

# Interim Report & Financial Statements

For the Nine Month Period Ended  
March 31, 2020



# Attock



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# COMPANY INFORMATION

<b>Directors</b>	<b>Mr. Laith G. Pharaon</b> Chairman (Alternate Director - Mr. Iqbal A. Khwaja) <b>Mr. Wael G. Pharaon</b> (Alternate Director - Mr. Rehmat Ullah Bardaie) <b>Mr. Abdus Sattar</b> <b>Mr. Babar Bashir Nawaz</b> <b>Lt Gen (Retd.) Javed Alam Khan</b> <b>Mr. Mohammad Raziuddin</b> <b>Mr. Shuaib A. Malik</b> Chief Executive
<b>Audit Committee</b>	<b>Mr. Mohammad Raziuddin</b> Chairman <b>Mr. Abdus Sattar</b> <b>Mr. Babar Bashir Nawaz</b> <b>Lt Gen (Retd.) Javed Alam Khan</b>
<b>Human Resource &amp; Remuneration Committee</b>	<b>Mr. Mohammad Raziuddin</b> Chairman <b>Mr. Shuaib A. Malik</b> <b>Mr. Iqbal A. Khwaja</b> (Alternate Director to Mr. Laith G. Pharaon)
<b>Company Secretary / CFO</b>	<b>Mr. Rehmat Ullah Bardaie</b>
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants
<b>Bankers</b>	<b>Allied Bank Limited</b> <b>Bank Alfalah Limited</b> <b>Habib Bank Limited</b> <b>MCB Bank Limited</b> <b>United Bank Limited</b>
<b>Share Registrar</b>	<b>CDC Share Registrar Services Limited</b> CDC House, 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi. UAN: +92-21-111-111-500 Fax: +92-21-34326034 Email: info@cdcsrsl.com Website: www.cdcsrsl.com
<b>Legal Advisor</b>	<b>Ali Sibtain Fazli &amp; Associates</b>
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# 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 financial and operational performance of the Company for the nine month period ended March 31, 2020.

### Financial Performance

During the period under review, the Company recorded net sales revenue of Rs. 166,318 million as compared to Rs. 164,448 million earned during same period last year. The average selling prices of petroleum products across the Country increased by 14%, however, net sales revenue remained at same level as the Company recorded a 10% decrease in sales volume against a 12% drop in overall industry sales volume. Gross profit decreased by 45% due to decrease in sales volume and inventory losses recorded during the period. The sales volume decreased due to reduced business activity, influx of smuggled products, slow industrial growth and high inflation which all resulted in weakened macroeconomic outlook coupled with outbreak of COVID-19 pandemic. Further, the implication of adoption of International Financial Reporting Standard 9 and 16 and share of loss of associates also impaired the profitability of the Company. Resultantly, the Company earned profit after tax of Rs. 870 million (March 2019: Rs. 2,388 million) translating into earnings per share of Rs. 8.75 (March 2019: Rs. 23.99).

### Operational Performance

During the period under review, the upheaval in international geopolitical landscape affected the oil industry in an unprecedented manner. The international oil prices remained on a downward trajectory and where factors such as attack on Saudi Oil Installations and ongoing Middle East crisis, OPEC led supply cuts and US Sanctions on Iran and Venezuela kept on supporting the prices, the price of crude oil dropped from US\$ 67/bbl as on July 01, 2019 to US\$ 24/bbl as at March 31, 2020. Various factors remained in motion which resulted in the decrease of oil prices during the period. Deteriorating US-China trade relations and price war between Saudi Arabia and Russia further triggered the decrease in oil prices, things took a turn for the worse towards the end of period when the global economies started to crash amid lockdown around the world due to COVID-19. This lockdown situation due to Novel Coronavirus has far reaching implications for the foreseeable future and considerable corrective measures are required to be taken periodically in order to minimize its impact.

The domestic socioeconomic scenario is no different. The economy of the Country has shown no immediate signs of improvement as the policymakers are following strict fiscal discipline in light of extended fund facility of International Monetary Fund (IMF) resulting in reduced spending on infrastructural development and stringent economic/tax policies. Consequently, businesses across the Country have recorded negative growth and are striving to maintain their revenues.

## DIRECTORS' REVIEW

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Effects of these factors have also penetrated into the oil marketing segment. Decreased demand due to reduced business activity coupled with influx of cheaper smuggled products such as High Speed Diesel and Bitumen and negative growth in large scale manufacturing are some of the challenges faced by the Oil Marketing Companies. Total industry volume of all petroleum products dropped by 12% due to these factors.

The lockdown due to COVID-19 resulted in mass-scale reduction in public movement, reduced industrial/business activity due to shutdown of factories and complete halt on public transport and interprovincial movement due to which sales of the petroleum products plummeted. Further, the reduction in global oil price led to decrease in oil prices within Pakistan and the GoP announced decrease in prices of petroleum products at the end of the period in a bid to facilitate the general public. The increased stock carried by the oil marketing companies as the sales were already low ensued huge losses on inventory. However, in spite of the challenges, APL managed to restrict the drop in sales volume to 10% and hence the market share of the Company increased slightly from 11.0% to 11.2%.

The management remained cautious of all the occurrences and thus the negative impact on the performance due to many uncontrollable factors was curbed to minimum by dedicated efforts of all the team members working under the unmatched professional guidance of the management driven by timely and intelligent decision making and efficient utilization of resources. Supplies of POL products to various locations of the defense institutions is being successfully carried out under the contracts awarded for the year. The Company is dedicated to serve its customers with quality products and premium services.

Attock Petroleum Limited has always strived to improve its retail network. Substantial capital investment has been made targeting urban centers and various state-of-the-art retail outlets have been established across major cities and numerous ongoing projects are at various stages of completion. Company Owned and Company Operated retail outlets are also increasing and considerable focus and investment is being made in this regard.

### Future Outlook

In fore view of the COVID-19 situation as mentioned above, the earnings in this period of reduced revenues shall remain under immense pressure as the Company continues to bear fixed cost. While various steps have been taken to minimize expenses and curtail costs, coming few months present a bleak outlook unless lockdown is eased out. The resumption of transport and public movement shall support the sales to some extent. However, sales to industrial consumers shall take time to reach previous levels as most of the businesses shall struggle to revive themselves. Despite the grim outlook, the management is committed to keep putting in effort for protecting shareholders' wealth and ultimately generating better returns when the overall economic scenario improves.

