

Condensed Interim  
Financial Information for  
the First Quarter ended  
September 30, 2020



**National Refinery Limited**

Refining with Vision





# Contents

---

02	Corporate Information
03	Directors' Review – English
04	Directors' Review – Urdu
05	Condensed Interim Statement of Financial Position
06	Condensed Interim Statement of Profit or Loss
07	Condensed Interim Statement of Profit or Loss and other Comprehensive Income
08	Condensed Interim Statement of Changes in Equity
09	Condensed Interim Statement of Cash Flows
10	Notes to the Condensed Interim Financial Information

# Corporate Information

## Board of Directors

Laith G. Pharaon

Alternate Director: Shuaib A. Malik

Wael G. Pharaon

Alternate Director: Babar Bashir Nawaz

Shuaib A. Malik - Chairman

Tariq Iqbal Khan

Abdus Sattar

Sajid Nawaz

Zaki Mohamad Mansoer

## Chief Executive Officer

Jamil A. Khan

## Chief Financial Officer

Nouman Ahmed Usmani

## Company Secretary

Muhammad Atta ur Rehman Malik

## Audit Committee

Tariq Iqbal Khan

Chairman

Abdus Sattar

Member

Babar Bashir Nawaz

Member

Alternate Director for Mr. Wael G. Pharaon

Shaikh Ather Ahmed

Secretary

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

Tariq Iqbal Khan

Chairman

Abdus Sattar

Member

Babar Bashir Nawaz

Member

Alternate Director for Mr. Wael G. Pharaon

Jamil A. Khan

Member

Nouman Ahmed Usmani

Secretary

## Auditors

A. F. Ferguson & Co.

Chartered Accountants

## Legal Adviser

Ali Sibtain Fazli & Associates

Legal Advisers, Advocates & Solicitors

## Bankers

National Bank of Pakistan

Habib Bank Limited

Meezan Bank Limited

Bank Alfalah Limited

Allied Bank Limited

MCB Bank Limited

Habib Metropolitan Bank Limited

Faysal Bank Limited

Bank AL-Habib Limited

United Bank Limited

Samba Bank Limited

Askari Bank Limited

## Registered Office

7-B, Korangi Industrial Area, Karachi-74900

P.O. Box: 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

CDC Share Registrar Services Limited

CDC House, 99-B, Block 'B', S.M.C.H.S.,

Main Shakra-e-Faisal, Karachi – 74400.

Tel: (Toll Free) 0800-23275

Fax: +92-21-34326053

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

Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)

## Directors' Review

On behalf of the Board of Directors of National Refinery Limited, I am presenting a brief review of the financial results and operations of your Company for the quarter ended September 30, 2020.

During the period, your company incurred a loss after tax of Rs. 1,311 million resulting in loss per share of Rs. 16.40 as compared to loss after tax of Rs. 679 million which resulted in loss per share of Rs. 8.49 in the corresponding period.

The period witnessed a careful approach towards the revival of economic activity all over the world with a fear of a second wave of COVID-19 spread with the onset of winters. The situation severely affected refinery performance arising out of slim margins on Motor Gasoline and High Speed Diesel, while prices of Jet Fuels and Naphtha remained well below crude oil price. The throughput of Fuel segment remained 64% as against 62% in the same period last year. Under these challenging circumstances, the fuel segment of the company incurred loss after tax of Rs. 1,150 million as compared to loss after tax of Rs. 596 million in the same period last year.

During the period, the Government has changed the product pricing frequency from monthly to fortnightly basis and these are now linked with Import Parity Price of Arab Gulf Platts daily FOB average effective September 2020.

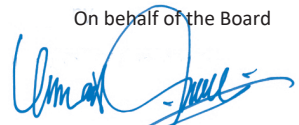
Lube Segment incurred loss after tax of Rs. 161 million as compared to loss after tax of Rs. 83 million during the corresponding period last year. The loss of lube segment is due to increase in feed cost and decline in prices of products. Slow-upliftment of Bitumen due to lower Government spending on infrastructure projects is resulting in blocking of funds in inventory forcing the company to finance the operations through running finance.

