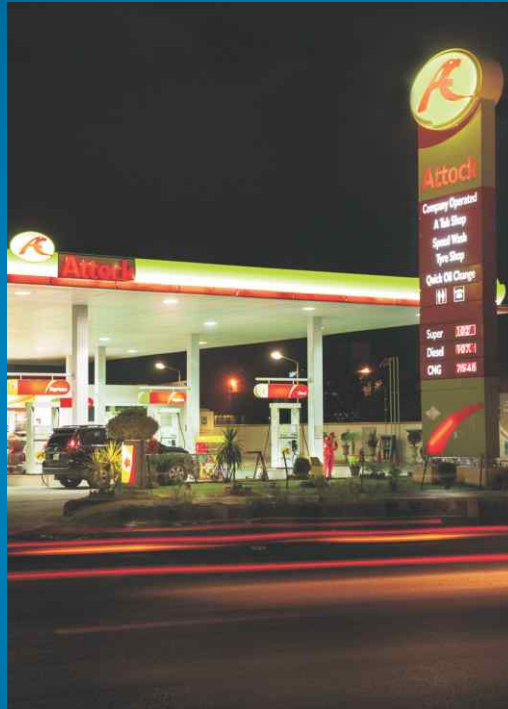




Attock



Attock Petroleum Limited

INTERIM REPORT & FINANCIAL STATEMENTS
For The First Quarter Ended September 30, 2013



CONTENTS

COMPANY INFORMATION	02
----------------------------	----

DIRECTORS' REVIEW	03
--------------------------	----

CONDENSED INTERIM FINANCIAL INFORMATION

Balance Sheet	04
---------------	----

Profit and Loss Account	06
-------------------------	----

Statement of Comprehensive Income	07
-----------------------------------	----

Cash Flow Statement	08
---------------------	----

Statement of Changes in Equity	09
--------------------------------	----

Notes to the Financial Information	10
------------------------------------	----

COMPANY INFORMATION

Directors	Dr. Ghaith R. Pharaon <i>(Alternate Director Mr. Shuaib A. Malik)</i> <i>Chairman</i>
	Mr. Laith G. Pharaon <i>(Alternate Director Mr. Iqbal A. Khwaja)</i>
	Mr. Wael G. Pharaon <i>(Alternate Director Mr. Rehmat Ullah Bardaie)</i>
	Mr. Abdus Sattar
	Mr. Babar Bashir Nawaz
	Mr. M. Adil Khattak
	Mr. Shuaib A. Malik <i>Chief Executive</i>
Audit Committee	Mr. Abdus Sattar <i>Chairman</i>
	Mr. Babar Bashir Nawaz
	Mr. Iqbal A. Khwaja <i>(Alternate Director to Mr. Laith G. Pharaon)</i>
Human Resource & Remuneration Committee	Mr. Babar Bashir Nawaz <i>Chairman</i>
	Mr. Shuaib A. Malik
	Mr. M. Adil Khattak
Company Secretary / CFO	Mr. Rehmat Ullah Bardaie
Auditors	A. F. Ferguson & Co. Chartered Accountants
Bankers	Habib Bank Limited National Bank of Pakistan United Bank Limited Allied Bank Limited
Share Registrar	THK Associates (Pvt.) Limited Ground Floor, State Life Building-3 Dr. Ziauddin Ahmed Road, Karachi Tel: +92-21-111-000-322 Fax: +92-21-35655595
Legal Advisor	Ali Sibtain Fazli & Associates
Registered Office	Attock House, Morgah, Rawalpindi Tel:+92-51-5127250-4 Email: contact@apl.com.pk Website: www.apl.com.pk



DIRECTORS' REVIEW

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

The Board of Directors of Attock Petroleum Limited takes pleasure in presenting a brief review on the performance of the Company together with the financial statements for the first quarter ended September 30, 2013.

During the period under review, the Company continued to display commitment towards growth and expansion. Sales revenue of the Company increased by 29% amounting to Rs. 47,313 million and recorded profit after tax of Rs. 1,341 million for the quarter ended September 30, 2013 (September 2012: Rs. 1,291 million). The results translate into earnings per share of Rs. 16.17 against Rs. 15.56 earned during the same period last year. The profitability increased mainly due to increase in sales volume.

Moreover, it is a great testament to the progressive vision of the Company that we are able to successfully penetrate and gain access to core areas of the petroleum marketing business and are recognized as supplier of high quality petroleum products. The market share of the Company increased by 11% as compared to the same period last year depicting the growth of the Company.

Demand trend for the fuel is showing high peaks and to cater the increasing needs of the consumers, APL was exploring new sourcing channels and has lately started importing petroleum products.

