

Condensed Interim  
Financial Information for  
the First Quarter ended  
September 30, 2017



National Refinery Limited

Refining with  
Vision





# Contents

---

02	Corporate Information
03	Directors' Review – English
04	Directors' Review – Urdu
05	Condensed Interim Balance Sheet
06	Condensed Interim Profit & Loss Account
07	Condensed Interim Statement of Comprehensive Income
08	Condensed Interim Cash Flow Statement
09	Condensed Interim Statement of Changes in Equity
10	Selected Notes to the Condensed Interim Financial Information

# Corporate Information

## Board of Directors

Laith G. Pharaon - Chairman  
Alternate Director: Jamil A. Khan  
Wael G. Pharaon  
Alternate Director: Babar Bashir Nawaz  
Shuaib A. Malik  
Abdus Sattar  
Zaki Mohamad Mansoer  
Muhammad Naeem  
Tariq Iqbal Khan

## Chief Executive Officer

Shuaib A. Malik

## General Manager Finance and Corporate Affairs & Chief Financial Officer

Anwar A. Shaikh

## Company Secretary

Nouman Ahmed Usmani

## Audit Committee

Tariq Iqbal Khan	Chairman
Abdus Sattar	Member
Babar Bashir Nawaz Alternate Director to Mr. Wael G. Pharaon	Member
Shaikh Ather Ahmed	Secretary

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

Abdus Sattar	Chairman
Babar Bashir Nawaz Alternate Director to Mr. Wael G. Pharaon	Member
Shuaib A. Malik	Member
Nouman Ahmed Usmani	Secretary

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants

## Solicitors

Ali Sibtain Fazli & Associates

## Bankers

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

## Registered Office

7-B, Korangi Industrial Area,  
P.O. Box No. 8228, Karachi-74900  
UAN: +92-21-111-675-675  
PABX: +92-21-35064981-86  
+92-21-35064977-79  
Website: [www.nrlpak.com](http://www.nrlpak.com)  
E-mail: [info@nrlpak.com](mailto:info@nrlpak.com)

## Share Registrar

Central Depository Company of  
Pakistan Limited  
Share Registrar Department  
CDC House, 99-B, Block 'B',  
S.M.C.H.S., Main Shakra-e-Faisal,  
Karachi – 74400.  
Tel: Customer Support Services  
(Toll Free) 0800-23275  
Fax: +92-21-34326053  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)  
Website: [www.cdcpakistan.com](http://www.cdcpakistan.com)

# Directors' Review



Assalam-u-Alaikum!

On behalf of the Board of Directors of National Refinery Limited, I am pleased to present brief review of the financial results and operations of your Company for the quarter ended September 30, 2017.

During the period, your Company earned profit after tax of Rs. 1,700 million resulting in earnings per share of Rs. 21.26, compared to profit after tax of Rs. 1,905 million resulting in earnings per share of Rs. 23.83 in the same period last year.

Fuel segment of the Company earned profit after tax of Rs. 784 million as compared to profit after tax of Rs. 422 million in the same period last year. Better profitability of fuel segment was the result of increase in product prices in international market as compared to crude oil prices. Profit further improved due to tax credit on Investments in upgradation project and limited exchange loss.

Lube Segment earned profit after tax of Rs. 916 million compared to Rs. 1,483 million during the corresponding period last year. The profit of lube segment declined due to increase in feed cost.

Consequent to successful commissioning of Diesel Hydro Desulphurization unit your Company is producing High Speed Diesel (HSD) meeting Euro-II specifications. Resultantly, price differential based on high sulphur contents in HSD is not payable. Naphtha Isomerization unit has been completed during the month, increasing output of Motor Gasoline through conversion of Naphtha.

The Board would like to extend its gratitude to all the stake holders for their continued support and confidence.

Rawalpindi  
October 19, 2017

On behalf of the Board

**Shuaib A. Malik**  
Deputy Chairman &  
Chief Executive Officer

# بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

السلام علیکم

نیشنل ریفائنری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں مسرت کے ساتھ آپ کی کمپنی کے مالی نتائج اور آپریشنز کا ایک مختصر جائزہ پیش کرتا ہوں جو کہ 30 ستمبر 2017 کو مکمل ہوئے سد ماہی کے لئے ہے۔

