



## Interim Report & Financial Statements

For the Six Month Period Ended  
December 31, 2017



**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

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

The Board of Directors of Attock Petroleum Limited takes pleasure in presenting the report on the performance of the Company together with the auditor's reviewed financial statements for the six months period ended December 31, 2017.

### Financial Performance

During the period under review, the Company recorded net sales revenue of Rs. 76,345 million, an increase of 24% as compared to Rs. 61,495 million earned during the same period last year. This increase is attributed to increased prices of petroleum products during the period under review and partially attributable to increase in sales volume by 9% which was achieved due to proactive approach by the management resulting in an increase of 12% in the gross profit. Effective utilization of available resources, sustainable and financially viable marketing decisions and process efficiencies resulting in cost reductions helped to achieve these results. Although the sales volume and gross profit increased, the profit after tax decreased due to reversal of provision for other charges relating to the Workers Welfare Fund recorded as per the decision of the apex court in the same period last year. Consequently, the Company earned profit after tax of Rs. 2,810 million (December 2016: Rs. 3,157 million). The results translate into earnings per share of Rs. 33.88 (December 2016: Rs. 38.06).

### Operational Performance

The oil industry across the globe is constantly evolving. Volatility in oil prices in the back drop of geo-political scenario has presented challenges for the oil business which need consistent effort to keep pace with the changing dynamics. Oil producing countries have translated their efforts into practical implementation which has supported the oil prices internationally and hence prices have gradually increased. Competition within the Country has grown due to various new entrants including international players while presenting various opportunities due to rising demand of petroleum products. The Company is well geared to face any challenges ahead and has aligned itself to maximize returns from any potential opportunities.

Recently, the decision of Government to shutdown Furnace Fuel Oil (FFO) based power plants has adversely affected the throughput of local refineries resulting in reduced availability of all products from local sources. In order to meet the demand the Company frequently imported cargoes of Premier Motor Gasoline (PMG) during the period under review. Uninterrupted fuel supplies have been ensured while maintaining optimum stock levels to meet the operational requirements

## DIRECTORS' REVIEW

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effectively and efficiently. The management is committed to make efforts to ensure sustainable returns are generated focusing on product quality, timely delivery and customer satisfaction.

On the retail development side, the Company has further enhanced its retail network. State-of-the-art retail outlets have been setup across the Country to establish presence of the Company and promote the brand. The Company has 611 operational retail outlets as at December 31, 2017.

### Future Outlook

The Company's vision to create itself as a market leader relies on synergy of experienced yet innovative management, seamless operations and effective marketing. Infrastructural development remains of utmost importance to enhance storage capacities, strengthening the supply chain cycle and gain cost advantages. The management is committed to reinforce the infrastructure and major resources have been dedicated towards achieving this objective. Mehmood Kot and Shikarpur bulk oil terminals are at the final stages of completion and are soon to be commissioned. Construction work on terminal at Sahiwal, Tarujabba and Daultapur has further progressed.

APL has successfully launched its fleet card program – Attock Smart Fuel Card at selected retail outlets and is aggressively expanding its network. Retail facilities are being focused wherein specialized lube change services are being introduced at outlets by enhancing infrastructure. Non-fuel related facilities are being uplifted and all this is part of offering one-window solutions to esteemed consumers. These efforts shall lead to long-term loyalty of the customers thereby ensuring sustainable returns and boosting customer confidence.

### 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.

On behalf of the Board



**SHUAIB A. MALIK**  
Chief Executive

Rawalpindi.  
January 24, 2018

## ڈائریکٹرز کا جائزہ

ریٹیل ڈیولپمنٹ کے شعبہ میں کمپنی نے اپنے نیٹ ورک کو مزید مضبوط کیا ہے۔ ملک بھر میں جدید ریٹیل آؤٹ لٹس قائم کئے گئے ہیں تاکہ کمپنی کی موجودگی اور برانڈ کو فروغ دیا جاسکے۔ کمپنی نے 31 دسمبر 2017 تک کل 611 ریٹیل آؤٹ لٹس قائم کر لئے ہیں۔

