

Interim Report & Financial Statements

For the Three Month Period Ended
September 30, 2019



Attock

CONTENTS

Company Information 02

Directors' Review 03

ڈائریکٹرز کا جائزہ 07

Condensed Interim Financial Information

Statement of Financial Position 08

Statement of Profit or Loss 10

Statement of Comprehensive Income 11

Statement of Changes in Equity 12

Statement of Cash Flows 13

Notes to the Financial Information 14

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 Lt Gen (Retd.) Javed Alam Khan Mr. Mohammad Raziuddin Mr. Shuaib A. Malik Chief Executive
Audit Committee	Mr. Mohammad Raziuddin Chairman Mr. Abdus Sattar Mr. Babar Bashir Nawaz Lt Gen (Retd.) Javed Alam Khan
Human Resource & Remuneration Committee	Mr. Mohammad Raziuddin 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 Bank Alfalah Limited Habib Bank Limited MCB Bank Limited United Bank Limited
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block 'B' S.M.C.H.S, Main Shakra-e-Faisal Karachi. UAN: +92-21-111-111-500 Fax: +92-21-34326034 Email: info@cdcsrsl.com Website: www.cdcsrsl.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 takes pleasure in presenting the report on the operational and financial performance of the Company for the three month period ended September 30, 2019.

Financial Performance

During the period under review, the Company recorded net sales revenue of Rs. 59,208 million as compared to Rs. 57,651 million earned during same period last year. Where net sales revenue has increased due to increase in prices of petroleum products, gross profit of the Company decreased by 18% on account of lesser inventory gains during the period. The sales volume remained low due to reduced economic activity, influx of smuggled products and low demand of Furnace Oil from power producers amid availability of alternate fuels. The Company managed to restrict the drop in sales volume to 12% through efficient stock management, smart business decisions and capturing available opportunities. Consequently, the Company earned profit after tax of Rs. 1,225 million (September 2018: Rs. 1,548 million) which is a decrease of 21% over same period last year. The results translate into earnings per share of Rs. 12.31 (September 2018: Rs. 15.55).

Operational Performance

During the period under review, the turmoil in geopolitical scenario has affected the oil industry at various levels. International oil prices remained volatile due to crisis in the region. Furthermore, the prices peaked towards the latter half of the three month period on the premise of attack on Saudi installation resulting in loss of oil production and thus affecting prices due to supply-demand gap. However, restoration of output from Saudi Arabia and US-China trade war situation has reduced the prices which was supported by OPEC led supply cuts and US Sanctions on Iran and Venezuela.

Sanctions on Iran has led to smuggling of products, such as High Speed Diesel and Bitumen, within the Country. Hence, the oil marketing segment remained under immense pressure to tackle all these circumstances coupled with weak economic outlook, reduced Government spending and lack of infrastructural development. Accordingly, the sales volume of High Speed Diesel decreased by 15% and sales volume of Bitumen decreased by 23%. Sales volume for Furnace Oil (FO) also decreased as the power producers shifted to Liquefied Natural Gas (LNG) and coal for electricity production. Changes in taxation regime pursuant to Finance Act, 2019 followed an environment of uncertainty in business community affecting trade growth and thus sales volumes remained under pressure which were also affected by decline in automotive industry. In spite of these challenges, the management remained committed to generate sales from available opportunities and closed the quarter with market share of 11.4%.

The Company has relied on imports as an alternate supply source due to unavailability of indigenous product to meet the demand and hence the Company is importing frequent cargoes of Premier Motor Gasoline (PMG) to the tune of 30,000 M.Tons per month on average. APL has remained the choice of supplier of petroleum products to Defense institutions of the Country and has successfully

DIRECTORS' REVIEW

coordinated the uninterrupted supplies to various locations across the Country.

On the retail side, the Company is focusing on urban centers to promote and enhance the brand image of the Company leading to growth of the retail network and investments are being made in high value sites to cater to consumers' demand. Accordingly, the number of retail outlets reached to a total of 672 as at September 30, 2019. Attock Smart Fuel Card, the Company's flagship fleet card product has seen significant growth and at the end of the period, 21% of the network has been equipped with the facility for using various types of fuel cards offered by the Company.

