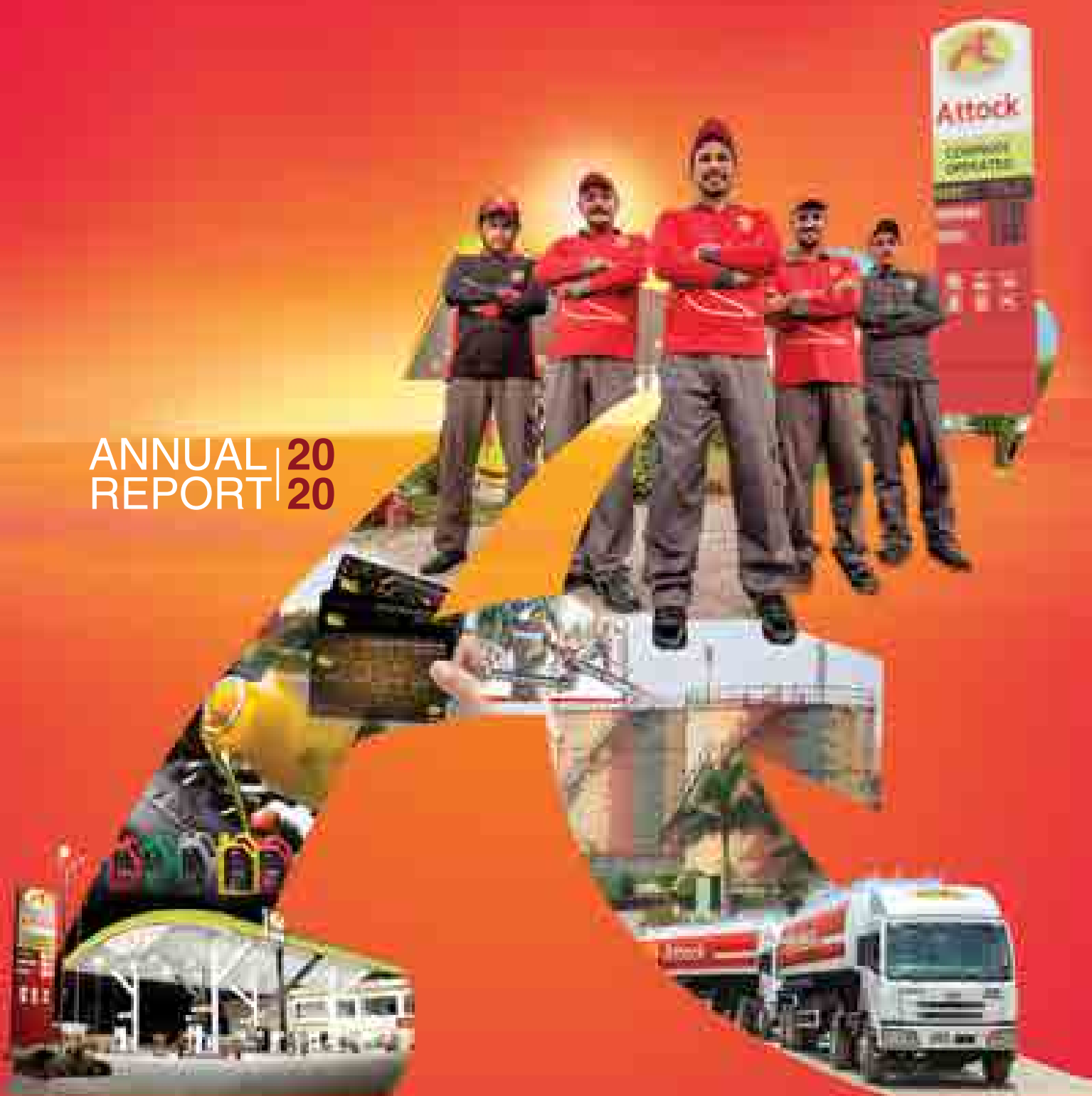


# ATTOCK PETROLEUM LIMITED

ANNUAL | 20  
REPORT | 20



# STANDING STRONG

# FINANCIAL HIGHLIGHTS

**89%**  
PAYOUT  
RATIO

Rs. **10.13**  
EARNINGS  
PER SHARE

Rs. **1,008** Million  
PROFIT  
AFTER TAX

Rs. **1,084** Million  
OPERATING  
PROFIT

Rs. **3,638** Million  
GROSS  
PROFIT

Rs. **201,179** Million  
NET SALES  
REVENUE

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## OUR VISION

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



## OUR MISSION

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



## **CORPORATE STRATEGY**

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

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

# CORE VALUES



## **ETHICAL PRINCIPLES AND MORAL VALUES**

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



## **MAXIMUM STAKEHOLDER RETURN**

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



## **CORPORATE SOCIAL CITIZENSHIP**

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



## **COMMITMENT & COOPERATION**

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



## **ENVIRONMENT CONSCIOUSNESS**

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

# CODE OF CONDUCT

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

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

## **Respect, Honesty and Integrity**

Directors and employees are expected to exercise honesty, objectivity and due

diligence in the performance of their duties and responsibilities. They are also directed to perform their work with due professionalism.

## **Compliance with Laws, Rules and Regulations**

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

## **Full and Fair Disclosure**

Directors and employees are expected to help the Company in making full, fair, accurate, timely and understandable disclosure, in compliance with all applicable laws and



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

### **Prevent Conflict of Interest**

Directors and employees, irrespective of their function, grade or standing, must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.

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

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

### **Trading in Company Shares**

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

### **Inside Information**

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



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

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

### **Media Relations and Disclosures**

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

### **Corporate Opportunities**

Directors and employees are expected not to:

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

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

### **Competition and Fair Dealing**

The Company seeks to outperform its competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of

other companies is prohibited. Each director and employee is expected to deal fairly with Company's customers, suppliers, competitors and other employees. No one is to take unfair advantage of anyone through manipulation, abuse of privileged information or any other unfair practice.

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

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

### **Equal Employment Opportunity**

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

### **Work Environment**

All employees are to be treated with respect. The Company is highly committed to providing its employees and directors with a safe, healthy and open work environment, free from harassment, intimidation or personal behavior not conducive to a productive work climate. In response the Company expects consummate employee allegiance to the Company and due diligence in his job.

The Company also encourages constructive reasonable criticism by the employees of the management and its policies. Such

an atmosphere can only be encouraged in an environment free from any prospects of retaliation due to the expression of honest opinion.

### **Protect Health, Safety and Security**

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

### **Record Keeping**

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

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

### **Protection of Privacy and Confidentiality**

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

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

### **Protection & Proper use of Company Assets/Data**

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



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

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

### **Gift Receiving**

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

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

### **Communication**

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

### **Employee Retention**

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





### **Internet use/Information Technology**

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

### **Compliance with Business Travel Policies**

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

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

### **Compliance**

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

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

# BRIEF COMPANY PROFILE

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

APL is the 2nd largest Oil marketing Company in Pakistan and its market share for the financial year 2019-20 is 10.9%. Our growing market share and customer confidence is a testimony to our successful policies, proactive endeavours and visionary approach.

As at June 30, 2020 the Company operates the Retail Network of 702 pumps countrywide.

## PRINCIPLE BUSINESS ACTIVITIES AND MARKETS

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

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

## KEY BRANDS & PRODUCTS

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

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



# PRODUCT PORTFOLIO



## Premier Motor Gasoline

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

## Furnace Fuel Oil

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

## Superior Kerosene Oil

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

## 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.

## Residual Fuel Oil

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

## Jet Petroleum

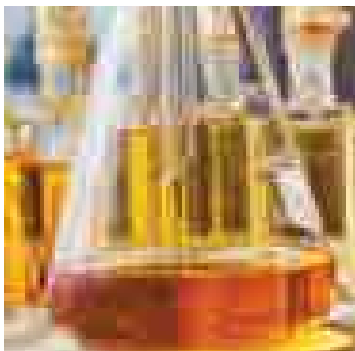
Jet fuel is a type of aviation fuel designed for use in aircraft powered by gas turbine engines. Its most commonly used fuels for commercial aviation are JP-1 and JP-8 which are produced to a standardized international specification.

## Light Diesel Oil

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

## Solvent Oil

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



## Mineral Turpentine Oil

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



# PRODUCT PORTFOLIO



## Naphtha

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



## Bitumen

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

## 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.

## Jute Batching Oil

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

## Lubricants

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



## Waxes

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

## Rubber Processing Oil

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

## Lube Base Oil

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



# GEOGRAPHICAL PRESENCE OF APL BUSINESS UNITS



HEAD OFFICE



BULK OIL TERMINALS



REGIONAL MARKETING & SALES OFFICES



INVOICING POINTS



VIRTUAL DEPOTS



MEHMOOD KOT FAISALABAD-MACHIKE PIPELINE (MFM)



WHITE OIL PIPELINE (WOP)

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## HEAD OFFICE / MARKETING & SALES OFFICE

2<sup>nd</sup>, 7<sup>th</sup> & 8<sup>th</sup> Floor, Attock House  
Morgah, Rawalpindi.

## REGIONAL OFFICES

### Karachi

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

### Lahore

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

### Peshawar

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

### Multan

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

### Faisalabad

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

## BULK OIL TERMINALS

### Rawalpindi Bulk Oil Terminal

Caltex Road, New Lalazar  
Rawalpindi.

### Machike Bulk Oil Terminal

Mouza Dhant Pura, Machike  
Distt. Sheikhpura.

### Sahiwal Bulk Oil Terminal

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

### Mehmood Kot Bulk Oil Terminal

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

### Shikarpur Bulk Oil Terminal

Near PARCO Pumping Station No.3  
Kandhkot Road, Shikarpur.

### Daulatpur Bulk Oil Terminal

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

### Karachi Bulk Oil Terminal & CSC

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

## INVOICING OFFICES

### Gatti

Near Dry Port Jhumra Road  
Faisalabad.

### Tarujabba

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



# APL GROUP STRUCTURE

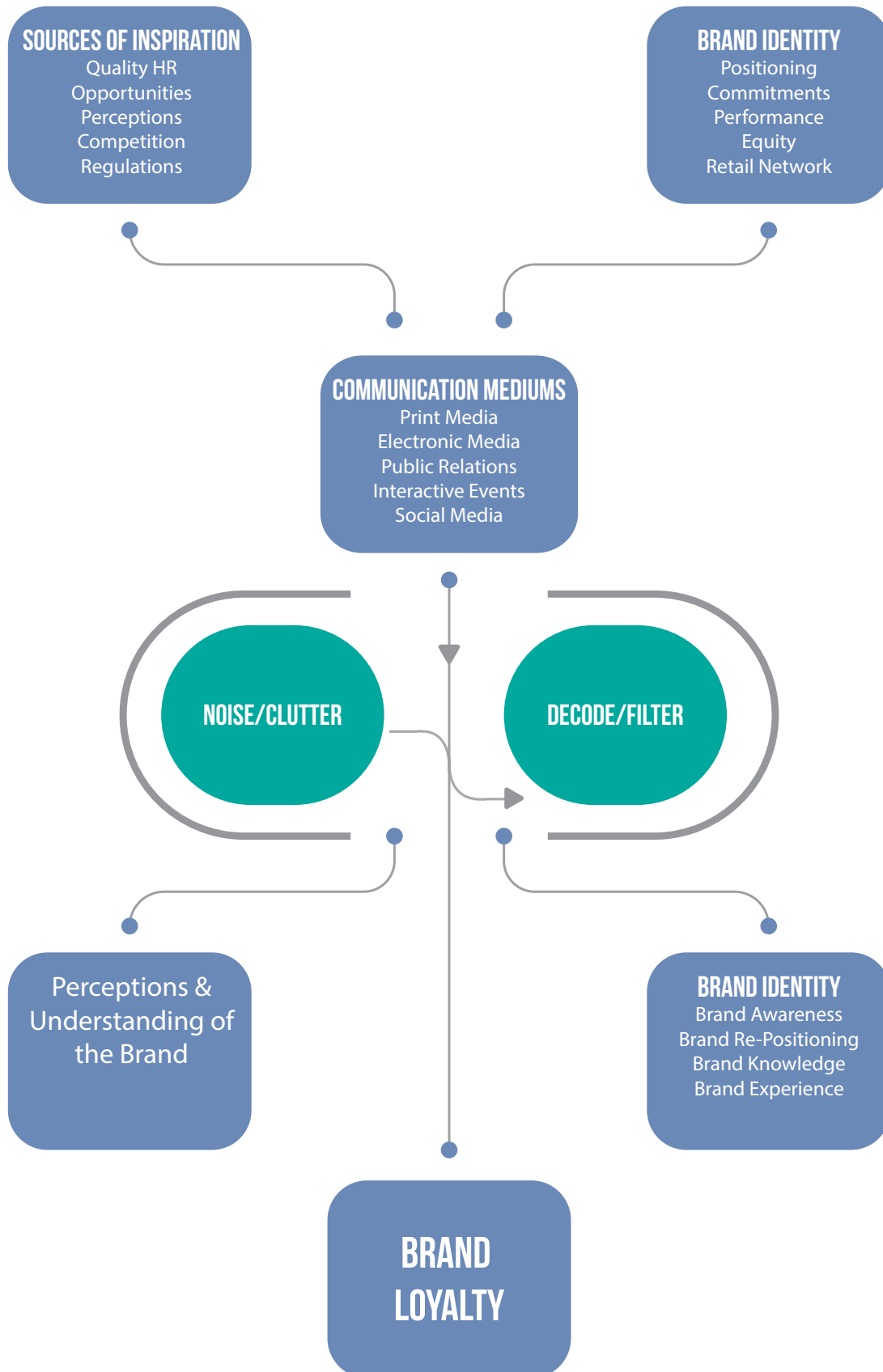
APL takes pride in its heritage being associated with the Attock Oil Group of Companies which rightly claim to be the pioneers in the Oil & Gas Sector in this part of the world, having started its operations in 1913.

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

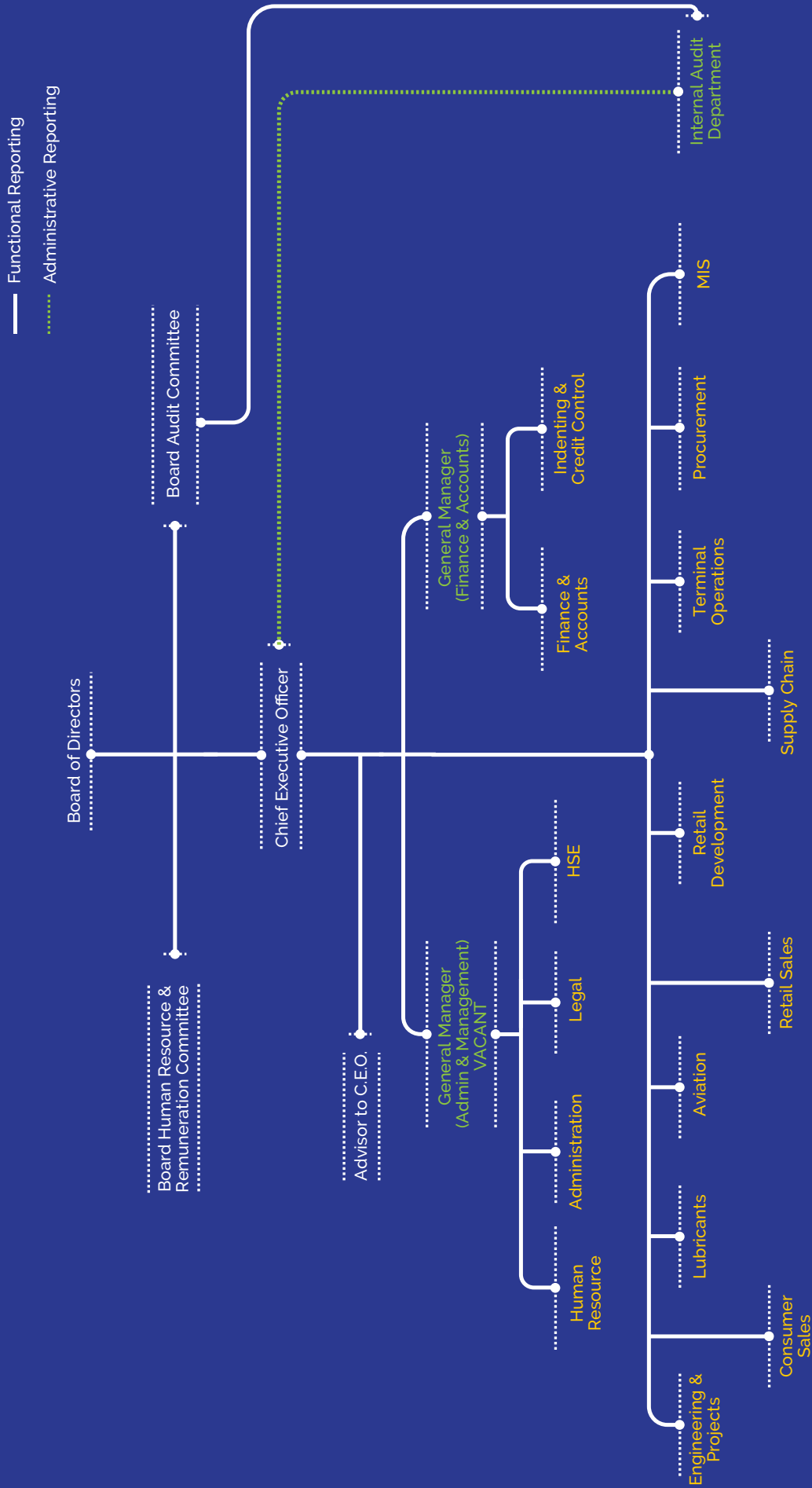
Besides oil & gas, Attock Group is also involved in other diversified businesses; like cement, energy & information technology. APL's sponsors include Pharaon Investment Group Limited Holding s.a.l and Attock Oil Group of Companies.

GROUP COMPANY	NATURE OF RELATIONSHIP	PERCENTAGE SHAREHOLDING
<b>ASSOCIATE SHAREHOLDING IN THE COMPANY</b>		
Pharaon Investment Group Limited (Holding) s.a.l		34.38%
The Attock Oil Company Limited	Common Directorship/ Associate	2.2%
Attock Refinery Limited		21.88%
Pakistan Oilfields Limited		7.02%
<b>COMPANY'S SHAREHOLDING IN THE ASSOCIATE</b>		
Attock Refinery Limited	Common Directorship/ Associate	1.68%
National Refinery Limited		1%
Attock Information Technology Services (Private) Limited		10%
<b>NIL SHAREHOLDING AND VICE VERSA</b>		
Attock Gen Limited	Common Directorship/ Associate	Nil
Attock Cement Pakistan Limited		Nil
Attock Leisure & Management Associates (Private) Limited		Nil
Attock Sahara Foundation		Nil
Attock Hospital (Private) Limited		Nil

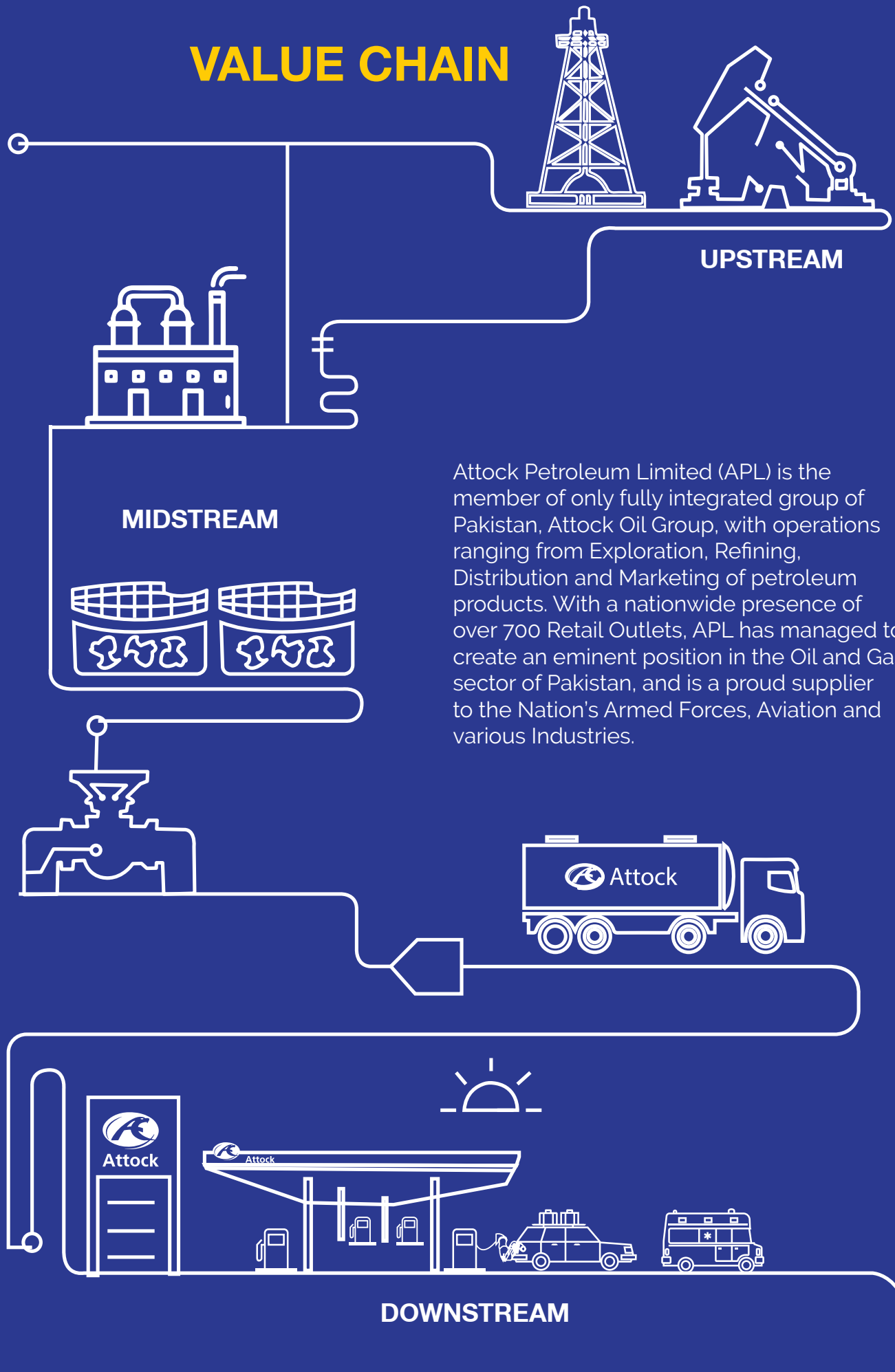
# OUR BRAND STRATEGY



# ORGANIZATIONAL CHART



# VALUE CHAIN



Attock Petroleum Limited (APL) is the member of only fully integrated group of Pakistan, Attock Oil Group, with operations ranging from Exploration, Refining, Distribution and Marketing of petroleum products. With a nationwide presence of over 700 Retail Outlets, APL has managed to create an eminent position in the Oil and Gas sector of Pakistan, and is a proud supplier to the Nation's Armed Forces, Aviation and various Industries.

# OUR TEAM

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## Competent

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

## Optimistic

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

## Dedicated

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

## Motivated

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



# BUSINESS MODEL

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

## Intellectual Capital

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

## Human Capital

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

## 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.

## 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.

## Infrastructure Capital

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

# COMPETITIVE LANDSCAPE AND MARKET POSITIONING



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

The Company stands firmly within this competitive landscape. Keeping a keen eye on the fluidity of all factors and market forces, enables the Company to maneuver optimally to fulfill its vision and to serve its clientele in the best possible manner. Through continuous focus on product and services quality

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

The strategic alignment to the competition and situational awareness is evident from the Company securing the 2nd highest market share for the year 2019-20 amid competitors, upholding the position as the largest OMC amongst the private sector of Pakistan.



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



Approximately 1/4th of Company's total product sourcing during financial year 2019-20 comprised of imports while rest was procured from local refineries.

Import transactions are conducted in USD which exposes the company to exchange rate risk. Although stability is observed in Rupee against US Dollar in year 2019-20 compared to last year, the exchange rate volatility still led the Company to bear exchange loss on its global sourcing initiatives.



## MANAGEMENT'S OBJECTIVES AND STRATEGIES FOR MEETING THOSE OBJECTIVES

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

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

## SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PREVIOUS PERIODS

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



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

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



## NUMBER OF PERSONS EMPLOYED DURING THE YEAR

Quantitative information on the number of persons employed by the Company as on June 30, 2020 and average number of employees during the year, disclosing separately the information of employees at storage facilities, is disclosed in note 37 to the financial statements.

## SIGNIFICANT FACTORS AFFECTING EXTERNAL ENVIRONMENT AND CHANGES FROM PRIOR YEARS

Impact of external environmental factors including political, economic, social, technological and legal upon the Company and the Company's approach towards managing/mitigating the risks associated therewith including significant changes in the factors/ responses from the prior years are detailed in the Risk Management section of Directors' Report.

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

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

## 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.



**Dear Shareholders,**

It is my utmost pleasure to welcome you to the 25th Annual General Meeting of Attock Petroleum Limited and to present its annual report together with audited financial statements for the year ended June 30, 2020.

2019-20 was another challenging year for the country's energy sector. Several macroeconomic and geopolitical factors influenced the oil prices that remained volatile during the year, thereby creating uncertainty across the economy, particularly in oil industry. Reduced economic and infrastructural development activities, slow business growth and varying duties and taxes had further negative impact on Country's economic outlook.

Outbreak of unprecedented coronavirus pandemic resulted in one of the most extraordinary period in the last hundred year, causing incomparable global turmoil with an uncertain outlook everywhere and eclipsing economic upheaval in recent memory. A number of countries, including Pakistan, observed strict lockdown measures to curtail spread of COVID-19 by imposing severe restrictions on economic activities. The stagnation in commercial activities severely affected global demand for petroleum products, resulting in international oil prices declining by more than 40% between January 2020 and June 2020. This also impacted selling prices of local petroleum products during this period, manifesting in worst ever inventory losses for the Company, leading to significant reduction in profitability. Company's profitability was also affected due to recognition of impairment losses on financial assets under International Financial Reporting Standard 9 and implications of adoption of International Financial Reporting Standard 16.

Despite all the setbacks, due to timely and sensible decision making by the management, the Company's market share remained at 11%, same as last year. The Company, after incurring colossal inventory losses, managed to earn profit after tax of Rs. 1,008 million (2018-19: Rs. 3,961 million) whereas other industry members reflected significant net losses. The profit translates into earnings per share of Rs. 10.13 (2018-19: Rs. 39.79).

In order to complete the ongoing projects, the Company incurred capital expenditure of Rs. 2,153 million and successfully commissioned bulk oil terminals at Sahiwal and Daultpur while essential expansion work was carried out at Machike bulk oil terminal. Construction of terminal at Port Qasim, Karachi is well underway and is expected to be commissioned shortly, which will serve as backbone to the existing import of petroleum products. These strategic additions to storage capacity will help the Company achieve cost and efficiencies in the

supply chain, allowing us to efficiently meet energy requirements of various sectors of the Country.

Performance of the Board of Directors remained resilient in this devastating economic challenge and competition from other oil marketing companies, as each Board member brought a fine balance of experience and skills to the table, effectively guiding the Company in its strategic affairs. The Board also played an important role in overseeing the management's performance and focusing on key risk areas and was fully involved in the budgeting and strategic planning processes.

Going forward, the Company and its management are fully aware of the challenges being faced, arising from oil price volatility, local and international economic uncertainty as well as changing competitive dynamics. However, the Board and the management are equipped with the required vision, knowledge and experience to ensure that the Company remains on course to increase share in local energy market while continuing to deliver top-level performance, achieving better returns for our valued investors and making positive impact in the society.

APL is also a major contributor towards human capital development and offers opportunities for education and training to its communities. Our leadership retains an unwavering commitment to safety as we aim to constantly minimize our environmental impact and promote sustainable development in the areas where we operate. We will continue to serve up to the level of our customers' expectations through achievement of our business goals and keep playing a key role in Pakistan's economic growth and expansion.

In the end, I would like to place on record my appreciation for the support received from Ministry of Energy and other government authorities and for the trust of our customers, suppliers and contractors that has been the cornerstone of our continued success. I also offer my gratitude towards our Board of Directors and employees for their constant efforts and dedication that has allowed us to be where we are today and believe that with continued passion and devotion we will take our Company to greater heights of success.



Laith G. Pharaon  
Chairman

Rawalpindi  
August 26, 2020

# CHAIRMAN'S REVIEW





# Attock

COMPANY  
OPERATED

H O B C 97 1 150

SUPREME 1045

DIESEL 1000



# GOVERNANCE

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

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



# BOARD OF DIRECTORS



**Mr. Laith G. Pharaon**  
Chairman  
Non Executive Director



**Mr. Wael G. Pharaon**  
Non Executive Director



**Mr. Shuaib A. Malik**  
Chief Executive Officer  
Executive Director



**Mr. Abdus Sattar**  
Non Executive Director



**Mr. Babar Bashir Nawaz**  
Non Executive Director



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



**Mr. Mohammad Raziuddin**  
Independent  
Non Executive Director



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



**Mr. Rehmat Ullah Bardaie**  
Alternate Director to Mr. Wael G.  
Pharaon & Chief Financial Officer  
Executive Director

# PROFILE OF BOARD OF DIRECTORS



**Mr. Laith G. Pharaon**  
**Chairman**  
**Non Executive Director**

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

#### **Other Engagements**

##### **Chairman & Director**

The Attock Oil Company Limited  
Attock Cement Pakistan Limited

##### **Director**

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



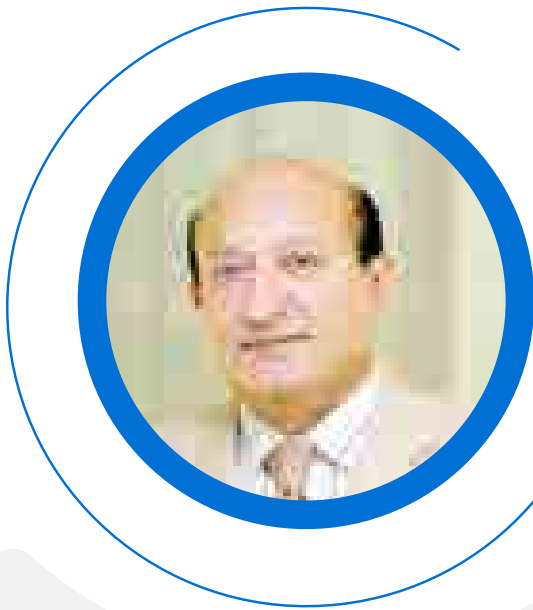
**Mr. Wael G. Pharaon**  
**Non Executive Director**

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

#### **Other Engagements**

##### **Director**

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



**Mr. Shuaib A. Malik**  
**Chief Executive Officer**  
**Executive Director**

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

**Other Engagements**

**Chairman, Chief Executive Officer, Director & Alternate Director**

Pakistan Oilfields Limited

**Chairman, Director & Alternate Director**

Attock Refinery Limited

National Refinery Limited

**Group Chief Executive**

**Chief Executive Officer & Director**

The Attock Oil Company Limited

**Director & Alternate Director**

Attock Cement Pakistan Limited

Attock Gen Limited

**Resident Representative**

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



**Mr. Abdus Sattar**  
**Non Executive Director**

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

**Other Engagements**

**Director**

Pakistan Oilfields Limited

Attock Refinery Limited

Attock Cement Pakistan Limited

National Refinery Limited



**Mr. Babar Bashir Nawaz**  
Non Executive Director

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

**Other Engagements**

**Chief Executive Officer & Director**

Attock Cement Pakistan Limited

**Alternate Director**

Pakistan Oilfields Limited  
Attock Refinery Limited  
National Refinery Limited

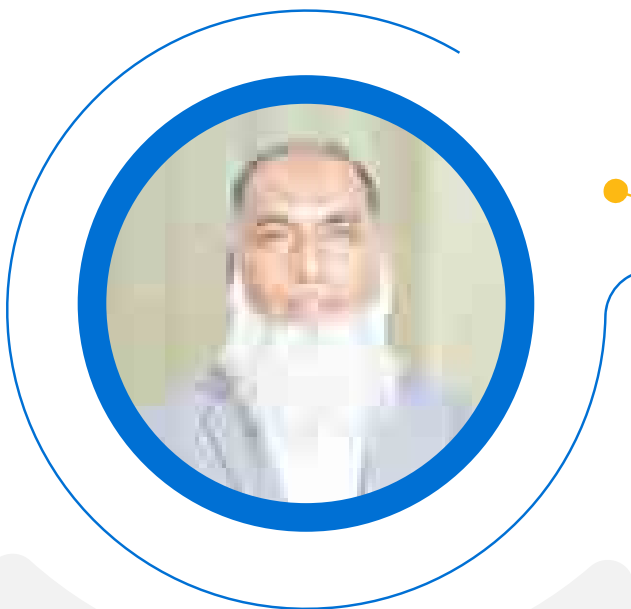


**Lt General Javed Alam Khan (Retd.)**  
Independent  
Non Executive Director

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

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

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



**Mr. Mohammad Raziuddin**  
**Independent**  
**Non Executive Director**

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



**Mr. Iqbal A. Khwaja**  
**Alternate Director to Mr. Laith G. Pharaon**

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



### **Mr. Rehmat Ullah Bardaie**

**Alternate Director to Mr. Wael G. Pharaon & 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 undertaken from time to time. Presently, he is holding the charge of General Manager (Finance and Accounts) and Company Secretary. He has attended various financial management courses, training programs, seminars and conferences in Pakistan and abroad. He is a fellow member of The Institute of Chartered Accountants of Pakistan, The Institute of Cost and Management Accountants of Pakistan and Association of Chartered Certified Accountants (UK).

#### **Other Engagements**

##### **Alternate Director**

Attock Gen Limited

##### **Company Secretary**

The Attock Oil Company Limited

# BOARD COMMITTEES & CORPORATE INFORMATION

## Board Audit Committee

Mr. Mohammad Raziuddin	Chairman
Mr. Abdus Sattar	Member
Mr. Babar Bashir Nawaz	Member
Lt Gen (Retd.) Javed Alam Khan	Member

## Board Human Resource & Remuneration Committee

Mr. Mohammad Raziuddin	Chairman
Mr. Shuaib A. Malik	Member
Mr. Iqbal A. Khwaja (Alternate director to Mr. Laith G. Pharaon)	Member

## Chief Financial Officer

Mr. Rehmat Ullah Bardaie

## Company Secretary

Mr. Faizan Zafar

## Auditors

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

## Legal Advisor

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

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S, Main Shahra-e-Faisal  
Karachi.

Tel: +92-21-111-111-500

Fax: +92-21-34326053

Customer Support Service:  
(Toll Free) 0800-CDCPL (23275)

## Bankers

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

## Registered Office / Correspondence Address

Attock House, Morgah  
Rawalpindi, Pakistan.

Tel: +92-51-5127250-54

Fax: +92-51-5127255

Email: [contact@apl.com.pk](mailto:contact@apl.com.pk)

Website: [www.apl.com.pk](http://www.apl.com.pk)

# BOARD COMMITTEES AND THEIR TERMS OF REFERENCE





## Board Committees

The management is committed to follow the principles of good Corporate Governance and being a responsible corporate entity it believes in transparency of system for effective monitoring and to enhance governance process. Keeping in view the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has revised the terms of reference of Audit Committee and Human Resource and Remuneration Committee. The following Board Committees have been formed to assist the Board in fulfilling its responsibilities.

### Audit Committee

The Audit Committee reviews the financial and internal reporting processes, the system of internal control, management of risk and the internal and external audit processes. The Audit Committee ensures that the Company has a sound system of internal financial and operational controls. It assists the Board in discharge of its fiduciary responsibilities. The Audit Committee reviews the periodical statement of the Company before their respective presentation to the Board and ensures implementation of relevant controls for the integrity of the information. The Committee recommends to the Board of Directors the appointment of external auditors and discusses major observations with the external auditors arising from interim review and final audit. In doing so, Committee also reviews the management letter issued by

the external auditors and management's response thereto. The Committee also goes through the legal matters which may significantly impact the financial statements and ensure compliance with relevant statutory requirements. Besides this, monitoring compliance with the best practices of corporate governance, investigating any violations thereof and ensuring coordination between internal and external auditors are also the main responsibilities of the Audit Committee.

### Human Resource & Remuneration Committee

The Board has established Human Resource and Remuneration Committee which is responsible for recommending human resource management policies. The Committee is also responsible for recommending the selection, evaluation, compensation (including retirement benefits) of key management personnel and for consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer.

### Share Transfer Committee

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



## MANAGEMENT COMMITTEES

### **Executive Committee**

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

### **Retail Outlet Development Committee**

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

### **Budget Committee**

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

### **Information Technology Committee**

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

### **Pricing Committee**

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

### **Safety and Technical Committee**

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

# 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

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**The Board of Directors takes pleasure in presenting the annual report on the performance and progress of the Company together with the audited financial statements for the year ended June 30, 2020.**

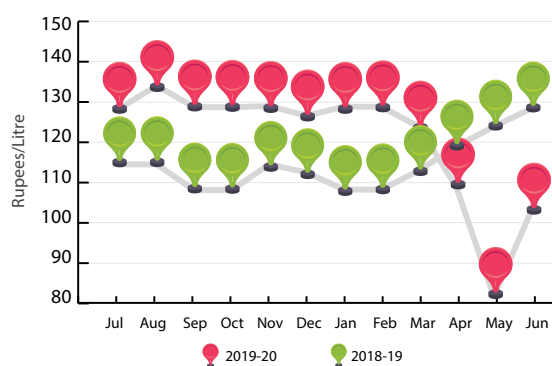
## **FINANCIAL PERFORMANCE**

The Company recorded net sales revenue of Rs 201,079 million representing 10% decrease over last year (2018-19: Rs 223,054 million) as sales volume decreased by 11% against a 12% drop in overall industry sales volume. Fluctuating prices leading to substantial inventory losses together with decrease in volume resulted in a decrease in gross profit by 56%. The sales volume decreased due to weakened economic growth, reduced business activity, high inflation, influx of smuggled products and availability of alternate fuels for power generation resulting in a grim macroeconomic outlook which coupled with lockdown due to outbreak of COVID-19 pandemic, affected the business and industry on various levels. On the other hand, increase in net finance income due to better mark-up rates and decrease in operating expenses due to lesser exchange losses supported the bottom line to some extent. However, increase in impairment of financial assets under International Financial Reporting Standard 9, implication of adoption of International Financial Reporting Standard 16 and enactment of Punjab Workers' Welfare Fund Act, 2019 resulted in decrease in net profit. Consequently, the Company earned profit after tax of Rs 1,008 million (2018-19: Rs 3,961 million). The net profit translates into earnings per share of Rs 10.13 (2018-19: Rs 39.79).

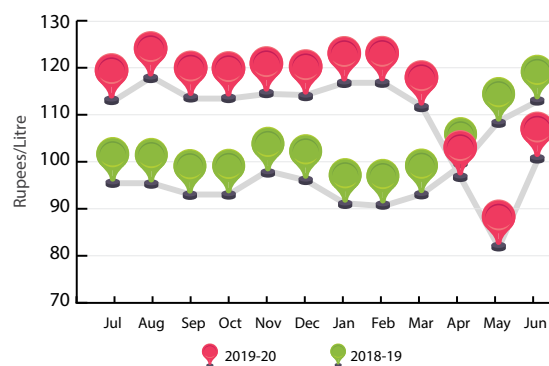
Financial results and appropriations for the year ended June 30, 2020 have been summarized below:	Rs in Million
Profit before taxation	1,503
Less: Provision for taxation	(495)
Profit after taxation	1,008
Add: un-appropriated profit as at June 30, 2019	17,712
Add: Other comprehensive income for the year	4
Profit available for appropriation	18,724
<b>Appropriations during the year:</b>	
Final cash dividend for the year 2018-19 @ 100% (Rs 10/- per share of Rs 10/- each)	995
Interim cash dividend for the year 2019-20 @ 50% (Rs 5/- per share of Rs 10/- each)	498
	1,493
<b>Balance as at June 30, 2020</b>	<b>17,231</b>
<b>Subsequent Effects:</b>	
Final cash dividend for the year 2019-20 @ 40% (Rs 4/- per share of Rs 10/- each)	398
	16,833

## PRICE TREND ANALYSIS

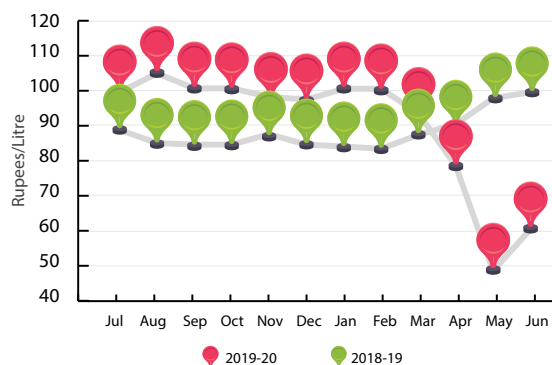
### HIGH SPEED DIESEL



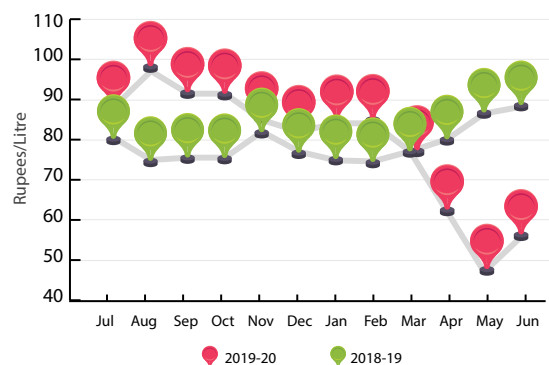
### PREMIER MOTOR GASOLINE



### KEROSENE OIL



### LIGHT DIESEL OIL



## Dividend

The Board has recommended a final cash dividend @ 40% (Rs 4/- per share of Rs 10/- each) out of the profits for the year ended June 30, 2020. This is in addition to the interim cash dividend @ 50% (Rs 5/- per share of Rs 10/- each) already declared and paid to the shareholders, thus making a total of 90% cash dividend for the year under review.

## Contribution towards National Exchequer and Economy

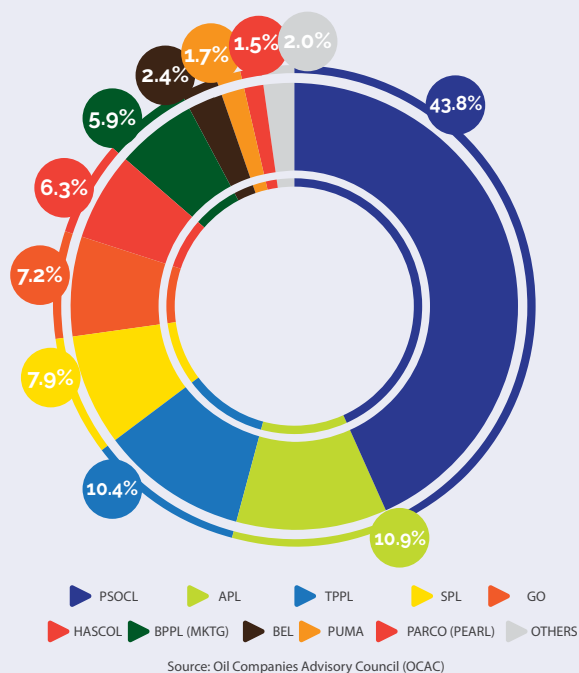
The Company contributed Rs 70,155 million towards national ex-chequer in the form of taxes and levies thus serving its community and nation. Expansion of its network of retail outlets and distributors by including remote and far flung localities in the development plan has led to generation of employment in those areas and the quality of life of the local populace is being improved.