### مستقبل کا نقطہ نظر:

کمپنی کا اپنے آپ کو مارکیٹ لیڈر کے طور پر رونما کرنے کا وژن تجربہ کار مگر اختراعی انتظامیہ، ہموار آپریشنز اور موثر مارکیٹنگ پر استوار ہے۔ انفراسٹرکچر کی ترقی اسٹوریج کی صلاحیت کو بڑھانے، سپلائی چین سائیکل کو مستحکم کرنے اور اخراجات میں کمی کو حاصل کرنے کیلئے بدستور انتہائی اہم ہے۔ انتظامیہ انفراسٹرکچر کو مزید تقویت دینے کیلئے مصروف عمل ہے اور اس مقصد کیلئے اہم وسائل وقف کئے گئے ہیں۔ محمود کوٹ اور شکار پور بلک آئل ٹرمینلز تکمیل کے آخری مراحل میں ہیں اور جلد فعال ہو جائیں گے۔ ساہیوال، تارو جہا اور دولت پور پٹریمینلز کی تعمیر میں مزید پیش رفت ہوئی ہے۔

APL نے اپنا فلیٹ (Fleet) کارڈ پروگرام تک سمارٹ فیول کارڈ مخصوص ریٹیل آؤٹ لٹس پر متعارف کروایا ہے اور اس کے نیٹ ورک کو تیزی سے پھیلا یا جا رہا ہے۔ ریٹیل سہولیات پر توجہ مرکوز کی جا رہی ہے جس میں انفراسٹرکچر کی بہتری کے ذریعے ریٹیل آؤٹ لٹس پر خصوصی لیوب چینج سرورسز کو متعارف کرایا جا رہا ہے۔ متعلقہ سہولیات کو اپ گریڈ کیا جا رہا ہے اور یہ سب معزز صارفین کو ایک چھت کے نیچے تمام سہولیات فراہم کرنے کا حصہ ہے۔ مذکورہ کاوشیں صارفین کو طویل المدت اخلاص مندی کی جانب لے جائیں گی جس کی بابت مستقل منافع یقینی ہوگا اور صارفین کے اعتماد میں اضافہ ہوگا۔

### اظہار تشکر:

بورڈ اپنے ملازمین، صارفین، سپلائرز اور تزویراتی شرکاء کے تعاون، ان کی پر عزم کیسوئی اور کاوشوں پر ان کا شکریہ ادا کرنا چاہے گا۔ بورڈ حکومتی اتھارٹیز اور شیئر ہولڈرز کا بھی ان کے تعاون اور حمایت پر بے حد ممنون ہے۔

منجانب بورڈ



شعیب اے ملک

چیف ایگزیکٹو

راولپنڈی

۲۳ جنوری، ۲۰۱۸ء

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

انک پٹرولیم لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2017 کو ختم ہونے والی ششماہی مدت کے لئے کمپنی کی کارکردگی پر رپورٹ بمع آڈیٹر سے جائزہ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت سمجھتے ہیں۔

## مالیاتی کارکردگی:

زیر جائزہ مدت کے دوران، کمپنی کی خالص فروخت آمدنی گزشتہ سال اسی مدت کے دوران 61,495,495 ملین روپے کے مقابلے میں 76,345 ملین روپے ہے جو 24 فیصد اضافہ کی عکاسی کرتا ہے۔ یہ اضافہ زیر جائزہ مدت کے دوران تیل کی قیمتوں میں اضافے اور جزوی طور پر انتظامیہ کی جانب سے موثر فیصلہ سازی کے سبب حجم فروخت میں 09 فیصد اضافے کے باعث ہوا جس کے نتیجے میں منافع میں 12 فیصد اضافہ ہوا۔ دستیاب وسائل کے موثر استعمال، پائیدار اور قابل عمل مارکیٹنگ حکمت عملی اور کارکردگی میں بہتری کے نتیجے میں لاگت میں کمی سے مذکورہ نتائج کو حاصل کرنے میں مدد ملی۔ اگرچہ حجم فروخت اور منافع میں اضافہ ہوا، بعد از ٹیکس منافع میں کمی واقع ہوئی جس کی وجہ گزشتہ سال سپریم کورٹ کے فیصلے کے پیش نظر ورکرز ویلفیئر فنڈ سے متعلقہ دیگر چارجز کی تینجٹا، کمپنی نے 2,810 ملین روپے کا بعد از ٹیکس منافع حاصل کیا (دسمبر 2016: 3,157 ملین روپے)۔ اسے 33.88 روپے فی شیئر آمدن کے مفہوم میں لیا جاسکتا ہے (دسمبر 2016: 38.06 روپے)۔

