabilities, which ranged from 57.5% in 2018-19 to 50.1% in 2022-23, decreased to 36.9% in 2023-24, reflecting improved management of short-term obligations.

Statement of Profit or loss: Gross Profit as a percentage of net sales fluctuated, increasing from 3.7% in 2018-19 to 4.2% in 2023-24, despite a significant rise in absolute terms from Rs 8.2 billion to Rs 22.04 billion. This indicates improved efficiency in managing production costs relative to sales. Profit for the year also improved, with its percentage of net sales holding steady at 2.6% in 2018-19, 2022-23 and 2023-24. This reflects a stronger bottom line performance over the years.

Horizontal Analysis

Statement of Financial Position: From 2018-19 to 2023-24, property, plant, and equipment grew by 21.7% in 2023-24, continuing the upward trend following a substantial 65.8% increase in 2019-20, reflecting ongoing capital investments. Current assets declined by 8.6% in 2023-24, following a sharp 77.3% increase in 2021-22. Total assets decreased by 2.5% in 2023-24, primarily due to the decline in current assets. However, shareholders' equity continued its upward trajectory, rising by 23.7% in 2023-24 after a 64.3% jump in 2021-22, indicating solid equity growth. Non-current liabilities increased by 21.6%, while current liabilities dropped by 28.2%, mainly due to a reduction in trade and other payables.

Statement of Profit or loss: Over the years, fluctuations in sales volumes, improved margins, and the impact of changing petroleum product prices both favorable and unfavorable, have led to varying levels of sales and profits.

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 management to assess and enhance overall performance.

Profitability ratios are crucial financial benchmarks that stakeholders use to assess and evaluate a company's ability to generate profit in relation to its revenue.

Liquidity ratios are used to assess a company's ability to meet its obligations and provide insights into how effectively working capital is managed over time.

Activity ratios indicate 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, 2024.

Analysis of Performance Against Target/Budget

During the current year, the company experienced an improvement in net profit compared to budgeted expectations. These outcome were driven by several key factors:

Increased Net Profit: The Company achieved a higher net profit than initially projected, primarily due to increased product margins, higher other income and reduced operating expenses.

Lower Sales Volumes: Despite sales volumes falling short of expectations, profitability was not adversely affected. The improvement in profit margins effectively offset the impact of the reduced sales.

Reduction in Operating Expenses: Operating expenses were lower than anticipated, reflecting successful cost management and enhanced operational efficiencies. This contributed positively to overall profitability.

Growth in Other Income and Finance Income: Other income sources, including returns from investments, exceeded expectations, further enhancing the company's profitability.

Statement of Charity Account

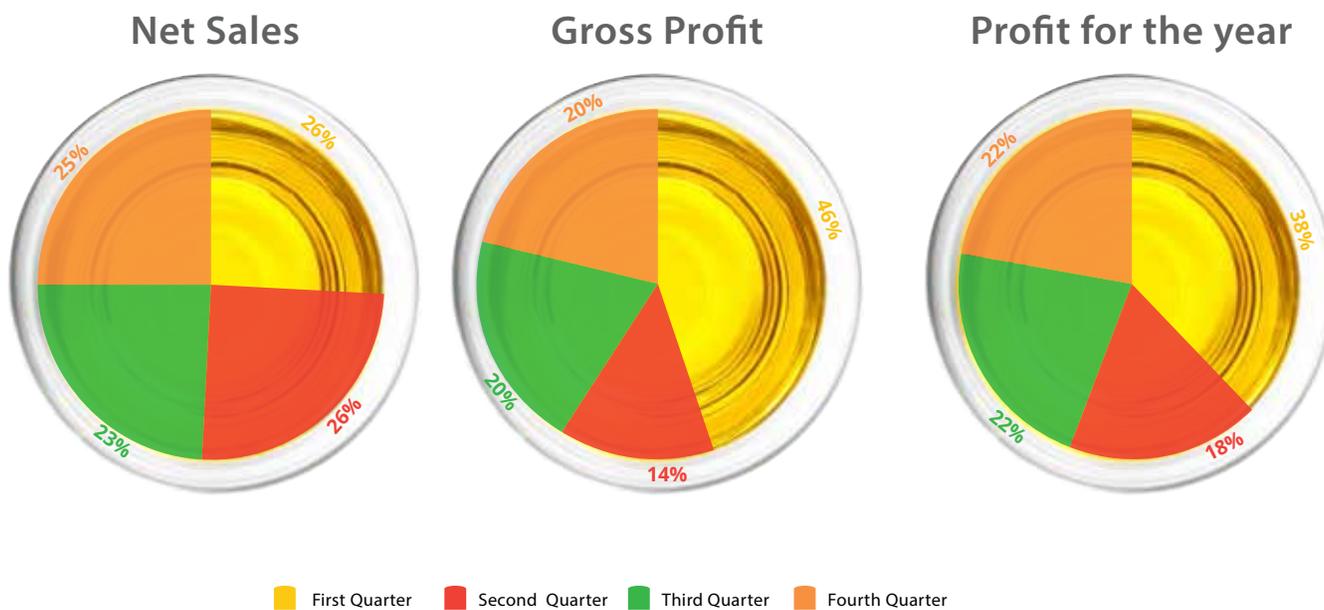
| Particulars | 2023-24 |
|-----------------------------|---------------|
| | Rs ('000) |
| Education and Scholarship | 16,300 |
| Health care and Environment | 1,781 |
| Sports Development | 1,619 |
| Community Welfare | 19,866 |
| Total * | 39,567 |