## DIRECTORS' REVIEW

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To increase the footprint of the Company across the Country, various Bulk Oil Terminals have been recently established or are under construction and considerable funds and other resources have been allocated for this purpose. The management believes that sustainable growth can be achieved by gaining competitive edge, aligning with operational dynamics of the Country and ensuring quick availability of quality products targeting all the available sales pockets. To fulfill this objective, strengthening of infrastructure is required also meeting the regulatory requirements.

A mega expansion project has been recently completed at Machike Bulk Oil Terminal while another project is ongoing to enhance the storage capacity. Construction work for establishment of Bulk Oil Terminal at Port Qasim (Karachi) has further progressed which shall prove to be a key installation for the Company to manage import cargoes at the port. Construction of Bulk Oil Terminals at Sahiwal and Daulatpur was completed during the period and both Terminals have started their operations successfully upon grant of licence by OGRA in December 2019 after testing and inspection.

Furthermore, design and planning phase has been executed for construction of Bulk Oil Terminals on lands acquired at Tarujabba (Peshawar), Gatti (Faisalabad) and D.I. Khan. However, construction work and further capital investment has been put on hold for the time being due to COVID-19 and the projects shall re-commence upon improvement of circumstances. Establishing a series of terminals at OGRA designated locations will not only add to the storage capacity of Attock Petroleum Limited but also enhance the overall storage capacity of Pakistan yielding long-term economic and strategic benefits.

### Acknowledgement

The Board would like to thank and appreciate its employees, customers and strategic partners for placing their confidence and trust in us to steer the Company in this time of distress. Their dedication, commitment and consistent contributions are acknowledged. 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

Rawalpindi.  
April 23, 2020

## ڈائریکٹرز کا جائزہ

مزید برآں، تاروجبہ (پشاور)، گٹی (فیصل آباد) اور ڈی آئی خان میں حاصل کردہ اراضی پر آنکس ٹرمینلز کی تعمیر کیلئے ڈیزائن اور منصوبہ بندی مراحل کو مکمل کر لیا گیا ہے۔ تاہم تعمیراتی کام اور اس ضمن میں مزید سرمایہ کاری کو COVID-19 کے پیش نظر روک لیا گیا ہے اور حالات کے بہتر ہوتے ہی کام دوبارہ شروع کیا جائے گا۔ اوگرا (OGRA) کی جانب سے مقرر کردہ مقامات پر ٹرمینلز کے قیام سے نہ صرف انک پٹرولیم لیٹڈ کی ذخیرہ صلاحیت میں اضافہ ہوگا بلکہ پاکستان کی مجموعی ذخیرہ کرنے کی گنجائش میں بھی اضافہ ہوگا جس سے طویل المدت معاشی اور تزویراتی فوائد حاصل ہوں گے۔

### اظہار تشکر:

بورڈ اس موقع پر اپنے ملازمین، صارفین اور تزویراتی شراکت داران کا اس کٹھن وقت میں کمپنی پر اعتماد اور بھروسہ کرنے کیلئے شکر گزار اور ممنون ہے اور ان کی لگن، عزم اور مسلسل معاونت کو سراہتا ہے۔ بورڈ حکومتی اتھارٹیز، سپلائرز اور رٹائر ہولڈرز کا بھی ان کے تعاون اور حمایت پر بے حد مشکور ہے۔

### مخائب بورڈ



عبدالستار

ڈائریکٹر



شعیب اے ملک

چیف ایگزیکٹو

راولپنڈی

۲۳ اپریل، ۲۰۲۰ء

انٹک پٹرولیم لمیٹڈ ہمیشہ سے اپنے ریٹیل نیٹ ورک کو بہتر بنانے کیلئے کوشاں ہے۔ شہری مراکز کو ہدف بنا کر مناسب سرمایہ کاری کی گئی ہے اور بڑے شہروں میں متعدد اسٹیٹ آف دی آرٹ ریٹیل آؤٹلیٹس بنائے گئے ہیں اور متعدد جاری منصوبہ جات تکمیل کے مختلف مراحل میں ہیں۔ کمپنی کی ملکیت اور کمپنی کے زیر انتظام ریٹیل آؤٹلیٹس (COCO sites) میں بھی اضافہ ہو رہا ہے اور اس بابت اہم ارتکاز اور سرمایہ کاری کی جارہی ہے۔

## مستقبل کا نقطہ نظر:

COVID-19 کی مذکورہ بالا صورتحال کے پیش نظر، کم آمدن کی مدت کے دوران کمائی شدید دباؤ میں رہے گی کیونکہ کمپنی مسلسل مقررہ لاگت (fixed cost) برداشت کر رہی ہے جبکہ اخراجات کو گھٹانے اور لاگت کو کم کرنے کیلئے متعدد اقدامات کئے گئے ہیں۔ جب تک لاک ڈاؤن میں نرمی نہیں کی جاتی، آنے والے چند ماہ ناسازگار حالات کی نشاندہی کر رہے ہیں۔ ٹرانسپورٹ اور عوامی نقل و حمل کی بحالی سے پٹرولیم مصنوعات کی فروخت میں کسی حد تک مدد ملے گی۔ تاہم، صنعتی صارفین کو پٹرولیم مصنوعات کی فروخت کو گزشتہ سطح تک پہنچنے میں وقت لگے گا کیونکہ زیادہ تر کاروبار اپنی بحالی کیلئے کاوشیں کریں گے۔ غیر سازگار حالات کے باوجود، انتظامیہ شیئر ہولڈرز کے سرمایہ کی حفاظت کیلئے کاوشیں جاری رکھنے کے لیے پرعزم ہے اور مجموعی معاشی منظر نامے میں بہتری آنے کے بعد بالآخر بہتر منافع کمایا جائے گا۔

کمپنی نے ملک بھر میں اپنی موجودگی میں اضافے کیلئے حال ہی میں متعدد بلک آئل ٹرمینلز قائم کئے ہیں اور بعض فی الحال زیر تعمیر ہیں اور اس مقصد کیلئے مناسب سرمایہ اور وسائل مختص کئے گئے ہیں۔ انتظامیہ اس امر پر یقین رکھتی ہے کہ پائیدار ترقی مسابقتی برتری، ملکی آپریشنل عوامل کے ساتھ ہم آہنگ کر کے اور معیاری مصنوعات کی فوری دستیابی کو یقینی بنائے جو فروخت کے تمام دستیاب حلقہ جات کو ہدف بنا کر حاصل کی جاسکتی ہے۔ اس مقصد کو پورا کرنے کیلئے ریگولیٹری شرائط کے مطابق انفراسٹرکچر مضبوط بنانا بھی ضروری ہے۔