## آپریٹیشنل کارکردگی:

دنیا بھر میں تیل کی صنعت مسلسل تبدیلی کے مراحل سے گزر رہی ہے۔ جغرافیائی و سیاسی صورتحال کے پس منظر میں تیل کی قیمتوں میں اتار چڑھاؤ سے تیل کے کاروبار کوئی چیلنج درپیش ہیں جسے متغیر محرکات کے ساتھ قدم سے قدم ملانے کیلئے مسلسل کاوش کی ضرورت ہے۔ تیل پیدا کرنے والے ممالک نے اپنی کاوشوں کو عملی اطلاق میں تبدیل کیا ہے جس نے بین الاقوامی سطح پر تیل کی قیمتوں کو استحکام دیا ہے اور اس کی وجہ سے قیمتوں میں بتدریج اضافہ ہوا ہے۔ ملک کے اندر مختلف نئی کمپنیوں بشمول بین الاقوامی کمپنیوں کے آنے کی وجہ سے مقابلے میں اضافہ ہوا ہے جبکہ پیٹرولیم مصنوعات کی طلب میں اضافے کے باعث متعدد مموثق پیدا ہوئے ہیں۔ کمپنی کسی بھی آنے والے چیلنج کا سامنا کرنے کیلئے مکمل تیار ہے اور اس نے اپنے آپ کو کسی بھی ممکنہ موقع سے زیادہ سے زیادہ منافع حاصل کرنے کیلئے ہم آہنگ کیا ہے۔

حال ہی میں گورنمنٹ کی جانب سے فرنس فیول آئل (FFO) پر چلنے والے پاور پلانٹس کو بند کرنے کے فیصلے نے مقامی ریفاؤنڈیشن کی پیداوار کو بری طرح متاثر کیا جس کے نتیجے میں مقامی ذرائع سے دستیاب پیٹرولیم مصنوعات کی رسد میں کمی واقع ہوئی۔ بڑھتی ہوئی طلب کو پورا کرنے کیلئے زیر جائزہ مدت کے دوران کمپنی نے پری میجر موٹر گیسولین (PMG) کے متعدد کارگورڈ آمد کیے۔ بلا تعلق ایندھن کی فراہمی کو یقینی بنایا گیا جبکہ آپریٹیشنل ضروریات کو موثر طور پر پورا کرنے کے لئے اسٹاک کی سطح کو برقرار رکھا گیا۔ انتظامیہ پائیدار منافع کے حصول کیلئے مصنوعات کے معیار، بروقت ترسیل اور صارفین کے اطمینان پر توجہ مرکوز کرتے ہوئے کوشش کرنے کیلئے پرعزم ہے۔



## **AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**

### ***Introduction***

We have reviewed the accompanying condensed interim balance sheet of Attock Petroleum Limited as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the financial information for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for three month period ended December 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2017.

### ***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six month period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants  
Islamabad  
Date: January 24, 2018

Engagement partner: Asim Masood Iqbal



# CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT DECEMBER 31, 2017

	Note	December 31, 2017	June 30, 2017
		Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
150,000,000 (June 30, 2017: 150,000,000) ordinary shares of Rs 10 each		<b>1,500,000</b>	1,500,000
<b>Issued, subscribed and paid up capital</b>			
82,944,000 (June 30, 2017: 82,944,000) ordinary shares of Rs 10 each	4	<b>829,440</b>	829,440
<b>Reserves</b>			
Special reserves		<b>237,508</b>	214,608
Revenue reserve			
Unappropriated profits		<b>15,757,394</b>	15,250,443
		<b>16,824,342</b>	16,294,491
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		<b>640,153</b>	627,240
Deferred tax liability		<b>114,341</b>	106,341
		<b>754,494</b>	733,581
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	<b>21,571,392</b>	21,098,679
Provision for current income tax		<b>36,699</b>	240,380
		<b>21,608,091</b>	21,339,059
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		<b>39,186,927</b>	38,367,131