* Includes through Company's trust

Analysis of Variation

in results of interim reports with the final accounts

| | Total for the year June 30, 2024 | Fourth Quarter | Third Quarter | Second Quarter | First Quarter |
|--|----------------------------------|----------------|---------------|----------------|---------------|
| | Rs ('000) | Rs ('000) | Rs ('000) | Rs ('000) | Rs ('000) |
| Statement of Profit or Loss | | | | | |
| Sales volume (M.tons) | 1,605,261 | 400,409 | 387,619 | 390,323 | 426,910 |
| Net Sales | 526,316,756 | 130,638,436 | 123,768,126 | 135,470,801 | 136,439,393 |
| Gross Profit | 22,042,471 | 4,344,663 | 4,321,816 | 3,102,085 | 10,273,907 |
| Profit before income tax and final taxes | 22,911,766 | 5,272,731 | 4,882,190 | 3,983,477 | 8,773,368 |
| Profit for the year | 13,821,630 | 3,041,382 | 2,980,605 | 2,540,078 | 5,259,565 |
| Earnings Per share- Basic and diluted (Rupees) | 111.09 | 24.44 | 23.96 | 20.42 | 42.27 |



Net sales, gross profit, and net profit peaked in the first quarter of the year, driven by the highest sales volumes, which were fueled by strong demand and favorable fluctuations in petroleum product prices. In contrast, gross profit and net profit reached their lowest levels in the second quarter, primarily due to unfavorable price fluctuations and comparatively lower sales volumes. Profitability in the third and fourth quarters remained stable, supported by improved margins and recovery in product demand, which helped maintain a more balanced financial performance toward the latter half of the year.

Statement of Economic Value Added

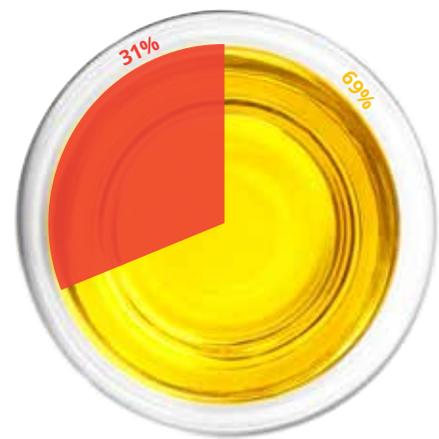
| Description | 2023-24 | 2022-23 |
|---|-------------|-------------|
| | Rs ('000) | Rs ('000) |
| Profit for the year | 13,821,630 | 12,460,790 |
| Cost of Capital | (9,714,812) | (8,620,611) |
| Economic Value Added (EVA) | 4,106,818 | 3,840,179 |
| Economic Value Added Per share (Rupees) * | 33.01 | 30.87 |

The Company's Economic Value Added (EVA) improved by Rs 267 million (7%) in the current year compared to the previous year. This increase was primarily driven by an 11% rise in net profit, resulting from higher finance income and reduced operating expenses. The positive variance in EVA reflects stronger value creation, as the company effectively leveraged its resources to generate higher returns above the cost of capital.

Composition of Net Profit



2023-24



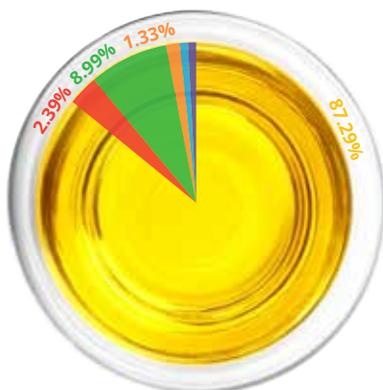
2022-23

● Economic Value Added ● Cost of Capital

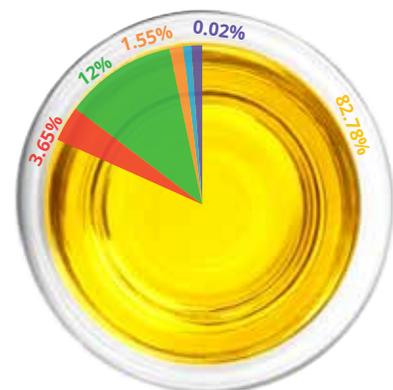
Statement of Value Added

| | 2023-24 | | 2022-23 | |
|--------------------------------------|--------------------|---|-------------------|---|
| | Rs in thousand | % | Rs in thousand | % |
| Gross revenue and other income | 550,367,577 | | 496,049,992 | |
| Cost of sales and operating expenses | (407,477,167) | | (402,214,463) | |
| Total value added | 142,890,410 | | 93,835,529 | |

| DISTRIBUTION | | | | |
|------------------------------|--------------------|---------------|-------------------|---------------|
| Employee remuneration: | 1,895,775 | 1.33 | 1,455,269 | 1.55 |
| Government as: | | | | |
| Company taxation | 9,090,136 | 6.36 | 7,924,179 | 8.44 |
| Sales tax, duties and levies | 113,955,306 | 79.75 | 68,272,337 | 72.76 |
| WPPF and WWF | 1,682,827 | 1.18 | 1,483,782 | 1.58 |
| Shareholders as: | | | | |
| Dividends | 3,421,440 | 2.39 | 3,421,440 | 3.65 |
| Bonus shares | - | - | - | - |
| Society as: | | | | |
| Donation | - | - | 20,000 | 0.02 |
| Providers of finance as: | | | | |
| Financial Charges | - | - | 54 | 0.00 |
| Retained in business: | | | | |
| Depreciation | 2,444,736 | 1.71 | 2,219,118 | 2.36 |
| Net earnings | 10,400,190 | 7.28 | 9,039,350 | 9.63 |
| Total | 142,890,410 | 100.00 | 93,835,529 | 100.00 |



2023-24



2022-23

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