Your Company is thriving in a competitive environment while external factors played inimical role. Despite these odds, Company still managed to commission 07 new retail outlets through adopting proactive approach during the period, thereby, bringing the total number of operational retail outlets to 421 as on September 30, 2013.

The management is focusing on efficient controls and practicing the best principles of governance. Bold efforts are being made to scope out new and existing business growth opportunities. In this regard, Company acquired 15.7 acres of land at Mehmood kot for construction of a new Bulk oil Terminal to feed the retail outlets in the surrounding areas.

As part of strategy of providing diversified facilities under one roof to our customers, APL has entered into an agreement with a bank for installation of ATMs on majority of its retail outlets.

The settlement of the circular debt by the Government is highly appreciated but at the same time the inefficiencies in the system in the form of transmission and distribution losses and low recoveries of the billed amount are required to be removed rather than relying solely on the tariff increase. As the core issues have not been addressed the circular debt has started to accumulate once again.

The Board acknowledges the dedication and commitment of all staff members in the performance of their duties towards the achievement of the strategic goals and further expresses its gratitude and appreciation to the Government authorities, shareholders, customers, suppliers, contractors and other business associates for persistent reliance and continued support.

On behalf of the Board

SHUAIB A. MALIK
Chief Executive

Islamabad.
October 21, 2013.

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT SEPTEMBER 30, 2013

	September 30, 2013	June 30, 2013
Note	Rupees ('000)	
SHARE CAPITAL AND RESERVES		
Authorised capital		
150,000,000 (June 30, 2013: 150,000,000) ordinary shares of Rs 10 each	1,500,000	1,500,000
Issued, subscribed and paid up capital		
82,944,000 (June 30, 2013: 69,120,000) ordinary shares of Rs 10 each	829,440	691,200
Reserves		
Special reserves	96,481	85,584
Revenue reserve		
Unappropriated profit	11,347,773	13,266,673
	12,273,694	14,043,457
NON CURRENT LIABILITIES		
Long term deposits	277,360	265,871
Deferred income tax liability	186,000	197,000
	463,360	462,871
CURRENT LIABILITIES		
Trade and other payables	18,738,909	15,413,808
Dividend payable	3,110,400	-
Provision for income tax	321,750	177,383
	22,171,059	15,591,191
CONTINGENCIES AND COMMITMENTS		
	5	
	34,908,113	30,097,519



		September 30, 2013	June 30, 2013
	Note	Rupees ('000)	
NON CURRENT ASSETS			
Property, plant and equipment	6	1,887,009	1,862,742
Long term investments in associated companies	7	891,379	878,111
CURRENT ASSETS			
Stores and spares		27,835	27,565
Stock in trade	8	9,416,857	5,156,298
Trade debts	9	10,388,462	9,309,671
Advances, deposits, prepayments and other receivables	10	774,975	949,032
Short term investments		2,210,969	1,943,783
Cash and bank balances	11	9,310,627	9,970,317
		32,129,725	27,356,666
		34,908,113	30,097,519

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Note	Three months period ended	
		September 30, 2013	September 30 2012
		Rupees ('000)	
Sales		55,485,047	42,347,027
Sales tax		(8,171,841)	(5,774,680)
NET SALES		47,313,206	36,572,347
Cost of products sold		(45,365,060)	(34,785,794)
GROSS PROFIT		1,948,146	1,786,553
Other income	12	321,262	307,895
Operating expenses		(456,851)	(352,647)
OPERATING PROFIT		1,812,557	1,741,801
Finance Income	13	286,674	674,361
Finance costs	13	(24,158)	(379,128)
Net Finance income		262,516	295,233
Share of profit/(loss) of associated companies		13,268	(6,568)
Other charges	14	(142,407)	(139,796)
PROFIT BEFORE TAXATION		1,945,934	1,890,670
Provision for taxation	15	(605,000)	(600,000)
PROFIT FOR THE PERIOD		1,340,934	1,290,670
Earnings per share - Basic and diluted (Rupees)	18	16.17	15.56

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

Three months period ended

September 30, 2013	September 30 2012
-------------------------------	----------------------

Rupees ('000)

PROFIT FOR THE PERIOD

1,340,934

1,290,670

Actuarial loss on staff retirement benefit plan

(297)

-

TOTAL COMPREHENSIVE INCOME

1,340,637

1,290,670

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

Three months period ended

September 30, 2013	September 30 2012
Rupees ('000)	

CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from customers	48,713,259	32,039,161
Payments for purchase of products and operating expenses	(48,851,493)	(30,342,225)
Other charges received	20,908	46,940
Long term deposits received	11,489	7,644
Income tax paid	(471,633)	(441,230)
Cash flow from operating activities	(577,470)	1,310,290

