

Interim Report &
Financial Statements
For the Three Month Period Ended
September 30, 2018



Attock



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COMPANY INFORMATION

Directors	<p>Mr. Laith G. Pharaon Chairman (Alternate Director - Mr. Iqbal A. Khwaja)</p> <p>Mr. Wael G. Pharaon (Alternate Director - Mr. Rehmat Ullah Bardaie)</p> <p>Mr. Abdus Sattar Mr. Babar Bashir Nawaz Lt. Gen. (Retd.) Javed Alam Khan Mr. Mohammad Raziuddin Mr. Shuaib A. Malik Chief Executive</p>
Audit Committee	<p>Mr. Mohammad Raziuddin Chairman</p> <p>Mr. Abdus Sattar Mr. Babar Bashir Nawaz Lt. Gen. (Retd.) Javed Alam Khan</p>
Human Resource & Remuneration Committee	<p>Mr. Mohammad Raziuddin Chairman</p> <p>Mr. Shuaib A. Malik Mr. Iqbal A. Khwaja (Alternate Director to Mr. Laith G. Pharaon)</p>
Company Secretary / CFO	<p>Mr. Rehmat Ullah Bardaie</p>
Auditors	<p>A. F. Ferguson & Co. Chartered Accountants</p>
Bankers	<p>Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Habib Bank Limited MCB Bank Limited United Bank Limited</p>
Share Registrar	<p>Central Depository Company of Pakistan Limited CDA House, 99-B, Block 'B' S.M.C.H.S. Main Shakra-e-Faisal Karachi-74400 UAN: +92-21-111-111-500 Fax: +92-21-34326034 Email: info@cdcpak.com Website: www.cdcpak.com</p>
Legal Advisor	<p>Ali Sibtain Fazli & Associates</p>
Registered Office	<p>Attock House, Morgah, Rawalpindi Tel: +92-51-5127250-4 Email: contact@apl.com.pk Website: www.apl.com.pk</p>

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 month period ended September 30, 2018.

Financial Performance

During the period under review, the net sales revenue of the Company increased significantly by 50% amounting to Rs. 57,806 million as compared to the same period last year (September 2017: Rs. 38,531 million). This increase in sales revenue is mainly due to increase in prices of petroleum products. Although, the volume of the products sold decreased by 5%, dedicated efforts, intelligent decision making and efficient stock management led to increase in gross profit by 30%. This increase in gross profit was offset to some extent by increase in operating expenses, decrease in net finance income and decrease in share of profit of associated companies and the Company managed to increase the net profit by 16%. Consequently, the Company earned profit after tax of Rs. 1,547 million (September 2017: Rs. 1,330 million). The results translate into earnings per share of Rs. 15.55 (September 2017: Rs. 13.36).

Operational Performance

During the period under review, the oil marketing segment within the Country remained unstable. The uncertainty with the advent of fresh political structure and deteriorating economic factors hampered the business activity at various levels. Sale volumes observed a steep decline at the start of quarter due to the anticipated changes in pricing/taxation structure of petroleum products by authorities. Despite the market demand, the risk factor led to slow upliftment of products. Sales were also adversely affected by market anticipation of reduction in prices of High Speed Diesel (HSD). Sales volume for Furnace Oil (FO) also decreased as the power producers shifted to Liquefied Natural Gas (LNG) for electricity production. In spite of these challenges, the management remained committed to ensure sales were generated from available pockets and the market share of the Company increased from 9.0% to 11.6% as compared to same period last year.

The Company has relied on imports as an alternate supply source and frequent cargoes of Premier Motor Gasoline (PMG) have been imported to meet the increased sales. The Company has focused significantly on development of infrastructure to further strengthen the supply chain by enhancing its storage capacity. Construction of bulk oil terminals has further progressed and terminal at Shikarpur is ready for commissioning.

DIRECTORS' REVIEW

APL was awarded the contract for provision of POL products to various locations of the Army for the year 2018-19. Supplies to these locations have started successfully and the Company is committed to serve its defense institutions with quality products and unmatched services.

Fuel Farm and Hydrant Refueling facility at Islamabad International Airport is operating successfully. The Company has marked its foot print in commercial aviation fuels business which has started to add to the revenue stream of the Company. Prestigious clientele such as international air carriers have been added to the ever increasing customer portfolio of the Company and the Company is looking towards the future to extend these newly formed associations into long term business collaborations.

