

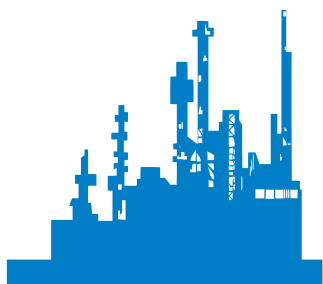
**Unaudited Accounts  
for the First Quarter ended  
September 30, 2013**

**Vision of today is  
Tomorrow's Achievement**



**National Refinery Limited**





# CONTENTS

- 02 Corporate Information
- 03 Directors' Review
- 04 Condensed Interim Balance Sheet
- 05 Condensed Interim Profit and Loss Account
- 06 Condensed Interim Statement of Comprehensive Income
- 07 Condensed Interim Cash Flow Statement
- 08 Condensed Interim Statement of Changes in Equity
- 09 Selected Notes to The Condensed Interim Financial Information

## CORPORATE INFORMATION

### Board of Directors

Dr. Ghaith R. Pharaon – Chairman  
Alternate Director: Abdus Sattar

Laith G. Pharaon  
Alternate Director: Jamil A. Khan

Wael G. Pharaon  
Alternate Director: Babar Bashir Nawaz

Shuaib A. Malik  
Musa Bojang  
Bahauddin Khan  
Tariq Iqbal Khan

### Chief Executive Officer

Shuaib A. Malik

### Chief Financial Officer

Anwar A. Shaikh

### Company Secretary

Nouman Ahmed Usmani

### Audit Committee

Tariq Iqbal Khan	Chairman
Abdus Sattar	Member
Alternate to Dr. Ghaith R. Pharaon	
Babar Bashir Nawaz	Member
Alternate to Wael G. Pharaon	
Bahauddin Khan	Member
Shaikh Ather Ahmed	Secretary

### Human Resource and Remuneration Committee

Musa Bojang	Chairman
Bahauddin Khan	Member
Babar Bashir Nawaz	Member
Alternate to Wael G. Pharaon	
Shuaib A. Malik	Member
Nouman Ahmed Usmani	Secretary

### Auditors

A. F. Ferguson & Co.  
Chartered Accountants

### Solicitors

Ali Sibtain Fazli & Associates

### Bankers

Habib Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Allied Bank Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
MCB Bank Limited  
Habib Metropolitan Bank Limited

### Registered Office

7-B, Korangi Industrial Area,  
P.O. Box 8228, Karachi-74900  
UAN No. 111-675-675  
Fax: +92(21) 35054663,  
+92(21) 35066705  
Website: [www.nrlpak.com](http://www.nrlpak.com)  
E-mail: [info@nrlpak.com](mailto:info@nrlpak.com)

### Share Registrar

THK Associates (Pvt.) Ltd.,  
Ground Floor,  
State Life Building-3,  
Dr. Ziauddin Ahmed Road, Karachi-75530  
P.O. Box. No. 8533  
Contact No.+92(21) 111-000-322  
Fax: +92(21) 35655595  
Email: [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk)  
Website: [www.thk.com.pk](http://www.thk.com.pk)

## DIRECTORS' REVIEW



Assalam-u-Alaikum!

On behalf of the Board of Directors I am pleased to present a brief review of the un-audited financial statements of your Company for the quarter ended September 30, 2013.

Your Company earned profit after tax of Rs. 202 million during the period under review compared to Rs. 802 million of the corresponding period last year. Earnings per share were Rs. 2.52 as compared to Rs. 10.03 in the corresponding period. Company's profitability declined due to Pak-Rupee which depreciated by 6.6% to US \$, touching Rs. 105.5/US \$ at quarter-end, resulting in an unprecedented net exchange loss of Rs. 1,172 million as compared to Rs. 146 million in the corresponding period.

Fuel Segment faced loss during the quarter amounting to Rs. 753 million as compared to profit after tax of Rs. 364 million of corresponding period. Prices of crude oil increased, but unsymmetrical increase in product prices and escalating exchange rate resulted in reduced profits. Further, profitability was also affected by Rs. 80 million on account of Price Differential on HSD. During the quarter, export sales of Naphtha increased to 68,723 M. Tons as compared to 43,415 M. Tons in the corresponding period. Refinery operated at 95% of the designed capacity as compared to 81% in the corresponding period.

