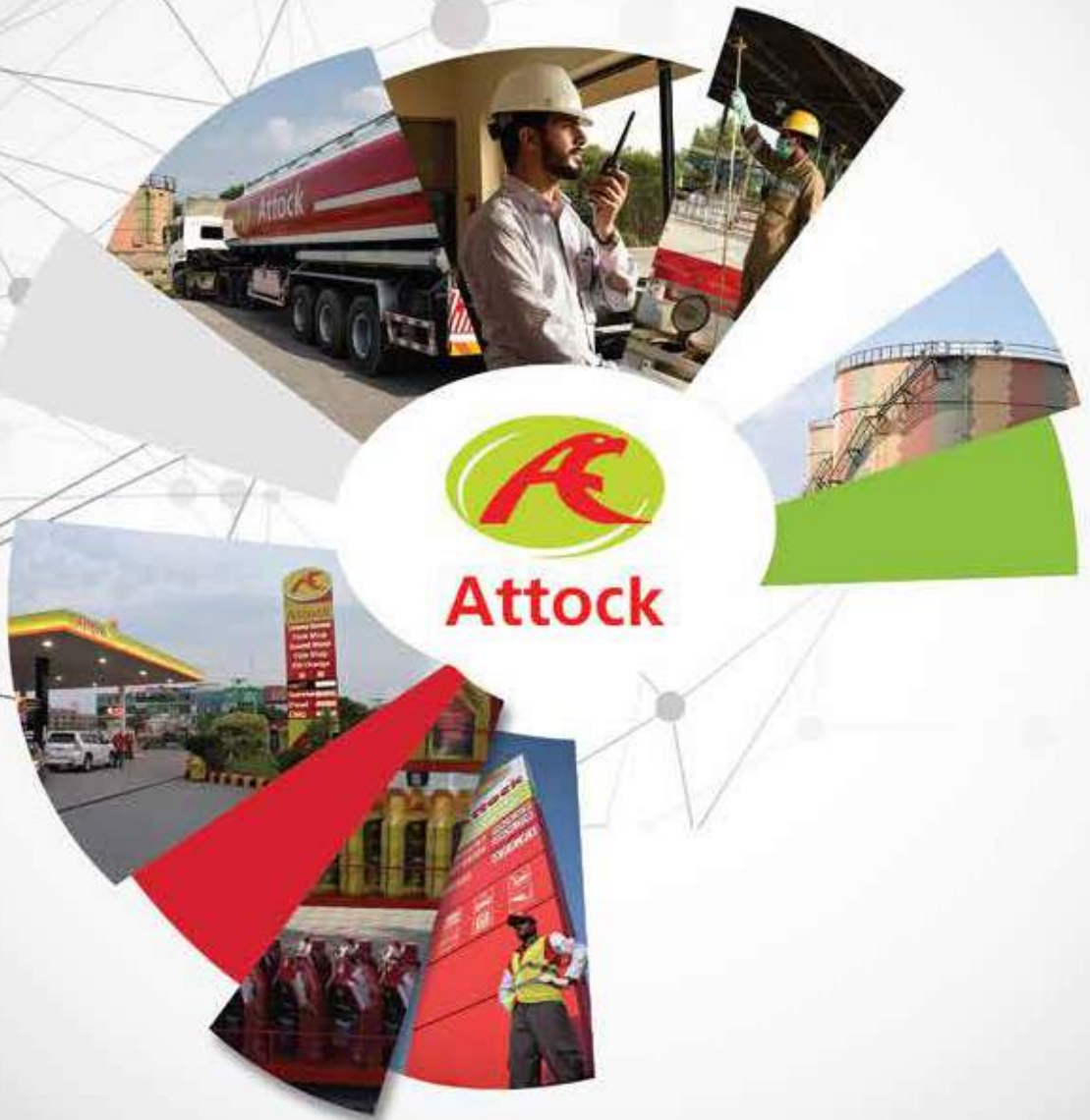


**Interim Report &
Financial Statements**
For the Three Month Period Ended
September 30, 2017



Attock

ATTOCK PETROLEUM LIMITED

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COMPANY INFORMATION

Directors

Mr. Laith G. Pharaon

Chairman

(Alternate Director - Mr. Iqbal A. Khwaja)

Mr. Wael G. Pharaon

(Alternate Director - Mr. Rehmat Ullah Bardaie)

Mr. Abdus Sattar

Mr. Babar Bashir Nawaz

Mr. Sajid Nawaz

Mr. Mohammad Raziuddin

Mr. Shuaib A. Malik

Chief Executive

Audit Committee

Mr. Abdus Sattar

Chairman

Mr. Babar Bashir Nawaz

Mr. Mohammad Raziuddin

Human Resource & Remuneration Committee

Mr. Babar Bashir Nawaz

Chairman

Mr. Shuaib A. Malik

Mr. Iqbal A. Khwaja

(Alternate Director to Mr. Laith G. Pharaon)