Future Outlook

The management is committed to reinforce the infrastructure and major resources have been dedicated towards achieving this objective. 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 of terminals at Sahiwal and Daultapur is underway and land at other locations is being acquired to establish bulk oil terminals.

Acknowledgement

The Board would like to thank and appreciate its employees, customers and strategic partners for their dedication, commitment and contributions. The Board also extends its gratitude to Government authorities, suppliers and shareholders for their unwavering support and cooperation.



SHUAIB A. MALIK
CHIEF EXECUTIVE

On behalf of the Board



ABDUS SATTAR
DIRECTOR

Rawalpindi
October 12, 2018

ڈائریکٹرز کا جائزہ

مستقبل کا نقطہ نظر:

انتظامیہ انفراسٹرکچر کو مزید تقویت دینے کیلئے مصروف عمل ہے اور اس مقصد کیلئے اہم وسائل وقف کئے گئے ہیں۔ انتظامیہ کو اس امر کا یقین ہے کہ پائیدار ترقی کو مسابقتی برتری، ملک کے آپریشنل متحرکات کے ساتھ ہم آہنگی اور معیاری مصنوعات کی فوری دستیابی یقینی بنانے کے ذریعے حاصل کیا جاسکتا 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، لاگتی اخراجات میں کمی کی جاسکے اور تیل کی بلا تعطل فراہمی کو یقینی بنانے کے لئے ملک کے اہم حصوں میں اپنی موجودگی قائم کی جاسکے۔ ساہیوال اور دولت پور بلک آئل ٹرمینلز کی تعمیر جاری ہے اور دیگر مقامات پر ٹرمینلز کی تعمیر کے لئے زمین حاصل کی جا رہی ہے۔

اظہار تشکر:

بورڈ اپنے ملازمین، صارفین، سپلائرز اور تزویراتی شراکت داران کے تعاون، ان کی پر عزم یکسوئی اور کاوشوں پر ان کا شکر یہ ادا کرنا چاہے گا۔ بورڈ حکومتی اتھارٹیز اور شیئر ہولڈرز کا بھی ان کے تعاون اور حمایت پر بے حد ممنون ہے۔

منجانب بورڈ



عبدالستار

ڈائریکٹر



شعیب اے ملک

چیف ایگزیکٹو

راولپنڈی

۱۲ اکتوبر، ۲۰۱۸ء

باعث مصنوعات کی خریداری سست روی کا شکار رہی۔ ہائی اسپیڈ ڈیزل (HSD) کی قیمت میں متوقع کمی کے باعث بھی فروخت بری طرح متاثر ہوئی۔ پاور پلانٹس کا بجلی کی پیداوار کے لئے گیس پر منتقلی کے باعث فرنس آئل (FO) کی فروخت میں بھی کمی واقع ہوئی۔ ان چیلنجز کے باوجود، انتظامیہ نے اس امر کو یقینی بنایا کہ فروخت کے زیادہ سے زیادہ مواقع پیدا کئے جاسکیں اور کمپنی نے گزشتہ سال اسی مدت کے مقابلے میں اپنا مارکیٹ شیئر 9.0 فیصد سے بڑھا کر 11.6 فیصد کر لیا ہے۔

کمپنی نے بطور متبادل ذرائع فراہمی درآمدات پر بڑی حد تک انحصار کیا ہے اور بڑھتی ہوئی طلب کو پورا کرنے کے لئے پریمیئر موٹر گیسولین (PMG) کے متعدد کارگوز درآمد کیے۔ سپلائی چین کو مزید مستحکم کرنے اور اسٹوریج صلاحیت کو بڑھانے کے لئے کمپنی اپنے بنیادی ڈھانچے کی مضبوطی پر بھرپور توجہ مرکوز کر رہی ہے۔ بلک آئل ٹرمینلز کی تعمیر جاری ہے اور شکار پور میں ٹرمینل اپنے آپریشنز کا آغاز کرنے کے لئے تیار ہے۔

APL کو سال 2018-19 کے لیے آرمی کے مختلف مقامات پر مصنوعات کی فراہمی کا ٹھیکہ دیا گیا تھا۔ ان مقامات پر ترسیلات کا کامیابی سے آغاز کر دیا گیا ہے اور کمپنی اپنے دفاعی اداروں کو معیاری مصنوعات اور بے مثال خدمات فراہم کرنے کے لئے پرعزم ہے۔