## Liquidity Management, Financing arrangements & Strategies to overcome financial problems

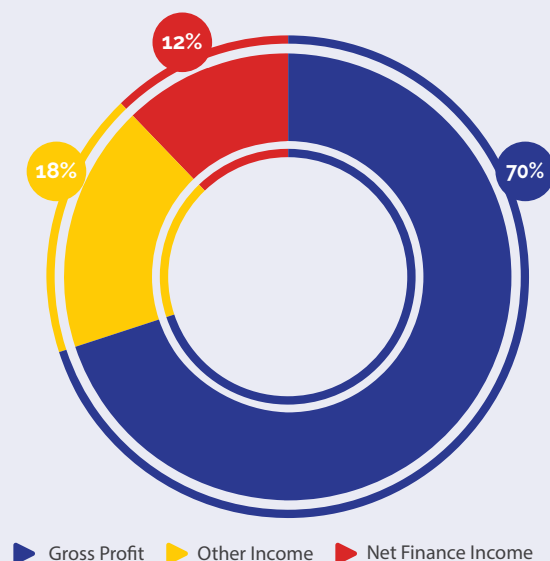
During the year under review, cash and cash equivalents increased by Rs 3,880 million as cash amounting to Rs 7,415 million was generated from operating activities mainly due to decrease in stock in trade and trade debts which resulted in increase in cash and cash equivalents from Rs 3,403 million as at July 01, 2019 to Rs 7,283 million as at June 30, 2020 which was used subsequently to meet the requirement of increased stock in trade as payments to suppliers was made in respect of import of products. Availability of funds is ensured by employing different methods including financial projections which are updated on a regular basis to stay up-to-date with the liquidity requirements. The Company has sufficient borrowing capacity and is adequately geared to meet its future commitments and development plans. The Company has obtained term finance facility under SBP Salary Refinance Scheme at highly

attractive mark-up rate of 0.45% per annum to pay salaries and wages to employees. The Company has various other standby arrangements with financial institutions to ensure smooth continuation of the operations and availability of liquidity to fund working capital requirements.

## OVERALL MARKET SHARE



## REVENUE CONTRIBUTION



## Capital Structure

The capital of the Company is entirely structured on equity finance. There was no change in the capital structure during the year other than the term finance facility as mentioned above. The management is of the view that the capital structure is appropriate for the foreseeable future. There is no default in payments of any debts.

## Significant Changes in Financial Position and Liquidity from last year

As at June 30, 2020, total assets increased to Rs 51,238 million and total liabilities increased to Rs 32,792 million. Increase in non-current assets from Rs 9,300 million to Rs 15,584 million is due to newly adopted International Financial Reporting Standard 16 under which Rs 5,095 million has been recognized as right of use asset under the head of Property, Plant and Equipment and as the Company invested substantial amount of Rs 2,135 million mainly for purchase of land and construction of bulk oil terminals and retail outlets focusing on increasing its storage capacity and enhancing brand image in urban centres.

Cash inflow from operating activities for the year was Rs 7,415 million as compared to cash inflow of Rs 2,998 million last year mainly due to decrease in payments for purchase of products and operating expenses, other charges and payment of income taxes. Outflow



of Rs 2,135 million was recorded from investment in property, plant and equipment. Income earned on investments resulted in an inflow of Rs 994 million. Total cash out flow of Rs 1,681 million was recorded from investing activities. Outflow relating to financing activities, mainly on account of dividend payment, was Rs 1,851 million (2018-19: Rs 3,493 million).





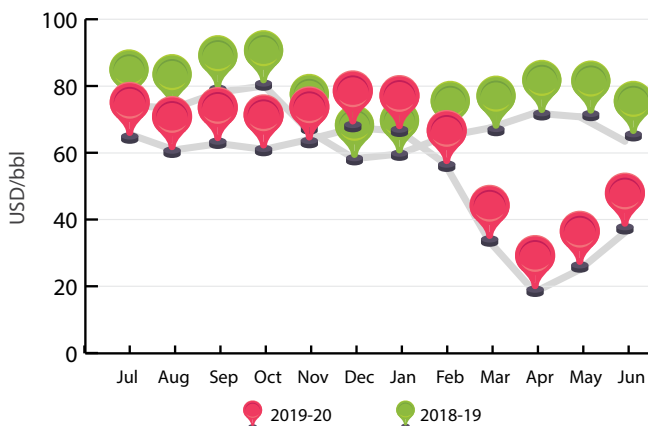
## MARKET AND INDUSTRIAL REVIEW

### Global

The global oil industry has remained unstable over the years, but none of the instabilities has hit the industry with quite the setback observed during the year under review. As markets, companies and entire economies reel from the effects of the global crisis caused by the coronavirus (COVID-19) pandemic, oil prices have crumbled. Due to historic decrease

in global energy demand, price of crude oil massively decreased. The impact was felt throughout global supply chain of oil industry and rippled into other parts of the energy sector. Pressure trickled from various sides; swift decline in global oil demand as the pandemic slashed fuel consumption, especially in the transport sector and industrial usage which was further aggravated by a supply shock due to the end of restraints on production from OPEC and non-OPEC producers. The scale of the collapse in oil demand, in particular, is well in excess of the oil industry's capacity to adjust. With majority of world population under some form of lockdown because of the Coronavirus, one of the traditional stabilisers for the oil market remained missing. Low prices usually stimulate consumer reaction, but such a boost to demand is highly unlikely, at least during the global health emergency. Rapid build-up of oil stocks has saturated available storage capacity, pushing the prices further down. Other factors affecting the global oil prices before the COVID-19 pandemic were the attack on Saudi Installation, sensitivity in global oil movement through Strait of Hormuz due to Middle East crisis during first quarter, OPEC led supply cuts and US sanctions on Iran and Venezuela resulting in a weak support to prices. However, deteriorating US-China trade relations and price

### ARAB LIGHT CRUDE OIL



war between Saudi Arabia and Russia kept on pressuring the prices towards a downward trajectory.

As storage firms and oil companies got topped up, prices were decreased even further leading to the crash in the oil market. Halting transportation sector like cars, buses and trains coming from closure of schools and offices, further reduced the consumption of fuels. Due to drop in demand, there was a sharp decrease in profitability and oil producing countries like the Arab States and Russia jumped in to secure market share giving rise to a price war.

### Domestic

The price of POL products in the Country depend on the global crude oil price and price parity of US Dollar (USD) to Pakistani Rupee (PKR) as Pakistan remains a petroleum importing country. Fluctuation in the price of petroleum products in the international market coupled with devaluation of the PKR against the USD, the petroleum product prices in the Country have been extremely volatile over the last year. The lockdown due to COVID-19 resulted in mass-scale reduction in public movement, reduced industrial/ business activity due to shutdown of factories and complete halt on public transport and interprovincial movement due to which sales of the petroleum products plummeted. Further, the reduction in global oil price led to decrease in oil prices within Pakistan and the GoP announced decrease in prices of petroleum products various times



during the period in a bid to facilitate the general public. The increased stock carried by the oil marketing companies as the sales were already low coupled with decline in the prices ensued huge losses on inventory.

The energy demand of the Country has shrunk during recent years owing to various factors such as enforcing strict fiscal discipline by policymakers in light of extended fund facility of International Monetary Fund (IMF)



resulting in reduced spending on infrastructural development and stringent economic/tax policies. Consequently, businesses across the Country have recorded negative growth and are striving to maintain their revenues. Effects of these factors have also penetrated into the oil marketing segment. Decreased demand due to reduced business activity coupled with influx of cheaper smuggled products such as High Speed Diesel and Bitumen and negative growth in large scale manufacturing are some of the challenges faced by the Oil Marketing Companies. Total industry

volume of all petroleum products dropped by 12% due to these factors. Demand for High Speed Diesel decreased by 10% and demand for Bitumen decreased by 6%. Demand for Furnace Oil also dropped by 33% as the power producers increasingly shifted towards alternate fuels such as RLNG and coal in light of directives of the Government and as a result, the demand for FO has diminished considerably.

The changing policies of the government, imposition and changes within the duties and taxes structures, slump within the construction segment and non-investment in mega projects, instability in the USD exchange rate, changes within the overall economic regime and operational dynamics are some of the major factors contributing to the overall negative growth from the previous year.

## COMPANY'S SALES AND MARKETING REVIEW

During the year under review, despite stiff competition amid aforementioned challenges, the Company was able to

maintain its market share and standing within the industry in times of decreasing volumes. Industry wide FO sales volumes reduced by 33% this year due to many factors while APL recorded a decrease in volume of only 7%, causing APL's market share in the product to increase from 13% to 18%. Sensibly predicting price patterns and intelligent marketing techniques empowered APL to acquire a major portion of defense segment sale for this year and takes pride in being a fuel partner and preferred oil marketing company of defense services of the Country for JP-1, HSD, PMG and HOBC – 97. Despite above referred domestic and international challenges, the Company ensured uninterrupted supplies to its customers. Further, APL continued to extend its network of corporate and industrial clients and has added many new prestigious customers. Due to better quality and premium services across all the business sectors, handling the widest

product portfolio within the industry, APL increased its client-base and currently ranks as the second largest OMC in the country w.r.t aggregate market share i.e. 11%. The economic slowdown of the business activities across the Country remained a factor contributing towards the overall slump within the industry. However, positive recovery is expected in the upcoming financial year.

The consumption and application of Bitumen has drastically reduced as compared to last year. This decrease is primarily attributable to decrease in infrastructure and development projects. Influx of lower priced smuggled Bitumen in the market is also contributing to decline in sales of local product. APL continued to be a supplier of choice in terms of Bitumen supplies for geo-politically and strategically important construction projects including road networks and motorways, securing a market share of 73% despite a 6% reduced consumption overall.

APL has significantly strengthened its retail network and as at June 30, 2020 the total number of retail outlets has surpassed 700. APL has commissioned its retail outlets across the length and breadth of Pakistan and for enhancing the brand manifestation, the Company has established



Company Owned Company Operated (COCO) retail outlets in Islamabad, Lahore, Karachi and across various motorways. Quality of fuel supplies were diligently ensured in the urban and rural localities. Following the Company's long term strategy to keep on increasing its foot base through developing retail outlets and establishing bulk oil terminals, number of retail outlets and depots were commissioned during the period and many are currently under construction phase.

COVID-19 pandemic also affected sales of lubricants due to reduced transport activity especially in months following February 2020. However, lubricants sales bounced back during the month of June 2020 that





reflects promising sales in coming months. Considerable number of new customers in B2B and B2C segment were added to the existing portfolio of the Company. The Company also added reliable dealers and traders in its potential list of suppliers, thus improving the product availability while ensuring the quality of the product. Product packaging plays a vital role in building brand perception about quality of a product and a good packaged product also stands out of competing brands at point of sale. Aligned with requirement of modern engines, Attock Lubricants are being upgraded this year in Gasoline, Diesel and Motor Cycle Oil variants with new formulations and higher industry standards in brand new packaging.

APL recently entered into the Aviation Fuel segment by commissioning the Country's largest and most modern fuel farm at the Islamabad International Airport under a joint-venture. Keeping the spirit of professionalism and premium customer care, the venture was able to safely handle refuelling thousands of flights of international and local carriers. Although the segment was badly hit after the COVID-19 pandemic, the Company managed to sustain its sales and recorded only a decrease of 14%. In a highly technical and competitive aviation segment, APL is proud to act as the backbone of

the economic gateway of Pakistan through the new Islamabad international Airport – paving way for a brighter, more prosperous Pakistan.

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

### **Other Business Activities**

APL foremost value is delivering customer convenience and to improve overall fueling experience. APL has marked its efforts to extend its brand image beyond the domain of just fuel. Understanding



the current market dynamics and to cater the needs of all customers, APL has set targets to be a complete customer centric organization, ultimately creating itself to be a “Customer Convenience Focused Company”. Our retail outlets are furnished with expedient solutions such as payment through Credit Cards, ATM facilities, Attock Smart Fuel Card, Tyre Care, Speed Wash, Lube Xpert, Time Out tuck shops etc.

To enhance the overall experience at retail outlets, Attock Smart Fuel Card facilities are being offered in major urban and sub urban sites. The Attock Smart Fuel Card meets all fuel management needs of individual as well as corporate client, offering cashless and secure transactions, complete control of fuel

budget, real time online reporting and round the clock accessibility. Understanding the needs of population, APL offers wide array of services and unique benefits for fleet management.



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

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



### **Infrastructure Development**

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

Since last few years, the Company has invested major resources aggressively



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towards expansion and enhancements within its bulk oil storage terminals across the Country. Rapid development work with stringent quality controls enabled APL to achieve major world-class milestones. Shikarpur Bulk Oil Terminal was commissioned last year while construction of Bulk Oil Terminals at Sahiwal and Daultpur was completed during the year. Both Terminals have started their operations successfully upon grant of licence by OGRA in December 2019 after testing and inspection further enhancing the storage capacity of the Company. A mega expansion project has been recently completed at Machike Bulk Oil Terminal to enhance the storage capacity. Construction work for establishment of Bulk Oil Terminal at Port Qasim (Karachi) has progressed which shall prove to be a key installation for the Company to manage import cargoes at the port, yielding many strategic benefits. Moreover, various process and equipment upgradations were made to improve operational efficiencies and better controls.

The Company expanded its presence in the metropolitan cities of Islamabad, Lahore and Karachi by establishing several new "Company Owned and Company Operated" retail outlets. These sites were specifically established to not only provide quality products to loyal customers but to

enhance APL's brand representation in these cities especially Karachi. APL laid the foundations to their plans of operating on CPEC routes across the Country by not only successfully winning several bids on major motorways but also successfully

commissioned beautifully designed retail outlets offering outstanding services at the Lahore – Abdul Hakeem Motorway (M-3), Hakla Service Areas at Islamabad – Peshawar Motorway (M-1) and Katlang-Swat Expressway.





The Company intends to further expand its horizons by entering into the LPG business and an LPG storage and filling plant is under planning and design phase.

APL acknowledges the worldwide shift into cleaner energy and plans to be at the forefront of that shift, concentrating on catering for the new electric vehicles. With a plan to expand into Electric Vehicle (EV) arena, the Company has approved its first EV charging facility at the under construction site in Blue Area Islamabad which shall be operational by First Quarter 2020-21.

The Company is continuously working on energy conservation to optimize energy consumption at its various locations across the Country by introducing energy efficient equipment. All bulk oil terminals having 400W-HPS & Mercury type outdoor lights are now equipped with Smart LED Lights. Further, all conventional lights in office blocks have also been replaced with LED lights at Rawalpindi Bulk Oil Terminal.



### Quality Assurance of Products

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

APL runs a comprehensive product quality assurance system across the country that ensures the product quality throughout the range of operations as per the existing product specifications of the country – from procurement of petroleum products, storage within our bulk oil terminals and storage tanks at our retail outlets.

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



## RISK MANAGEMENT

Risk management refers to obtain understanding by all parties and agreement around what the risks really are and how they will be managed to improve performance, increase the value of firms and reduce financial distress. APL encounters uncertainties both in terms of supply and demand of the products and volatility of prices. COVID-19 pandemic, global environmental pressures, arrival of LNG and RLNG, changing dynamics of the oil and gas sector, dealing with government departments and authorities, shifts in social and other customer preferences and expectations are some of the risks associated with the sector. Similarly, technological advancements or disruptive advancements such as increasing focus on Electric Vehicles and a new paradigm shift in fuel infrastructure and pricing regime is also a factor. All these factors require careful insights and alignment of resources to remain profitable in times to come. Therefore, for this purpose, future strategy is carved out by APL through a highly participatory consultative process by taking all stakeholders on board.

### **Risk Management Framework**

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

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

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

## Risks associated with COVID-19 Pandemic

In fore view of the COVID-19 situation as mentioned above, the earnings remained under immense pressure as the Company continues to bear fixed cost coupled with reduced revenues. While various steps have been taken to minimize expenses and curtail costs, coming few months present a bleak outlook unless lockdown is eased out. The resumption of transport and public movement shall support the sales to some extent. However, sales to industrial consumers shall take time to reach previous levels as most of the businesses shall struggle to revive themselves. Despite the grim outlook, the management is committed to keep putting in efforts for protecting shareholders' wealth and ultimately generating better returns.



## Volatility in International Oil Prices and Regulatory Risks

Oil is one of the most important natural resource and commodity and the primary driving force of the global economy. Fluctuations in the price of oil have significant effects on economic growth and welfare around the world. During the year 2019-20, global events including COVID-19 and a sequence of geopolitical and market factors have driven the instability of oil prices that has affected the overall supply and demand forecasts. The decrease in global demand owing to COVID-19, decision to regulate demand by the Saudis, Russians and other OPEC members, coupled with potential losses of Iranian oil, international trade wars and supply disruption in Venezuela were major elements that made prices highly volatile during the year. OPEC is determining supply

volumes and appears to be reactive with its consequent effect on price and intense scrutiny is carried out to resolve the market tension resulting in different geo-political scenarios globally.

Within Pakistan, further volatility has been observed within the year under review due to effect of decreasing global prices. To manage these challenges, APL continues to focus on potential opportunities and develops institutional arrangements with adequate technical capacity, political independence and coordinates across all sectors.

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



in this extremely volatile market. APL ensured maximum supply at its retail outlets for meeting consumer demand during the acute shortage of products in June 2020.

### **Geopolitical and Security Risks**

Geopolitics is a dominant distress for the companies in Pakistan operating in oil and gas sector and this can be observed as a source of both risk and opportunity. Although, law and order and security situation has improved within the Country; yet, the tendency driving towards aggressive political behaviour, global economics, commodity constraints and pricing, lower monetary growth, energy crisis, deficit in exports and unemployment with stagnant investment indicates that global instability is on the rise.

The recent global events i.e. COVID-19, new global energy landscape, technological advancements, trade competition between major economic players, economic sanctions and tensions on Iran and environmental concerns have affected the overall global

demand and supply. APL completely undertakes and believes that greater appreciation for the underlying dynamics of geopolitics in turn can catalyze the development of robust strategies and processes and can assist in making informed business decisions. Although the inherent complexity and uncertainty of these factors seem impenetrable at times, it is however possible for the Company to analyze the various political factors and constraints in detail while maintaining a strategic view of larger global trends to keep the Company's trajectory aligned with the overall vision.

### **Intense Competition**

With over 700 retail outlets and strategically located bulk oil terminals across Pakistan, APL is one of the leading oil marketing company of the Country through which it serves both retail and industrial customers. With the backup support of group companies and collective experience of more than 100 years, APL stays proactive towards the global

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

Many new entrants have recently joined the industry and resulting in intense competition with various challenges

and multiple opportunities as well. To counter the competition, the Company is strengthening its determinations on cashing the opportunities and to be the preferred oil marketing company of the nation. Focusing aggressively on its storage terminal network, enhancement of storage capacities, efficient energy management and streamlined filling and delivery mechanisms are some of the major initiatives that have been undertaken to consolidate the strengths and build upon them in times to come for generating more value for prestigious clients.



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## Human Resource

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

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

APL appreciates and acknowledges the importance of its most important asset "Employees" and value them by recognizing their contributions. The compensation and benefit policies are designed not only to keep the

employees motivated but also to attract and retain the competent individuals.

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

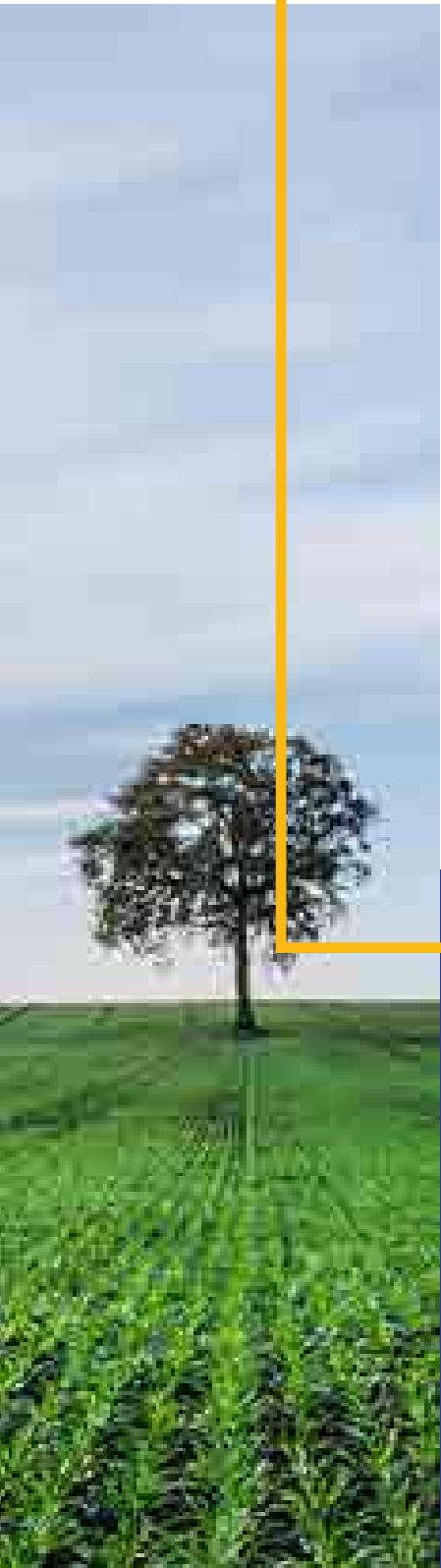
The Company takes its responsibility seriously in managing, supporting and dealing with all employee related matters including policy management, recruitment process, compensation and benefits, employment and labor laws, new employee orientation, training and development, personnel records retention,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

## Health, Safety, Environment and Security

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

The Company is managing HSE and social performance in line with the local laws, the terms and conditions of relevant permits and approvals, international standards on safety. The Company also includes requirements





for integrating environmental and social factors into the plan, design and investment decision on new projects. This commitment is in the best interest of the all stakeholders including customers, employees, contractors, suppliers and communities. The Company's HSE policy is a true reflection of the fact that the business practices do not contravene to law pertaining to health, safety and environment.

In APL, security of employees, materials and installations is accorded high priority. All bulk oil terminals have been duly categorized as "Key Points" as defined in the Key Point Intelligence Division's pamphlet, "Security and Protection of Key Point,

1983". All recommended security measures for the Key Point, as enunciated in the pamphlet have been put into practice. Besides, the security environment is continuously monitored in close coordination with District Authorities, Law Enforcement Agencies and other relevant quarters to update the security standards regularly.

### **Information Technology Risk**

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

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



## Disaster Recovery and Business Continuity Planning

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

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

## CORPORATE GOVERNANCE

The Company has created a culture where principles of corporate governance are embedded into the policies and practices adopted by the Company. Good corporate governance remains imperative to sustainable and progressive future. The Board has ensured that all activities carried out are at par with the best practices. Attock Petroleum Limited has taken steps to remain compliant with the recent changes in Corporate Governance framework implemented through Listed Companies (Code of Corporate Governance) Regulations, 2019. Although the new framework has allowed the corporate sector to either comply with the requirements or explain any deviations, APL managed to comply with all the requirements of the Code of Corporate Governance as enshrined. By virtue of this, the Company is highly trusted by the investors. Transparency in communication with stakeholders remains at core and implementation of a professional corporate culture is critical for complying with the principles of good governance at every step.

## Annual Evaluation of Board, its Committees and Members

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

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

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





### **Role of the Chairman and CEO**

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

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

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

### **CEO Performance Review**

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

The Board is well contented with the CEO's performance for the year. Multiple new ventures, improving market presence, Company's response to COVID-19 pandemic, up-gradation of the current bulk oil terminals along with construction of the new ones are a few examples of the Company's good performance during the year.

### **Directors' Training Programme**

The Company ensures that it meets the requirements set forth by Securities and Exchange Commission of Pakistan (SECP) through Code of Corporate Governance and is complying with criteria of Directors' Training

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Programme (DTP). Three of the Directors, Mr. Babar Bashir Nawaz, Lt Gen (Retd.) Javed Alam Khan and Mr. Mohammad Raziuddin, have previously attended the Directors' Training Programme from a recognized institution of Pakistan approved by the SECP. Four of the Directors namely Mr. Laith G. Pharaon, Mr. Wael G. Pharaon, Mr. Shuaib A. Malik and Mr. Abdus Sattar meet the exemption criteria for this purpose.

### Formal Orientation for Directors

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

### Whistleblower Protection Mechanism

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

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

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





### Decisions taken by the Board and Delegated to Management

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

disposal of Property, Plant and Equipment, approval of budgets, approval of financial statements, acquisitions and dividend declarations etc.

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



### Security Clearance of Foreign Directors

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

### Code of Conduct for Directors and Employees

The Code of Conduct has been circulated to all the directors and the employees of the Company for their compliance as required under Code of Corporate Governance, 2019. This Code provides the standard for professional behaviour in order to ensure



that the business is carried out in an honest and ethical manner.

### Additional Disclosures

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

- 1) The financial statements, prepared by the management, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- 2) Proper books of account have been maintained.
- 3) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- 5) The system of internal control is sound in design and has been effectively implemented and monitored.
- 6) There are no significant doubts upon the Company's ability to continue as a going concern.
- 7) Significant deviations from the last year's operating results have been disclosed in this Report.
- 8) Key operating and financial data of the last 6 years in summarised form is annexed with the Report.
- 9) All major Government levies in the normal course of business, payable as at June 30, 2020, have been cleared subsequent to the year-end.
- 10) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.
- 11) The values of investments in employee retirement funds based on the latest audited accounts as of June 30, 2020 are as follows:
 

Employees' Gratuity fund  
**Rs 133.944** million

Employees' Provident fund  
**Rs 252.378** million
- 12) The total number of Company's shareholders as at June 30, 2020 was 3,857. The pattern of shareholding as at June 30, 2020 is annexed.



A separate statement of compliance with the Code of Corporate Governance signed by the Chairman of the Board of Directors and Chief Executive Officer is included in this Annual Report.

### **Adequacy of Internal Financial Controls**

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



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

### **Board of Directors Structure, its Committees and Meetings**

The status of each director on the Company's

Board whether male, female or non-executive, executive or independent has been disclosed in the Statement of Compliance as required under Code of Corporate Governance, 2019.

During the year the Board remained actively involved in performing their duties under various laws and the Memorandum and Articles of Association of the Company with the ultimate objective of enhancing the profitability of the Company thus increasing shareholders return. The Board possesses necessary skills, competence, knowledge and experience to deal with various business issues. The Chairman of the Board is a non-executive director.

During the year, five meetings of Board of Directors were held for review of periodic Financial Statements as well as for consideration of significant and routine

matters including those referred to it by Board committees.

### Audit Committee

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

### Human Resource & Remuneration Committee

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

### Attendance by Directors in the Meetings

Meetings attended / Eligible to attend

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

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

The Board, or concerned Committee, granted leave of absence to those directors who could not attend a meeting.

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, 2020, two meetings of the Board of Directors were held outside Pakistan. The meeting to review and approve Annual Financial Statements for the year ended June 30, 2019 and the meeting to review and approve Financial Statements

for the six month period ended December 31, 2019 were both held 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 35 to the financial statements.

### **Policy for Related Party Transactions**

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

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

In accordance with the requirements of Code of Corporate Governance, the details of transactions carried out with all

related parties are periodically placed before the Board Audit Committee and presented to Board for review and approval.

## **AUDITORS**

The present auditors Messrs A. F. Ferguson and Co., Chartered Accountants, a member firm of the PwC network, retire and are eligible for reappointment for the year 2020-21. 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, 2021 along with their remuneration to the Board. The Board has recommended the same for the approval of the shareholders in the forthcoming Annual General meeting.

## **FORWARD LOOKING STATEMENT AND FUTURE PLANS**

As a leading energy company operating in challenging world, APL aims to set high

standards for uninterruptedly supplying of finest petroleum and energy products and remarkable services across Pakistan. Building on our core values to sustain a competitive edge in the market, various opportunities are vigorously followed and exploited with our distinctive strengths & capabilities, and efficient responding to transitional impacts.

The management highlights and prioritizes the importance of timely adaption of technological advancements, maximizing shareholder value, operational progressions, developing alliances and infrastructural expansions. APL continuously seeks to improve performance with an emphasis on health, safety, security, environment as well as adhering to principles, values and compliance ethics, the Company dynamically takes strategic steps to progress and excel the experiential and unique specialties for its customers.





The Company is establishing Bulk Oil Terminals at strategic locations and focusing on increasing number of storage facilities to guarantee continuous supplies. Some major projects and developments underway and accomplishments are as follows:

- Construction of Bulk Oil Terminal at Daulatpur has been completed and successfully commissioned in January 2020.
- Construction of Bulk Oil Terminal at Sahiwal has been completed and successfully commissioned in March 2020.
- Storage expansion at Machike Bulk Oil Terminal has been completed and successfully commissioned in June 2020.
- Pipeline Connectivity of Mehmood Kot Bulk Oil Terminal and Shikarpur Bulk Oil Terminal with PAPCO Terminals has been completed in April 2020 and August 2019 respectively.
- Construction of Bulk Oil Terminal at Port Qasim is in progress at site for earliest commissioning. Terminal will be connected with FOTCO and WOP system for the receipt of imported products and dispatch of products to mid-country through white oil pipeline.

- The Engineering Design of new storage terminals at Gatti (Faisalabad), Tarujabba (Peshawar) and Dera Ismail Khan has completed. Project execution is expected to commence in next financial year.

The management considers that the new infrastructure developments will assist the Company to cater to volatility within the rapidly evolving operational and marketing dynamics within the industry. APL proactively develops abilities to achieve strategic ambitions by effectively answering the fluctuating market forces. The management continuously evaluates the external environments and the drivers that shape them to assess variations in competitive forces and dynamics, and timely responding and decision making.

The Company is optimistic that these developments will not only increase effectiveness and efficiency of the operations but also boost sales and help to attain cost efficiencies in terms of freight advantages.

With the emerging trend and transition of a greener environment, APL aims and supports to power progress with more and



cleaner energy solutions for a lower-carbon and healthy economy. APL also proactively functions for energy conservation projects as follows:

- The Company is continuously working on energy conservation to optimize energy consumption at its various locations across the Country by introducing energy efficient equipment. All High Pressure sodium and Mercury lights have been replaced with efficient LED & SMDs Lighting system for energy savings at Rawalpindi, Machike, Sahiwal, Daulatpur and Korangi terminals and has planned to follow this on all terminals in the coming future.
- To compete with latest technological challenges, APL is going to make operational its first EV Charger installed at retail outlet in Blue Area Islamabad within first quarter 2020-21.

The Company has diversified portfolio of teams led by exceptional leaders that deliver best business performances. The Company aims to develop the leaders of tomorrow by allowing them and providing them with the opportunities of jobs and investments to progress in the area which provides them to expand their capabilities. Geographical

diversity and presence allows the Company to utilize and align new resources and tap growing & niche markets – developing diverse integrated portfolio. APL foremost aims to benefit the government and local communities by sustainable business growth investing in the long term interests of the shareholders, partners and society.

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

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## Trends and uncertainties affecting Company's revenues and operation

Fluctuations in the price of oil due to external environmental factors as discussed above have significantly affected not only the Company's operations but also severely impacted the Company's ability to generate income. Global events and a series of geopolitical and market factors have driven the unrest and instability of prices and has impacted undesirable trends for major oil producing nations. Similarly, dependence of supplies on imports amid fluctuating exchange rate and volatile prices may affect the revenues and operations of the Company. Such volatility in the oil prices coupled with the currency exchange fluctuations and varying demand patterns has created many variables that result in numerous challenges which the Company has to face on a day to day basis. APL strives to cope up with these uncertainties in an optimum manner.

## Performance related to forward-looking disclosure made in last year

The Company has expanded its retail network with inclusion of many new retail outlets operating under Company Financed and Company Operated Model details of which are covered under the Company's Sales and Marketing Review above.

APL successfully completed the construction of Sahiwal and Daulatpur Bulk Oil Terminal.

Not only overall storage capacities have been improved but it also assisted the Company to be in a position to enhance market share in South Region covering interior Sindh and Balochistan area. Similarly, construction on bulk terminal at Port Qasim has further progressed and will be operational and running at its full capacity soon.

Within a span of two years, Attock Smart Fuel Card facilities are being offered in major urban and sub urban sites of Pakistan and has covered 25% of its overall retail network and is progressively penetrating further.

The contracts and fuel arrangements of supplies to defense sector of Pakistan for the year 2019-20 were accomplished successfully and APL has managed to win the JP-1, SKO & HOBK contracts for the year 2020-21 based on previous exceptional and outstanding services.

## ACKNOWLEDGEMENT

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

On behalf of the Board



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

Rawalpindi.  
August 26, 2020



# PATTERN OF SHAREHOLDING

As of June 30, 2020

Corporate Universal Identification Number 0035831

Form-34

Sr. No.	Number of Shareholders	From	To	Total Shares Held	Percentage
1	675	1	100	31,493	0.032
2	972	101	500	271,164	0.272
3	463	501	1000	352,110	0.354
4	1392	1001	5000	2,420,204	2.432
5	150	5001	10000	1,126,413	1.132
6	57	10001	15000	683,812	0.687
7	30	15001	20000	521,214	0.524
8	20	20001	25000	467,452	0.470
9	20	25001	30000	566,537	0.569
10	4	30001	35000	126,386	0.127
11	7	35001	40000	260,410	0.262
12	4	40001	45000	168,601	0.169
13	5	45001	50000	243,030	0.244
14	3	50001	55000	160,920	0.162
15	2	55001	60000	120,000	0.121
16	2	60001	65000	124,966	0.126
17	2	65001	70000	132,413	0.133
18	2	70001	75000	144,316	0.145
19	1	75001	80000	75,432	0.076
20	2	80001	85000	167,990	0.169
21	2	85001	90000	175,200	0.176
22	1	90001	95000	94,700	0.095
23	4	95001	100000	387,729	0.390
24	1	100001	105000	104,000	0.104
25	1	110001	115000	111,280	0.112
26	2	130001	135000	266,099	0.267
27	1	135001	140000	139,100	0.140
28	2	140001	145000	289,000	0.290
29	1	145001	150000	147,400	0.148
30	2	150001	155000	305,114	0.307
31	1	155001	160000	160,000	0.161
32	2	160001	165000	323,600	0.325
33	1	170001	175000	172,338	0.173
34	1	185001	190000	187,806	0.189
35	1	200001	205000	200,320	0.201
36	1	205001	210000	207,000	0.208
37	1	210001	215000	212,940	0.214
38	2	245001	250000	496,040	0.498
39	1	285001	290000	286,620	0.288
40	1	420001	425000	420,480	0.422
41	1	465001	470000	465,240	0.467
42	1	480001	485000	480,400	0.483
43	1	510001	515000	513,120	0.516
44	1	595001	600000	600,000	0.603
45	1	655001	660000	660,000	0.663
46	1	905001	910000	906,334	0.911
47	1	1025001	1030000	1,029,592	1.034
48	2	1605001	1610000	3,213,104	3.228
49	1	2185001	2190000	2,189,721	2.200
50	1	6640001	6645000	6,643,385	6.675
51	1	6980001	6985000	6,984,714	7.017
52	1	7000000	7005000	7,003,220	7.036
53	1	21770001	21775000	21,772,965	21.875
54	1	34215001	34220000	34,219,376	34.380
	<b>3857</b>			<b>99,532,800</b>	<b>100.00</b>

# CATEGORIES OF SHAREHOLDERS

As on June 30, 2020

Sr. No.	Categories	Number of Shareholders	Shares Held	Percentage
<b>1</b>	<b>Directors, Chief Executive Officer, their Spouses &amp; Minor Children</b>			
	Mr. Laith G. Pharaon		1	0.00
	Mr. Wael G. Pharaon		1	0.00
	Mr. Shuaib A. Malik		6,643,385	6.67
	Mr. Abdus Sattar		720	0.00
	Mr. Babar Bashir Nawaz		1	0.00
	Mr. Mohammad Raziuddin		1	0.00
	Lt Gen (Retd.) Javed Alam Khan		60	0.00
	Mr. Iqbal A. Khwaja		15,955	0.02
	Mr. Rehmat Ullah Bardaie		105	0.00
		<b>9</b>	<b>6,660,229</b>	<b>6.69</b>
<b>2</b>	<b>Associated Companies, Undertakings and Related Parties</b>			
	* Pharaon Investment Group Limited (Holding) s.a.l		34,219,376	34.38
	* Attock Refinery Limited		21,772,965	21.87
	Attock Petroleum Limited Employees Welfare Trust		7,003,220	7.04
	Pakistan Oilfields Limited		6,984,714	7.02
	The Attock Oil Company Limited		2,189,721	2.20
		<b>5</b>	<b>72,169,996</b>	<b>72.51</b>
<b>3</b>	<b>National Investment Trust &amp; Industrial Corporation of Pakistan</b>	<b>1</b>	<b>60,274</b>	<b>0.06</b>
<b>4</b>	<b>Banks, Development Finance Institutions, non Banking Financial Institutions</b>	<b>11</b>	<b>5,584,392</b>	<b>5.61</b>
<b>5</b>	<b>Insurance Companies</b>	<b>11</b>	<b>2,034,079</b>	<b>2.04</b>
<b>6</b>	<b>Modarabas &amp; Mutual Funds</b>	<b>29</b>	<b>2,249,150</b>	<b>2.26</b>
<b>7</b>	<b>General Public</b>			
	a. Local	3608	7,969,992	8.01
	b. Foreign	4	43,140	0.04
<b>8</b>	<b>Others</b>			
	Trust and Funds	109	1,729,024	1.74
	Joint Stock Companies	68	932,124	0.94
	Foreign Companies	2	100,400	0.10

\* Shareholders Holding 10% or More

## Trade in shares by Directors, Executives, their spouses and minor children during 2019-20 :

Mr. Shuaib A. Malik (Chief Executive Officer & Director)	1,600
Mr. Muhammad Kamran Malik (Executive)	500

Except for detail given above no trade in shares was reported by Directors, Executives\*, their spouses and minor children from July 01, 2019 to June 30, 2020 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

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

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

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

## Issues raised at last AGM

The Annual General Meeting provides the best platform to interact with the shareholders of the Company. Last AGM of the Company was held on September 17, 2019 at which queries of shareholders were appropriately responded.

- On a shareholder's query regarding drop in POL products sales volume it was stated that geopolitical scenario around

the region has affected the whole industry and the Company's sales volume decline is lower than the industry. Company has focused on retaining its existing market share in time of dropping volumes in industry and will exploit any available opportunities to retain and grow its market share.

- On the query of Company's plans/ initiatives regarding reduction in usage of hydrocarbons due to alternate fuels, it was stated that the Company will adapt and behave accordingly on introduction of alternate fuels. A group company has already established to provide solar and other alternative energy solutions.
- Application of IFRS-9 and IFRS-16 was inquired about. It was stated that IFRS-9 has already been adopted. Further IFRS-16 is now being adopted by the Company with effect from July 01, 2019.
- Status of recovery of freight charges and petroleum levy by OGRA on supplies to special freight areas was inquired about. As on June 30, 2020 the case is still pending and the Company and its legal advisor are confident that the matter will be decided in favor of the Company by the High Court.
- A query was raised about the status of letter from Ministry of Energy to Economic Coordination Committee (ECC) for allowing recovery of the previous month's exchange losses from the consumers, it was stated that matter is under consideration of ECC. Exchange rate adjustments are now allowed by the ECC decision dated April 04, 2020 in this regard.

## Conflict of Interest Management

A formal Code of conduct is in place governing the actual or perceived conflict of interest relating to the Board members of the Company. Under the guidelines of code of conduct every director is required to disclose about his interest in any contract, agreement or appointment etc. These disclosures are

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circulated to the Board and it is ensured that interested director does not participate in decision making and voting on the subject. The effect to the above facts is recorded in minutes of meeting, if any. Any such conflicts of interests are recorded in Company's statutory register while disclosures of related party transactions are provided in financial statements.

### **Safety of Records of the Company**

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

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

- Documents in physical forms are stored at specifically designated record rooms with proper safety features.
- Financial data and other records in the ERP system are periodically backed up at various servers and protected under secure access protocols.
- Paperless environment is also being promoted and an e-record management system is being put in place to safeguard the records of the Company along with optimizing storage spaces.

### **Investors' Relations Section on APL Website**

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

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

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

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

### **Governance practices implemented exceeding legal requirements**

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

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

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

The Company has won various awards in the above categories. Further, additional financial disclosures including financial ratios, reviews, graphs and comments on these analyses

are also made for transparency and effective communication with stakeholders.

### Diversity within Human Capital

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

### Other Directorships of Directors

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

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

\* Refer to Page 34 (Profile of Board of Directors) for complete details regarding other engagements.

### Board fee earned by Executive Director

Executive Directors of the Company hold position of Non-Executive Director in other companies as disclosed above. Fee for services as Non-Executive Director on the Board of these Companies, in case listed on

PSX, is paid in accordance with the policies approved by the Board of Directors of those respective companies.

### Presence of Chairman Audit Committee at AGM

Chairman of the Audit Committee is present at the AGM to answer questions on the audit committee's activities and matters within the scope of audit committee's responsibilities. Chairman Audit Committee, Mr. Mohammad Raziuddin was present at the last AGM held on September 17, 2019 to answer queries of shareholders regarding above mentioned matters.

### Steps taken by management to encourage minority shareholders to attend AGM

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

### Corporate Briefing

Endeavoring Pakistan Stock Exchange's introduced reforms towards development of a fair and efficient market by promoting a culture of sound corporate governance practices; A Corporate Briefing Session was held by APL for the Analyst community and Shareholders on September 17, 2019 in compliance with the mandatory requirement of holding corporate briefing by listed companies. All the queries raised

by participants related to Company's performance and its future prospects were satisfactorily responded in the session.

### **Understanding views of major shareholders**

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

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

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

### **Chairman's Significant Commitments**

The Chairman is committed towards protecting shareholders' wealth and creating sustainable returns while securing the interests of all stakeholders at the same time. The Chairman effectively plays its role of guiding the Board of Directors in devising and implementing medium to long term strategy of the Company adhering to the Mission statement. Responsibilities undertaken by the Chairman are briefed in the Role of Chairman

section of the Directors' Report included with this Annual Report.

### **Pandemic Recovery Plan**

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

### **Disclosure of Beneficial Ownership**

Details of group shareholding and nature of relationships of associated companies is disclosed on Page 18 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.



# STAKEHOLDER ENGAGEMENT

Stakeholders	Management of Stakeholder Engagement	Effect and Value to APL
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## Institutional Investors/ Shareholders

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

The financiers of capital help APL:

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

## Customers and Suppliers

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

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

## Banks

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

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

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

## Media

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

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

Stakeholders	Management of Stakeholder Engagement	Effect and Value to APL
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### Regulators

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

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

### Analysts

The Company regularly engages with analysts on its financial and operating results, with due regard to regulatory restrictions imposed on inside information/trading. A corporate briefing session is held by the company during FY 2019-20 for Analyst community.

Providing required information to analysts helps:

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

### Employees

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

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

### General Public

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

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

# CORPORATE SUSTAINABILITY

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

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

## Consumer Protection Measures

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

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

## Quality Policy Statement

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

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

- The primary objective of the Quality Management System is to ensure conformance to product specifications of all goods shipped to customers.
- Clearly identify and understand our internal and external customers stated and hidden needs, to develop a way of working to meet and exceed the expectations of customers.
- Provide confidence to management, our employees, clients, and stakeholders that the requirements for quality are being fulfilled and maintained and that quality improvement is continuously taking place.
- To develop measurement techniques to gauge performance for improving effectiveness of our services, operations and quality management system.





- Fulfill all quality system requirements stated in our Quality Manual, including the requirements of ISO 9001:2015.
- To be a trustworthy and leading oil marketing organization for providing consistent high quality products and services in the market.

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

### **Industrial Relations**

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



### **Business Ethics & Anti-Corruption Measures**

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

### **Contribution to National Exchequer**

Please refer to Page 47 for details.

# ENVIRONMENTAL RESPONSIBILITY

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

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



## Environmental Protection Measures

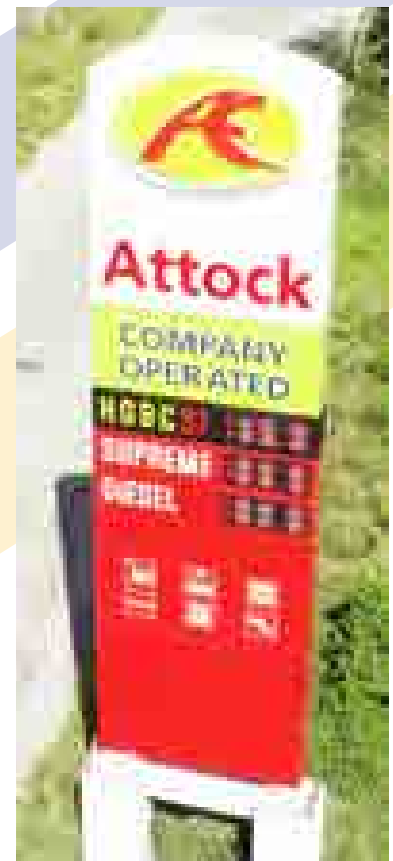
APL is pledged to offer priority to the protection of environment in the conduct of its business. Our Environmental Management System (EMS) is aimed to provide safest and healthiest possible working conditions to its employees and to the people working in outside environment.