Future Outlook

Infrastructure development in oil marketing segment remains of utmost importance to gain competitive advantage, aligning with the operational dynamics of the Country and quick availability of quality products ensuring sustainability. 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. Construction of terminals at Sahiwal and Daulatpur has completed and awaiting final approval from authorities for commencement of operations. Rapid construction work is underway for establishing Bulk Oil Terminal at Port Qasim, Karachi and the project is due to be completed in the first half of calendar year 2020. This terminal is strategically located to handle the imports and will also be connected to White Oil Pipeline to transport product to mid-country and onward. Construction work has commenced at Bulk Oil Terminal in Gatti – Faisalabad while terminal at D.I. Khan is in design phase and construction shall be started soon.

The Company is also undertaking expansion of existing Bulk Oil Terminals and in this regard, expansion work is being carried out at Machike Bulk Oil Terminal and Shikarpur Bulk Oil Terminal. Establishment of new terminals and expansion of existing terminals shall not only add to the storage capacity of the Company but also enhance the storage capacity of Pakistan which will have numerous economic and other strategic benefits.

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



ABDUS SATTAR
DIRECTOR

Islamabad
October 15, 2019

ڈائریکٹرز کا جائزہ

مقامات پر نئے بلک آئل ٹرمینلز قائم کرنے کیلئے بھاری سرمایہ کاری کر رہی ہے تاکہ اپنی اسٹوریج کی گنجائش کو بڑھا سکے اور لاگتی افادیت کو بہتر بنا سکے۔ ساہیوال اور دولت پور میں ٹرمینلز کی تعمیر مکمل ہو چکی ہے اور آپریشنل شروعات کے لئے حکام سے حتمی منظوری کا انتظار ہے۔ پورٹ قاسم، کراچی میں بلک آئل ٹرمینل کے قیام کیلئے تیزی سے تعمیراتی کام جاری ہے اور یہ منصوبہ 2020 کی پہلی ششماہی میں مکمل ہونا ہے۔ یہ ٹرمینل تزویرانی طور پر درآمدات کو سنبھالنے کیلئے بنایا گیا ہے اور اسے وائٹ آئل پائپ لائن کے ساتھ منسلک کیا جائے گا تاکہ پروڈکٹ کی ملک کے وسط تک اور آگے ترسیل کی جاسکے۔ گٹی، فیصل آباد میں بلک آئل ٹرمینل پر تعمیراتی کام کا آغاز ہو چکا ہے جبکہ ڈی آئی خان ٹرمینل ڈیزائن کے مرحلے میں ہے اور تعمیراتی کام جلد ہی شروع ہو جائے گا۔

کمپنی موجودہ بلک آئل ٹرمینلز کی توسیع بھی کر رہی ہے اور اس ضمن میں ماچھیکے بلک آئل ٹرمینل اور شکار پور بلک آئل ٹرمینل پر کام جاری ہے۔ نئے ٹرمینلز کے قیام اور موجودہ ٹرمینلز کی توسیع سے نہ صرف کمپنی کی ذخیرہ کرنے کی گنجائش میں اضافہ ہوگا بلکہ پاکستان کے آئل ذخیرہ کرنے کی گنجائش میں بھی اضافہ ہوگا جس سے متعدد معاشی اور دیگر کلیدی فوائد بھی حاصل ہوں گے۔

اظہار تشکر:

بورڈ اپنے ملازمین، صارفین، سپلائرز اور تزویرانی شراکت داران کے تعاون، ان کی پرعزم یکسوئی اور کاوشوں پر ان کا شکریہ ادا کرنا چاہے گا۔ بورڈ حکومتی اتھارٹیز اور شیئرز ہولڈرز کا بھی ان کے تعاون اور حمایت پر بے حد ممنون ہے۔