موجودہ عرصہ میں، آپ کی کمپنی نے 1,700 ملین روپے کا ٹیکس کے بعد منافع کمایا جو 21.26 روپے فی حصص آمدنی کے مساوی ہے جبکہ گزشتہ مالی سال اسی مدت میں 1,905 ملین روپے کا ٹیکس کے بعد منافع کمایا جو 23.83 روپے فی حصص آمدنی کے مساوی تھا۔

کمپنی کے فیول سیکمنٹ نے 744 ملین روپے کا ٹیکس کے بعد منافع کمایا جبکہ گزشتہ مالی سال اسی مدت میں 422 ملین روپے کا ٹیکس کے بعد منافع کمایا تھا۔ خام تیل کی قیمتوں کے مقابلے میں بین الاقوامی مارکیٹ میں مصنوعات کی قیمتوں میں اضافہ کے نتیجے میں فیول سیکمنٹ کے منافع میں بہتری آئی۔ اگلے ڈیشن منصوبوں میں سرمایہ کاری پر ٹیکس کریڈٹ اور زرمبادلہ پر محدود نقصان منافع میں مزید بہتری کا سبب بنا۔

لیوب سیکمنٹ نے 916 ملین روپے کا ٹیکس کے بعد منافع کمایا جبکہ گزشتہ مالی سال اسی مدت میں یہ منافع 1,483 ملین روپے تھا۔ خام مال کی قیمت میں اضافہ کی وجہ سے لیوب سیکمنٹ کے منافع میں کمی ہوئی۔

ڈیزل ہائیڈرو ڈی سلفیورائزیشن یونٹ کے کامیاب کمیشن کے نتیجے میں آپ کی کمپنی (EURO II) اسٹینڈائٹیشن کے مطابق ہائی اسپیڈ ڈیزل (ایچ ایس ڈی) کی پیداوار کر رہی ہے۔ نتیجتاً، ایچ ایس ڈی میں ہائی سلفر کی موجودگی پر مبنی قیمت کا فرق ادائیگی کرنا پڑے گا۔ نئی ہائی اسپیڈ ڈیزل یونٹ موجودہ مہینے میں مکمل کیا جا چکا ہے، اور اب نئی ہائی اسپیڈ ڈیزل یونٹ کی تبدیلی کے ذریعہ موثر گیسولین کی پیداوار میں اضافہ ہو رہا ہے۔

بورڈ تمام حصہ داروں کا اکی مسلسل حمایت اور اعتماد کیلئے شکر گزار ہے۔

بورڈ کی جانب سے

  
شعیب مالک

ڈپٹی چیئرمین اور چیف ایگزیکٹو آفیسر

راولپنڈی

19 اکتوبر، 2017

## CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

	Note	Unaudited September 30, 2017 (Rupees in thousand)	Audited June 30, 2017
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	38,491,415	38,547,362
Long term investment		-	-
Long term loans	6	53,640	51,333
Long term deposits	7	30,189	30,189
Retirement benefit prepayments		2,873	5,468
		<u>38,578,117</u>	<u>38,634,352</u>
<b>CURRENT ASSETS</b>			
Stores, spares and chemicals		913,282	908,606
Stock-in-trade	8	11,469,315	10,931,017
Trade debts		7,002,090	6,032,874
Loans and advances	9	53,529	64,276
Trade deposits and short-term prepayments	10	191,899	14,013
Interest accrued		14,961	15,831
Other receivables		2,022,654	674,368
Taxation - payments less provisions		1,425,697	1,341,117
Short term investments		3,702,616	-
Cash and bank balances		3,839,057	2,769,491
		<u>30,635,100</u>	<u>22,751,593</u>
<b>TOTAL ASSETS</b>		<u><b>69,213,217</b></u>	<u><b>61,385,945</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		799,666	799,666
Reserves		44,240,531	42,540,214
		<u>45,040,197</u>	<u>43,339,880</u>
<b>LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
Long term borrowing	11	689,490	689,490
Retirement benefit obligations		290,581	264,824
Deferred taxation		421,790	408,566
		<u>1,401,861</u>	<u>1,362,880</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	22,557,438	16,484,464
Accrued markup		24,750	9,750
Provisions		112,361	112,361
Current portion of long term borrowing		76,610	76,610
		<u>22,771,159</u>	<u>16,683,185</u>
<b>TOTAL LIABILITIES</b>		<u><b>24,173,020</b></u>	<u><b>18,046,065</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	13	<u><b>69,213,217</b></u>	<u><b>61,385,945</b></u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
Chief Financial Officer