Company Secretary / CFO

Mr. Rehmat Ullah Bardaie

Auditors

A. F. Ferguson & Co.

Chartered Accountants

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Habib Bank Limited

MCB Bank Limited

United Bank Limited

Share Registrar

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block 'B'

S.M.C.H.S, Main Shahr-e-Faisal

Karachi - 74400

Tel: 021-111-111-500

Fax: 021-34326034

Email: info@cdcpak.com

Website: www.cdcpakistan.com

Legal Advisor

Ali Sibtain Fazli & Associates

Registered Office

Attock House, Morgah, Rawalpindi

Tel: +92-51-5127250-4

Email: contact@apl.com.pk

Website: www.apl.com.pk

DIRECTORS' REVIEW

IN THE NAME OF ALLAH, THE MOST BENEVOLENT, THE MOST GRACIOUS

The Board of Directors of Attock Petroleum Limited (APL) takes pleasure in presenting the report on the operational and financial performance of the Company for the three months period ended September 30, 2017.

Financial Performance

During the period under review, the Company recorded net sales revenue of Rs. 38,531 million reflecting an increase of 22% as compared to the same period last year (September 2016: Rs. 31,502 million). The volume of the products sold increased by 11% against industry growth of 9%. Declining price trend during the quarter resulted in inventory losses decreasing the gross profit by 14%. Despite many challenges, appropriate stock levels were maintained ensuring uninterrupted fuel supplies. Consequently, the net profit also decreased by 15% as the Company earned profit after tax of Rs. 1,330 million (September 2016: Rs. 1,563 million). The results translate into earnings per share of Rs. 16.04 (September 2016: Rs. 18.85).

Operational Performance

The oil industry has faced several challenges for the past few years. Constant volatility in oil prices has affected business at various levels. The domestic oil demand is rapidly growing and the oil industry within the Country has increased by 9% due to increase in business activities and commencement of development projects throughout the Country. Recently, the issuance of fresh licenses to new oil marketing companies has increased competition manifolds. Entry of global players in the oil industry of Pakistan shall not only present various challenges but also present opportunities due to growing demand of petroleum products.

The management is steadfast in its commitment to take APL on the path of success and beyond. The Company has further strengthened its supply chain cycle to cater to the growing demand and has relied mainly on imports as an alternate supply source. Frequent cargoes of Premier Motor Gasoline (PMG) and Furnace Fuel Oil (FFO) have been imported during the period under review. Along with exploring alternate supply sources, the Company has been focusing on enhancement of infrastructure to further strengthen the supply chain and considerable investment has been made in this regard. Construction of bulk oil terminals has further progressed and terminals at Mehmood Kot and Shikarpur are due to be commissioned within this year.

DIRECTORS' REVIEW

The management is committed to steer APL on the track to become a model oil marketing company ensuring customer satisfaction in terms of quality and quantity, providing unmatched services and quality petroleum products to its prestigious clientele. The management has envisioned a strategy for the Company to synergize its resources and expand upon its sustained growth. Translating the vision into objective and making efforts to achieve those objectives has led to a milestone of more than 600 retail outlets as at September 30, 2017.

Future Outlook

The management believes that sustainable growth can be achieved by gaining competitive edge, aligning with the operational dynamics of the Country and ensuring quick availability of quality products which requires substantial infrastructure development. On this note, the Company is investing heavily in development of new bulk oil terminals to enhance the storage capacities, improve cost efficiencies, tapping into key regions of the Country and ensuring smooth and uninterrupted fuel supplies. Construction is underway for terminal at Sahiwal and is expected to be completed at the end of this year.

Acknowledgement

The Board would like to take this opportunity to express its gratitude to our esteemed shareholders for their support. The Board also extends its appreciation and gratefulness to Government of Pakistan and regulatory bodies for their cooperation. The Directors are thankful to employees, customers and strategic partners for their resolute dedication and contribution.