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

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

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

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



## Environment, Health & Safety Policy

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

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

## Energy Saving Measures

Lighting system is a substantial energy consumer and rapidly growing source of energy demand in industries, which is also a major component of the



service costs. However, Enormous energy savings are possible using energy efficient equipment and effective controls. Using less energy consuming lighting system reduces heat gain. Electric lighting also strongly affects visual performance and visual comfort by aiming to maintain adequate and appropriate illumination.

Following the ritual of sustainable growth & corporate social responsibility, APL is continuously working on energy conservation to optimize energy consumption across the country. The Company took initiative for energy saving by replacing all existing conventional lighting system with energy efficient LED lights and has completed the replacement at all its Oil terminals RBT, MBT & KBT enabling significant reduction in energy consumption. During the year all conventional lights are replaced with LED lights at office blocks of Rawalpindi Bulk Oil Terminal. Only these energy efficient LED lights are now being installed at the Company's new oil terminal.

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

# EFFORTS MADE TO MITIGATE ADVERSE IMPACT OF INDUSTRIAL EFFLUENTS

## Waste Management Plan

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

- Apply the Waste Management Policy to its full extent to protect people, the environment and company assets.
- Achieve and maintain compliance with the National Environmental Quality Standards of Pakistan.
- Ensure that all wastes are managed appropriately and safely according to their characteristics, composition and the availability of recycling, appropriate storage and/ or disposal options.
- Appropriate standardized waste management documentation and reporting systems.
- Ongoing commitment for the minimization of waste, including the



optimum reuse and/ or recycling of materials, and establish goals & measures to target waste minimization.

- Promote and pursue 'continuous improvement' in management of wastes.

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

### **Effluent Monitoring**

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





# HSE AT APL

## Occupational Health & Safety

APL strives to achieve world-class performance and eliminate all possible injuries, occupational illnesses, unsafe practices and incidents of environmental harm caused by Company's Operational activities.

APL is committed to preventing serious injuries and fatalities, which requires operational discipline from assessing hazards to executing each step of the job to conducting a post-activity review. To accomplish this, we have developed our hazard identification tool along with our job hazard and safety analysis procedures. Written safe-work practices are a core part of our comprehensive safety program. These safe-work practices help ensure that potentially hazardous work, such as electrical work or entry into a confined space, is properly planned, permitted, executed and closed out to prevent workplace injuries and incidents. Our workforce truly believes

that incidents are preventable and that "zero incidents" is achievable. We have policies, processes, tools and behavioral expectations in place to assist us in achieving that goal. We take steps to extend these safety principles to our contractors by reinforcing our expectations and monitoring compliance with requirements throughout the life cycle of our projects. This includes engaging with our contractors to improve oversight of their activities.

### HSE Manual

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



Accordingly, the Corporation's endeavor is to:

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

## HSE Trainings

### Accomplishments

APL's HSE department has successfully delivered multiple safety trainings to their employees in FY 2019-20 which include:

- Functions of the safety and health program
- Firefighting
- Emergency Evacuation/ Rescue
- CPR (Basic Life Support) & First Aid Training
- Electrical Safety Awareness Training
- Lock Out/Tag Out Training
- Safe Manual Handling of Material Training
- Safety at Workplace Training
- Attendants stationed outside the confined space training
- Oil Spill Prevention & Management
- Training to wear required personal protective equipment

### Commitments

APL's HSE department commitments towards continuing the delivery of trainings to their employees after the FY 2019-20 include:

- Firefighting
- Emergency Evacuation & First Aid
- Critical Tasks Analysis
- Hazardous Materials Safety (HAZMAT) Training
- Safe Use of Power Tools Awareness Training





- Oil Spill Prevention & Management
- Defensive Driving
- Fall Protection and Working at Heights
- Safety at Workplace Training
- Confined Space Entry Training
- Hazard recognition and controls, techniques for identifying hazards, such as job hazard analysis
- Provide additional training, as necessary, when a change in facilities, equipment, processes, materials or work organization can increase hazards, and whenever a worker is assigned a new task

### Achievements

In FY 2019-20 major milestones that have been achieved by Attock Petroleum Limited are unprecedented in the Oil Marketing industry. It was only possible because of the Top Management commitment and efforts made by the best safety practices and the whole project team.

- Construction and commissioning of Sahiwal Bulk-Oil Terminal and Daulatpur Bulk-Oil Terminal. Sahiwal Project was

started on August 30, 2017 and Daulatpur Project was started on March 26, 2018. Projects went onto their completion without any lost-time accident throughout their Construction Phases. Both Projects have now been commissioned successfully adding 425,520 & 411,480 consecutive safe man-hours to our company's overall statistics.

- Implementation of ISO 9001:2015 standard at APL Shikarpur Bulk-Oil Terminal and APL Mehmood Kot Bulk-Oil Terminal is another major milestone achieved by APL in FY 2019-20. This is a step towards systems development and ensuring "Quality" during all its operations. Compliance with all relevant industry standards and executing all its operations in a safe and environment friendly manner is a core value here at APL.
- In FY 2019-20 another major milestones that has achieved by Attock Petroleum Limited is security, safety and operations takeover of the Fuel Farm at Islamabad International Air Port (IIAP).

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

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

Systems development and Quality assurance during Company's all operations is evident by the renewal of ISO 9001:2015 (Quality Management System) Certification for another two year's term after expiry of previous certification in March 2020.

The Company is also committed towards Implementation of ISO 14001:2015 & OHSAS 45001:2018 standards 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 2018 was awarded Merit Certificate in Fuel & Energy Sector of the Best Corporate Report Awards jointly organized by ICAP & ICMAP.
- The Company was selected amongst the "Top Twenty Five Companies" by Pakistan Stock Exchange for the year 2018 in recognition of Company's policy and practice of transparency, disclosure of required information and compliance with financial reporting standards.



# CORPORATE SOCIAL RESPONSIBILITY

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

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

## Community Welfare

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

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

## Rural Development

The Company comprehend the significance of rural development and supported NGOs such as the Attock Sahara Foundation, which is playing a vital role in uplifting the economic conditions of the surrounding communities through various welfare activities. The Company has developed many retail outlets (fuel stations) in the rural and far-flung areas, creating the livelihood opportunities for local inhabitants resulting in improvement of quality of life.





### **Kashmir Hour**

Being a socially responsible OMC, APL expressed solidarity with oppressed people of Indian Occupied Kashmir multiple times by observing 'Kashmir Hour' with passion & spirit in line with the government's decision to observe 'Kashmir Hour' and still support this humanitarian rights cause.

### **Internship Program**

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

These internships not only provide them the exposure of a corporate environment, but also a platform to apply their



academic skills in order to jump-start their professional careers. Students are provided with an opportunity to experience and preview the practical environment, building their professional confidence through these internship programs.

### **Educational Scholarship**

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

APL through its trust continued the scholarships awarded to the students in Under/Post Graduate Category.

### **Green Clean Drive**

As part of Company's commitment towards green & clean environment, APL extended support for Tree Plantation in collaboration with Metropolitan Corporation Islamabad (MCI) at Constitution Avenue Islamabad.



## Sports Promotion

Endeavouring its commitment towards promotion and development of sports, APL has participated in OIL & GAS CRICKET CHAMPIONSHIP 2019-20 being the foremost recreational activity arranged throughout the year in the Oil and Gas Sector and succeeded in securing 3rd Position in the tournament.

The tournament was held at various scenic grounds of Islamabad and observed participation of all the leading companies of the sector.

## International Women Day Celebration

APL believes in sharing happiness within community. International Women Day is marked and celebrated at all the COCO sites of the Company to acknowledge the Women's contribution towards the Society.



# HUMAN RESOURCE MANAGEMENT

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

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

employee selection, evaluation & hiring.

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

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



## Succession Planning

The Company has a comprehensive succession planning 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.

### **Code of Conduct**

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

### **Human Resource Management System**

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



such as employee records management, attendance and payroll.

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

The Annual Appraisals of staff is fully implemented online, focus is discussing the annual assessments with the employees and in case of some grievance on part of any

employee, case to be referred to Appraisal Committee for review.

### **Training and Organizational Development**

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



requirements.

During 2019-20 approximately 2 external and 4 in-house training workshops are conducted on following areas:

1. Training for Forecourt Staff deputed at APL's COCO Sites on Customer Centricity, Communication Skills, Personal Grooming, Health & Safety along with 7 Do's as per the practice of industry
2. Health, Safety and Environment HSE Conference
3. LNG Conference of Pakistan
4. Retail exposure of Management trainees through Visits to COCO sites and direct customer interaction
5. Microsoft Word
6. Basic and Advanced Excel Techniques

Total of 46 staff members attended and got benefited from these trainings.

### **Employee Benefits**

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





### Health Care

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

During the year 2019-20 Company has revised its medical policy to facilitate its staff deputed at remote locations.

### Recreational Activities

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

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

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



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

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

## Financial Measures

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

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

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

## Non-financial Measures

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

- Human resource development, training and Succession planning

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



# RISK & OPPORTUNITY REPORT

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

## Risks

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



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

## Opportunities

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

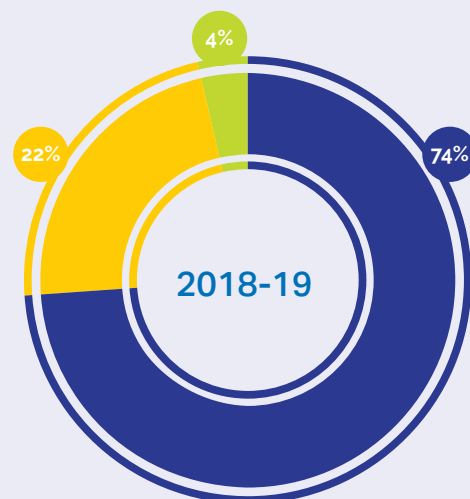
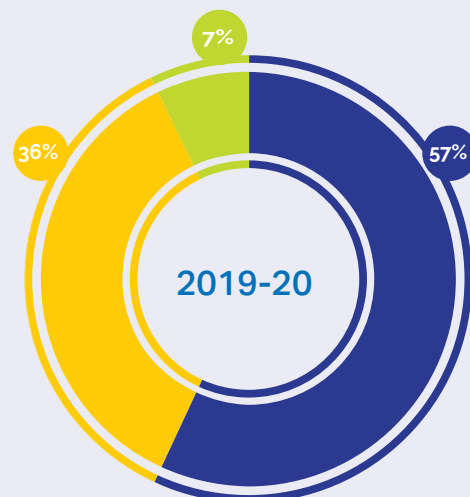
Development of China Pakistan Economic Corridor (CPEC) presents enormous opportunities to businesses across Pakistan. APL has started to actively participate in the project and contracts have been obtained for supply of petroleum products. With increasing focus on CPEC in the near future, Company shall make efforts to generate maximal benefits from the available prospects.

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

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

## SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

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



▶ White Oil & Lubricants    ▶ Black Oil    ▶ Gross Profit from Other Products

# REPORT OF THE AUDIT COMMITTEE

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

The Committee has concluded its annual review of the financial statements together with the conduct and operations of the Company during the year ended June 30, 2020 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, 2020, which fairly present the state of affairs, results of operations, cash flows and changes in equity of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for stakeholders' needs.

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

## Corporate Governance Compliances

- The Board has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company.
- All direct or indirect trading of Company's shares by the Directors and/or Executives or their spouses were notified in writing to the Company Secretary, the same were notified by the Company Secretary to the Board within stipulated time. All such trades have been disclosed in the pattern of shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim/final results, distribution to shareholders or any other business decision, which could materially affect the market share price of Company, along with maintenance of confidentiality of all business information.
- As required by the Code, the Committee also independently met with external and internal auditors during the year to get feedback on the overall control

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and governance framework within the Company.

- The Committee met in every quarter prior to approval of interim results of the Company by Board and after completion of external audit.

### **Approach to Risk management and Internal Control**

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

### **Role of Internal Audit function**

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

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

- The Committee evaluates the scope and extent of internal audit, audit plan, reporting framework and procedures. The Committee reviewed and discussed material internal audit findings, management responses and ensures appropriate action is taken and reported material items to the Board.

### **Whistle blowing arrangements Review**

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

### **Assessing effectiveness of External Audit process**

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

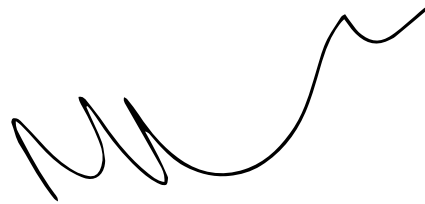
- 
- The Audit Committee reviewed performance, audit fee and independence of the external auditors, M/s. A. F. Ferguson & Co. Chartered Accountants and has recommended to the Board, their re-appointment for the year ending June 30, 2021.
  - Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.
  - The Committee has reviewed Internal Control Memorandum issued by external auditors as required under the listing regulations and discussed with the external auditors and management and reported material items to the Board.

### Views on Annual report

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

### The Audit Committee

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



### Mohammad Raziuddin

Chairman – Audit Committee

Rawalpindi  
August 24, 2020

# 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 207 to the mark of Rs 398. Strong performance resulted in higher dividend payouts over the years, which in turn has gradually increased the share price of the Company. The spread between the prices is due to fluctuations in stock market index which remained under pressure due to various uncontrollable factors. We continuously build confidence of our investors, providing them optimal returns on their investment promoting the long term retention of the shares.

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

## Sales Volume

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

## Sales Margin

As stated above, the profitability is positively

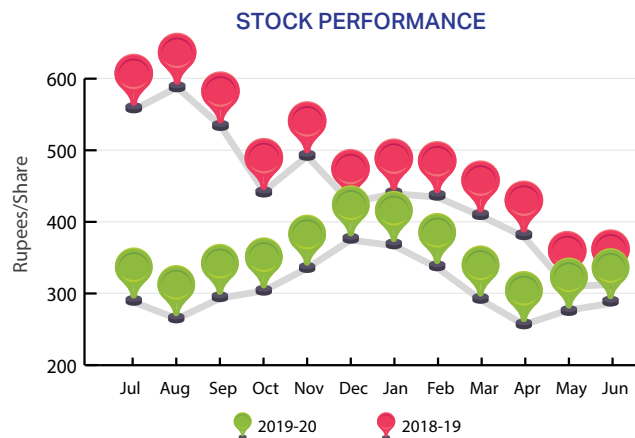
correlated to fixed sales margin on petroleum products. Any change in margins by the Government of Pakistan (GoP) for the regulated products shall directly affect the profitability and the same shall be reflected on the share price of the Company.

## Exchange Losses

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

## Inventory Gains / Losses

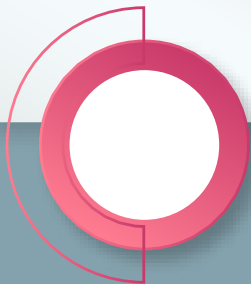
High volatility in international oil prices also severely affects the profitability of the Company. Downward trend leads to inventory losses while an increasing trend positively impacts the profitability and hence affects the share price accordingly.



# HISTORY OF MAJOR EVENTS DURING THE YEAR

**August 2019**

Pipeline Connectivity of Shikarpur Bulk Oil Terminal with PAPCO Terminal was completed.



Successfully commissioned Bulk Oil Terminal at Daulatpur having a total storage capacity of 13,887 M.Tons.

**January 2020**

**March 2020**

Successfully commissioned Bulk Oil Terminal at Sahiwal having a total storage capacity of 16,127 M.Tons.



Pipeline Connectivity of Mehmood Kot Bulk Oil Terminal with PAPCO Terminal was completed.

**April 2020**

**May 2020**

Successfully commissioned its flagship retail outlets (02) at Hakla Service Area on Islamabad-Peshawar Motorway (M-1).

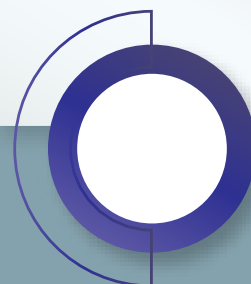


Expansion of storage capacity at Machike Bulk Oil Terminal was completed further enhancing the storage capability of the Company.

**June 2020**

**June 2020**

Award of Contract for the year 2020-21 for supply of HOBC, JP-1 and SKO to armed forces at various locations across the Country.



The Company successfully commissioned its 700th retail outlet achieving a major milestone in expanding its retail network.

**June 2020**

# INFORMATION TECHNOLOGY GOVERNANCE

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

## Information Systems Strategic Planning

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

## Business Alignment with Information Technology

APL is endeavoring to transform its strategic vision into automated systems that encapsulate the APL Business Cycle in to a web based environment to process and

track every key transaction in a real time environment.

## Business Process Streamlining

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

## IT for Internal Controls

Automated controls are being incorporated at each step of the APL Supply Chain to check and validate information being entered to reduce the possibility of human error. System generated audit and consistency mechanism are being planned to ensure system integrity.

## Real Time Reporting for Decision Making

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

## Business Intelligence for Planning and Forecasting

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

## Value Addition and Return on Investment

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



## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of Attock Petroleum Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Attock Petroleum Limited (the Company) for the year ended June 30, 2020 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, 2020.



Chartered Accountants  
Islamabad  
September 10, 2020

Engagement Partner: Muhammad Imtiaz Aslam

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
FIA Building, 3rd Floor, 49 Blue Area, Faisal-ul-Haq Road, P.O. Box 5021, Islamabad-44000, Pakistan  
Tel: +92 (51) 2273457-60/260-4334-37; Fax: +92 (51) 2277924, 2204-473; < [www.pwc.com/pk](http://www.pwc.com/pk) >*

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Attock Petroleum Limited  
Year ended: June 30, 2020

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

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

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

2. The composition of Board is as follows:

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

\*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

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

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed vision and mission statements, 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 Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations.
9. Out of the seven directors, four of the directors meet the exemption criteria of the directors' training program and three directors have obtained the directors' training program certification in prior years.

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

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. Audit Committee meetings were held once every quarter and Human Resource and Remuneration Committee meeting was held once during the year.
15. The Board has set up an effective internal audit function 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 have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Committee	Reg No	Explanation
<p><b>Nomination Committee:</b> The board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances</p>	29 (1)	<p>The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Regulations. 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><b>Risk Management Committee:</b> The board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board</p>	30 (1)	<p>The Board itself and through its Audit Committee annually reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained to safeguard assets. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.</p>



Laith G. Pharaon  
Chairman



Shuaib A. Malik  
Chief Executive

Rawalpindi.  
August 26, 2020

# FINANCIAL ANALYSIS



# DUPONT ANALYSIS

Return on equity decreased by 75% to 5.40% against 21.21% of year 2018-19 on account of decrease in net profit margin by 72% as a result of decrease in EBIT margin by 71%. EBIT margin decreased due to decrease in gross profit on account of fluctuating oil

prices leading to substantial inventory losses together with decrease in sales volume. Interest and tax burden remained almost at 2018-19 level. Assets turnover decreased due to decrease in sales revenue. Financial Leverage increased due to increase in assets.



# KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS FROM 2014-15 TO 2019-20

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Profit and Loss Summary</b>							
Sales volumes	Metric Tons	1,907,342	2,147,038	2,488,810	2,360,529	2,034,818	2,368,990
Net sales	Rs thousand	201,078,720	223,054,352	177,216,737	138,660,665	109,234,361	171,729,782
Gross profit	Rs thousand	3,637,890	8,221,167	9,743,294	7,335,321	5,749,061	4,926,509
Operating profit	Rs thousand	1,083,793	5,708,378	8,085,325	6,367,177	4,984,849	3,885,822
Profit before tax	Rs thousand	1,503,086	5,722,857	8,289,312	7,699,168	5,633,450	4,537,855
Profit after tax	Rs thousand	1,008,294	3,960,606	5,656,349	5,299,168	3,828,585	3,286,384
Profit before interest, tax, depreciation, and amortization (EBITDA)	Rs thousand	2,677,291	6,314,452	8,711,258	8,046,868	5,951,622	4,828,902

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Balance Sheet Summary</b>							
Share capital	Rs thousand	995,328	995,328	829,440	829,440	829,440	829,440
Reserves	Rs thousand	17,450,693	17,931,407	17,588,222	15,465,051	13,487,726	12,730,365
Shareholders' equity	Rs thousand	18,446,021	18,926,735	18,417,662	16,294,491	14,317,166	13,559,805
Non- current liabilities							
Long term lease liabilities	Rs thousand	3,978,932	-	-	-	-	-
Others	Rs thousand	904,651	792,993	911,540	733,581	626,159	604,814
	Rs thousand	4,883,583	792,993	911,540	733,581	626,159	604,814
Current assets							
Stock in trade	Rs thousand	9,464,503	12,865,862	12,460,539	7,234,415	4,836,653	5,572,867
Trade debts	Rs thousand	13,970,178	16,838,255	16,475,576	10,801,077	6,046,556	8,214,189
Cash, bank balances & Short term investments	Rs thousand	8,279,393	3,810,956	5,839,645	11,843,739	11,030,176	10,303,318
Others	Rs thousand	3,940,619	3,587,872	3,372,804	2,620,715	4,088,455	2,033,203
	Rs thousand	35,654,693	37,102,945	38,148,564	32,499,946	26,001,840	26,123,577
Current liabilities							
Trade and other payables	Rs thousand	27,561,324	26,633,386	26,138,159	21,061,447	15,434,650	15,719,096
Others	Rs thousand	347,404	49,598	663,965	277,433	147,330	27,939
	Rs thousand	27,908,728	26,682,984	26,802,124	21,338,880	15,581,980	15,747,035
Net current assets	Rs thousand	7,745,965	10,419,961	11,346,440	11,161,066	10,419,860	10,376,542
Property, plant and equipment	Rs thousand	13,839,661	8,348,942	6,417,787	4,339,301	3,011,665	2,444,164
Other non-current assets	Rs thousand	1,743,978	950,825	1,564,975	1,527,705	1,511,800	1,343,913
Capital expenditure during the year	Rs thousand	2,135,057	2,523,060	2,503,439	1,676,134	886,972	808,421
Total assets	Rs thousand	51,238,332	46,402,712	46,131,326	38,366,952	30,525,305	29,911,654
Total liabilities	Rs thousand	32,792,311	27,475,977	27,713,664	22,072,461	16,208,139	16,351,849

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Cash Flow Summary</b>							
Cash flows of operating activities	Rs thousand	7,414,512	2,998,293	(1,030,368)	4,848,276	3,700,253	4,735,369
Cash flows of investing activities	Rs thousand	(1,681,346)	(1,246,624)	(2,491,841)	1,046,533	3,660,211	(3,999,956)
Cash flows of financing activities	Rs thousand	(1,851,147)	(3,492,842)	(3,088,661)	(3,312,880)	(3,064,694)	(3,521,257)
Effect of exchange rate changes	Rs thousand	(1,684)	6,500	3,822	142	698	1,206
Net change in cash and cash equivalents	Rs thousand	3,880,335	(1,734,673)	(6,607,048)	2,582,071	4,296,468	(2,784,638)
Cash & cash equivalents at end of the year	Rs thousand	7,282,967	3,402,632	5,137,305	11,744,353	9,162,282	4,865,814
Free cash flows	Rs thousand	4,740,157	475,233	(3,533,807)	3,172,142	2,813,281	3,926,948

## PERFORMANCE INDICATORS (RATIO)

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Profitability and Operating Ratios</b>							
Gross profit	%	1.81	3.69	5.50	5.29	5.26	2.87
Net profit to sales	%	0.50	1.78	3.19	3.82	3.50	1.91
EBITDA margin to sales	%	1.33	2.83	4.92	5.80	5.45	2.81
Operating leverage	%	748.42	(119.70)	27.57	136.12	(66.34)	142.20
Return on equity	%	5.40	21.21	32.59	34.62	27.47	24.02
Return on capital employed	%	5.40	21.21	32.59	34.62	27.47	24.02

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Liquidity Ratios</b>							
Current	Times	1.28	1.39	1.42	1.52	1.67	1.66
Quick / Acid test ratio	Times	0.93	0.90	0.96	1.18	1.36	1.30
Cash to current liabilities	Times	0.26	0.13	0.19	0.55	0.59	0.31
Cash flows from operations to sales	Times	0.04	0.01	(0.01)	0.03	0.03	0.03

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Activity / Turn Over Ratios</b>							
Inventory turnover	Times	17.68	16.97	17.01	21.76	19.88	26.99
No. of days in inventory		21	22	21	17	18	14
Debtors turnover	Times	13.05	13.39	12.99	16.46	15.32	16.18
No. of days in receivables		28	27	28	22	24	23
Creditors turnover	Times	7.29	8.14	7.10	7.20	6.64	9.47
No. of days in payables		50	45	51	51	55	39
Total assets turnover	Times	4.12	4.82	4.19	4.03	3.61	5.37
Fixed assets turnover	Times	18.12	30.21	32.95	37.73	40.04	78.50
Operating cycle	Days	(1)	4	(2)	(12)	(13)	(2)
Number of retail outlets		702	662	629	604	563	516

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Investment / Market Ratios</b>							
Basic and diluted EPS	Rs	10.13	39.79	68.19	63.89	46.16	39.62
Basic and diluted EPS (restated)	Rs	10.13	39.79	56.83	53.24	38.47	33.02
Price earning	Times	30.13	7.25	8.65	9.81	9.48	14.32
Price to book	Times	1.65	1.52	2.66	3.19	2.53	3.47
Dividend yield	%	2.96	4.38	6.68	6.94	8.32	6.26
Dividend payout	%	88.84	50.26	58.66	66.52	86.66	87.07
Dividend cover	Times	1.13	1.99	1.70	1.50	1.15	1.15
Cash dividends	Rs thousand	895,795	1,990,656	3,317,760	3,525,120	3,317,760	2,861,568
Cash dividend per share	Rs	9.00	20.00	40.00	42.50	40.00	34.50
Bonus shares issued	Rs thousand	-	-	165,888	-	-	-
Bonus per share	%	-	-	20	-	-	-
Break-up value per share without surplus on revaluation of Property plant and equipment	Rs	185.33	190.16	222.05	196.45	172.61	163.48
Break-up value per share with surplus on revaluation of Property plant and equipment including the effect of all investments	Rs	185.33	190.16	222.05	196.45	172.61	163.48
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	193.44	199.24	235.77	210.90	184.75	174.24
<b>Market value per share</b>							
Year end	Rs	305	289	590	626	438	567
Highest (during the year)	Rs	398	633	706	765	596	610
Lowest (during the year)	Rs	207	255	486	430	398	494

		2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Capital Structure Ratios</b>							
Debt to equity	%	0.65 : 99.35	0:100	0:100	0:100	0:100	0:100
Financial leverage	Times	0.01	-	-	-	-	-
Weighted average cost of debt	%	0.93	-	-	-	-	-
Interest cover	Times	1,989	-	-	-	-	-
<b>Market Share</b> (Source: OCAC)	%	10.90	10.80	9.70	9.00	8.50	10.40

# VERTICAL ANALYSIS

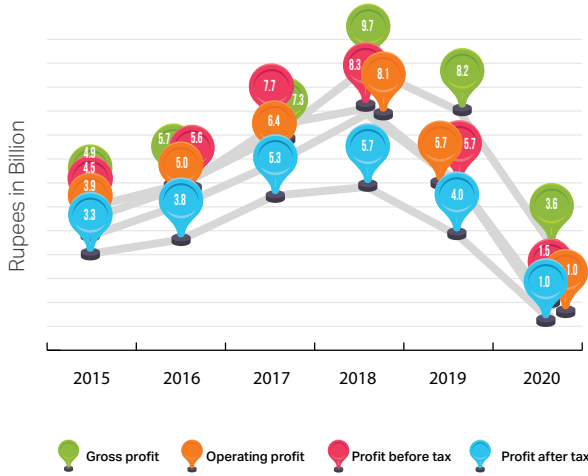
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
	%	%	%	%	%	%
<b>Balance Sheet Items</b>						
Property, Plant and Equipment	13,839,661	8,348,942	6,417,787	4,339,301	3,011,665	2,444,164
	27.0	18.0	13.9	11.3	9.9	8.2
Other Non-Current Assets	1,743,978	950,825	1,564,975	1,527,705	1,511,800	1,343,913
	3.4	2.0	3.4	4.0	5.0	4.5
Current Assets	35,654,693	37,102,945	38,148,564	32,499,946	26,001,840	26,123,577
	69.6	80.0	82.7	84.7	85.1	87.3
<b>Total Assets</b>	<b>51,238,332</b>	<b>46,402,712</b>	<b>46,131,326</b>	<b>38,366,952</b>	<b>30,525,305</b>	<b>29,911,654</b>
	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' Equity	18,446,021	18,926,735	18,417,662	16,294,491	14,317,166	13,559,805
	36.0	40.8	39.9	42.5	46.9	45.3
Non-Current Liabilities	4,883,583	792,993	911,540	733,581	626,159	604,814
	9.5	1.7	2.0	1.9	2.1	2.0
Current Liabilities	27,908,728	26,682,984	26,802,124	21,338,880	15,581,980	15,747,035
	54.5	57.5	58.1	55.6	51.0	52.6
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>51,238,332</b>	<b>46,402,712</b>	<b>46,131,326</b>	<b>38,366,952</b>	<b>30,525,305</b>	<b>29,911,654</b>
	100.0	100.0	100.0	100.0	100.0	100.0
<b>Profit &amp; Loss Items</b>						
Net Sales	201,078,720	223,054,352	177,216,737	138,660,665	109,234,361	171,729,782
	100.0	100.0	100.0	100.0	100.0	100.0
Cost of Products Sold	197,440,830	214,833,185	167,473,443	131,325,344	103,485,300	166,803,273
	98.2	96.3	94.5	94.7	94.7	97.1
Gross Profit	3,637,890	8,221,167	9,743,294	7,335,321	5,749,061	4,926,509
	1.8	3.7	5.5	5.3	5.3	2.9
Operating Profit	1,083,793	5,708,378	8,085,325	6,367,177	4,984,849	3,885,822
	0.5	2.6	4.6	4.6	4.6	2.3
Profit before Taxation	1,503,086	5,722,857	8,289,312	7,699,168	5,633,450	4,537,855
	0.7	2.6	4.7	5.6	5.2	2.6
<b>Profit for the Year</b>	<b>1,008,294</b>	<b>3,960,606</b>	<b>5,656,349</b>	<b>5,299,168</b>	<b>3,828,585</b>	<b>3,286,384</b>
	0.5	1.8	3.2	3.8	3.5	1.9

# HORIZONTAL ANALYSIS

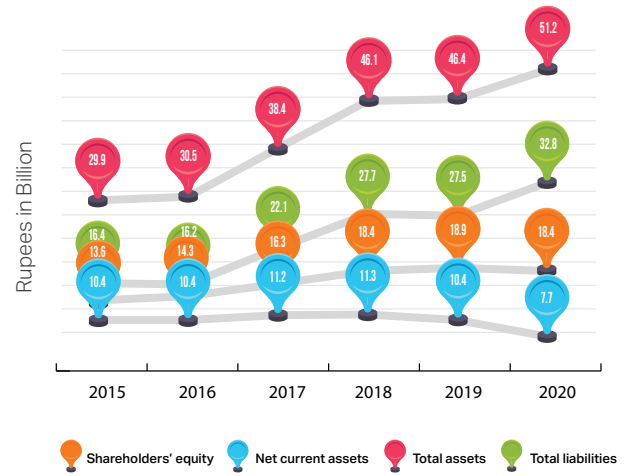
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)	Increase / (decrease) from last year (%)
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
<b>Balance Sheet Items</b>						
Property, Plant and Equipment	13,839,661	8,348,942	6,417,787	4,339,301	3,011,665	2,444,164
	65.8	30.1	47.9	44.1	23.2	26.6
Other Non-Current Assets	1,743,978	950,825	1,564,975	1,527,705	1,511,800	1,343,913
	83.4	(39.2)	2.4	1.1	12.5	48.3
Current Assets	35,654,693	37,102,945	38,148,564	32,499,946	26,001,840	26,123,577
	(3.9)	(2.7)	17.4	25.0	(0.5)	(16.4)
<b>Total Assets</b>	<b>51,238,332</b>	<b>46,402,712</b>	<b>46,131,326</b>	<b>38,366,952</b>	<b>30,525,305</b>	<b>29,911,654</b>
	10.4	0.6	20.2	25.7	2.1	(12.2)
Shareholders' Equity	18,446,021	18,926,735	18,417,662	16,294,491	14,317,166	13,559,805
	(2.5)	2.8	13.0	13.8	5.6	(1.7)
Non-Current Liabilities	4,883,583	792,993	911,540	733,581	626,159	604,814
	51.8	(13.0)	24.3	17.2	3.5	4.0
Current Liabilities	27,908,728	26,682,984	26,802,124	21,338,880	15,581,980	15,747,035
	4.6	(0.4)	25.6	36.9	(1.0)	(20.1)
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>51,238,332</b>	<b>46,402,712</b>	<b>46,131,326</b>	<b>38,366,952</b>	<b>30,525,305</b>	<b>29,911,654</b>
	10.4	0.6	20.2	25.7	2.1	(12.2)
<b>Profit &amp; Loss Items</b>						
Net Sales	201,078,720	223,054,352	177,216,737	138,660,665	109,234,361	171,729,782
	(9.9)	25.9	27.8	26.9	(36.4)	(16.3)
Cost of Products Sold	197,440,830	214,833,185	167,473,443	131,325,344	103,485,300	166,803,273
	(8.1)	28.3	27.5	26.9	(38.0)	(16.3)
Gross Profit	3,637,890	8,221,167	9,743,294	7,335,321	5,749,061	4,926,509
	(55.7)	(15.6)	32.8	27.6	16.7	(17.1)
Operating Profit	1,083,793	5,708,378	8,085,325	6,367,177	4,984,849	3,885,822
	(81.0)	(29.4)	27.0	27.7	28.3	(27.8)
Profit Before Taxation	1,503,086	5,722,857	8,289,312	7,699,168	5,633,450	4,537,855
	(73.7)	(31.0)	7.7	36.7	24.1	(23.2)
<b>Profit for the Year</b>	<b>1,008,294</b>	<b>3,960,606</b>	<b>5,656,349</b>	<b>5,299,168</b>	<b>3,828,585</b>	<b>3,286,384</b>
	(74.5)	(30.0)	6.7	38.4	16.5	(24.0)

# GRAPHICAL PRESENTATION

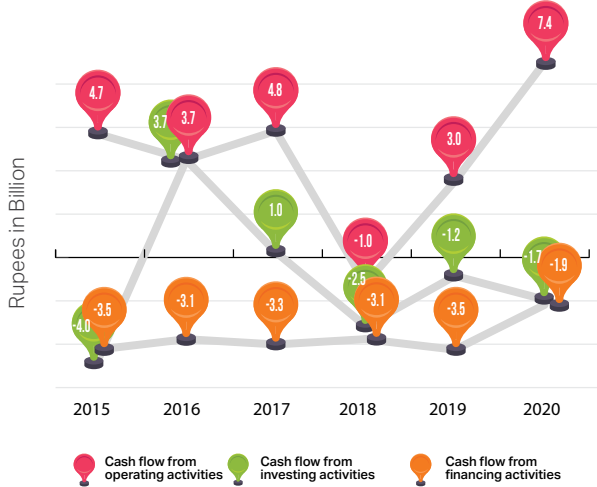
## Profit and Loss



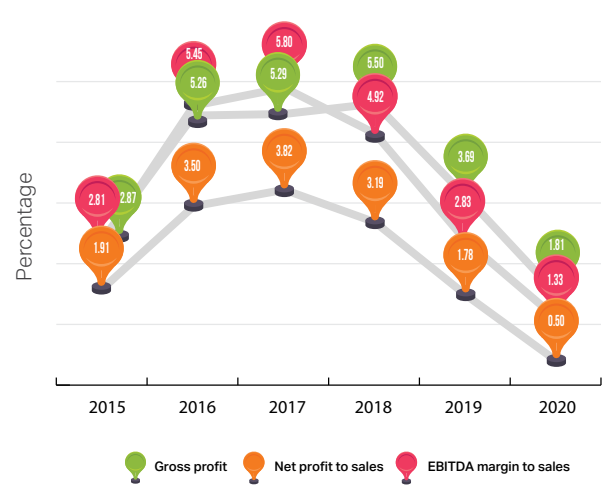
## Balance Sheet



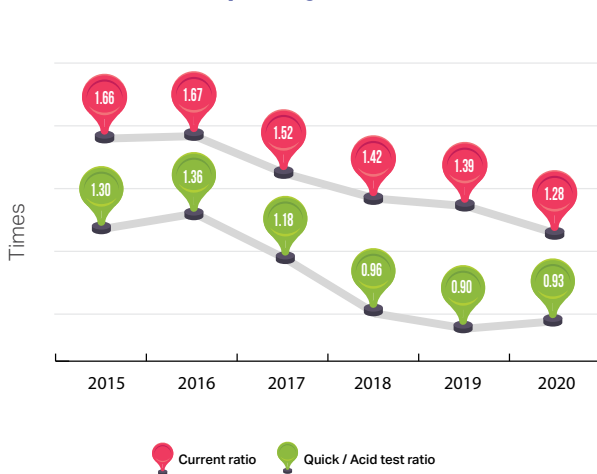
## Cash Flows



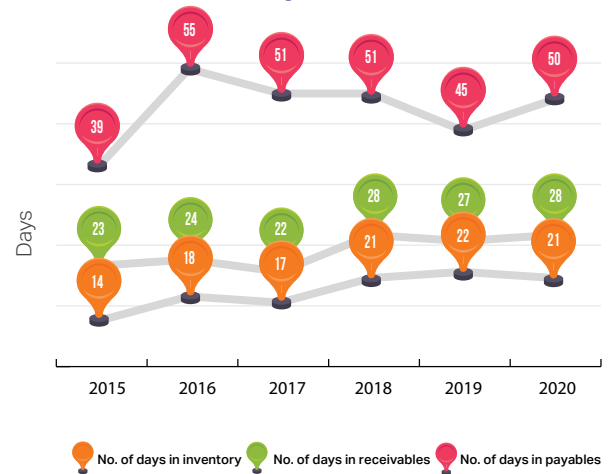
## Profitability Ratios



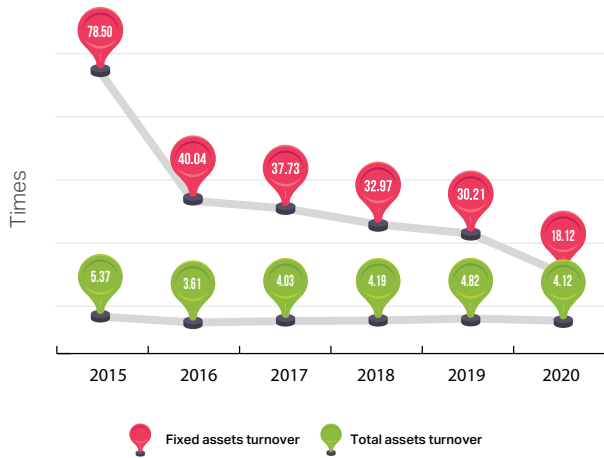
## Liquidity Ratios



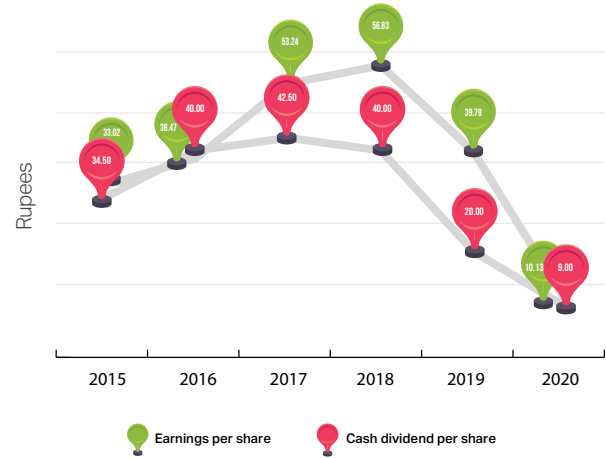
## Activity Ratios



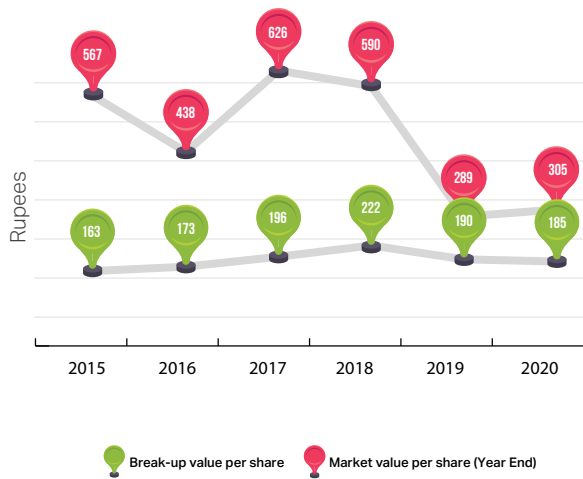
## Turnover Ratios



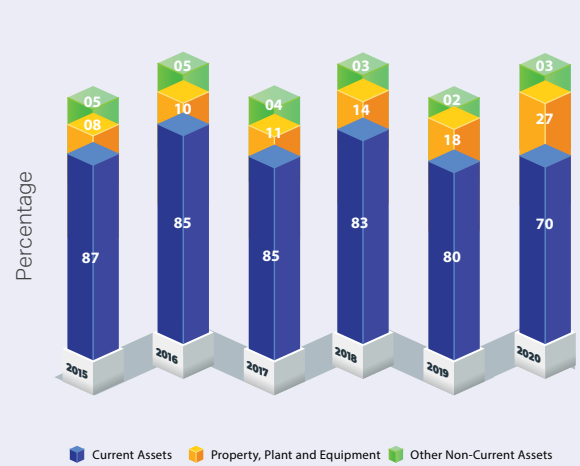
## Investment Ratios



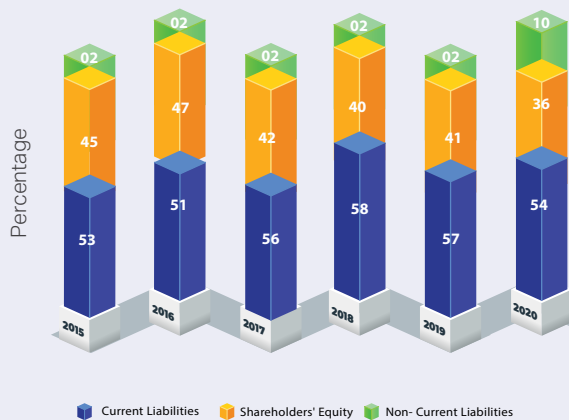
## Market Ratios



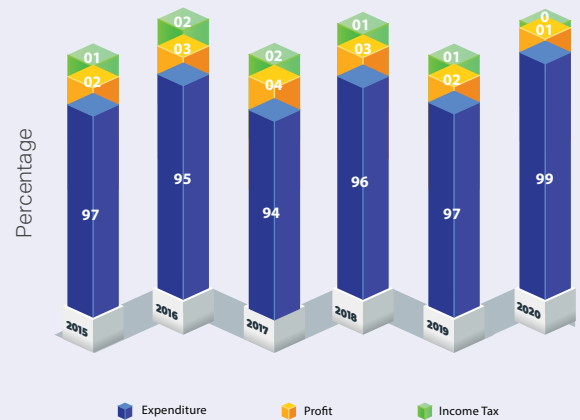
## Composition of Assets



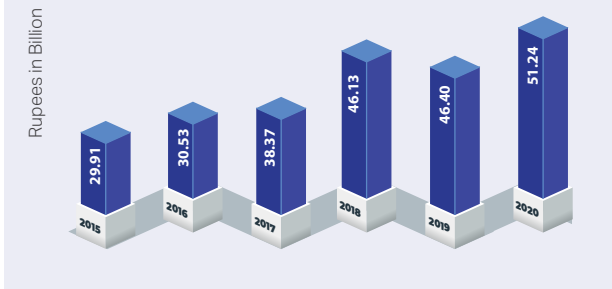
## Composition of Total Liabilities & Shareholders' Equity



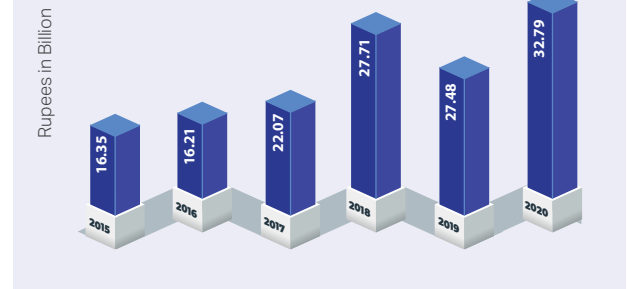
## Composition of Profit and loss



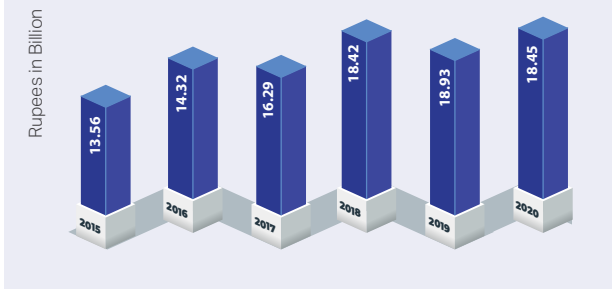
### Total Assets



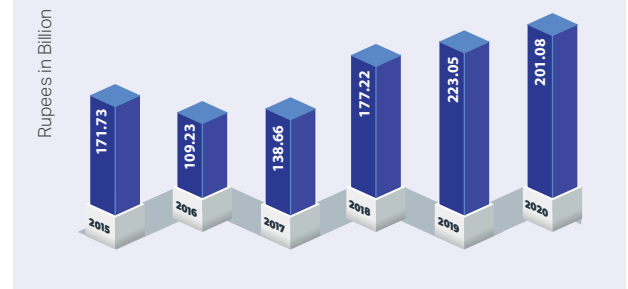
### Total Liabilities



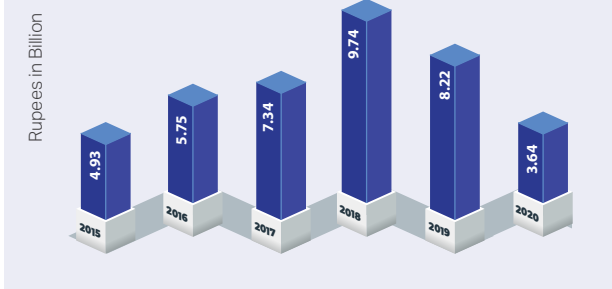
### Total Shareholders' Equity



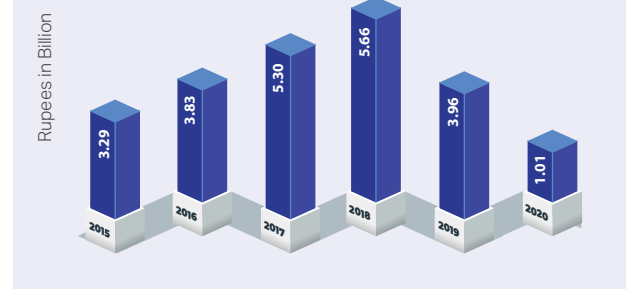
### Net Sales



### Gross Profit



### Net Profit



# COMMENTS ON FINANCIAL ANALYSIS

## Cash flow

**Cash flow from operating activities:** In the year 2019-20, cash flows increased by 147% as compared to last year due to decrease in stock in trade & trade debts. This resulted in an increase in cash and cash equivalents which were subsequently used to meet the requirements of increased stock in trade as payment was made to suppliers in respect of import of product. Over the last six years, cash flows remained positive, except for the year 2017-18, where they were negative due to increase in stock level as per requirement.