  
Chief Executive

  
Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017 (Rupees in thousand)	September 30, 2016
Gross sales	14	41,693,122	36,531,483
Trade discounts, taxes, duties, levies and price differential	15	<u>(11,764,708)</u>	<u>(10,795,085)</u>
Net sales		29,928,414	25,736,398
Cost of sales		<u>(27,784,080)</u>	<u>(23,497,173)</u>
Gross profit		2,144,334	2,239,225
Distribution cost		(191,365)	(162,020)
Administrative expenses		(209,956)	(192,660)
Other income	16	131,811	227,703
Other operating expenses		<u>(129,506)</u>	<u>(144,149)</u>
Operating profit		1,745,318	1,968,099
Finance cost	17	<u>(31,777)</u>	<u>(45,900)</u>
Profit before taxation		1,713,541	1,922,199
Taxation	18	(13,224)	(16,868)
Profit after taxation		<u>1,700,317</u>	<u>1,905,331</u>
Earnings per share - basic and diluted		<u>Rs 21.26</u>	<u>Rs 23.83</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
Chief Financial Officer

  
Chief Executive

  
Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017 (Rupees in thousand)	September 30, 2016
Profit after taxation	1,700,317	1,905,331
<b>Other comprehensive income / (loss)</b>		
Items that will not be reclassified to profit and loss account.		
Remeasurement of post employment benefit obligations	-	-
Deferred tax thereon	-	-
<b>Total comprehensive income</b>	<u>1,700,317</u>	<u>1,905,331</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
Chief Financial Officer

  
Chief Executive

  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	Note	September 30, 2017 (Rupees in thousand)	September 30, 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19	5,421,385	5,884,524
Income tax paid		(84,580)	(849,838)
(Increase) / Decrease in long term loans and deposits		(2,307)	(795)
Payments made to staff retirement benefit funds		-	(47,721)
Net cash flow from operating activities		<u>5,334,498</u>	<u>4,986,170</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(625,653)	(7,606,399)
Proceeds from disposal of property, plant and equipment		1,410	-
Return received on investments and bank accounts		59,336	149,445
Net cash flow used in investing activities		<u>(564,907)</u>	<u>(7,456,954)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(287)	(1,672)
Net increase / (decrease) in cash and cash equivalents		<u>4,769,304</u>	<u>(2,472,456)</u>
Cash and cash equivalents at beginning of the period		2,769,491	11,870,898
Cash and cash equivalents at end of the period	20	<u><u>7,538,795</u></u>	<u><u>9,398,442</u></u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
Chief Financial Officer

  
Chief Executive

  
Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	SHARE CAPITAL		CAPITAL RESERVES			REVENUE RESERVES		Total
	Issued, subscribed and paid-up	Capital compensation reserve	Exchange equalisation reserve	Special reserve	Utilised special reserve	General reserve	Unappropriated profit	
	(Rupees in thousand)							
Balance as at July 1, 2016	799,666	10,142	4,117	5,683,233	-	24,061,000	6,264,285	36,822,443
Final dividend for the year ended June 30, 2016 - Rs.20 per share	-	-	-	-	-	-	(1,599,331)	(1,599,331)
Transfer to general reserve	-	-	-	-	-	4,000,000	(4,000,000)	-
Profit for the three months ended September 30, 2016	-	-	-	-	-	-	1,905,331	1,905,331
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income for the three months ended September 30, 2016	-	-	-	-	-	-	1,905,331	1,905,331
Income of Fuel refinery operations transferred to special reserve	-	-	-	393,218	-	-	(393,218)	-
<b>Balance as at September 30, 2016</b>	<b>799,666</b>	<b>10,142</b>	<b>4,117</b>	<b>6,076,451</b>	<b>-</b>	<b>28,061,000</b>	<b>2,177,067</b>	<b>37,128,443</b>
Balance as at July 1, 2017	799,666	10,142	4,117	-	9,631,914	28,061,000	4,833,041	43,339,880
Transfer to general reserve	-	-	-	-	-	3,000,000	(3,000,000)	-
Profit for the three months ended September 30, 2017	-	-	-	-	-	-	1,700,317	1,700,317
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income for the three months ended September 30, 2017	-	-	-	-	-	-	1,700,317	1,700,317
Income of Fuel refinery operations transferred to special reserves	-	-	-	755,515	-	-	(755,515)	-
<b>Balance as at September 30, 2017</b>	<b>799,666</b>	<b>10,142</b>	<b>4,117</b>	<b>755,515</b>	<b>9,631,914</b>	<b>31,061,000</b>	<b>2,777,843</b>	<b>45,040,197</b>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

  
Chief Financial Officer

  
Chief Executive

  
Director

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (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.