On behalf of the Board



SHUAIB A. MALIK
Chief Executive

Rawalpindi.
October 19, 2017

ڈائریکٹرز کا جائزہ

شروع کرتا ہوں اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

انک پٹرولیم لیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2017 کو ختم ہونے والی سہ ماہی مدت کے لئے کمپنی کی مالیاتی اور عملی کارکردگی پر رپورٹ پیش کرنا باعث مسرت سمجھتے ہیں۔

مالیاتی کارکردگی:

زیر جائزہ مدت کے دوران، کمپنی نے 38,531 ملین روپے کی خالص آمدنی ریکارڈ کی جو گزشتہ سال کے مقابلے میں 22 فیصد اضافے کی عکاسی کرتا ہے (ستمبر 2016: 31,502 ملین روپے)۔ صنعت کے حجم فروخت میں 9 فیصد اضافے کے مقابلے میں کمپنی کے حجم فروخت میں 11 فیصد اضافہ ہوا۔ سہ ماہی مدت کے دوران تیل کی قیمتوں میں کمی کے باعث انویٹری لاسز (Inventory Losses) ہونے جس سے منافع میں 14 فیصد کمی ہوئی۔ بیشتر چیلنجز کے باوجود، اسٹاک کے انصرام سے تیل کی بلا تھقل فراہمی کو یقینی بنایا گیا۔ نتیجتاً خالص منافع میں 15 فیصد کمی ہوئی اور کمپنی نے 1,330 ملین روپے بعد از ٹیکس منافع کمایا (ستمبر 2016: 1,563 ملین روپے)۔ اسے 16.04 روپے فی شیئر (ستمبر 2016: 18.85 روپے) کی آمدن کے مفہوم میں لیا جاسکتا ہے۔

آپریٹنگ کارکردگی:

تیل کی صنعت کو گزشتہ چند سالوں سے بہت سارے چیلنجز کا سامنا رہا ہے۔ تیل کی قیمتوں میں مسلسل عدم استحکام نے مختلف سطحوں پر کاروبار کو متاثر کیا۔ ملکی تیل کی طلب میں تیزی سے اضافہ ہو رہا ہے اور ملک بھر میں کاروباری سرگرمیوں میں اضافے اور ترقیاتی منصوبوں کے آغاز سے ملکی تیل کی صنعت میں 9 فیصد اضافہ ہوا ہے۔ حال ہی میں نئی آئل مارکیٹنگ کمپنیوں کو تازہ لائسنسوں کے اجراء سے صنعت مقابلے میں گونا گوں اضافہ ہوا ہے۔ پاکستان کی تیل کی صنعت میں بین الاقوامی کمپنیوں کی آمد سے نہ صرف مختلف چیلنجز پیش آئیں گے بلکہ پٹرولیم مصنوعات کی بڑھتی ہوئی طلب کے باعث مواقع بھی میسر ہوں گے۔

انتظامیہ APL کو کامیابی کے راستے پر گامزن کرنے اور مزید آگے لے جانے کے لیے اپنے عہدہ پر ثابت قدم ہے۔ کمپنی نے اپنی سپلائی چین سائیکل کو مزید مستحکم کیا ہے تاکہ بڑھتی ہوئی طلب کو پورا کیا جاسکے اور بطور متبادل ذرائع فراہمی درآمدات پر بڑی حد تک انحصار کیا ہے۔ زیر جائزہ مدت کے دوران پرمیئر موٹر گیسولین (PMG) اور فرانس فیل آئل (FFO) کے متعدد کارگو درآمد کیے گئے۔ متبادل سپلائی ذرائع کی تلاش کے ساتھ ساتھ، سپلائی چین کو مزید مستحکم کرنے کے لیے کمپنی بنیادی ڈھانچے کی مضبوطی پر توجہ مرکوز کر رہی ہے اور اس ضمن میں قابل ذکر سرمایہ کاری کی گئی ہے۔ بلک آئل ٹرمینلز کی تعمیر جاری ہے اور محمود کوٹ اور شکار پور میں ٹرمینلز کی تکمیل اس سال متوقع ہے۔

انتظامیہ APL کو تیل کی ماڈل مارکیٹنگ کمپنی بنانے اور معیار اور مقدار کے لحاظ سے صارف کے اطمینان کو یقینی بنانے کے لئے اپنے معزز صارفین کو بے مثال خدمات اور معیاری پٹرولیم مصنوعات کی فراہمی کے لئے کوشاں ہے۔ انتظامیہ نے کمپنی کے ذرائع کو ہم آہنگ کرنے اور اس کی مسلسل ترقی کے لیے ایک حکمت عملی مربوط کی ہے۔ اسی نقطہ نظر کو مقصد میں ڈھالنے اور ان مقاصد کو حاصل کرنے کی بدولت کمپنی نے 30 ستمبر 2017 کو 600 سے زائد ٹریل آؤٹلیٹس قائم کر لئے ہیں۔

مستقبل کا نقطہ نظر:

انتظامیہ کو اس امر کا یقین ہے کہ پائیدار ترقی کو سائبستی برتری، ملک کے آپریٹنگ متحرکات کے ساتھ ہم آہنگی اور معیاری مصنوعات کی فوری دستیابی یقینی بنانے کے ذریعے حاصل کیا جا سکتا ہے جس کے لیے مناسب بنیادی ڈھانچے کی ضرورت ہوتی ہے۔ اس حوالے سے کمپنی نے نئے بلک آئل ٹرمینلز کی تعمیر و ترقی میں کثیر سرمایہ کاری کی ہے تاکہ سٹوریج کی صلاحیت میں اضافہ کیا جاسکے، اخراجات میں کمی کی جاسکے اور تیل کی بلا تھقل فراہمی کو یقینی بنانے کے لئے ملک کے اہم حصوں میں اپنی موجودگی قائم کی جاسکے۔ سہ ماہیوں میں ٹریڈنگ کی تعمیر جاری ہے اور اس سال کیا اختتام تک اس کی تکمیل متوقع ہے۔

اظہار تشکر:

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز حصص داران کے غیر متبرزل اعتماد اور تعاون کے لیے شکریہ ادا کرنا چاہتا ہے۔ بورڈ حکومت پاکستان اور اس کے انضباطی اداروں کے تعاون اور رہنمائی کے لیے بھی ممنون و مشکور ہے۔ ڈائریکٹرز کا رکنان، صارفین اور اپنے تجارتی رفقاء کے کار کے بھی بے حد شکر گزار ہیں۔

منجانب بورڈ



شیعاب مالک

چیف ایگزیکٹو

راولپنڈی

19 اکتوبر، 2017ء

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT SEPTEMBER 30, 2017

| | Note | September 30, 2017 | June 30, 2017 |
|---|------|-----------------------|------------------|
| | | Rupees ('000) | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| 150,000,000 (June 30, 2017: 150,000,000) ordinary shares of Rs 10 each | | 1,500,000 | 1,500,000 |
| Issued, subscribed and paid up capital | | | |
| 82,944,000 (June 30, 2017: 82,944,000) ordinary shares of Rs 10 each | 4 | 829,440 | 829,440 |
| Reserves | | | |
| Special reserves | | 3,139 | 214,608 |
| Revenue reserve | | | |
| Unappropriated profit | | 16,792,262 | 15,250,443 |
| | | 17,624,841 | 16,294,491 |
| NON CURRENT LIABILITIES | | | |
| Long term deposits | | 632,531 | 627,240 |
| Deferred tax liability | | 101,341 | 106,341 |
| | | 733,872 | 733,581 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 5 | 20,917,065 | 21,098,679 |
| Provision for current income tax | | 347,572 | 240,380 |
| | | 21,264,637 | 21,339,059 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | | |
| | | 39,623,350 | 38,367,131 |

| | Note | September 30, 2017 Rupees ('000) | June 30, 2017 |
|---|------|--|------------------|
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 4,791,696 | 4,339,301 |
| Long term investments in associated companies | 10 | 1,265,051 | 1,198,044 |
| Other long term investments | 11 | 291,147 | 299,733 |
| Long term prepayments | | 23,454 | 29,928 |
| | | 6,371,348 | 5,867,006 |
| CURRENT ASSETS | | | |
| Stores and spares | | 56,150 | 48,658 |
| Stock in trade | 12 | 6,973,805 | 7,234,415 |
| Trade debts | 13 | 11,376,742 | 10,801,077 |
| Advances, deposits, prepayments and other receivables | 14 | 2,495,744 | 2,572,236 |
| Short term investments | 15 | 4,578,030 | 910,353 |
| Cash and bank balances | 16 | 7,771,531 | 10,933,386 |
| | | 33,252,002 | 32,500,125 |
| | | 39,623,350 | 38,367,131 |

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | Note | Three months period ended | |
|---|------|---------------------------|--------------------|
| | | September 30, 2017 | September 30, 2016 |
| | | Rupees ('000) | |
| Sales | | 48,245,823 | 38,983,961 |
| Sales tax | | (9,714,567) | (7,482,024) |
| NET SALES | | 38,531,256 | 31,501,937 |
| Cost of products sold | | (36,560,824) | (29,210,769) |
| GROSS PROFIT | | 1,970,432 | 2,291,168 |
| Other income | 17 | 206,026 | 224,981 |
| Operating expenses | | (542,576) | (420,111) |
| OPERATING PROFIT | | 1,633,882 | 2,096,038 |
| Finance income | 18 | 345,163 | 279,270 |
| Finance costs | 18 | (122,422) | (61,553) |
| Net finance income | | 222,741 | 217,717 |
| Share of profit of associated companies | | 67,378 | 44,821 |
| Other charges | 19 | (93,989) | (158,787) |
| PROFIT BEFORE TAXATION | | 1,830,012 | 2,199,789 |
| Provision for income tax | 20 | (500,000) | (636,542) |
| PROFIT FOR THE PERIOD | | 1,330,012 | 1,563,247 |
| Earnings per share - Basic and diluted (Rupees) | | 16.04 | 18.85 |

