

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

Condensed Interim  
Financial Information  
for the Nine Months ended  
March 31, 2016



**National Refinery Limited**





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# Corporate Information

## Board of Directors

Dr. Ghaith R. Pharaon – Chairman  
Alternate Director: Abdus Sattar  
Laith G. Pharaon  
Alternate Director: Jamil A. Khan  
Mofarrih Saeed H. Alghamdi  
Alternate Director: Babar Bashir Nawaz  
Shuaib A. Malik  
Zaki Mohamad Mansoor  
Shahid Ghaffar  
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 Mofarrih Saeed H. Alghamdi	
Shaikh Ather Ahmed	Secretary

## Human Resource and Remuneration (HR&R) Committee

Abdus Sattar	Chairman
Alternate to Dr. Ghaith R. Pharaon	
Babar Bashir Nawaz	Member
Alternate to Mofarrih Saeed H. Alghamdi	
Shuaib A. Malik	Member
Nouman Ahmed Usmani	Secretary

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants

## Solicitors

Ali Sibtain Fazli & Associates

## Primary Bankers

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

## Registered Office

7-B, Korangi Industrial Area,  
P.O. Box 8228, Karachi-74900  
UAN No. 111-675-675  
PABX No. + 92-21-35064981-86  
+ 92-21-35064977-79  
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.,  
2nd Floor, State Life Building-3,  
Dr. Ziauddin Ahmed Road,  
KARACHI-75530 P.O. 8533  
UAN: +92-21-111-000-322  
Direct: +92-21-35693094  
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 nine month's ended March 31, 2016.

I feel pleasure to inform you that by the grace of Allah Almighty, your company has earned a profit after tax of Rs. 5.24 billion, translated into earnings per share of Rs. 65.50, compared with profit after tax of Rs.1.16 billion and earning per share of Rs.14.53 in the same period last year.

International crude oil prices continued to decline during most of the period under review. However, the decline in product prices were relatively lesser creating better refining margins. Fuel segment profit improved to Rs.1.18 billion as compared to loss after tax of Rs.1.38 billion. Overall comparative increase in fuel segment results are attributable to higher margins, improved production, higher sales and lower exchange loss due to stability of Rupees vs US Dollar. Throughput was 90.36% compared with 81.28% during the same period last year.

Lube Segment earned profit after tax of Rs. 4.06 billion compared to Rs. 2.54 billion during same period last year. Better production and sale of lube base oils and bitumen contributed towards higher profit. Bitumen sales improved significantly due to higher demand in the country.

Your Company is steadily moving towards the accomplishment of its refinery upgradation projects targeted to be completed by May 2017. Supply of material and equipment has already commenced while the civil work at site will be completed shortly.

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

On behalf of the Board

**Shuaib A. Malik**

Deputy Chairman &  
Chief Executive Officer

Rawalpindi:  
April 13, 2016

# ڈائریکٹرز کا جائزہ

## بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

السلام علیکم

بورڈ آف ڈائریکٹرز کی جانب سے میں مسرت کے ساتھ کمپنی کا غیر آڈٹ شدہ مالی حسابات کا ایک مختصر جائزہ پیش کرتا ہوں جو 31 مارچ 2016 کو مکمل ہونے والے نو ماہ کے لئے ہے۔

میں آپ کو مطلع کر کے خوشی محسوس کرتا ہوں کہ اللہ تعالیٰ کے فضل سے، آپ کی کمپنی نے 5.24 ارب روپے کا ٹیکس کے بعد منافع کمایا جو 65.50 روپے فی شیئر آمدنی کے مساوی ہے۔ کمپنی نے گزشتہ مالی سال اسی مدت میں 1.16 ارب روپے کا ٹیکس کے بعد منافع کمایا جو 14.53 روپے فی شیئر آمدنی کے مساوی ہے۔

بین الاقوامی خام تیل کی قیمتوں میں زیر جائزہ مدت کے دوران کمی کا رجحان رہا، لیکن خام تیل کی قیمت میں کمی کا تناسب مصنوعات کی قیمتوں سے زیادہ ہے۔ مصنوعات کی قیمتوں اور خام تیل کی قیمت کے درمیان واضح فرق کی وجہ سے ایک طویل مدت کے بعد فیول سیگمنٹ نے 1.18 ارب روپے کا ٹیکس کے بعد منافع کمایا جبکہ گزشتہ مدت میں 1.38 ارب روپے کا ٹیکس کے بعد نقصان ہوا تھا۔