Naphtha Splitter and Naphtha Hydrotreater units of ISOM project have been completed on June 21, 2017. However Pentane / Hexane Isomerization units of ISOM project completed during October 2017.

### 2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the three months ended September 30, 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting". As per the requirements of circular No. 11 / 2017 dated July 20, 2017, circular No. 23 / 2017 dated October 04, 2017, issued by Securities and Exchange Commission of Pakistan and further clarification that Companies whose interim period closes on or before December 31, 2017 shall prepare interim financial statements in accordance with the repealed 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 does not include all the information required for complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2017.

### 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 annual financial statements of the Company for the year ended June 30, 2017.

### 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, 2017.

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, 2017.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

	September 30, 2017	June 30, 2017
	(Rupees in thousand)	
<b>5. FIXED ASSETS</b>		
Property, plant and equipment		
- Operating assets	30,479,527	30,804,238
- Major spare parts and stand-by equipments	302,890	260,153
- Capital work-in-progress - note 5.1	<u>7,673,747</u>	<u>7,443,967</u>
	<u>38,456,164</u>	<u>38,508,358</u>
Intangible assets	<u>35,251</u>	<u>39,004</u>
	<u><u>38,491,415</u></u>	<u><u>38,547,362</u></u>

### 5.1 Capital work-in-progress

	Balance as at July 1, 2017	Addition during the period	Transfers	Balance as at September 30, 2017	Balance as at July 1, 2016	Addition during the year	Transfers	Balance as at June 30, 2017
	(Rupees in thousand)							
Building on leasehold land	13,389	8,789	(3,847)	18,331	28,124	35,626	(50,361)	13,389
Refineries upgradation projects - note 5.2	6,541,758	267,669	-	6,809,427	19,778,143	13,579,867	(26,816,252)	6,541,758
Plant and machinery	658,949	149,190	(342,131)	466,008	146,729	1,783,897	(1,271,677)	658,949
Office and other equipments	30,555	2,932	(811)	32,676	43,233	19,419	(32,097)	30,555
	<u>7,244,651</u>	<u>428,580</u>	<u>(346,789)</u>	<u>7,326,442</u>	<u>19,996,229</u>	<u>15,418,809</u>	<u>(28,170,387)</u>	<u>7,244,651</u>
Advances to contractors/suppliers - note 5.5	199,316	167,693	(19,704)	347,305	157,523	132,174	(90,381)	199,316
	<u><u>7,443,967</u></u>	<u><u>596,273</u></u>	<u><u>(366,493)</u></u>	<u><u>7,673,747</u></u>	<u><u>20,153,752</u></u>	<u><u>15,550,983</u></u>	<u><u>(28,260,768)</u></u>	<u><u>7,443,967</u></u>

5.2 This includes service contract costs, plant and machinery and advances to contractors and suppliers of plant, machinery and others in relation to the fuel and lube refineries upgradation projects. These projects have been undertaken to enhance the Company's profitability on a sustainable basis.

5.3 Additions and disposals to operating assets during the quarter ended September 30, 2017 are as follows :

	Additions (at cost)		Disposals (at net book value)	
	September 2017	September 2016	September 2017	September 2016
	(Rupees in thousand)			
Plant and machinery	2,308	34,459	-	-
Buildings	4,772	6,847	-	-
Utilities	2,429	-	-	-
Vehicles	1,602	5,019	2,116	-
Office and other equipments	16,608	2,037	-	-
Furniture and fixtures	150	-	-	-
Power Plant	340,087	-	-	-
Computer equipments	-	1,067	-	-
	<u><u>367,956</u></u>	<u><u>49,429</u></u>	<u><u>2,116</u></u>	<u><u>-</u></u>

5.4 The advance to suppliers does not carry any interest or markup arrangement.

### 6. LONG TERM LOANS

These include secured loans to executives and employees for the purchase of motors cars and house building. Out of these, cars loans amounting to Rs. 2.9 million (June 30, 2017: Rs. 3.3 million) carry interest ranging from 3% to 7% (June 30, 2017: 3% to 7%). The unsecured loans to executive and employees are interest free.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 7. LONG TERM DEPOSITS

These deposits do not carry any markup arrangement.

### 8. STOCK -IN- TRADE

Stock of finished goods as at September 30, 2017 has been written down by Rs. Nil (June 30, 2017: Rs.9.43 million) to arrive at its net realisable value.