	Note	December 31, 2017 Rupees ('000)	June 30, 2017
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	5,616,193	4,339,301
Long term investments in associated companies	10	1,273,286	1,198,044
Other long term investments	11	298,841	299,733
Long term prepayments		19,884	29,928
		<b>7,208,204</b>	<b>5,867,006</b>
<b>CURRENT ASSETS</b>			
Stores and spares		72,620	48,658
Stock in trade	12	10,252,268	7,234,415
Trade debts	13	11,444,822	10,801,077
Advances, deposits, prepayments and other receivables	14	2,428,183	2,572,236
Short term investments	15	1,619,053	910,353
Cash and bank balances	16	6,161,777	10,933,386
		<b>31,978,723</b>	<b>32,500,125</b>
		<b>39,186,927</b>	<b>38,367,131</b>

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Note	Three month period ended		Six month period ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		Rupees ('000)		Rupees ('000)	
<b>Sales</b>		<b>46,619,078</b>	37,370,241	<b>94,864,901</b>	76,354,202
Sales tax		<b>(8,804,966)</b>	(7,377,090)	<b>(18,519,533)</b>	(14,859,114)
<b>NET SALES</b>		<b>37,814,112</b>	29,993,151	<b>76,345,368</b>	61,495,088
Cost of products sold		<b>(35,385,828)</b>	(28,365,577)	<b>(71,946,652)</b>	(57,576,346)
<b>GROSS PROFIT</b>		<b>2,428,284</b>	1,627,574	<b>4,398,716</b>	3,918,742
Other income	17	<b>207,947</b>	255,673	<b>413,973</b>	480,654
Operating expenses		<b>(673,801)</b>	(455,339)	<b>(1,216,377)</b>	(875,450)
<b>OPERATING PROFIT</b>		<b>1,962,430</b>	1,427,908	<b>3,596,312</b>	3,523,946
Finance income	18	<b>309,105</b>	279,071	<b>654,268</b>	558,341
Finance costs	18	<b>(136,249)</b>	(70,172)	<b>(258,671)</b>	(131,725)
Net finance income		<b>172,856</b>	208,899	<b>395,597</b>	426,616
Share of profit of associated companies		<b>34,112</b>	22,915	<b>101,490</b>	67,736
(Provision for)/ reversal of other charges	19	<b>(106,936)</b>	621,485	<b>(200,925)</b>	462,698
<b>PROFIT BEFORE TAXATION</b>		<b>2,062,462</b>	2,281,207	<b>3,892,474</b>	4,480,996
Provision for income tax	20	<b>(582,000)</b>	(687,528)	<b>(1,082,000)</b>	(1,324,070)
<b>PROFIT FOR THE PERIOD</b>		<b>1,480,462</b>	1,593,679	<b>2,810,474</b>	3,156,926
Earnings per share - Basic and diluted (Rupees)		<b>17.85</b>	19.21	<b>33.88</b>	38.06

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Three month period ended		Six month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees ('000)		Rupees ('000)	
<b>PROFIT FOR THE PERIOD</b>	<b>1,480,462</b>	1,593,679	<b>2,810,474</b>	3,156,926
<b>Items that will not be reclassified to profit or loss:</b>				
Share of other comprehensive income/(loss) of associated companies - net of tax	(1)	(5)	337	(3,384)
Other comprehensive income/(loss) for the period	(1)	(5)	337	(3,384)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,480,461</b>	1,593,674	<b>2,810,811</b>	3,153,542

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2017

### Six months period ended

December 31, 2017      December 31, 2016  
Rupees ('000)

### CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from customers	75,548,180	59,602,457
Payments for purchase of products and operating expenses	(75,037,575)	(56,720,636)
Other charges received	39,843	53,961
Long term deposits received / (repaid)	12,913	(17,136)
Income tax paid	(1,277,681)	(1,226,244)
Cash flow from operating activities	(714,320)	1,692,402