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | Three months period ended | |
|---|----------------------------------|---------------|
| | September 30, | September 30, |
| | 2017 | 2016 |
| | Rupees ('000) | |
| PROFIT FOR THE PERIOD | 1,330,012 | 1,563,247 |
| Items that will not be reclassified to profit or loss: | | |
| Share of other comprehensive income/(loss) of associated companies - net of tax | 338 | (3,379) |
| Other comprehensive income/(loss) for the period | 338 | (3,379) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1,330,350 | 1,559,868 |

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

Three months period ended

September 30, 2017 September 30, 2016
Rupees ('000)

CASH FLOW FROM OPERATING ACTIVITIES

| | | |
|--|--------------|--------------|
| Cash receipts from customers | 37,474,671 | 30,497,414 |
| Payments for purchase of products and operating expenses | (36,227,111) | (25,972,132) |
| Other charges received | 39,843 | 53,961 |
| Long term deposits received | 5,291 | 3,288 |
| Income tax paid | (397,808) | (305,158) |
| Cash flow from operating activities | 894,886 | 4,277,373 |

CASH FLOW FROM INVESTING ACTIVITIES

| | | |
|--|-------------|-------------|
| Addition to property, plant and equipment | (549,592) | (263,549) |
| Proceeds from sale of property, plant and equipment | 5,551 | 665 |
| Other long term investments - net | 8,586 | 11,397 |
| Purchase of short term investments | (3,600,897) | (4,990,260) |
| Income received on bank deposits, short term and other long term investments | 80,390 | 95,836 |
| Cash flow from investing activities | (4,055,962) | (5,145,911) |

CASH FLOW FROM FINANCING ACTIVITIES

| | | |
|-----------------------------------|-------|----------|
| Dividends paid | (898) | (71,808) |
| Cash used in financing activities | (898) | (71,808) |
| Effect of exchange rate changes | 119 | 10 |

DECREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT JULY 1

CASH AND CASH EQUIVALENTS AT SEPTEMBER 30

| | |
|-------------|-----------|
| (3,161,855) | (940,336) |
| 10,933,386 | 9,162,282 |
| 7,771,531 | 8,221,946 |

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | Share capital | Special reserves | Unappropriated profit | Total |
|--|------------------|---------------------|--------------------------|-------------------|
| | Rupees ('000) | | | |
| BALANCE AS AT JUNE 30, 2016 | 829,440 | 126,411 | 13,361,315 | 14,317,166 |
| Total comprehensive income for the three months period ended September 30, 2016: | | | | |
| Profit for the period | - | - | 1,563,247 | 1,563,247 |
| Other comprehensive loss | - | - | (3,379) | (3,379) |
| | - | - | 1,559,868 | 1,559,868 |
| Transfer to special reserves by associated companies | - | 11,656 | (11,656) | - |
| Transaction with owners: | | | | |
| Final cash dividend @ 250% relating to the year ended June 30, 2016 | - | - | (2,073,600) | (2,073,600) |
| Total transactions with owners | - | - | (2,073,600) | (2,073,600) |
| BALANCE AS AT SEPTEMBER 30, 2016 | 829,440 | 138,067 | 12,835,927 | 13,803,434 |
| Total comprehensive income for the nine months period ended June 30, 2017: | | | | |
| Profit for the period | - | - | 3,735,921 | 3,735,921 |
| Other comprehensive loss | - | - | (704) | (704) |
| | - | - | 3,735,217 | 3,735,217 |
| Transfer to special reserves by associated companies | - | 76,541 | (76,541) | - |
| Transaction with owners: | | | | |
| Interim cash dividend @ 150% relating to year ended June 30, 2017 | - | - | (1,244,160) | (1,244,160) |
| Total transactions with owners | - | - | (1,244,160) | (1,244,160) |
| BALANCE AS AT JUNE 30, 2017 | 829,440 | 214,608 | 15,250,443 | 16,294,491 |
| Total comprehensive income for the three months period ended September 30, 2017: | | | | |
| Profit for the period | - | - | 1,330,012 | 1,330,012 |
| Other comprehensive income | - | - | 338 | 338 |
| | - | - | 1,330,350 | 1,330,350 |
| Transfer from special reserves by associated companies | - | (211,469) | 211,469 | - |
| BALANCE AS AT SEPTEMBER 30, 2017 | 829,440 | 3,139 | 16,792,262 | 17,624,841 |

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

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 holds 34.38% (June 30, 2017: 34.38%) shares of the Company.