**Cash flow from investing activities:** In year 2019-20 there is an increase in short term investments and Company also invested substantial amount in property, plant and equipment that resulted negative cash flow from investing activities. In year 2015-16 and 2016-17, Cash flow from investing activities was positive due to encashment of short term investments.

**Cash flow from financing activities:** Financing activities mainly comprises of dividends payment which was at lowest level in year 2019-20 as compared to previous five years due to decrease in profits. Further, the Company has obtained term finance facility under SBP Salary Refinance Scheme to pay salaries and wages to employees.

## Ratios Analysis

**Profitability and operating ratios:** Profitability ratios decreased in year 2019-20. Gross profit decreased by 56% on account of price fluctuation, leading to substantial inventory losses together with decrease in volume by 11%. Net profit to sales and EBITDA margin to sales also decreased due to decrease in gross profit. Further, these ratios fluctuate over the years due to varying margins and product sale prices. Company sold highest volume resultantly earned highest profit in year 2017-18.

**Liquidity ratios:** There is slight variation in the liquidity ratios as compared to year 2018-19. Trade payables increased on account of import under letter of credit facility. Whereas, trade debts and stock in trade decreased due to lower demand of petroleum products along with reduction in their prices in the last quarter.

**Activity / Turn over ratios:** Stock levels, debtors, creditors and varying prices results in fluctuation of these ratios over the periods. As compared to last year; Inventory turnover and No. of days in inventory changed due to variation in stock level and cost of product sold. Debtors turnover ratio and No. of days in receivable changed due to fluctuation in trade debts and net sales. Creditors' turnover decreased by 10% due to reduction in purchase price over the period, whereas trade payable increased by 3%. Total assets turnover has decreased by 15% compared to last year whereas fixed assets turnover has decreased by 40% due to significant investment in construction of new storage terminals and recognition of right-of-use assets as required by newly implemented International Financial Reporting Standard (IFRS) -16 "Leases".

**Investment / Market ratios:** Earnings per share declined due to lower profits as compared to last year, whereas Price earnings ratio increased significantly from 7.25 times in 2018-19 to 30.13 times in 2019-20. Market value per share stood at Rs 305, up by around 6% compared to last year. In the year 2019-20, total cash dividend is Rs 9.00 per share translating into dividend payout ratio at 89%.

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

## Vertical analysis

**Balance sheet:** Substantial investment in storage terminals and recognition of right-of-use assets as required by newly implemented International Financial Reporting Standard (IFRS) -16 "Leases" in the year 2019-20 resulted in an increase in Weightage of Property, plant and equipment over last 05 years. Decrease in prices of petroleum products along with customers demand caused stock in trade and trade debts to fall, resulting in a considerable decline in Current Assets Weightage. In year 2019-20, Weightage of Shareholders Equity also reduced due to increase in long term liabilities in connection with recognition of right of use assets.

**Profit & loss:** Decline in sales volume and fluctuation in prices of products resulting inventory losses, are the factors which affected weightage of profit and loss components. Efficient stock management and import at competitive prices resulted in better weightage of profits in last years as compared to 2019-20.

## Horizontal Analysis

**Balance sheet:** Property, plant and equipment increased by Rs 11,396 Million over the last 05 years period due to investment in storage terminal and facilities, procurement of other Capital nature items and recognition of right-of-use assets as required by newly implemented IFRS 16.

Current assets comprise of stores and spares, stock in trade, trade debts, other receivables, short term investments and cash & bank balances. Variation in current assets' balances during the five years since 2014-15 was mainly due to fluctuations in trade debts due to circular debts issue, stock balances as per operational requirements and cash and bank balances consumed for capital expenditure. Non current liabilities increased in the year 2019-20 due to increase in long term liabilities in connection with recognition of right of use assets.

**Profit & loss:** Overall sales volume declined in 2019-20. However, over the years, fluctuation in prices of products which depends on international prices, resulted in varying sales and profits during the years. Decrease in sales volume and inventory losses resulted in unfavorable performance in the year 2019-20.

## METHODS/ASSUMPTIONS USED TO COMPILE THE INDICATORS

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

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

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

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

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

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

## RATIONAL FOR MAJOR CAPITAL EXPENDITURES

Major capital expenditure has been incurred for establishing bulk oil storage terminals and construction of retail outlets, rational for the same has been discussed in detail in Directors' report for the year ended June 30, 2020.

# STATEMENT OF ECONOMIC VALUE ADDED

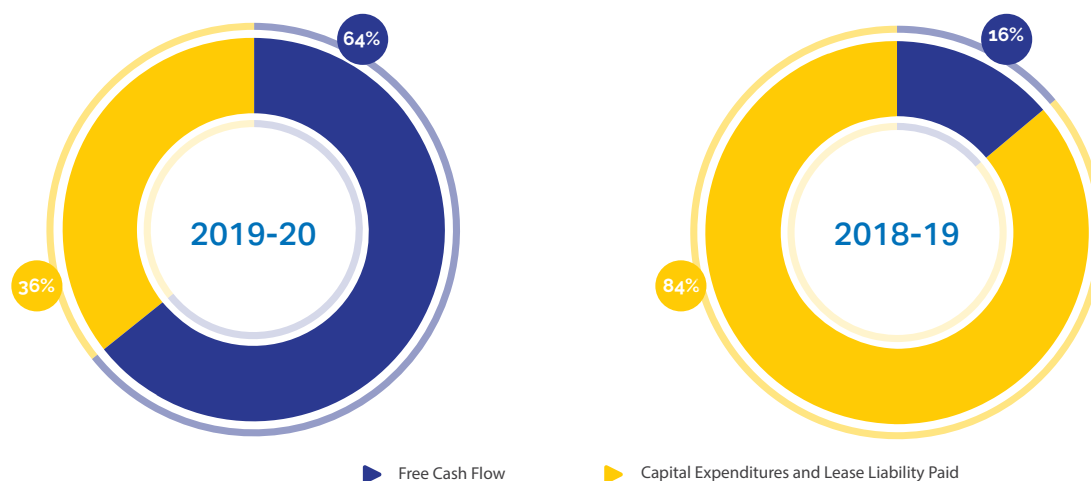
Description	2019-20	2018-19
	Rs ('000)	Rs ('000)
Net Profit After Tax	1,008,294	3,960,606
Cost of Equity Finance	(2,920,395)	(3,414,635)
Economic Value Added	(1,912,101)	545,971
Economic Value Added Per share (Rupees)	(19.21)	5.49

In the year 2019-20, Net Profit decreased by 75% as compared to 2018-19 due to substantial inventory losses on account of fluctuating international oil prices along with decrease in sales volume.

# STATEMENT OF FREE CASH FLOW

Description	2019-20	2018-19
	Rs ('000)	Rs ('000)
Cash Flow From Operating Activities	7,414,512	2,998,293
Less : Capital Expenditures and Lease Liability Paid	(2,674,355)	(2,523,060)
Free Cash Flow	4,740,157	475,233

## Composition of Cash Flow From Operation



In the year 2019-20, Free cash flow increased as compared to last year due to decrease in stock in trade and trade debts resultantly increase in cash and cash equivalents, which was used subsequently to meet the commitments as payment to suppliers was made in respect of import of products.

# ANALYSIS OF PERFORMANCE AGAINST TARGETS

- Targets for year 2019-20 were revised keeping in view the unprecedented situation confronted by the world since the outbreak of COVID-19 pandemic in the second half of FY 2019-20 resultantly global economic shutdown and crash of international oil prices.
- Gross profit increased by 13% as compared to revised target due to increase in sales volume led by demand from power and construction sector and improvement in overall demand due to early than expected opening of some sectors of economy and COVID-19 lockdown.
- Other income increased by 5% as compared to revised target due to the impact of liability written back and increase in late payment charges on account of increase in receivable owing to circular debt of power sector.
- Operating cost increased by 8% due to increase in lease finance charges and late payment charges on account of increase in payable owing to circular debt of power sector.
- Net profit increased by 8% due to the reasons mentioned above.

## STATEMENT OF CHARITY ACCOUNT

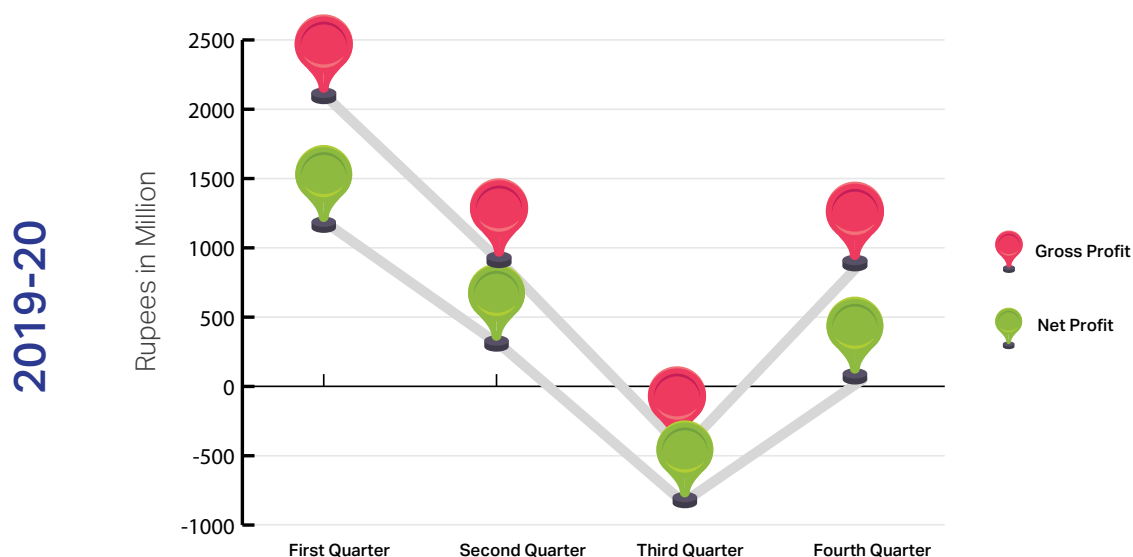
Particulars	2019-20 Rs ('000)
Education and Scholarship	4,444
Health care and Environment	2,136
Sports Development	529
Community Welfare	6,392
<b>Total *</b>	<b>13,501</b>

\* Includes through Company's trust

# ANALYSIS OF VARIATION

in results of interim reports with the final accounts

	Total	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)	Rs ('000)
<b>Profit &amp; Loss Items</b>					
Net Sales	201,078,720	34,761,105	50,061,883	57,047,650	59,208,082
Gross Profit	3,637,890	955,136	(344,550)	926,951	2,100,353
Profit Before Taxation	1,503,086	253,820	(1,019,978)	514,688	1,754,556
Provision for Taxation	(494,792)	(115,975)	309,733	(159,208)	(529,342)
Net Profit	1,008,294	137,845	(710,245)	355,480	1,225,214
Earnings Per share (Rupees)	10.13	1.38	(7.14)	3.57	12.31

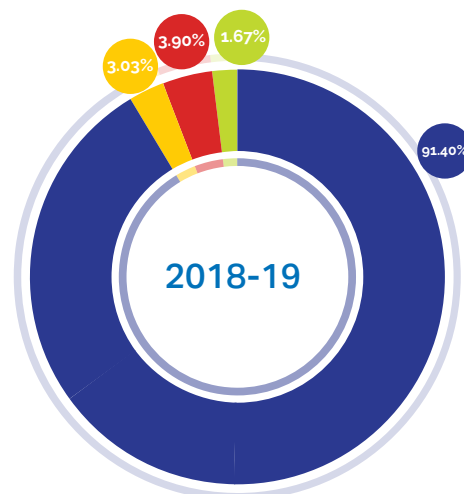
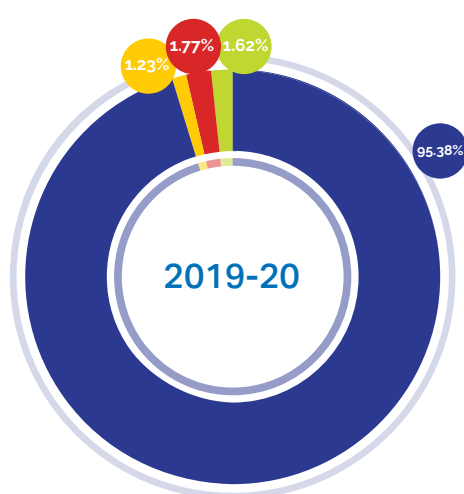


Net sales revenue was highest in first quarter as volumes sold and prices of petroleum products were highest in first quarter. This resulted in highest gross profit and net profit for the quarter.

Net sales revenue was lowest in fourth quarter as volume sold and prices of petroleum products were lowest in fourth quarter due to low demand of petroleum products on account of lockdown in the country due to COVID-19 pandemic.

# STATEMENT OF VALUE ADDED

	2019-20		2018-19	
	Rs in thousand	%	Rs in thousand	%
Gross revenue and other income	239,835,040		260,307,143	
Cost of sales and operating expenses	(167,203,065)		(194,627,032)	
<b>Total value added</b>	<b>72,631,975</b>		<b>65,680,111</b>	
<b>DISTRIBUTION</b>				
Employee remuneration:	1,174,996	1.62	1,093,848	1.67
Government as:				
Company taxation	494,792	0.68	1,762,251	2.68
Sales tax, duties and levies	68,661,766	94.53	57,958,477	88.24
WPPF and WWF	117,922	0.16	313,334	0.48
Shareholders as:				
Dividends	895,795	1.23	1,990,656	3.03
Bonus share	-	-	-	-
Society as:				
Donation	-	-	-	-
Providers of finance as:				
Financial Charges	756	0.00	-	-
Retained in business:				
Depreciation	1,173,449	1.62	591,595	0.90
Net earnings	112,499	0.15	1,969,950	3.00
	<b>72,631,975</b>	<b>100.00</b>	<b>65,680,111</b>	<b>100.00</b>



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

# FINANCIAL STATEMENTS



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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATTOCK PETROLEUM LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Attock Petroleum Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

## Key Audit Matters

### 1. First time adoption of IFRS 16 "Leases"

(Refer note 3.1 to the financial statements)

IFRS 16 "Leases" became applicable to the Company for the first time for the preparation of these financial statements. IFRS 16 "Leases" replaced IAS 17 "Leases", the former lease accounting standard. Accordingly the Company has adopted the standard with effect from July 1, 2019.

Under IFRS 16, assets leased by the Company are recognised on the statement of financial position of the Company with corresponding liabilities. Accordingly, the Company has recorded right of use assets of Rs. 2,800 million and corresponding lease liabilities of Rs. 1,562 million as at July 1, 2019 under the allowed modified retrospective approach for the transition accounting.

The application of the new standard requires management to identify and process all relevant data associated with the lease contracts entered into by the Company. The measurement of the right-of-use assets and lease liabilities is based on assumptions such as discount rates and the lease terms, including termination, renewal options and modifications.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

### How matter was addressed in our audit report

Our audit procedures in relation to adoption of IFRS 16 "Leases", amongst others, included the following:

- Understood the management's process for identification of agreements which contain leasing arrangement;
- Reviewed the updated accounting policy and policy elections made in accordance with IFRS 16;
- Performed independent testing on a sample basis of the accuracy of the lease contracts and completeness of the identified lease contracts;
- Reviewed the appropriateness of assumptions used by the management to determine the discount rates, lease terms and renewal options;
- Recalculated the right-of-use assets and lease liabilities calculated by the management on sample basis; and
- Assessed the adequacy of the Company's disclosures of the impact of the new standard in the financial statements.

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## 2. Investment in associated companies

(Refer note 16 to the financial statements)

The Company has investment in its associated companies National Refinery Limited (NRL) and Attock Refinery Limited (ARL). As at June 30, 2020, the carrying amount of investment in above referred associated companies amounted to Rs 774 million (net of recognized impairment loss of Rs 184 million) which carrying value is higher by Rs 529 million in relation to the quoted market value of such shares. The Company carries out impairment assessment of the value of Investment where there are indicators of impairment.

The Company has assessed the recoverable amount of the investment in associated companies based on the higher of the value-in-use ("VIU") and fair value. VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.

In view of significant management judgement involved in the estimation of VIU we consider this as a key audit matter.

## How matter was addressed in our audit report

Our procedures in relation to assessment of carrying value of investment in associated companies, amongst others, included:

- Assessed the appropriateness of management's accounting for investment in associated companies;
- Understood management's process for identifying the existence of impairment indicators in respect of investment in associated companies;
- Evaluated the independent external investment advisor's competence, capabilities and objectivity;
- Made inquiries of the independent external investment advisor and assessed the valuation methodology used;
- Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence;
- Assessed the reasonableness of cash flows projection, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information;
- Tested mathematical accuracy of cash flows projection;
- Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions; and
- Assessed adequacy of the Company's disclosures in the financial statements in this respect.

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## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

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auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imtiaz Aslam.



Chartered Accountants  
Islamabad

Date: September 10, 2020

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*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network*  
PLA Building, 3rd Floor, 49 Blue Area, Faf-ul-Haq Road, P.O. Box 3001, Islamabad-44000, Pakistan  
Tel: +92 (51) 2273457-60/2604034-37; Fax: +92 (51) 2277904, 2206473; < [www.pwc.com/pk](http://www.pwc.com/pk) >

■ KARACHI ■ LAHORE ■ ISLAMABAD

# STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2020

	Note	2020 Rupees ('000)	2019
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital	6	1,500,000	1,500,000
Issued, subscribed and paid up capital	6	995,328	995,328
Special reserves	7	219,855	219,785
Unappropriated profit		17,230,838	17,711,622
		18,446,021	18,926,735
<b>NON CURRENT LIABILITIES</b>			
Long term deposits	8	774,349	716,283
Long term lease liabilities	9	3,978,932	-
Long term loan	10	120,323	-
Deferred government grant	11	9,979	-
Deferred tax liability	12	-	76,710
		4,883,583	792,993
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	27,561,324	26,633,386
Current portion of long term lease liabilities	9	205,803	-
Current portion of long term loan	10	43,046	-
Current portion of deferred government grant	11	6,652	-
Unclaimed dividend		50,741	49,598
Provision for current income tax		41,162	-
		27,908,728	26,682,984
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14		
		51,238,332	46,402,712

	Note	2020 Rupees ('000)	2019
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	15	13,839,661	8,348,942
Long term investments in associated companies	16	807,973	903,965
Long term prepayments	17	-	46,860
Deferred tax asset	12	936,005	-
<b>CURRENT ASSETS</b>			
Stores and spares		164,877	92,287
Stock in trade	18	9,464,503	12,865,862
Trade debts	19	13,970,178	16,838,255
Income tax refundable		-	23,692
Advances, deposits, prepayments and other receivables	20	3,775,742	3,471,893
Short term investments	21	4,797,007	890,788
Cash and bank balances	22	3,482,386	2,920,168
		35,654,693	37,102,945
		51,238,332	46,402,712

The annexed notes 1 to 45 form an integral part of these financial statements.



Rehmat Ullah Bardaie  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		Rupees ('000)	
Sales	23	235,732,129	256,661,187
Sales tax and other government levies		(34,653,409)	(33,606,835)
<b>NET SALES</b>		201,078,720	223,054,352
Cost of products sold	24	(197,440,830)	(214,833,185)
<b>GROSS PROFIT</b>		3,637,890	8,221,167
Other income	25	898,534	1,148,305
Net impairment losses on financial assets		(373,948)	(70,798)
Operating expenses	26	(3,078,683)	(3,590,296)
<b>OPERATING PROFIT</b>		1,083,793	5,708,378
Finance income	27	2,231,703	1,399,290
Finance costs	27	(1,597,199)	(848,992)
Net finance income	27	634,504	550,298
Share of loss of associated companies	16	(97,289)	(222,485)
Other charges	28	(117,922)	(313,334)
<b>PROFIT BEFORE TAXATION</b>		1,503,086	5,722,857
Provision for income tax	29	(494,792)	(1,762,251)
<b>PROFIT FOR THE YEAR</b>		1,008,294	3,960,606
Earnings per share - Basic and diluted (Rupees)	30	10.13	39.79

The annexed notes 1 to 45 form an integral part of these financial statements.



Rehmat Ullah Bardaie  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees ('000)	2019
<b>PROFIT FOR THE YEAR</b>		1,008,294	3,960,606
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement gain on staff retirement benefit plan	32.4	3,784	1,004
Current tax relating to remeasurement gain on staff retirement benefit plan		(1,097)	(291)
		2,687	713
Share of other comprehensive income / (loss) of associated companies - net of tax	16	1,297	(3,210)
Other comprehensive income / (loss) for the year		3,984	(2,497)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,012,278	3,958,109

The annexed notes 1 to 45 form an integral part of these financial statements.



Rehmat Ullah Bardaie  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

	Share capital	Special reserves	Reserve for issue of bonus shares	Unappropriated profit	Fair value gain on investments at fair value through other comprehensive income	Total
Rupees ('000)						
<b>BALANCE AS AT JUNE 30, 2018</b>	829,440	249,542	-	17,338,188	492	18,417,662
Effect of changes in accounting policy due to adoption of IFRS 9	-	-	-	(379,616)	(492)	(380,108)
<b>ADJUSTED BALANCE AS AT JULY 1, 2018</b>	829,440	249,542	-	16,958,572	-	18,037,554
Total comprehensive income for the year:						
Profit for the year	-	-	-	3,960,606	-	3,960,606
Other comprehensive loss	-	-	-	(2,497)	-	(2,497)
	-	-	-	3,958,109	-	3,958,109
Transferred from special reserves by associated companies	-	(29,757)	-	29,757	-	-
Transfer from reserve for issue of bonus shares	-	-	165,888	(165,888)	-	-
<b>Transactions with owners:</b>						
Issue of bonus shares @ 20% relating to the year ended June 30, 2018	165,888	-	(165,888)	-	-	-
Final cash dividend @ 250% relating to the year ended June 30, 2018	-	-	-	(2,073,600)	-	(2,073,600)
Interim cash dividend @ 100% relating to year ended June 30, 2019	-	-	-	(995,328)	-	(995,328)
Total transactions with owners	165,888	-	(165,888)	(3,068,928)	-	(3,068,928)
<b>BALANCE AS AT JUNE 30, 2019</b>	995,328	219,785	-	17,711,622	-	18,926,735
Total comprehensive income for the year:						
Profit for the year	-	-	-	1,008,294	-	1,008,294
Other comprehensive income	-	-	-	3,984	-	3,984
	-	-	-	1,012,278	-	1,012,278
Transferred to special reserves by associated companies	-	70	-	(70)	-	-
<b>Transactions with owners:</b>						
Final cash dividend @ 100% relating to the year ended June 30, 2019	-	-	-	(995,328)	-	(995,328)
Interim cash dividend @ 50% relating to year ended June 30, 2020	-	-	-	(497,664)	-	(497,664)
Total transactions with owners	-	-	-	(1,492,992)	-	(1,492,992)
<b>BALANCE AS AT JUNE 30, 2020</b>	995,328	219,855	-	17,230,838	-	18,446,021

The annexed notes 1 to 45 form an integral part of these financial statements.



**Rehmat Ullah Bardaie**  
Chief Financial Officer



**Shuaib A. Malik**  
Chief Executive



**Abdus Sattar**  
Director

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees ('000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	205,765,377	223,537,535
Payments for purchase of products and operating expenses	(196,861,789)	(218,244,715)
Other charges paid	(88,334)	(339,475)
Long term deposits received	58,066	45,239
Income tax paid	(1,442,653)	(1,985,217)
Gratuity paid	(16,155)	(15,074)
<b>Cash flow from operating activities</b>	<b>7,414,512</b>	<b>2,998,293</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(2,135,057)	(2,523,060)
Proceeds from sale of property, plant and equipment	21,889	5,886
(Payments for) / Receipts from financial assets at amortised cost - net	(562,586)	678,166
Income received on bank deposits, short term and other long term investments	994,180	525,434
Dividend income received	228	66,950
<b>Cash flow from investing activities</b>	<b>(1,681,346)</b>	<b>(1,246,624)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Lease liabilities paid	(539,298)	-
Dividends paid	(1,491,849)	(3,492,842)
Long term loan	180,000	-
<b>Cash flow from financing activities</b>	<b>(1,851,147)</b>	<b>(3,492,842)</b>
Effect of exchange rate changes	(1,684)	6,500
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,880,335</b>	<b>(1,734,673)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>3,402,632</b>	<b>5,137,305</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>7,282,967</b>	<b>3,402,632</b>
<b>CASH AND CASH EQUIVALENTS</b>		
	<b>Note</b>	
Short-term investments	21	3,800,581
Cash and bank balances	22	3,482,386
		<b>7,282,967</b>
		<b>3,402,632</b>

The annexed notes 1 to 45 form an integral part of these financial statements.



Rehmat Ullah Bardaie  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

## 1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited (the Company) was incorporated in Pakistan as a public limited company on December 3, 1995 and it commenced its operations in 1998. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Attock House, Morgah, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is procurement, storage and marketing of petroleum and related products. Pharaon Investment Group Limited Holding s.a.l and Attock Refinery Limited hold 34.38% (2019: 34.38%) and 21.88% (2019: 21.88%) shares respectively of the Company. The details of the geographical locations and address of business units of the Company are presented in note 39.

## 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

### 3.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year

Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

The Company has voluntarily not availed this exemption and has continued to apply the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## Adoption of IFRS 16 "Leases"

IFRS 16 "Leases" replaced IAS 17 "Leases", the former lease accounting standard and became effective on annual reporting periods beginning on or after January 1, 2019. Accordingly the Company has adopted the standard from July 1, 2019. Under the new lease standard assets leased by the Company are being recognized on the statement of financial position of the Company with corresponding liabilities. As a rule, lease expenses are no longer recorded in the statement of profit or loss. Instead, new depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities.

In addition, leasing expenses are no longer presented as operating cash outflows in the statement of cash flows, but instead are included as part of the financing cash outflow. Interest expenses from the newly recognized lease liabilities are presented in the cash flow from operating activities. The Company has adopted the standard using the modified retrospective approach, which means that the cumulative impact of the adoption, if any, is to be recognised in the net assets as of July 1, 2019 and accordingly the comparatives are not restated. The Company has performed an assessment of IFRS 16 and the impact on its adoption is as follows:

The change in accounting policy affected the following items in the statement of financial position on July 1, 2019:

	As at June 30, 2019	IFRS 16 Adjustment	As at July 1, 2019
	Rupees ('000)		
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Leasehold land	1,052,735	(1,052,735)	-
Right of use assets	-	2,800,366	2,800,366
<b>CURRENT ASSETS</b>			
Long term prepayments	46,860	(44,745)	2,115
Advances, deposits, prepayments and other receivables	3,471,893	(199,401)	3,272,492
<b>NON CURRENT LIABILITIES</b>			
Lease liabilities	-	(1,521,317)	(1,521,317)
<b>CURRENT LIABILITIES</b>			
Lease liabilities	-	(40,913)	(40,913)
<b>Trade and other payables</b>			
Accrued expenses and other liabilities	(4,075,616)	58,745	(4,016,871)
	495,872	-	495,872

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

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The Company, as a lessee, recognises a right of use assets and a lease liabilities on the lease commencement date.

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Upon initial recognition the right of use assets are measured as the amount equal to initially measured lease liabilities adjusted for lease prepayments, initial direct cost, lease incentives and the discounted estimated asset retirement obligation. Subsequently, the right of use assets are measured at cost net of any accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter estimated useful lives of the right of use assets or the lease term.

9

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of July 1, 2019. The incremental borrowing rate used for discounting the future lease payments ranges from 8.15% to 13.97%. Subsequently the lease liabilities are measured at amortised cost using the effective interest rate method.

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Right-of-use assets and lease liabilities will be remeasured subsequently if one of the following events occurs:

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- Change in lease price due to indexation or rate which has become effective in reporting period;
- Modifications to the lease contract; or
- Reassessment of the lease term.

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Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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## Transition

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The Company adopted IFRS 16 from July 1, 2019 using the modified retrospective approach.

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The Company used the following practical expedients upon adoption of IFRS 16 on its effective date:

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- IFRS 16 is applied only to contracts that were previously assessed as leases in accordance with the previous leasing standard (IAS 17 Leases);
- Initial direct cost was excluded from the measurement of the right-of-use asset as at July 1, 2019; and
- A single discount rate is applied to all leases with reasonably similar characteristics as permitted.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## SIGNIFICANT JUDGEMENTS UPON ADOPTION OF IFRS 16

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or lease contracts which are cancellable by the Company on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that these cancellable future lease periods should be included within the lease term in determining the lease liabilities upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased assets and lease contracts.

### The Company's leasing activities and how these are accounted for

The Company has leased lands for setting up bulk oil terminals and company operated retail outlets. The lease period for these leases ranges from 33 to 55 years. Previously these were classified under property, plant and equipment as leasehold land. On adoption of IFRS 16, these have been reclassified to right of use assets.

The Company has leased offices for administrative purposes and leased land for retail outlets which were previously recorded as operating lease under IAS 17. The lease period for these leases ranges from 3 to 20 years. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the respective leases. Considering the related agreement terms and the requirements of the IFRS 16 the Company has capitalised these as right to use assets with corresponding lease liabilities by discounting the lease rentals to be paid over lease term from July 1, 2019 using the Company's incremental borrowing rate.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note	Rupees ('000)
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3	Lease liabilities and right of use assets recognised are as follows:
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5	<b>Lease liabilities recognised at July 1, 2019</b>
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7	Current portion of lease liabilities 40,913
8	Non - Current lease liabilities 1,521,317
9	1,562,230
10	
11	<b>Reconciliation of operating lease commitments with the lease liabilities</b>
12	<b>as at July 1, 2019</b>
13	
14	Operating lease commitments disclosed as at June 30, 2019 2,339,330
15	Increase in lease commitments of cancellable leases included in
16	reasonably certain lease term 833,193
17	Accruals included in lease liabilities calculation 58,745
18	Total undiscounted lease payments which are reasonably certain 3,231,268
19	
20	
21	Discounted using the Company's incremental borrowing rate at the date
22	of initial application (1,669,038)
23	Lease liabilities recognised as at July 1, 2019 1,562,230
24	
25	
26	<b>Right of use assets recognised at July 1, 2019</b>
27	
28	
29	Land 2,503,777
30	Building 296,589
31	2,800,366
32	
33	<b>Reconciliation of right of use assets with lease liabilities as at July 1, 2019</b>
34	
35	Present value of lease liabilities 1,562,230
36	Accruals included in lease liabilities calculation (58,745)
37	Lease hold land classified as right of use assets 1,052,735
38	Prepayments classified as right of use assets 244,146
39	Right of use assets recognised on statement of financial position as at July 1, 2019 2,800,366
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

<b>3.2</b>	<b>Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:</b>	Effective date (annual reporting periods beginning on or after)	Note
			1
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	IAS 1 Presentation of financial statements (Amendments)	January 1, 2020	6
	IAS 8 Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020	7
			8
			9
	IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022	10
	IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022	11
			12
			13
	IAS 41 Agriculture (Amendments)	January 1, 2020	14
	IASB Conceptual Framework for Financial Reporting (Revised)	January 1, 2020	15
			16
	IFRS 3 Business Combinations (Amendments)	January 1, 2020	17
	IFRS 4 Insurance Contracts (Amendments)	January 1, 2023	18
	IFRS 7 Financial Instruments : Disclosures (Amendments)	January 1, 2020	19
			20
	IFRS 9 Financial Instruments (Amendments)	January 1, 2020	21
	IFRS 16 Leases (Amendments)	June 1, 2020	22
			23
			24
	The management anticipates that, except as stated below, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.		25
			26
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			28
<b>3.3</b>	Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:		29
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			31
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			33
	IFRS 1 First-time Adoption of International Financial Reporting Standards		34
	IFRS 17 Insurance Contracts		35
			36
			37
<b>3.4</b>	The following interpretation issued by the IASB has been waived off by SECP:		38
			39
			40
	IFRIC 12 Service concession arrangements		41
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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Note

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## 4. SIGNIFICANT ACCOUNTING POLICIES

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### 4.1 Basis of measurement

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These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

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### 4.2 Staff retirement benefits

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The Company operates following staff retirement benefit funds:

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- i) Approved defined benefit funded gratuity plan for all eligible employees. The amount arising as a result of remeasurements of employee retirement benefits are recognised immediately in other comprehensive income. Past service cost and curtailments are recognised in the statement of profit or loss, in the period in which a change takes place.

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### 4.3 Operating segments

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Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors view the Company's operations as one reportable segment.

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### 4.4 Functional and presentation currency

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Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

presented in Pakistani Rupees, which is the Company's functional currency.

## 4.5 Foreign currency transactions and translations

Transactions in foreign currencies are converted into Rupees at the rates of exchange ruling on the date of the transaction. All assets and liabilities denominated in foreign currencies are translated into functional currency at exchange rate prevailing at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items at year-end exchange rates, are charged to income for the year.

## 4.6 Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liabilities comprise the following:

- a) fixed payments including in-substance fixed payments less any lease incentive receivable;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable under a residual value guarantee; and
- d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liabilities are measured at amortised cost using the effective interest method. These are remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets have been reduced to zero.”

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Company has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

## 4.7 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received whether or not billed to the Company.

Contract liability represent advances received from customer for subsequent sales of petroleum products.

## 4.8 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

## 4.9 Dividend distribution

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## 4.10 Taxation

Provision for current taxation is based on taxable income for the year determined in accordance with prevailing law for taxation on income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Deferred income tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to income except to the extent that it relates to items recognised in other comprehensive income or directly in the equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 4.11 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 4.12 Interest in joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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Note

1 The entity has assessed the nature of its joint arrangements and determined that it has  
2 entered into a joint operation whereby the parties that have joint control of the arrangement  
3 have the rights to the assets, and obligations for the liabilities, relating to the arrangement.

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## 4.12.1 Joint operations

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The Company reports its interests in joint operations using proportionate consolidation - the Company's share of the assets, liabilities, income and expenses of the joint operations are combined with the equivalent items in the financial statements on a line-by-line basis. Where the Company transacts with its joint operations, unrealised profits and losses are eliminated to the extent of the Company's interest in the joint operation.

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## 4.12.2 Joint ventures

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Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interest that, in substance, form part of the Company's net investment in the joint venture), the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in the joint venture.

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## 4.13 Property, plant and equipment

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### Owned Assets

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Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any accumulated impairment loss, if any, except for freehold land and capital work-in-progress which are stated at cost.

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Depreciation is charged to income on the straight line method to write off the cost of an asset over its estimated useful life at the rates specified in note 15.1. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month preceding month of disposal.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note
Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets are included in income.	1 2 3 4
<b>Right-of-use assets</b>	5 6
The Company recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.	7 8 9 10 11 12
The cost comprising the following:	13 14
<ul style="list-style-type: none"><li>- the amount of the initial measurement of lease liabilities</li><li>- any lease payments made at or before the commencement date less any lease incentives received</li><li>- any initial direct costs, and</li><li>- restoration costs.</li></ul>	15 16 17 18 19 20 21 22
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.	23 24 25 26 27 28
<b>4.14 Impairment of non-financial assets</b>	29 30
Assets that have an indefinite useful life, for example freehold land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the assets' carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels, for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in income for the year.	31 32 33 34 35 36 37 38 39 40 41 42 43 44 45

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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Note

1 **4.15 Investments in associated companies**

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4 Investments in associated companies are accounted for using the equity method. Under  
5 this method the investments are stated at cost plus the Company's equity in undistributed  
6 earnings and losses after acquisition, less any impairment in the value of individual  
7 investment.

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9 Income on investments in associated companies is recognised using the equity method.  
10 Under this method, the Company's share of post-acquisition profit or loss of the associated  
11 companies is included in statement of profit or loss, its share of post-acquisition other  
12 comprehensive income or loss is included in statement of comprehensive income and  
13 its share of post-acquisition movements in reserves is recognised in reserves. Dividend  
14 distribution by the associated companies is adjusted against the carrying amount of the  
15 investment.

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17 Unrealised gains on transactions between the Company and its associate are eliminated to  
18 the extent of the Company's interest in the associate.

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21 **4.16 Stores and spares**

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24 These are stated at moving average cost less any provision for obsolete and slow moving  
25 items.

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27 **4.17 Stock in trade**

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30 Stock in trade is valued at the lower of cost, calculated on a first-in first-out basis, and net  
31 realisable value. Charges such as excise duty and similar levies incurred on unsold stock of  
32 products are added to the value of the stock and carried forward.

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35 Net realisable value signifies the sale price in the ordinary course of business less costs  
36 necessary to make the sale.

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38 **4.18 Financial instruments**

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41 Financial assets and financial liabilities are recognized in the statement of financial position  
42 when the Company becomes a party to the contractual provisions of the instrument. All  
43 the financial assets are derecognized at the time when the Company loses control of the  
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

## a) Financial assets

The Company classifies its financial assets in the following measurement categories:

- i) Amortized cost where the effective interest rate method will apply;
- ii) Fair value through profit or loss;
- iii) Fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income (OCI). For investment in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

## Measurement

At initial recognition, the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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## Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

### a) Amortised cost

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

### b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

### c) Fair value through profit and loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income/cost in the period in which it arises.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

## Impairment of financial assets

The Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investment and deposits and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Deposits and other receivables
- Short term investments
- Cash and bank balances

### (i) General approach for short term investments, deposits and other receivables and cash and bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 months expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 months to lifetime expectations.

## Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

## Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when the debt is more than 181 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

## (ii) Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. To measure ECL, trade debts have been grouped by amounts due from individual customers, corporate customers and other miscellaneous customer groups based on similar credit risk characteristics and ages. The expected credit losses on these financial assets are estimated using a provision matrix

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

## Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

## Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment reversals.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## b) Financial Liabilities

### Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

#### a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

#### b) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

### Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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## 4.19 Trade debts

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Trade debts are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

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Trade debts are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 4.18 to these financial statements, for measurement of loss allowance for trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses, previously loss allowance was measured under incurred loss model of IAS 39.

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## 4.20 Cash and cash equivalents

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For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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## 4.21 Revenue recognition

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4.21.1 The Company recognises revenue at point of time when control of product is transferred to customer. Control is considered to be transferred either when the product is directly uplifted by customer from terminal or when it is delivered by the Company at customer premises.

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The Company generally enters into agreements with its customers for supply of petroleum products, including delivery of the product. As the transportation of product coincides with actual delivery, sale of product and transportation is considered single performance obligation.

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4.21.2 Commission and handling income is recognised when services are rendered which coincides with the shipment of related products.

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## 4.22 Earnings per share

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The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all diluted potential ordinary shares.	Note 1 2 3 4 5
<b>4.23</b>	<b>Deferred government grant</b>	6
	Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.	7 8 9 10 11
	Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.	12 13 14 15 16 17
	Government grant that has been awarded for the purpose of giving immediate financial support to the Company is recognised in profit or loss of the period in which the entity qualifies to receive it.	18 19 20 21
<b>5.</b>	<b>CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS</b>	22 23 24
	The preparation of financial statements in conformity with the approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:	25 26 27 28 29 30
	i) Estimate of recoverable amount of investments in associated companies - note 4.15 and 16	31 32 33
	ii) Provision for taxation - note 4.10 and 29	34 35
	iii) Contingent liabilities - note 4.11 and 14.1	36 37
	iv) Estimated useful life of property, plant and equipment - note 4.13 and 15.1	38
	v) Estimated value of staff retirement benefits obligations - note 4.2 and 32	39 40
	vi) Assessment of significant influence in associated companies - note 16.4	41 42
	vii) Impairment of financial assets - note 4.18, 19.5 and 20.6	43
	viii) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - note 4.6, 4.13, 9 and 15.2.	44 45

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020	2019
	Rupees ('000)	
<b>6. SHARE CAPITAL</b>		
Authorised capital		
150,000,000 ordinary shares of Rs 10 each (2019: 150,000,000 ordinary shares of Rs 10 each)	1,500,000	1,500,000
Issued, subscribed and paid up capital		
Shares issued for cash		
5,000,000 ordinary shares of Rs 10 each (2019: 5,000,000 ordinary shares of Rs 10 each)	50,000	50,000
Shares issued as fully paid bonus shares		
94,532,800 (2019: 94,532,800) ordinary shares of Rs 10 each	945,328	945,328
99,532,800 (2019: 99,532,800) ordinary shares of Rs 10 each	995,328	995,328

The associated companies Pharaon Investment Group Limited Holding s.a.l and Attock Refinery Limited held 34,219,376 (2019: 34,219,376) and 21,772,966 (2019: 21,772,966) ordinary shares at the year end respectively.