During the period your company has successfully commissioned Two Stage Distillation Unit revamp of Lube-I refinery which enhanced the installed crude oil processing capacity of Lube-I refinery from 12,050 bpsd to 17,000 bpsd and vacuum fractionation capacity from 5,200 bpsd to 6,600 bpsd. Addition in capacity will improve the production of prime grades by around 5,000 M.Tons per year. Consequently, the throughput of lube segment remained at 49% as compared to 65% in the corresponding period last year.

Your company, along with all refineries, is in the process of discussing the situation with the Government so that some relief can be provided to existing refineries in the prevailing extra ordinary situation. We expect that Government would understand the gravity of problems and extend its support in the matter for smooth and sustainable operations of refineries in Pakistan.

We thank our shareholders, customers and staff for their sustained support and trust in the Company.

On behalf of the Board



**Shuaib A. Malik**  
Chairman

Islamabad  
October 20, 2020

## ڈائریکٹرز کا جائزہ

نیشنل ریفاٹری لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کی کمپنی کے 30 ستمبر 2020 کو مکمل ہونے والی سہ ماہی کے مالی نتائج اور آپریشنز کا ایک مختصر جائزہ پیش کرتا ہوں۔

موجودہ عرصہ میں، آپ کی کمپنی کو 1,311 ملین روپے کا ٹیکس کے بعد نقصان ہوا جو 16.40 روپے فی حصص نقصان کے مساوی ہے جبکہ گزشتہ مالی سال اسی مدت میں 679 ملین روپے کا ٹیکس کے بعد نقصان ہوا تھا جو 8.49 روپے فی حصص نقصان کے مساوی تھا۔

اس عرصے میں موسم سرما کے آغاز کے ساتھ ہی COVID-19 کی دوسری لہر پھیل جانے کے خدشے کے باعث پوری دنیا میں معاشی سرگرمیوں کے احیاء کی طرف محتاط انداز اختیار کیا گیا۔ اس صورتحال میں بیٹریوں اور ہائی اسپیڈ ڈیزل پر معمولی مارجنز جبکہ جیٹ ایندھن اور بیفٹھا کی قیمتوں میں خام تیل کی قیمتوں کی بنسبت خاطر خواہ کمی سے ریفاٹری کی کارکردگی شدید متاثر ہوئی۔ فیول سیگمنٹ کی پیداوار 64% فیصد رہی جو کہ گزشتہ مالی سال اسی عرصے میں 62% فیصد تھی۔ ان مشکل حالات میں، کمپنی کے فیول سیگمنٹ کو 1,150 ملین روپے ٹیکس کے بعد نقصان ہوا جبکہ پچھلے سال اسی عرصے میں ٹیکس کے بعد نقصان 596 ملین روپے تھا۔


اس مدت کے دوران، ستمبر 2020 سے حکومت نے بیٹریوں و لم مصنوعات کی قیمتوں میں رد و بدل کو ماہانہ سے کم کر کے پندرہ دن کی مدت پر تبدیل کر دیا ہے اور اب یہ عرب گلف Platts کی یومیہ ایف او بی (FOB) کی درآمدی قیمت کے اوسط کے ساتھ منسلک ہیں۔

لیوب سیگمنٹ کو 161 ملین روپے کا ٹیکس کے بعد نقصان ہوا جبکہ گزشتہ مالی سال اسی مدت میں ٹیکس کے بعد 83 ملین روپے کا نقصان تھا۔ فیڈ کی قیمت میں اضافہ اور مصنوعات کی قیمتوں میں کمی کی وجہ سے لیوب سیگمنٹ کے نقصان میں اضافہ ہوا۔ انفراسٹرکچر منصوبوں پر کم سرکاری اخراجات کے باعث تارکول کی فروخت کم ہوئی جس کے نتیجے میں انونٹری میں فنڈز کے بلاک ہونے کے باعث کمپنی کو مجبوراً قلیل المیعاد قرضوں کے ذریعہ آپریشنز کو فنائٹس کرنا پڑا۔