اسلام آباد انٹرنیشنل ایئر پورٹ پر فیول فارم اور ہائیڈرنٹ ریفلوئنگ سسٹم کامیابی سے کام کر رہا ہے۔ کمپنی نے ایوی ایشن (Aviation) فیول کاروبار میں اپنی پہچان کرائی ہے جس نے کمپنی کی آمدنی میں اپنا حصہ ڈالنا شروع کر دیا ہے۔ بین الاقوامی ایئر کیئر جیسے معتبر صارفین کا شمار کمپنی کے بڑھتے ہوئے پورٹ فولیو میں ہو چکا ہے اور مستقبل کے تناظر میں کمپنی ان نئی قائم ہونے والی شراکت داریوں کو طویل مدتی کاروباری تعاون میں تبدیل کرنا چاہتی ہے۔

ڈائریکٹرز کا جائزہ

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

انک پٹرولیم لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2018 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 گزشتہ سال کے مقابلے میں 50 فیصد قابل ذکر اضافے کے ساتھ 57,806 ملین روپے کی خالص فروخت آمدنی ریکارڈ کی (ستمبر 2017: 38,531 ملین روپے)۔ خالص فروخت آمدنی میں اس اضافے کی بنیادی وجہ پیٹرولیم مصنوعات کی قیمتوں میں اضافہ ہے۔ اگرچہ کمپنی کے حجم فروخت میں 05 فیصد کمی واقع ہوئی، انتظامیہ کی مخلصانہ کوششوں، موثر فیصلہ سازی اور اسٹاک کے انصرام سے منافع میں 30 فیصد اضافہ ہوا۔ آپریٹنگ اخراجات میں اضافہ، خالص فنانس آمدنی میں کمی اور منسلک کمپنیوں کے منافع کے حصے میں کمی سے کمپنی کے منافع میں کسی حد تک کمی واقع ہوئی اور کمپنی نے خالص منافع میں 16 فیصد اضافہ کیا۔ نتیجتاً کمپنی نے 1,547 ملین روپے بعد از ٹیکس منافع کمایا (ستمبر 2017: 1,330 ملین روپے)۔ اسے 15.55 روپے فی شیئر (ستمبر 2017: 13.36 روپے) کی آمدن کے مفہوم میں لیا جاسکتا ہے۔

آپریٹنگ کارکردگی:

زیر جائزہ مدت کے دوران، ملک کے اندر آئل مارکیٹنگ کا شعبہ غیر مستحکم رہا۔ بد حال اقتصادی عوامل اور نئے سیاسی ڈھانچے سے پیدا ہونے والی غیر یقینی صورت حال نے کاروبار کو مختلف سطح پر متاثر کیا۔ سہ ماہی کے آغاز میں حکام کی جانب سے پیٹرولیم مصنوعات کی قیمتوں کے مرکب اور ٹیکسیز میں متوقع تبدیلی کے پیش نظر فروخت حجم میں شدید کمی آئی۔ مارکیٹ میں طلب ہونے کے باوجود اس خدشہ کے

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018	June 30, 2018
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (June 30, 2018: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
Issued, subscribed and paid up capital 99,532,800 (June 30, 2018: 82,944,000) ordinary shares of Rs 10 each	4	995,328	829,440
Special reserves		237,115	249,542
Unappropriated profit		16,655,456	17,338,188
Fair value (loss) / gain on investments classified as fair value through other comprehensive income		(555)	492
		17,887,344	18,417,662
NON CURRENT LIABILITIES			
Long term deposits		675,901	671,044
Deferred tax liability		231,496	240,496
		907,397	911,540
CURRENT LIABILITIES			
Trade and other payables	5	30,139,017	26,138,159
Unclaimed dividend		36,619	473,512
Dividend payable		1,941,562	-
Provision for current income tax		286,765	190,453
		32,403,963	26,802,124
CONTINGENCIES AND COMMITMENTS			
	7	51,198,704	46,131,326