2. STATEMENT OF COMPLIANCE

The condensed interim financial information of the Company for the three month period ended September 30, 2017 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. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated October 04, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) companies whose financial year, including interim period, closes on or before December 31, 2017 shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The condensed interim financial information should be read in conjunction with the financial statements for the year ended June 30, 2017, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

3. ACCOUNTING POLICIES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, 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, 2017.

| September 30, 2017 | June 30, 2017 |
|-----------------------|------------------|
| Rupees ('000) | |

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| | | |
|---|---------|---------|
| Shares issued for cash | | |
| 5,000,000 ordinary shares of Rs 10 each (June 30, 2017: 5,000,000 ordinary shares of Rs 10 each) | 50,000 | 50,000 |
| Shares issued as fully paid bonus shares | | |
| 77,944,000 (June 30, 2017: 77,944,000) ordinary shares of Rs 10 each | 779,440 | 779,440 |
| 82,944,000 (June 30, 2017: 82,944,000) ordinary shares of Rs 10 each | 829,440 | 829,440 |

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

September 30, June 30,
2017 2017
Rupees ('000)

5. TRADE AND OTHER PAYABLES

| | | |
|--|-------------------|-------------------|
| Creditors | 1,178,114 | 2,230,888 |
| Due to related parties (unsecured) - note 5.1 | 13,771,182 | 12,682,710 |
| Accrued liabilities | 4,191,439 | 3,823,195 |
| Advance from customers | 1,378,115 | 2,002,224 |
| Retention money | 243,503 | 175,800 |
| Sales tax payable | 118,378 | 146,630 |
| Payable to Joint Operator (as disclosed in note 9) | 179 | 179 |
| Unclaimed dividend | 36,155 | 37,053 |
| | 20,917,065 | 21,098,679 |

5.1 Due to related parties

| | | |
|---|-------------------|-------------------|
| National Refinery Limited | 4,409,360 | 3,960,981 |
| Attock Refinery Limited | 9,247,250 | 8,701,460 |
| Pakistan Oilfields Limited | 5,659 | 8,280 |
| The Attock Oil Company Limited | 928 | 724 |
| Attock Sahara Foundation | 237 | 312 |
| Attock Leisure & Management Associates (Pvt.) Limited | 106 | - |
| Workers' Profit Participation Fund | 93,987 | - |
| APL Employees provident fund | 1,733 | - |
| APL Gratuity Fund | 11,922 | 10,953 |
| | 13,771,182 | 12,682,710 |

6. LETTER OF CREDIT FACILITY

The Company has entered into arrangements with banks for obtaining letter of credit facility to import petroleum products, spare parts and materials upto a maximum of Rs 8,900 million (June 2017: Rs. 8,900 million). The facility is secured against first pari passu charge of Rs 11,867 million (June 2017: Rs. 11,867 million) on all present and future current and fixed assets of the Company (excluding land and building). The unavailed facility at September 30, 2017 was Rs. 6,757 million (June 2017: Rs. 6,492 million). The facility will expire on October 31, 2017.

September 30, June 30,
2017 2017
Rupees ('000)

7. CONTINGENCIES AND COMMITMENTS

(a) CONTINGENCIES

| | | |
|---|-----------|-----------|
| (i) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs. | 3,632,702 | 5,043,867 |
| (ii) Guarantees issued by bank on behalf of the Company. | 1,315,907 | 1,315,907 |
| (iii) The Company's share of contingencies of associated companies based on financial information of associated companies as at June 30, 2017 (June 30, 2017: March 31, 2017) | 98,120 | 87,164 |

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | September 30, 2017 | June 30, 2017 |
|--|-----------------------|------------------|
| | Rupees ('000) | |
| (b) COMMITMENTS | | |
| (i) Capital expenditure commitments (Including Rs 184,257 thousand (2017: Rs 239,932 thousand) relating to joint operation as disclosed in note 9) | 2,207,289 | 2,307,809 |
| (ii) Commitments for import of petroleum products against letter of credit facility | 2,143,105 | 2,407,613 |
| (iii) Commitments for rentals of assets under operating lease agreements | 2,298,779 | 2,303,405 |
| (iv) The Company's share of commitments of associated companies based on financial information of associated companies as at June 30, 2017 (June 30, 2017: March 31, 2017) | | |
| - Capital expenditure commitments | 27,635 | 73,849 |
| - Outstanding letters of credit | 216,960 | 54,023 |

| Three months to September 30, 2017 | Year ended June 30, 2017 |
|--|--------------------------------|
| Rupees ('000) | |

8. PROPERTY, PLANT AND EQUIPMENT

| | | |
|-------------------------------------|------------------|-----------|
| Opening net book value | 2,707,992 | 2,135,066 |
| Additions | 146,970 | 921,424 |
| Disposals | | |
| Cost | (10,953) | (46,309) |
| Depreciation | 8,983 | 45,511 |
| | (1,970) | (798) |
| Depreciation charge | 95,227 | 347,700 |
| Closing net book value | 2,757,765 | 2,707,992 |
| Capital work in progress - note 8.1 | 2,033,931 | 1,631,309 |
| | 4,791,696 | 4,339,301 |

8.1 Capital work in progress include Rs 416,460 thousand (June 30, 2017: Rs 413,832 thousand) being Company's share in joint operation.