فیول سیگمنٹ کے تقابلی نتائج میں مجموعی طور پر منافع میں اضافہ بہتر مارجن؛ بہتر پیداوار اور بہتر فروخت کا حجم رہا۔ جبکہ امریکی ڈالر کی شرح تبادلہ میں استحکام کی وجہ سے زر مبادلہ کا خسارہ کم ہوا۔ اسی عرصے کے دوران پیداوار 90.36 فیصد رہی جبکہ گزشتہ مالی سال اسی مدت میں پیداوار 81.28 فیصد تھی۔

لیوب سیگمنٹ نے 4.06 ارب روپے ٹیکس کے بعد منافع کمایا جبکہ گزشتہ مالی سال اسی مدت میں یہ منافع 2.54 ارب روپے رہا۔ بہتر پیداوار؛ لیوب اور بیٹیومن کی فروخت نے بہتر منافع کے حصول میں اہم کردار ادا کیا۔ بیٹیومن کی فروخت ملک میں زیادہ مانگ کی وجہ سے نمایاں طور پر بہتر رہی۔

آپ کی کمپنی ریفائنری اپ گریڈیشن کے منصوبوں کی تکمیل جنکا ہدف مئی 2017 بے کی جانب تسلسل کے ساتھ بڑھ رہی ہے۔ مشینری اور دیگر سامان کی فراہمی پہلے ہی شروع ہو چکی ہے جبکہ سائٹ پر بنیادی تعمیرات تکمیل کے قریب ہیں۔

بورڈ تمام حصہ داروں کا انکی حمایت اور نیشنل ریفائنری لمیٹڈ پر اعتماد کیلئے شکر گزار ہے۔

بورڈ کی جانب سے



شعیب اے ملک

ڈپٹی چیئرمین اور چیف ایگزیکٹو آفیسر

راولپنڈی:

13 اپریل، 2016

# CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2016

	Note	Unaudited March 31, 2016	Audited June 30, 2015
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	16,814,976	8,066,114
Long term investment		-	-
Long term loans		38,401	42,575
Long term deposits		30,189	30,189
Retirement benefit prepayments		11,032	22,399
		<u>16,894,598</u>	<u>8,161,277</u>
<b>CURRENT ASSETS</b>			
Stores, spares and chemicals	6	992,695	1,003,102
Stock-in-trade		8,747,846	13,585,660
Trade debts		4,682,281	7,253,035
Loans and advances		81,407	74,602
Trade deposits and short-term prepayments		69,917	8,921
Interest accrued		46,432	32,240
Other receivables	7	518,930	547,326
Short term investments		5,956,808	123,543
Cash and bank balances		15,771,927	17,272,944
		<u>36,868,243</u>	<u>39,901,373</u>
<b>TOTAL ASSETS</b>		<u><b>53,762,841</b></u>	<u><b>48,062,650</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		799,666	799,666
Reserves		33,772,408	29,334,041
		<u>34,572,074</u>	<u>30,133,707</u>
<b>LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
Retirement benefit obligations		698,375	594,464
Deferred taxation		139,829	171,555
		<u>838,204</u>	<u>766,019</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	16,409,665	16,433,021
Provisions		112,361	112,361
Taxation - provision less payments		1,830,537	617,542
		<u>18,352,563</u>	<u>17,162,924</u>
<b>TOTAL LIABILITIES</b>		<u><b>19,190,767</b></u>	<u><b>17,928,943</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	9	<u><b>53,762,841</b></u>	<u><b>48,062,650</b></u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

