

ATTOCK PETROLEUM LIMITED
SELECTED NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2011

1. LEGAL STATUS AND OPERATIONS

Attock Petroleum Limited (Company) was incorporated in Pakistan as a public limited company on December 3, 1995 and commenced its operations in 1998. The Company was listed on Karachi Stock Exchange on March 7, 2005. The registered office of the Company is situated at 6, Faisal Avenue, F-7/1, Islamabad, Pakistan. The Company is domiciled in Islamabad. The principal activity of the Company is procurement, storage and marketing of petroleum and related products. Pharaon Investment Group Limited Holding s.a.l holds 34.38% (June 30, 2010: 34.38%) shares of the Company.

2. STATEMENT OF COMPLIANCE

The condensed interim financial information of the company for the nine months period ended March 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2010.

	March 31, 2011	June 30, 2010
	Rs ('000)	
4. TRADE AND OTHER PAYABLES		
Creditors	14,390	2,159
Due to related parties (note 4.1)	13,204,749	9,393,768
Accrued liabilities	683,153	628,211
Advance from customers	996,093	1,410,407
Retention money	32,309	14,687
Workers' welfare fund	73,440	96,279
Unclaimed dividend	13,967	8,546
	<u>15,018,101</u>	<u>11,554,057</u>
4.1 Due to related parties		
National Refinery Limited	3,580,993	2,704,554
Attock Refinery Limited	9,413,213	6,670,647
Pakistan Oilfields Limited	10,819	18,414
The Attock Oil Company Limited	851	-
Attock Cement Pakistan Limited	9	153
Workers' profit participation fund	198,864	-
	<u>13,204,749</u>	<u>9,393,768</u>

	March 31, 2011	June 30, 2010
	Rs ('000)	
5. CONTINGENCIES AND COMMITMENTS		
(i) Tax contingency related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department	883,709	894,813
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Commissioner Inland Revenue, Islamabad	2,414,134	5,223,003
(iii) Guarantees issued by bank on behalf of the Company	40,745	40,345
(iv) Capital expenditure commitments	292,545	137,485
(v) Commitments for rentals of assets under operating lease agreements as at March 31, 2011 amounting to Rs 662,280 thousand (June 30, 2010: Rs 215,756 thousand) payable as follows:		
Not later than one year	50,899	20,282
Later than one year and not later than five years	197,828	78,540
Later than five years	413,553	116,934
	Nine months to March 31, 2011	Year ended June 30, 2010
	Rs ('000)	
6. PROPERTY, PLANT AND EQUIPMENT		
Opening net book value	1,019,742	939,780
Additions	107,809	209,016
Disposals		
Cost	(8,573)	(30,441)
Depreciation	5,416	28,685
	(3,157)	(1,756)
Depreciation charge	106,287	127,298
Closing net book value	1,018,107	1,019,742
Capital work in progress	257,269	197,475
	<u>1,275,376</u>	<u>1,217,217</u>
7. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES		
Balance at beginning of the period / year	765,739	733,397
Share of profit of associated companies	77,459	37,302
Impairment reversal of investment in National Refinery Limited	-	5,035
	77,459	42,337
Dividend from associated companies	(15,993)	(9,995)
Balance at end of the period / year	<u>827,205</u>	<u>765,739</u>

	March 31, 2011		June 30, 2010	
	Holding %	Amount Rs ('000)	Holding %	Amount Rs ('000)
7.1 The Company's interest in associated companies is as follows:				
National Refinery Limited- Quoted	1	462,612	1	438,067
Attock Refinery Limited- Quoted	1.56	397,749	1.56	361,613
Attock Information Technology Services (Private) Limited- Unquoted	10	7,677	10	6,892
Carrying value on equity method		868,038		806,572
Less: Impairment loss - National Refinery Limited (note 7.2)		(40,833)		(40,833)
		<u>827,205</u>		<u>765,739</u>

7.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2010 by an external investment advisor engaged by the Company. The recoverable amount has been estimated on a value in use calculation.

8. STOCK IN TRADE

It includes Company's share of pipeline stock amounting to Rs 2,052,862 thousand (June 30, 2010: Rs 304,729 thousand) and Rs 1,142,429 thousand (June 30, 2010: Rs 109,970 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

9. TRADE DEBTS

Trade debts include following balances due from related parties:

	March 31, 2011	June 30, 2010
	Rs ('000)	
Attock Gen Limited	8,318,866	5,799,693
Pakistan Oilfields Limited	15,313	10,787
Attock Cement Pakistan Limited	36,986	13,296
Attock Refinery Limited	345	791
	<u>8,371,510</u>	<u>5,824,567</u>