منجانب بورڈ



عبدالستار

ڈائریکٹر



شعیب اے ملک

چیف ایگزیکٹو

اسلام آباد

۱۵ اکتوبر، ۲۰۱۹ء

ہوگئی ہے۔ اس وجہ سے آئل مارکیٹنگ شعبہ مذکورہ تمام حالات سے کے ساتھ ساتھ کمزور معاشی صورتحال، کم حکومتی اخراجات اور بنیادی ڈھانچے میں ترقی میں فقدان سے نمٹنے کے لئے شدید زبرد باؤر ہا۔ اسی طرح ہائی سپیڈ ڈیزل کے حجم فروخت میں 15 فیصد اور تارکول (Bitumen) کے حجم فروخت میں 23 فیصد کمی آئی ہے۔ پاور پلانٹس کا بجلی کی پیداوار کے لئے گیس اور کونکے پر منتقلی کے باعث فرنس آئل (FO) کی فروخت میں بھی کمی واقع ہوئی۔ فنانس ایکٹ، 2019 کے تحت ٹیکس نظام میں متعارف کی گئی ترامیم سے کاروباری طبقہ میں غیر یقینی صورتحال کے بعد تجارتی نمو متاثر ہوئی ہے اور اسی لیے حجم فروخت مسلسل زبرد باؤر ہا اور گاڑیوں کی صنعت میں مندی سے بھی متاثر ہوا۔ ان چیلنجز کے باوجود، انتظامیہ نے اس امر کو یقینی بنایا کہ فروخت کے زیادہ سے زیادہ مواقع پیدا کئے جاسکیں اور کمپنی نے سہ ماہی کے اختتام پر اپنا مارکیٹ شیئر 11.4 فیصد ریکارڈ کیا۔

کمپنی نے مقامی مصنوعات کی عدم دستیابی کی وجہ سے طلب کو پورا کرنے کے لئے بطور متبادل ذرائع فراہمی درآمدات پر بڑی حد تک انحصار کیا ہے اور اسی وجہ سے کمپنی پر ایمیز موٹر گیسولین (PMG) کے متعدد کارگوز ہر ماہ اوسطاً 30,000 میٹرک ٹن کے حساب سے درآمد کر رہی ہے۔ APL ملک کے دفاعی اداروں کو پٹرولیم مصنوعات فراہم کرنے والی مسلسل منتخب کردہ کمپنی ہے اور ملک بھر میں مختلف مقامات پر پٹرولیم مصنوعات کی بلا تعطل رسد کو کامیابی کے ساتھ مہر بوط کیا ہے۔

ریٹیل کی جانب، کمپنی شہری مراکز پر توجہ مرکوز کر رہی ہے تاکہ کمپنی کے برانڈ کو فروغ دیا جاسکے اور اس کی توسیع کی جاسکے جس کے نتیجے میں ریٹیل نیٹ ورک کی تدریجی ترقی ہوتی ہے اور صارفین کی طلب کو پورا کرنے کیلئے انتہائی اہم مقامات پر سرمایہ کاری کی جا رہی ہے۔ اسکے نتیجے میں 30 ستمبر 2019 کو ریٹیل آؤٹلٹس کی کل تعداد 672 تک پہنچ گئی ہے۔ انک اسمارٹ فیول کارڈ، جو کمپنی کا فلیگ شپ فلیٹ کارڈ پروگرام ہے، میں نمایاں اضافہ دیکھنے میں آیا ہے اور اختتام مدت پر، کل نیٹ ورک کا 21 فیصد کمپنی کی جانب سے پیش کردہ مختلف قسم کے فیول کارڈ استعمال کرنے کی سہولت سے لیس کر دیا گیا ہے۔

مستقبل کا نقطہ نظر:

آئل مارکیٹنگ کے شعبے میں انفراسٹرکچر کی ترقی مسابقتی برتری حاصل کرنے، ملکی آپریشنل عوامل کے ساتھ ہم آہنگ کرنے اور استحکام کو یقینی بنانے والے معیاری مصنوعات کی فوری فراہمی کیلئے انتہائی اہمیت کا حامل ہے۔ کمپنی ملک کے ترویجی

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

بورڈ آف ڈائریکٹرز 30 ستمبر 2019 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 57,651 ملین روپے کے مقابلے میں 59,208 ملین روپے کی خالص فروخت آمدنی ریکارڈ کی۔ جہاں خالص فروخت آمدنی میں اضافہ پیٹرولیم مصنوعات کی قیمتوں میں اضافے کے باعث ہوا، وہاں انویسٹری گینز (inventory gains) میں کمی کی وجہ سے منافع میں 18 فیصد کمی ہوئی۔ محدود معاشی سرگرمیوں، اسمگل شدہ مصنوعات کے ورود اور پاور پلانٹس کو فرنس آئل کے متبادل ایندھن کی دستیابی کے باعث حجم فروخت میں کمی واقع ہوئی۔ کمپنی نے اسٹاک کے انصرام، بروقت کاروباری فیصلہ سازی اور دستیاب مواقعوں کے انعقاد سے حجم فروخت میں کمی کو 12 فیصد تک محدود رکھا۔ نتیجتاً کمپنی نے 1,225 ملین روپے بعد از ٹیکس منافع کمایا جو گزشتہ سال اسی مدت کے مقابلے میں 21 فیصد کمی کی عکاسی کرتا ہے (ستمبر 2018: 1,548 ملین روپے)۔ اسے 12.31 روپے فی شیئر (ستمبر 2018: 15.55 روپے) کی آمدن کے مفہوم میں لیا جاسکتا ہے۔