Lube Segment earned profit after tax of Rs. 955 million as compared to Rs. 438 million in the corresponding period. Selling prices of lube products increased, whereas feedstock cost decreased, resulting in positive margins. Your Company managed to export Lube Base Oils of 15,016 M. Tons compared to 6,573 M. Tons in the corresponding period. Sale of Asphalt remained low resulting in increased stocks as compared to year-end. However, negotiations are in progress with some of the major buyers who are likely to undertake road infrastructure projects in the country.

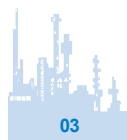
Despite the adverse effect on the profitability, rupee devaluation and security challenges, your Company is trying its best to complete the HSD desulphurization and isomerization projects within the timeframe given by GoP.

The Board would like to extend its gratitude to all the stake holders for their support and confidence in National Refinery Limited.

On behalf of the Board

Shuaib A. Malik  
Deputy Chairman /  
Chief Executive Officer

Islamabad  
October 21, 2013



# CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2013

		Unaudited September 30, 2013	Audited (Restated) June 30, 2013
	Note		
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	4,476,070	4,362,936
Deferred taxation		45,587	-
Long term investment	6	-	-
Long term loans		51,858	52,242
Long term deposits		30,189	30,189
		<u>4,603,704</u>	<u>4,445,367</u>
<b>CURRENT ASSETS</b>			
Stores, spares and chemicals	7	816,383	788,078
Stock-in-trade		29,614,640	22,563,754
Trade debts		10,937,332	10,976,992
Loans and advances		158,651	36,276
Trade deposits and short-term prepayments		220,409	8,221
Interest accrued		38,739	86,120
Other receivables		284,759	274,711
Financial asset - held to maturity investments		747,119	492,524
Cash and bank balances		12,075,105	16,004,875
		<u>54,893,137</u>	<u>51,231,551</u>
<b>TOTAL ASSETS</b>		<u><b>59,496,841</b></u>	<u><b>55,676,918</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		799,666	799,666
Reserves	8	<u>24,977,929</u>	<u>25,994,038</u>
		<u>25,777,595</u>	<u>26,793,704</u>
<b>LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
Retirement benefit obligations		454,876	396,008
Deferred taxation		-	47,319
		<u>454,876</u>	<u>443,327</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	31,397,642	26,546,460
Provisions		411,401	411,401
Taxation - provision less payments		1,455,327	1,482,026
		<u>33,264,370</u>	<u>28,439,887</u>
		<u>33,719,246</u>	<u>28,883,214</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>59,496,841</b></u>	<u><b>55,676,918</b></u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	Note	September 30, 2013 (Rupees in thousand)	September 30, 2012
Gross sales	11	63,459,398	53,418,542
Trade discounts, taxes, duties and levies and price differential	12	<u>(10,536,672)</u>	<u>(9,382,858)</u>
Net sales		52,922,726	44,035,684
Cost of sales		<u>(51,365,670)</u>	<u>(42,435,814)</u>
Gross profit		1,557,056	1,599,870
Distribution and marketing expenses		(273,498)	(278,514)
Administrative expenses		(108,407)	(116,969)
Other income	13	456,778	313,001
Other operating expenses		<u>(36,417)</u>	<u>(95,923)</u>
Operating profit		1,595,512	1,421,465
Finance cost	14	<u>(1,174,018)</u>	<u>(148,509)</u>
Profit before taxation		421,494	1,272,956
Taxation	15	<u>(219,716)</u>	<u>(470,564)</u>
Profit after taxation		<u>201,778</u>	<u>802,392</u>
(Rupees)			
Earnings per share - basic and diluted		<u>2.52</u>	<u>10.03</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

## FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	September 30, 2013	(Restated) September 30, 2012
	(Rupees in thousand)	
<b>Profit after taxation</b>	<b>201,778</b>	802,392
<b>Other comprehensive income</b>		
Recognition of actuarial loss	(26,237)	(50,638)
Deferred tax thereon	7,848	15,082
	(18,389)	(35,556)
<b>Total comprehensive income</b>	<b>183,389</b>	766,836

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.