### CASH FLOW FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(1,467,570)	(457,636)
Proceeds from sale of property, plant and equipment	5,916	12,999
(Purchase) / encashment of investments	(711,956)	741,020
Income received on bank deposits, short term and other long term investments	362,830	300,761
Dividend received from associated companies	26,585	23,153
Cash flow from investing activities	(1,784,195)	620,297

### CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(2,274,508)	(2,070,283)
Cash used in financing activities	(2,274,508)	(2,070,283)
Effect of exchange rate changes	1,414	38

**(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS** (4,771,609) 242,454

**CASH AND CASH EQUIVALENTS AT JULY 1** 10,933,386 9,162,282

**CASH AND CASH EQUIVALENTS AT DECEMBER 31** 6,161,777 9,404,736

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Share capital	Special reserves	Unappropriated profit	Total
	Rupees ('000)			
<b>BALANCE AS AT JUNE 30, 2016</b>	<b>829,440</b>	<b>126,411</b>	<b>13,361,315</b>	<b>14,317,166</b>
Total comprehensive income for the six month period ended December 31, 2016:				
Profit for the period	-	-	3,156,926	3,156,926
Other comprehensive loss	-	-	(3,384)	(3,384)
Total comprehensive income	-	-	3,153,542	3,153,542
Transfer to special reserves by associated companies	-	17,247	(17,247)	-
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)
<b>BALANCE AS AT DECEMBER 31, 2016</b>	<b>829,440</b>	<b>143,658</b>	<b>14,424,010</b>	<b>15,397,108</b>
Total comprehensive income for the six month period ended June 30, 2017:				
Profit for the period	-	-	2,142,242	2,142,242
Other comprehensive loss	-	-	(699)	(699)
Total comprehensive income	-	-	2,141,543	2,141,543
Transfer to special reserves by associated companies	-	70,950	(70,950)	-
Transaction with owners:				
Interim cash dividend @ 150% relating to the year ended June 30, 2017	-	-	(1,244,160)	(1,244,160)
Total transactions with owners	-	-	(1,244,160)	(1,244,160)
<b>BALANCE AS AT JUNE 30, 2017</b>	<b>829,440</b>	<b>214,608</b>	<b>15,250,443</b>	<b>16,294,491</b>
Total comprehensive income for the six month period ended December 31, 2017:				
Profit for the period	-	-	2,810,474	2,810,474
Other comprehensive income	-	-	337	337
Total comprehensive income	-	-	2,810,811	2,810,811
Transfer to special reserves by associated companies	-	22,900	(22,900)	-
Transaction with owners:				
Final cash dividend @ 275% relating to the year ended June 30, 2017	-	-	(2,280,960)	(2,280,960)
Total transactions with owners	-	-	(2,280,960)	(2,280,960)
<b>BALANCE AS AT DECEMBER 31, 2017</b>	<b>829,440</b>	<b>237,508</b>	<b>15,757,394</b>	<b>16,824,342</b>

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 SIX MONTH PERIOD ENDED DECEMBER 31, 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 six month period ended December 31, 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.

## 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.

## 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	<b>December 31, 2017</b>	June 30, 2017
	Rupees ('000)	
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)	<b>50,000</b>	50,000
Shares issued as fully paid bonus shares 77,944,000 (June 30, 2017: 77,944,000) ordinary shares of Rs 10 each	<b>779,440</b>	779,440
82,944,000 (June 30, 2017: 82,944,000) ordinary shares of Rs 10 each	<b>829,440</b>	829,440

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

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

December 31,  
2017                      June 30,  
2017  
Rupees ('000)

## 5. TRADE AND OTHER PAYABLES

Creditors	<b>370,641</b>	2,230,888
Due to related parties (unsecured) - note 5.1	<b>15,477,024</b>	12,682,710
Accrued liabilities	<b>3,915,165</b>	3,823,195
Advance from customers	<b>1,437,129</b>	2,002,224
Retention money	<b>218,968</b>	175,800
Sales tax payable	<b>108,781</b>	146,630
Payable to Joint Operator - (as disclosed in note-9)	<b>179</b>	179
Unclaimed dividend	<b>43,505</b>	37,053
	<b>21,571,392</b>	21,098,679