## 7. SPECIAL RESERVES

Special reserves include Rs 216,535 thousand (2019: Rs 216,265 thousand) for expansion and modernisation and Rs 3,320 thousand (2019: Rs 3,520 thousand) on account of maintenance reserve. Reserve for expansion and modernisation represents the Company's share of amount set aside as a special reserve by National Refinery Limited and Attock Refinery Limited, as a result of the directive of the Government to divert net profit after tax (if any) from refinery operations above 50 percent of paid-up capital as at July 1, 2002 to offset against any future loss or to make investment for expansion or upgradation of refineries. Maintenance reserve represents amount retained by Attock Gen Limited (an associate of Attock Refinery Limited) to pay for major maintenance expenses in terms of the Power Purchase Agreement. The amount transferred to special reserve is not available for distribution to the shareholders.

## 8. LONG TERM DEPOSITS

These represent interest free security deposits received from distributors, retailers and contractors under written contracts and are refundable on cancellation of respective contracts or termination of related services. In compliance with section 217 of Company's Act, 2017, these security deposits are kept in separate bank account with a scheduled bank.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	Note
	Rupees ('000)		
<b>9. LONG TERM LEASE LIABILITIES</b>			1
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Impact of initial application of IFRS 16	1,562,230	-	7
Additions during the year	2,880,373	-	8
Unwinding of interest on lease liabilities	377,483	-	9
Payments made during the year	(539,298)	-	10
Remeasurement of lease liabilities	(96,053)	-	11
Balance at end of the year	4,184,735	-	12
Less: current portion of long term lease liabilities	(205,803)	-	13
	3,978,932	-	14
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<b>10. LONG TERM LOAN</b>			18
During the year, the Company has entered into an arrangement with Habib Bank Limited for obtaining term finance facility under State Bank of Pakistan (SBP) Salary Refinance Scheme to pay three month salaries & wages to permanent, contractual and outsourced employees upto a maximum of Rs 180 million (2019: Rs Nil).The facility is secured against existing first pari passu charge of Rs 4,267 million (2019: Rs Nil) on all present and future current and fixed assets of the Company (excluding land and building). The repayment of loan (principal amount) will be made in 8 equal quarterly installments commencing from January 1, 2021. Mark up rate is 0.45% on this facility and shall also be paid on quarterly basis. The availed facility at June 30, 2020 was Rs 180 million (2019: Rs Nil). The facility will expire on October 1, 2022.			19
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<b>11. DEFERRED GOVERNMENT GRANT</b>			30
This represent deferred government grant in respect of term finance facility obtained under SBP Salary Refinance Scheme as disclosed in note 10. There are no unfulfilled conditions or other contingencies attaching to this grant.			31
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020	2019
	Rupees ('000)	
<b>12. DEFERRED TAX (ASSET) / LIABILITY</b>		
Deferred tax liability arising due to accelerated tax depreciation	1,615,660	279,905
Deferred tax (asset) / liability in respect of investment in associates	(7,312)	6,027
Deferred tax asset arising in respect of certain provisions - note 12.1	(1,552,265)	(209,222)
Deferred tax asset arising in respect of minimum taxation - note 12.1	(992,088)	-
<b>Deferred tax (asset) / liability</b>	<b>(936,005)</b>	<b>76,710</b>

**12.1** The deferred tax asset has been recognised taking into account the availability of future taxable profits as per business plan of the Company. The existence of future taxable profits sufficient to absorb these losses is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of the Company. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that the Company will be able to achieve the profits projected in the business plan.

	2020	2019
	Rupees ('000)	
<b>13. TRADE AND OTHER PAYABLES</b>		
Creditors - note 13.2	2,162,348	3,473,839
Due to related parties (unsecured) - note 13.1	16,114,256	17,234,208
Accrued expenses and other liabilities - note 13.2	6,488,998	4,075,616
Advances from customers - note 13.3	2,228,058	1,270,791
Retention money	461,767	416,082
Income tax withheld	64,279	87,716
Sales tax payable	9,610	23,726
Workers' welfare fund	32,008	-
Payable to joint operator (as disclosed in note 42)	-	51,408
	<b>27,561,324</b>	<b>26,633,386</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees ('000)	
<b>13.1 Due to related parties:</b>		
National Refinery Limited	2,406,683	4,544,063
Attock Refinery Limited	13,681,796	12,656,151
Pakistan Oilfields Limited	12,443	14,891
The Attock Oil Company Limited	2,653	2,782
Attock Sahara Foundation	603	525
APL Gratuity fund - note 32	10,078	15,796
	16,114,256	17,234,208

**13.2** These include Rs 88,611 thousand (2019: Rs 339,450 thousand) being Company's share in current liabilities of joint operation (as disclosed in note 42).

	2020	2019
	Rupees ('000)	
<b>13.3 Advances from customers</b>		
Opening balance	1,270,791	1,509,296
Revenue recognised during the year - note 13.3.1	(117,224,086)	(112,078,116)
Advance received during the year	118,100,899	111,839,611
Closing balance	2,228,058	1,270,791

**13.3.1** Advances received from customer are recognised as revenue when the performance obligation in accordance with the policy as described in note 4.21 is satisfied. Revenue for an amount of Rs 863,594 thousand (2019: Rs 1,118,000 thousand) has been recognised in current year in respect of advances from customers at the beginning of period.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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		2020	2019
		Rupees ('000)	
<b>14.</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>14.1</b>	<b>CONTINGENCIES</b>		
(i)	Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs.	5,611,177	1,057,104
(ii)	Guarantees issued by bank on behalf of the Company	1,678,943	1,529,956
(iii)	Oil & Gas Regulatory Authority (OGRA) issued order dated October 30, 2017 for recovery of freight charges and petroleum levy on supplies during years 2009 to 2011 to special freight area (Azad Jamu & Kashmir and Jaglot) amounting to Rs 434,902 thousand (2019: Rs 434,902 thousand). Being aggrieved, the Company filed application for review of the order of OGRA which was dismissed by OGRA vide its order dated April 22, 2018. Also refer note 20.1 for amount withheld by OGRA in this respect of Rs 205,713 thousand (2019: Rs 205,713 thousand). The Company filed writ petition against the order with Islamabad High Court dated June 07, 2018 for seeking direction against OGRA's order and restrain OGRA from recovering the impugned amount of freight and dealers margin. Hearing of the case date is in office. The Company and its legal advisor are confident that the matter will be decided in favour of the Company by the High Court.		
(iv)	On February 28, 2018 Deputy Commissioner, Large Tax payers Unit (LTU), Islamabad issued an order in respect of non-payment of sales tax on Price Differential Claims/ subsidies for the period of July 2004 to September 2009 by the Company involving principal amount of Rs 319,970 thousand (2019: Rs 319,970 thousand), penalty of Rs 319,970 thousand and default surcharge of Rs 755,608 thousand. The Company's appeal against the aforesaid order with Commissioner Inland Revenue (Appeals) was partially allowed reducing the principal amount to Rs 235,160 thousand alongwith default surcharge and penalty. The matter is now subjudice before the Appellate Tribunal which is yet to be decided. The management of the Company is confident that the matter will ultimately be decided in the Company's favour. Accordingly, no provision has been made in these financial statements.		
(v)	The Company's share of contingencies of associated companies based on financial information of associated companies for the period ended March 31, 2020 (2019: March 31, 2019)	154,109	145,828

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	Note
	Rupees ('000)		
<b>14.2 COMMITMENTS</b>			1
(i) Capital expenditure commitments	2,074,123	2,993,932	2
(ii) Commitments for import of petroleum products against letter of credit facility	2,305,726	3,249,663	3
(iii) The Company's share of commitments of associated companies based on financial information of associated companies for the period ended March 31, 2020 (2019: March 31, 2019)			4
- Capital expenditure commitments	20,211	35,806	5
- Outstanding letters of credit	63,043	329,002	6
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>			7
Operating assets			8
Owned assets - note 15.1	6,897,852	5,657,884	9
Right of use assets (ROU) - 15.2	5,095,125	-	10
Capital work in progress - note 15.4	1,846,684	2,691,058	11
	<b>13,839,661</b>	<b>8,348,942</b>	12

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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## 15.1 Operating assets

	Freehold land	Leasehold land	Buildings on land		Pipelines, pumps, tanks and meters	Equipment - signage	Electrical and fire fighting equipment	Furniture, fixture and equipment	Computer and auxiliary equipment	Motor vehicles		Total
			Freehold land	Lease hold land						Heavy Vehicles	Light Vehicles	
Rupees ('000)												
<b>As at July 1, 2018</b>												
Cost	403,710	1,223,119	580,778	521,521	2,086,638	1,217,886	543,746	72,421	86,624	200,518	259,199	7,196,160
Accumulated depreciation	-	(133,539)	(65,749)	(122,701)	(955,813)	(936,842)	(130,970)	(26,126)	(44,156)	(6,684)	(138,956)	(2,561,536)
Net book value	403,710	1,089,580	515,029	398,820	1,130,825	281,044	412,776	46,295	42,468	193,834	120,243	4,634,624
<b>Year ended June 30, 2019</b>												
Opening net book value	403,710	1,089,580	515,029	398,820	1,130,825	281,044	412,776	46,295	42,468	193,834	120,243	4,634,624
Additions	416,159	-	254,744	130,423	390,917	156,012	182,818	28,137	25,827	-	30,128	1,615,165
Disposals	-	-	-	-	(174)	(101)	-	-	(35)	-	-	(310)
Cost	-	-	-	-	(5,164)	(6,079)	(167)	(1,646)	(1,646)	-	(5,446)	(18,502)
Accumulated depreciation	-	-	-	-	4,990	5,978	167	1,611	1,611	-	5,446	18,192
Depreciation charge	-	(36,845)	(37,183)	(27,755)	(204,466)	(119,760)	(6,204)	(8,245)	(16,396)	(40,103)	(38,818)	(591,595)
Closing net book value	819,869	1,052,735	732,590	501,488	1,317,102	317,195	533,570	66,187	51,864	153,731	111,553	5,657,884
<b>As at July 1, 2019</b>												
Cost	819,869	1,223,119	835,522	651,944	2,472,391	1,367,819	726,564	100,391	110,805	200,518	283,881	8,792,823
Accumulated depreciation	-	(170,384)	(102,932)	(150,456)	(1,155,289)	(1,050,624)	(192,994)	(34,204)	(58,941)	(46,787)	(172,328)	(3,134,939)
Net book value	819,869	1,052,735	732,590	501,488	1,317,102	317,195	533,570	66,187	51,864	153,731	111,553	5,657,884
<b>Year ended June 30, 2020</b>												
Opening net book value	819,869	1,052,735	732,590	501,488	1,317,102	317,195	533,570	66,187	51,864	153,731	111,553	5,657,884
Additions	82,050	-	705,188	154,057	1,299,647	221,465	386,857	52,124	44,939	-	33,104	2,979,431
Transfer to ROU assets	-	(1,223,119)	-	-	-	-	-	-	-	-	-	(1,223,119)
Cost	-	170,384	-	-	-	-	-	-	-	-	-	170,384
Accumulated depreciation	-	(1,052,735)	-	-	-	-	-	-	-	-	-	(1,052,735)
Disposals	-	-	-	-	(5,803)	(22,852)	(118)	(564)	(2,807)	-	(15,731)	(47,875)
Cost	-	-	-	-	3,346	22,752	71	431	2,704	-	15,731	45,035
Accumulated depreciation	-	-	-	-	(2,457)	(100)	(47)	(133)	(103)	-	-	(2,840)
Depreciation charge	-	-	(57,380)	(34,708)	(253,151)	(133,305)	(85,394)	(12,134)	(22,732)	(40,104)	(44,980)	(683,888)
Closing net book value	901,919	-	1,380,398	620,837	2,361,141	405,255	834,986	106,044	73,968	113,627	99,677	6,897,852
<b>As at June 30, 2020</b>												
Cost	901,919	-	1,540,710	806,001	3,766,235	1,566,432	1,113,303	151,951	152,937	200,518	301,254	10,501,260
Accumulated depreciation	-	-	(160,312)	(185,164)	(1,405,094)	(1,161,177)	(278,317)	(45,907)	(78,969)	(86,891)	(201,577)	(3,603,408)
Net book value	901,919	-	1,380,398	620,837	2,361,141	405,255	834,986	106,044	73,968	113,627	99,677	6,897,852
Annual rate of Depreciation (%)	-	1.82 - 3.03	5	5	10-33.33	20	10-33.33	10-20	20-33.33	20	20	

15.1.1 Included in operating assets are assets having cost of Rs 613,381 thousand (2019: Rs 612,965 thousand) and accumulated depreciation of Rs 170,326 thousand (2019: Rs 91,560 thousand) in respect of Company's share in joint operations at New Islamabad International Airport (NIAP) as referred in note 42.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

15.2	Right of Use Assets	2020			2019		
		Land	Buildings	Total	Land	Buildings	Total
Rupees ('000)							
As at July 1, 2019							
	Carrying amount	2,674,161	296,589	2,970,750	-	-	-
	Accumulated depreciation	(170,384)	-	(170,384)	-	-	-
	Net book value	2,503,777	296,589	2,800,366	-	-	-
	Additions	2,876,573	3,800	2,880,373	-	-	-
	Depreciation charge	(359,005)	(130,556)	(489,561)	-	-	-
	Remeasurement in lease liabilities	(71,807)	(24,246)	(96,053)	-	-	-
	Closing net book value	4,949,538	145,587	5,095,125	-	-	-

## 15.3 Particular of Immovable property (i.e land and buildings) in the name of Company are as follows:

Location	Usage of immovable property	Total Area	*Covered Area
- Mouza Dhant Pura, Machikey, District Sheikhpura	Bulk Oil Terminal	16.63 Acres	16,053 Sq. Feet
- Gate R-I, Mehmood Kot, Qasba Gujrat, District Muzaffar Garh	Bulk Oil Terminal	15.73 Acres	15,650 Sq. Feet
- Model Filling Station, Plot No. 32, Sector F-11 Markaz, Islamabad	Retail Sites	2,667 Sq. Yards	3,126 Sq. Feet
- Quality Filling station, Plot No. 1, Sector H-8/2, Islamabad	Retail Sites	2,167 Sq. Yards	3,238 Sq. Feet
- Capital Filling station, Plot No. 2-A, Sector F-11 Markaz, Islamabad	Retail Sites	1,667 Sq. Yards	2,580 Sq. Feet
- Kandhkot Road, Moza Raidu, Taluka khanpur, District Shikarpur	Bulk Oil Terminal	9.38 Acres	16,220 Sq. Feet
- Road Sheerenwala Chowk to Naianwala Bangla, Chak No. 105/9L, District Sahiwal	Bulk Oil Terminal	11.40 Acres	29,566 Sq. Feet
- Deh Bogri, Tapo saeed kundo, Taluka Qazi Ahmed, District Shaheed Benazirabad, Daulatpur	Bulk Oil Terminal	11.9 Acres	26,755 Sq. Feet

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

1	- Plot No. 8, Sector D-12			
2	Markaz, Islamabad	Retail Sites	1,833 Sq. Yards	3,045 Sq. Feet
3				
4	- Plot No 38, Sector G-11			
5	Markaz, Islamabad	Retail Sites	1,500 Sq. Yards	2,023 Sq. Feet
6				
7	- Plot no. SP-07/POI/NWIZ,			
8	Oil installation area, North			
9	western industrial zone, Port			
10	Qasim Authority, Karachi	Bulk Oil Terminal	15.00 Acres	Under construction
11				
12	- GT Road, Chak 136/9L,			
13	District Sahiwal	Bulk Oil Terminal	5.82 Acres	Under construction
14				
15	- Habibabad Chunnian			
16	Road, Chak No. 10, Tehsil			
17	Chunnian, District Kasur	Bulk Oil Terminal	6.02 Acres	Under construction
18				
19	- Tarrujabba, Mouza Dagai,			
20	Tehsil Pabi, District			
21	Nowshera, KPK	Bulk Oil Terminal	7.99 Acres	Under construction
22				
23	- Gatti, Chak No. 196, Mouza			
24	Islamabad, Tehsil Saddar,			
25	District Faisalabad	Bulk Oil Terminal	14.06 Acres	Under construction
26				
27	- Mouza Korai, Main bypass			
28	road, District Dera Ismail			
29	Khan, KPK	Bulk Oil Terminal	11.15 Acres	Under construction
30				
31	* Covered area relates only to buildings. Pipelines, pumps and tanks are in addition to the above.			
32				
33	As disclosed in note 15.5, certain buildings are in the possession of dealers of retail sites. Due to large number of such retail sites it is impracticable to disclose the particular of such immovable property in the name of Company, as required under Paragraph 1(ii) of Part I of the 4th Schedule to the Companies Act, 2017.			

## 15.4 Capital work in progress

	Civil works	Advance for free hold land	Pipelines, pumps, tanks and equipment	Advances to contractors	Total
	Rupees ('000)				
As at July 1, 2018	583,061	35,981	1,018,313	145,808	1,783,163
Additions during the year	688,716	407,257	1,269,017	158,070	2,523,060
Transfers during the year	(393,435)	(407,257)	(814,473)	-	(1,615,165)
Balance as at June 30, 2019	878,342	35,981	1,472,857	303,878	2,691,058

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Civil works	Advance for free hold land	Pipelines, pumps, tanks and equipment	Advances to contractors	Total
Rupees ('000)					
As at July 1, 2019	878,342	35,981	1,472,857	303,878	2,691,058
Additions during the year	726,532	82,050	1,493,901	(167,426)	2,135,057
Transfers during the year	(859,245)	(82,050)	(2,038,136)	-	(2,979,431)
Balance as at June 30, 2020	745,629	35,981	928,622	136,452	1,846,684

	2020	2019
Rupees ('000)		
<b>15.5 Cost of Property, plant and equipment held by dealers of retail outlets of the Company are as follows:</b>		
Pipelines, pumps, tanks and meters	1,033,017	921,058
Equipment - signage	1,446,897	1,300,352
Buildings	323,474	321,187
Electric and fire fighting equipment	120,848	109,636

Due to large number of dealers it is impracticable to disclose the name of each person having possession of these assets, as required under Paragraph 12 of Part II of the 4th Schedule to the Companies Act, 2017.

The above assets are not in possession of the Company as these have been provided to dealers of retail outlets to facilitate them to promote and sell Company's products.

	2020	2019
Rupees ('000)		
<b>16. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES</b>		
Balance at beginning of the year	903,965	1,137,657
Share of (loss) of associated companies	(254,675)	(110,585)
Impairment reversal / (loss) related to investment in		
Attock Refinery Limited	127,730	-
National Refinery Limited	29,656	(111,900)
	(97,289)	(222,485)
Share of other comprehensive income / (loss) of associated companies	1,297	(3,210)
Dividend from associated companies	-	(7,997)
Balance at end of the year	807,973	903,965

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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**16.1** Share of profit / (loss) of associated companies is based on the unaudited financial statements for the nine months ended March 31, 2020 (2019: unaudited financial statements for the nine months ended March 31, 2019) since the audited financial statements for the year ended June 30, 2020 are not available till the date of these financial statements.

	2020	2019
	Rupees ('000)	
<b>16.2</b> The Company's interest in associated companies is as follows:		
<b>National Refinery Limited - Quoted</b>		
799,665 (2019: 799,665) fully paid ordinary shares of Rs 10 each including 133,277 (2019: 133,277) bonus shares of Rs 10 each; Cost Rs 321,865 thousand (2019: Rs 321,865 thousand); Quoted market value as at June 30, 2020: Rs 85,788 thousand (2019: Rs 90,738 thousand); %age share holding as at June 30, 2020: 1% (2019: 1%) - note 16.5	512,098	627,317
<b>Attock Refinery Limited - Quoted</b>		
1,790,000 (2019: 1,790,000) fully paid ordinary shares of Rs 10 each including 580,000 (2019: 580,000) bonus shares of Rs 10 each; Cost Rs 310,502 thousand (2019: Rs 310,502 thousand); Quoted market value as at June 30, 2020: Rs 159,883 thousand (2019: Rs 138,313 thousand); %age share holding as at June 30, 2020: 1.68% (2019: 1.68%) - note 16.6	446,687	590,376
<b>Attock Information Technology Services (Private) Limited - Unquoted</b>		
450,000 (2019: 450,000) fully paid ordinary shares of Rs 10 each; Cost Rs 4,500 thousand (2019: Rs 4,500 thousand); Value based on net assets as at March 31, 2020 Rs 33,563 thousand (2019: Rs 28,033 thousand); %age share holding as at June 30, 2020: 10% (2019: 10%)	33,563	28,033
Carrying value on equity method	992,348	1,245,726
Less: Impairment loss		
- National Refinery Limited	(176,238)	(205,894)
- Attock Refinery Limited	(8,137)	(135,867)
	(184,375)	(341,761)
	807,973	903,965

All associated companies are incorporated in Pakistan. National Refinery Limited and Attock Refinery Limited are engaged in the manufacturing, production and sale of large range of petroleum products. This is a strategic investment of the Company for vertical integration. Attock Information Technology Services (Private) Limited is engaged in building basic infrastructure, communication and computer installation.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

16.3 The tables below provide summarised financial information for associated companies. The information disclosed reflects the amounts presented in the most recent unaudited financial statements of the relevant associated companies, for the nine month period ended March 31, 2020 (2019: March 31, 2019) and not the reporting entity's share of those amounts. They have been amended to reflect adjustments made by the reporting entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	National Refinery Limited		Attock Refinery Limited	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
	Rupees ('000)			
<b>Summarised balance sheet</b>				
Current assets	28,468,777	39,139,607	46,339,961	51,232,689
Non- current assets	41,408,115	38,034,549	36,696,898	39,228,217
Current liabilities	(43,574,853)	(39,471,746)	(57,705,336)	(53,563,235)
Non- current liabilities	(557,568)	(436,055)	(6,374,354)	(9,387,553)
<b>Net assets</b>	<b>25,744,471</b>	<b>37,266,355</b>	<b>18,957,169</b>	<b>27,510,118</b>
<b>Reconciliation to carrying amounts:</b>				
Net assets as at April 1	37,266,355	43,109,241	27,510,118	31,567,902
Effect of adoption of IFRS 9	15,010	-	(521,328)	-
Profit for the period	(11,635,909)	(4,983,441)	(8,037,296)	(3,902,284)
Other comprehensive income / (loss)	99,015	(59,779)	5,675	(155,500)
Dividends paid	-	(799,666)	-	-
Net assets as at March 31	25,744,471	37,266,355	18,957,169	27,510,118
Company's percentage shareholding in the associate	1%	1%	1.68%	1.68%
Company's share in carrying value of net assets	257,445	372,664	318,481	462,170
Excess of purchase consideration over share in carrying value of net assets on the date of acquisition	254,653	254,653	128,206	128,206
Carrying amount of investment before impairment	512,098	627,317	446,687	590,376
Impairment	(176,238)	(205,894)	(8,137)	(135,867)
Carrying amount of investment	335,860	421,423	438,550	454,509
<b>Summarised statements of comprehensive income</b>				Restated
Revenue	151,638,762	161,637,411	155,205,218	171,513,188
(Loss) / profit for the period	(11,635,909)	(4,983,441)	(8,037,296)	(3,902,284)
Other comprehensive income / (loss)	99,015	(59,779)	5,675	(155,500)
Total comprehensive (loss)	(11,536,894)	(5,043,220)	(8,031,621)	(4,057,784)

During the year, dividend of Rs Nil (2019: Rs 7,997 thousand) was received from National Refinery Limited.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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- 16.4** Although the Company has less than 20 percent shareholding in National Refinery Limited, Attock Refinery Limited and Attock Information Technology Services (Private) Limited, these companies have been treated as associated companies since the Company has representation on their Board of Directors and investments in these Companies have been made under the authority of special resolution. These investments in associated companies were made in accordance with the requirements under the repealed Companies Ordinance, 1984. During the year no new investments in associated companies have been made.
- 16.5** The value of investment in National Refinery Limited as at June 30, 2020 is based on a valuation analysis carried out by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 3.43% (2019: 3.84%), terminal growth rate of 3% (2019: 3%) and capital asset pricing model based discount rate of 18.20% (2019: 21.16%).
- 16.6** The value of investment in Attock Refinery Limited as at June 30, 2020 is based on a valuation analysis carried out by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes an average gross profit margin of 0.23% (2019: 0.15%), terminal growth rate of 3% (2019: 3%) and weighted average cost of capital based discount rate of 19.13% (2019: 19.80%).
- 16.7** Based on unaudited financial statements, Attock Information Technology Services (Private) Limited has reported profit after tax and total comprehensive income for the twelve months period ended March 31, 2020 of Rs 55,301 thousand (twelve months period ended March 31, 2019: Rs 48,080 thousand).

	2020	2019
	Rupees ('000)	
<b>17. LONG TERM PREPAYMENTS</b>		
Prepaid rent	46,860	77,859
Less: Shown under current assets - note 20	(46,860)	(30,999)
	-	46,860
<b>18. STOCK IN TRADE</b>		
Petroleum products - note 18.1, 18.2 and 18.3	9,459,892	12,860,159
Packing material	4,611	5,703
	9,464,503	12,865,862

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

- 18.1** Stock in trade includes items costing Rs Nil (June 30, 2019: Rs 11,928,365) which have been valued at net realisable value amounting to Rs Nil (June 30, 2019: 11,920,800) as a result of decline in the selling prices of certain petroleum products.
- 18.2** It includes the Company's share of pipeline stock amounting to Rs 3,378,376 thousand (2019: Rs 3,762,691 thousand) and Rs 1,394,826 thousand (2019: Rs 1,780,126 thousand) held by Pak-Arab Pipeline Company Limited and Pak Arab Refinery Limited respectively.
- 18.3** It includes Rs 269,733 thousand (2019: Rs 452,125 thousand) being Company's share in joint operation (as disclosed in note 42).

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		2020	2019
		Rupees ('000)	
<b>19.</b>	<b>TRADE DEBTS</b>		
	Considered good		
	Secured	827,905	1,007,860
	Unsecured		
	Due from related parties - note 19.1, 19.2 and 19.3	8,737,496	7,845,701
	Others - note 19.4	4,404,777	7,984,694
		13,142,273	15,830,395
	Considered doubtful		
	Others	137,267	119,551
		14,107,445	16,957,806
	Less: loss allowance - note 19.5	(137,267)	(119,551)
		13,970,178	16,838,255

		2020	2019
		Rupees ('000)	
<b>19.1</b>	<b>Due from related parties</b>		
	Attock Gen Limited	8,688,020	7,715,419
	Pakistan Oilfields Limited	28,886	79,275
	Attock Cement Pakistan Limited	19,955	47,078
	Attock Refinery Limited	635	3,684
	National Refinery Limited	-	245
		8,737,496	7,845,701

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

1 **19.2** Aggregate maximum outstanding balance of trade debts due from related parties at the end  
2 of any month during the year was Rs 9,678,086 thousand (2019: Rs 9,761,052 thousand).

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4 **19.3** As of June 30, 2020, trade debts due from related parties of Rs 8,144,575 thousand (2019:  
5 Rs 7,059,547 thousand) were past due but not impaired. The ageing analysis of these trade  
6 receivables is as follows:

	2020	2019
	Rupees ('000)	
<b>Due from related parties</b>		
Upto 6 months	1,513,534	2,425,998
6 to 12 months	2,049,418	4,633,549
Above 12 months	4,581,623	-
	8,144,575	7,059,547

16 **19.4** It includes Rs 408,724 thousand (2019: Rs 572,253 thousand) being Company's share in joint  
17 operation (as disclosed in note 42).

	2020	2019
	Rupees ('000)	
<b>19.5 Movement in loss allowance</b>		
Opening balance	119,551	86,101
Loss allowance for the year	17,716	33,450
Balance at end of the year	137,267	119,551

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	Note
	Rupees ('000)		
<b>20. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			1
Advances - considered good			2
Suppliers	56,795	70,958	3
Employees against expenses			4
Executives	7,138	3,166	5
Other employees	20,846	25,060	6
	27,984	28,226	7
	84,779	99,184	8
Trade deposits and short-term prepayments			9
Trade deposits			10
With related party - The Attock Oil Company Limited	14,226	14,227	11
Others	114,329	59,308	12
Short-term prepayments	17,654	209,337	13
	146,209	282,872	14
Current account balances with statutory authorities in respect of:			15
Advance to collector customs for import of petroleum product	-	519,271	16
Sales tax	25,574	25,574	17
Federal excise duty and petroleum levy	986	986	18
	26,560	545,831	19
Accrued income on bank deposits	7,259	39,727	20
Other receivables			21
Price differential claim receivable from the Government	28,528	28,528	22
Receivable from oil marketing companies under freight pool - note 20.1	657,955	537,615	23
Receivable from joint operator - note 42	44,862	-	24
Due from related parties-unsecured - note 20.2 & 20.4			25
Attock Gen Limited - note 20.3	3,671,327	2,475,628	26
Attock Information Technology (Private) Limited	1,619	2,084	27
Attock Cement Pakistan Limited	118	86	28
Workers' profit participation fund - note 20.5	39,086	36,666	29
	4,443,495	3,080,607	30
Less: loss allowance - note 20.6	(932,560)	(576,328)	31
	3,775,742	3,471,893	32

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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- 20.1** It includes Rs 205,713 thousand (2019: Rs 205,713 thousand) withheld by Oil and Gas Regulatory Authority under order for recovery of freight charges and petroleum levy on supplies during years 2009 to 2011. For related contingency please refer note 14.1(iii).
- 20.2** Aggregate maximum outstanding balance of other receivables due from related parties at the end of any month during the year was Rs 3,714,184 thousand (2019: Rs 2,514,464 thousand).
- 20.3** This represents amount due on account of late payment charges charged on balance receivable from Attock Gen Limited, at the rate of 6 months KIBOR + 3% per annum (2019: 6 months KIBOR + 3% per annum).
- 20.4** As of June 30, 2020, other receivables due from related parties of Rs 2,016,144 thousand (2019: Rs 1,924,073 thousand) were past due. The ageing analysis of these receivables is as follows:

	2020	2019
	Rupees ('000)	
<b>Due from related parties</b>		
Upto 6 months	92,070	202,880
6 to 12 months	692,816	489,936
Above 12 months	1,231,258	1,231,257
	<b>2,016,144</b>	<b>1,924,073</b>
<b>20.5 Worker's profit participation fund</b>		
Balance at beginning of the year	36,666	10,525
Amount allocated for the year - note 28	(85,914)	(313,334)
Amount paid to Fund's trustees	88,334	339,475
Balance at end of the year	39,086	36,666
<b>20.6 Movement in loss allowance</b>		
Opening balance	576,328	538,980
Loss allowance for the year	356,232	37,348
Balance at end of the year - 20.6.1	932,560	576,328

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- 20.6.1** This includes loss allowance on due from related party of Rs 859,561 thousand (2019: Rs 503,245 thousand).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	Note
	Rupees ('000)		
<b>21. SHORT TERM INVESTMENTS</b>			1
Investment in treasury bills - at amortized cost - note 21.1			2
Upto three months	3,800,581	482,464	3
Later than six months but not later than one year	927,692	-	4
	4,728,273	482,464	5
Investment in mutual funds at fair value through profit or loss - note 21.2	68,734	112,483	6
Investments in Pakistan Investment Bonds (PIBs) - at amortized cost - note 21.3	-	295,841	7
	4,797,007	890,788	8
<b>21.1</b> Short term investments in treasury bills earned interest at effective rate of 12.13% per annum (2019: 9.01% per annum).			9
	2020	2019	10
	Rupees ('000)		11
<b>21.2 Investment in mutual funds at fair value through profit or loss</b>			12
Opening balance	112,483	827,832	13
Additions during the year	-	675,000	14
Dividend / Capital income reinvested	-	50,409	15
Fair value gain/(loss) transferred through profit & loss - note 27	7,664	(36,887)	16
Redeemed during the year - note 21.2.1	(51,413)	(1,403,871)	17
Balance at the end of the year	68,734	112,483	18

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020				2019 Fair value	
	Opening balance	Fair Value Gain / (loss)	Redemp- tion	Closing Balance		
	Rupees ('000)					
<b>21.2.1</b>	<b>Details of Investment in mutual funds</b>					
	<b>Listed securities:</b>					
	ABL - Islamic Financial Planning Fund	25,255	495	(25,750)	-	25,255
	Meezan Strategic Allocation Fund (MSAP V)	41,219	2,618	-	43,837	41,219
	UBL - Al Ameen Islamic Active Allocation Plan X	46,009	4,551	(25,663)	24,897	46,009
		112,483	7,664	(51,413)	68,734	112,483

**21.2.2** The fair values of listed securities is based on quoted market prices at the date of statement of financial position. The quoted market price used is the current bid price. The fair values of unlisted securities are the Net Asset Value (NAV) as at June 30, 2020 as quoted by the respective Asset Management Company.

	2020	2019
	Rupees ('000)	
<b>21.3</b>	<b>Investments in Pakistan Investment Bonds (PIBs) - at amortized cost</b>	
	-	281,000
	Face Value of bonds - note 21.3.1	281,000
	Add: Premium paid	7,828
	Cost of Investment - note 21.3.1	288,828
	Less: Amortisation of premium	(7,798)
	Add: Accrued interest at year end	14,811
	-	295,841

**21.3.1** These represent PIBs purchased from secondary market. The details of PIBs are as follows:

Maturity Date	Tenor	Coupon Rate p.a %	Cost of investment		Face value	
			2020	2019	2020	2019
Rupees ('000)						
July 17, 2019	5 year	11.50	-	250,245	-	243,500
July 17, 2019	5 year	11.50	-	38,583	-	37,500
			-	288,828	-	281,000

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees ('000)	
<b>22. CASH AND BANK BALANCES</b>		
Cash in hand	7,280	6,670
Bank balances		
On short term deposits	2,000,000	1,300,000
On interest/mark-up bearing saving accounts (includes US \$ 24 thousand; 2019: US \$ 24 thousand)	1,398,746	1,538,573
On current accounts - note 22.3 (includes US \$ 153 thousand; 2019: US \$ 153 thousand)	76,360	74,925
	3,475,106	2,913,498
	3,482,386	2,920,168

**22.1** Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 11.81% per annum (2019: 8.38% per annum).

**22.2** All bank accounts are maintained under conventional banking system.

**22.3** This includes balance aggregating Rs 50,741 thousand maintained in separate non interest bearing current bank accounts in respect of unclaimed dividend. In this respect, subsequent to the enactment of Companies (Amendment) Ordinance, 2020 in May 2020, the management has sought clarification from SECP on applicability of related provisions of the aforementioned ordinance to ensure compliance thereof. The movement in unclaimed dividend is as follows:

	2020	2019
	Rupees ('000)	
Opening balance	49,598	473,512
Dividend declared	1,492,992	3,068,928
Less: Dividend paid	1,491,849	3,492,842
Closing balance	50,741	49,598

## **23. SALES**

Local sales - note 23.1	237,112,053	258,468,211
Export sales - note 23.2	259,380	236,805
Gross sales	237,371,433	258,705,016
Rebates/discount	(1,639,304)	(2,043,829)
	235,732,129	256,661,187

**23.1** It includes Rs 8,050,809 thousand (2019: Rs 9,159,745 thousand) being Company's share in jet fuel sales in joint operation relating to aviation (as disclosed in note 42).

**23.2** The export sales represent sales to on going vessels to foreign destinations and are in accordance with provision of section 24 of the Customs Act, 1969.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020	2019
	Rupees ('000)	
<b>24. COST OF PRODUCTS SOLD</b>		
Opening stock	12,865,862	12,460,539
Purchase of petroleum products and packing material - note 24.1	161,101,077	192,207,712
Petroleum levy	31,072,527	21,662,258
Other levies	1,865,867	1,368,538
	194,039,471	215,238,508
Closing stock	(9,464,503)	(12,865,862)
	197,440,830	214,833,185

**24.1** It includes Rs 7,762,267 thousand (2019: Rs 8,589,420 thousand) being Company's share in jet fuel purchases in joint operation relating to aviation (as disclosed in note 42).

	2020	2019
	Rupees ('000)	
<b>25. OTHER INCOME</b>		
Commission and handling income	565,957	776,598
Tender and joining fee	36,955	59,354
Gain on sale of property, plant and equipment	19,049	5,576
Hospitality income	19,738	13,294
Rental income	122,023	60,172
Liability written back	44,317	153,820
Government grant	456	-
Others	90,039	79,491
	898,534	1,148,305

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	Note
	Rupees ('000)		
<b>26. OPERATING EXPENSES</b>			1
Salaries, wages and benefits	1,174,996	1,093,848	2
Rent, taxes, repairs and maintenance	135,719	806,939	3
Travelling and staff transport	72,464	64,558	4
Advertising and publicity	6,361	15,683	5
Printing and stationery	14,708	15,570	6
Electricity, gas and water	112,781	73,567	7
Insurance	90,754	52,094	8
Communication	16,385	17,206	9
Legal and professional charges	10,556	10,292	10
Subscription and fees	2,900	2,915	11
Auditor's remuneration - note 26.2	8,344	4,210	12
Exchange loss	226,629	762,130	13
Depreciation - note 15.1 and 15.2	1,173,449	591,595	14
Others - note 26.3	32,637	79,689	15
	3,078,683	3,590,296	16
<b>26.1</b> Operating expenses includes Rs 69,626 thousand (2019: Rs 14,472 thousand) being Company's share in joint operation relating to aviation (as disclosed in note 42).			17
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<b>26.2 Auditor's remuneration</b>			27
Annual audit	2,100	1,782	28
Review of half yearly financial statements, audit of staff funds and special certifications	882	1,100	29
Tax services	5,005	1,071	30
Out of pocket expenses	357	257	31
	8,344	4,210	32
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

1 **26.3** This includes royalties of Rs 9,737 thousand (2019: Rs 8,430 thousand) on grant of license,  
2 technical assistance and cooperation paid to M/s JX Nippon Oil & Energy Middle East &  
3 Africa FZE having its registered address at P.O. Box 261898, LOB15-409, Jebel Ali, Dubai,  
4 United Arab Emirates.

	2020	2019
	Rupees ('000)	
<b>27. FINANCE INCOME AND COSTS</b>		
<b>Finance income</b>		
Income on bank deposits	618,676	446,078
Income from short term investments measured at amortised cost	359,571	75,533
Income on investment in PIBs measured at amortised cost	1,317	30,251
Remeasurement gain / (loss) on open ended mutual funds measured at fair value through profit or loss	7,664	(36,887)
Dividend income from mutual funds	228	58,805
Late payment charges - note 27.1	1,244,247	825,510
	<b>2,231,703</b>	<b>1,399,290</b>
<b>Finance cost</b>		
Bank charges	69,248	64,421
Lease finance charges	377,483	-
Markup on long term loan	756	-
Late payment charges - note 27.1	1,149,712	784,571
	<b>1,597,199</b>	<b>848,992</b>
<b>Net finance income</b>	<b>634,504</b>	<b>550,298</b>

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30 **27.1** This represents late payment charges charged to a related party - Attock Gen Limited and  
31 late payment charges charged by a related party - Attock Refinery Limited respectively, at  
32 the rate of 6 months KIBOR + 3% per annum (2019: 6 months KIBOR + 3% per annum).  
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	Rupees ('000)	
<b>28. OTHER CHARGES</b>		
Workers' profit participation fund	85,914	313,334
Workers' welfare fund	32,008	-
	117,922	313,334
<b>29. PROVISION FOR INCOME TAX</b>		
Current tax		
- For the year	1,507,507	1,732,493
- For the prior year	-	38,288
	1,507,507	1,770,781
Deferred tax - for the year	(1,012,715)	(8,530)
	494,792	1,762,251
	2020	2019
	%	%
<b>29.1 Reconciliation of tax charge for the year</b>		
Applicable tax rate	29.00	29.00
Tax effect of income taxed under final tax regime	0.15	(1.80)
Effect of provision for super tax	-	2.09
Tax effect of share of profit of associated companies taxed on the basis of dividend income	1.38	1.30
Others	2.39	0.19
Average effective tax rate charged to income	32.92	30.78

**29.2** Corporate tax rate applicable for the year is 29% (2019: 29%).

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020	2019
<b>30. EARNINGS PER SHARE</b>		
Profit for the year (Rupees in thousand)	1,008,294	3,960,606
Weighted average number of ordinary shares in issue during the year (in thousand)	99,533	99,533
Basic and diluted earnings per share (Rupees)	10.13	39.79

## 31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 31.1 Financial assets and liabilities

	Amortized Cost	Fair value through profit or loss	Total
	Rupees ('000)		
<b>June 30, 2020</b>			
<b>Financial Assets</b>			
Maturity up to one year			
Trade debts	13,970,178	-	13,970,178
Advances, deposits and other receivables	3,607,663	-	3,607,663
Short term investments	4,728,273	68,734	4,797,007
Cash and bank balances	3,482,386	-	3,482,386
Maturity after one year			
Other long term investments	-	-	-
	25,788,500	68,734	25,857,234



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

	Amortized Cost Rupees ('000)
<b>Financial Liabilities</b>	
Maturity up to one year	
Trade and other payables	25,251,153
Unclaimed dividend	49,598
Maturity after one year	
Long term deposits	716,283
	<b>26,017,034</b>

## 31.2 Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit rating determined based on their historical information for any defaults in meeting obligations.

	Rating	2020 Rupees ('000)	2019 Rupees ('000)
<b>Trade debts</b>			
Counterparties with external credit rating	A1+	163,767	475,246
	A1	355,819	50,013
Counterparties without external credit rating			
Secured against bank guarantee & letter of credit		417,776	1,007,859
Due from related parties		8,715,047	7,794,694
Others		4,317,769	7,510,443
		<b>13,970,178</b>	<b>16,838,255</b>
<b>Advances, deposits and other receivables</b>			
Counterparties with external credit rating	A1+	7,259	42,092
	A1	118	86
Counterparties without external credit rating			
Due from related parties		2,827,611	1,988,694
Others		772,675	550,003
		<b>3,607,663</b>	<b>2,580,875</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
	Rating	Rupees ('000)	
<b>Short term investments</b>			
Counterparties without external credit rating			
Investments in Mutual Funds		68,734	112,483
Investment in Treasury bills		4,728,273	482,464
Investment in PIBs		-	295,841
		4,797,007	890,788
<b>Bank balances</b>			
Counterparties with external credit rating	A1+	3,474,975	2,913,379
	A1	131	119
		3,475,106	2,913,498

## 31.3 FINANCIAL RISK MANAGEMENT

### 31.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

#### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, receivables from related parties, other receivables, bank balances and term deposits with banks.

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

The Company recognises ECL for trade debts using the simplified approach as explained in note 4.18. As per the aforementioned approach, the loss allowance was determined as follows:

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	91 - 180 days	181 - 365 days	More than 365 days	Total
Rupees ('000)				
<b>JUNE 30, 2020</b>				
Gross carrying amount	5,339,935	47,610	52,897	5,440,442
Loss allowance	36,760	47,610	52,897	137,267
<b>June 30, 2019</b>				
Gross carrying amount	9,152,057	31,027	59,303	9,242,387
Loss allowance	29,221	31,027	59,303	119,551

ECL on other receivables is calculated using general approach (as explained in note 4.18). As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2020	2019
Rupees ('000)		
Gross carrying amount	4,232,026	2,806,090
Loss allowance	(932,560)	576,328

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

The credit quality of bank balances and short-term investments, that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. Credit ratings and exposure of bank balances / short-term investments with each of the counterparties are appearing in note 31.2.