		Quarter ended		Nine months ended	
	Note	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		←	(Rupees in thousand)	→	
Gross sales	10	35,908,620	35,600,120	114,942,753	148,445,283
Trade discounts, taxes, duties, levies and price differential	11	(14,539,950)	(9,456,420)	(38,961,432)	(30,598,429)
Net sales		21,368,670	26,143,700	75,981,321	117,846,854
Cost of sales		(18,032,694)	(24,246,201)	(67,989,352)	(115,251,788)
Gross profit		3,335,976	1,897,499	7,991,969	2,595,066
Distribution and marketing expenses		(169,300)	(171,587)	(511,148)	(638,838)
Administrative expenses		(159,138)	(159,997)	(538,003)	(450,260)
Other income		418,689	379,510	1,152,022	1,153,462
Other operating expenses		(235,337)	(127,626)	(544,664)	(143,846)
Operating profit		3,190,890	1,817,799	7,550,176	2,515,584
Finance cost	12	(27,362)	(84,417)	(257,604)	(747,543)
Profit before taxation		3,163,528	1,733,382	7,292,572	1,768,041
Taxation	13	(809,778)	(523,064)	(2,054,539)	(606,126)
Profit after taxation		2,353,750	1,210,318	5,238,033	1,161,915
Earnings per share - basic and diluted		Rs 29.43	Rs 15.14	Rs 65.50	Rs 14.53

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousand)			
Profit after taxation	2,353,750	1,210,318	5,238,033	1,161,915
<b>Other comprehensive income</b>				
Remeasurement loss	-	(12,059)	-	(36,178)
Deferred tax thereon	-	(2,158)	-	(6,474)
	-	(14,217)	-	(42,652)
<b>Total comprehensive income</b>	<b>2,353,750</b>	<b>1,196,101</b>	<b>5,238,033</b>	<b>1,119,263</b>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

	Note	March 31, 2016 (Rupees in thousand)	March 31, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	14	14,164,033	8,333,199
Income tax paid		(873,270)	(1,012,525)
Decrease in long term loans		4,174	2,114
Payments made to retirement benefit funds		(55,415)	(4,519)
Net cash flow from operating activities		13,239,522	7,318,269

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(9,010,941)	(3,149,058)
Purchase of intangible asset	(1,577)	(35,204)
Proceeds from disposal of property, plant and equipment	978	2,843
Return on treasury bills received	102,015	110,706
Return received on bank accounts	527,213	507,076
Return received on Pakistan Investment Bonds	259,663	159,191
Net cash flow used in investing activities	(8,122,649)	(2,404,446)

### CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(794,945)	(582)
Net increase in cash and cash equivalents	4,321,928	4,913,241
Cash and cash equivalents at beginning of the period	17,396,032	11,804,769
Cash and cash equivalents at end of the period	15 21,717,960	16,718,010

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

	SHARE CAPITAL Issued, subscribed and paid-up	CAPITAL RESERVES Capital compensation reserve	Exchange equalisation reserve	REVENUE RESERVES General reserve	Unappropriated profit	Special reserve	Total
	(Rupees in thousand)						
<b>Balance as at July 1, 2014</b>	799,666	10,142	4,117	21,061,000	945,614	3,773,100	26,593,639
Profit for the nine months ended March 31, 2015	-	-	-	-	1,161,915	-	1,161,915
Other comprehensive income	-	-	-	-	(42,652)	-	(42,652)
Total Comprehensive income for nine months ended March 31, 2015	-	-	-	-	1,119,263	-	1,119,263
<b>Balance as at March 31, 2015</b>	<u>799,666</u>	<u>10,142</u>	<u>4,117</u>	<u>21,061,000</u>	<u>2,064,877</u>	<u>3,773,100</u>	<u>27,712,902</u>
<b>Balance as at July 1, 2015</b>	799,666	10,142	4,117	21,061,000	4,485,682	3,773,100	30,133,707
Final dividend for the year ended June 30, 2015	-	-	-	-	(799,666)	-	(799,666)
Transfer to general reserve	-	-	-	3,000,000	(3,000,000)	-	-
Profit for the nine months ended March 31, 2016	-	-	-	-	5,238,033	-	5,238,033
Other comprehensive income	-	-	-	-	-	-	-
Total Comprehensive income for the nine months ended March 31, 2016	-	-	-	-	5,238,033	-	5,238,033
Income of Fuel refinery operations transferred to special reserves					(1,092,631)	1,092,631	-
<b>Balance as at March 31, 2016</b>	<u>799,666</u>	<u>10,142</u>	<u>4,117</u>	<u>24,061,000</u>	<u>4,831,418</u>	<u>4,865,731</u>	<u>34,572,074</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

## **SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (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 Pakistan Stock Exchange. 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.