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

9. INTEREST IN JOINT OPERATION

In March 2015 the Company entered into a joint arrangement with Pakistan State Oil Company Limited (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. Currently the development of fuel farm and refueling system is in completion stage. The Company has recognised its share of jointly held assets, liabilities and expenses of the joint operation under the appropriate heads and disclosed the same in related notes.

**Three months to
September 30,
2017** Year ended
June 30,
2017
Rupees ('000)

10. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES

Movement during the period / year

| | | |
|---|------------------|-----------|
| Balance at beginning of the period / year | 1,198,044 | 1,006,633 |
| Share of profit of associated companies | 81,100 | 175,827 |
| Impairment (loss) / reversal related to investment in National Refinery Limited | (14,431) | 42,121 |
| | 66,669 | 217,948 |
| Share of other comprehensive income / (loss) of associated companies | 338 | (3,384) |
| Dividend from associated companies | - | (23,153) |
| Balance at end of the period / year | 1,265,051 | 1,198,044 |

September 30, 2017

| September 30, 2017 | | June 30, 2017 | |
|--------------------|------------------|---------------|------------------|
| Holding % | Amount Rs ('000) | Holding % | Amount Rs ('000) |

10.1 The Company's interest in associated companies is as follows:

| | | | | |
|---|-------------|------------------|------|-----------|
| National Refinery Limited - Quoted | 1 | 688,052 | 1 | 673,621 |
| Attock Refinery Limited - Quoted | 1.68 | 659,065 | 1.68 | 592,966 |
| Attock Information Technology Services (Private) Limited - Unquoted | 10 | 20,487 | 10 | 19,579 |
| Carrying value on equity method | | 1,367,604 | | 1,286,166 |
| Less: Impairment loss - National Refinery Limited (note 10.2) | | (102,553) | | (88,122) |
| | | 1,265,051 | | 1,198,044 |

10.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2017 by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation.

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

September 30,
2017
Rupees ('000)

June 30,
2017

11. OTHER LONG TERM INVESTMENTS

| | | |
|--|----------------|----------------|
| Held to maturity investments in Pakistan Investment Bonds (PIBs) - at amortized cost (note 11.1) | 291,147 | 399,119 |
| Less: current portion shown under short term investments | - | (99,386) |
| | 291,147 | 299,733 |

11.1 This represents amount invested in Pakistan Investment Bonds at interest rate of 11.50% per annum (June 30, 2017: 11.50% per annum) having maturity for the period of 5 years and are due for maturity in the year 2019.

12. STOCK IN TRADE

Stock in trade includes the Company's share of pipeline stock amounting to Rs 3,283,505 thousand (June 30, 2017: Rs 2,322,763 thousand) and Rs 684,468 thousand (June 30, 2017: Rs 900,457 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

September 30,
2017
Rupees ('000)

June 30,
2017

13. TRADE DEBTS

Trade debts include following balances due from related parties (unsecured):

| | | |
|--------------------------------|------------------|------------------|
| Attock Gen Limited | 6,418,484 | 6,391,395 |
| Pakistan Oilfields Limited | 27,128 | 31,688 |
| Attock Cement Pakistan Limited | 9,534 | 20,622 |
| National Refinery Limited | 697 | 1,051 |
| Attock Refinery Limited | 121 | 254 |
| | 6,455,964 | 6,445,010 |

14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | | |
|--|------------------|------------------|
| Advances to suppliers and employees | 194,197 | 25,735 |
| Trade deposits and short term prepayments | 127,701 | 135,347 |
| Current account balances with statutory authorities | 26,570 | 96,560 |
| Accrued income on bank deposits | 96,550 | 23,044 |
| Price differential claim receivable from the Government | 28,528 | 28,528 |
| Receivable from oil marketing companies under freight pool | 523,334 | 457,045 |
| Receivable from Joint Operator (as disclosed in note 9) | 69,211 | 127,473 |
| Due from related parties - unsecured | | |
| Attock Gen Limited | 1,456,977 | 1,666,267 |
| Attock Information Technology Services (Private) Limited | 1,167 | 791 |
| Attock Cement Pakistan Limited | 37 | 131 |
| Workers' Profit Participation Fund | - | 39,843 |
| Less: Provision for doubtful receivables | (28,528) | (28,528) |
| | 2,495,744 | 2,572,236 |

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

September 30,
2017
Rupees ('000)

June 30,
2017

15. SHORT TERM INVESTMENTS

Held to maturity investment in treasury bills - at amortized cost - note 15.1

3,876,617

810,967

Investment in mutual funds - at fair value through profit or loss

701,413

-

Current portion of investment in PIBs - note 11

-

99,386

4,578,030

910,353

15.1 Short term investments in treasury bills earned interest at effective rate of 6% per annum (June 30, 2017: 5.99% per annum).