آپریٹنگ کارکردگی:

زیر جائزہ مدت کے دوران، جغرافیائی و سیاسی منظر نامے میں غیر یقینی صورتحال نے تیل کی صنعت کو مختلف مراحل پر متاثر کیا۔ بین الاقوامی سطح پر تیل کی قیمتیں خطے میں بحران کے باعث مسلسل غیر مستحکم رہیں۔ علاوہ ازیں، سعودی تیل تنصیبات پر حملے سے سہ ماہی مدت کے آخری حصے میں قیمتوں میں اضافہ ہوا، جس کے نتیجے میں تیل کی پیداوار کو نقصان پہنچا اور اس طور رسد اور طلب کے فرق کی وجہ سے تیل کی قیمتوں پر اثر پڑا۔ تاہم، سعودی عرب کی جانب سے تیل کی پیداوار کی بحالی اور چین امریکہ تجارتی تنازعہ کی بناء پر قیمتوں میں کمی واقع ہوئی جسے OPEC ممالک کی جانب سے سپلائی میں کمی اور امریکہ کی جانب سے ایران اور وینزویلا پر پابندیوں کے باعث کچھ حد تک سہارا ملا۔

ایران پر پابندیوں کی وجہ سے تیل کی مصنوعات جیسے ہائی سپیڈ ڈیزل اور تارکول (Bitumen) کی ملک میں سہولتگ شروع

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019	June 30, 2019
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (June 30, 2019: 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, 2019: 99,532,800) ordinary shares of Rs 10 each	4	995,328	995,328
Special reserves		219,824	219,785
Unappropriated profit		17,942,567	17,711,622
		19,157,719	18,926,735
NON CURRENT LIABILITIES			
Long term deposits		727,538	716,283
Long-term lease liability		828,789	-
Deferred tax liability		57,052	76,710
		1,613,379	792,993
CURRENT LIABILITIES			
Trade and other payables	5	32,159,445	26,633,386
Unclaimed dividend		73,223	49,598
Provision for current income tax		43,277	-
		32,275,945	26,682,984
CONTINGENCIES AND COMMITMENTS			
	7		
		53,047,043	46,402,712

	Note	September 30, 2019 Rupees ('000)	June 30, 2019
NON CURRENT ASSETS			
Property, plant and equipment	8	10,007,173	8,348,942
Long term investments in associated companies	10	771,437	903,965
Long term prepayments		-	46,860
		10,778,610	9,299,767
CURRENT ASSETS			
Stores and spares		97,857	92,287
Stock in trade	11	15,071,218	12,865,862
Trade debts	12	17,012,621	16,838,255
Income tax refundable		-	23,692
Advances, deposits, prepayments and other receivables	13	3,714,160	3,471,893
Short term investments	14	2,098,610	890,788
Cash and bank balances	15	4,273,967	2,920,168
		42,268,433	37,102,945
		53,047,043	46,402,712

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, 2019

	Note	Three month period ended	
		September 30, 2019	September 30, 2018
		Rupees ('000)	
Sales		69,318,339	67,342,077
Sales tax and other government levies		(10,110,257)	(9,691,499)
NET SALES		59,208,082	57,650,578
Cost of products sold		(57,107,729)	(55,088,581)
GROSS PROFIT		2,100,353	2,561,997
Other income	16	293,234	229,165
Net impairment losses on financial assets		(73,783)	-
Operating expenses		(557,886)	(689,378)
OPERATING PROFIT		1,761,918	2,101,784
Finance income	17	516,108	316,679
Finance costs	17	(290,466)	(182,409)
Net finance income		225,642	134,270
Share of (loss) / profit of associated companies		(133,626)	1,608
Other charges	18	(99,378)	(113,132)
PROFIT BEFORE TAXATION		1,754,556	2,124,530
Provision for income tax	19	(529,342)	(577,000)
PROFIT FOR THE PERIOD		1,225,214	1,547,530
Earnings per share - Basic and diluted (Rupees)		12.31	15.55