Chief Executive



Director





# CONDENSED INTERIM CASH FLOW STATEMENT

## FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	Note	September 30, 2013	September 30, 2012
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	16	(3,440,334)	527,743
Income tax paid		(331,473)	(267,501)
Decrease in long term loans		384	578
Post retirement medical benefits paid		-	(5,926)
Net cash flow (used in) / from operating activities		(3,771,423)	254,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(193,491)	(192,103)
Proceeds from disposal of property, plant and equipment		2,518	-
Return on treasury bills received		10,475	87,529
Return received on balances with bank accounts		268,055	240,226
Net cash flow from investing activities		87,557	135,652
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(554)	(1,117)
Net (decrease) / increase in cash and cash equivalents		(3,684,420)	389,429
Cash and cash equivalents at beginning of the period		16,494,400	13,278,525
Cash and cash equivalents at end of the period	17	12,809,980	13,667,954

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

## FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	SHARE CAPITAL Issued, subscribed and paid-up	CAPITAL RESERVES Capital compensation reserve	Exchange equalisation reserve	REVENUE RESERVES General reserve	Unappropriated profit	Special reserve (note 8.1)	Total
	(Rupees in thousand)						
Balance as at July 1, 2012 - as previously stated	799,666	10,142	4,117	17,888,000	2,772,726	3,751,744	25,226,395
Effect of change in accounting policy with respect to accounting for recognition of net actuarial gains on defined benefit plan - net of tax (note 3)	-	-	-	-	42,711	21,356	64,067
Balance as at July 1, 2012 - restated	799,666	10,142	4,117	17,888,000	2,815,437	3,773,100	25,290,462
Transfer to general reserve	-	-	-	1,573,000	(1,573,000)	-	-
Profit for three months ended September 30, 2012	-	-	-	-	802,392	-	802,392
Other comprehensive income	-	-	-	-	(35,556)	-	(35,556)
Total Comprehensive income for the three months ended September 30, 2012	-	-	-	-	766,836	-	766,836
Balance as at September 30, 2012	799,666	10,142	4,117	19,461,000	2,009,273	3,773,100	26,057,298
Final dividend for the year ended June 30, 2012 - Rs. 15 per share	-	-	-	-	(1,199,498)	-	(1,199,498)
Profit for nine months ended June 30, 2013	-	-	-	-	2,042,065	-	2,042,065
Other comprehensive income	-	-	-	-	(106,161)	-	(106,161)
Total Comprehensive income for the nine months ended June 30, 2013	-	-	-	-	1,935,904	-	1,935,904
Balance as at June 30, 2013	799,666	10,142	4,117	19,461,000	2,745,679	3,773,100	26,793,704
Balance as at July 1, 2013 - as previously stated	799,666	10,142	4,117	19,461,000	2,844,685	3,751,744	26,871,354
Effect of change in accounting policy with respect to accounting for recognition of net actuarial losses on defined benefit plan - net of tax (note 3)	-	-	-	-	(99,006)	21,356	(77,650)
Balance as at July 1, 2013 - restated	799,666	10,142	4,117	19,461,000	2,745,679	3,773,100	26,793,704
Final dividend for the year ended June 30, 2013 - Rs. 15 per share	-	-	-	-	(1,199,498)	-	(1,199,498)
Transfer to general reserve	-	-	-	1,600,000	(1,600,000)	-	-
Profit for the three months ended September 30, 2013	-	-	-	-	201,778	-	201,778
Other comprehensive income	-	-	-	-	(18,389)	-	(18,389)
Total Comprehensive income for the three months ended September 30, 2013	-	-	-	-	183,389	-	183,389
Balance as at September 30, 2013	799,666	10,142	4,117	21,061,000	129,570	3,773,100	25,777,595

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

### 1. LEGAL STATUS AND OPERATIONS

National Refinery Limited was incorporated in Pakistan on August 19, 1963 as a public limited company and its shares are listed on the Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. The registered office of the Company is situated at 7-B, Korangi Industrial Area, Karachi, Pakistan.

The Company is engaged in the manufacturing, production and sale of large range of petroleum products. The refinery complex of the Company comprises of three refineries, consisting of two lube refineries, commissioned in 1966 and 1985, and a fuel refinery added to the complex in 1977.

### 2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the quarter ended September 30, 2013 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 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. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges.

2.2 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, 2013.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2013, except as described below:

IAS 19 (revised) - 'Employee Benefits' effective for annual periods beginning on or after January 01, 2013 amends the accounting for employee benefits. The standard requires immediate recognition of past service cost and also replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year.