	Note	September 30, 2018	June 30, 2018
		Rupees ('000)	
NON CURRENT ASSETS			
Property, plant and equipment	8	6,570,329	6,417,787
Long term investments in associated companies	10	1,136,064	1,137,657
Other long term investments	11	124,445	423,396
Long term prepayments		2,880	3,922
		7,833,718	7,982,762
CURRENT ASSETS			
Stores and spares		89,120	75,841
Stock in trade	12	12,858,890	12,460,539
Trade debts	13	17,690,011	16,475,576
Advances, deposits, prepayments and other receivables	14	3,312,857	3,296,963
Short term investments	15	1,963,415	1,641,485
Cash and bank balances	16	7,450,693	4,198,160
		43,364,986	38,148,564
		51,198,704	46,131,326

The annexed notes 1 to 25 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 PROFIT OR LOSS (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Note	Three month period ended	
		September 30, 2018	September 30, 2017
		Rupees ('000)	
Sales		67,310,275	48,245,823
Sales tax		(9,504,398)	(9,714,567)
NET SALES		57,805,877	38,531,256
Cost of products sold		(55,243,880)	(36,560,824)
GROSS PROFIT		2,561,997	1,970,432
Other income	17	229,165	206,026
Operating expenses		(689,378)	(542,576)
OPERATING PROFIT		2,101,784	1,633,882
Finance income	18	316,679	345,163
Finance costs	18	(182,409)	(122,422)
Net finance income		134,270	222,741
Share of profit of associated companies		1,608	67,378
Other charges	19	(113,132)	(93,989)
PROFIT BEFORE TAXATION		2,124,530	1,830,012
Provision for income tax	20	(577,000)	(500,000)
PROFIT FOR THE PERIOD		1,547,530	1,330,012
Earnings per share - Basic and diluted (Rupees)		15.55	(Restated) 13.36

The annexed notes 1 to 25 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 MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Three month period ended	
	September 30,	September 30,
	2018	2017
	Rupees ('000)	
PROFIT FOR THE PERIOD	1,547,530	1,330,012
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		
Items that will not be reclassified to profit or loss:		
Share of other comprehensive (loss) / income of associated companies - net of tax	(3,201)	338
	(3,201)	338
Items that may be subsequently reclassified to profit or loss:		
Fair value adjustment on investments classified as fair value through other comprehensive income	(1,047)	-
	(1,047)	-
Other comprehensive (loss) / income for the period	(4,248)	338
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,543,282	1,330,350

The annexed notes 1 to 25 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 CASH FLOWS (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

Three month period ended

September 30, 2018 September 30, 2017
Rupees ('000)

CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from customers	56,509,622	37,474,671
Payments for purchase of products and operating expenses	(52,018,471)	(36,227,111)
Other charges received	10,525	39,843
Long term deposits received	4,857	5,291
Income tax paid	(489,688)	(397,808)
Cash flow from operating activities	4,016,845	894,886

CASH FLOW FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(290,016)	(549,592)
Proceeds from sale of property, plant and equipment	4,267	5,551
(Purchase) of short term investments and other long term investments - net	-	(3,592,311)
Income received on bank deposits, short term and other long term investments	89,792	80,390
Cash flow from investing activities	(195,957)	(4,055,962)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(568,931)	(898)
Cash used in financing activities	(568,931)	(898)
Effect of exchange rate changes	576	119

INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS 3,252,533 (3,161,855)

CASH AND CASH EQUIVALENTS AT JULY 1 4,198,160 10,933,386

CASH AND CASH EQUIVALENTS AT SEPTEMBER 30 7,450,693 7,771,531

The annexed notes 1 to 25 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 MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Share capital	Special reserves	Unappropriated profit	Fair value gain / (loss) on investments classified as fair value through other comprehensive income	Total
	Rupees ('000)				
BALANCE AS AT JUNE 30, 2017	829,440	214,608	15,250,443	-	16,294,491
Total comprehensive income for the three month 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 to 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
Total comprehensive income for the nine month period ended June 30, 2018:					
Profit for the period	-	-	4,326,337	-	4,326,337
Other comprehensive (loss) / income	-	-	(8,888)	492	(8,396)
	-	-	4,317,449	492	4,317,941
Transfer to special reserves by associated companies	-	246,403	(246,403)	-	-
Transaction with owners:					
Final cash dividend @ 275% relating to year ended June 30, 2017	-	-	(2,280,960)	-	(2,280,960)
Interim cash dividend @ 150% relating to year ended June 30, 2018	-	-	(1,244,160)	-	(1,244,160)
Total transactions with owners	-	-	(3,525,120)	-	(3,525,120)
BALANCE AS AT JUNE 30, 2018	829,440	249,542	17,338,188	492	18,417,662
Total comprehensive income for the three month period ended September 30, 2018:					
Profit for the period	-	-	1,547,530	-	1,547,530
Other comprehensive income	-	-	(3,201)	(1,047)	(4,248)
	-	-	1,544,329	(1,047)	1,543,282
Transfer from special reserves by associated companies	-	(12,427)	12,427	-	-
Transaction with owners:					
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)
Total transactions with owners	165,888	-	(2,239,488)	-	(2,073,600)
BALANCE AS AT SEPTEMBER 30, 2018	995,328	237,115	16,655,456	(555)	17,887,344