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 AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)**

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Three month period ended	
	September 30, 2019	September 30, 2018
	Rupees ('000)	
PROFIT FOR THE PERIOD	1,225,214	1,547,530
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		
Items that will not be reclassified to profit or loss:		
Share of other comprehensive income / (loss) of associated companies - net of tax	1,098	(3,201)
	1,098	(3,201)
Items that may be subsequently reclassified to profit or loss:		
Fair value adjustment on available for sale investments	-	(1,047)
	-	(1,047)
Other comprehensive income / (loss) for the period	1,098	(4,248)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,226,312	1,543,282

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, 2019

	Share capital	Special reserves	Reserve for issue of bonus shares	Unappropriated profit	Fair value gain on available for sale investments	Total
Rupees ('000)						
BALANCE AS AT JUNE 30, 2018	829,440	249,542	-	17,338,188	492	18,417,662
Effect of changes in accounting policy due to adoption of IFRS 9	-	-	-	(379,616)	(492)	(380,108)
ADJUSTED BALANCE AS AT JULY 1, 2018	829,440	249,542	-	16,958,572	-	18,037,554
Total comprehensive income for the three month period ended September 30, 2018:						
Profit for the period	-	-	-	1,546,483	-	1,546,483
Other comprehensive income	-	-	-	(3,201)	-	(3,201)
Transfer from special reserves by associated companies	-	-	-	1,543,282	-	1,543,282
Transfer from reserve for issue of bonus shares	-	(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	-	(165,888)	(2,073,600)	-	(2,073,600)
BALANCE AS AT SEPTEMBER 30, 2018	995,328	237,115	-	16,274,793	-	17,507,236
Total comprehensive income for the nine month period ended June 30, 2019:						
Profit for the period	-	-	-	2,414,123	-	2,414,123
Other comprehensive income	-	-	-	704	-	704
Transfer from special reserves by associated companies	-	-	-	2,414,827	-	2,414,827
Transaction with owners:						
Interim cash dividend @ 100% relating to year ended June 30, 2019	-	(17,330)	-	17,330	-	-
Total transactions with owners	-	-	-	(995,328)	-	(995,328)
BALANCE AS AT JUNE 30, 2019	995,328	219,785	-	17,711,622	-	18,926,735
Total comprehensive income for the three month period ended September 30, 2019:						
Profit for the period	-	-	-	1,225,214	-	1,225,214
Other comprehensive income	-	-	-	1,098	-	1,098
Transfer to special reserves by associated companies	-	-	-	1,226,312	-	1,226,312
Transaction with owners:						
Final cash dividend @ 100% relating to the year ended June 30, 2019	-	39	-	(39)	-	-
Total transactions with owners	-	-	-	(995,328)	-	(995,328)
BALANCE AS AT SEPTEMBER 30, 2019	995,328	219,824	-	17,942,567	-	19,157,719

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, 2019

Three month period ended
September 30, 2019, September 30,
2018
Rupees ('000)

CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from customers	59,377,903	56,509,622
Payments for purchase of products and operating expenses	(55,025,615)	(52,018,471)
Other charges received	36,666	10,525
Long term deposits received	11,255	4,857
Income tax paid	(482,031)	(489,688)
Cash flow from operating activities	3,918,178	4,016,845

CASH FLOW FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(629,015)	(290,016)
Proceeds from sale of property, plant and equipment	11,584	4,267
(Purchase) of short term investments and other long term investments - net	(1,206,505)	-
Income received on bank deposits, short term and other long term investments	231,551	89,792
Cash flow from investing activities	(1,592,385)	(195,957)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(971,703)	(568,931)
Cash used in financing activities	(971,703)	(568,931)
Effect of exchange rate changes	(291)	576

INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS **1,353,799** 3,252,533

CASH AND CASH EQUIVALENTS AT JULY 1 **2,920,168** 4,198,160

CASH AND CASH EQUIVALENTS AT SEPTEMBER 30 **4,273,967** 7,450,693

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, 2019

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, 2019: 34.38%) shares of the Company.