Further, a new term "remeasurements" has been introduced. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The standard requires "remeasurements" to be recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

Following the application of IAS 19 (Amendment) - 'Employee Benefits', the Company's policy for Retirement Benefit Obligations in respect of measurements stands amended as follows:

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

- The amount arising as a result of remeasurements are recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.
- The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The Company's condensed interim financial information is affected by the 'remeasurements' relating to prior years. The effects have been summarised below:

	June 30, 2013	June 30, 2012
	(Rupees in thousand)	
<b>Impact on Balance Sheet</b>		
Increase / (decrease) in retirement benefit obligations	110,619	(91,932)
(Decrease) / increase in deferred tax liability	(32,969)	27,865
Transfer from unappropriated profit to special reserve for the year ended June 30, 2012	21,356	21,356
Decrease / (increase) in unappropriated profit	<u>99,006</u>	<u>(42,711)</u>
Decrease / (increase) in unappropriated profit		
- Cumulative effect from prior years	-	(64,067)
- Impact for the year ended June 30, 2013	141,717	-
		<b>September 30, 2012</b>
		(Rupees in thousand)
<b>Impact on Statement of Comprehensive Income</b>		
Other comprehensive income		
Increase in actuarial losses - net		50,638
Decrease in deferred taxation		(15,082)
Decrease in total comprehensive income		<u>35,556</u>

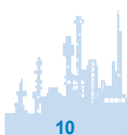
There was no cash flow impact as a result of the change in accounting policy.

#### 4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

However, management believes that the change in outcome of judgments, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information.

- 4.2 Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2013.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	September 30, 2013	September 30, 2012
<b>5. FIXED ASSETS</b>	(Rupees in thousand)	
Additions made to property, plant and equipment during the period:		
Buildings on leasehold land	4,033	268
Oil terminal	-	1,507
Processing plant and storage tanks	1,654	3,168
Pipelines	2,587	2,252
Water power and other utilities	-	10,668
Furniture and fixtures	144	81
Computers and other related accessories	942	364
Office and other equipments	5,186	6,750
	<u>14,546</u>	<u>25,058</u>

During the quarter, vehicles costing Rs. 4.32 million (2012: Nil) were disposed off having Nil written down value.

### 5.1 Capital work-in-progress

	Refineries up- gradation projects	Other projects	Advances to contractors / suppliers	Total
	(Rupees in thousand)			
Opening balance as at July 1, 2013	1,096,437	67,813	68,704	1,232,954
Additions	165,217	19,759	8,743	193,719
Transfers	-	(11,489)	-	(11,489)
Closing balance as at September 30 2013	<u>1,261,654</u>	<u>76,083</u>	<u>77,447</u>	<u>1,415,184</u>
Opening balance as at July 1, 2012	451,158	101,866	39,528	592,552
Additions	645,279	272,702	29,176	947,157
Transfers	-	(306,755)	-	(306,755)
Closing balance as at June 30, 2013	<u>1,096,437</u>	<u>67,813</u>	<u>68,704</u>	<u>1,232,954</u>
	September 30, 2013			June 30, 2013
	(Rupees in thousand)			

### 6. LONG TERM INVESTMENT

Available for sale		
Anoud Power Generation Limited 1,080,000 (June 30, 2013: 1,080,000) Ordinary shares of Rs.10 each, Equity held 9.09 percent as at September 30, 2013 and June 30, 2013	10,800	10,800
Less: Provision for impairment	<u>(10,800)</u>	<u>(10,800)</u>
	<u>-</u>	<u>-</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

#### 7. STOCK-IN-TRADE

As at September 30, 2013 stock of raw material has been written down by Rs. 162.61 million (June 30, 2013: Nil) and finished goods by Rs. 218.85 million (June 30, 2013: Rs. 32.36 million) to arrive at its net realisable value.

#### 8. RESERVES

##### Capital reserves

##### Revenue reserves

General reserve

Unappropriated profit

##### Special reserve - note 8.1

September 30,  
2013 (Restated)  
June 30,  
2013

(Rupees in thousand)

14,259 14,259

21,061,000 19,461,000

129,570 2,745,679

21,190,570 22,206,679

3,773,100 3,773,100

24,977,929 25,994,038

- 8.1 As per the Import Parity Pricing formula, effective July 1, 2002, certain refineries including the company have been directed to transfer from their net profit after tax for the year from fuel refinery operations, an amount in excess of 50% of the paid-up share capital, as on July 1, 2002 attributable to fuel segment, to offset against any future losses or to make investment for expansion or up-gradation and is therefore not available for distribution.

Recently, Government of Pakistan issued a policy framework for refineries, the summary of which is as under:

- Refineries will not be allowed to offset losses, if any for the year ending June 30, 2013 and onwards.
- Refineries to open Escrow account for the amount accumulated in the Special Reserve.