CASH FLOW FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(87,966)	(99,996)
Proceeds from sale of property, plant and equipment	675	149
Short term investments	(224,722)	(459,660)
Income received on bank deposits and short term investments	228,126	207,286
Cash flow from investing activities	(83,887)	(352,221)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(182)	(605)
Cash used in financing activities	(182)	(605)
Effect of exchange rate changes	1,849	196

(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT JULY 1

CASH AND CASH EQUIVALENTS AT SEPTEMBER 30

(659,690)	957,660
9,970,317	6,813,730
9,310,627	7,771,390

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive



Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

	Share capital	Special reserve	Unappropriated profit	Total
	Rupees ('000)			
BALANCE AS AT JUNE 30, 2012	691,200	54,864	11,637,259	12,383,323
Total comprehensive income for the three months period ended September 30, 2012	-	-	1,290,670	1,290,670
Transfer from special reserves by associated companies	-	(104)	104	-
BALANCE AS AT SEPTEMBER 30, 2012	691,200	54,760	12,928,033	13,673,993
Total comprehensive income for the nine months period ended June 30, 2013	-	-	2,615,864	2,615,864
Transfer to special reserves by associated companies	-	30,824	(30,824)	-
Transaction with owners:				
Final dividend @ 325% relating to year ended June 30, 2012	-	-	(2,246,400)	(2,246,400)
Total transactions with owners	-	-	(2,246,400)	(2,246,400)
BALANCE AS AT JUNE 30, 2013	691,200	85,584	13,266,673	14,043,457
Total comprehensive income for the three months period ended September 30, 2013:				
Profit for the period ended September 30, 2013	-	-	1,340,934	1,340,934
Other comprehensive loss due to application of IAS-19 (revised) - (note 3.1)	-	-	(297)	(297)
Total comprehensive income	-	-	1,340,637	1,340,637
Transfer to special reserves by associated companies	-	10,897	(10,897)	-
Transaction with owners:				
Bonus shares @ 20% relating to the year ended June 30, 2013	138,240	-	(138,240)	-
Final cash dividend @ 450% relating to the year ended June 30, 2013	-	-	(3,110,400)	(3,110,400)
Total transactions with owners	138,240	-	(3,248,640)	(3,110,400)
BALANCE AS AT SEPTEMBER 30, 2013	829,440	96,481	11,347,773	12,273,694

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Director

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

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2013

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 was listed on Karachi Stock Exchange on March 7, 2005. 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, 2013: 34.38%) shares of the Company.

2. STATEMENT OF COMPLIANCE

The condensed interim financial information of the Company for the three months period ended September 30, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2013 except as noted below.

3.1 Initial application of standard, amendment or interpretation to an existing standard:

Change in accounting policy due to the application of IAS 19-Employee benefits (as revised by the IASB in 2011 and applicable for annual periods beginning on or after January 01, 2013).

Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 01, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses on employees' retirement benefit plans are recognised immediately in other comprehensive income. Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. In addition, past service cost and curtailments are recognized in the profit and loss statement, in the period in which a change takes place. The change in accounting policy has not been accounted for retrospectively due to immaterial impact.

Unrecognized actuarial losses at June 30, 2013 of Rs 297 thousand is accounted for in Other Comprehensive Income and unrecognized past service cost at June 30, 2013 of Rs. 5,796 thousand is accounted for in Profit and loss account for period ended September 30, 2013.



September 30,
2013

June 30,
2013

Rupees ('000)

4. TRADE AND OTHER PAYABLES

Creditors	1,988,135	8,385
Due to related parties (unsecured) - note 4.1	12,997,605	11,950,192
Accrued liabilities	2,040,243	1,680,454
Advance from customers	1,249,402	1,355,755
Retention money	65,314	59,283
Workers' welfare fund	381,144	342,491
Unclaimed dividend	17,066	17,248
	18,738,909	15,413,808

4.1 Due to related parties

National Refinery Limited	7,055,504	6,683,904
Attock Refinery Limited	5,825,596	5,256,796
Pakistan Oilfields Limited	9,724	9,492
Workers' profit participation fund	103,754	-
APL Gratuity fund	3,027	-
	12,997,605	11,950,192

5. CONTINGENCIES AND COMMITMENTS

(i) Tax contingency related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department. The Company has filed its response against the show cause notice and no further action has yet been taken by the department	699,972	699,972
(ii) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs	2,494,356	2,100,602
(iii) Guarantees issued by bank on behalf of the Company	76,554	77,054
(iv) Capital expenditure commitments	291,975	309,252
(v) Commitments for rentals of assets under operating lease agreements	1,535,220	1,556,478

**Three months to
September 30,
2013** Year ended
June 30,
2013

Rupees ('000)