حال ہی میں ماچھیکے بلک آئل ٹرمینل پر ایک بڑا توسیعی منصوبہ مکمل کیا گیا ہے جبکہ اسٹوریج میں اضافے کیلئے ایک اور منصوبہ جاری ہے۔ پورٹ قاسم (کراچی) پر بلک آئل ٹرمینل کے قیام کیلئے تعمیراتی کام مزید آگے بڑھا ہے جو بندرگاہ پر درآمدی سامان کو وصول کرنے کیلئے کمپنی کی ایک کلیدی تنصیب ثابت ہوگی۔ ساہیوال اور دولت پور آئل ٹرمینلز اسی مدت کے دوران مکمل ہوئے اور دونوں ٹرمینلز نے جانچ اور معائنے کے بعد اوگرا (OGRA) کی جانب سے دسمبر 2019 میں لائسنس کے اجراء کے بعد کامیابی کے ساتھ اپنے آپریشنز کا آغاز کر دیا ہے۔



لاک ڈاؤن کی موجودہ صورتحال قابل قیاس مستقبل کیلئے دور رس مضمرات کی حامل ہے اور اس کے اثرات کو کم کرنے کیلئے وقتاً فوقتاً اصلاحی اقدامات کرنے کی ضرورت ہے۔

ملکی سماجی و معاشی منظر نامہ بھی اس سے مختلف نہیں ہے۔ ملک کی معاشی صورتحال میں بہتری کے فوری اثرات دکھائی نہیں دے رہے کیونکہ پالیسی ساز بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے تحت فنڈ کی سہولت کے پیش نظر سخت مالی نظم و ضبط پر عمل پیرا ہیں جس کے نتیجے میں ترقیاتی منصوبوں پر کم اخراجات کئے جا رہے ہیں اور سخت معاشی / ٹیکس پالیسیاں نافذ ہیں جس کے باعث ملک بھر کے کاروبار میں شرح نمو منفی رہی اور کاروبار اپنی آمدنی کو برقرار رکھنے کیلئے جدوجہد کر رہے ہیں۔ ان عوامل کے اثرات آئل مارکیٹنگ کی صنعت پر بھی اثر انداز ہو رہے ہیں۔ آئل مارکیٹنگ کمپنیوں کو بعض چیلنجز کا سامنا ہے جن میں کاروباری سرگرمیوں میں کمی کی وجہ سے طلب میں کمی کے ساتھ سستی اسمگل شدہ مصنوعات جیسے ہائی اسپیڈ ڈیزل اور تارکول کی دستیابی اور بڑے پیمانے پر اشیاء تیار کرنے والے صنعتوں کی منفی نمو شامل ہے۔ ان عوامل کی وجہ سے پٹرولیم مصنوعات کے صنعتی حجم میں 12 فیصد کمی واقع ہوئی ہے۔

COVID-19 کی وجہ سے لاک ڈاؤن کے نتیجے میں لوگوں کی نقل و حرکت میں بڑے پیمانے پر کمی آئی ہے۔ فیکٹریوں کے بند ہونے سے صنعتی / کاروباری سرگرمیوں میں کمی واقع ہوئی اور پبلک ٹرانسپورٹ اور بین الصوبائی نقل و حرکت کی مکمل بندش کی وجہ سے پٹرولیم مصنوعات کی فروخت میں بڑے پیمانے پر کمی واقع ہوئی ہے۔ عالمی سطح پر تیل کی قیمت میں کمی کے نتیجے میں تیل کی قیمتوں میں کمی واقع ہوئی اور حکومت پاکستان نے مدت کے اختتام پر پٹرولیم مصنوعات کی قیمتوں میں عام لوگوں کی سہولت کیلئے کمی کا اعلان کیا۔ تاہم آئل مارکیٹنگ کمپنیوں کے پاس موجود اضافی اسٹاک کی وجہ سے بڑے پیمانے پر انوینٹری نقصانات ہوئے کیونکہ فروخت میں پہلے ہی کمی واقع ہو گئی تھی۔ ان چیلنجز کے باوجود، APL نے حجم فروخت میں کمی کو 10 فیصد تک محدود رکھا اور اس کی بدولت کمپنی کا مارکیٹ شیئر 11.0 فیصد سے تھوڑا سا بڑھ کر 11.2 فیصد ہو گیا۔

انتظامیہ جملہ واقعات میں بے حد محتاط رہی اور کارکردگی پر منفی اثر ڈالنے والے متعدد بے قابو عوامل کے اثرات کو انتہائی پیشہ ورانہ انتظامیہ کے تحت کام کرنے والی ٹیم ممبران کی جانب سے بروقت اور فراست سے بھرپور فیصلہ سازی اور موثر وسائل کے استعمال کے ذریعے کم سے کم کیا گیا۔ دفاعی اداروں کو پٹرولیم مصنوعات کی مختلف مقامات پر فراہمی کا میابی کے ساتھ پوری کی جا رہی ہے۔ کمپنی اپنے صارفین کو معیاری مصنوعات اور بہترین سروسز فراہم کرنے کیلئے سرگرم 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 31 مارچ 2020 کو ختم ہونے والی نو 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 خالص فروخت آمدنی گزشتہ سال اسی مدت کے دوران 164,448 ملین روپے کے مقابلے میں 166,318 ملین روپے ریکارڈ کی۔ ملک بھر میں پٹرولیم مصنوعات کی اوسط قیمت فروخت میں 14 فیصد اضافہ ہوا تاہم کمپنی کے حجم فروخت میں 10 فیصد کمی کے باعث خالص فروخت آمدنی تقریباً اسی سطح پر برقرار رہی جبکہ مجموعی طور پر صنعت کے حجم فروخت میں 12 فیصد کمی واقع ہوئی۔ حجم فروخت میں کمی اور انویسٹری نقصانات کی وجہ سے منافع میں 45 فیصد کمی ہوئی۔ کاروباری سرگرمیوں میں کمی، اسمگل شدہ مصنوعات کے ورود، سست رو صنعتی پیداوار اور افراط زر کی وجہ سے حجم فروخت میں کمی ہوئی اور تمام متذکرہ عوامل اور COVID-19 کی وباء پھوٹنے کے نتیجے میں معاشی ڈھانچہ کمزور ہوا۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات 9 اور 16 پر عمل کرنے اور منسلک کمپنیوں کے نقصانات کے حصے نے منافع کو منفی طور پر متاثر کیا۔ نتیجتاً، کمپنی نے ٹیکس کی ادائیگی کے بعد 870 ملین روپے منافع کمایا (مارچ 2019: 2,388 ملین روپے) جسے 8.75 روپے فی شیئر (مارچ 2019: 23.99 روپے) کی آمدن کے مفہوم میں لیا جاسکتا ہے۔