## (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Less than 1 Year	Above 1 year	Note
	Rupees ('000)		
<b>At JUNE 30, 2020</b>			
Long term deposits	-	774,349	
Lease liabilities	205,803	3,978,932	
Long term loan	43,046	120,323	
Unclaimed dividend	50,741	-	
Trade and other payables	25,227,369	-	
<b>At June 30, 2019</b>			
Long term deposits	-	716,283	
Unclaimed dividend	49,598	-	
Trade and other payables	25,251,153	-	

## (c) Market risk

### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Financial assets include Rs 29,501 thousand (2019: Rs 28,619 thousand) and financial liabilities include Rs 2,209,053 thousand (2019: Rs 2,838,891 thousand) which were subject to currency risk.

The following significant exchange rates were applied during the year:

	2020	2019	Note
<b>Rupees per USD</b>			
Average rate	157.11	134.80	
Reporting date rate	166.55	161.60	

At June 30, 2020, if the currency had weakened or strengthened by 10% against USD with all other variables at constant, profit after tax would have been Rs 154,748 thousand (2019: Rs 199,529 thousand) lower /higher.

### (ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets include balances of Rs 3,189 thousand (2019: Rs 2,839 thousand), which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

At June 30, 2020, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 37,192 thousand (2019: Rs 37,794 thousand) higher / lower, mainly as a result of higher/lower interest income from these financial assets.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

## (iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risk, because of the investments held by the Company classified as investment at fair value through profit and loss of Rs 68,734 thousand (2019:Rs 112,483).

### 31.3.2 Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

### 31.3.3 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs.

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees ('000)			
<b>JUNE 30, 2020</b>				
Short term investment - at fair value through profit or loss	68,734	-	-	68,734
<b>June 30, 2019</b>	112,483	-	-	112,483

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## 32. STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the defined benefit plan was conducted as at June 30, 2020 using the projected unit credit method. Details of the defined benefit plan are:

	2020	2019
	Rupees ('000)	
<b>32.1</b>		
The amounts recognised in the statement of financial position:		
Present value of defined benefit obligations	125,858	105,712
Fair value of plan assets	(115,780)	(89,915)
Liability recognised in the balance sheet	10,078	15,797
<b>32.2</b>		
The movement of amounts recognised in the statement of financial position are as follows:		
Net liability as at July 01,	15,797	19,730
Expense recognised in statement of profit or loss	14,220	12,145
Contributions made during the year	(16,155)	(15,074)
Remeasurement loss recognised in statement of comprehensive income	(3,784)	(1,004)
Net liability as at June 30,	10,078	15,797
<b>32.3</b>		
The amounts recognised in statement of profit and loss account are as follows:		
Current service cost	13,159	10,987
Interest cost	14,272	8,497
Expected return on plan assets	(13,211)	(7,339)
	14,220	12,145
<b>32.4</b>		
Remeasurements recognised in statement of profit or loss and other comprehensive income (OCI) are as follows:		
Remeasurement gain on obligations:		
Experience gain	(3,450)	(2,487)
Remeasurement (gain) / loss due to investment return	(334)	1,483
	(3,784)	(1,004)
<b>32.5</b>		
Changes in the present value of defined benefit obligation are as follows:		
Present value of defined obligation as at July 01,	105,712	90,168
Current service cost	13,159	10,987
Interest cost	14,272	8,497
Remeasurement gain	(3,450)	(2,487)
Benefits paid	(3,835)	(1,453)
Present value of defined obligation as at June 30,	125,858	105,712

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020	2019
	Rupees ('000)	
<b>32.6</b> Changes in fair value of plan assets are as follows:		
Fair value of plan assets as at July 01,	89,915	70,438
Expected return on plan assets	13,211	7,339
Contributions during the year	16,155	15,075
Benefits paid	(3,835)	(1,454)
Remeasurement gain / (loss) on investments	334	(1,483)
Fair value of plan assets as at June 30,	115,780	89,915

Actual return on plan assets for the year is Rs 14,192 thousand.

The Company expects to contribute Rs 15,559 thousand to its defined benefit gratuity plan during the year 2020-21.

	2020	2019
	Rupees ('000)	
<b>32.7</b> Category wise total investment of plan assets is as follows		
Government bonds	128,244	61,048
Mutual funds	3,753	5,345
Bank deposits	3,161	38,811
Benefits due	(265)	(265)
Due to Attock Oil Company	(19,113)	(15,024)
	115,780	89,915

Expected return on plan assets is based on market expectations and dependent upon the assets portfolio of the funds, at the beginning of the year, for returns over the entire life of the related obligation.

	2020	2019
	%	%
<b>32.8</b> Significant actuarial assumptions at the statement of financial position date are as follows:		
Discount rate	9.00	13.75
Expected rate of return on plan assets	9.00	13.75
Expected rate of increase in salaries	9.00	13.75

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## 32.9 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarises how the defined benefit obligation at the end of reporting period would have increased/ (decreased) as a result of change in respective assumptions by one percent.

	Defined benefit obligation	
	Effect of 1% increase	Effect of 1% decrease
	Rupees ('000)	
Discount rate	(11,460)	13,296
Expected rate of increase in salaries	13,166	11,559

32.10 The weighted average number of years of defined benefit obligation is 10.9 years as at June 30, 2020 (2019: 11.0 years).

32.11 The Company contributes to gratuity fund on the advice of fund's actuary. The contribution is equal to current service cost with the adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

	2020	2019
	Rupees ('000)	
32.12 Salaries, wages and benefits as appearing in note 26 include amounts in respect of the following:		
Provident fund	18,660	17,318
Gratuity fund	14,220	12,145
	32,880	29,463

32.13 Projected benefit payments from gratuity fund are as follows:

	Rupees ('000)
For the year 2021	6,376
For the year 2022	8,235
For the year 2023	11,851
For the year 2024	11,940
For the year 2025	14,157
For the year 2026-30	97,576

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	2020		2019	
	Rupees ('000)			
<b>33. APL EMPLOYEES PROVIDENT FUND</b>				
<b>a) Size of the fund</b>				
Size of the fund		252,378		193,719
Cost of investments made		248,530		191,368
Fair value of investments made		252,378		193,719
		%		%
Percentage of investments made		98		99
	2020		2019	
	Rupees ('000)	%	Rupees ('000)	%
<b>b) Breakup of investment - at cost</b>				
Treasury bills	231,786	93	83,156	43
Investment in Pakistan Investment bonds	-	-	31,797	17
Investment in saving account with bank	6,744	3	1,415	1
Mutual funds	10,000	4	15,000	8
Investments Plus Deposit Certificates	-	-	60,000	31
	248,530	100	191,368	100

c) Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act 2017, and applicable rules.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

## 34. TRANSACTIONS WITH RELATED PARTIES

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note 35, were as follows:

	Basis of association		2020	2019
			Rupees ('000)	
<b>Related Parties</b>				
Attock Refinery Limited	Common Directorship			
Associate shareholding in the Company	21.88%			
Company's shareholding in the associate	1.68%			
Purchase of petroleum products			46,286,777	52,803,053
Purchase of services			35,208	71,001
Late payment charges			1,149,712	784,571
Sale of petroleum products			9,664	10,371
Commission and handling income			55,907	167,099
Reimbursement of expenses incurred by ARL on behalf of APL			31,891	-
Dividend paid			326,594	671,333
National Refinery Limited	Common Directorship			
Associate shareholding in the Company	-			
Company's shareholding in the associate	1%			
Purchase of petroleum products			58,937,940	79,718,726
Purchase of services			91,143	82,070
Sale of petroleum products			4,969	6,274
Handling income			510,051	607,145
Reimbursement of expenses incurred by NRL on behalf of APL			1,439	-

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

	Related Parties (continued)	Basis of association	2020	2019
			Rupees ('000)	
1	Attock Gen Limited	Common Directorship		
2				
3	Associate shareholding in the Company	-		
4	Sale of petroleum products		3,482,186	7,431,398
5	Late payment charges		1,195,700	815,954
6				
7	Pakistan Oilfields Limited	Common Directorship		
8				
9	Associate shareholding in the Company	7.02%		
10	Purchase of petroleum products		221,042	246,282
11	Purchase of services		481	17,075
12	Sale of petroleum products		1,212,729	839,626
13	Sale of services		-	2,057
14	Other income		658	-
15	Reimbursement of expenses incurred by POL on behalf of APL		23,427	-
16	Reimbursement of expenses incurred by APL on behalf of POL		741	-
17	Dividend paid		104,771	215,362
18				
19	The Attock Oil Company Limited	Common Directorship		
20				
21	Associate shareholding in the Company	2.2%		
22	Purchase of petroleum products		13,307	23,544
23	Purchase of services		1,107	220,133
24	Sale of services		-	9,661
25	Reimbursement of expenses incurred by AOC on behalf of APL		56,469	-
26	Reimbursement of expenses incurred by APL on behalf of AOC		10,634	-
27	Dividend paid		32,846	67,516
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Related Parties (continued)	Basis of association		2020	2019	Note
			Rupees ('000)		
Pharaon Investment Group Limited Holding s.a.l	Common Directorship				1
Associate shareholding in the Company		34.38%			2
Dividend paid			513,291	1,482,840	3
Attock Cement Pakistan Limited	Common Directorship				4
Associate shareholding in the Company		-			5
Purchase of services			-	3,353	6
Sale of petroleum products			512,477	483,872	7
Sale of services			-	1,220	8
Reimbursement of expenses incurred by ACPL on behalf of APL			3,840	-	9
Reimbursement of expenses incurred by APL on behalf of ACPL			1,357	-	10
Attock Information Technology Services (Private) Limited	Common Directorship				11
Associate shareholding in the Company		-			12
Company's shareholding in the associate		10%			13
Purchase of services			36,025	27,435	14
Sale of services			244	7,059	15
Reimbursement of expenses incurred by APL on behalf of AITSL			10,297	-	16
Attock Sahara Foundation	Common Directorship				17
Associate shareholding in the Company		-			18
Purchase of goods			1,308	3,407	19
Attock Leisure Management Associates	Common Directorship				20
Associate shareholding in the Company		-			21
Reimbursement of expenses incurred by ALMA on behalf of APL			1,798	1,584	22

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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Related Parties (continued)	Basis of association	2020	2019
		Rupees ('000)	
Attock Hospital (Private) Limited	Common Directorship		
Associate shareholding in the Company		-	
Purchase of medical services		10,293	8,800
<b>Other related parties</b>			
Security deposit and joining fee received from Chief Executive for establishing a retail outlet		1,200	-
Dividend paid to key management personnel		99,651	204,792
Contribution to staff retirement benefits plans			
APL Employees provident fund		18,660	17,318
APL Gratuity fund		14,220	12,145
Contribution to Workers' profit participation fund		85,914	313,334

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

35	REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES					
	Chief Executive		Director		Executives	
	2020	2019	2020	2019	2020	2019
	Rupees ('000)					
Managerial remuneration	16,227	13,673	6,121	5,559	83,286	76,965
Bonus	21,192	22,689	9,183	9,455	36,353	39,041
Company's contribution to provident, pension and gratuity funds	-	-	1,085	1,004	9,919	7,742
Housing and utilities	5,005	5,005	2,341	2,188	30,767	24,658
Other perquisites and benefits	2,892	2,682	3,001	2,493	19,406	15,814
Leave passage	1,283	1,167	580	458	1,013	533
	46,599	45,216	22,311	21,157	180,744	164,753
No. of person(s)	1	1	1	1	32	28

35.1 The above includes amount charged by an associated company for share of chief executive's and one director's remuneration as approved by the Board of Directors of the Company. In addition, Chief Executive, a Director and certain Executives were also provided with use of Company maintained cars and medical facilities as per Company policy.

35.2 In addition, five non-executive directors of the Company were paid meeting fee aggregating Rs 5,280 thousand (2019: Rs 5,297 thousand).

## 36. SEGMENT REPORTING

36.1 As described in note 1 to these financial statements the Company markets petroleum products. Revenue from external customers for products of the Company are as follows:

Product	2020	2019
	Rupees ('000)	
High Speed Diesel	87,269,640	100,575,931
Furnace Fuel Oil	28,723,857	34,834,889
Premier Motor Gasoline	93,961,911	91,466,257
Bitumen	10,075,077	11,508,354
Jet Petroleum	8,772,443	10,007,222
Others	6,929,201	8,268,534
	235,732,129	256,661,187

36.2 There is no single external customer of the Company whose revenue amounts to 10% or more of the Company's total revenue during the year ended June 30, 2020.

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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

## 37. NUMBER OF EMPLOYEES

Total number of employees at the end of year was 464 (2019: 476). Average number of employees during the year was 467 (2019: 451). Total number of employees includes 191 (2019: 221) employees at storage facilities at the end of the year. Average number of employees during the year at storage facilities was 192 (2019: 203).

## 38. CAPACITY AND PRODUCTION

Considering the nature of the Company's business, the information regarding production has no relevance whereas product storage capacities at Company's facilities during the current year is detailed below:

Description	Storage capacity (Metric Tons)
Rawalpindi Bulk Oil Terminal	18,393
Machike Bulk Oil Terminal	60,998
Korangi Bulk Oil Terminal	14,468
Mehmoodkot Bulk Oil Terminal	17,028
Shikarpur Bulk Oil Terminal	7,386
Sahiwal Bulk Oil Terminal	16,127
Daulatpur Bulk Oil Terminal	13,887

## 39. GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS

The business units of the Company includes the following:

Business unit	Location
a) Marketing and Sales Office	Attock House Building, Morgah, Rawalpindi
b) Rawalpindi Bulk Oil Terminal	Caltex Road, New Lalazar, Rawalpindi
c) Machike Bulk Oil Terminal	Mouza Dhant Pura, Machikey, District Sheikhpura
d) Korangi Bulk Oil Terminal	Sector 7-B, Korangi Industrial Area, Karachi
e) Mehmoodkot Bulk Oil Terminal	Gate R-I, Mehmood Kot Qasba Gujrat, District Muzaffar Garh
f) Shikarpur Bulk Oil Terminal	Kandhkot Road, Moza Raidu, Taluka khanpur, District Shikarpur
g) Sahiwal Bulk Oil Terminal	Road Sheerenwala Chowk to Naianwala Bangla, Chak No. 105/9L, District Sahiwal
h) Daulatpur Bulk Oil Terminal	Deh Bogri, Tapo saeed kundo, Taluka Qazi Ahmed, District Shaheed Benazirabad, Daulatpur

Regional marketing and sales offices and invoicing points are also located in Lahore, Vehari, Faisalabad, Shikarpur, Tarujabba, Karachi, Sukkur, Multan and Quetta. In addition to above the Company owns retail operation sites and sites operated through dealers, across Pakistan and Northern Areas, the details of which are impracticable to disclose as required under paragraph VI (1) (i) of Part I of the 4th Schedule to the Companies Act, 2017.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

<b>40.</b>	<b>DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX</b>	Note 1																						
	Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".	2 3 4																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Description</th> <th style="text-align: left;">Explanation</th> </tr> </thead> <tbody> <tr> <td>i) Loans and advances - asset</td> <td>Non-interest bearing</td> </tr> <tr> <td>ii) Long term deposits - liability</td> <td>Non-interest bearing</td> </tr> <tr> <td>iii) Long term loan</td> <td>Disclosed in note 10</td> </tr> <tr> <td>iv) Other long term investments</td> <td>Non-interest bearing</td> </tr> <tr> <td>v) Bank balances</td> <td>All bank accounts are maintained under conventional banking system</td> </tr> <tr> <td>vi) Income on bank deposits</td> <td>This represents interest on bank deposits maintained under conventional banking system</td> </tr> <tr> <td>vii) Segment revenue</td> <td>Product wise revenue disclosed in note 36</td> </tr> <tr> <td>viii) Breakup of dividend income - Company wise</td> <td>Disclosed in note 16.3</td> </tr> <tr> <td>ix) Exchange gain/loss</td> <td>Disclosed in note 26</td> </tr> <tr> <td>x) Relationship with Shariah compliant banks</td> <td>Company does not have any relationship with bank under Islamic windows of operations</td> </tr> </tbody> </table>	Description	Explanation	i) Loans and advances - asset	Non-interest bearing	ii) Long term deposits - liability	Non-interest bearing	iii) Long term loan	Disclosed in note 10	iv) Other long term investments	Non-interest bearing	v) Bank balances	All bank accounts are maintained under conventional banking system	vi) Income on bank deposits	This represents interest on bank deposits maintained under conventional banking system	vii) Segment revenue	Product wise revenue disclosed in note 36	viii) Breakup of dividend income - Company wise	Disclosed in note 16.3	ix) Exchange gain/loss	Disclosed in note 26	x) Relationship with Shariah compliant banks	Company does not have any relationship with bank under Islamic windows of operations	5 6 7 8 9 10 11 12 13 14 15 16 17 18
Description	Explanation																							
i) Loans and advances - asset	Non-interest bearing																							
ii) Long term deposits - liability	Non-interest bearing																							
iii) Long term loan	Disclosed in note 10																							
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ix) Exchange gain/loss	Disclosed in note 26																							
x) Relationship with Shariah compliant banks	Company does not have any relationship with bank under Islamic windows of operations																							
	Disclosures other than above are not applicable to the Company.	19																						
<b>41.</b>	<b>LETTER OF CREDIT &amp; SHORT TERM RUNNING FINANCE FACILITIES</b>	20																						
<b>41.1</b>	The Company has entered into an arrangement with banks for obtaining Letter of Credit facility to import petroleum products and spare parts and materials upto a maximum of Rs 10,000 million (2019: Rs 10,700 million). The facility is secured against first pari passu charge of Rs 11,867 million (2019: Rs 11,867 million) on all present and future current and fixed assets of the Company (excluding land and building). The unavailed facility at June 30, 2020 was Rs 7,694 million (2019: Rs 7,450 million). The facility will expire on October 31, 2020.	21 22 23 24 25 26																						
<b>41.2</b>	The Company has enhanced its two running finance facilities aggregating to Rs 6,800 million (2019: Rs 2,500 million). No amount has been utilized from aforementioned facilities as at June 30, 2020 (2019: Rs Nil). These facilities carry mark-up at the rates ranging from three months Kibor +0.25% to one month Kibor +0.4% (2019: Kibor + 0.25% to one month Kibor + 0.5%) per annum. Mark up on facility is to be serviced on monthly and quarterly basis. The facilities are secured against first pari passu charge on all present and future current and fixed assets of the Company (excluding land and building) and lien of import documents.	27 28 29 30 31 32 33																						
<b>42.</b>	<b>INTEREST IN JOINT ARRANGEMENTS</b>	34																						
	In March 2015 the Company entered into a joint arrangement with Pakistan State Oil (PSO) for establishment, operation and maintenance of a fuel farm and to operate and maintain the Hydrant Refueling System at the New Islamabad International Airport. Each party has a 50% share in the joint arrangement and it is an un-incorporated joint arrangement. The Company has classified this arrangement as a joint operation. The fuel farm and refueling system started its operations on May 02, 2018. The Company has recognised its share of jointly held assets, liabilities, revenues and expenses of the joint operation under the appropriate heads and disclosed the same in related notes.	35 36 37 38 39 40 41 42 43 44 45																						

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Note

## 43 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on August 26, 2020 has proposed a final cash dividend for the year ended June 30, 2020 @ Rs 4/- per share, amounting to Rs 398,131 thousand for approval of the members in the Annual General Meeting to be held on October 19, 2020.

## 44. GENERAL

### 44.1 Impact of COVID - 19 on the financial statements

The spread of COVID - 19 as a pandemic and consequently imposition of lock down by the Federal and Provincial Governments of Pakistan caused an overall economic slowdown and disruption to various businesses. Consequently, demand of petroleum products and its prices decreased which led to decrease in sales and profitability of the Company mainly due to significant inventory losses. However, procurement and marketing of petroleum and related products have been continued in compliance of SOP's issued by the Government of Pakistan. The management of the Company has been regularly conducting in depth analysis and has assessed that there is no material impact of COVID - 19 on the carrying amounts of assets and liabilities as at June 30, 2020. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects.

44.2 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However no significant reclassification have been made, except for following:

	Rupees ('000)
"Investments in treasury bills at amortised cost upto three months" now included in "Cash and cash equivalents" in the statement of cash flows	482,464

44.3 Figures have been rounded off to the nearest thousand of Pakistan Rupees unless otherwise specified.

## 45. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company on August 26, 2020.



Rehmat Ullah Bardaie  
Chief Financial Officer



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

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# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting (being the 38<sup>th</sup> General Meeting) of the Company will be held at Attock House, Morgah, Rawalpindi on October 19, 2020 at 12:00 p.m. through video link to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2020 together with Directors' and Auditor's Reports thereon.
2. To consider, approve and authorise the payment of final cash dividend of 40% i.e. Rs. 4/- per share of Rs. 10/- each, as recommended by the Board of Directors in addition to the interim dividend of 50% i.e. Rs. 5/- per share already paid to the shareholders thus making a total of 90% i.e. Rs. 9/- per share for the year ended June 30, 2020.
3. To appoint auditors for the year ending June 30, 2021 and to fix their remuneration.

BY ORDER OF THE BOARD



**Faizan Zafar**

Company Secretary

Registered Office:  
Attock House  
Morgah, Rawalpindi.  
September 28, 2020

## NOTES:

### CORONAVIRUS CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING

In light of the threat posed by the COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) has advised companies to modify their usual planning for general meetings in order to ensure safety and well-being of shareholders and the public at large through Circular No. 5 of 2020 dated March 17, 2020 and Circular No. 25 of 2020 dated August 31, 2020.

Accordingly, the Company will be convening its Annual General Meeting (AGM) via video link only while ensuring compliance with the quorum requirements. The shareholders intending to participate in the meeting are hereby requested to share following information with the Company Secretary office at the earliest but not later than 48 hours before the time of the AGM i.e. before 12:00 p.m. on October 17, 2020.

### Required information:

Shareholder Name, CNIC Number, Folio/CDC Account No., Mobile Phone Number\* and Email address\*

*\*Shareholders are requested to provide active mobile number and email address to ensure timely communication*

## Modes of Communication:

The above mentioned information can be provided through following modes:

- a) Mobile/WhatsApp: 0300-0565044
- b) Email: meetings@apl.com.pk

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 17, 2020 by 12:00 p.m. Shareholders are also encouraged to provide their comments and queries on the agenda items of the AGM through above contact number/email address which will be appropriately addressed in the meeting.

## CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company will remain closed from October 13, 2020 to October 19, 2020 (both days inclusive). The Members whose names appear on the Register of Members as on October 12, 2020 shall be entitled to attend the AGM.

## FOR APPOINTING PROXIES:

- i. A member may appoint a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting. Copy of CNIC of member and proxy must be furnished with the proxy form.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- iii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

Proxies attending meeting on behalf of members are also required to provide below information for the purpose of attending the meeting through video link. Video link details and login credentials will be shared with proxy after verification.

## Required information:

Name of Proxy, CNIC Number, Folio/CDC Account No. of Member, Mobile Phone Number and Email address

## DEDUCTION OF INCOME TAX FOR FILER AND NON FILER AT REVISED RATES:

Under the provisions of Section 150 of Income Tax Ordinance, 2001 rates of withholding income tax on dividend will be as follows:

1	For shareholders appearing in Active Tax Payers list	15 %
2	For shareholders not appearing in Active Tax Payers list	30 %

In case of joint account, each holder is to be treated individually and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

The CNIC number/NTN details is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

### **EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:**

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be before the start of book closure. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

### **CHANGE OF ADDRESS:**

Members are requested to promptly notify any change of address to the Company's Share Registrar at following address:

CDC Share Registrar Services Limited  
CDC House, 99-B, Block "B" S.M.C.H.S. Main Shahrah-e-Faisal, Karachi-74400

### **TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD:**

The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request Form is available on the website of the Company i.e. [www.apl.com.pk](http://www.apl.com.pk).

### **AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:**

The audited financial statements of the Company for the year ended June 30, 2020 have been made available on the Company's website [www.apl.com.pk](http://www.apl.com.pk) in addition to annual and quarterly financial statements for the prior years.

### **UNCLAIMED DIVIDEND AND UNDELIVERED SHARE CERTIFICATES:**

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or undelivered share certificates.

### **PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDERS:**

In accordance with the section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their bank account details (IBAN format) directly to our share registrar (for physical shares) or to their respective participant / broker (for CDS shares) as the case may be. Form for updation of bank account details (IBAN Format) is available at Company's website i.e. [www.apl.com.pk](http://www.apl.com.pk). In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

### **CONSENT FOR VIDEO CONFERENCE FACILITY:**

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, a request is to be submitted to the Company Secretary of the Company on given address:

**The Company Secretary, Attock Petroleum Limited, Attock House, Morgah, Rawalpindi**

### **DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:**

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

In light of above, shareholders holding physical share certificates are encouraged to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.

## GLOSSARY

ABL	Allied Bank Limited
ACPL	Attock Cement Pakistan Limited
AGM	Annual General Meeting
AITSL	Attock Information Technology Services (Pvt.) Limited
ALMA	Attock Leisure & Management Associates (Private) Limited
APL	Attock Petroleum Limited
APLEWT	Attock Petroleum Limited Employees Welfare Trust
ARL	Attock Refinery Limited
ATL	Active Taxpayers List
ATM	Automated Teller Machine
B2B	Business-to-Business
B2C	Business-to-Consumer
bbl	Barrel
BPPL(MKTG)	Byco Petroleum Pakistan Limited (Marketing)
BEL	Bakri Energy Limited
CD	Compact Disc
CDC	Central Depository Company of Pakistan
CDS	Central Depository System
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNIC	Computerized National Identity Card
COCO	Company Owned Company Operated
CPEC	China-Pakistan Economic Corridor
CPR	Cardiopulmonary Resuscitation
CSC	Customer Service Centre
CSM	Company Secretarial Matters
CSR	Corporate Social Responsibility
DISTT.	District
DTP	Directors' Training Programme
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECC	Economic Coordination Committee
ECL	Expected Credit Losses
EHS	Environment Health and Safety
EMS	Environmental Management System
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
EV	Electric Vehicle
FBR	Federal Board of Revenue
FO	Furnace Oil

FOTCO	Fauji Oil Terminal & Distribution Company Limited
FVTPL	Fair Value Through Profit or Loss
FVTOCI	Fair Value Through Other Comprehensive Income
FY	Financial Year
GO	Gas and Oil Pakistan Private Limited
GoP	Government of Pakistan
HAZMAT	Hazardous Materials
HEC	Higher Education Commission
HOBC	High Octane Blended Component
HR	Human Resource
HR & R	Human Resource & Remuneration
HRMS	Human Resource Management System
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HSEQ	Health, Safety, Environment and Quality
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBAN	International Bank Account Number
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost & Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IIAP	Islamabad International Airport Project
IMF	International Monetary Fund
ISA	International Standards on Auditing
ISO	International Organization for Standardization
IT	Information Technology
JCR-VIS	Japan Credit Rating Agency - Vital Information Services Pakistan Limited
JP	Jet Petroleum
KBT	Karachi Bulk Oil Terminal
KIBOR	Karachi Interbank Offered Rate
KPK	Khyber Pakhtunkhwa
LBO	Lube Base Oil
LED	Light Emitting Diode
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LTU	Large Taxpayers Unit
M.TON	Metric Ton
MBA	Masters in Business Administration

MBT	Machike Bulk Oil Terminal
MCI	Metropolitan Corporation Islamabad
MD	Managing Director
MFM	Mehmood Kot Faisalabad Machike
MIS	Management Information System
NAV	Net Asset Value
NBP	National Bank of Pakistan
NEQS	National Environmental Quality Standards
NGO	Non-Governmental Organization
NRL	National Refinery Limited
NTN	National Tax Number
OCAC	Oil Companies Advisory Council
OCI	Other Comprehensive Income
OGDCL	Oil & Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment Series
OMC	Oil Marketing Company
OPEC	Organization of the Petroleum Exporting Countries
PACRA	Pakistan Credit Rating Agency Limited
PARCO	Pak-Arab Refinery Company
PIB	Pakistan Investment Bonds
PKR	Pakistani Rupee
PMDC	Pakistan Mineral Development Corporation
PMG	Premier Motor Gasoline
POL	Pakistan Oilfields Limited
PPL	Pakistan Petroleum Limited
PSOCL	Pakistan State Oil Company Limited
PSX	Pakistan Stock Exchange
Pvt.	Private
RBT	Rawalpindi Bulk Oil Terminal
RLNG	Re-Gasified Liquefied Natural Gas
ROE	Return on Equity
ROU	Right of use
Rs	Rupees
SAFA	South Asian Federation of Accountants
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SKO	Superior Kerosene Oil
SMD	Surface Mount Device
SNGPL	Sui-Northern Gas Pipelines Limited

SPL	Shell Pakistan Limited
SRO	Statutory Regulatory Order
SSGCL	Sui-Southern Gas Company Limited
TOR	Terms of Reference
TPPL	Total Parco Pakistan Limited
U.A.E	United Arab Emirates
UBL	United Bank Limited
UK	United Kingdom
USD	United States Dollar
US/USA	United States of America
VIU	Value in Use
WMP	Waste Management Plan
WOP	White Oil Pipeline
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund

پورٹ قاسم میں بلک آئل ٹرینٹل کی تعمیر میں مزید پیش رفت ہوئی ہے اور یہ جلد آہر منتقل ہو جائے گا۔

دو سال کے عرصے کے اندر، ایک سمارٹ فیول کارڈ کی سہولیات پاکستان کے بڑے اور چھوٹے شہروں میں پیش کی جا رہی ہیں اور اس سہولت نے مجموعی طور پر منتقلیہ دہک کے 25 فیصد حصے کا احاطہ کر لیا ہے اور یہ فوٹو رنڈ مزید آگے بڑھ رہی ہے۔

کمپنی نے پاکستان کے دفاعی شعبے کو سال 2019-20 کے لیے فیول فراہم کرنے کے انتظامات کو کامیابی کے ساتھ مکمل کیا ہے اور APL اپنی گزشتہ غیر معمولی دسمبر کارڈ کی بنیاد پر سال 2020-21 کیلئے 1-SKO، JP اور HOBG کی ترسیل کرنے کا معاہدہ حاصل کرنے میں کامیاب رہا۔

## اعلیٰ دستہ

بورڈ اس موقع پر اپنے حصص داران، صارفین اور کلییدی شراکت داروں کا اس سخت وقت میں کمپنی پر اعتماد اور بھروسہ کرنے کیلئے شکر گزار اور ممنون ہے۔ بورڈ ملازمین کی لگن اور عزم کیلئے اعلیٰ دستہ شکر کرتا ہے۔ بورڈ حکومت پاکستان، انضباطی اداروں اور سپلائرز کا بھی مسلسل تعاون کیلئے مشکور ہے۔

## منجانب بورڈ



عبدالرؤف

ڈائریکٹر



شیعاب ملک

چیف ایگزیکٹو

راولپنڈی

26 اگست، 2020

ہولڈرز، شراکت داروں اور معاشرے کے طویل مدتی مفادات میں پائیدار کاروباری نمو اور ترقی کا عمل جاگزیں کر کے حکومت اور مقامی کیونسلوں کو فائدہ پہنچاتا ہے۔

COVID-19 وباء کے اثرات کے حوالے سے، انتظامیہ نے اس غیر معمولی منظر نامے کے ذریعے پیش آنے والے چیلنجز سے نمٹنے کیلئے حکمت عملی کے لحاظ سے متعدد اقدامات کئے۔ بورڈ نے انتظامیہ کو بروقت راہنمائی فراہم کی تاکہ COVID-19 کے اثرات کو کم کر کے کاروباری عمل جاری رہے۔ کمپنی کے اندر مختلف سطحوں پر ایک نیا فریم ورک مرتب کیا گیا ہے جو ملازمین اور عملے کے اراکین کے ساتھ رابطے میں آنے والوں کی حفاظت سے معاونت کرتا ہے۔ متعدد عمومی اور خصوصی پالیسیوں کو اپنایا جا رہا ہے تاکہ محصولات میں کمی کے مالی اثرات کو کم کیا جاسکے۔ اور کمپنی میں اس طرف ملاحظت پوری کرنا کہ کمپنی ان مواقع سے فائدہ اٹھاتے ہوئے اپنے منافع کو زیادہ سے زیادہ بڑھا سکے جو اسے COVID-19 کے اثرات سے بحالی کے دوران دستیاب ہو گئے۔

### کمپنی کی آمدن اور آپریشن پر اثر انداز ہونے والے رجحانات وغیر چینی حالات:

بیرونی عوامل کی وجہ سے تیل کی قیمتوں میں اتار چڑھاؤ نے کمپنی کے آپریشن کو نمایاں طور پر متاثر کیا ہے۔ عالمی واقعات اور سلسلہ وار ہنگواریائی سیاست اور مارکیٹ عوامل نے قیمتوں میں بے چینی اور عدم استحکام پیدا کیا اور بڑے تیل پیدا کرنے والے ممالک پر ناخوشگوار اثرات ڈالے۔ اسی طرح نا اہلی بلندی آمدنی قیمتوں اور زر مبادلہ نقصانات جس کی وجہ سے امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شرح مبادلہ زری مسلسل گراؤٹ نے کمپنی کے منافع اور آپریشن کو متاثر کیا۔ تیل کی قیمتوں میں مذکورہ عدم استحکام کے ساتھ ساتھ مبادلہ زری میں اتار چڑھاؤ اور محصولات اور ٹیکس کے ڈھانچے میں تبدیلی نے بہت سے تغیرات پیدا کئے جس کے نتیجے میں کمپنی کو متعدد چیلنجز درپیش آئے جن کا کمپنی کو روزمرہ بنیاد پر سامنا کرنا پڑا۔ APL نے مذکورہ غیر چینی صورتحال سے نمٹنے کیلئے بہترین ممکن طریقے سے مقابلہ کیا۔

### گزشتہ سال پیش کردہ ذمہ داریوں پر منصوبہ جات سے متعلق کارکردگی:

کمپنی نے اپنے ریٹیل نیٹ ورک کو بہت سی نئی ریٹیل آؤٹلٹس کی شنولیت کر کے توسیع دی ہے۔ یہ آؤٹلٹس کمپنی کی اپنے انتظام کے تحت "کمپنی ٹانس کمپنی آپریٹڈ" ماڈل پر کام کر رہی ہیں، جس کی تفصیلات کمپنی کے سٹیز اور مارکیٹنگ ریویو (جائزے) میں پیش کی گئی ہیں۔

APL نے سائبرال اور دولت پور بلک آئل ریٹیل کی تعمیر کامیابی کے ساتھ مکمل کی، اس سے نہ صرف مجموعی طور پر آئل ذخیرہ کرنے کی گنجائش میں اضافہ ہو گیا ہے بلکہ اس سے کمپنی کو اندرون سندھ اور بلوچستان کے علاقوں پر مشتمل جنوبی خطے میں مارکیٹ شیئر بڑھانے میں بھی مدد ملے گی۔ اسی طرح

انتظامیہ سمجھتی ہے کہ نیا انفراسٹرکچر کمپنی کو صنعت میں تیزی سے وجود میں آنے والے آپریشنل اور مارکیٹنگ حکریات کے اندر اتار چڑھاؤ کو چھرا کرنے میں معاونت کرے گا۔ APL منڈی کی حفر قوتوں کو موثر طریقے سے جواب دے کر انفراسٹرکچر عزام کو حاصل کرنے کیلئے فعال صلاحیتوں کو تیار کرنا ہے۔ مسابقتی قوتوں اور حکریات میں ہونے والے تغیرات کا جائزہ لیتے کیلئے ماہر بروقت جواب دینے اور فیصلہ سازی کرنے کیلئے انتظامیہ دائمی طور پر بروہنی ماحول اور ان کی تشکیل کرنے والے ڈرائیورز کا اعزازہ کرتی ہے۔

کمپنی پر امید ہے کہ نہ صرف ان ٹیشن رفقوں سے آپریشنل موثریت اور کارگزاری میں اضافہ ہوگا بلکہ فروخت میں بھی اضافہ ہوگا اور مال بروہاری کے فوائد کی رو سے لاگت کی استعداد کو حاصل کرنے میں مدد ملے گی۔

زیادہ سرسبز ماحول کی طرف منتقلی کیلئے ابھرتی ہوئے رجحان میں انک پٹرولیم لمیٹڈ کا مقصد کم کاربن اور معیشت میں بہتری کیلئے زیادہ سے زیادہ صاف توانائی کے حصول کیلئے مل ڈیویژن کی پیداوار میں اضافے کیلئے مدد فراہم کرنا ہے۔ APL توانائی کی بچت کے منصوبوں کیلئے بھی فعال طور پر کام کرتا ہے جو کہ درج ذیل ہیں:

- کمپنی توانائی کے موثر آلات کو مارکیٹ میں متعارف کروا کر ملک کے مختلف مقامات پر توانائی کی بچت کو بہتر بنانے کیلئے مستقل طور پر توانائی کے تحفظ پر کام کر رہی ہے۔ راولپنڈی، ساہیوال، ساہیوال، دولت پور اور کراچی فرمٹور پر توانائی کی بچت کیلئے تمام ہائی پریشر سوڈیم اور مرکزی لائٹس کو موثر LED اور SMDs لائٹس کے ساتھ تبدیل کر دیا گیا ہے۔
- جدید ترین ٹیکنیکل چیلنجز کا مقابلہ کرنے کیلئے 2020-21 APL کی پہلی سرمایہ میں اپنے پہلے EV چارجنگ اسٹیشن کا افتتاح کیا گیا ہے۔

کمپنی کے پاس ایسے غیر معمولی رہنماؤں کی قیادت میں نیوں کا متنوع پورٹ فولیو موجود ہے جو بہترین کاروباری کارکردگی پیش کرتے ہیں۔ کمپنی کا مقصد مستقبل کیلئے رہنماؤں کی تیار کرنے ہے جس کیلئے انہیں ملازمتوں اور ایسے شعبے میں سرمایہ کاری کے مواقع پیش کئے جاتے ہیں جن میں وہ اپنی صلاحیتوں میں اضافہ کر سکیں۔ حفر افیائی تنوع اور موجودگی کمپنی کو نئے وسائل استعمال کرنے اور ان میں مطابقت پیدا کرنے اور ترقی کی طرف گامزن اور مارکیٹوں کی تلاش کا موقع بخشتے ہیں۔ جس سے متنوع اور مربوط کاروبار کی جانب پیش رفت ہوتی ہے۔ انک پٹرولیم لمیٹڈ کا اولین مقصد شیئر

## مستقبل کے منصوبے اور امیدیں

چیلنجز اور مسابقتی ماحول میں کام کرنے والی ایک ممتاز کمپنی ہونے کے ناطے، APL کا اولین مقصد اعلیٰ معیار پر مبنی مصنوعات کی باقاعدگی اور سہولت کے لیے اعلیٰ معیارات مقرر کرنا اور پورے پاکستان میں بہترین خدمات فراہم کرنا ہے۔ اپنی بنیادی اقدار پر انحصار کرتے ہوئے، کمپنی کی توجہ اس جانب مرکوز ہے کہ اپنی نمایاں اسیاف و صلاحیتوں اور عبوری اثرات سے نمٹنے کیلئے موثر ردعمل کے ذریعے مختلف مواقعوں سے فائدہ اٹھا کر مارکیٹ میں مسابقت پر مبنی برتری کا حصول کیا جائے۔

انتظامیہ جدید ٹیکنالوجی کو بروقت ڈھالنے، زیادہ سے زیادہ شیئرز ہولڈرز و پلیو، آپریشنل پیش رفت، اور بنیادی ڈھانچے کی توسیع کی اہمیت کو اجاگر کرتی ہے۔ APL صحت، حفاظت، تحفظ، ماحولیات کے ساتھ ساتھ، اصولوں، اقدار اور عملی اخلاقیات پر عمل پیرا ہونے کے ساتھ ساتھ، مستقل طور پر اپنی کارکردگی کو بہتر بنانے میں کوشاں ہے۔ کمپنی اپنے کسٹمرز کے تجربے کی بنیاد پر اپنی خدمات کے سلسلے میں انوکھی خصوصیات میں اضافے اور ان کی فراہمی میں بہت لے جانے کیلئے حکمت عملی پر مبنی اقدامات اٹھاتی ہے۔

کمپنی اسٹریٹجک مقامات پر بلک آئل ٹرمینلز قائم کر رہی ہے اور مسلسل سپلائی کی ذمہ داریوں کو پورا کرنے کیلئے ذخیرہ کرنے کی سہولیات کی تعداد میں اضافے پر توجہ دے رہی ہے۔ چند بڑے اہم ٹرمینلز کو جاری منصوبے و تعمیرات درج ذیل ہیں:

- دولت پور میں بلک آئل ٹرمینل کی تعمیر مکمل ہو چکی ہے اور یہ کامیابی کے ساتھ جنوری 2020 سے آپریشنل ہے۔
- ساہیوال میں بلک آئل ٹرمینل کی تعمیر مکمل ہو چکی ہے اور یہ کامیابی کے ساتھ مارچ 2020 سے آپریشنل ہے۔
- ماتھیکے (Machike) بلک آئل ٹرمینل میں ذخیرہ کرنے کی گنجائش کی توسیع مکمل ہو چکی ہے اور اس کو جون 2020 سے کامیابی کے ساتھ استعمال کیا جا رہا ہے۔
- محمود کوٹ بلک آئل ٹرمینل اور شکار پور بلک آئل ٹرمینل کی پائپ لائنز کو چیکو (PAPCO) ٹرمینلز کے ساتھ باہم ربطی اپریل 2020 اور اگست 2019 میں منسلک کیا جا چکا ہے۔
- پورٹ قاسم میں بلک آئل ٹرمینل کی تعمیر جاری ہے۔ ڈائٹ آئل پائپ لائن کے ذریعے درآندی آئل مصنوعات کو وصول کرنے اور آئل مصنوعات کو وسط ملک میں ترسیل کیلئے ٹرمینل کو FOTCO اور WOP نظام کے ساتھ منسلک کیا جائے گا۔
- گئی (فیصل آباد)، تارو چہ (پشاور) اور ڈیرہ اسماعیل خان میں نئے اسٹوریج ٹرمینلز کا انجینئرنگ ڈیزائن مکمل ہو گیا ہے۔ اس منصوبے پر عملدرآمد آئندہ مالی سال میں کرنے کا منصوبہ ہے۔

ایگزیکٹو ڈائریکٹرز کے معاوضہ منجیج سمیت چیف ایگزیکٹو کوڈی جانے والی ٹکڑاؤ، فوائڈ، بونس و دیگر مراعات وغیرہ کا ذکر مالی بیانات کے نوٹ 35 میں کیا گیا ہے۔

### متعلقہ کمپنیوں کے ساتھ لین دین کی پالیسی:

متعلقہ کمپنیوں کے ساتھ تمام لین دین عام کاروباری طریقہ کار میں ایک مخصوص حد کے اندر رہتے ہوئے کئے جاتے ہیں۔ اس کے علاوہ کمپنیز ایکٹ، 2017 کی دفعہ 208 اور کمپنیز (متعلقہ فریقین کے ساتھ لین دین اور متعلقہ ریکارڈ کی دیکھ بھال) ریگولیشنز 2018 کی مطابقت میں، بورڈ آف ڈائریکٹرز نے متعلقہ کمپنیوں کے ساتھ عام کاروباری طریقہ کار یا ایک مخصوص حد کے اندر نہ رہتے ہوئے کئے گئے لین دین کی پالیسی منظر کی ہے۔ پالیسی ان کاروباری لین دین کو عمل میں لاتے وقت متعلقہ پارٹی کے ساتھ لین دین کے سلسلے میں کم از کم معلومات، بورڈ کی ذمہ داری، لین دین کی نوعیت اور قیمتوں کا تعین کرنے کے طریقوں کی بیرونی کرنے کے بارے میں ہدایات فراہم کرتی ہے۔

بورڈ کے اراکین کو متعلقہ کمپنیوں کے ساتھ کسی معاہدے یا سمجھوتے میں اپنے مفاد کو لٹا کر کرنے کیلئے ان کی ذمہ داری کے بارے میں مطلع کیا گیا ہے۔ کمپنیز ایکٹ 2017 کی دفعہ 209 کے تحت مطلوب ہے۔ اس سلسلے میں ڈائریکٹرز سے موصول کردہ معلومات کا رجسٹر بھی قانونی ضروریات کے مطابق برقرار رکھا جا رہا ہے۔ کاروباری لین دین جہاں ڈائریکٹرز کی اکثریتی تعداد کی دلچسپی ہو وہ اجلاس عام کیلئے حصص داران کی توثیق و منظوری کیلئے ارسال کر دیا جاتا ہے۔