### 5.1 Due to related parties

National Refinery Limited	<b>4,641,092</b>	3,960,981
Attock Refinery Limited	<b>10,613,386</b>	8,701,460
Pakistan Oilfields Limited	<b>7,005</b>	8,280
The Attock Oil Company Limited	<b>3,281</b>	724
Attock Sahara Foundation	<b>237</b>	312
Attock Leisure Management Associates	<b>108</b>	-
Workers' profit participation fund	<b>200,925</b>	-
APL Gratuity Fund	<b>10,990</b>	10,953
	<b>15,477,024</b>	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 30, 2017: Rs 8,900 million). The facility is secured against first pari passu charge of Rs 11,867 million (June 30, 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 December 31, 2017 was Rs 7,904 million (June 30, 2017: Rs 6,492 million). The facility will expire on June 30, 2018.



**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017**

	<b>December 31, 2017</b>	June 30, 2017
	Rupees ('000)	
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<b>(a) CONTINGENCIES</b>		
(i) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs.	<b>1,981,587</b>	5,043,867
(ii) Guarantees issued by bank on behalf of the Company.	<b>1,313,407</b>	1,315,907
(iii) Oil & Gas Regulatory Authority (OGRA) has issued order for recovery of freight charges and petroleum levy on supplies during years 2009 to 2011 to special freight area (Azad Jamu & Kashmir and Jaglot). Being aggrieved, the Company filed appeal against the order with OGRA. Hearing of the case has been conducted and decision of OGRA is awaited. The Company is confident that the matter will be decided in favour of the Company.	<b>434,902</b>	-
(iv) The Company's share of contingencies of associated companies based on financial information of associated companies as at September 30, 2017 (June 30, 2017: March 31, 2017)	<b>92,933</b>	87,164
<b>(b) COMMITMENTS</b>		
(i) Capital expenditure commitments (Including Rs 43,166 thousand (June 30, 2017: Rs 239,932 thousand) relating to joint operations as disclosed in note 9)	<b>2,099,581</b>	2,307,809
(ii) Commitments for import of petroleum products against letter of credit facility	<b>996,442</b>	2,407,613
(iii) Commitments for rentals of assets under operating lease agreements	<b>2,329,143</b>	2,303,405
(iv) The Company's share of commitments of associated companies based on financial information of associated companies as at September 30, 2017 (June 30, 2017: March 31, 2017)		
- Capital expenditure commitments	<b>30,360</b>	73,849
- Outstanding letters of credit	<b>188,830</b>	54,023
	<b>Six month to December 31, 2017</b>	Year ended June 30, 2017
	Rupees ('000)	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening net book value	<b>2,707,992</b>	2,135,066
Additions	<b>778,827</b>	921,424
Disposals		
Cost	<b>(14,279)</b>	(46,309)
Depreciation	<b>11,693</b>	45,511
	<b>(2,586)</b>	(798)
Depreciation charge	<b>188,642</b>	347,700
Closing net book value	<b>3,295,591</b>	2,707,992
Capital work in progress - note 8.1	<b>2,320,602</b>	1,631,309
	<b>5,616,193</b>	4,339,301

**8.1** Capital work in progress include Rs 570,666 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 SIX MONTH PERIOD ENDED DECEMBER 31, 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.

**Six month to  
December 31,  
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	<b>1,198,044</b>	1,006,633
Share of profit of associated companies	<b>114,932</b>	175,827
Impairment (loss) / reversal related to investment in National Refinery Limited	<b>(13,442)</b>	42,121
	<b>101,490</b>	217,948
Share of other comprehensive income/(loss) of associated companies	<b>337</b>	(3,384)
Dividend from associated companies	<b>(26,585)</b>	(23,153)
Balance at end of the period / year	<b>1,273,286</b>	1,198,044

<b>December 31, 2017</b>		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	<b>1</b>	<b>687,062</b>	1	673,621
Attock Refinery Limited - Quoted	<b>1.68</b>	<b>666,362</b>	1.68	592,966
Attock Information Technology Services (Private) Limited - Unquoted	<b>10</b>	<b>21,426</b>	10	19,579
Carrying value on equity method		<b>1,374,850</b>		1,286,166
Less: Impairment loss - National Refinery Limited (note 10.2)		<b>(101,564)</b>		(88,122)
		<b>1,273,286</b>		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 SIX MONTH PERIOD ENDED DECEMBER 31, 2017**