During the nine months ended March 31, 2016, the Company has continued to incur capital expenditure on contracts for Diesel De-sulphurisation and Naphtha Isomerisation as part of upgradation and expansion of fuel refinery operations. The estimated project cost is US \$ 349 million (Rs. 36.58 billion). These projects are expected to be completed by May 2017. These projects would be partly financed by the syndicate term finance facility as disclosed in the annual financial statements for the year ended June 30, 2015.

### **2. BASIS OF PREPARATION**

This condensed interim financial information of the Company for the nine months ended March 31, 2016 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 Pakistan Stock Exchange.

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, 2015.

### **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, 2015.

### **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, 2015.
- 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, 2015.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

March 31,  
2016  
(Rupees in thousand)

June 30,  
2015

### 5. FIXED ASSETS

Property, plant and equipment		
Operating assets	2,747,873	2,834,463
Major spare parts and stand-by equipments	206,943	199,244
Capital work-in-progress (CWIP) - note 5.1	13,842,702	5,007,238
	<u>16,797,518</u>	<u>8,040,945</u>
Intangible assets	17,458	25,169
	<u>16,814,976</u>	<u>8,066,114</u>

#### 5.1 Capital work-in-progress

	Refineries upgradation projects	Other projects	Advances to other contractors / suppliers	Total
	(Rupees in thousand)			
Opening balance as at July 1, 2015	4,651,181	271,176	84,881	5,007,238
Additions	8,557,091	226,275	239,981	9,023,347
Transfers	-	(134,153)	(53,730)	(187,883)
Closing balance as at March 31, 2016	<u>13,208,272</u>	<u>363,298</u>	<u>271,132</u>	<u>13,842,702</u>
Opening balance as at July 1, 2014	1,777,174	215,410	24,693	2,017,277
Additions	2,874,007	315,044	78,653	3,267,704
Transfers	-	(259,278)	(18,465)	(277,743)
Closing balance as at June 30, 2015	<u>4,651,181</u>	<u>271,176</u>	<u>84,881</u>	<u>5,007,238</u>

5.2 The Company has incurred capital expenditure of Rs. 13.21 billion (June 30, 2015: Rs. 4.65 billion) on up-gradation and expansion projects. It includes Rs. 12.99 billion (June 30, 2015: Rs. 4.44 billion) for the up-gradation and expansion of fuel refinery operations.

5.3 Additions and disposals to operating assets during the nine months ended are as follows :

	Additions (at cost)		Disposals (at net book value)	
	March 2016	March 2015	March 2016	March 2015
	(Rupees in thousand)			
Plant and machinery	57,354	67,986	-	-
Office and other equipments	43,620	48,030	-	4
Buildings	31,890	948	-	-
Utilities	11,523	16,688	-	-
Vehicles	13,718	2,003	1,309	2,105
Furniture and fixtures	2,145	136	-	-
Power Plant	734	34,510	-	-
Computer equipments	2,619	5,731	-	-
Pipelines	1,770	335	-	-
Storage tanks	2,404	52,912	-	-
	<u>167,777</u>	<u>229,279</u>	<u>1,309</u>	<u>2,109</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

### 6. STOCK-IN-TRADE

Stock of finished goods as at March 31, 2016 has been written down by Rs. 403 million (June 30, 2015: Rs.75.87 million) to arrive at its net realisable value.

### 7. OTHER RECEIVABLES

This includes receivable on account of sales tax paid to Federal Board of Revenue amounting to Rs.237.54 million (June 30, 2015: Rs. 237.54 million) in respect of sales tax demand for the period July 2009 to June 2010, on account of unitary conversion differences, against an order received in 2014-15. The Company filed an appeal against the said order which was subsequently annulled in favour of the company. The company has filed refund application with FBR which is in process.