2. STATEMENT OF COMPLIANCE

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

- International accounting standard (IAS) 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2019.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard also sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under the new standard, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions, will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

The Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019**

applying the standard recognized at the date of initial application with no restatement of comparative information. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 at the date of initial application. The Company also elected to use the recognition exemption for lease contracts that, at the date of initial application, have a lease term of 12 months or less (short-term leases) and do not contain a purchase option, and lease contracts for which the underlying asset is of low value (low-value leases).

The right-of-use assets were recognized based on the amount equal to lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2019 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

	September 30, 2019	June 30, 2019
	Rupees ('000)	
4. SHARE CAPITAL		
AUTHORISED CAPITAL		
150,000,000 ordinary shares of Rs 10 each (June 30, 2019: 150,000,000 ordinary shares of Rs 10 each)	1,500,000	1,500,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Shares issued for cash		
5,000,000 ordinary shares of Rs 10 each (June 30, 2019: 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, 2019: 94,532,800) ordinary shares of Rs 10 each	945,328	945,328
99,532,800 (June 30, 2019: 99,532,800) ordinary shares of Rs 10 each	995,328	995,328

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

September 30, June 30,
2019 2019
Rupees ('000)

5. TRADE AND OTHER PAYABLES

Creditors - note 5.2	3,852,041	3,473,839
Due to related parties (unsecured) - note 5.1	22,256,892	17,234,208
Accrued expenses and other liabilities - note 5.2	3,983,738	4,075,616
Short term lease liability	86,100	-
Advance from customers	1,333,294	1,270,791
Retention money	435,395	416,082
Income tax withheld	33,628	87,716
Sales tax payable	178,357	23,726
Payable to Joint Operator (as disclosed in note 9)	-	51,408
	32,159,445	26,633,386

5.1 Due to related parties

National Refinery Limited	6,039,865	4,544,063
Attock Refinery Limited	16,084,738	12,656,151
Pakistan Oilfields Limited	11,249	14,891
The Attock Oil Company Limited	1,320	2,782
Attock Sahara Foundation	525	525
Attock Leisure and Management Associates (Private) Limited	177	-
Workers' Profit Participation Fund	99,378	-
APL Gratuity Fund	17,037	15,796
APL Provident Fund	2,603	-
	22,256,892	17,234,208

5.2 These include Rs 696,916 thousand (June 30, 2019: Rs 339,450 thousand) being Company's share in current liabilities of joint operation. (as disclosed in note 9)

6. LETTER OF CREDIT & SHORT TERM RUNNING FINANCE FACILITIES

6.1 The Company has entered into an arrangement with banks for obtaining Letter of Credit facility to import petroleum products and spare parts and materials upto a maximum of Rs 10,700 million (June 30, 2019: Rs 10,700 million). The facility is secured against first pari passu charge of Rs 11,867 million (June 30, 2019: Rs 11,867 million) on all present and future current and fixed assets of the Company (excluding land and building). The unavailed facility at September 30, 2019 was Rs 6,582 million (June 30, 2019: Rs 7,450 million). The facility will expire on October 31, 2019.

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019**

6.2 The Company has enhanced its two running finance facilities aggregating to Rs 4,000 million (June 30, 2019: Rs 2,500 million). No amount has been utilized from aforementioned facilities as at September 30, 2019 (June 30, 2019: Rs Nil). These facilities carry mark-up at the rates ranging from three months kibar + 0.25% to one month Kibar + 0.5% (June 30, 2019: from three months kibar + 0.25% to one month Kibar + 0.5%) per annum. Mark up on facility is to be serviced on monthly and quarterly basis. The facilities are secured against first pari passu charge on all present and future current and fixed assets of the Company (excluding land and building) and lien of import documents.

September 30, 2019	June 30, 2019
Rupees ('000)	

7. CONTINGENCIES AND COMMITMENTS

(a) CONTINGENCIES

- | | | |
|---|------------------|-----------|
| (i) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs. | 488,817 | 1,057,104 |
| (ii) Guarantees issued by bank on behalf of the Company. | 1,518,856 | 1,529,956 |
- (iii) Oil & Gas Regulatory Authority (OGRA) issued order dated October 30, 2017 for recovery of freight charges and petroleum levy on supplies during years 2009 to 2011 to special freight area (Azad Jamu & Kashmir and Jaglot) amounting to Rs 434,902 thousand (2019: Rs 434,902 thousand). Being aggrieved, the Company filed application for review of the order of OGRA which was dismissed by OGRA vide its order dated April 22, 2018. Also refer note 13.1 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.