September 30,
2017
Rupees ('000)

June 30,
2017

16. CASH AND BANK BALANCES

Cash in hand

5,375

5,185

Bank balances

On short term deposits

4,900,000

9,200,000

On interest / mark-up bearing saving accounts
(includes US \$ 101 thousand; 2017: US \$ 101 thousand)

2,813,006

1,674,213

On current accounts

(includes US \$ 153 thousand; 2017: US \$ 153 thousand)

53,150

53,988

7,766,156

10,928,201

7,771,531

10,933,386

16.1 Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 6.14% per annum (June 30, 2017: 6.02% per annum).

Three months period ended
September 30,
2017
Rupees ('000)

September 30,
2016

17. OTHER INCOME

Commission and handling income

161,226

174,465

Other income

44,800

50,516

206,026

224,981

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

Three months period ended
September 30, September 30,
2017 2016
Rupees ('000)

18. FINANCE INCOME AND COSTS

Finance income

Income on bank deposits, short term and other long term investments
Mark-up on delayed payments

| | |
|----------------|----------------|
| 220,676 | 221,807 |
| 124,487 | 57,463 |
| 345,163 | 279,270 |

Finance cost

Bank charges
Late payment charges

| | |
|----------------|----------------|
| 7,543 | 7,141 |
| 114,879 | 54,412 |
| 122,422 | 61,553 |
| 222,741 | 217,717 |

Net finance income

19. OTHER CHARGES

Workers' profit participation fund
Workers' welfare fund

| | |
|---------------|----------------|
| 93,989 | 115,688 |
| - | 43,099 |
| 93,989 | 158,787 |

20. PROVISION FOR TAXATION

Current income tax charge
Deferred income tax (credit)

| | |
|----------------|----------------|
| 505,000 | 656,000 |
| (5,000) | (19,458) |
| 500,000 | 636,542 |

21. FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities 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) | | | |
| September 30, 2017 | | | | |
| Short term investments: | | | | |
| Investment in mutual funds at Fair Value through Profit or Loss | 701,413 | - | - | 701,413 |

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

Three months period ended
September 30, September 30,
2017 2016
Rupees ('000)

22. TRANSACTIONS WITH RELATED PARTIES

Associated companies

| | | |
|------------------------------------|-------------------|------------|
| Purchase of petroleum products | 17,609,591 | 17,333,532 |
| Sale of petroleum products | 2,832,926 | 2,164,727 |
| Commission and handling income | 161,226 | 174,465 |
| Mark-up earned on delayed payments | 124,260 | 56,635 |
| Late payment charges | 114,879 | 54,412 |
| Administrative services expense | 59,297 | 59,244 |

Other related parties

| | | |
|---|---------------|---------|
| Remuneration of Chief Executive and key management personnel including benefits and perquisites | 19,989 | 17,452 |
| Contribution to staff retirement benefits plans | | |
| APL Employees provident fund | 3,216 | 2,620 |
| APL Gratuity fund | 2,863 | 2,252 |
| Contribution to workers' profit participation fund | 93,989 | 115,688 |

23. SEGMENT REPORTING

23.1 As described in note 1 to this condensed interim financial information the Company markets petroleum products. Revenue from external customers for products of the Company are as follows:

Three months period ended
September 30, September 30,
2017 2016
Rupees ('000)

Product

| | | |
|------------------------|-------------------|------------|
| High Speed Diesel | 19,370,777 | 15,785,900 |
| Premier Motor Gasoline | 14,708,917 | 12,638,205 |
| Furnace Fuel Oil | 9,275,627 | 6,513,076 |
| Bitumen | 3,331,384 | 2,809,571 |
| Others | 1,559,118 | 1,237,209 |
| | 48,245,823 | 38,983,961 |

23.2 There is no single external customer of the Company whose revenue amounts to 10% or more of the Company's total revenue during the three months period ended September 30, 2017.

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

24 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2017.

25 NON-ADJUSTED EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on September 11, 2017 have proposed a final cash dividend for the year ended June 30, 2017 @ Rs. 27.50 per share, amounting to Rs 2,280,960 thousand for the approval of the members in the Annual General Meeting to be held on October 19, 2017.

26 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on October 19, 2017.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



Attock

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