6. PROPERTY, PLANT AND EQUIPMENT

Opening net book value	1,569,820	1,342,228
Additions	124,792	452,110
Disposals		
Cost	(2,841)	(2,980)
Depreciation	1,202	2,789
	(1,639)	(191)
Depreciation charge	63,699	224,327
Closing net book value	1,629,274	1,569,820
Capital work in progress	257,735	292,922
	1,887,009	1,862,742

7. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES

Movement during the period / year		
Balance at beginning of the period / year	878,111	856,037
Investment in associated companies	-	-
Share of profit of associated companies	22,354	66,155
Impairment loss of investment in National Refinery Limited	(9,086)	(19,914)
	13,268	46,241
Dividend from associated companies	-	(24,167)
Balance at end of the period / year	891,379	878,111

September 30, 2013

June 30, 2013

Holding %	Amount Rs ('000)	Holding %	Amount Rs ('000)
--------------	---------------------	--------------	---------------------

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

National Refinery Limited - Quoted	1	523,581	1	514,495
Attock Refinery Limited - Quoted	1.68	494,285	1.68	481,515
Attock Information Technology Services (Private) Limited - Unquoted	10	10,855	10	10,357
Carrying value on equity method		1,028,721		1,006,367
Less: Impairment loss - National Refinery Limited (note 7.2)		(137,342)		(128,256)
		891,379		878,111

7.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2013 by an external investment advisor engaged by the Company. The recoverable amount has been estimated on a value in use calculation.

**September 30,
2013**

 June 30,
2013

Rupees ('000)

11. CASH AND BANK BALANCES

Cash in hand	3,403	3,370
Bank balances		
On short term deposits	2,900,000	7,902,000
On interest/mark-up bearing saving accounts (includes US \$ 103 thousand; 2013: US \$ 103 thousand)	5,222,897	1,117,881
On current accounts (includes US \$ 177 thousand; 2013: US \$ 180 thousand)	1,184,327	947,066
	9,307,224	9,966,947
	9,310,627	9,970,317

11.1 Short term deposits of Rs 1,595,074 thousand (June 30, 2013: Rs 80,402 thousand) were under lien with banks against letters of guarantees and letters of credits.

Three months period ended
**September 30,
2013**

 September 30,
2012

Rupees ('000)

12. OTHER INCOME

Commission and handling income	306,864	293,850
Exchange gain	-	91
Other income	14,398	13,954
	321,262	307,895

13. FINANCE INCOME AND COSTS
Finance Income

Income on bank deposits and short term investments	270,155	263,750
Mark-up on late payments	16,519	410,611
	286,674	674,361

Finance cost

Bank charges	8,852	3,717
Late payment charges	15,306	375,411
	24,158	379,128
Net finance income	262,516	295,233



Three months period ended

September 30, 2013 September 30, 2012

Rupees ('000)

14. OTHER CHARGES

Workers' profit participation fund
Workers' welfare fund

103,754	101,852
38,653	37,944
142,407	139,796

15. PROVISION FOR TAXATION

Current taxation
Deferred taxation

616,000	603,000
(11,000)	(3,000)
605,000	600,000

16. TRANSACTIONS WITH RELATED PARTIES

Associated companies

Purchase of petroleum products
Sale of petroleum products
Commission and handling income
Mark-up earned on late payments
Late payment charges
Administrative services expense
Purchase of property, plant and equipment

36,156,018	28,540,953
4,999,429	5,088,200
306,864	293,850
15,926	409,988
15,307	375,411
35,959	41,783
1,500	-

Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites
Contribution to staff retirement benefits plans
 APL Employees provident fund
 APL Gratuity fund
Contribution to workers' profit participation fund

8,293	7,728
1,800	1,902
6,863	902
103,754	101,852

17. OPERATING SEGMENT

17.1 The financial information has been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company are as follows:

Three months period ended

September 30, 2013 September 30, 2012

Rupees ('000)

Product

High Speed Diesel
Furnace Fuel Oil
Premier Motor Gasoline
Bitumen
Others

24,452,067	19,140,090
18,408,075	13,818,899
8,921,411	5,512,313
1,956,095	2,437,647
1,747,399	1,438,078
55,485,047	42,347,027

17.2 Revenues of Rs 4,766,327 thousand (2012: Rs 4,846,630 thousand) were derived from a single customer.

18. EARNINGS PER SHARE

Basic earnings per share previously reported at Rs 18.67 in the financial statements for the three months period ended September 30, 2012 has been restated to Rs 15.56 for 13,824,000 bonus shares issued during the year ended June 30, 2013.

19. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on October 21, 2013.



Chief Executive



Director



w w w . a p l . c o m . p k



Attock

Attock Petroleum Limited

Attock House, Morgah, Rawalpindi - Pakistan

Tel: +92-51-5127250-4