



National Refinery Limited

Vision of today is  
Tomorrow's Achievement

Unaudited Accounts  
for the Half Year ended  
December 31, 2011



# Contents

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

# Corporate Information

## Board of Directors

Dr. Ghaith R. Pharaon - Chairman  
Alternate Director: Iqbal A. Khwaja  
Laith G. Pharaon  
Alternate Director: Babar Bashir Nawaz  
Wael G. Pharaon  
Alternate Director: Jamil A. Khan  
Shuaib A. Malik  
Dr. Mohamed Djarraya  
Bahauddin Khan  
Abdus Sattar

## Chief Executive Officer

Shuaib A. Malik

## Chief Financial Officer

Anwar A. Shaikh

## Company Secretary

Nouman Ahmed Usmani

## Audit Committee

Abdus Sattar	Chairman
Babar Bashir Nawaz	Member
Jamil A. Khan	Member
Iqbal A. Khwaja	Member
Shaikh Ather Ahmed	Secretary

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants

## Solicitors

Ali Sibtain Fazli & Associates

## Primary Bankers

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

## Registered Office

7-B, Korangi Industrial Area,  
P.O. Box 8228, Karachi-74900  
UAN No. 111-675-675  
Fax: +9221 35054663, +9221 35066705  
Website: [www.nrlpak.com](http://www.nrlpak.com)  
E-mail: [info@nrlpak.com](mailto:info@nrlpak.com)

## Share Registrar

Noble Computer Services (Pvt.) Ltd.,  
First Floor, House of Habib Building  
(Siddiqsons Tower), 3-Jinnah Cooperative  
Housing Society, Main Shahrah -e- Faisal,  
Karachi-75350,  
Contact No. 34325482-87,  
Fax: 34325442  
Website: [www.noble-computers.com](http://www.noble-computers.com)

# Directors' Review



Assalam-u-Alaikum!

On behalf of the Board, I am pleased to present a brief review of the un-audited financial statements of your Company for the half-year ended December 31, 2011.

Your Company earned a profit after tax of Rs. 1,585 million for the six months under review as compared to profit of Rs. 3,136 million in the corresponding period. Reduced profitability is mainly due to lower refinery margins, reduced capacity utilization and exchange loss due to weakening Pakistani rupee.

Fuel segment incurred a loss after tax of Rs. 120 million as compared to profit after tax of Rs. 457 million. As finished goods could not fetch reasonable profit margins the refinery was operated at 81% of designed capacity as compared to 96% in the corresponding period. An exchange loss of Rs. 591 million was suffered due to decline in rupee value against US dollar, compared to a gain of Rs. 37 million in the last period.

Profitability of Lube segment was affected due to increase in feed cost and reduction in Lube Base Oil prices. Slow turnover of Asphalt due to lack of development work in the country is also affecting profitability of this segment.

Your Company managed to keep overdue debtors balances restricted to Rs. 9,393 million falling under the circular debt regime. Your Company together with the other Petroleum Industry members is continuously pursuing the Government for an early settlement of the issue, which is hampering the economic activities.

The Board members join me in expressing their gratitude to all our valued customers, employees and shareholders for their continued support and confidence in National Refinery Limited.

On behalf of the Board

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

Karachi:  
January 28, 2012



**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF  
INTERIM FINANCIAL INFORMATION**

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of National Refinery Limited as at December 31, 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that *we would become aware of all significant matters that might be identified in an audit*. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

  
Chartered Accountants  
Karachi

Date: February 8, 2012

Name of the engagement partner: Farrukh Rehman

---

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938; <www.pwc.com/pk>*

*Lahore: 23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O.Box 39, Shahrah-e-Quaid-e-Azam, Lahore-54660; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872  
Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazi-ul-Haq Road, P.O.Box 3021, Islamabad-44000; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277924  
Kabul: House No. 1916, Street No. 1, Behind Cinema Bariqot, Nahar-e-Darsan, Karte-4, Kabul, Afghanistan; Tel: +93 (779) 315320, +93 (799) 315320*

# CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2011

	Note	Unaudited December 31, 2011	Audited June 30, 2011
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	3,146,663	3,234,755
Intangible assets		493	35
Long term investment	5	-	-
Long term loans and deposits		92,961	93,030
		<u>3,240,117</u>	<u>3,327,820</u>
<b>CURRENT ASSETS</b>			
Stores, spares and chemicals		961,264	887,292
Stock-in-trade	6	23,188,148	19,346,929
Trade debts		15,296,778	14,100,493
Loans and advances		36,659	23,962
Deposits and prepayments		141,956	18,446
Accrued interest		61,878	56,995
Other receivables		887,080	932,485
Investments		913,676	8,941,634
Cash and bank balances		15,033,820	9,058,203
		<u>56,521,259</u>	<u>53,366,439</u>
<b>TOTAL ASSETS</b>		<u><b>59,761,376</b></u>	<u><b>56,694,259</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Issued, subscribed and paid up		799,666	799,666
Reserves	7	23,392,945	23,807,509
		<u>24,192,611</u>	<u>24,607,175</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Retirement benefits obligations		228,126	179,857
Deferred taxation		95,094	48,909
		<u>323,220</u>	<u>228,766</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	32,728,041	29,400,170
Provisions		434,089	428,676
Taxation - provision less payments		2,083,415	2,029,472
		<u>35,245,545</u>	<u>31,858,318</u>
<b>TOTAL LIABILITIES</b>		<u><b>35,568,765</b></u>	<u><b>32,087,084</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	9	<u><b>59,761,376</b></u>	<u><b>56,694,259</b></u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

	Note	Quarter ended		Half year ended	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
(Rupees in thousand)					
Gross sales	10	52,890,032	42,185,109	96,684,906	83,453,317
Trade discounts, taxes, duties and levies	11	(8,831,829)	(7,846,661)	(15,019,040)	(15,725,228)
<b>Net sales</b>		<b>44,058,203</b>	<b>34,338,448</b>	<b>81,665,866</b>	<b>67,728,089</b>
Cost of sales		(42,639,647)	(32,032,752)	(78,732,241)	(63,109,355)
<b>Gross profit</b>		<b>1,418,556</b>	<b>2,305,696</b>	<b>2,933,625</b>	<b>4,618,734</b>
Distribution and marketing expenses		(310,795)	(274,867)	(573,611)	(514,687)
Administrative expenses		(110,573)	(95,033)	(220,931)	(186,631)
Other operating income		746,788	808,697	1,224,539	1,225,662
Other operating expenses		(94,799)	(181,209)	(193,959)	(349,001)
<b>Operating profit</b>		<b>1,649,177</b>	<b>2,563,284</b>	<b>3,169,663</b>	<b>4,794,077</b>
Finance cost		(400,151)	(45,499)	(596,089)	(109,536)
<b>Profit before taxation</b>		<b>1,249,026</b>	<b>2,517,785</b>	<b>2,573,574</b>	<b>4,684,541</b>
Taxation	12	(492,734)	(731,214)	(988,974)	(1,548,594)
<b>Profit after taxation</b>		<b>756,292</b>	<b>1,786,571</b>	<b>1,584,600</b>	<b>3,135,947</b>
<b>Earnings per share - basic and diluted</b>		<b>Rs. 9.46</b>	<b>Rs. 22.34</b>	<b>Rs. 19.82</b>	<b>Rs. 39.22</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



# CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

	Note	December 31, 2011	December 31, 2010
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13	152,513	4,261,160
Income tax paid		(888,846)	(666,408)
Decrease / (Increase) in long term loans and deposits		69	(1,317)
Payment made to pension fund		(6,193)	-
Post retirement medical benefits paid		(8,393)	(5,989)
Net cash (used in) / from operating activities		<u>(750,850)</u>	<u>3,587,446</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(52,648)	(129,597)
Purchase of intangible asset		(489)	-
Proceeds from disposal of property, plant and equipment		487	4,163
Return on treasury bills received		452,833	189,376
Dividend received on NIT units		-	13,889
Interest received on balances with banks		381,509	755,492
Net cash from investing activities		<u>781,692</u>	<u>833,323</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(1,984,898)	(1,581,176)
Net (decrease) / increase in cash and cash equivalents		(1,954,056)	2,839,593
Cash and cash equivalents at beginning of the period		17,888,486	17,571,298
Exchange gain on foreign currency bank account		-	19
Cash and cash equivalents at end of the period	14	<u>15,934,430</u>	<u>20,410,910</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