**December 31,  
2017**                      June 30,  
2017  
Rupees ('000)

**11. OTHER LONG TERM INVESTMENTS**

Held to maturity investments in Pakistan Investment Bonds (PIBs) - at amortized cost - note 11.1	<b>298,841</b>	399,119
Less: current portion shown under short term investments	-	(99,386)
	<b>298,841</b>	<u>299,733</u>

**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 2,815,337 thousand (June 30, 2017: Rs 2,322,763 thousand) and Rs 1,005,768 thousand (June 30, 2017: Rs 900,457 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

**December 31,  
2017**                      June 30,  
2017  
Rupees ('000)

**13. TRADE DEBTS**

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

Attock Gen Limited	<b>6,916,828</b>	6,391,395
Pakistan Oilfields Limited	<b>73,822</b>	31,688
Attock Cement Pakistan Limited	<b>19,628</b>	20,622
National Refinery Limited	-	1,051
Attock Refinery Limited	<b>154</b>	254
	<b>7,010,432</b>	<u>6,445,010</u>

**14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Advances to suppliers and employees	<b>43,480</b>	25,735
Trade deposits and short term prepayments	<b>120,066</b>	135,347
Current account balances with statutory authorities	<b>54,088</b>	96,560
Accrued income on bank deposits	<b>64,288</b>	23,044
Price differential claim receivable from the Government	<b>28,528</b>	28,528
Receivable from oil marketing companies under freight pool	<b>360,312</b>	457,045
Receivable from Joint Operator (as disclosed in note 9)	<b>197,977</b>	127,473
Due from related parties - unsecured		
Attock Gen Limited	<b>1,586,545</b>	1,666,267
Attock Information Technology Services (Private) Limited	<b>1,361</b>	791
Attock Cement Pakistan Limited	<b>66</b>	131
Workers' Profit Participation Fund	-	39,843
Less: Provision for doubtful receivables	<b>(28,528)</b>	(28,528)
	<b>2,428,183</b>	<u>2,572,236</u>

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

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

**December 31,**  
**2017**  
Rupees ('000)

June 30,  
2017

## 15. SHORT TERM INVESTMENTS

Held to maturity investment in treasury bills - at amortized cost - note 15.1	<b>859,792</b>	810,967
Investment in mutual funds - at fair value through profit or loss	<b>759,261</b>	-
Current portion of investment in PIBs - note 11	-	99,386
	<b>1,619,053</b>	910,353

**15.1** Short term investments in treasury bills earned interest at effective rate of 5.90% per annum (June 30, 2017: 5.99% per annum).

**December 31,**  
**2017**  
Rupees ('000)

June 30,  
2017

## 16. CASH AND BANK BALANCES

Cash in hand	<b>5,375</b>	5,185
Bank balances		
On short term deposits	<b>4,500,000</b>	9,200,000
On interest / mark-up bearing saving accounts (includes US \$ 101 thousand; 2017: US \$ 101 thousand)	<b>1,595,109</b>	1,674,213
On current accounts (includes US \$ 153 thousand; 2017: US \$ 153 thousand)	<b>61,293</b>	53,988
	<b>6,156,402</b>	10,928,201
	<b>6,161,777</b>	10,933,386

**16.1** Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 6.08% per annum (June 30, 2017: 6.02% per annum).

<b>Three month period ended</b>		<b>Six month period ended</b>	
<b>December 31,</b> <b>2017</b>	December 31, 2016	<b>December 31,</b> <b>2017</b>	December 31, 2016
Rupees ('000)		Rupees ('000)	

## 17. OTHER INCOME

Commission and handling income	<b>144,592</b>	202,263	<b>305,818</b>	376,728
Other income	<b>63,355</b>	53,410	<b>108,155</b>	103,926
	<b>207,947</b>	255,673	<b>413,973</b>	480,654