### 8. TRADE AND OTHER PAYABLES

	March 31, 2016	June 30, 2015
	(Rupees in thousand)	
Trade creditors	7,357,206	10,924,859
Due to Government of Pakistan	843,515	1,191,153
Due to related party:		
Attock Petroleum Limited	42,085	4,497
Attock Refinery Limited	1,212	-
Pakistan Oilfields Limited	292,122	339,013
Accrued liabilities	840,936	694,161
Retention money	573,214	43,270
Deposits from contractors	39,366	33,615
Advances from customers - note 8.1	314,583	169,181
Workers' profits participation fund	391,705	48,616
Workers' welfare fund	192,791	145,368
Income tax deducted at source	5,438	13,355
Dividend payable	72,050	67,329
Surplus price differential payable	1,315,466	633,967
Sales tax payable	2,693,880	1,447,775
Duties and levies payable	1,424,194	668,648
Other liabilities	9,902	8,214
	<u>16,409,665</u>	<u>16,433,021</u>

8.1 This Includes advances received from related party - Pakistan Oilfields Limited amounting to Rs. 8.9 million (June 30, 2015: Rs. 6.21 million) against supply of goods.

### 9. CONTINGENCIES AND COMMITMENTS

#### 9.1. Contingencies

There has been no significant change in contingencies since the issuance of last annual financial statements for the year ended June 30, 2015.

#### 9.2. Commitments

- Commitments outstanding for capital expenditure as at March 31, 2016 amounted to Rs.14.99 billion (June 30, 2015: Rs. 21.26 billion) in respect of refinery upgradation project as explained in note 1 of the financial information; and
- Outstanding letters of credit at the end of the period amounted to Rs. 6.3 billion (June 30, 2015: Rs. 15.10 billion).

### 10. GROSS SALES

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousand)			
Local	33,487,787	33,759,034	107,371,522	136,052,939
Export	2,420,833	1,841,086	7,571,231	12,392,344
	<u>35,908,620</u>	<u>35,600,120</u>	<u>114,942,753</u>	<u>148,445,283</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

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

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousand)			
Trade discounts	146,273	156,832	358,112	631,242
Sales tax	10,086,961	6,272,229	27,258,444	21,135,758
Excise duty	138	116	381	418
Petroleum levy	2,836,357	2,366,417	7,995,194	7,411,427
Surplus price differential	940,174	660,826	1,726,907	1,419,584
Regulatory duty	530,047	-	1,622,394	-
	<u>14,539,950</u>	<u>9,456,420</u>	<u>38,961,432</u>	<u>30,598,429</u>

### 12. FINANCE COST

This include net exchange loss of Rs. 243 million (March 31, 2015: Rs.746.54 million) on foreign currency transactions relating to purchase and export of crude oil/products.

### 13. TAXATION

Current				
- for the period	872,943	151,895	2,138,059	663,955
- for prior periods	(51,794)	-	(51,794)	(98,409)
	<u>821,149</u>	<u>151,895</u>	<u>2,086,265</u>	<u>565,546</u>
Deferred	(11,371)	371,169	(31,726)	40,580
	<u>809,778</u>	<u>523,064</u>	<u>2,054,539</u>	<u>606,126</u>

March 31,  
2016

March 31,  
2015

(Rupees in thousand)

### 14. CASH GENERATED FROM OPERATIONS

Profit before taxation	7,292,572	1,768,041
<b>Adjustment for non cash charges and other items:</b>		
Depreciation and amortisation	262,347	250,118
Provision for staff retirement benefit funds	170,693	92,563
Provision for slow moving and obsolete stores and spares	(7,266)	-
Return / interest on bank deposits	(541,405)	(538,362)
Return on treasury bills	(103,364)	(125,312)
Return on Pakistan Investment Bonds	(268,634)	(156,232)
Profit / Loss on disposal of property, plant and equipment	331	(734)
Decrease in working capital - note 14.1	7,358,759	7,043,117
	<u>14,164,033</u>	<u>8,333,199</u>

#### 14.1 Decrease in working capital

##### (Increase) / Decrease in current assets

Stores, spares and chemicals	17,673	133,636
Stock-in-trade	4,837,814	10,854,043
Trade debts	2,570,754	3,030,968
Loans and advances	(6,805)	(19,125)
Trade deposits and short-term prepayments	(60,996)	(25,054)
Other receivables	28,396	(206,767)
	<u>7,386,836</u>	<u>13,767,701</u>

##### Decrease in current liabilities

Trade and other payables	(28,077)	(6,590,758)
Provisions	-	(133,826)
	<u>7,358,759</u>	<u>7,043,117</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