	Share Capital	Capital Reserves		Revenue Reserves		Special Reserve (Note 7.1)	Total
	Issued, subscribed and paid-up	Capital compensation reserves	Exchange equalisation reserve	General reserve	Unappropri- ated profit		
	(Rupees in thousand)						
<b>Balance as at July 1, 2010</b>	799,666	10,142	4,117	11,588,000	4,024,986	3,211,062	19,637,973
Final dividend for the year ended June 30, 2010 - Rs. 20 per share	-	-	-	-	(1,599,331)	-	(1,599,331)
Transfer to general reserve	-	-	-	2,400,000	(2,400,000)	-	-
Profit for the half year ended December 31, 2010	-	-	-	-	3,135,947	-	3,135,947
<b>Balance as at December 31, 2010</b>	799,666	10,142	4,117	13,988,000	3,161,602	3,211,062	21,174,589
Profit for the half year ended June 30, 2011	-	-	-	-	3,432,586	-	3,432,586
Profit after tax from fuel refinery operations transferred to special reserve	-	-	-	-	(658,006)	658,006	-
<b>Balance as at July 1, 2011</b>	799,666	10,142	4,117	13,988,000	5,936,182	3,869,068	24,607,175
Final dividend for the year ended June 30, 2011 - Rs. 25 per share	-	-	-	-	(1,999,164)	-	(1,999,164)
Transfer to general reserve	-	-	-	3,900,000	(3,900,000)	-	-
Profit for the half year ended December 31, 2011	-	-	-	-	1,584,600	-	1,584,600
<b>Balance as at December 31, 2011</b>	<u>799,666</u>	<u>10,142</u>	<u>4,117</u>	<u>17,888,000</u>	<u>1,621,618</u>	<u>3,869,068</u>	<u>24,192,611</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (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 Plot No. 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 half year ended December 31, 2011 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, 2011.
- 2.3 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, 2011.

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

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

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

- 3.2 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, 2011.
- 3.3 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, 2011.

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

	December 31, 2011	December 31, 2010
	(Rupees in thousand)	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
Additions made during the period:		
Building on leasehold land	1,080	1,035
Oil terminal	37,497	217
Processing plant and storage tanks	70,113	103,794
Pipelines	14,566	-
Water power and other utilities	3,535	112,226
Vehicles	-	1,319
Furniture and fixtures	655	291
Computers and other related accessories	3,596	546
Office and other equipments	17,237	9,029
	<u>148,279</u>	<u>228,457</u>
Written down value of assets disposed off during the period:		
Vehicles	272	1,096
Office and other equipments	12	27
	<u>284</u>	<u>1,123</u>

- 4.1 During the period, capital work-in-progress amounting to Rs. 136.85 million (2010: Rs. 217.8 million) was transferred to operating assets.

	December 31, 2011	June 30, 2011
	(Rupees in thousand)	
<b>5. LONG TERM INVESTMENT</b>		
<b>Investment in related party (unlisted)</b>		
<b>– available for sale</b>		
Anoud Power Generation Limited		
1,080,000 (June 30, 2011: 1,080,000) Ordinary shares of Rs.10 each, Equity held 9.09% as at December 31, 2011 and June 30, 2011	10,800	10,800
Less: Provision for impairment	<u>(10,800)</u>	<u>(10,800)</u>
	<u>-</u>	<u>-</u>
<b>6. STOCK-IN-TRADE</b>		

As at December 31, 2011 stock of raw material has been written down by Rs. 202.06 million (June 30, 2011: Rs. 207.45 million) and finished goods by Rs. 15.91 million (June 30, 2011: Rs. 115.96 million) to arrive at its net realisable value.

	December 31, 2011	June 30, 2011
	(Rupees in thousand)	
<b>7. RESERVES</b>		
<b>Capital reserves</b>	14,259	14,259
<b>Revenue reserves</b>		
- General reserve	17,888,000	13,988,000
- Unappropriated profit	1,621,618	5,936,182
	<u>19,509,618</u>	<u>19,924,182</u>
<b>Special reserve - note 7.1</b>	3,869,068	3,869,068
	<u>23,392,945</u>	<u>23,807,509</u>

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

- 7.1 As per the Import Parity Pricing formula, effective from 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.

However, Ministry of Petroleum and Natural Resources through its circular dated October 14, 2010 directed the refineries not to adjust the operational losses against the special reserves.