## آپریشنل کارکردگی:

زیرہ جائزہ عرصے کے دوران، جغرافیائی و سیاسی منظر نامے میں غیر یقینی صورتحال نے تیل کی صنعت کو غیر معمولی طور پر متاثر کیا۔ بین الاقوامی سطح پر تیل کی قیمتیں بتدریج کمی کا شکار رہیں اور جہاں بعض عوامل جیسے سعودی تیل تنصیبات پر حملہ اور مشرق وسطیٰ میں جاری بحران، OPEC، ممالک کی طرف سے پٹرولیم مصنوعات کی سپلائی میں کمی اور امریکہ کی طرف سے ایران اور ویتنام پر پابندیوں نے اس کو سہارا دیا، خام تیل کی قیمت 01 جولائی 2019 کو US\$67 فی بیرل سے کم ہو کر 31 مارچ 2020 کو US\$24 فی بیرل تک گر گئی۔ مختلف عوامل متحرک رہے جس کے نتیجے میں اس مدت کے دوران تیل کی قیمتوں میں کمی ہوئی۔ امریکہ اور چین کے درمیان ابتر تجارتی تعلقات اور سعودی عرب اور روس کے مابین مقابلہ نرخ، تیل کی قیمتوں میں کمی کا باعث بنا۔ عالمی معیشتیں پوری دنیا میں COVID-19 کی وجہ سے لاک ڈاؤن کے باعث گرنے شروع ہوئیں اور صورتحال مزید بدتر ہو گئی۔ کرونا وائرس کی وجہ سے

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT MARCH 31, 2020

	Note	March 31, 2020	June 30, 2019
		Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
150,000,000 (June 30, 2019: 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>			
99,532,800 (June 30, 2019: 99,532,800) ordinary shares of Rs 10 each	4	<b>995,328</b>	995,328
<b>Reserves</b>			
Special reserves		<b>219,855</b>	219,785
Unappropriated profit		<b>17,090,085</b>	17,711,622
		<b>18,305,268</b>	18,926,735
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		<b>772,655</b>	716,283
Lease liabilities		<b>3,900,605</b>	-
Deferred tax liability		<b>-</b>	76,710
		<b>4,673,260</b>	792,993
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	<b>24,423,047</b>	26,633,386
Current portion of Lease liabilities		<b>76,204</b>	-
Unclaimed dividend		<b>50,880</b>	49,598
		<b>24,550,131</b>	26,682,984
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<b>47,528,659</b>	46,402,712

	Note	March 31, 2020 Rupees ('000)	June 30, 2019
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	13,508,935	8,348,942
Long term investments in associated companies	10	724,591	903,965
Long term prepayments		-	46,860
Deferred tax asset		789,685	-
		15,023,211	9,299,767
<b>CURRENT ASSETS</b>			
Stores and spares		146,418	92,287
Stock in trade	11	11,786,610	12,865,862
Trade debts	12	15,551,234	16,838,255
Income tax refundable		124,418	23,692
Advances, deposits, prepayments and other receivables	13	3,719,581	3,471,893
Short term investments	14	968,412	890,788
Cash and bank balances	15	208,775	2,920,168
		32,505,448	37,102,945
		47,528,659	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 NINE MONTH PERIOD ENDED MARCH 31, 2020

	Note	Three month period ended		Nine month period ended	
		March 31, 2020	March 31, 2019	March 31 2020	March 31 2019
		Rupees ('000)		Rupees ('000)	
<b>Sales</b>		<b>58,508,295</b>	57,118,929	<b>194,639,144</b>	188,526,467
Sales tax and other government levies		<b>(8,446,412)</b>	(8,197,620)	<b>(28,321,529)</b>	(24,078,182)
<b>NET SALES</b>		<b>50,061,883</b>	48,921,309	<b>166,317,615</b>	164,448,285
Cost of products sold		<b>(50,406,433)</b>	(48,040,027)	<b>(163,634,861)</b>	(159,559,281)
<b>GROSS (LOSS) / PROFIT</b>		<b>(344,550)</b>	881,282	<b>2,682,754</b>	4,889,004
Other income	16	<b>121,980</b>	240,772	<b>691,475</b>	712,057
Net impairment losses on financial assets		<b>(71,479)</b>	-	<b>(196,737)</b>	-
Operating expenses		<b>(915,221)</b>	(796,199)	<b>(2,196,681)</b>	(2,440,950)
<b>OPERATING (LOSS) / PROFIT</b>		<b>(1,209,270)</b>	325,855	<b>980,811</b>	3,160,111
Finance income	17	<b>567,797</b>	398,698	<b>1,685,021</b>	1,084,734
Finance costs	17	<b>(408,683)</b>	(228,402)	<b>(1,130,767)</b>	(626,523)
Net finance income		<b>159,114</b>	170,296	<b>554,254</b>	458,211
Share of loss of associated companies		<b>(41,891)</b>	(75,606)	<b>(180,451)</b>	(62,341)
Other charges	18	<b>72,069</b>	(24,531)	<b>(105,348)</b>	(181,316)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<b>(1,019,978)</b>	396,014	<b>1,249,266</b>	3,374,665
Taxation	19	<b>309,733</b>	(111,531)	<b>(378,817)</b>	(987,000)
<b>(LOSS) / PROFIT FOR THE PERIOD</b>		<b>(710,245)</b>	284,483	<b>870,449</b>	2,387,665
Earnings per share - Basic and diluted (Rupees)		<b>(7.14)</b>	2.86	<b>8.75</b>	23.99

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 NINE MONTH PERIOD ENDED MARCH 31, 2020

	Three month period ended		Nine month period ended	
	March 31, 2020	March 31, 2019	March 31 2020	March 31 2019
	Rupees ('000)		Rupees ('000)	
<b>(LOSS) / PROFIT FOR THE PERIOD</b>	<b>(710,245)</b>	284,483	<b>870,449</b>	2,387,665
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Share of other comprehensive income of associated companies - net of tax	-	3,201	<b>1,076</b>	-
	-	3,201	<b>1,076</b>	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(710,245)</b>	287,684	<b>871,525</b>	2,387,665

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 NINE MONTH PERIOD ENDED MARCH 31, 2020