	March 31, 2011	June 30, 2010
	Rs ('000)	
10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances	374,168	312,463
Trade deposits and short term prepayments	45,375	27,492
Current account balances with statutory authorities	77,574	103,176
Accrued income	50,818	92,569
Price differential claim receivable from the Government	47,638	47,638
Receivable from oil marketing companies under freight pool	218,282	116,238
Claims receivable	332	844
Due from related parties- unsecured		
Staff Pension Fund	10,700	10,700
Staff Provident Fund	2,082	522
Attock Information Technology Services (Private) Limited	451	615
The Attock Oil Company Limited	-	232
Workers' profit participation fund	-	7,060
Others	393	355
	<u>827,813</u>	<u>719,904</u>

11. CASH AND BANK BALANCES

Cash in hand	3,296	901
Bank balances		
On short term deposits	3,704,000	8,159,000
On interest/mark-up bearing saving accounts (includes US \$ 103 thousand; 2010: US \$103 thousand)	1,481,738	632,798
On current accounts (includes US \$ 2,279 thousand; 2010: US \$2,288 thousand)	669,553	482,904
	<u>5,855,291</u>	<u>9,274,702</u>
	<u>5,858,587</u>	<u>9,275,603</u>

11.1 Short term deposits of Rs 50,388 thousand (June 30, 2010: Rs 53,405 thousand) were under lien with banks against letters of guarantees and letters of credits.

	Quarter ended		Nine months period ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	Rs ('000)		Rs ('000)	
12. OTHER OPERATING INCOME				
Commission and handling income	334,365	229,538	831,013	622,851
Mark-up on late payments	198,777	74,279	544,993	177,733
Exchange gain	5,877	-	41,328	-
Other income	5,866	22,876	18,977	35,134
	<u>544,885</u>	<u>326,693</u>	<u>1,436,311</u>	<u>835,718</u>

	Quarter ended		Nine months period ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	Rs ('000)		Rs ('000)	
13. FINANCE COST				
Late payment charges	186,200	71,686	506,226	173,460
Bank charges	6,177	4,267	19,902	21,366
	<u>192,377</u>	<u>75,953</u>	<u>526,128</u>	<u>194,826</u>
14. OTHER CHARGES				
Workers' profit participation fund	72,541	61,272	198,864	171,570
Worker's welfare fund	27,025	23,342	74,087	150,805
	<u>99,566</u>	<u>84,614</u>	<u>272,951</u>	<u>322,375</u>
15. PROVISION FOR TAXATION				
Current	374,000	310,000	1,020,000	782,500
Deferred	(8,000)	4,500	(7,000)	8,000
	<u>366,000</u>	<u>314,500</u>	<u>1,013,000</u>	<u>790,500</u>
16. CASH AND CASH EQUIVALENTS				
Cash and bank balances			5,858,587	7,895,994
Short term investments - Held to maturity investment in treasury bills			<u>511,273</u>	<u>403,490</u>
			<u>6,369,860</u>	<u>8,299,484</u>
17. TRANSACTIONS WITH RELATED PARTIES				
Associated companies				
Purchase of petroleum products	22,742,939	16,114,910	55,838,849	46,188,612
Sale of petroleum products	3,970,556	3,032,146	9,957,661	8,716,695
Commission and handling income	334,365	229,538	831,013	622,851
Mark-up on late payments	193,609	74,279	526,436	177,733
Late payment charges	186,200	71,686	506,226	173,460
Administrative services expense	25,956	2,212	67,147	16,020
Other related parties				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	9,383	9,391	39,461	36,451
Contribution to staff retirement benefits plans				
Staff Pension fund trust	-	-	-	1,647
Staff Provident fund trust	-	-	-	838
Contribution to workers' profit participation fund	72,541	61,272	198,864	171,570

18. OPERATING SEGMENT

18.1 The financial information has been prepared on the basis of a single reportable segment. Revenue from external customers for products of the company are as follows:

Product	Quarter ended		Nine months period ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	Rs ('000)		Rs ('000)	
High Speed Diesel	11,745,158	10,412,726	28,268,590	28,507,726
Furnace Fuel Oil	1,375,380	2,538,117	16,428,039	6,094,117
Premier Motor Gasoline	3,992,434	1,797,091	9,377,083	5,724,091
Bitumen	2,903,031	3,642,763	7,500,570	10,764,763
Others	12,175,116	5,830,723	17,368,362	16,006,240
	<u>32,191,119</u>	<u>24,221,420</u>	<u>78,942,644</u>	<u>67,096,937</u>

18.2 Revenues of Rs 9,262,075 thousand (2010: Rs 8,203,029 thousand) were derived from a single customer.

19. EARNINGS PER SHARE

Earnings per share previously reported at Rs 40.34 in the financial statements for the nine months ended March 31, 2010 has been restated to Rs 33.61 for 11,520,000 bonus shares issued relating to the year ended June 30, 2010.

20. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for circulation to the shareholders by the Board of Directors of the Company on April 19, 2011.

-Sd-
Chief Executive

-Sd-
Director