کارپوریٹ گورننس کی ضروریات کے مطابق، متعلقہ کمپنیوں کے ساتھ کئے گئے کاروباری لین دین کی تفصیلات بورڈ آڈٹ کمیٹی کے سامنے مقررہ وقتوں سے پیش کی گئیں اور بورڈ کے سامنے جائزہ اور منظوری کیلئے پیش کی گئیں۔

### آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، جو PWC نیٹ ورک کی ممبر کمپنی ہے، کی خدمات کا عرصہ مکمل ہو چکا ہے اور وہ 2020-21 کے لیے دوبارہ تعیناتی کی اہلیت رکھتے ہیں۔ انہوں نے اپنے آپ کو دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے ان کے معاوضے کے ساتھ یہ سفارش کی ہے کہ انہیں اگلے مالی سال کے لیے بھی آڈیٹرز مقرر کیا جائے جس کا اختتام 30 جون 2021ء کو ہوگا۔ بورڈ نے بھی اس سفارش کو حصص داروں کے آئندہ سالانہ اجلاس عام میں منظوری کے لیے پیش کرنے کی منظوری دی ہے۔

سال میں ایک مرتبہ اجلاس ہوا جس میں انسانی وسائل سے متعلق امور پر غور کیا گیا۔

### اجلاس میں ڈائریکٹرز کی حاضری:

نمبر شمار	نام	پورڈ آف ڈائریکٹرز اجلاس	آڈٹ کمیٹی اجلاس	ایچ آر ای آر کمیٹی اجلاس
1-	جناب ایف بی فرعون*	5/5		1/1
2-	جناب داکٹر بی فرعون*	5/5		
3-	جناب شعیب اے ملک	5/5		1/1
4-	جناب عبدالستار	5/5	4/4	
5-	جناب بابر بشیر نواز	5/5	4/4	
6-	لیٹننٹ جنرل (ر) جاوید عالم خان	4/5	3/4	
7-	جناب محمد رضی الدین	5/5	4/4	1/1

\* بیرون ملک ڈائریکٹرز نے اجلاس میں بذات خود یا اس کی طرف سے نمائندہ ڈائریکٹرز نے شرکت کی۔ پورڈ یا متعلقہ کمیٹی نے ان ڈائریکٹرز کو غیر حاضری سے درخواست دی جو اجلاس میں شرکت نہ کر سکے۔

مندرجہ بالا فہرست میں دیے گئے نام ان اشخاص کے ہیں جو دوران سال کئی میں ڈائریکٹرز کے عہدہ پر فائز رہے ہیں۔

### پاکستان سے باہر منعقدہ اجلاس:

30 جون 2020 کو ختم ہونے والے سال کے دوران، پورڈ آف ڈائریکٹرز کے دو اجلاس پاکستان سے باہر منعقد ہوئے۔ 30 جون 2019 کو ختم ہونے والے سال کے مالیاتی گوشواروں کی منظوری کی لئے اور 31 دسمبر 2019 کو ختم ہونے والی ششماہی کے لئے مالیاتی گوشواروں کا جائزہ اور منظوری کے لئے دونوں اجلاس دہلی ( متحدہ عرب امارات ) میں منعقد ہوئے۔

### ڈائریکٹرز کا معاوضہ:

پورڈ آف ڈائریکٹرز نے اجلاسوں میں شرکت کرنے والے ڈائریکٹرز کیلئے اعزازیئے معاوضے کیلئے پالیسی منظور کی ہے۔ پورڈ کے اجلاسوں میں شرکت کیلئے اجلاس فیس مقرر کی گئی ہے جبکہ پورڈ اجلاسوں میں شرکت کے سلسلے میں اخراجات کی ادائیگی کیلئے بھی پالیسی میں گنجائش موجود ہے۔ انتظامی، غیر انتظامی اور آزاد ڈائریکٹرز کے معاوضے کیلئے پالیسی بدستور وہی ہے۔

## داخلی مالیاتی کنٹرول کی سوزویت:

کمپنی کا اندرونی مالیاتی کنٹرول بورڈ آف ڈائریکٹرز کی جانب سے مختلف پالیسیوں کے ذریعے مرحب اور لاگو کیا گیا ہے۔ ان کنٹرولز کو لاگو کیا گیا ہے تاکہ کاروبار کو موثر اور اسٹیشن طور پر چلایا جاسکے، کمپنی کے اثاثہ جات کی حفاظت، دھوکہ دہی اور لاپرواہی کا تدارک، وسائل، مالی حسابات کی درستگی و تکمیل اور قابل اعتماد مالی معلومات کی بروقت تیاری کی جاسکے۔ داخلی کنٹرول سوزویت قابل اعتماد مالی رپورٹنگ کے ذریعے کمپنی کے مقاصد کے حصول کے بارے میں قابل متحمل یقین دہانی فراہم کرتا ہے۔ قابل اطلاق قوانین اور ضوابط کی تعمیل بھی اندرونی کنٹرول پر انحصار پذیر ہے اور کمپنی نے قابل اعتماد کنٹرول کو لاگو کیا ہے تاکہ اس امر کو یقینی بنایا جاسکے کہ مضبوط لوازمات کی تکمیل کی گئی۔ اندرونی مالیاتی کنٹرول کی وقتی طور پر نظر ثانی کی جاتی ہے تاکہ اس امر کو یقینی بنایا جائے کہ مذکورہ دستور نافذ العمل کو ترمیمی قوانین اور ضوابط کے ساتھ آپ ڈیٹ کر دیا گیا ہے۔

## بورڈ آف ڈائریکٹرز کا ڈسٹریکٹ، اس کی کمیشنیاں اور اجلاس:

"ضابطہ برائے تجارتی انتظام و انصرام 2019ء" (کارپوریٹ گورننس) کے قواعد کی تکمیل کے لیے کمپنی کے بورڈ کے ہر ڈائریکٹر کی حیثیت کو چاہے وہ مرد ہے یا عورت، انتظامی ہے، غیر انتظامی یا آزاد، گوشوارہ برائے تعمیل (سٹینڈنٹ آف سپلائنس) میں پیش کر دیا گیا ہے۔

اس برس بورڈ کمپنی کے منافع اور حصص داروں کی ادائیگیوں میں اضافہ کے لیے مسلسل مصروف رہا۔ انہوں نے یہ خدمات مختلف قوانین، ضوابط اور کمپنی کے "میورٹم اور آرٹیکلز آف ایسوسی ایشن" کے تحت انجام دیں۔ بورڈ آف ڈائریکٹرز کے پاس مختلف کاروباری مسائل سے نمٹنے کے لئے مہارت، صلاحیت، علم اور تجربہ موجود ہے۔ بورڈ کا ڈیٹریمنٹ غیر انتظامی ڈائریکٹر ہے۔

ذریعہ جائزہ برس میں بورڈ کے پانچ اجلاس منعقد ہوئے جس میں مالیاتی گوشوارے کا جائزہ لینے کے علاوہ، انتظامی امور کا جائزہ اور کمیشنوں کی جانب سے بھیجے جانے والے امور کو دیکھا گیا۔

## آڈٹ کمپنی:

آڈٹ کمپنی چار غیر انتظامی ڈائریکٹرز پر مشتمل ہے جو متعلقہ مہارت رکھتے ہیں جس میں دو آزاد ڈائریکٹرز ہیں اور ڈیٹریمنٹ بھی آزاد ہیں۔ اس کمپنی کے چار اجلاس ہوئے جو ہمیشہ بورڈ اجلاس کے انعقاد سے پہلے منعقد ہوتے ہیں۔

## انسانی وسائل اور اعزاز: کمپنی:

انسانی وسائل اور اعزاز (HR&R) کمپنی بورڈ کے دو غیر انتظامی ارکان اور سی ای او پر مشتمل ہے۔ کمپنی کا ڈیٹریمنٹ آزاد ڈائریکٹر ہے۔ اس کمپنی کا

## اضافی انکشافات:

کمپنی تجارتی انتظام و انصرام 2019ء کے تقاضوں کے مطابق تمام امور پر عمل پیرا ہے۔ ان میں سے بعض خصوصاً امور درج ذیل ہیں:

- 1- انتظامیہ کی جانب سے چار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمد و رفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔
- 2- حسابداری کے درست کھاتے رکھے جاتے ہیں۔
- 3- مالیاتی گوشواروں کی تیاری کے لیے ہمیشہ مناسب اور متعلقہ اکاؤنٹنگ پالیسی اختیار کیا جاتی ہے اور حسابداری کے گوشوارے ہمیشہ منجانبی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔
- 4- پاکستان میں لاگو ۳۱ اکتوبر تک نافٹیل رپورٹنگ شیڈولڈ رازہ کو مالیاتی گوشواروں کی تیاری کے لیے بروئے کار لایا جاتا ہے۔
- 5- اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے مسلسل نگرانی کی جاتی ہے۔
- 6- کمپنی کے قائم نہ ہونے کے حوالے سے کسی بھی قسم کو کوئی شدہ نہیں پایا جاتا۔
- 7- گزشتہ برس کے انتظامی نتائج سے واضح انحراف کا اس رپورٹ میں ذکر کیا گیا ہے۔
- 8- گزشتہ 6 برس کے مالی اور انتظامی امور سے متعلق اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔
- 9- حکومت کو واجب الادا تمام رقم جو 30 جون 2020 تک ادا کرنی تھی، ادا کی جا چکی ہیں۔
- 10- کمپنی مستقبل کے لیے انتظامی اوصاف میں بڑی تبدیلی یا اپنی خدمات موقوف کرنے کا کوئی منصوبہ نہیں رکھتی۔
- 11- مالیاتی کھاتوں کے جائز ترین آڈٹ جو 30 جون 2020 تک پر مشتمل ہے، اس کے مطابق ملازمین کی ریٹائرمنٹ فنڈ کی سرمایہ کاری کچھ ہیں ہے۔

133.944 ملین روپے

ملازمین کا گریجویٹ فنڈ

252.378 ملین روپے

ملازمین کا پرائیڈنٹ فنڈ

- 12- 30 جون 2020 تک کمپنی کے حصص داروں کی کل تعداد 3,857 تھی۔ حصص کی خرید و فروخت کا نقشہ اور متعلقہ اطلاعات بطور ضمیمہ لف ہے۔

ہے۔

طاہر وازیر، اس ضابطے پر عمل درآمد کا چیئرمین اور چیف ایگزیکٹو آفیسر سے دستخط شدہ اقرارنامہ اس رپورٹ کے ساتھ الگ سے لف ہے۔

کمپنی کو اطمینان ہے کہ اس کا ایک مستند اور شفاف کام کرنے والا ماحول ہے۔ "منتخب کرنے والوں" کی جانب سے کئے جانے والے کسی بھی دعویٰ کا مناسب طریقے سے معائنہ اور مصدقہ جانچ پڑتال کی جاتی ہے۔ انتظامیہ "منتخب کرنے والوں" کی طرف سے کئے جانے والے دعویٰ جات کو پیش کرنے کا حق محفوظ رکھتی ہے جیسے وہ مناسب تصور کرے۔ سال کے دوران ایسا کا کوئی بھی واقعہ رپورٹ نہیں ہوا۔

### بورڈ کی طرف سے لے گئے فیصلے اور انتظامیہ کو تفویض کردہ اختیارات:

بورڈ آف ڈائریکٹرز اس امر کو یقینی بناتے ہیں کہ کمپنی کے حصص داران کی جانب سے مقرر کردہ نقطہ نظر اور مشن انتظامیہ کی طرف سے قائم رکھا جائے۔ اس مقصد کو حاصل کرنے کے لیے، بورڈ کی طرف سے پالیسیاں اور مقاصد کو اس طریقہ سے مقرر کیا جاتا ہے کہ ان کا انتظامیہ کی طرف سے اطلاق کے نتیجے میں کمپنی کو فائدہ ہو۔ بورڈ طویل المدت اثرات رکھنے والے اعلیٰ سطح کے کلیدی فیصلوں میں شامل ہے۔ اس میں اہم سرمایہ کاری، انحصار سرمایہ کاری، مصارف اصل، املاک، مشینری اور آلات کا فروخت، بجٹ کی منظوری، مالیاتی گوشواروں کی منظوری اور منافع مقسمہ کا اعلان وغیرہ شامل ہے۔

آپریٹنگ سطح کے فیصلے جو 2 تا 1 سال تک وسطی مدت اثرات کے حامل ہوں، وہ بورڈ کی طرف سے انتظامیہ کو تفویض کر دیے جاتے ہیں ان میں تھیل مدت سرمایہ کاری، خریداری و فروخت کے معاہدہ جات، پالیسیوں کا نفاذ سرمایہ و ٹیکس اور اسٹاک منجمنٹ وغیرہ شامل ہیں اور بورڈ نے کمپنی کے روز مرہ امور چلانے کی ذمہ داری دی ہے۔

### غیر ملکی ڈائریکٹرز کی سکیورٹی کلیئرنس:

غیر ملکی ڈائریکٹرز کو SECP کے ذریعے وزارت داخلہ سے سکیورٹی کلیئرنس کی ضرورت ہوتی ہے۔ اس بابت APL کے ڈائریکٹرز کے ایکشن کے وپتتام قانونی نفاذوں اور ضروریات کو پورا کیا گیا ہے۔

### ڈائریکٹرز اور کارکنان کے لیے ضابطہ اخلاق:

"ضابطہ برائے تجارتی انتظام و انصرام 2019 کے مطابق کمپنی کے تمام ڈائریکٹرز اور ملازمین کو ضابطہ اخلاق کی نقل فراہم کی گئی۔ اس ضابطے میں وہ تمام اصول بیان کیے گئے ہیں جن پر عمل کر کے کاروبار کی تمام سرگرمیوں کو ایسا عماری اور اخلاقی معیارات کے مطابق انجام دیا جاتا ہے۔

## ڈائریکٹرز کے لیے تربیتی پروگرام:

کمپنی اس بات کو یقینی بناتی ہے کہ "سیکچر ریٹز اینڈ آپریشنز کمیٹی" آف پاکستان SECP کے قواعد و ضوابط پر پوری طرح عمل کرے اور اسی سلسلے میں "ڈائریکٹرز ٹریننگ پروگرام DTP" کے معیارات پر پورا اترتی ہے۔ تین ڈائریکٹرز، جناب ہارے بشیر نواز، جناب یغینت جزل (ر) جاوید عالم خان اور جناب محمد رضی الدین، پہلے ہی یہ سرٹیفکیٹ حاصل کر چکے ہیں۔ چار ڈائریکٹرز جناب لیف جی فرعون، جناب وائل جی فرعون، جناب شعیب اے ملک اور جناب عبدالستار کو متعلقہ قواعد کی روشنی میں استثنیٰ حاصل ہے۔

## ڈائریکٹرز کا رسمی تعارف:

ڈائریکٹرز کو موجودہ متعلقہ قوانین اور کارپوریٹ گورننس کی ہدایت موجودہ معاملات بشمول گورننس فریم ورک اور ریگولیٹری تبدیلیوں کے بارے میں آگاہ رکھا جاتا ہے۔ ڈائریکٹرز ضابطہ کارپوریٹ گورننس کے علاوہ کمیٹی ایکٹ، 2017 کے تحت مختلف ضوابط کا کھل اور عملی ادراک رکھتے ہیں۔ اس کے علاوہ، بورڈ میں نئے اقرار شدہ ڈائریکٹرز کو متعلقہ قوانین اور ضوابط کا خلاصہ فراہم کیا جاتا ہے۔ چیئر مین بورڈ ڈائریکٹرز کے معیار و عہدہ کے آغاز پر، ان کو ان کے کارہائے منصبی و ذمہ داریوں سے بھی آگاہ کرتا ہے۔ موجودہ قوانین میں کسی بھی ترامیم یا نئے اجراء کردہ نوٹیفیکیشنز کا ڈائریکٹرز کے ساتھ وقتاً فوقتاً تبادلہ کیا جاتا ہے۔

## منتخب کرنے کی پالیسی:

منتخب کرنے کی پالیسی کمپنی کو دھوکہ دہی سے بچاتی ہے یا ممکنہ کوشش کا سراغ لگاتی ہے اور ملازمین، صارفین یا دیگر اسٹیک ہولڈرز کی جانب سے کسی بھی بے ضابطگی کا انکشاف کرتی ہے اور "منتخب کرنے والے" یعنی دھوکہ دہی کی اطلاع دینے والے کے تحفظ کو یقینی بناتی ہے۔ یہ ملازمین کو خوف اور تعصب کے بغیر یا اعتماد سرگرمیوں کے بارے میں اپنے خدشات کو سامنے لانے اور ان کی رپورٹ کرنے میں ان کی حوصلہ افزائی کرتا ہے۔

"منتخب کرنے والوں" کو ایک پلیٹ فارم فراہم کرنے کی پالیسی پہلے سے وضع شدہ ہے تاکہ وہ بدل لینے کے کسی بھی خوف کے بغیر جیسے امتیازی سلوک، ظلم، اذیت و غیرہ اپنی تکالیف اور خوف یا کسی بھی مٹھکوک یا قابل اعتراض واقعات سرگرمیوں کے بارے میں جو کمپنی کی پالیسیوں کے خلاف ہوں یا جو APL کی نیک نامی یا کاروبار میں خلل انداز ہوں کی رپورٹ پہلے سے نکال سکیں اور وہ اتھارٹی کے سامنے کر سکیں۔

دوران سال، بورڈ اور اس کی کمیٹیوں کی تفصیلات اس نظام کو استعمال کرتے ہوئے کی گئی تاکہ بورڈ کی موثریت کو مزید بہتر بنایا جاسکے۔ کارپوریٹ گورننس میں ارتقاء کا مسلسل جائزہ لیا جاتا ہے اور اچھے کارپوریٹ گورننس کے اصولوں کے مطابق بورڈ کو ڈھانسنے کیلئے اُن کا اطلاق کیا جاتا ہے۔

### چیئرمین اور چیف ایگزیکٹو آفیسر (سی ای او) کا کردار:

چیئرمین بورڈ آف ڈائریکٹرز کی قیادت کرتا ہے اور اسی بورڈ کے غیر انتظامی ڈائریکٹرز میں سے منتخب کیا جاتا ہے۔ چیئرمین کے بنیادی فرائض میں اجلاس کی سربراہی کرنا، ایجنڈا طے کرنا اور ذمہ داری تو شیئ کرنا اور اس بات کو یقینی بنانا شامل ہے کہ بورڈ اپنا کام درست طور پر انجام دے۔ اس کے علاوہ اگر مفادات کا تصادم سامنے آئے تو انہیں دور کرنا اور بورڈ آف ڈائریکٹرز کی افادیت اور کارکردگی میں اضافہ کرنا بھی ان کے فرائض میں شامل ہے۔ چیئرمین، ڈائریکٹرز کے معیاد عہدہ کے آغاز پر، ان کی منظمی ذمے داریوں، فرائض و اختیارات سے متعلق مطلع کرتا ہے تاکہ ان کو کمپنی کے امور چلانے میں موثر طریقے سے مدد ملے۔

سی ای او کمپنی کا منتظم اعلیٰ ہوتا ہے اور کمپنی کے تمام امور کی انجام دہی کا ذمہ دار ہوتا ہے۔ سی ای او حکمت عملی تیار کرنے اور بورڈ کی منظوری کے بعد اس پر عمل درآمد کرنے کا ذمہ دار ہوتا ہے۔ سی ای او کمپنی کی کارکردگی کی رپورٹ بورڈ آف ڈائریکٹرز کو پیش کرتا ہے اور حصص مالکان کے سرمایہ میں اضافے کے لیے اپنی تجاویز اور حکمت عملی کی سفارشات مرتب کرتا ہے۔

بورڈ آف ڈائریکٹرز نے چیئرمین اور سی ای او کے فرائض اور ذمے داریوں کی وضاحت اور ان کی تقسیم کر رکھی ہے۔

### سی ای او کی کارکردگی کا جائزہ:

بورڈ سی ای او کی کارکردگی کا جائزہ مالیاتی اور غیر مالیاتی معیارات کے مطابق لیتا ہے۔ بورڈ اس بات کا بھی یقین کرتا ہے کہ سی ای او کے تحت کمپنی کے بلا تعطل آگے بڑھنے کے امکانات کیا رہے ہیں۔

ذمہ دار جائزہ میں بورڈ آف ڈائریکٹرز سی ای او (CEO) کی کارکردگی سے پوری طرح مطمئن ہیں۔ مختلف نئے منصوبوں کے آغاز، مارکیٹ میں بہتر موجودگی، کمپنی کا COVID-19 سے نمٹنے کا لائحہ عمل، موجودہ زمینوں کی بہتری کے علاوہ کئی نئے منصوبوں کی تعمیر کمپنی کی بہترین کارکردگی کے چند واضح ثبوت ہیں۔

صوبہ، توانائی، بحران، برآمدات میں خسارہ، بے روزگاری، COVID-19، ٹیکنالوجیکل جدت اور بڑھتے ہوئے مقابلے کی وجہ سے کاروباری چیلنجز کے جائزے کی ضرورت اُجاگر ہوئی ہے اور مذکورہ کاڈوں کے خلاف حفاظتی لائن میں اضافہ کرنے کی ضرورت ہے۔

موثر صلاحیتوں میں اضافہ کرنے یا آفات کے اثرات کو کم کرنے کیلئے، بحالی پلان کم از کم نقصان کے ساتھ آپ کو بدترین رکاوٹوں سے واپس بحال کرتا ہے۔ کمپنی نے ترمیمیاتی ڈھانچے کی ترقی کے توسط سے متوازن کاروباری آپریشنز کیلئے اور مختلف درآمدی لائنوں کے متبادل رسد کی چیلنجز کے ذریعے موثر اور کارگزار کاروباری طریقوں کا اطلاق کیا ہے۔ بورڈ کسی بھی بھول چوک کو مزید بہتر بنانے یا ایسے واقعات سے طریقوں سے انصرام کرنے کیلئے وقتوں و فکروں سے نظام کی افادیت کا جائزہ لیتا ہے۔

### تجارتی انتظام و انصرام / کارپوریٹ گورننس

کمپنی نے ایسا ماحول تخلیق کیا ہے جہاں کارپوریٹ گورننس کے اصول کمپنی کی پالیسی اور طریق عمل میں ضم ہے۔ کسی بھی کمپنی کے لیے اچھا تجارتی انتظام و انصرام انتہائی اہمیت کا حامل ہوتا ہے۔ بورڈ اس امر کو یقینی بناتا ہے کہ تمام سرگرمیوں کو بہترین طریق عمل کے مطابق انجام دیا جائے۔ حال ہی میں کارپوریٹ گورننس ریگولیشنز 2019 کے تحت کارپوریٹ گورننس کے ڈھانچے میں تبدیلیوں کے تناظر میں، APL نے اقدامات کئے ہیں تاکہ اس امر کو یقینی بنایا جاسکے کہ یہ قانون کی نئی ضروریات کے مکمل طور پر مطابق ہو۔ اگرچہ نئے فریم ورک نے کارپوریٹ سیکٹر کو یا تو شرائط کی تعمیل کرنے یا کسی بھی لائحہ عمل کے انحراف کرنے کی وضاحت کرنے کی اجازت دی ہے، تاہم APL نے کارپوریٹ گورننس کے مضابطہ اخلاق کی ساری شرائط کی تعمیل کی ہے۔ اور اس لئے، کمپنی سرمایہ کاروں کیلئے انتہائی قابل اعتماد ہے۔ سرمایہ کاروں کے ساتھ رابطے میں شفافیت بدستور سب سے اہم ہے۔ اور ہر قدم پر اچھے نظم و نسق کے اصولوں کے ساتھ مطابقت کیلئے پیشہ ورانہ کارپوریٹ گورننس کے پھر کا اطلاق انتہائی لازمی ہے۔

### بورڈ، اس کی کمیٹیوں اور بورڈ اراکین کا سالانہ جائزہ:

ضابطہ کارپوریٹ گورننس بورڈ کی جانب سے اس کی حقیقی رول کے مطابق اپنایا گیا ہے۔ اراکین بورڈ، بورڈ کی کمیٹیاں اور بورڈ کی کارکردگی مجموعی طور پر موثر طریقے سے کمپنی کی مجموعی کارکردگی کو ظاہر کرتی ہے لہذا یہ انتہائی اہم ہے۔ بورڈ اور کمیٹیوں کی کارکردگی کو بہترین طریقوں کے اطلاق سے بہتر کیا جاسکتا ہے جبکہ بورڈ کے اراکین کی کارکردگی کو پیشہ ورانہ کارپوریٹ گورننس کے پھر کو فروغ دے کر بہتر کیا جاسکتا ہے۔

ضابطہ کارپوریٹ گورننس بورڈ سے بورڈ کی اپنی کارکردگی، اراکین بورڈ اور اس کی کمیٹیوں کی سالانہ کارکردگی کے جائزے کے لئے باقاعدہ اور موثر نظام وضع کرنے کا تقاضا کرتا ہے۔ جیسا کہ مطلوب ہے، کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ، اس کے اراکین اور اس کی کمیٹیوں کی سالانہ فیڈبک پر موثریت کی تشخیص کیلئے ایک اندرونی نظام وضع اور منظور کیا ہوا ہے۔

کیمینی صحت، حفاظت اور ماحول اور سماجی کارکردگی کا انتظام اپنی ذمہ داری، پالیسی، سماجی قوانین اور متعلقہ پرست اور منظور یوں کی شرائط کے مطابق کرتی ہے۔ کیمینی نئے منصوبوں کے سلسلے میں پلان، ڈیزائن اور سرمایہ کاری کے فیصلے کرنے کے عمل میں ماحولیاتی اور سماجی عوامل کو انتظام کا حصہ بنانے کے لیے توجہ جات کو بھی مد نظر رکھتی ہے۔ ان ذمہ داریوں کو پورا کرنے کا عزم صارفین، ملازمین، کنٹریکٹر، مختلف فریقین اور معاشرے کے مختلف طبقات کے بہترین مفاد میں کیا جاتا ہے۔ کیمینی کی صحت، حفاظت اور ماحول کے سلسلے میں پالیسی اس امر کی گنج عکاس ہے کہ کاروباری عمل صحت، حفاظت اور ماحول سے متعلق قانون سے متصادم نہ ہو۔

APL میں ملازمین، مختلف قسم کے بارہ جات اور تنصیبات کی سیکورٹی کو انتہائی ترجیح دی جاتی ہے۔ عمل کے ذخیرہ کے تمام زمینیوں کی باقاعدہ طور پر درجہ بندی اٹلی جنس ڈو جین کے اہم مقامات کے بیان پر مبنی کتابچے "اہم مقامات، 1983ء کی سیکورٹی اور تحفظ" کے متعین کردہ اہم مقامات کے مطابق کی گئی ہے۔ اہم مقامات کے لیے تمام سفارش کردہ سیکورٹی اقدامات جیسا کہ حکام نے بیان کئے ہیں، ان پر باقاعدہ اور مکمل عمل کیا گیا ہے۔ علاوہ ازیں سیکورٹی کے ماحول کی مسلسل نگرانی ضلعی حکام، قانون نافذ کرنے والے اداروں اور دیگر متعلقہ حلقوں کے قریبی تعاون کے ساتھ کی جاتی ہے تاکہ باقاعدگی سے سیکورٹی کے معیارات میں بہتری لائی جاسکے۔

### انٹار مشن ٹیکنالوجی کا خطرہ:

انٹار مشن ٹیکنالوجی سے کئی اندرونی اور بیرونی خطرات کا سامنا رہتا ہے۔ ان میں اندرونی خطرات میں سسٹم کے کام نہ کرنے کے دورانیے یا تعداد میں اضافہ، کارکنان کے غیر متعلقہ حصوں تک پہنچ اور خفیہ اعداد و شمار، معلومات تک رسائی شامل ہے جبکہ بیرونی خطرات میں صنعت میں جدید تر سونٹ ویلز اور پارڈ ویلز کے متعارف ہونے کے ساتھ در آنے والے خطرات اور سامبر کرائم شامل ہیں۔

کیمینی نے ایک مرکزی ڈیٹا میں قائم کیا ہے جہاں ہر آن لائن لیمن دین اسی وقت ظاہر اور شہت ہو جاتا ہے۔ نصف شب کو روز کے روز سارے دن کے اعداد و شمار کی حفاظتی نقل کپیج ڈیٹا اور محفوظ کر لیتا ہے۔ مزید تحفظ کے خیال سے مختلف دفتروں سے اور ہر ماہ یہ تمام ڈیٹا پارڈ ڈسک اور ڈیٹا شیپ پر بھی محفوظ کر لیا جاتا ہے۔ علاوہ ازیں تمام اعداد و شمار اور معلومات کی اضافی حفاظت کو مد نظر رکھتے ہوئے کیمینی کی حدود سے باہر بھی ایک نقل محفوظ رکھی جاتی ہے۔

### آفات سے بحالی اور کاروبار کے سلسلے کی منصوبہ بندی:

عالمی رجحانات، بدھتی ہوئی افراط زر، بین الاقوامی معیشت، سیاسی افراتفری، عالمی سطح پر قیمتوں کا اتار چڑھاؤ، ایشیا کی کمی اور قیمتوں کا تعین، کنٹرولی

## انسانی وسائل:

APL، مساوی مواقع فراہم کرنے والا آجر ہے، اس نے باصلاحیت اور جدید پیشہ ورانہ مہارت رکھنے والوں کو ملازمت فراہم کرنے کا تہیہ کیا ہوا ہے۔ ملازمین کو سرمایہ کاری کے طور پر لیا جاتا ہے اور کمپنی کی سود مندی اور ترقی کیلئے ان کی شرکت کلی طور پر قابل قدر ہے۔

کمپنی ایسے تمدن کو فروغ دیتی ہے جہاں اس کی توجہ اپنے ملازمین کی بڑھوتری و ترقی، انتظامی اور تکنیکی مہارت پر ہوتی ہے۔ کمپنی کے معاون اور مثبت تمدن کا فائدہ تب ہوتا ہے جب یہ اچھے ملازمین کو راغب کرتی ہے اور اپنے پاس رکھتی ہے۔

APL اپنے سب سے اہم اثاثے ”ملازمین“ کی اہمیت کو جاننا اور تسلیم کرتا ہے اور ان کی معاونت کو تسلیم کرتے ہوئے ان کی قدر کرتا ہے۔ معاونت کی پالیسیاں نہ صرف ملازمین کو کام کی جانب راغب کرنے بلکہ اہل افراد کو اپنی طرف متوجہ اور اپنے پاس روکے رکھنے کیلئے بھی وضع کی جاتی ہیں۔

ملازمین کو معاوضہ، تنگ نظر اور فائدہ کے ساتھ دیا جاتا ہے جس میں مارکیٹ مساوی تنخواہ، طبی سہولیات، درخصت ہمسہ تنخواہ وغیرہ شامل ہیں۔ اس طرح عظیم میں ان کی اہمیت کے بارے میں ان کو درست تاثر جاتا ہے۔

کمپنی پالیسی جنٹنٹ، بھرتی کے عمل، معاوضے اور فائدہ روزگار اور لیبر قوانین، نئے ملازمین کو ضروری معلومات کی فراہمی، تربیت و ترقی، ملازمین کے ذاتی ریکارڈ کو محفوظ رکھنے اور ملازمین کی مشغولیت سمیت ملازمین سے متعلق تمام امور کے انتظام، معاونت اور ان سے شننے میں اپنی ذمہ داری کو سنجیدگی سے لیتی ہے۔

## صحت، سلامتی، ماحول اور کیمپورٹی (HSE):

APL ہر روز ہر مقام پر حادثے سے محفوظ کام کرنے کی جگہ فراہم کرنے کا عزم رکھتی ہے۔ لوگوں کی حفاظت کرتے ہوئے اور ماحول پر اثرات کو کم کرتے ہوئے ہماری کارکردگی کا انحصار صارفین کو فراہم کردہ خدمات کے معیار کو مسلسل بہتر بنانے کی صلاحیت پر منحصر ہے۔ کمپنی کام کی تمام سرگرمیوں میں صحت، حفاظت اور ماحول کے سلسلے میں انتہائی پر عزم ہے کمپنی میں ہم صحت، حفاظت اور ماحول کے سلسلے میں تمام پالیسیوں، ضابطہ کار اور معیارات کی تعمیل یقینی بنانے پر کار بند ہیں۔ کمپنی ملازموں کی حفاظت، سیکورٹی، صحت اور ماحول سے متعلق تمام ذمہ داریوں کو اپنے مراکز کی حفاظت اور ترقی سے زیادہ اہمیت دے کر پورا کرتی ہے۔

ایک ذریعے کے طور پر دیکھا اور سمجھا جاسکتا ہے۔ اگرچہ ملک میں امن و امان اور دہشت گردی کے مقابل سیکورٹی کی صورتحال میں بہتری آئی ہے مگر شدت پسند سیاسی رویے کے درمیان، عالمی معیشت، اجناس کی راہ میں حائل رکاوٹوں اور قیمتوں کے تعین، کم زوری، سہولتوں کی کمی، برآمدات کے خسارہ اور بے روزگاری کے ساتھ ساتھ کی ہوئی سرمایہ کاری سے ظاہر ہوتا ہے کہ عالمی عدم استحکام میں اضافہ ہو رہا ہے۔

عالمی واقعات، یعنی COVID-19، نیا عالمی توانائی مظہر، ٹیکنالوجی میں جدت، اہم اقتصادی ممالک کے درمیان تہارتی مقابلہ، ایران پر اقتصادی پابندیاں اور کشیدگی اور ماحولیاتی خدشات نے مجموعی طور پر عالمی طلب و رسد کو متاثر کیا ہے۔ APL عملی طور پر اس امر کی ذمہ داری لیتا ہے اور اس بات پر یقین رکھتا ہے کہ جغرافیائی سیاست کی تہ میں کارفرما محرکات کیلئے واضح اور اک مضبوط حکمت عملی اور طریق عمل ترقی کی حالت پر اثر انداز ہو سکتا ہے اور باخبر کاروباری فیصلہ جات کرنے میں معاون ہو سکتا ہے۔ اگرچہ ان عوامل کے درمیان پیچیدگی اور غیر یقینی اس وقت ناقابل فہم محسوس ہو سکتی ہے، تاہم یہ کہنی کیلئے ممکن ہے کہ کہنی کے طریق عمل کو مجموعی حالات کے ساتھ ہم آہنگ رکھنے کیلئے بڑے عالمی رجحانات کی ترویجی رائے کو مد نظر رکھتے ہوئے تفصیل میں مختلف سیاسی سرگرمیوں اور رکاوٹوں کا تجزیہ کرے۔

### شدید مقابلہ / مسابقت:

700 APL سے زیادہ آڈیٹس اور پاکستان بھر میں ترویجی مقامات پر واقع آئل ڈسٹریلو کے ساتھ ملک کی آئل مارکیٹنگ صنعت میں ایک صاف اول کی کہنی ہے جس کے ذریعے یہ ریٹیل اور صنعتی صارفین دونوں کی خدمت کرتی ہے۔ گروپ کہنیوں کی معاونت اور 100 سال سے زائد اجتماعی تجربے کی حامل ایک پٹرولیم کہنی عالمی اور ملکی مارکیٹ کے رجحانات کے بارے میں پیشگی طور پر فعال رہتی ہے۔ مزید برآں، سال کے دوران مسلسل در آمد نے کہنی کے ترویجی تہارت تعلق کو تقویت دی۔ طاہرہ از میں اعلیٰ مصنوعات کے ماخذ کے لحاظ سے کہنی کی پک کو مزید مستحکم بنایا اور کسی بھی حالات میں ملک کے اندر اپنے قابل قدر صارفین کیلئے پٹرولیم مصنوعات کی ایک شناختی رسد کنندہ کے کہنی کی حیثیت میں اضافہ کیا۔

بہت ساری کہنیاں حالی میں اس انڈسٹری سے منسلک ہوئی ہیں جس کی وجہ سے مختلف چیلنجز اور متعدد موافقوں کے ساتھ شدید مقابلہ ہے۔ مسابقت کا مقابلہ کرنے کیلئے کہنی موافقوں سے بھرپور فائدہ اٹھانے اور قومی ترقی جی مارکیٹنگ کہنی بننے کیلئے اپنے عزم کو مستحکم کر رہی ہے۔ کہنی اپنے اسٹوریج ڈیمینٹ ورک کی توسیع، ذخیرہ کرنے کی صلاحیت میں اضافہ، موثر توانائی کا انتظام اور ترسیل کے طریقہ کار کو زیادہ موثر بنانے پر جارحانہ طور پر اپنی توجہ مرکوز کر رہی ہے۔ یہ کچھ اہم اقدامات ہیں جو کئے گئے ہیں تاکہ قوت کو مستحکم کیا جاسکے اور ان پر آنے والے وقت میں معزز صارفین کیلئے مزید ویلیو پیدا کی جاسکے۔

فروخت میں کسی حد تک مدد ملے گی۔ تاہم، صنعتی صارفین کو پٹرولیم مصنوعات کی فروخت میں گزشتہ سائیکل تک پہنچنے میں اہمیت تھی۔ تاہم، گلوبل کیونکہ زیادہ تر کاروبار اپنی بحالی کیلئے کاوشیں کریں گے۔ غیر سازگار حالات کے باوجود، انتظامیہ حصص داران کی دولت کی حفاظت کیلئے کاوشیں جاری رکھنے کیلئے پرمز ہے اور پلازما فرہتر منافع دے گی جس سے مجموعی معاشی مظہرنا سے میں بہتری آئے گی۔

### تیل کی قیمتوں میں عالمی عدم استحکام اور ضوابط کار کے مسائل:

تیل سب سے اہم قدرتی وسائل اور اجناس میں سے ایک ہے اور عالمی اقتصادیات کے لیے بنیادی محرک قوت کی حیثیت رکھتا ہے۔ تیل کی قیمتوں میں اتار چڑھاؤ کا معاشی نمو اور دنیا میں ظلال و بہبود پر نمایاں اثر واقع ہوتا ہے۔ سال 2019-20 کے دوران عالمی سیاسی حالات بشمول COVID-19 اور مارکیٹ کے بہت سے عوامل کی وجہ سے تیل کی قیمتوں میں عدم استحکام پیدا ہوا جس کی بناء پر مجموعی رسد و طلب پر اثرات نمودار ہوئے۔ COVID-19 کی صورت حال، سعودی عرب، روس اور دیگر OPEC ممالک کی طرف سے فیصلے کے ساتھ ساتھ ایرانی تیل کا ممکنہ نقصان ایک بڑی وجہ تھی جس کی بناء پر دوران سال قیمتیں انتہائی اتار چڑھاؤ کا شکار رہیں۔ OPEC رسد کی تخمینہ کر رہا ہے اور اس نے رد عمل کا مظاہرہ کیا جس کے نتیجے میں قیمتوں پر اثر واقع ہوا اور مارکیٹ میں موجود تناؤ کو دور کرنے کے لیے جانچ پڑتال کی گئی جس کے نتیجے میں عالمی طور پر مختلف قسم کے ارضی و سیاسی مظہرنا سے سامنے آئے۔

پاکستان میں زیر جانہ و سال میں قیمتوں میں مزید اتار چڑھاؤ دیکھنے میں آیا جس کی وجہ امریکی ڈالر کے مقابلے میں روپے کی شرح مبادلہ کی تیزی سے گزرتی صورت حال ہے۔ مشکلات کو دور کرنے کے لیے APL نے ممکنہ حصول مواقع پر توجہ مرکوز کرنا جاری رکھا اور عملی طور پر موزوں ٹیکنیکل صلاحیت، سیاسی آزادی کے ساتھ ادارہ جاتی انتظامات کو بہتر بنایا ہے اور تمام شعبوں میں مطابقت سازی کی۔

تیل کی قیمتوں میں اضافے کے بڑے عوامل اور ارضی و سیاسی پہلوؤں کی فحش گوئی کی نگرانی کر کے بار بار جانچ لیا جاتا ہے تاکہ مستقبل میں ممکنہ آپریٹنگ صورت حال کا تخمینہ کیا جاسکے۔ صنعت کی حساسیت کا اندازہ کر کے APL صارفین کی ضروریات پوری کرتا ہے اور انتہائی اتار چڑھاؤ کی شکار مارکیٹ میں تیل کے ذخیرہ کے اچھے انتظام کے لیے کاوشیں کرتا ہے۔ جون 2020 میں پٹرولیم مصنوعات کی شدید قلت کے دوران APL نے صارفین کی طلب کو پورا کرنے کیلئے اپنے ریشیل آڈیٹس پر زیادہ سے زیادہ پٹرولیم مصنوعات کی فراہمی کو یقینی بنایا۔

### جغرافیائی سیاسی اور سیکورٹی کے مسائل:

جغرافیائی سیاسیات پاکستان میں آئل اور گیس کے سیکورٹی میں کام کرنے والی کمپنیوں کے لیے مصائب کا باعث ہے اور اسے دونوں خطروں اور مواقع کے

طلب، اور قیمتوں کے اتار چڑھاؤ کی صورت میں غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے۔ COVID-19 وبا، عالمی ماحولیاتی دباؤ اور ایل این جی اور آراٹیل این جی کی آمد آئل اور گیس سیکٹور کی بدلتی ہوئی حرکیات، سرکاری محکموں اور حکام سے لین دین، سماجی اور دیگر صارفین کی ترجیحات اور توقعات میں تبدیلیاں واقع ہوتی ہیں۔ جن کی شناخت کا عمل کسی بھی آرگنائزیشن کے لیے مشکل ہے۔ اسی طرح ٹیکنالوجی میں پیش رفت میں اضافہ جیسا کہ الیکٹرونک گازیوں کا بڑھتا ہوا رجحان اور فول انفراسٹرکچر میں بنیادی اور از سر نو جدلی اور قیمتوں کے تعین کا نظام بھی اہم عوامل ہیں۔ ان تمام عوامل کے لیے خطا بصیرت اور وسائل کی مطابقت قائم کرنے کی ضرورت ہے تاکہ مستقبل میں منافع بخش ادارہ کے طور پر اپنے آپ کو قائم رکھ سکے۔ اس مقصد کے لیے APL تمام فریقوں کو اپنے ساتھ ملا کر ایک اچھے مشاورتی عمل کے ذریعے مستقبل سے متعلق حکمت عملی تشکیل دیتا ہے۔

### ریسک منجمنٹ فریم ورک (Risk Management Framework):

ریسک منجمنٹ فریم ورک کو اپنانا جو کہ کمپنی کے ریسک فلچر میں بہترین طریقوں کو استوار کرتا ہے یہ کمپنی کے مالی مستقبل کی بنیاد ہے۔ ہماری کمپنی کا ریسک منجمنٹ فریم ورک حسب ذیل ستونوں پر بنایا گیا ہے۔

- ریسک کی نشاندہی
- ریسک کی تشخیص
- ریسک میں تخفیف
- ریسک کی رپورٹنگ و مگرانی
- ریسک گورننس

بورڈ آف ڈائریکٹرز نے ریسک منجمنٹ پالیسی منظور کر رکھی ہے تاکہ کمپنی کی ریسک ہائرس (برداشت) کی سطح کا تعین کیا جاسکے اور نشاندہی کردہ ریسکس (خطرات) کی مناسب طور پر بروقت انداز میں اطلاع دی جاسکے اور ان کا بندوبست کیا جاسکے یا ان کا اثر کم کیا جاسکے۔ ریسک ایکسپوزر (exposure) کی ریسک منجمنٹ فریم ورک کے مطابق وقتاً فوقتاً پیمائش کی جاتی ہے۔ بورڈ آف ڈائریکٹرز نے کمپنی کو درپیش ریسکس کی مضبوط تشخیص کی ہے۔ اس میں مستقبل کی کارکردگی، صلاحیت اور ایجنسی قرضہ یا لیکویڈٹی (liquidity) پر اثر انداز ہونے والے عناصر شامل ہیں۔