اس عرصے کے دوران آپ کی کمپنی نے کامیابی سے ٹو اسٹیج ڈسٹیلیشن یونٹ روویسپ کو مکمل کر لیا ہے جس نے لیوب-ا ریفاٹری کی خام تیل پروسیسنگ کی گنجائش کو 12,050 بی پی ایس ڈی سے بڑھا کر 17,000 بی پی ایس ڈی اور ویکیموم فریکٹیشن صلاحیت کو 5,200 بی پی ایس ڈی سے بڑھا کر 6,600 بی پی ایس ڈی کر دیا ہے۔ صلاحیت میں اضافے سے ہر سال تقریباً 15,000 ایم ٹن کے اعلیٰ معیار گریڈز کی پیداوار میں بہتری آئے گی۔ اس کے نتیجے میں، لیوب سیگمنٹ کی پیداوار 49% فیصد رہی جو کہ گزشتہ سال اسی عرصے میں 65% فیصد تھی۔

تمام ریفاٹریز میں مل کر حکومت سے اس صورتحال پر تبادلہ خیال کرنے میں مصروف عمل ہیں تاکہ اس غیر معمولی صورتحال میں موجودہ ریفاٹریوں کو کچھ مراعات فراہم کی جاسکیں۔ ہم توقع کرتے ہیں کہ حکومت مسائل کی سنگینی کو سمجھے گی اور پاکستان میں ریفاٹریوں کے استحکام اور آپریشنز کے تسلسل کے لیے اس معاملے میں اپنا کردار ادا کرے گی۔

ہم اپنے حصص یافتگان، صارفین اور عملے کا انکی مسلسل حمایت اور اعتماد کیلئے شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے  
  
 شعیب اے ملک  
 چیئر مین

اسلام آباد  
 20 اکتوبر، 2020

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2020

	Note	Unaudited September 30, 2020	Audited June 30, 2020
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	33,427,419	34,217,924
Long-term investment		12,942	12,942
Long-term loans	6	47,661	46,351
Long-term deposits	7	30,265	30,265
Deferred taxation	8	8,268,042	7,639,925
Retirement benefit prepayments		16,333	19,786
		<u>41,802,662</u>	<u>41,967,193</u>
<b>CURRENT ASSETS</b>			
Stores, spares and chemicals		1,654,841	1,552,996
Stock-in-trade	9	17,654,950	11,820,278
Trade receivables		7,846,432	4,022,171
Loans and advances	10	47,534	43,941
Trade deposits and short-term prepayments	11	416,470	21,228
Interest accrued		18,936	8,833
Other receivables		1,245,714	1,070,134
Taxation - payments less provision		2,181,093	2,253,411
Cash and bank balances	12	539,025	552,605
		<u>31,604,995</u>	<u>21,345,597</u>
		<u>73,407,657</u>	<u>63,312,790</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		799,666	799,666
Reserves		27,726,520	29,037,620
		<u>28,526,186</u>	<u>29,837,286</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long-term lease liability		183,656	183,656
Retirement benefit obligations		330,068	308,552
		<u>513,724</u>	<u>492,208</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	21,255,549	15,492,187
Unclaimed dividend		62,538	62,538
Unpaid dividend		31,467	31,489
Accrued mark-up		189,949	310,264
Provisions		112,361	112,361
Borrowings	14	22,705,469	16,777,521
Unearned revenue		-	193,085
Current portion of long-term lease liability		10,414	3,851
		<u>44,367,747</u>	<u>32,983,296</u>
		<u>44,881,471</u>	<u>33,475,504</u>
<b>TOTAL LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>73,407,657</u>	<u>63,312,790</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 PROFIT OR LOSS**

FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	Note	September 30, 2020	September 30, 2019
(Rupees in thousand)			
Revenue from contracts with customers	16	42,630,047	52,332,426
Trade discounts, taxes, duties, levies and price differential	17	<u>(15,367,807)</u>	<u>(13,064,811)</u>
Net revenue from contracts with customers		27,262,240	39,267,615
Cost of sales		<u>(28,602,766)</u>	<u>(39,455,909)</u>
Gross loss		(1,340,526)	(188,294)
Distribution cost		(123,781)	(196,882)
Administrative expenses		(206,716)	(234,402)
Other income	18	95,146	101,773
Other operating expenses		<u>(3,117)</u>	<u>(5,036)</u>
Operating loss		(1,578,994)	(522,841)
Finance cost	19	<u>(150,396)</u>	<u>(370,870)</u>
Loss before taxation		(1,729,390)	(893,711)
Taxation	20	418,290	214,946
Loss after taxation		<u>(1,311,100)</u>	<u>(678,765)</u>
Loss per share - basic and diluted		<u>(Rs. 16.40)</u>	<u>(Rs. 8.49)</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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
Loss after taxation	(1,311,100)	(678,765)
Other comprehensive income / (loss)		
Items that will not be reclassified to statement of profit or loss		
Change in fair value of long term investment	-	-
Remeasurement of post employment benefit obligations	-	-
Deferred tax thereon	-	-
Total comprehensive loss	<u>(1,311,100)</u>	<u>(678,765)</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, 2020 (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	Gain / (loss) on revaluation of investment at fair value through OCI	Accumulated loss	
	← (Rupees in thousand) →								
Balance as at July 1, 2019	799,666	10,142	4,117	-	9,631,914	31,961,000	13,346	(8,546,716)	33,873,469
Loss for the three months ended September 30, 2019	-	-	-	-	-	-	-	(678,765)	(678,765)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive loss for the three months ended September 30, 2019	-	-	-	-	-	-	-	(678,765)	(678,765)
Balance as at September 30, 2019	799,666	10,142	4,117	-	9,631,914	31,961,000	13,346	(9,225,481)	33,194,704
Balance as at July 1, 2020	799,666	10,142	4,117	-	9,631,914	31,961,000	12,942	(12,582,495)	29,837,286
Loss for the three months ended September 30, 2020	-	-	-	-	-	-	-	(1,311,100)	(1,311,100)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive loss for the three months ended September 30, 2020	-	-	-	-	-	-	-	(1,311,100)	(1,311,100)
Balance as at September 30, 2020	799,666	10,142	4,117	-	9,631,914	31,961,000	12,942	(13,893,595)	28,526,186

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 CASH FLOWS**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	Note	September 30, 2020	September 30, 2019
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (utilised in) / generated from operations	21	(5,297,760)	7,168,121
Income tax (paid) / refund		(137,509)	1,094,844
Finance cost paid		(467,739)	(493,170)
Increase in long-term loans		(1,310)	(378)
Payments made to staff retirement benefit funds		(2,689)	-
Net cash flow (used in) / generated from operating activities		<u>(5,907,007)</u>	<u>7,769,417</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(39,506)	(451,027)
Return on investments and bank accounts		5,007	7,000
Net cash flow used in investing activities		<u>(34,499)</u>	<u>(444,027)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(22)	(173)
Net (decrease) / increase in cash and cash equivalents		<u>(5,941,528)</u>	<u>7,325,217</u>
Cash and cash equivalents at beginning of the period		<u>(16,224,916)</u>	<u>(24,029,218)</u>
Cash and cash equivalents at end of the period		<u><u>(22,166,444)</u></u>	<u><u>(16,704,001)</u></u>

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



Chief Financial Officer



Chief Executive



Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (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 a 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. The company has also commissioned Diesel Hydro De-sulphurisation (DHDS) and Isomerisation (ISOM) units during the financial year 2017 and 2018 respectively.