Adjustment in special reserve is made on annual basis.

The Company has incurred capital expenditure of Rs. 1,261.65 million (June 30, 2013: Rs. 1,096.44 million) on up-gradation and expansion projects. It includes Rs. 1,077.78 million (June 30, 2013: Rs. 912.56 million) for the up-gradation and expansion of fuel refinery operations.

September 30,  
2013 June 30,  
2013

(Rupees in thousand)

#### 9. TRADE AND OTHER PAYABLES

Trade creditors

Due to Government of Pakistan

Due to related party - Attock Petroleum Limited

Accrued liabilities

Surplus price differential payable

Sales tax payable

Advances from customers

Workers' profits participation fund

Workers' welfare fund

Unclaimed dividend

Excise duty and petroleum levy

Others liabilities

24,004,855 20,986,932

1,855,889 925,163

76,566 36,687

598,795 709,788

353,282 273,297

1,849,086 1,960,272

499,395 309,242

22,930 16,256

151,178 138,914

1,262,854 63,910

629,016 1,067,669

93,796 58,330

31,397,642 26,546,460

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

### 10. CONTINGENCIES AND COMMITMENTS

There has been no significant change in contingencies and commitments since the issuance of last annual financial statements for the year ended June 30, 2013 except as follows:

#### 10.1 Contingencies

- The Company has raised claims to certain Oil Marketing Companies (OMCs) in respect of interest on late payments against receivable aggregating to Rs. 5.08 billion (June 30, 2013: Rs. 5.08 billion). However these have not been recognised in the financial information as these have not been acknowledged by the OMCs.
- Claims not acknowledged by the Company as debt amount to Rs. 4.58 billion (June 30, 2013: Rs. 4.57 billion). These includes claims accumulating to Rs. 4.31 billion (June 30, 2013: Rs. 4.30 billion) in respect of late payment surcharge claimed by crude oil suppliers and Rs. 17.93 million (June 30, 2013: Rs. 16.49 million) relating to freight claims.
- Outstanding counter guarantees at the end of the period amounted to Rs. 286.74 million (June 30, 2013: Rs. 345.64 million).

#### 10.2 Commitments

- Commitments for capital expenditure as at September 30, 2013 amounted to Rs. 700.76 million (June 30, 2013: Rs. 603.56 million); and
- Outstanding letters of credit at the end of the period amounted to Rs. 22.73 billion (June 30, 2013: Rs. 17.35 billion)

### 11. GROSS SALES

September 30,  
2013                      September 30,  
2012

(Rupees in thousand)

Local	55,427,460	49,130,178
Export	8,031,938	4,288,364
	<u>63,459,398</u>	<u>53,418,542</u>

### 12. TRADE DISCOUNTS, TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL

Trade discounts	275,998	264,669
Sales tax	8,053,681	6,776,674
Excise duty	163	137
Petroleum development levy	2,126,844	2,341,378
Surplus price differential	79,986	-
	<u>10,536,672</u>	<u>9,382,858</u>

### 13. OTHER INCOME

This include write back of old outstanding liabilities considered no longer payable consequent to settlement of claims with suppliers during the period amounting to Rs. 154.83 million (September 30, 2012: Nil).

### 14. FINANCE COST

This include net exchange loss of Rs. 1,171.58 million (September 30, 2012: Rs. 145.62 million) on foreign currency transactions relating to purchase and sale of crude oil/products.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

	September 30, 2013	September 30, 2012
	(Rupees in thousand)	
<b>15. TAXATION</b>		
Current	304,774	476,805
Deferred - note 15.1	(85,058)	(6,241)
	<u>219,716</u>	<u>470,564</u>
15.1	Deferred tax asset of Rs. 24.46 million (2012: Nil) in relation to minimum tax has been recognised as the Company expects its recoverability through future profits.	
<b>16. CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
Profit before taxation	421,494	1,272,956
Adjustment for non cash charges and other items:		
Depreciation and amortisation	80,357	71,547
Provision for pension	24,587	23,613
Provision for gratuity	2,856	3,576
Provision for post retirement medical benefits	5,188	7,547
Provision for slow moving and obsolete stores, spares and chemicals	-	2,662
Return / interest on PLS savings and deposits accounts	(220,674)	(174,182)
Return on treasury bills	(19,720)	(89,346)
Profit on disposal of property, plant and equipment	(2,518)	-
Decrease in working capital - note 16.1	(3,731,904)	(590,630)
	<u>(3,440,334)</u>	<u>527,743</u>
16.1	Decrease in working capital	
(Increase) / Decrease in current assets		
Stores, spares and chemicals	(28,305)	(104,028)
Stock-in-trade	(7,050,886)	(50,538)
Trade debts	39,660	7,423,499
Loans and advances	(122,375)	(77,250)
Trade deposits and short-term prepayments	(212,188)	(190,991)
Other receivables	(10,048)	(6,671)
	<u>(7,384,142)</u>	<u>6,994,021</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	3,652,238	(7,586,861)
Provisions	-	2,210
	<u>(3,731,904)</u>	<u>(590,630)</u>