December 31,      June 30,  
2011                      2011  
(Rupees in thousand)

### 8. TRADE AND OTHER PAYABLES

#### Creditors

Government of Pakistan	2,336,299	2,282,216
<b>Other trade creditors</b>		
Related parties	132,694	2,878
Other trade creditors	<u>26,477,597</u>	<u>23,426,827</u>
	<u>28,946,590</u>	<u>25,711,921</u>
Mark-up accrued on unsecured custom duty overdue	310,264	310,264
Accrued liabilities	527,415	656,946
Advance from customers	239,873	275,037
Unclaimed dividend	68,603	54,337
Sales tax payable	1,508,830	1,940,962
Excise duty and petroleum development levy	764,703	163,924
Other liabilities	<u>361,763</u>	<u>286,779</u>
	<u>32,728,041</u>	<u>29,400,170</u>

### 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, 2011 except as follows:

- a) The Company has raised claims to certain Oil Marketing Companies (OMCs) in respect of interest on late payments against receivables aggregating to Rs. 4.38 billion (June 30, 2011: Rs. 3.60 billion). However, these have not been recognised in the financial information as these have not been acknowledged by the OMCs;
- b) Claims not acknowledged by the company as debt amounted to Rs. 3.10 billion (June 30, 2011: Rs. 2.89 billion). These include claims accumulating to Rs. 2.69 billion (June 30, 2011: Rs. 2.68 billion) in respect of late payment surcharge claimed by a crude oil supplier; and
- c) Outstanding counter guarantees at the end of the period amounted to Rs. 305.21 million (June 30, 2011: Rs. 291.26 million).

#### 9.2 Commitments

- a) Commitments for capital expenditure as at December 31, 2011 amounted to Rs. 1,279.58 million (June 30, 2011: Rs. 81.97 million); and
- b) Outstanding letters of credit at the end of the period amounted to Rs. 16.50 billion (June 30, 2010: Rs. 11.74 billion).

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

	Quarter ended		Half year ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	(Rupees in thousand)			
<b>10. GROSS SALES</b>				
Local	47,533,831	36,089,132	84,169,299	71,673,271
Export	5,356,201	6,095,977	12,515,607	11,780,046
	<u>52,890,032</u>	<u>42,185,109</u>	<u>96,684,906</u>	<u>83,453,317</u>
<b>11. TRADE DISCOUNTS, TAXES, DUTIES AND LEVIES</b>				
Trade discounts	270,687	180,069	571,394	345,988
Sales tax	6,556,455	5,243,828	11,505,779	10,315,305
Excise duty	403,717	347,782	633,291	627,282
Petroleum development levy	1,600,970	2,074,982	2,308,576	4,436,653
	<u>8,831,829</u>	<u>7,846,661</u>	<u>15,019,040</u>	<u>15,725,228</u>
<b>12. TAXATION</b>				
Current	436,743	750,016	942,789	1,580,162
Deferred	55,991	(18,802)	46,185	(31,568)
	<u>492,734</u>	<u>731,214</u>	<u>988,974</u>	<u>1,548,594</u>
			<b>December 31, 2011</b>	<b>December 31, 2010</b>
			(Rupees in thousand)	
<b>13. CASH GENERATED FROM OPERATIONS</b>				
Profit before taxation			2,573,574	4,684,541
<b>Adjustment for non cash charges and other items:</b>				
Depreciation and amortisation			140,487	132,149
Provision for gratuity			5,313	4,968
Provision for post retirement medical benefits			14,852	16,699
Provision for pension			42,690	40,285
Provision for slow moving and obsolete stores spares and chemicals			16,450	6,652
Return / Interest on bank deposits			(386,392)	(833,899)
Return on treasury bills			(354,548)	(233,660)
Gain on disposal of property, plant and equipment			(203)	(3,040)
Gain on re-measurement of fair value of open ended mutual fund units			-	(20,062)
Dividend income on NIT units			-	(13,889)
Exchange gain on foreign currency bank account			-	(19)
(Increase) / Decrease in working capital - note 13.1			<u>(1,899,710)</u>	<u>480,435</u>
			<u>152,513</u>	<u>4,261,160</u>

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

	December 31, 2011	December 31, 2010
	(Rupees in thousand)	
<b>13.1 (Increase) / Decrease in working capital</b>		
(Increase) / Decrease in current assets		
Stores, spares and chemicals	(90,422)	(216,086)
Stock-in-trade	(3,841,219)	(7,719,046)
Trade debts	(1,196,285)	2,479,601
Loans and advances	(12,697)	(2,161)
Deposits and prepayments	(123,510)	(48,803)
Other receivables	45,405	612,780
Tax refunds due from Government - Sales tax	-	62,028
	<u>(5,218,728)</u>	<u>(4,831,687)</u>
 Increase in current liabilities		
Trade and other payables	3,313,605	5,204,050
Provisions	5,413	108,072
	<u>(1,899,710)</u>	<u>480,435</u>
	December 31, 2011	December 31, 2010
	(Rupees in thousand)	
<b>14. CASH AND CASH EQUIVALENTS</b>		
In hand	500	500
With banks on:		
- current accounts	170,590	41,196
- savings accounts	4,947,428	4,473,713
- deposit accounts - local currency - note 14.1	9,915,302	11,971,689
- deposit account - foreign currency (2010: US \$ 61 thousand)	-	5,190
	<u>15,033,320</u>	<u>16,491,788</u>
 Short term investment in treasury bills	<u>900,610</u>	<u>3,918,622</u>
	<u>15,934,430</u>	<u>20,410,910</u>