**2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, Issued by the international Accounting Standard Board (IASB) as notified under the Companies Act 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2020.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2020.

**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.

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, 2020.

4.2 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, 2020.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	September 30, 2020	June 30, 2020
	(Rupees in thousand)	
<b>5. FIXED ASSETS</b>		
Property, plant and equipment		
- Operating assets	31,280,666	30,366,435
- Major spare parts and stand-by equipments	366,560	363,497
- Capital work-in-progress - note 5.1	<u>1,765,646</u>	<u>3,468,738</u>
	<u>33,412,872</u>	<u>34,198,670</u>
Intangible assets	<u>14,547</u>	<u>19,254</u>
	<u><u>33,427,419</u></u>	<u><u>34,217,924</u></u>

### 5.1 Capital work-in-progress

	Balance as at July 1, 2020	Additions during the period	Transfers	Balance as at September 30, 2020	Balance as at July 1, 2019	Additions during the year	Transfers	Balance as at June 30, 2020
	(Rupees in thousand)							
Building on leasehold land	22,810	124	-	22,934	16,420	17,763	(11,373)	22,810
Refineries upgradation projects	2,804,584	5,923	(1,566,392)	1,244,115	1,580,129	1,224,455	-	2,804,584
Plant and machinery	510,885	42,402	(161,204)	392,083	770,160	636,018	(895,293)	510,885
Office and other equipments	53,860	6,325	-	60,185	26,001	52,410	(24,551)	53,860
	<u>3,392,139</u>	<u>54,774</u>	<u>(1,727,596)</u>	<u>1,719,317</u>	<u>2,392,710</u>	<u>1,930,646</u>	<u>(931,217)</u>	<u>3,392,139</u>
Advances to contractors/ suppliers - note 5.3	76,599	20,800	(51,070)	46,329	211,608	41,064	(176,073)	76,599
	<u>3,468,738</u>	<u>75,574</u>	<u>(1,778,666)</u>	<u>1,765,646</u>	<u>2,604,318</u>	<u>1,971,710</u>	<u>(1,107,290)</u>	<u>3,468,738</u>

### 5.2 Additions to operating assets during the three months ended September 30, 2020 are as follows:

	Additions (at cost)	
	September 2020	September 2019
	(Rupees in thousand)	
Plant and machinery	1,727,596	89,565
Vehicles	-	330
Office and other equipments	11,122	6,580
Furniture and fixtures	-	17
Computer equipments	817	1,540
	<u>1,739,535</u>	<u>98,032</u>

### 5.3 The advances to contractors / suppliers do not carry any interest or mark-up arrangement.

## 6. LONG-TERM LOANS

These include secured loans to executives and employees for the purchase of motor cars and house building. Out of these, car loans amounting to Rs. 10.96 million (June 30, 2020: Rs. 10.05 million) carrying interest ranging from 3% to 7% (June 30, 2020: 3% to 7%). These also include unsecured loans to executive and employees which are interest free.

## 7. LONG-TERM DEPOSITS

These deposits do not carry any mark-up arrangement.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

### 8. DEFERRED TAXATION

The deferred tax asset on minimum tax, alternative corporate tax and tax loss are expected to be recoverable based on the estimated future taxable income.

### 9. STOCK-IN-TRADE

As at September 30, 2020 stock of finished products and semi-finished products have been written down by Rs. 407 million (June 30, 2020: Rs. 77 million) and Rs. 334 million (June 30, 2020: Rs. Nil) respectively to arrive at their net realisable value.

### 10. LOANS AND ADVANCES

Out of these, car loans amounting to Rs. 2.37 million (June 30, 2020: Rs. 1.97 million) carrying interest as disclosed in note 6. Advances do not carry any mark-up arrangement.

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

These deposits do not carry any mark-up arrangement.