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019	June 30, 2019
	Rupees ('000)	
(v) The Company's share of contingencies of associated companies based on financial information of associated companies as at June 30, 2019 (June 30, 2019: March 31, 2019)	143,531	145,828
(b) COMMITMENTS		
(i) Capital expenditure commitments	2,911,344	2,993,932
(ii) Commitments for import of petroleum products against letter of credit facility	4,117,962	3,249,663
(iii) Commitments for rentals of assets under operating lease agreements	774,818	2,339,330
(iv) The Company's share of commitments of associated companies based on financial information of associated companies as at June 30, 2019 (June 30, 2019: March 31, 2019)		
- Capital expenditure commitments	33,245	35,806
- Outstanding letters of credit	11,965	329,002

	Three months to September 30, 2019	Year ended June 30, 2019
	Rupees ('000)	

8. PROPERTY, PLANT AND EQUIPMENT

Opening net book value	5,657,884	4,634,624
Additions	303,304	1,615,165
Disposals		
Cost	(19,149)	(18,502)
Depreciation	19,115	18,192
	(34)	(310)
Depreciation charge	(156,052)	(591,595)
Right-of-use asset - note 8.1	1,227,960	-
Depreciation	(42,658)	-
	1,185,302	-
Closing net book value - note 8.2	6,990,404	5,657,884
Capital work in progress	3,016,769	2,691,058
	10,007,173	8,348,942

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019**

- 8.1** The right-of-use assets comprise of land leased by the Company for its operations.
- 8.2** Included in operating assets are assets having cost of Rs 612,965 thousand (June 30, 2019: Rs 612,965 thousand) and accumulated depreciation of Rs 111,181 thousand (June 30, 2019: Rs 91,560 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.

10. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES

Movement during the period / year

Balance at beginning of the period / year
Share of (loss) of associated companies
Impairment (loss) related to investment in
National Refinery Limited

Share of other comprehensive income / (loss)
of associated companies
Dividend from associated companies
Balance at end of the period / year

**Three months to
September 30,
2019** Year ended
June 30,
2019
Rupees ('000)

903,965	1,137,657
(133,626)	(110,585)
-	(111,900)
(133,626)	(222,485)
1,098	(3,210)
-	(7,997)
771,437	903,965

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019		June 30, 2019	
	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	593,255	1	627,317
Attock Refinery Limited - Quoted	1.68	490,778	1.68	590,376
Attock Information Technology Services (Private) Limited - Unquoted	10	29,165	10	28,033
Carrying value on equity method		1,113,198		1,245,726
Less: Impairment loss				
National Refinery Limited		(205,894)		(205,894)
Attock Refinery Limited		(135,867)		(135,867)
		(341,761)		(341,761)
		771,437		903,965

11. STOCK IN TRADE

11.1 Stock in trade includes the Company's share of pipeline stock amounting to Rs 5,600,777 thousand (June 30, 2019: Rs 3,762,691 thousand) and Rs 746,027 thousand (June 30, 2019: Rs 1,780,126 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

11.2 It includes Rs 525,900 thousand (June 30, 2019: Rs 452,125 thousand) being Company's share in joint operation. (as disclosed in note 9)

12. TRADE DEBTS

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

	September 30, 2019	June 30, 2019
Attock Gen Limited	8,684,453	7,715,419
Pakistan Oilfields Limited	81,824	79,275
Attock Cement Pakistan Limited	27,468	47,078
Attock Refinery Limited	951	3,684
National Refinery Limited	1,144	245
	8,795,840	7,845,701

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019	June 30, 2019
	Rupees ('000)	
13. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to suppliers and employees	136,448	99,184
Trade deposits and short term prepayments	176,160	282,872
Current account balances with statutory authorities	26,560	545,831
Accrued income on bank deposits	15,235	39,727
Price differential claim receivable from the Government	28,528	28,528
Receivable from oil marketing companies under freight pool - note 13.1	922,085	537,615
Receivable from Joint Operator (as disclosed in note 9)	329,439	-
Due from related parties - unsecured		
Attock Gen Limited	2,728,319	2,475,628
Attock Information Technology Services (Private) Limited	1,286	2,084
Attock Cement Pakistan Limited	211	86
Workers' Profit Participation Fund	-	36,666
Less: loss allowance	(650,111)	(576,328)
	3,714,160	3,471,893

13.1 It includes Rs 205,713 thousand (June 30, 2019: Rs 205,713 thousand) withheld by Oil and Gas Regulatory Authority under order for recovery of freight charges and petroleum levy on supplies during years 2009 to 2011. For related contingency please refer note 7.a (iii).