14.1 Includes Rs. 1.12 billion (June 30, 2011: Rs. 1.06 billion) in respect of deposits placed in 90 days interest-bearing accounts consequent to various directives of Ministry of Petroleum & Natural Resources on account of amounts withheld along with related interest earned thereon.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant related party transactions are:

Nature of relationship	Nature of transactions	Quarter ended		Half year ended	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
		(Rupees in thousand)			
Associated companies	Sale of petroleum products	23,950,801	12,919,402	44,612,559	23,830,832
	Rental income	1,000	922	2,018	1,861
	Hospitality charges	2,683	2,619	5,383	5,149
	Handling income	28,263	21,480	62,007	49,496
	Trade discounts and commission on sales	518,328	388,578	1,006,924	727,761
	Reimbursement of expenses	875	1,008	1,098	1,217
	Purchase of petroleum products	3,415	4,721	7,578	9,458
	Dividend paid	1,019,574	815,659	1,019,574	815,659
	Sales of stores	-	-	-	1,727
Post employment staff benefit plans	Contributions	41,101	39,362	82,278	78,814
Others	Purchase of electricity	188,145	233,657	489,032	452,399
	Rental income	146	133	287	261
Key management personnel compensation	Salaries and other employee benefits	12,911	8,651	22,684	14,420
	Post employment benefits	1,047	707	2,227	1,396
	Director's Fees	606	687	1,567	1,977
		14,564	10,045	26,478	17,793

15.2 The related party status of outstanding balances as at December 31, 2011 is included in trade debts, other receivables and trade and other payables.



# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## FOR THE HALF YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

### 16. SEGMENT INFORMATION

The financial information regarding business segments is as follows:

	FUEL		LUBE		TOTAL	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	(Rupees in thousand)					
<b>Segment Revenue</b>						
Sales to external customer						
- local (net of discounts, taxes, duties and levies)	49,612,273	39,854,099	19,537,986	16,093,944	69,150,259	55,948,043
- export	11,200,331	9,517,046	1,315,276	2,263,000	12,515,607	11,780,046
	60,812,604	49,371,145	20,853,262	18,356,944	81,665,866	67,728,089
Inter segment sales	19,396,618	14,961,339	-	-	19,396,618	14,961,339
Elimination of inter segment sales	-	-	-	-	(19,396,618)	(14,961,339)
<b>Net sales</b>	80,209,222	64,332,484	20,853,262	18,356,944	81,665,866	67,728,089
<b>Segment results after tax</b>	(120,419)	457,347	1,705,019	2,678,600	1,584,600	3,135,947

	FUEL		LUBE		TOTAL	
	December 31, 2011	June 30, 2011	December 31, 2011	June 30, 2011	December 31, 2011	June 30, 2011
	(Rupees in thousand)					
<b>Segment assets</b>						
Unallocated assets	35,534,285	33,787,945	22,768,761	21,346,617	58,303,046	55,134,562
	-	-	-	-	1,458,330	1,559,697
<b>Total assets as per balance sheet</b>	35,534,285	33,787,945	22,768,761	21,346,617	59,761,376	56,694,259
<b>Segment liabilities</b>						
Unallocated liabilities	31,148,301	27,904,406	2,241,955	2,104,296	33,390,256	30,008,702
	-	-	-	-	2,178,509	2,078,382
<b>Total liabilities as per balance sheet</b>	31,148,301	27,904,406	2,241,955	2,104,296	35,568,765	32,087,084

### 17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on January 28, 2012.

  
 Chief Executive Officer

  
 Director



## National Refinery Limited

7-B, Korangi Industrial Area,  
Karachi-74900, Pakistan.  
UAN: 111-675-675  
Fax: 92-21-35054663  
[www.nrlpak.com](http://www.nrlpak.com)  
E-mail: [info@nrlpak.com](mailto:info@nrlpak.com)