	September 30, 2020	June 30, 2020
	(Rupees in thousand)	
<b>12. CASH AND BANK BALANCES</b>		
Cash in hand	500	500
With banks on:		
- Current accounts	46,089	43,535
- Savings accounts	2,373	18,507
- Deposit accounts	490,063	490,063
	538,525	552,105
	539,025	552,605
<b>13. TRADE AND OTHER PAYABLES</b>		
Trade creditors	11,400,397	7,116,002
Due to Government of Pakistan	467,115	418,523
Due to related parties:		
- Attock Petroleum Limited	30,479	19,219
- Pakistan Oilfields Limited	289,240	289,686
Accrued liabilities	2,386,553	2,826,847
Surplus price differential payable	7,582	7,582
PMG - Specification differential payable	149,669	148,664
Custom duty payable - note 13.1	1,161,147	1,493,612
Sales tax payable	2,012,025	1,122,417
Retention money	157,125	177,349
Deposits from contractors	45,582	42,716
Advances from customers - note 13.2	472,838	339,814
Workers' Welfare Fund	79,987	78,595
Income tax deducted at source	8,013	23,694
Excise duty and petroleum levy	2,565,857	1,379,486
Others	21,940	7,981
	21,255,549	15,492,187

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

13.1 This represents the differential of custom duty levied on import of crude oil and sale of petroleum products based on SROs issued by the Government of Pakistan and Ministry of Energy (MoE). In 2018, the Oil and Gas Regulatory Authority (OGRA) in compliance with the directives of MoE approved a recovery mechanism for regulated products through which refineries will operate on no gain / loss basis on this account. OGRA directed Oil Companies Advisory Committee (OCAC) to ensure implementation of the said mechanism. The Company has worked out the impact of such mechanism and adjusted the regulatory duty on regulated products in the trade payables and in case of regulatory duty on deregulated products in the sales and cost of sales respectively.

13.2 This includes advances received from related party - Pakistan Oilfields Limited amounting to Rs. 26.95 million (June 30, 2020: Rs. 25.54 million) against supply of goods.

### 14. BORROWINGS

14.1 The facilities for running finance under mark-up arrangements with various banks amounted to Rs. 23.70 billion (June 30, 2020: Rs. 21.65 billion) of which the amount remained unutilized at the period end was Rs. 7.07 billion (June 30, 2020: 9.87 billion). The rates of mark-up applicable on running finance range from 0.15% to 1.0% above KIBOR (June 30, 2020: KIBOR + 0.15% to 1.10%) per annum.

14.2 The facility from Istisna arrangement from an Islamic bank amounted to Rs. 5 billion (June 30, 2020: Rs. 5 billion) of which Rs. Nil remained unutilised as at period end. The rate of mark-up applicable is based on three months KIBOR + 0.25% to 0.50% (June 30, 2020: KIBOR + 0.25%) per annum.

14.3 Short-term loans obtained on rollover basis from commercial banks amounting to Rs. 9.63 billion (June 30, 2020: Rs. 6 billion). These loans are interchangeable facilities with running finance arrangement as disclosed in note 14.1. The rate of mark-up applicable on these loans is based on respective tenor KIBOR ranging from 0.08% to 0.55% (June 30, 2020: KIBOR + 0.1% to 0.55%) per annum.

14.4 The facilities for opening the letters of credit and guarantees as at September 30, 2020 amounted to Rs. 86.45 billion (June 30, 2020: Rs. 86.8 billion) of which the amount remaining unutilised at the period end was Rs. 51.37 billion (June 30, 2020 Rs. 63.58 billion). The above financing arrangements to the tune of Rs. 28.70 billion (June 30, 2020: Rs. 21.65 billion) are sublimit to these non-funded limits.

14.5 These facilities are secured against ranking charge on Company's stocks, receivables and stores, spares and chemicals.