March 31,  
2016                      March 31,  
2015  
(Rupees in thousand)

### 15. CASH AND CASH EQUIVALENTS

<b>In hand</b>	<b>500</b>	<b>500</b>
<b>With banks on:</b>		
Current accounts	68,445	54,395
Savings accounts	767,296	4,982,033
Deposit accounts	14,935,686	8,435,686
	15,771,427	13,472,114
<b>Short term investments</b>	<b>5,946,033</b>	<b>3,245,396</b>
	<b>21,717,960</b>	<b>16,718,010</b>

### 16. TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties.

Nature of relationship	Nature of transactions	Quarter ended		Nine months ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
← (Rupees in thousand) →					
Associated companies	Sale of petroleum products	18,399,472	20,434,459	59,530,246	78,986,172
	Rental income	1,199	1,338	3,549	3,512
	Hospitality charges	21,143	17,532	58,874	47,680
	Handling income	44,956	50,357	139,534	160,045
	Trade discounts and commission on sales	250,521	255,813	692,137	1,092,781
	Reimbursement of expenses	1,352	133	2,306	662
	Purchase of petroleum products	1,678	3,443	12,177	10,118
	Purchase of crude oil and condensates	329,126	417,798	1,094,702	1,902,022
	Dividend paid	407,829	-	407,829	-
Post employment staff benefit plans	Sale of stores	-	-	289	-
	Contributions	19,366	15,650	89,121	37,921
Key management employees compensation					
	Salaries and other employees benefits	14,510	12,432	43,526	41,436
	Post retirement benefits	790	679	2,195	1,935
	Directors' fees	625	505	2,781	2,758
		15,925	13,616	48,502	46,129



## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2016 (UNAUDITED)

### 17. SEGMENT INFORMATION

The financial information regarding operating segments is as follows:

	FUEL		LUBE		TOTAL	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Rupees in thousand)						
<b>Segment Revenue</b>						
Sales to external customers						
- local (net of discounts, taxes, duties and levies and price differential)	46,266,340	74,022,135	22,143,750	31,432,375	68,410,090	105,454,510
- export	6,742,550	11,362,606	828,681	1,029,738	7,571,231	12,392,344
	53,008,890	85,384,741	22,972,431	32,462,113	75,981,321	117,846,854
Inter-segment transfers	12,340,311	22,932,568	-	-	12,340,311	22,932,568
Elimination of inter-segment transfers	-	-	-	-	(12,340,311)	(22,932,568)
<b>Net sales</b>	<b>65,349,201</b>	<b>108,317,309</b>	<b>22,972,431</b>	<b>32,462,113</b>	<b>75,981,321</b>	<b>117,846,854</b>
Segment results after tax	1,178,570	(1,381,991)	4,059,463	2,543,906	5,238,033	1,161,915
Other comprehensive income	-	(14,217)	-	(28,435)	-	(42,652)
<b>Total comprehensive Income / (Loss)</b>	<b>1,178,570</b>	<b>(1,396,208)</b>	<b>4,059,463</b>	<b>2,515,471</b>	<b>5,238,033</b>	<b>1,119,263</b>
	FUEL		LUBE		TOTAL	
	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015
(Rupees in thousand)						
<b>Segment assets</b>	<b>31,907,662</b>	26,480,454	<b>19,619,862</b>	19,618,154	<b>51,527,524</b>	46,098,608
<b>Unallocated assets</b>	-	-	-	-	<b>2,235,317</b>	1,964,042
<b>Total assets</b>	<b>31,907,662</b>	26,480,454	<b>19,619,862</b>	19,618,154	<b>53,762,841</b>	48,062,650
<b>Segment liabilities</b>	<b>15,614,595</b>	16,100,022	<b>1,728,594</b>	1,039,824	<b>17,343,189</b>	17,139,846
<b>Unallocated liabilities</b>	-	-	-	-	<b>1,847,578</b>	789,097
<b>Total liabilities</b>	<b>15,614,595</b>	16,100,022	<b>1,728,594</b>	1,039,824	<b>19,190,767</b>	17,928,943

### 18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on April 13, 2016.

  
Chief Executive

  
Director







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