	Share capital	Special reserves	Reserve for issue of bonus Shares	Unappropriated profit	Fair value gain on available for sale investments	Total
	Rupees ('000)					
<b>BALANCE AS AT JUNE 30, 2018</b>	<b>829,440</b>	<b>249,542</b>	<b>-</b>	<b>17,338,188</b>	<b>492</b>	<b>18,417,662</b>
Effect of changes in accounting policy due to adoption of IFRS 9	-	-	-	(379,616)	(492)	(380,108)
<b>ADJUSTED BALANCE AS AT JULY 1, 2018</b>	<b>829,440</b>	<b>249,542</b>	<b>-</b>	<b>16,958,572</b>	<b>-</b>	<b>18,037,554</b>
Total comprehensive income for the nine month period ended March 31, 2019:						
Profit for the period	-	-	-	2,387,665	-	2,387,665
Other comprehensive income / (loss)	-	-	-	-	-	-
Total comprehensive income	-	-	-	2,387,665	-	2,387,665
Transfer from special reserves by associated companies	-	(29,757)	-	29,757	-	-
Transferred to reserve for issue of bonus shares	-	-	165,888	(165,888)	-	-
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)
Interim cash dividend @ 100% relating to year ended June 30, 2019	-	-	-	(995,328)	-	(995,328)
Total transactions with owners	165,888	-	(165,888)	(3,068,928)	-	(3,068,928)
<b>BALANCE AS AT MARCH 31, 2019</b>	<b>995,328</b>	<b>219,785</b>	<b>-</b>	<b>16,141,178</b>	<b>-</b>	<b>17,356,291</b>
Total comprehensive income for the three month period ended June 30, 2019:						
Profit for the period	-	-	-	1,572,941	-	1,572,941
Other comprehensive loss	-	-	-	(2,497)	-	(2,497)
Total comprehensive income	-	-	-	1,570,444	-	1,570,444
Transfer from special reserves by associated companies	-	-	-	-	-	-
<b>BALANCE AS AT JUNE 30, 2019</b>	<b>995,328</b>	<b>219,785</b>	<b>-</b>	<b>17,711,622</b>	<b>-</b>	<b>18,926,735</b>
Total comprehensive income for the nine month period ended March 31, 2020:						
Profit for the period	-	-	-	870,449	-	870,449
Other comprehensive income	-	-	-	1,076	-	1,076
Total comprehensive income	-	-	-	871,525	-	871,525
Transfer to special reserves by associated companies	-	70	-	(70)	-	-
Transaction with owners:						
Final cash dividend @ 100% relating to the year ended June 30, 2019	-	-	-	(995,328)	-	(995,328)
Interim cash dividend @ 50% relating to year ending June 30, 2020	-	-	-	(497,664)	-	(497,664)
Total transactions with owners	-	-	-	(1,492,992)	-	(1,492,992)
<b>BALANCE AS AT March 31, 2020</b>	<b>995,328</b>	<b>219,855</b>	<b>-</b>	<b>17,090,085</b>	<b>-</b>	<b>18,305,268</b>

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 NINE MONTH PERIOD ENDED MARCH 31, 2020

	<b>Nine month period ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	Rupees ('000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	168,578,453	165,131,178
Payments for purchase of products and operating expenses	(167,249,051)	(162,719,361)
Other charges received	36,666	10,525
Long term deposits received	56,372	35,734
Income tax paid	(1,345,938)	(1,678,434)
Cash flow from operating activities	76,502	779,642
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(1,660,899)	(1,719,680)
Proceeds from sale of property, plant and equipment	21,454	5,201
Sale of short term investments	-	1,315,082
Income received on bank deposits, short term and other long term investments	765,961	340,814
Dividend received from associated companies	-	7,997
Cash flow from investing activities	(873,484)	(50,586)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment towards lease liabilities	(424,004)	-
Dividends paid	(1,491,710)	(3,490,309)
Cash used in financing activities	(1,915,714)	(3,490,309)
Effect of exchange rate changes	1,303	3,374
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,711,393)</b>	<b>(2,757,879)</b>
<b>CASH AND CASH EQUIVALENTS AT JULY 1</b>	<b>2,920,168</b>	<b>4,198,160</b>
<b>CASH AND CASH EQUIVALENTS AT MARCH 31</b>	<b>208,775</b>	<b>1,440,281</b>

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



## **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 statements 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.

These condensed interim financial statements do 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**

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period.

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

The Company has voluntarily not availed this exemption and has continued to apply the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) model.

**Adoption of IFRS 16 “Leases”**

IFRS 16 “Leases” replaced IAS 17 “Leases”, the former lease accounting standard and became effective on July 1, 2019. Under the new lease standard assets leased by the Company are being recognized on the statement of financial position of the Company with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from July 1, 2019. Instead, new depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities.

In addition, leasing expenses are no longer presented as operating cash outflows in the statement of cash flows, but instead are included as part of the financing cash outflow. Interest expenses from the newly recognized lease liability are presented in the cash flow from operating activities. The Company has adopted IFRS 16 using the modified retrospective approach as of July 1, 2019 and that comparatives were not restated. The Company has performed a detailed impact assessment of IFRS 16 and the impact on its adoption was as follows:

**The change in accounting policy affected the following items in the balance sheet on July 1, 2019:**

	<b>As at June 30, 2019</b>	<b>IFRS 16 Adjustment Rupees (‘000)</b>	<b>As at July 1, 2019</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Leasehold land	1,052,735	(1,052,735)	-
Right of use assets	-	2,800,366	2,800,366
<b>CURRENT ASSETS</b>			
Long term prepayments	46,860	(44,745)	2,115
Advances, deposits, prepayments and other receivables	3,471,893	(199,401)	3,272,492
<b>NON CURRENT LIABILITIES</b>			
Lease liability	-	(1,521,317)	(1,521,317)
<b>CURRENT LIABILITIES</b>			
Lease liability	-	(40,913)	(40,913)
Trade and other payables			
Accrued expenses and other liabilities	(4,075,616)	58,745	(4,016,871)
	<u>495,872</u>	<u>-</u>	<u>495,872</u>

The Company, as a lessee, recognises a right of use asset and a lease liability on the lease commencement date.

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

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Upon initial recognition the right of use asset is measured as the amount equal to initially measured lease liability adjusted for lease prepayments, initial direct cost, lease incentives and the discounted estimated asset retirement obligation. Subsequently, the right of use asset is measured at cost net of any accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the shorter estimated useful lives of the right of use assets or the lease term.

The lease liability was measured upon initial recognition at the present value of the future lease and related fixed services payments over the lease term, discounted with the specific incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently lease liabilities are measured at amortised cost using the effective interest rate method.