### 15. CONTINGENCIES AND COMMITMENTS

#### 15.1 Contingencies

15.1.1 There has been no significant changes during the period in the contingencies reported in the annual financial statements for the year ended June 30, 2020, except as disclosed in note 15.1.2.

15.1.2 Claims not acknowledged by the Company as debt at the end of the period amounted to Rs. 5.22 billion (June 30, 2020: Rs. 5.17 billion). These include claims accumulating to Rs. 5 billion (June 30, 2020: Rs. 5 billion) in respect of late payment surcharge claimed by crude oil suppliers and Rs. 63.92 million (June 30, 2020: Rs. 49.64 million) relating to freight claims.

#### 15.2 Commitments

Commitments outstanding for capital expenditure as at September 30, 2020 amounted to Rs. 399 million (June 30, 2020: Rs. 403 million).

September 30, 2020	September 30, 2019
(Rupees in thousand)	

### 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local	40,942,597	48,831,866
Export	<u>1,687,450</u>	<u>3,500,560</u>
	<u>42,630,047</u>	<u>52,332,426</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
<b>17. TRADE DISCOUNTS, TAXES, DUTIES, LEVIES AND PRICE DIFFERENTIAL</b>		
Trade discounts	50,058	116,213
Sales tax	5,920,954	7,095,298
Excise duty	52	88
Petroleum levy	8,433,434	4,659,835
PMG-Specification differential	121,907	102,595
Custom duty	841,402	1,090,782
	<u>15,367,807</u>	<u>13,064,811</u>
<b>18. OTHER INCOME</b>		
This includes return on bank deposits amounting to Rs. 15.11 million (September 30, 2019: Rs. 14.95 million).		
<b>19. FINANCE COST</b>		
This includes net exchange gain of Rs. 205.81 million (September 30, 2019: Rs. 169.34 million) on foreign currency transactions relating to purchase and export of crude oil/products. This exchange gain relates to actual currency fluctuations and not due to derivatives financial instruments.		
	September 30, 2020	September 30, 2019
	(Rupees in thousand)	
<b>20. TAXATION</b>		
Current	209,827	304,235
Deferred	(628,117)	(519,181)
	<u>(418,290)</u>	<u>(214,946)</u>
<b>21. CASH (UTILISED IN) / GENERATED FROM OPERATIONS</b>		
Loss before taxation	(1,729,390)	(893,711)
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation and amortisation	830,011	883,893
Provision for staff retirement benefit funds	27,658	33,528
Finance cost	347,424	537,823
Interest on lease	6,563	6,638
Return on investments and bank accounts	(15,110)	(14,948)
Unearned revenue	(193,085)	-
Changes in working capital - note 21.1	(4,571,831)	6,614,898
	<u>(5,297,760)</u>	<u>7,168,121</u>
21.1 Changes in working capital		
<b>(Increase) / Decrease in current assets</b>		
Stores, spares and chemicals	(101,845)	7,085
Stock-in-trade	(5,834,672)	752,465
Trade receivables	(3,824,261)	(2,399,312)
Loans and advances	(3,593)	(32,880)
Trade deposits and short-term prepayments	(395,242)	(297,434)
Other receivables	(175,580)	509,518
	(10,335,193)	(1,460,558)
<b>Increase in current liabilities</b>		
Trade and other payables	5,763,362	8,075,456
	<u>(4,571,831)</u>	<u>6,614,898</u>



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

### 22. TRANSACTIONS WITH RELATED PARTIES

Related party transactions are:

Nature of relationship	Nature of transactions	Transactions during the quarter	
		September 30, 2020	September 30, 2019
		(Rupees in thousand)	
<b>Associated companies</b>			
<b>- Attock Petroleum Limited (APL)</b>			
	Sale of petroleum products	17,977,673	27,006,398
	Trade discounts	34,771	96,862
	Commission on export sales	19,137	34,668
	Commission on local sales	81,071	111,485
	Purchase of petroleum products	2,020	1,141
	Hospitality charges on sales	21,953	31,045
	Rental income	922	981
	Reimbursement of expenses incurred by NRL on behalf of APL	603	156
<b>- Pakistan Oilfields Limited (POL)</b>			
	Rental income	759	690
	Sale of petroleum products	45,031	74,995
	Purchase of raw material	388,308	747,277
	Reimbursement of expenses incurred by POL on behalf of NRL	-	21
	Reimbursement of expenses incurred by NRL on behalf of POL	43	42
<b>- Attock Refinery Limited (ARL)</b>			
	Reimbursement of expenses incurred by NRL on behalf of ARL	-	68
	Naphtha Handling Income	34,099	39,041
<b>- Attock Cement Pakistan Limited (ACPL)</b>			
	Reimbursement of expenses incurred by ACPL on behalf of NRL	-	21
<b>- Attock Oil Company Limited (AOCL)</b>			
	Reimbursement of expenses incurred by AOC on behalf of NRL	2	424
	Reimbursement of expenses incurred by NRL on behalf of AOC	16	16
<b>Other related parties</b>			
<b>- Contribution to staff retirement benefits plans</b>			
	Employees provident fund	14,127	11,979
	Employees gratuity fund	2,689	-
<b>- Key management compensation</b>			
	Salaries and other employee benefits	9,311	12,104
	Post-employment benefits	892	855
	Directors' fee	3,737	2,894

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (UNAUDITED)

### 23. SEGMENT INFORMATION

23.1 Segments results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated assets include property, plant and equipment.

The financial information regarding operating segments is as follows:

	FUEL		LUBE		TOTAL	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in thousand)					
<b>Segment Revenue</b>						
Revenue to external customers						
- local (net of discounts, taxes, duties, levies and price differential)	20,452,420	27,019,182	5,122,370	8,747,873	25,574,790	35,767,055
- exports	1,687,450	3,031,341	-	469,219	1,687,450	3,500,560
	22,139,870	30,050,523	5,122,370	9,217,092	27,262,240	39,267,615
Inter-segment transfers	4,024,684	6,185,795	-	-	4,024,684	6,185,795
Elimination of inter-segment transfers	-	-	-	-	(4,024,684)	(6,185,795)
<b>Net revenue from contract with customer</b>	<b>26,164,554</b>	<b>36,236,318</b>	<b>5,122,370</b>	<b>9,217,092</b>	<b>27,262,240</b>	<b>39,267,615</b>
Segment results after tax	(1,150,252)	(595,552)	(160,848)	(83,213)	(1,311,100)	(678,765)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>(1,150,252)</b>	<b>(595,552)</b>	<b>(160,848)</b>	<b>(83,213)</b>	<b>(1,311,100)</b>	<b>(678,765)</b>
	FUEL		LUBE		TOTAL	
	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020
	(Rupees in thousand)					
Segment assets	48,950,402	38,592,749	9,272,940	10,828,424	58,223,342	49,421,173
Unallocated assets	-	-	-	-	15,184,315	13,891,617
<b>Total assets</b>	<b>48,950,402</b>	<b>38,592,749</b>	<b>9,272,940</b>	<b>10,828,424</b>	<b>73,407,657</b>	<b>63,312,790</b>
Segment liabilities	26,671,505	18,699,283	17,879,898	14,467,669	44,551,403	33,166,952
Unallocated liabilities	-	-	-	-	330,068	308,552
<b>Total liabilities</b>	<b>26,671,505</b>	<b>18,699,283</b>	<b>17,879,898</b>	<b>14,467,669</b>	<b>44,881,471</b>	<b>33,475,504</b>

23.2 Incremental expenses of Diesel Hydro De-sulphurisation (DHDS) and Isomerization (ISOM) units have been charged to fuel segment in accordance with note 23.1 above.

### 24. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 20, 2020.



Chief Financial Officer



Chief Executive



Director





**National Refinery Limited**

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