### 9. LOANS AND ADVANCES

Out of these, car loans amounting to Rs.0.46 million (June 30, 2017: Rs. 0.59 million) carrying interest as disclosed in note 6. Advances do not carry any markup arrangement.

### 10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

These deposits do not carry any markup arrangement.

### 11. LONG-TERM BORROWING

The facility carries a mark-up of 6 month KIBOR plus 1.70% p.a which will be payable on semi-annual basis. The tenure of this facility is 12 years including a grace period of 2 years.

	September 30, 2017	June 30, 2017
	(Rupees in thousand)	
<b>12. TRADE AND OTHER PAYABLES</b>		
Trade creditors	13,605,539	7,988,321
Due to Government of Pakistan	562,760	592,995
Due to related party:		
- Attock Petroleum Limited	30,429	15,028
- Attock Refinery Limited	24	24
- Pakistan Oilfields Limited	150,614	135,321
Accrued liabilities	1,608,620	2,070,746
HSD surplus price differential	1,136,759	1,288,745
PMG-RON differential	193,394	128,589
Custom duty payable	931,980	851,062
Sales tax payable	1,413,724	138,180
Retention money	1,394,902	1,795,010
Deposits from contractors	43,104	44,224
Advances from customers - note 12.1	365,709	477,850
Workers' profits participation fund	92,027	-
Workers' welfare fund	34,970	69,984
Income tax deducted at source	5,674	11,681
Dividend payable	81,971	82,258
Excise duty and petroleum levy	896,904	788,570
Others	8,334	5,876
	<u>22,557,438</u>	<u>16,484,464</u>

12.1 This Includes advances received from related party - Pakistan Oilfields Limited amounting to Rs. 9.97 million (June 30, 2017:Rs. Nil) against supply of goods.

### 13. CONTINGENCIES AND COMMITMENTS

#### 13.1. Contingencies

There has been no significant change in contingencies since the issuance of last annual financial statements for the year ended June 30, 2017.

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 13.2 Commitments

- a) Commitments outstanding for capital expenditure as at September 30, 2017 amounted to Rs.1.218 billion (June 30, 2017: Rs.1.231 billion).
- b) Outstanding letters of credit at the end of the period amounted to Rs. 12.97 billion (June 30, 2017: Rs. 15.10 billion)

	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
<b>14. GROSS SALES</b>		
Local	38,243,142	33,866,589
Export	<u>3,449,980</u>	<u>2,664,894</u>
	<u>41,693,122</u>	<u>36,531,483</u>
<b>15. TRADE DISCOUNTS, TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>		
Trade discounts	158,830	86,921
Sales tax	7,791,653	6,667,990
Excise duty	61	194
Petroleum levy	2,765,862	2,766,187
Surplus price differential	-	474,039
PMG-RON differential	64,805	-
Custom duty	<u>983,497</u>	<u>799,754</u>
	<u>11,764,708</u>	<u>10,795,085</u>
<b>16. OTHER INCOME</b>		
This includes return on bank deposits amounting to Rs. 10.99 million (September,2016: Rs. 47.69 million), return on Pakistan Investment Bonds amounting to Rs. 16.17 (September,2016: Rs. 47.18 million).		
<b>17. FINANCE COST</b>		
This include net exchange loss of Rs. 31.38 million (September, 2016: Rs. 45.33 million) on foreign currency transactions relating to purchase and export of crude oil/products.		
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
<b>18. TAXATION</b>		
Current		
- for the periods	-	26,737
Deferred	<u>13,224</u>	<u>(9,869)</u>
	<u>13,224</u>	<u>16,868</u>
Current period tax charge is net of tax credit under section 65B of the Income Tax Ordinance, 2001 on fixed assets which mainly includes amount incurred in respect of the refinery upgradation projects.		
	September 30, 2017	September 30, 2016
	(Rupees in thousand)	
<b>19. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,713,541	1,922,199
Adjustment for non cash charges and other items:		
Depreciation and amortisation	694,484	100,984
Provision for staff retirement benefit funds	28,352	31,288
Return on investments and bank accounts	(61,344)	(142,100)
Loss on disposal of property, plant and equipment	706	-
Change in working capital - note 19.1	<u>3,045,646</u>	<u>3,972,153</u>
	<u>5,421,385</u>	<u>5,884,524</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

September 30, September 30,  
2017 2016  
(Rupees in thousand)