Right-of-use assets and lease liabilities will be remeasured subsequently if one of the following events occurs:

- Change in lease price due to indexation or rate which has become effective in reporting period
- Modifications to the lease contract
- Reassessment of the lease term

Leases of non-core assets and not related to the main operating activities of the Company, which are short-term in nature (less than 12 months including extension options) and leases of low-value items are expensed in the profit or loss as incurred.

### **Transition**

The Company adopted IFRS 16 on the date the standard became effective, July 1, 2019. The Company adopted the standard using the modified retrospective approach.

The Company used the following practical expedients when adopting IFRS 16 on its effective date:

- IFRS 16 applied only to contracts that were previously assessed as leases in accordance with the previous IFRS standard (IAS 17 Leases);
- A single discount rate applied to a portfolio of leases with reasonably similar characteristics as permitted by IFRS 16;
- Initial direct cost was excluded from the measurement of the right-of-use asset as at July 1, 2019;
- The Company's onerous contract provision process used as the impairment assessment of right of use assets upon transition;

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

The weighted-average incremental rate applied to lease liabilities recognised on July 1, 2019 was 13.97 %

**SIGNIFICANT JUDGEMENTS UPON ADOPTION OF IFRS 16**

IFRS 16 requires the Company to assess the lease term as the non-cancelable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or lease contracts which are cancelable by the Company on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that these cancellable future lease periods should be included within the lease term in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts.

Lease liabilities and Right of use assets recognized are as follows:

	Rupees ('000)
<b>Lease liabilities</b>	
Operating lease commitments disclosed as at June 30, 2019	2,339,330
Accruals included in lease liability calculation	58,745
Total undiscounted lease payments which are reasonably certain	<u>2,398,075</u>
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(835,845)
Lease liability recognised as at July 1, 2019	<u><u>1,562,230</u></u>

**Lease liabilities presented as**

Current portion of lease liabilities	40,913
Non - Current lease liabilities	1,521,317
	<u><u>1,562,230</u></u>

**Right of use assets:**

Present value of lease liability	1,503,485
Lease hold land classified as right of use asset	1,052,735
Prepayments classified as right of use assets	244,146
Right of use assets recognised on statement of financial position as at July 1, 2019	<u><u>2,800,366</u></u>

**Right of use assets presented as:**

Land	2,503,777
Building	296,589
	<u><u>2,800,366</u></u>

**The Company's leasing activities and how these are accounted for**

The Company has leased lands for setting up Bulk Oil Terminals and retail outlets. The lease period for these lease range from 33 to 55 years. Previously these are recorded under property, plant and equipment as leasehold land. On adoption of IFRS 16, these have been reclassified to Right of use asset.

The Company has leased offices for administrative purposes which were previously recorded as operating lease under IAS 17. Considering the related agreement terms and the requirements of the IFRS 16 the Company has capitalised these as right to use asset with corresponding lease liabilities by discounting the lease rentals to be paid over the lease term from July 1, 2019 using the weighted average incremental borrowing rate.

The Company has leased land from dealers of retail outlets. The lease period for these leases ranges from 15 to 20 years.

Uptill June 30, 2019, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

**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.

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

	<b>March 31, 2020</b>	June 30, 2019
	Rupees ('000)	
<b>4. SHARE CAPITAL</b>		
AUTHORISED CAPITAL		
150,000,000 ordinary shares of Rs 10 each (June 30, 2019: 150,000,000 ordinary shares of Rs 10 each)	<b>1,500,000</b>	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)	<b>50,000</b>	50,000
Shares issued as fully paid bonus shares 94,532,800 (June 30, 2019: 94,532,800) ordinary shares of Rs 10 each	<b>945,328</b>	945,328
99,532,800 (June 30, 2019: 99,532,800) ordinary shares of Rs 10 each	<b>995,328</b>	995,328
<b>5. TRADE AND OTHER PAYABLES</b>		
Creditors - note 5.2	<b>2,729,885</b>	3,473,839
Due to related parties (unsecured) - note 5.1	<b>14,767,767</b>	17,234,208
Accrued expenses and other liabilities - note 5.3	<b>4,651,831</b>	4,075,616
Advance from customers	<b>1,593,413</b>	1,270,791
Retention money	<b>489,202</b>	416,082
Income tax withheld	<b>61,436</b>	87,716
Sales tax payable	<b>100,918</b>	23,726
Workers' welfare fund	<b>28,595</b>	-
Payable to Joint Operator - (as disclosed in note 9)	<b>-</b>	51,408
	<b>24,423,047</b>	26,633,386
<b>5.1 Due to related parties</b>		
National Refinery Limited	<b>1,136,838</b>	4,544,063
Attock Refinery Limited	<b>13,518,009</b>	12,656,151
Pakistan Oilfields Limited	<b>11,797</b>	14,891
The Attock Oil Company Limited	<b>3,940</b>	2,782
Attock Sahara Foundation	<b>604</b>	525
Attock Leisure and Management Associates (Private) Limited	<b>129</b>	-
Workers' profit participation fund	<b>76,753</b>	-
APL Gratuity Fund	<b>15,804</b>	15,796
APL Provident Fund	<b>3,893</b>	-
	<b>14,767,767</b>	17,234,208

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
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**5.2** These include Rs 252,075 thousand (June 30, 2019: Rs 320,842 thousand) being Company's share in creditors of joint operation. (as disclosed in note 9)

**5.3** These include Rs 66,554 thousand (June 30, 2019: Rs 18,608 thousand) being Company's share in accrued expenses and other liabilities of joint operation. (as disclosed in note 9)

**6. LETTER OF CREDIT AND 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 10,000 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 March 31, 2020 was Rs 7,904 million (June 30, 2019: Rs 7,450 million). The facility will expire on April 30, 2020.

**6.2** The Company has enhanced its two running finance facilities aggregating to Rs 6,800 million (June 30, 2019: Rs 2,500 million). No amount has been utilised from aforementioned facilities as at March 31, 2020 (June 30, 2019: Rs Nil). These facilities carry mark-up at the rates ranging from three months kibar + 0.25% to one month Kibar + 0.4% (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.

**March 31,**                      June 30,  
**2020**                      2019  
Rupees ('000)

**7. CONTINGENCIES AND COMMITMENTS**

**(a) CONTINGENCIES**

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

**4,681,708**                      1,057,104

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

**1,581,356**                      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 (June 30, 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

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
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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.