The annexed notes 1 to 25 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 MONTH PERIOD ENDED SEPTEMBER 30, 2018

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, 2018: 34.38%) shares of the Company.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the three month period ended September 30, 2018 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard 34 - "Interim Financial Reporting" 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, Accounting Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2018, except as disclosed below:

IAS 40	Investment Property (Amendments)
IFRS 2	Share-based Payment (Amendments)
IFRS 4	Insurance Contracts (Amendments)
IFRS 9	Financial Instruments
IFRS 15	Revenue from contracts with customers
IFRIC 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above mentioned accounting standards and amendments did not have any significant effect on the condensed interim financial statements.

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	June 30, 2018
	Rupees ('000)	
4. SHARE CAPITAL		
AUTHORISED CAPITAL		
150,000,000 ordinary shares of Rs 10 each (June 30, 2018: 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 (June 30, 2018: 5,000,000 ordinary shares of Rs 10 each)	50,000	50,000
Shares issued as fully paid bonus shares 94,532,800 (June 30, 2018: 77,944,000) ordinary shares of Rs 10 each	945,328	779,440
99,532,800 (June 30, 2018: 82,944,000) ordinary shares of Rs 10 each	995,328	829,440
5. TRADE AND OTHER PAYABLES		
Creditors	1,793,881	2,649,038
Due to related parties (unsecured) - note 5.1	21,859,366	16,808,749
Accrued liabilities	4,876,461	4,699,820
Advance from customers	1,263,914	1,509,296
Retention money	345,395	339,638
Payable to Joint Operator (as disclosed in note 9)	-	131,618
	30,139,017	26,138,159
5.1 Due to related parties		
National Refinery Limited	5,488,837	4,919,888
Attock Refinery Limited	16,220,277	11,852,953
Pakistan Oilfields Limited	11,460	12,749
The Attock Oil Company Limited	2,232	3,191
Attock Sahara Foundation	328	238
Attock Leisure Management Associates	116	-
Workers' Profit Participation Fund	113,132	-
APL Gratuity Fund	20,804	19,730
APL Provident Fund	2,180	-
	21,859,366	16,808,749
5.2 These include Rs 370,461 thousand (June 30, 2018: Rs 472,319 thousand) being Company's share in current liabilities of joint operation. (as disclosed in note 9)		

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

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 9,400 million (June 2018: Rs. 9,400 million). The facility is secured against first pari passu charge of Rs 11,867 million (June 2018: 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, 2018 was Rs.7,480 million (June 2018: Rs. 4,479 million). The facility will expire on October 31, 2018.

September 30, June 30,
2018 2018
Rupees ('000)

7. CONTINGENCIES AND COMMITMENTS

(a) CONTINGENCIES

(i) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs.

1,253,169 2,431,836

(ii) Guarantees issued by bank on behalf of the Company.

1,459,225 1,464,225

(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 (June 30, 2018: 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 14.1 for amount withheld by OGRA in this respect of 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, 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 and tax advisor of the Company are confident that the matter will ultimately be decided in the Company's favour. Accordingly, no provision has been made in these financial statements.