### COVID-19 وبا سے وابستہ خطرات:

جیسا کہ اوپر ذکر کیا گیا ہے کہ COVID-19 کی صورتحال کی وجہ سے آمدنی پر شدید دباؤ رہا کیونکہ کمپنی کو معین لاگت برداشت کرنے کے ساتھ ساتھ کم آمدنی کا سامنا کرنا پڑا۔ جبکہ کمپنی نے اخراجات کو گھٹانے اور لاگت کو کم کرنے کیلئے متعدد اقدامات کئے ہیں۔ آنے والے چند ماہ نامساعد حالات کی نشاندہی کر رہے ہیں تاہم ٹیکہ لاک ڈاؤن میں نرمی نہ کیا جائے۔ ٹرانسپورٹ اور عمومی نقل و حمل کی بحالی سے پٹرولیم مصنوعات کی

توجہ مرکوز کرتے ہوئے اس میں سب سے آگے ہونے کا منصوبہ بنایا ہے۔ ایکٹریک گاڑیوں (EV) کے شعبے میں توسیعی منصوبے کے ساتھ، کمپنی نے بیواہریہ یا اسلام آباد میں زیر تعمیر پمپ پراپٹی پمپ EV چارجنگ سہولت کی منظوری دے دی ہے جو 2020-21 کی بجلی سہاہی سے عملی حالت میں آجائے گی۔

کمپنی توانائی کے موثر آلات کو متعارف کراتے ہوئے ملک بھر میں مختلف مقامات پر توانائی کی کھپت کو بہتر بنانے کیلئے توانائی کے تحفظ پر کام کر رہی ہے۔ تمام بلک آئل ٹرمینلز جن میں 400W-HPs اور مرکزی کی لائٹس تھیں اب ان کو تبدیل کر کے LED لائٹس سے لیس کیا گیا ہے۔ مزید یہ کہ راولپنڈی بلک آئل ٹرمینل آفس بلاکس میں تمام دروازی لائٹس کو LED سے تبدیل کر دیا گیا ہے۔

### مصنوعات کے معیار کو یقینی بنانا:

مصنوعات اور سروس کا معیار کسی کمپنی کی کامیابی کے لیے حیاتی تھا ہوتا ہے اور یہ صارفین اور گاہکوں کے اطمینان میں ضروری کردار ادا کرتے ہیں۔ APL مسلسل بہتری لانے کے قائلے اور اس بات کو یقینی بنانے پر یقین رکھتا ہے کہ اعلیٰ کوالٹی اور معیار کی مصنوعات ہمارے تمام قابل قدر صارفین تک پہنچانے کے لیے از حد اقدامات کئے جائیں اور نظام فعال ہو۔ APL کسی توقف کے بغیر کوالٹی مصنوعات کی فراہمی یقینی بنانے اور اعلیٰ تر خدمات کی فراہمی کے لیے کاوشیں بروئے کار لانے کے لیے اپنی موجودگی ثابت کرنے کے لیے کوشاں ہے۔

APL مصنوعات کی کوالٹی کو یقینی بنانے کے لئے کوالٹی انشورنس کا وسیع نظام چلا رہا ہے جو ملک کی نافذ العمل مصنوعاتی تصریحات کے مطابق ان تمام آپریٹرز میں مصنوعات کی کوالٹی یقینی بناتا ہے جو پٹرولیم مصنوعات کی خریداری، ہمارے بلک آئل ٹرمینلز میں اسٹوریج، ریشیل آڈیٹس میں اسٹوریج ٹینکوں تک ترسیل ممکن بنانے والی گاڑیوں کے بیڑے کے ذریعے ترسیل پر محیط ہیں۔

APL ملک بھر میں ہمارے تمام ٹرمینلز پر سٹیٹ آف دی آرٹ لیبارٹریوں کو بروئے کار لا کر اور لا تعداد موہائل کوالٹی انشورنس ویجز کے ذریعے کوالٹی معیارات کا ٹھکانے سے پاک عمل درآمد یقینی بناتا ہے۔

### خطرات کا انتظام والصرام

ریسک مینجمنٹ کا تعلق تمام فریقوں سے فہم کے حصول اور اس بات سے اتفاق کرنے پر مبنی ہے کہ خطرات یعنی ریسکس چھینکا گیا ہوتے ہیں اور کارکردگی بہتر بنانے، فرموں کی ویلیو میں اضافہ کرنے اور مالیاتی مصائب کو کم کرنے کے لیے ان سے کیسے نبھایا جائے گا۔ ایک پٹرولیم لیجنڈ کو مصنوعات کی رسد اور

## بنیادی ڈھانچے کی ترقی:

انفراسٹرکچر کی تعمیر و تکمیل نہ صرف مجموعی معاشی اہلیاء کے لیے ایک اہم پہلو ہے بلکہ جامع معاشی نمو میں اضافہ کرنے کا کام کرتا ہے۔ مسابقتی مقابلہ میں شدت کے موجودہ ماحول میں APL کا پختہ یقین ہے کہ انفراسٹرکچر کی تعمیر و توسیع ملک میں تیل اور گیس کی صنعت کی تیزی سے ظہور پذیر ہوتی ہوئی عملی حرکات کو جاری و ساری رکھنے کے لیے از حد لازمی ہے۔ انفراسٹرکچر کی توسیع کسی بھی آئل مارکیٹنگ کمپنی کے لیے ریزرچ کی بڑی کام دہتی ہے جس کے ذریعے مستقل مزاجی کے نئے دور کا آغاز ہوتا ہے

گزشتہ چند برسوں سے کمپنی نے ملک بھر میں اپنے بلک آئل ٹرمینلز میں توسیع اور اضافہ کرنے کے لیے اپنے وسائل کی سرمایہ کاری میں از حد اضافہ کیا۔ سخت کوآپریٹو کنٹرول کے ساتھ تیز تعمیراتی کام کی وجہ سے APL نے عالمی معیارات کے مطابق بڑے سنگ میل عبور کئے۔ شکار پور میں بلک آئل ٹرمینل کا گزشتہ سال آغاز کیا گیا جبکہ ساہیوال اور دولت پور میں بلک آئل ٹرمینل کی تعمیر اسی سال مکمل کی گئی۔ دونوں ٹرمینلوں نے جانچ اور معائنے کے بعد اوگرا (OGRA) کی جانب سے دسمبر 2019 میں لائسنس کے اجراء کے بعد کامیابی کے ساتھ اپنے آپریشنز کا آغاز کر دیا ہے جس سے کمپنی کی اسٹوریج کی صلاحیت میں مزید اضافہ ہو گیا ہے۔ پورٹ قاسم ٹرمینل (کراچی) میں تعمیراتی کام میں مزید پیش رفت ہوئی ہے جو بندرگاہ پر درآہدی سامان کو وصول کرنے کیلئے کمپنی کی ایک کلیدی تحصیب ثابت ہوگی اور کافی فوائد حاصل ہوں گے۔ مزید برآں، آپریشنل صلاحیتوں کو بڑھانے اور کنٹرولز میں بہتری لانے کے لیے مختلف عوامل اور آلات کی شدت کاری کی گئی۔

کمپنی نے اسلام آباد، لاہور اور کراچی کے شہروں میں کئی نئے اپنے زیر انتظام ریشیل آڈیٹڈ سٹیشن (COCO sites) قائم کر کے اپنی موجودگی کو بڑھایا ہے۔ یہ آڈیٹڈ سٹیشن خاص طور پر نہ صرف معزز صارفین کو معیاری مصنوعات کی فراہمی کیلئے بلکہ ان شہروں بالخصوص کراچی میں APL کے برانڈ کی نمائندگی بڑھانے کیلئے قائم کئے گئے ہیں۔ APL نے ملک بھر میں سی پیک (CPEC) کے راستوں پر کام کرنے کیلئے اپنے منصوبوں کی بنیاد رکھی اور اہم موٹرویز جیسے لاہور میں عہدائیکیم موٹروے (M-3)، سکھ سردن اریا اسلام آباد، پٹنہ اور موٹروے (M-1) اور کھلانگ، سوات ایکسپریس وے پر اعلیٰ خدمات فراہم کرنے والے ٹرولہسورٹی سے سڑکوں کو شدوریشیل آڈیٹڈ سٹیشن بھی کامیابی کے ساتھ قائم کئے۔

کمپنی LPG کے کاروبار میں داخل ہو کر اپنے دائرہ کار کو مزید وسعت دینے کا ارادہ رکھتی ہے اور LPG اسٹوریج اور ٹرانک پائپ لائنز زیر منصوبہ بندی ہے اور ڈیزائن مرحلے میں ہے۔

APL نے دنیا بھر میں صاف ستھری توانائی میں ہونے والی منتقلی کو تسلیم کیا ہے اور اس تبدیلی میں بجلی سے چلنی والی نئی گاڑیوں کو سہولیات فراہم کرنے پر

## دیگر کاروباری سرگرمیاں:

APL کی اولین اقتدار میں صارفین کو آسانی مہیا کرنا اور لوڈنگ کے مجموعی تجربے میں بہتری لانا ہے۔ APL نے اپنے براڈ باڈی کو مکمل فلول سے نکال کر زیادہ وسیع کرنے کی کاوشیں کی ہیں۔ موجودہ مارکیٹ محرکات کا فہم حاصل کر کے اور تمام صارفین کی ضروریات کو پورا کرنے کے لیے APL نے اپنے آپ کو ایک مکمل صارف مرکوز ادارہ بننے کا ہدف بنایا ہے جس کے لیے اس نے اپنے آپ کو "صارفین کے لئے آسانی فراہم کرنے کی طرف مائل کمپنی" کا روپ دیا ہے۔ ہماری رشیل آڈیٹس پر فوری اور انجلی سرورسز یعنی کریڈٹ کارڈز کے ذریعے اور انجلی، اسے فی ایم سہولیات، انک اسٹارٹ فلول کارڈ، ہائر کیئر، پیڈ وائل، لیوب ایکسپریٹ، ٹائم آؤٹ تک سٹاپس وغیرہ کی صورت میں سہولیات دستیاب ہیں۔

رشیل آڈیٹس پر مجموعی تجربے کو بڑھانے کیلئے بڑے اور چھوٹے شہروں میں انک اسٹارٹ فلول کارڈ کی سہولت پیش کی جا رہی ہے۔ انک اسٹارٹ فلول کارڈ انفرادی اہل خاص کے ساتھ ساتھ کارپوریٹ کلائنٹ کی تمام فلول انتظامات کی ضروریات کو پورا کرتا ہے، یہ نقدی کے بطور اور محفوظ لین دین، فلول کے بجٹ پر مکمل کنٹرول، حتمی وقت پر آن لائن رپورٹنگ پیش کرتا ہے اور 24 گھنٹے قابل دسترس ہے۔ آہادی کی ضروریات کو سمجھتے ہوئے APL وسیع پیمانے پر خدمات اور فلیٹ میجمنٹ کیلئے منفرد فوڈ انفرام کراتا ہے۔

صارفین کے ساتھ رواہا استوار کرنے والی کمپنی ہونے کے ذریعے APL نے دیگر مصنوعات اور تکنیکی حل کے ساتھ شراکت داری اور کاروبار کرتے ہوئے سہولت کے ایک اور پہلو کو اجاگر کیا ہے۔ APL نے لوڈنگ کے مراکز میں متنوع آفرز پیش کی ہیں جن میں مختلف اقسام کے ریستوران کی تعمیر اور آسانیاں فراہم کرنے والے سٹور شامل ہیں اور APL دیگر مختلف اقسام کی مالیاتی خدمات کا سلسلہ بھی پیش کرنے کا ارادہ رکھتا ہے۔ ہمدن خدمت میں مصروف اور پوری طرح مزین سٹیٹ آف دی آرٹ آئل پیمنٹ کرنے کی سہولت تربیت یافتہ تکنیشن چند منٹوں میں پیشہ ورانہ اور تیز تر انداز سے فراہم کرتے ہیں جس پر صارفین مکمل طور پر بھروسہ کر سکتے ہیں۔ سروں میں فری سیٹلنگس اور گازیوں کے بارے میں مشاورتی جہاںات شامل ہیں، جس کی بناء پر صارفین کو ان کی ضرورت اور اطمینان کے مطابق لیوب کی تبدیلی کی گمرانی اور جائزہ لینے کا موقع ملتا ہے۔ APL کا مقصد تمام آہادی کیلئے رسائی کا از سر نو تعین کر کے بہتر خدمات کی باروڈ ٹوک فراہمی یعنی لانا ہے۔

ایک انتہائی ہائبر اور سماجی طور پر ذمہ دار آرگنائزیشن ہونے کی حیثیت سے APL نے اپنے کاربن کے اخراج کو گھٹانے کے لیے بہت سے خصوصی اقدامات شروع کئے ہیں، جن میں خصوصی توجہ توانائی کے تحفظ، پانی اور گندے مادوں کے اخراج کی طرف دی گئی ہے اور وزیر اعظم پاکستان کے صاف اور ہرے پھرے پاکستان کی تحریک کے مطابق ٹھیکاری میں بھی اپنا حصہ ڈال رہی ہے۔

COVID-19 کے وبائی مرض نے ڈرائیو پورٹ، نقل و حمل میں کی خاص طور پر فروری 2020 کے بعد کے عرصہ میں، لبریکینٹ کی فروخت کو بھی متاثر کیا۔ تاہم جون 2020 کے دوران لبریکینٹ کی فروخت بہتر ہو گئی جو آنے والے مہینوں میں بہتر متوقع فروخت کی عکاسی کرتا ہے۔ کمپنی کے موجودہ پورٹ فولیو میں B2B اور B2C سیکٹس میں قابل ذکر نئے صارفین شامل کئے گئے ہیں۔ کمپنی نے سپلائرز کی ٹیکنالوجی میں قابل اعتماد طریقوں اور تاجروں کو بھی شامل کیا ہے۔ اس طرح پروڈکٹ کے معیار کو یقینی بناتے ہوئے پروڈکٹ کو بہتر کیا جائے گا۔ پروڈکٹ کی پیکیجنگ کسی بھی پروڈکٹ کے معیار کے بارے میں براہ راست تاثر پیدا کرنے میں اہم کردار ادا کرتی ہے اور ایک ایسے طریقے سے بیک شدہ پروڈکٹ کا بھی فروخت مقابلہ کرنے والی برانڈز میں نمایاں حیثیت رکھتی ہے۔ جدید ٹیکنالوجی کی ضروریات کے ساتھ ہم آہنگ کر کے، ایک لبریکینٹ کو بالکل نئی پیکیجنگ میں نئی ڈیزائن اور اعلیٰ صنعتی معیارات کے ساتھ گیسولین، ڈیزل اور موٹر سائیکل آئل کو آپ گریڈ کیا جا رہا ہے۔

APL نے حالیہ میں ایک مشترکہ منصوبے کے تحت اسلام آباد انٹرنیشنل ایئر پورٹ پر ملک کے سب سے بڑا اور جدید ترین فیول فارم قائم کر کے ایئر لائنز کے شعبے میں قدم رکھا۔ پیشہ دارانہ مہارت اور پیمائش کنٹرولنگ کی روح کو برقرار رکھتے ہوئے، اس منصوبے نے ہزاروں بین الاقوامی اور مقامی پروازوں کو بحفاظت کامیابی سے فیول فراہم کیا۔ اگرچہ COVID-19 وبائی مرض کے بعد یہ شعبہ بری طرح متاثر ہوا۔ تاہم کمپنی اپنی فروخت برقرار رکھنے میں کامیاب رہی اور اس میں صرف 14 فیصد کمی دیکھی گئی۔ ایک انتہائی چیلنجی اور مسابقتی ہوا بازی کے شعبے میں APL نے اسلام آباد بین الاقوامی ایئر پورٹ کے ذریعے پاکستان کی معاشی ترقی کے لیے ریزرچ کی ہڈی کی حیثیت سے فعال کردار ادا کرنے پر فخر محسوس کرتا ہے اور زیادہ خوشحال پاکستان کے لیے راہ ہموار کر رہا ہے۔

ایک پٹرولیم لینڈ (APL) اپنے دائرہ کار کو وسیع کرنے کیلئے پرعزم اور یہ بات بھی منظر عام پر لایا ہے کہ محض فیول کے شعبے کے علاوہ بھی کاروبار میں ترقی کرے گا اور آگے بڑھے گا۔ APL کم دہش اپنے تمام آپریٹرز اور سرگرمیوں میں اپنی پہلے سے حاصل امتیازی کامیابیوں سے بھی آگے بڑھنے کی کوشش کرتا ہے۔ APL کی توجہ متاثر کن اور جدید ترین کارکردگی کو فروغ دینے پر مرکوز ہے جو اس کے اپنے ویزن، مشن اور بنیادی اقدار سے ہم آہنگ ہو۔ انتہائی مشکل حالات، سخت مسابقت اور تیل کی قیمتوں میں تغیر کے باوجود، APL نے اپنے ریٹیل آڈیٹنس کو قائم کیا اور پورے پاکستان میں موجود ریٹیل آڈیٹنس کے بارے میں نئے ویزن کی تشکیل کرتے ہوئے اپنے شیئر کو مثبت طور پر برقرار رکھا اور ملک کی خوشحالی میں اہم کردار ادا کیا۔ مضبوط اور زبردست سپلائی چین کے ساتھ جو عالمی آئل سپلائرز تک وسعت رکھتی ہے، APL اس غیر یقینی دور میں چیلنجز سے نبرد آزما ہونے کیلئے کمپنی کے انٹرنیشنل پیکر اور سپلائی چین میں بہتری لارہا ہے۔

## فروخت اور مارکیٹنگ سرگرمیوں کا جائزہ

ذریعہ جائزہ برسی کے دوران، مذکورہ چیلنجز اور مسابقتی مقابلہ کے باوجود، کاروباری حجم میں کمی کے دور میں، کپنی انڈسٹری کے اندر قائم رہنے اور اپنے مارکیٹ شیئر کو برقرار رکھنے میں کامیاب رہی۔ بہت سارے عوامل کی وجہ سے اس سال انڈسٹری میں وسیع پیمانے پر فرس آئل (FO) کے حجم فروخت میں 33 فیصد کمی واقع ہوئی ہے جبکہ APL کے فرس آئل کے حجم میں صرف 7 فیصد کمی آئی، جس کی وجہ سے فرس آئل کی مصنوعات کا APL کارکیٹ شیئر 13 فیصد سے بڑھ کر 18 فیصد ہو گیا ہے۔ اس سال APL نے دفاعی اداروں کو پٹرولیم مصنوعات 1-PMG-HSD، JP اور HOBC-97 کی فراہمی کا معاہدہ کیا ہے اور APL ملک کے دفاعی اداروں کو ایندھن کی فراہمی کی شراکت داری اور ان کی ترسیلی آئل مارکیٹنگ کپنی ہونے پر غور محسوس کرتی ہے۔ مذکورہ بالا کئی اور بین الاقوامی چیلنجز کے باوجود، کپنی نے اپنے صارفین کو پٹرولیم مصنوعات کی بلا تھقل فراہمی کو یقینی بنایا۔ مزید یہ کہ، APL نے اپنے کارپوریٹ اور صنعتی صارفین کے نیٹ ورک میں توسیع جاری رکھی اور اس فہرست میں کپنی نے متعدد اہم صارفین کو شامل کیا ہے۔ تمام کاروباری شعبوں میں بہتر معیار خدمات کی وجہ سے، صنعت کے اندر وسیع تر پراڈکٹ پورٹ فولیو کی دستیابی کے باعث APL نے اپنے صارفین کی تعداد کو بڑھایا اور اس وقت تک کی دوسری سب سے بڑی آئل مارکیٹنگ کپنی ہے جس کا مجموعی طور پر مارکیٹ شیئر 11 فیصد ہے۔ ملک بھر میں کاروباری سرگرمیوں کی معاشی سست روی پٹرولیم صنعت کے اندر مجموعی بحران کیلئے ایک اہم عنصر رہی۔ تاہم، آئندہ مالی سال میں مثبت بحالی متوقع ہے۔

تارکول کا صرف اور استعمال گزشتہ سال کے مقابلے میں کافی کم رہ گیا ہے۔ یہ کمی خاص طور پر انفراسٹرکچر اور ترقیاتی منصوبہ جات میں کمی کے سبب ہے۔ مارکیٹ میں کم قیمت والے اسمگل شدہ تارکول کی بہتات بھی مقامی فروخت میں کمی کا ایک سبب ہے۔ APL جغرافیائی و ترقیاتی اہمیت کے ترقیاتی منصوبہ جات بشمول اہم شاہراہیں اور سوزوین وغیرہ کیلئے تارکول کی سپلائی کے لحاظ سے بدستور ایک سوزوین سپلائر رہا۔ APL نے مجموعی طور پر کپت میں 6 فیصد کمی کے باوجود 73 فیصد مارکیٹ شیئر حاصل کیا۔

APL نے اپنے ریشیل نیٹ ورک کو نمایاں طور پر منظم کیا ہے اور 30 جون 2020 تک ریشیل آڈیٹس کی کل تعداد 700 سے تجاوز کر گئی ہے۔ APL نے پاکستان کے طول و عرض میں اپنے ریشیل آڈیٹس قائم کئے ہیں اور اپنی پٹرولیم مصنوعات کو فروغ دینے کیلئے، کپنی نے اسلام آباد، لاہور، کراچی اور مختلف سوزوین پر کپنی کے اپنے زیر انتظام ریشیل آڈیٹس (COCO sites) قائم کئے ہیں۔ شہری اور دیہاتی علاقوں میں مصنوعات کی فراہمی کے معیار کو یقینی بنایا گیا۔ کپنی کی طویل المدتی حکمت عملی کی مطابقت میں ریشیل آڈیٹس قائم کرنے اور بلک آئل فریکٹور کی تعمیر کے ذریعے اپنی موجودگی کے تاثر میں اضافے کیلئے، کپنی نے اس مدت کے دوران متعدد ریشیل آڈیٹس اور ڈیج قائم کئے ہیں اور بہت سارے اس وقت ذریعہ تعمیر مرتلے میں ہیں۔

## مقایم:

ملک میں پٹرولیم مصنوعات کا بین الاقوامی سطح پر خام تیل کی قیمت اور امریکی ڈالر کے مقابلے میں روپے کی قدر پر انحصار ہوتا ہے کیونکہ پاکستان پٹرولیم مصنوعات درآمد کرنے والا ملک ہے۔ بین الاقوامی مارکیٹ میں پٹرولیم مصنوعات کی قیمتوں میں اتار چڑھاؤ اور اس کے ساتھ ساتھ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے، ملک میں پٹرولیم مصنوعات کی قیمتیں گزشتہ سال کے دوران انتہائی غیر مستحکم رہی ہیں۔ COVID-19 کی وجہ سے لاک ڈاؤن کے نتیجے میں عوامی نقل و حرکت میں بڑے پیمانے پر کمی واقع ہوئی۔ ٹیکسوں کی بندش کے باعث صنعتی کاروباری سرگرمیاں کم ہو گئیں اور پبلک ٹرانسپورٹ اور بین الصوبائی نقل و حرکت مکمل طور پر بند رہی، جس کی وجہ سے پٹرولیم مصنوعات کی فروخت میں کمی ہوئی۔ مزید یہ کہ عالمی سطح پر تیل کی قیمت میں کمی کے نتیجے میں پاکستان کے اندر تیل کی قیمتوں میں کمی واقع ہوئی اور حکومت نے عوام الناس کو سہولت فراہم کرنے کی غرض سے اس عرصے کے دوران متعدد بار پٹرولیم مصنوعات کی قیمتوں میں کمی کا اعلان کیا۔ آئل مارکیٹنگ کمپنیوں کی جانب سے مصنوعات کا اضافی ذخیرہ ہونے کی وجہ سے جبکہ پٹرولیم مصنوعات کی فروخت پہلے ہی کم تھی اور قیمتوں میں بھی کمی ہو رہی تھی، وسیع پیمانے پر انویسٹری قصاصات ہوئے۔

بین الاقوامی مالیاتی فنڈ (IMF) کے توسیعی فنڈ کی سہولت کی روشنی میں پالیسی سازوں کی جانب سے سخت مالی نظم و ضبط کے اطلاق جیسے متعدد اقدامات کی وجہ سے حالیہ برسوں کے دوران ملک میں بنیادی ڈھانچے کی ترقی اور سخت معاشی انگلیں پالیسیوں کے باعث اخراجات میں کمی کی وجہ سے توانائی کی طلب کم ہوئی۔ اس کے نتیجے میں ملک بھر کے کاروبار میں منفی نمو دیکھی گئی اور کاروباری اشخاص اپنی آمدنی کو برقرار رکھنے کیلئے کاوشیں کر رہے ہیں۔ ان عوامل کے اثرات آئل مارکیٹنگ کے شعبے پر بھی اثر انداز ہوئے۔ آئل مارکیٹنگ کمپنیوں کو بعض چیلنجز کا سامنا ہے جن میں کاروباری سرگرمیوں میں کمی کی وجہ سے پٹرولیم مصنوعات کی طلب میں کمی کے ساتھ سستی اسمگل شدہ مصنوعات جیسے ہائی اسپینڈ ڈیزل (HSD) اور تارکول (Bitumen) اور بڑے پیمانے پر اشیاء تیار کرنے والی صنعتوں کی منفی نمو شامل ہے۔ ان عوامل کی وجہ سے پٹرولیم کی صنعت کے کل حجم فروخت میں 12 فیصد کمی واقع ہوئی ہے۔ ہائی اسپینڈ ڈیزل کی طلب میں 10 فیصد اور تارکول کی طلب میں 6 فیصد کمی واقع ہوئی ہے۔ فرنس آئل (FO) کی طلب میں بھی 33 فیصد کمی واقع ہوئی ہے کیونکہ بجلی پیدا کرنے والے اداروں نے حکومت کی ہدایات کی روشنی میں اپنے سسٹم کو آرائل این جی (RLNG) اور کوئلہ جیسے متبادل ایجنڈ من کی جانب تیزی سے منتقل کیا ہے۔ اور اس کے باعث فرنس آئل کی طلب میں کافی مددگ کی واقع ہوئی ہے۔

حکومت کی پالیسیوں میں تبدیلی، محصولات و ٹیکسز ڈھانچے میں ترامیم و اجراء، تعمیراتی شعبے میں نمایاں تخفیف اور بڑے منصوبہ جات میں عدم سرمایہ کاری، امریکی ڈالر کے شرح مبادلہ میں عدم استحکام، مجموعی اقتصادی نظام کے اندر تہذیبیں اور عملی محرکات چند اہم عناصر ہیں جو گزشتہ سال سے مجموعی منفی نمو کا باعث رہے ہیں۔

## مارکیٹ اور صنعتی جائزہ

### عالمی سطح:

تیل کی عالمی صنعت گزشتہ برسوں سے عدم استحکام کا شکار ہے لیکن کسی بھی عدم استحکام نے اطرشری کو اتنا نقصان نہیں پہنچایا جتنا زہر جائزہ برس کے دوران مشاہدہ کیا گیا۔ چونکہ مارکیٹیں، کمپنیاں اور پوری معیشت کو رونا داونس (COVID-19) کے وبائی مرض کی وجہ سے پیدا ہونے والے عالمی بحران کے اثرات سے دوچار ہیں، اسی بنا پر تیل کی قیمتوں میں بھی کمی آئی ہے۔ عالمی توانائی کی طلب میں ہارنگی کمی کی وجہ سے خام تیل کی قیمتوں میں بڑے پیمانے پر کمی واقع ہوئی۔ اس کا اثر تیل کی عالمی سپلائی چین (supply chain) کے ہر مرحلہ پر محسوس کیا گیا اور توانائی کے شعبے کے دوسرے حصوں پر بھی پڑا۔ تیل کی عالمی طلب میں تیزی سے کمی آئی کیونکہ وبائی مرض کو رونا سے تیل کی کھپت خاص طور پر ٹرانسپورٹ کے شعبے اور صنعتی استعمال میں کمی واقع ہوئی جو OPEC اور non-OPEC تیل کے پیداواروں کی طرف سے پیداوار پر پابندیوں کے خاتمے کی وجہ سے سپلائی میں اضافے سے مزید سنگین ہو گیا۔ تیل کی طلب میں بالخصوص کمی کی شدت، تیل کی صنعت کی برواشت کی اہلیت سے کہیں زیادہ ہے۔ دنیا کی اکثریتی آبادی کو داونس کی وجہ سے کسی نہ کسی طرح کے لاک ڈاؤن کے تحت رو رہی ہے۔ آئل مارکیٹ کے روایتی استحکام کیلئے ایک بنیادی امکانی بدستور کم ہے۔ کم قیمتیں عام طور پر صارفین کے استعمال کو بڑھاتی ہیں، لیکن اس طرح طلب میں اضافے کا امکان خاص کر عالمی ہنگامی صورتحال کے دوران انتہائی کم ہوتا ہے۔ تیل کے ذخیرے میں تیزی سے اضافے سے دستیاب ذخیرہ کرنے کی گنجائش ختم ہو گئی جس کی وجہ سے تیل کی قیمتیں مزید کم ہو گئیں۔

کو رونا داونس سے قبل تیل کی عالمی قیمتوں کو متاثر کرنے والے دیگر عوامل میں سعودی عرب کی مہیبت پر حملہ، پہلی سرمایہ کے دوران مشرق وسطیٰ کے بحران کی وجہ سے آئے ہرگز کے ذریعے تیل کی عالمی نقل و حرکت میں حساسیت، OPEC ممالک کی جانب سے سپلائی میں کمی، اور امریکہ کی ایران اور وینزویلا پر پابندیوں کے نتیجے میں تیل کی قیمتوں میں اضافہ محسوس ہے۔ تاہم امریکہ اور چین کے درمیان تہارتی تعلقات میں کشیدگی اور سعودی عرب اور روس کے درمیان مقابلہ نرغ نے قیمتوں پر کمی کی جانب دباؤ برقرار رکھا۔

چونکہ سٹوریج فرموں اور آئل کمپنیوں میں تیل کے ذخائر بھر گئے لہذا تیل کی قیمتوں میں مزید کمی کر دی گئی جس سے آئل مارکیٹ کریش کر گئی۔ ٹرانسپورٹ کے شعبے میں اسکول اور دفاتر کی بندش کے پیش نظر گاڑیوں، بسوں اور ٹرینوں کے استعمال میں کمی سے آئل کی کھپت میں مزید کمی آئی۔ طلب میں کمی کے باعث، منافعوں میں تیزی سے کمی ہوئی اور تیل پیدا کرنے والے ممالک جیسا کہ عرب ریاستیں اور روس کے مارکیٹ شیئر حاصل کرنے کی کوشش نے قیمتوں میں مقابلہ کو ختم دیا۔

وعدوں کو پورا کرنے کی صلاحیت سے الامال ہے۔ کمپنی نے ملازمین کو تنخواہوں اور اجرتوں کی ادائیگی کے لئے اسٹیٹ بینک کی سیلری سہولتس اسکیم کے تحت 0.45 فیصد کے پرکشش ریٹ پر ٹرم ٹرنس کی سہولت حاصل کی ہے۔ کئی مالیاتی اداروں سے ہنگامی صورت میں کمپنی کی جملہ سرگرمیاں جاری رکھنے کے لیے اور کاروباری سرمایے کی ضروریات کو پورا کرنے کیلئے لیکویڈیٹی کی دستیابی کو یقینی بنانے کیلئے متبادل انتظامات کیے گئے ہیں۔

### سرمائے کا ڈھانچہ:

اس کمپنی کا کل سرمایہ حصص کے مالیاتی نظام پر مشتمل ہے۔ مذکورہ بالا ٹرنس سہولت کے علاوہ زیر جائزہ برس میں اس ڈھانچے میں کوئی تبدیلی نہیں ہوئی۔ انتظامیہ مطمئن ہے کہ سرمائے کا یہ ڈھانچہ کمپنی کو مستقبل میں بھی کامیابی سے آگے بڑھانے کے لیے بالکل مناسب ہے۔ کسی بھی واجب الادا رقم کی ادائیگی میں کوئی تاخیر نہ کی جائے گی دیکھنے میں نہیں آئی۔

### گزشتہ برس کے مقابلے میں مالیاتی حالت اور سرمائے میں ہونے والی اہم تبدیلیاں:

30 جون 2020 تک کل ۱۱۷ ٹے بڑھ کر 51,238 ملین روپے ہو چکے ہیں جبکہ کل واجبات بڑھ کر 32,792 ملین روپے تک پہنچ گئے ہیں۔ کمپنی کے غیر مہدلا ۱۱۷ ٹے 9,300 ملین روپے سے بڑھ کر 15,584 ملین روپے ہو گئے ہیں جس کی وجہ بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ 16 کے تحت 5,095 ملین روپے کو اضافہ، مشینری اور آلات کی مد میں ۱۱۷ ٹے کو حق استعمال کے طور پر تسلیم کرنا اور اسٹوریج میں اضافے پر توجہ مرکوز کرتے ہوئے، کمپنی کا زمین کی خریداری اور نئے ٹرمینل اور ڈب ٹینکس (Retail Outlets) کی تعمیر کے لئے 2,135 ملین روپے کی کثیر سرمایہ کاری کرنا شامل ہے۔

گزشتہ برس کاروباری سرگرمیوں سے 2,998 ملین روپے کے ورود (inflow) کے مقابلے میں زیر جائزہ برس 7,415 ملین روپے کا ورود (inflow) ریکارڈ کیا گیا جس کی بنیادی وجہ مصنوعات کی خریداری اور آپریٹنگ اخراجات مددگار چارجز کا حکم ٹیکس کی ادائیگی میں کمی ہے۔ اضافہ، مشینری اور آلات میں سرمایہ کاری کے باعث 2,135 ملین روپے کا خروج (outflow) ریکارڈ کیا گیا۔ سرمایہ کاری پر حاصل کردہ آمدنی سے 994 ملین روپے کا ورود (Inflow) ہوا۔ سرمایہ واری سے کل 1,681 ملین روپے کا خروج (outflow) ریکارڈ کیا گیا۔ رواں برس ٹرانسنگ سرگرمیوں جس میں بنیادی طور پر ڈیویڈنڈ کی ادائیگی شامل ہے، کی مد میں 1,851 ملین روپے کی ادائیگی کی گئی (19-2018 3,493 ملین روپے)۔

## دوران برسی تقسیم:

روپے (ملین میں)

995	حتمی نقد حصہ (ڈیوڈنڈ) برائے سال 2018-19 بشرح 100 فیصد (یعنی 10 روپے فی 10 روپے والے حصہ پر)
498	عموری نقد حصہ (ڈیوڈنڈ) برائے سال 2019-20 بشرح 50 فیصد (یعنی 5 روپے فی 10 روپے والے حصہ پر)
1,493	
<b>17,231</b>	

کل میزان 30 جون 2020

ضمنی اثرات:

398	حتمی نقد حصہ (ڈیوڈنڈ) برائے سال 2019-20 بشرح 40 فیصد (یعنی 4 روپے فی 10 روپے والے حصہ پر)
<b>16,833</b>	

منافع (ڈیوڈنڈ):

بورڈ نے اس امر کی اطلاع کی ہے کہ 30 جون 2020 کو اختتام پذیر مالی سال کے لیے حتمی نقد منافع بشرح 40 فیصد (یعنی 4 روپے فی 10 روپے والے حصہ پر)۔ یہ منافع اس رقم کے علاوہ ہوگا جو عموری نقد منافع کے طور پر بشرح 50 فیصد (یعنی 5 روپے فی 10 روپے والے حصہ پر) پہلے ہی مشترکہ کے گئے اور حصص مالکان کو واپس کیے جا چکے ہیں۔ یوں زیر جائزہ برس کے لیے کل نقد منافع 90 فیصد بن جاتا ہے۔

مکلی خزانے اور اقتصادیات میں اضافہ:

کمپنی نے ٹیکس اور دیگر سرکاری کٹوتیوں کی مدد میں 70,155 ملین روپے سرکاری خزانے میں جمع کرائے۔ ڈیورڈنڈ علاقوں کو اپنے ترقیاتی پروگرام میں شامل کر کے ریشیل آڈیٹلس (Retail Outlets) اور ڈیلرز کے نیٹ ورک (Network) کی توسیع کے ذریعے مختلف علاقوں میں روزگار کے مواقع بڑھا رہے ہیں اور مقامی آبادی کے معیار زندگی میں بہتری بھی آرہی ہے۔

انصرام سرمایہ، مالیاتی انتظامات اور مالیاتی مشکلات پر قابو پانے کی حکمت عملی:

زیر جائزہ برس کے دوران کل سرمائے میں 3,880 ملین روپے کا اضافہ ہوا کیونکہ 7,415 ملین روپے کی رقم آپریٹنگ سرگرمیوں سے حاصل کی گئی جس کی بنیادی وجہ اسٹاک اور تھارٹی قرضوں میں کمی تھی جس کے نتیجے میں کل سرمایہ 01 جولائی 2019 کو 3,403 ملین روپے سے بڑھ کے 30 جون 2020 کو 7,283 ملین روپے ہو گیا جسے بعد میں اسٹاک کی بڑھتی ہوئی ضرورت کو چھرا کرنے کے لئے مصنوعات کی درآمد کے سلسلے میں سپلائرز کو ادائیگیوں کے لئے استعمال کیا گیا۔ مالی تخمینوں اور دیگر طریقوں کو کام میں لاکر اور اسے مسلسل استعمال کر کے سرمایہ کی ہمہ وقت دستیابی کو یقینی بنایا گیا۔ کمپنی کے پاس یہ وسائل موجود ہیں کہ وہ اپنے تمام کاروباری مراحل کے لیے قرض حاصل کر سکے اور کمپنی اپنے مستقبل کے تمام منصوبوں اور

## ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کے لیے یہ امر باعث مسرت ہے کہ وہ کمپنی کی کارکردگی اور ترقی سے متعلق سالانہ رپورٹ اور 30 جون 2020ء کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشوارے پیش کر رہے ہیں۔

## مالیاتی کارکردگی

کمپنی کی خالص فروخت آمدنی 201,079 ملین روپے ری جو گزشتہ سال (2018-19: 223,054 ملین روپے) کے مقابلے میں 10 فیصد کمی کو ظاہر کر رہی ہے کیونکہ صنعت کے حجم فروخت میں 12 فیصد کمی کے مقابلے میں کمپنی کے حجم فروخت میں 11 فیصد کمی ہوئی۔ تیل کی قیمتوں میں اتار چڑھاؤ کے نتیجے میں انویسٹری نقصانات اور حجم فروخت میں کمی کے باعث منافع میں 56 فیصد کمی واقع ہوئی۔ سست رو معاشی نمو، اقتصادی سرگرمیوں میں کمی، افریقا زمر میں اضافہ، اسمگل شدہ مصنوعات کا درود اور بجلی کی پیداوار کیلئے متبادل ایندھن کی دستیابی کی وجہ سے حجم فروخت میں کمی آئی جس کے نتیجے میں سنگین معاشی صورتحال نے جنم لیا۔ اس کے ساتھ عالمی وبا، COVID-19 کے باعث لاک ڈاؤن نے کاروبار اور صنعت کو مختلف سطح پر متاثر کیا۔ دوسری جانب مناسب شرح سود کی بدولت خالص مالی منافع میں اضافہ اور ایکسچینج (exchange) لاسز میں کمی کے باعث آپریٹنگ اخراجات میں کمی نے کسی حد تک منافع کو سہارا دیا۔ تاہم، بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز 9 کے تحت مالی اثاثوں کے بگاڑ میں اضافہ، بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز 16 پر عمل کرنے کے مضمرات اور پنجاب ورکرز وٹیفیکیشن ایکٹ 2019 کے نفاذ کے نتیجے میں خالص منافع میں کمی ہوئی۔ نتیجتاً کمپنی نے 1,008 ملین روپے کا بعد از ٹیکس منافع کمایا (2018-19: 3,961 ملین روپے)۔ اسے 10.13 روپے فی شیئر آمدن کے مفہوم میں لیا جاسکتا ہے (2018-19: 39.79 روپے)۔

30 جون 2020ء کو اختتام پذیر ہونے والے مالی سال کے لیے مالیاتی نتائج اور منافع کی تقسیم کا خلاصہ درج ذیل ہے:

سرگرمی	روپے (ملین میں)
قبل از ٹیکس منافع	1,503
متنی: ٹیکس کے لیے طے کردہ رقم	(495)
بعد از ٹیکس منافع	1,008
تاریخ: 30 جون 2019ء تک غیر منقسمہ منافع	17,712
تاریخ: دوران سال دیگر نقصانات	4
قابل تقسیم منافع	18,724

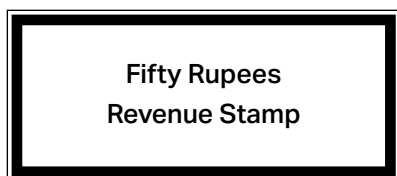
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# FORM OF PROXY

## 25<sup>th</sup> Annual General Meeting

ATTOCK PETROLEUM LIMITED

I/We \_\_\_\_\_ of \_\_\_\_\_ being member(s) of **Attock Petroleum Limited** and holding \_\_\_\_\_ ordinary shares as per Share Register Folio No. \_\_\_\_\_ CDC Participant I.D. No. \_\_\_\_\_ CNIC No. / Passport No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote and act for me/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held on October 19, 2020 at 12:00 p.m. at Attock House, Morgah, Rawalpindi through video link and at any adjournment thereof.



\_\_\_\_\_  
Signature of Shareholder  
(The signature should agree with the specimen registered with the Company)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Signature of Proxy \_\_\_\_\_

Witnesses:

1. Signature: \_\_\_\_\_

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_

\_\_\_\_\_  
CNIC/Passport No. \_\_\_\_\_

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company at Attock House, Morgah, Rawalpindi not less than 48 hours before the time of holding the meeting.
2. For CDC Account Holders / Corporate Entities  
In addition to the above the following requirements have to be met.
  - I. Attested copies of CNIC or the passport of the shareholders and the proxy shall be provided with the proxy form.
  - II. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

مختار نامہ (پراکسی فارم)  
پچیسواں سالانہ اجلاس عام  
انک پٹرولیم لمیٹڈ

میں/ہم..... سکنہ..... بحیثیت ممبر (رکن) انک پٹرولیم لمیٹڈ  
اور حامل..... عام حصص، برطانیق شیئرز رجسٹرڈ فوئیو نمبر/سی ڈی سی پارٹیشن آئی ڈی نمبر.....  
مسعی/مسماٹ..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر..... کو یا ان کی غیر حاضری  
کی صورت میں مسعی/مسماٹ..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر.....  
کو میرے/ہمارے ایما پر بروز پیر 19 اکتوبر 2020ء کو دن 12:00 بجے انک ہاؤس، مورگاہ، راولپنڈی بذریعہ ڈیولنک میں منعقد ہونے والے کینی کے پچیسواں سالانہ اجلاس عام میں حق رائے دہی  
استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار نمائندہ (پراکسی) مقرر کرتا/کرتی ہوں/کرتے ہیں۔

پچاس روپے ایلٹ کے ریونیوٹ

دستخط حصص کنندہ

(دستخط کا کینی میں رجسٹرڈ نمونے کے ہو، ہونا ضروری ہے)

آج بروز..... بتاریخ..... 2020ء کو دستخط کئے گئے۔ دستخط مختار نمائندہ:  
گواہان:  
1۔ دستخط:..... نام:  
2۔ دستخط:..... نام:  
پتہ:..... پتہ:  
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

ضروری ہدایات:

- 1۔ مختار نامہ (پراکسی فارم) اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل مکمل کوائف اور دستخط کے ساتھ کینی کے رجسٹرڈ آفس انک ہاؤس، مورگاہ، راولپنڈی میں جمع کرانا ضروری ہے۔
- 2۔ مذکورہ بالا ہدایات کے علاوہ درج ذیل ضروری شرائط بھی پوری کرنا لازمی ہیں۔
- 1۔ مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوں گی۔
- 2۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختار نامہ (پراکسی فارم) کینی کو جمع کرانا ہونگے۔





**Attock**

**Attock Petroleum Limited**

Attock House, Morgah, Rawalpindi - Pakistan

Tel: +92-51-5127250-54 | Fax: +92-5127255

Email: [contact@apl.com.pk](mailto:contact@apl.com.pk)

[www.apl.com.pk](http://www.apl.com.pk)