	<b>March 31, 2020</b>	June 30, 2019
	Rupees ('000)	
(v) The Company's share of contingencies of associated companies based on financial information of associated companies as at December 31, 2019 (June 30, 2019: March 31, 2019)	<b>142,273</b>	145,828
<b>(b) COMMITMENTS</b>		
(i) Capital expenditure commitments	<b>2,576,789</b>	2,993,932
(ii) Commitments for import of petroleum products against letter of credit facility	<b>2,095,568</b>	3,249,663
(iii) The Company's share of commitments of associated companies based on financial information of associated companies as at December 31, 2019 (June 30, 2019: March 31, 2019)		
- Capital expenditure commitments	<b>30,090</b>	35,806
- Outstanding letters of credit	<b>147,481</b>	329,002



**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

	<b>Nine months to March 31, 2020</b>	<b>Year ended June 30, 2019</b>
	Rupees ('000)	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening net book value	<b>4,605,148</b>	4,634,624
Additions	<b>2,080,947</b>	1,615,165
Disposals		
Cost	<b>(46,857)</b>	(18,502)
Depreciation	<b>44,014</b>	18,192
	<b>(2,843)</b>	(310)
Depreciation charge	<b>(488,671)</b>	(591,595)
	<b>6,194,581</b>	5,657,884
Impact of adoption of IFRS -16 - Right of use asset		
As at July 1, 2019		
Carrying amount	<b>2,970,750</b>	-
Accumulated depreciation	<b>(170,384)</b>	-
Net book value	<b>2,800,366</b>	-
Additions	<b>2,595,195</b>	-
Depreciation charge	<b>(352,217)</b>	-
	<b>5,043,344</b>	-
Closing net book value - note 8.2	<b>11,237,925</b>	5,657,884
Capital work in progress	<b>2,271,010</b>	2,691,058
	<b>13,508,935</b>	8,348,942

**8.1** The right-of-use assets comprise of lands and buildings 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 150,422 thousand (June 30, 2019: Rs 91,560 thousand) in respect of Company's share in Joint Operations as referred in note 9.

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

**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.

	<b>Nine months to March 31, 2020</b>	<b>Year ended June 30, 2019</b>
	Rupees ('000)	
<b>10. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES</b>		
<b>Movement during the period / year</b>		
Balance at beginning of the period / year	<b>903,965</b>	1,137,657
Share of (loss) of associated companies	<b>(180,451)</b>	(110,585)
Impairment (loss) related to investment in National Refinery Limited	<b>-</b>	(111,900)
	<b>(180,451)</b>	(222,485)
Share of other comprehensive income/(loss) of associated companies	<b>1,077</b>	(3,210)
Dividend from associated companies	<b>-</b>	(7,997)
Balance at end of the period / year	<b>724,591</b>	903,965

	<b>March 31, 2020</b>		<b>June 30, 2019</b>	
	Holding %	Amount Rs ('000)	Holding %	Amount Rs ('000)
<b>10.1 The Company's interest in associated companies is as follows:</b>				
National Refinery Limited - Quoted	1	<b>563,388</b>	1	627,317
Attock Refinery Limited - Quoted	1.68	<b>470,828</b>	1.68	590,376
Attock Information Technology Services (Private) Limited - Unquoted	10	<b>32,136</b>	10	28,033
Carrying value on equity method		<b>1,066,352</b>		1,245,726
Less: Impairment loss (note 10.2)				
National Refinery Limited		<b>(205,894)</b>		(205,894)
Attock Refinery Limited		<b>(135,867)</b>		(135,867)
		<b>(341,761)</b>		(341,761)
		<b>724,591</b>		903,965

**10.2** Impairment loss as at June 30, 2019 is based on a valuation analysis carried out as at June 30, 2019 by an external investment advisor engaged by the Company.

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

**11. STOCK IN TRADE**

**11.1** Stock in trade includes items costing Rs 11,501,245 thousand (June 30, 2019: Rs Nil) which have been valued at net realisable value amounting to Rs 10,840,455 thousand (June 30, 2019: Rs Nil) as a result of decline in the selling prices of certain petroleum products with effect from March 25, 2020.

**11.2** Stock in trade includes the Company's share of pipeline stock amounting to Rs 3,686,616 thousand (June 30, 2019: Rs 3,762,691 thousand) and Rs 879,882 thousand (June 30, 2019: Rs 1,780,126 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

**11.3** It includes Rs 560,135 thousand (June 30, 2019: Rs 452,125 thousand) being Company's share in joint operation. (as disclosed in note 9)

**12. TRADE DEBTS**

Considered good  
Secured

**March 31,  
2020**                      June 30,  
2019  
Rupees ('000)

**496,285**                      1,007,860

Unsecured

Due from related parties - note 12.1

Others - note 12.2

**9,678,086**                      7,845,701

**5,376,863**                      7,984,694

**15,054,949**                      15,830,395

Considered doubtful

Others

**137,392**                      119,551

**15,688,626**                      16,957,806

Less : loss allowance

**(137,392)**                      (119,551)

**15,551,234**                      16,838,255

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

Attock Gen Limited

Pakistan Oilfields Limited

Attock Cement Pakistan Limited

Attock Refinery Limited

National Refinery Limited

**9,509,897**                      7,715,419

**124,043**                      79,275

**42,778**                      47,078

**268**                      3,684

**1,100**                      245

**9,678,086**                      7,845,701

**12.2** It includes Rs 607,921 thousand (June 30, 2019: Rs 572,253 thousand) being Company's share in joint operation. (as disclosed in note 9)

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

	<b>March 31, 2020</b>	<b>June 30, 2019</b>
	Rupees ('000)	
<b>13. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances to suppliers and employees	<b>90,518</b>	99,184
Trade deposits and short term prepayments	<b>174,015</b>	282,872
Current account balances with statutory authorities in respect of :		
Advance to collector customs for import of petroleum product	-	519,271
Sales tax	<b>25,574</b>	25,574
Federal excise duty and petroleum levy	<b>986</b>	986
	<b>26,560</b>	545,831
Accrued income on bank deposits	<b>4,914</b>	39,727
Other receivables		
Price differential claim receivable from the Government	<b>28,528</b>	28,528
Receivable from oil marketing companies under freight pool - note 13.1	<b>774,739</b>	537,615
Receivable from joint operator (as disclosed in note 9)	<b>36,184</b>	-
Due from related parties - unsecured		
Attock Gen Limited	<b>3,338,176</b>	2,475,628
Attock Information Technology Services (Private) Limited	<b>936</b>	2,084
Attock Cement Pakistan Limited	<b>234</b>	86
Workers' Profit Participation Fund	-	36,666
	<b>4,178,797</b>	3,080,607
	<b>4,474,804</b>	4,048,221
Less: loss allowance	<b>(755,223)</b>	(576,328)
	<b>3,719,581</b>	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).