September 30, June 30,
2018 2018
Rupees ('000)

(v) The Company's share of contingencies of associated companies based on financial information of associated companies as at June 30, 2018 (June 30, 2018: March 31, 2018)

151,312 98,769

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	June 30, 2018
	Rupees ('000)	
(b) COMMITMENTS		
(i) Capital expenditure commitments (Including Rs Nil (June 30, 2018: Rs 508 thousand) relating to joint operation as disclosed in note 9)	1,788,855	1,717,430
(ii) Commitments for import of petroleum products against letter of credit facility	1,919,873	4,920,746
(iii) Commitments for rentals of assets under operating lease agreements	2,276,646	2,316,862
(iv) The Company's share of commitments of associated companies based on financial information of associated companies as at June 30, 2018 (June 30, 2018: March 31, 2018)		
- Capital expenditure commitments	39,790	20,129
- Outstanding letters of credit	258,696	207,596
	Three months to September 30, 2018	Year ended June 30, 2018
	Rupees ('000)	
8. PROPERTY, PLANT AND EQUIPMENT		
Opening net book value	4,634,624	2,707,992
Additions	85,684	2,351,585
Disposals		
Cost	(6,539)	(37,634)
Depreciation	6,462	34,627
	(77)	(3,007)
Depreciation charge	137,397	421,946
Closing net book value - note 8.1	4,582,834	4,634,624
Capital work in progress	1,987,495	1,783,163
	6,570,329	6,417,787

8.1 Included in operating assets are assets having cost of Rs 612,966 thousand (June 30, 2018: Rs 612,741 thousand) and accumulated depreciation of Rs 32,699 thousand (June 30, 2018: Rs 13,079 thousand) in respect of Company's share in joint operations at New Islamabad International Airport (NIAP) as referred in note 9.

9. INTEREST IN JOINT OPERATION

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.

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

Three months to
September 30,
2018
Rupees ('000)

Year ended
June 30,
2018

10. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES

Movement during the period / year

Balance at beginning of the period / year	1,137,657	1,198,044
Share of (loss) / profit of associated companies	(2,779)	107,600
Impairment (loss) / reversal related to investment in		
Attock Refinery Limited	5,810	(135,867)
National Refinery Limited	(1,423)	(5,872)
	1,608	(34,139)
Share of other comprehensive income of associated companies	(3,201)	337
Dividend from associated companies	-	(26,585)
Balance at end of the period / year	1,136,064	1,137,657

September 30, 2018

Holding
% Amount
Rs ('000)

June 30, 2018

Holding
% Amount
Rs ('000)

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

National Refinery Limited - Quoted	1	687,169	1	685,746
Attock Refinery Limited - Quoted	1.68	650,134	1.68	658,547
Attock Information Technology Services (Private) Limited - Unquoted	10	24,235	10	23,225
Carrying value on equity method		1,361,538		1,367,518
Less: Impairment loss (note 10.2)				
National Refinery Limited		(95,417)		(93,994)
Attock Refinery Limited		(130,057)		(135,867)
		(225,474)		(229,861)
		1,136,064		1,137,657

10.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2018 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 MONTH PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	June 30, 2018
	Rupees ('000)	
11. OTHER LONG TERM INVESTMENTS		
Held to maturity investments in Pakistan Investment Bonds (PIBs) - at amortized cost (note 11.1)	289,271	297,904
Less: current portion shown under short term investments - note 15	(289,271)	-
	-	297,904
Investments classified as fair value through other comprehensive income - note 11.2	124,445	125,492
	124,445	423,396

11.1 This represents amount invested in Pakistan Investment Bonds at interest rate of 11.50% per annum (June 30, 2018: 11.50% per annum) having maturity for the period of 5 years and are due for maturity in the year 2019.

11.2 The fair values of listed securities is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price of the investment.

12. STOCK IN TRADE

12.1 Stock in trade includes the Company's share of pipeline stock amounting to Rs 4,139,189 thousand (June 30, 2018: Rs 3,288,879 thousand) and Rs 577,095 thousand (June 30, 2018: Rs 1,389,707 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

12.2 It includes Rs 444,752 thousand (June 30, 2018: Rs 432,043 thousand) being Company's share in joint operation. (as disclosed in note 9)

	September 30, 2018	June 30, 2018
	Rupees ('000)	
13. TRADE DEBTS		
Trade debts include following balances due from related parties (unsecured):		
Attock Gen Limited	8,819,661	8,051,573
Pakistan Oilfields Limited	50,801	48,193
Attock Cement Pakistan Limited	58,956	35,027
Attock Refinery Limited	201	1,358
National Refinery Limited	959	-
	8,930,578	8,136,151