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

### 17. CASH AND CASH EQUIVALENTS

In hand	500	500
With banks on:		
Current accounts	97,341	99,290
Savings accounts	8,691,369	11,279,399
Deposit accounts	3,285,895	290,652
	12,074,605	11,669,341
Short term investments	734,875	1,998,113
	12,809,980	13,667,954

### 18. TRANSACTIONS WITH RELATED PARTIES

18.1 The following transactions were carried out with related parties during the quarter:

		Transactions during the quarter	
		September 30, 2013	September 30, 2012
		(Rupees in thousand)	
Nature of relationship	Nature of transactions		
Associated companies	Sale of petroleum products	30,466,016	23,044,635
	Purchase of crude oil and condensate	1,591,658	-
	Rental income	1,189	1,080
	Hospitality charges	12,100	8,358
	Handling income	40,975	27,883
	Trade discounts and commission on sales	479,767	479,553
	Reimbursement of expenses	285	334
	Purchase of petroleum products	4,033	2,439
	Purchase of stores	100,872	-
Post employment staff benefit plans	Contributions	10,623	16,346
Key management employees compensation			
	Salaries and other employee benefits	12,002	10,838
	Post retirement benefits	581	1,097
	Directors' fees	770	1,040
		13,353	12,975

18.2 The related party status of outstanding balances as at September 30, 2013 is included in trade debts, other receivables and trade and other payables.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2013 (UNAUDITED)

### 19. SEGMENT INFORMATION

The financial information regarding operating segments is as follows:

	FUEL		LUBE		TOTAL	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	(Restated)		(Restated)		(Restated)	
	(Rupees in thousand)					
Segment Revenue						
Sales to external customers						
- local, net of discounts, taxes, duties and levies	33,711,672	27,868,106	11,179,116	11,879,214	44,890,788	39,747,320
- export	6,526,945	3,672,261	1,504,993	616,103	8,031,938	4,288,364
	40,238,617	31,540,367	12,684,109	12,495,317	52,922,726	44,035,684
Inter-segment sales	11,205,729	10,670,287	-	-	11,205,729	10,670,287
Elimination of inter- segment sales	-	-	-	-	(11,205,729)	(10,670,287)
Net sales	51,444,346	42,210,654	12,684,109	12,495,317	52,922,726	44,035,684
Segment results after tax	(753,207)	364,421	954,985	437,971	201,778	802,392
Other comprehensive income	(6,130)	(11,852)	(12,259)	(23,704)	(18,389)	(35,556)
Total comprehensive income	(759,337)	352,569	942,726	414,267	183,389	766,836

	FUEL		LUBE		TOTAL	
	September 30, 2013	June 30, 2013	September 30, 2013	June 30, 2013	September 30, 2013	June 30, 2013
	(Rupees in thousand)					
	(Restated)					
Segment assets	35,116,035	29,801,090	22,836,018	24,513,477	57,952,053	54,314,567
Unallocated assets	-	-	-	-	1,544,788	1,362,351
Total assets	35,116,035	29,801,090	22,836,018	24,513,477	59,496,841	55,676,918
Segment liabilities	29,514,215	25,839,610	2,612,847	1,403,642	32,127,062	27,243,252
Unallocated liabilities	-	-	-	-	1,592,184	1,639,962
Total liabilities	29,514,215	25,839,610	2,612,847	1,403,642	33,719,246	28,883,214

### 20. DATE OF AUTHORISATION FOR ISSUE

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

  
Chief Executive

  
Director





## **National Refinery Limited**

7-B, Korangi Industrial Area, Karachi-74900, Pakistan.

Tel: 92-21-35064981-86 Fax: 92-21-35054663

UAN: **111-675-675** URL: [www.nrlpak.com](http://www.nrlpak.com)

Email: [info@nrlpak.com](mailto:info@nrlpak.com)