	<b>March 31, 2020</b>	<b>June 30, 2019</b>
	Rupees ('000)	
<b>14. SHORT TERM INVESTMENTS</b>		
Investment in treasury bills - at amortised cost - note 14.1	<b>908,877</b>	482,464
Investment in mutual funds - at fair value through profit or loss	<b>59,535</b>	112,483
Investment in PIBs - at amortised cost	-	295,841
	<b>968,412</b>	890,788

**14.1** Short term investments in treasury bills earned interest at effective rate of 13.38 % per annum (June 30, 2019: 9.01% per annum).

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

	<b>March 31, 2020</b>	<b>June 30, 2019</b>
	Rupees ('000)	
<b>15. CASH AND BANK BALANCES</b>		
Cash in hand	<b>6,850</b>	6,670
Bank balances		
On short term deposits	<b>-</b>	1,300,000
On interest / mark-up bearing saving accounts (includes US \$ 24 thousand; 2019: US \$ 24 thousand)	<b>76,052</b>	1,538,573
On current accounts (includes US \$ 153 thousand; 2019: US \$ 153 thousand)	<b>125,873</b>	74,925
	<b>201,925</b>	2,913,498
	<b>208,775</b>	2,920,168

**15.1** Balances in short term deposits and saving accounts earned interest/mark-up at weighted average rate of 12.62 % per annum (June 30, 2019: 8.38% per annum).

	<b>Three month period ended</b>		<b>Nine month period ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31 2020</b>	<b>March 31 2019</b>
	Rupees ('000)		Rupees ('000)	
<b>16. OTHER INCOME</b>				
Commission and handling income	<b>117,876</b>	183,191	<b>486,359</b>	547,724
Fair value adjustment on investments classified as fair value through profit or loss	<b>-</b>	-	<b>-</b>	492
Other income	<b>4,104</b>	57,581	<b>205,116</b>	163,841
	<b>121,980</b>	240,772	<b>691,475</b>	712,057
<b>17. FINANCE INCOME AND COSTS</b>				
<b>Finance income</b>				
Income on bank deposits and Short term investments	<b>256,229</b>	176,360	<b>808,771</b>	469,010
Late payment charges	<b>311,568</b>	222,338	<b>876,250</b>	615,724
	<b>567,797</b>	398,698	<b>1,685,021</b>	1,084,734
<b>Finance cost</b>				
Bank charges	<b>21,434</b>	13,518	<b>55,005</b>	41,510
Lease finance charges	<b>87,703</b>	-	<b>246,388</b>	-
Late payment charges	<b>299,546</b>	214,884	<b>829,374</b>	585,013
	<b>408,683</b>	228,402	<b>1,130,767</b>	626,523
Net finance income	<b>159,114</b>	170,296	<b>554,254</b>	458,211

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

	<u>Three month period ended</u>		<u>Nine month period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31</u>	<u>March 31</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Rupees ('000)		Rupees ('000)	
<b>18. OTHER CHARGES</b>				
Workers' profit participation fund	(52,508)	24,531	76,753	181,316
Workers' welfare fund	(19,561)	-	28,595	-
	(72,069)	24,531	105,348	181,316
<b>19. PROVISION FOR TAXATION</b>				
Current income tax charge	374,789	119,531	1,245,212	958,000
Deferred income tax (reversal)/charge	(684,522)	(8,000)	(866,395)	29,000
	(309,733)	111,531	378,817	987,000

**20. FAIR VALUE MEASUREMENT**

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2019. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2019.

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;

	<u>March 31, 2020</u>			<u>June 30,</u>
	<u>(Level 1)</u>	<u>Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
	Rupees ('000)			<u>2019</u>
Short term investments:				
Investment at fair value	59,535	-	-	112,483
through profit or loss	59,535	-	-	112,483

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

	Three month period ended		Nine month period ended	
	March 31, 2020	March 31, 2019	March 31 2020	March 31 2019
	Rupees ('000)		Rupees ('000)	
21. TRANSACTIONS WITH RELATED PARTIES				
Associated companies				
Purchase of petroleum products	25,114,767	43,213,422	90,860,817	100,745,336
Sale of petroleum products	1,395,266	1,363,559	4,104,090	7,172,263
Commission and handling income	117,876	183,191	486,359	547,724
Late payment charges earned - Attock Gen Limited	311,528	223,479	862,548	608,413
Late payment charges - Attock Refinery Limited	299,546	214,884	829,374	585,013
Administrative services expense	15,286	60,201	147,035	186,355
Dividend paid during the period to Associated companies	325,833	651,668	977,501	2,437,051
Dividend received during the period from Associated companies	-	-	-	7,997
Other related parties				
Remuneration of Chief Executive and key management personnel including benefits and perquisites	23,532	29,378	76,708	74,672
Security deposit and joining fee received from Chief Executive for establishing a retail outlet	-	-	1,200	-
Contribution to staff retirement benefits plans				
APL Employees provident fund	4,875	4,410	13,917	12,854
APL Gratuity fund	4,050	3,655	12,184	10,539
Contribution to workers' profit participation fund	(52,508)	24,531	76,753	181,316

**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020**

**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:

	<b>Three month period ended</b>		<b>Nine month period ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31 2020</b>	<b>March 31 2019</b>
	Rupees ('000)		Rupees ('000)	
<b>Product</b>				
High Speed Diesel	<b>20,035,043</b>	21,872,545	<b>71,996,766</b>	74,226,651
Premier Motor Gasoline	<b>24,377,298</b>	20,683,369	<b>77,240,593</b>	66,098,119
Furnace Fuel Oil	<b>7,065,787</b>	7,860,076	<b>24,216,187</b>	26,319,092
Bitumen	<b>2,052,518</b>	2,460,758	<b>7,095,437</b>	8,484,761
Jet petroleum	<b>3,052,791</b>	2,196,325	<b>8,330,365</b>	7,236,173
Others	<b>1,924,858</b>	2,045,856	<b>5,759,796</b>	6,161,671
	<b>58,508,295</b>	57,118,929	<b>194,639,144</b>	188,526,467

**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 nine month period ended March 31, 2020 (March 31, 2019: Nil).

**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. IMPACT OF COVID-19**

Management is assessing the developing situation arising out of COVID-19 pandemic which has resulted in significant decrease in demand of petroleum products which will negatively affect Company's financial position and profitability. The impact of this currently evolving situation shall be reflected in the financial statements for the year ending June 30, 2020.

**25. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on April 23, 2020.



**Rehmat Ullah Bardaie**  
Chief Financial Officer



**Shuaib A. Malik**  
Chief Executive



**Abdus Sattar**  
Director









**Attock**

**Attock Petroleum Limited**

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