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	June 30, 2018
	Rupees ('000)	
14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to suppliers and employees	39,153	29,015
Trade deposits and short term prepayments	151,377	161,130
Current account balances with statutory authorities	174,020	595,802
Accrued income on bank deposits	29,488	13,003
Price differential claim receivable from the Government	28,528	28,528
Receivable from oil marketing companies under freight pool - note 14.1	976,806	770,293
Receivable from Joint Operator (as disclosed in note 9)	103,951	-
Due from related parties - unsecured		
Attock Gen Limited	1,836,083	1,715,961
Attock Information Technology Services (Private) Limited	1,391	1,195
Attock Cement Pakistan Limited	588	39
Workers' Profit Participation Fund	-	10,525
Less: Provision for doubtful receivables	(28,528)	(28,528)
	3,312,857	3,296,963

14.1 It includes Rs 205,713 thousand (June 30, 2018: 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 7.a (iii).

	September 30, 2018	June 30, 2018
	Rupees ('000)	
15. SHORT TERM INVESTMENTS		
Held to maturity investment in treasury bills - at amortized cost - note 15.1	996,258	939,145
Investment in mutual funds - at fair value through profit or loss	677,886	702,340
Current portion of investment in PIBs - note 11	289,271	-
	1,963,415	1,641,485

15.1 Short term investments in treasury bills earned interest at effective rate of 7.14% per annum (June 30, 2018: 6.04% per annum).

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	June 30, 2018
	Rupees ('000)	
16. CASH AND BANK BALANCES		
Cash in hand	6,150	6,150
Bank balances		
On short term deposits	4,700,000	2,700,000
On interest / mark-up bearing saving accounts (includes US \$ 24 thousand; 2018: US \$ 24 thousand)	2,650,417	1,426,549
On current accounts (includes US \$ 153 thousand; 2018: US \$ 153 thousand)	94,126	65,461
	7,444,543	4,192,010
	7,450,693	4,198,160

16.1 Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 6.82% per annum (June 30, 2018: 6.04% per annum).

	Three month period ended	
	September 30, 2018	September 30, 2017
	Rupees ('000)	
17. OTHER INCOME		
Commission and handling income	170,110	161,226
Other income	59,055	44,800
	229,165	206,026
18. FINANCE INCOME AND COSTS		
Finance income		
Income on bank deposits, short term and other long term investments	138,936	220,676
Mark-up on delayed payments	177,743	124,487
	316,679	345,163
Finance cost		
Bank charges	12,785	7,543
Late payment charges	169,624	114,879
	182,409	122,422
Net finance income	134,270	222,741

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Three month period ended	
	September 30, 2018	September 30, 2017
	Rupees ('000)	
19. OTHER CHARGES		
Workers' profit participation fund	113,132	93,989
	113,132	93,989
20. PROVISION FOR TAXATION		
Current income tax charge	586,000	505,000
Deferred income tax (credit)	(9,000)	(5,000)
	577,000	500,000

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;

	September 30, 2018			June 30, 2018
	(Level 1)	(Level 2)	(Level 3)	Total
	Rupees ('000)			
Other long term investments classified as fair value through other comprehensive income	124,445	-	-	124,445
Short term investments: Investment in mutual funds at fair value through profit or loss	677,886	-	-	702,340
	802,331	-	-	802,331

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

	Three month period ended	
	September 30, 2018	September 30, 2017
	Rupees ('000)	
22. TRANSACTIONS WITH RELATED PARTIES		
Associated companies		
Purchase of petroleum products	29,878,104	17,609,591
Sale of petroleum products	3,789,954	2,832,926
Commission and handling income	170,110	161,226
Mark-up earned on delayed payments	176,409	124,260
Late payment charges	169,624	114,879
Administrative services expense	63,992	59,297
Other related parties		
Remuneration of Chief Executive and key management personnel including benefits and perquisites	22,356	19,989
Contribution to staff retirement benefits plans		
APL Employees provident fund	3,807	3,216
APL Gratuity fund	3,230	2,863
Contribution to workers' profit participation fund	113,132	93,989

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:

Product	Three month period ended	
	September 30, 2018	September 30, 2017
	Rupees ('000)	
High Speed Diesel	25,496,017	19,370,777
Premier Motor Gasoline	23,070,582	14,708,917
Furnace Fuel Oil	11,402,601	9,275,627
Bitumen	3,186,019	3,331,384
Others	4,155,056	1,559,118
	67,310,275	48,245,823

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, 2018.

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2018

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, 2018.

25 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on October 12, 2018.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



Attock

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