19.1 Change in working capital <b>(Increase) / Decrease in current assets</b>		
Stores, spares and chemicals	(4,676)	81,025
Stock-in-trade	(538,298)	1,358,992
Trade debts	(969,216)	(1,505,809)
Loans and advances	10,747	(18,786)
Trade deposits and short-term prepayments	(177,886)	(158,529)
Other receivables	(1,348,286)	6,799
	(3,027,615)	(236,308)
<b>Increase in current liabilities</b>		
Trade and other payables	6,073,261	4,208,461
	<u>3,045,646</u>	<u>3,972,153</u>

### 20. CASH AND CASH EQUIVALENTS

<b>In hand</b>	500	500
<b>With banks on:</b>		
- Current accounts	43,896	51,012
- Savings accounts	1,158,975	1,610,045
- Deposit accounts	2,635,686	7,736,885
	3,838,557	9,397,942
Short term investments	3,699,738	-
	<u>7,538,795</u>	<u>9,398,442</u>

### 21. TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties.

Nature of relationship	Nature of transactions	Transactions during the quarter	
		September 30, 2017	September 30, 2016
Associated companies	Sale of petroleum products	21,546,376	16,064,076
	Purchase of crude oil and condensates	216,211	198,547
	Price differential claim paid	6,723	-
	Rental income	1,411	1,281
	Hospitality and storage income	12,529	22,325
	Handling income	24,345	49,325
	Trade discounts and commission on sales	289,709	190,145
	Reimbursement of expenses	1,056	652
	Purchase of petroleum products	1,442	3,996
	Post employment staff benefit plans	Contributions	11,848
Key management employees compensation	Salaries and other employees benefits	27,986	23,591
	Post employment benefits	668	791
	Directors' fees	1,424	1,568
		<u>30,078</u>	<u>25,950</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (UNAUDITED)

### 22. SEGMENT INFORMATION

The financial information regarding operating segments is as follows:

	FUEL		LUBE		TOTAL	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	(Rupees in thousand)					
<b>Segment Revenue</b>						
Sales to external customers						
- local (net of discounts, taxes, duties and levies and price differential)	18,870,594	16,568,936	7,607,840	6,502,568	26,478,434	23,071,504
- exports	3,139,230	2,353,157	310,750	311,737	3,449,980	2,664,894
	22,009,824	18,922,093	7,918,590	6,814,305	29,928,414	25,736,398
Inter-segment transfers	5,503,690	4,675,253	-	-	5,503,690	4,675,253
Elimination of inter-segment transfers	-	-	-	-	(5,503,690)	(4,675,253)
<b>Net sales</b>	<b>27,513,514</b>	<b>23,597,346</b>	<b>7,918,590</b>	<b>6,814,305</b>	<b>29,928,414</b>	<b>25,736,398</b>
Segment results after tax	784,161	421,864	916,156	1,483,467	1,700,317	1,905,331
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive Income</b>	<b>784,161</b>	<b>421,864</b>	<b>916,156</b>	<b>1,483,467</b>	<b>1,700,317</b>	<b>1,905,331</b>
	FUEL		LUBE		TOTAL	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	(Rupees in thousand)					
Segment assets	53,329,874	50,638,543	9,963,720	6,438,692	63,293,594	57,077,235
Unallocated assets	-	-	-	-	5,919,623	4,308,710
<b>Total assets</b>	<b>53,329,874</b>	<b>50,638,543</b>	<b>9,963,720</b>	<b>6,438,692</b>	<b>69,213,217</b>	<b>61,385,945</b>
Segment liabilities	22,365,817	16,981,850	1,385,413	655,649	23,751,230	17,637,499
Unallocated liabilities	-	-	-	-	421,790	408,566
<b>Total liabilities</b>	<b>22,365,817</b>	<b>16,981,850</b>	<b>1,385,413</b>	<b>655,649</b>	<b>24,173,020</b>	<b>18,046,065</b>

### 23. DIVIDEND

The Board of Directors in its meeting held on September 11, 2017 proposed a final cash dividend of Rs. 22.50 per share for the year ended June 30, 2017, amounting to Rs. 1,799.25 million for approval of the members at the Annual General Meeting to be held on October 24, 2017. Effect of the proposal will be considered in the Company's financial statements after the same has been approved by the shareholders in the said Annual General Meeting.

### 24. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on October 19, 2017.

  
Chief Financial Officer

  
Chief Executive

  
Director







## **National Refinery Limited**

7-B, Korangi Industrial Area, P.O. Box No. 8228, Karachi.

UAN: 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)