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

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

	Three month period ended		Six month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees ('000)		Rupees ('000)	
<b>18. FINANCE INCOME AND COSTS</b>				
<b>Finance income</b>				
Income on bank deposits, short term and other long term investments	179,250	211,131	399,926	432,938
Mark-up on delayed payments	129,855	67,940	254,342	125,403
	<b>309,105</b>	279,071	<b>654,268</b>	558,341
<b>Finance cost</b>				
Bank charges	15,850	6,069	23,393	13,210
Mark-up on delayed payments	120,399	64,103	235,278	118,515
	<b>136,249</b>	70,172	<b>258,671</b>	131,725
Net finance income	<b>172,856</b>	208,899	<b>395,597</b>	426,616
<b>19. (REVERSAL OF) / PROVISION FOR OTHER CHARGES</b>				
Workers' profit participation fund (Reversal) of workers' welfare fund for prior periods - Note 19.1	106,936	82,998	200,925	198,686
	-	(704,483)	-	(661,384)
	<b>106,936</b>	(621,485)	<b>200,925</b>	(462,698)

**19.1** During the year 2016-17, the Supreme Court of Pakistan declared that the amendments in the Worker's Welfare Fund (WWF) Ordinance made through Finance Act of 2006 and 2008 are unconstitutional. Accordingly the Company reversed the provision on account of WWF in prior period.

	Three month period ended		Six month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees ('000)		Rupees ('000)	
<b>20. PROVISION FOR TAXATION</b>				
Current income tax charge	569,000	456,000	1,074,000	1,112,000
Deferred income tax charge	13,000	231,528	8,000	212,070
	<b>582,000</b>	687,528	<b>1,082,000</b>	1,324,070

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

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

## 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)			
<b>December 31, 2017</b>				
Short term investments:				
Investment in mutual funds at Fair Value through Profit or Loss	759,261	-	-	759,261
	<b>Three month period ended</b>	<b>Six month period ended</b>		
	<b>December 31,</b>	December 31,	<b>December 31,</b>	December 31,
	<b>2017</b>	2016	<b>2017</b>	2016
	Rupees ('000)		Rupees ('000)	

## 22. TRANSACTIONS WITH RELATED PARTIES

### Associated companies

Purchase of petroleum products	18,854,222	15,155,365	36,463,813	32,488,897
Sale of petroleum products	2,237,716	2,258,299	5,070,642	4,423,026
Commission and handling income	144,592	202,263	305,818	376,728
Mark-up earned on delayed payments	129,568	66,668	253,828	123,303
Late payment charges	120,399	64,103	235,278	118,515
Administrative services expense	70,896	72,475	130,193	131,719
Dividend paid during the period to Associated companies	1,493,405	1,653,567	1,493,405	1,653,567
Dividend received during the period from Associated companies	26,585	23,153	26,585	23,153

### Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites	22,571	22,429	42,560	39,881
Contribution to staff retirement benefits plans				
APL Employees provident fund	3,471	2,769	6,687	5,389
APL Gratuity fund	2,963	2,249	5,826	4,501
Contribution to workers' profit participation fund	96,650	82,998	200,925	198,686

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

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2017

## 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		Six month period ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees ('000)		Rupees ('000)	
High Speed Diesel	19,349,962	15,739,417	38,720,739	31,525,317
Premier Motor Gasoline	14,001,640	10,808,654	28,710,557	23,446,859
Furnace Fuel Oil	7,439,384	6,514,778	16,715,011	13,027,854
Bitumen	3,865,957	2,986,197	7,197,341	5,795,768
Others	1,962,135	1,321,195	3,521,253	2,558,404
	<b>46,619,078</b>	<b>37,370,241</b>	<b>94,864,901</b>	<b>76,354,202</b>

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 six month period ended December 31, 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 January 24, 2018 have declared an interim cash dividend @ Rs 15/- per share, amounting to Rs 1,244,160 thousand for the year ending June 30, 2018.

## 26. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on January 24, 2018.



**Rehmat Ullah Bardaie**  
Chief Financial Officer



**Shuaib A. Malik**  
Chief Executive



**Abdus Sattar**  
Director

**Blank**



**Blank**

2017-18



**Attock**

**Attock Petroleum Limited**

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