	September 30, 2019	June 30, 2019
	Rupees ('000)	
14. SHORT TERM INVESTMENTS		
Held to maturity investment in treasury bills - at amortized cost - note 14.1	1,200,439	482,464
Investment in mutual funds - at fair value through profit or loss	898,171	112,483
Current portion of investment in PIBs	-	295,841
	2,098,610	890,788

14.1 Short term investments in treasury bills earned interest at effective rate of 13.46 % per annum (June 30, 2019: 9.01% per annum).

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019**

	September 30, 2019	June 30, 2019
	Rupees ('000)	
15. CASH AND BANK BALANCES		
Cash in hand	6,710	6,670
Bank balances		
On short term deposits	2,000,000	1,300,000
On interest / mark-up bearing saving accounts (includes US \$ 24 thousand; 2019: US \$ 24 thousand)	2,168,953	1,538,573
On current accounts (includes US \$ 153 thousand; 2019: US \$ 153 thousand)	98,304	74,925
	4,267,257	2,913,498
	4,273,967	2,920,168

15.1 Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 11.54% per annum (June 30, 2019: 8.38% per annum).

	Three month period ended September 30, 2019	September 30, 2018
	Rupees ('000)	
16. OTHER INCOME		
Commission and handling income	179,996	170,110
Exchange gain	54,210	-
Other income	59,028	59,055
	293,234	229,165
17. FINANCE INCOME AND COSTS		
Finance income		
Income on bank deposits, short term and other long term investments	257,360	138,936
Mark-up on delayed payments	258,748	177,743
	516,108	316,679
Finance cost		
Bank charges	16,146	12,785
Interest expense of leases	31,347	-
Late payment charges	242,973	169,624
	290,466	182,409
Net finance income	225,642	134,270

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019**

	Three month period ended	
	September 30, 2019	September 30, 2018
	Rupees ('000)	
18. OTHER CHARGES		
Workers' profit participation fund	99,378	113,132
	99,378	113,132
19. PROVISION FOR TAXATION		
Current income tax charge	549,000	586,000
Deferred income tax (credit)	(19,658)	(9,000)
	529,342	577,000

20. 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, 2019			June 30, 2019	
	(Level 1)	(Level 2)	(Level 3)		Total
	Rupees ('000)				
Short term investments:					
Investment at fair value through profit or loss	898,171	-	-	898,171	112,483
	898,171	-	-	898,171	112,483

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

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019

Three month period ended
September 30, 2019, September 30,
2018
Rupees ('000)

21. TRANSACTIONS WITH RELATED PARTIES

Associated companies

Purchase of petroleum products	48,900,740	29,878,104
Sale of petroleum products	1,593,859	3,789,954
Commission and handling income	179,996	170,110
Mark-up earned on delayed payments	252,691	176,409
Late payment charges	242,973	169,624
Administrative services expense	41,579	63,992
Dividend paid during the period to Associated companies	651,668	427,742

Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites	20,622	22,356
Contribution to staff retirement benefits plans		
APL Employees provident fund	4,301	3,807
APL Gratuity fund	3,700	3,230
Contribution to workers' profit participation fund	99,378	113,132

22. SEGMENT REPORTING

22.1 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 month period ended
September 30, 2019, September 30,
2018
Rupees ('000)

Product

High Speed Diesel	25,254,040	25,514,346
Premier Motor Gasoline	26,411,064	23,080,304
Furnace Fuel Oil	10,838,092	11,402,601
Bitumen	2,478,872	3,186,019
Jet Petroleum	2,601,670	2,220,255
Others	1,734,601	1,938,552
	69,318,339	67,342,077

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2019**

22.2 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, 2019.

23 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, 2019.

24 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However no significant reclassification have been made, except for following:

	Rupees ('000)
'Transportation expense' previously netted of from 'Sales' now shown as part of 'Cost of products sold' in the statement of profit or loss.	146,140
'Petroleum levy' previously shown under 'Cost of products sold' now shown as part of 'Sales tax and other government levies' in the statement of profit or loss.	187,101

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 15, 2019.



Rehmat Ullah Bardaie
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



Attock

Attock Petroleum Limited

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