



PAKISTAN REFINERY LIMITED

3RD QUARTER REPORT
MARCH 31, 2015

Vision

To be the Refinery of first choice for all stakeholders.

Mission

PRL is committed to remaining a leader in the oil refining business of Pakistan by providing value added products that are environmentally friendly, and by protecting the interest of all stakeholders in a competitive market through sustainable development and quality human resources.



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Company Information

Chief Financial Officer

Imran Ahmad Mirza

Company Secretary

Asim H. Akhund

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Orr Dignam & Co.

Registrar & Share Registration Office

FAMCO Associates (Pvt) Ltd.
8-F, Next to Hotel Faran, Nursery Block-6,
P.E.C.H.S. Shahra-e-Faisal, Karachi.

Bankers

Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Citi Bank N.A.
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Sindh Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
United Bank Limited

Registered Office

P.O. Box 4612
Korangi Creek Road, Karachi-75190
Tel: (92-21) 35122131-40
Fax: (92-21) 35060145, 35091780
www.prl.com.pk
info@prl.com.pk

Board of Directors

Farooq Rahmatullah
Chairman

Aftab Husain
Managing Director & CEO

Babar H. Chaudhary
Director

Faisal Waheed
Director

Farrokh K. Captain
Director

Mohammad Zubair
Director

Mumtaz Hasan Khan
Director

Omar Yaqoob Sheikh
Director

Saleem Butt
Director

Shahid Islam
Director

Board Committees

Audit Committee

The Audit Committee comprises of four members, including the Chairman, from non-executive Directors of the Board all of whom have sufficient financial management expertise. The Chief Internal Auditor is the Secretary of the Committee.

The Board has determined the Terms of Reference of the Audit Committee and has provided adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively. The Audit Committee recommends to the Board, the appointment of external auditors, their removal, audit fees and the provision by the external auditors of any service to the listed company in addition to audit of its financial statements. The Board gives due consideration to the recommendations of the Audit Committee in all these matters.

Human Resources and Remuneration Committee (HR&RC)

HR&RC comprises of five members from the non-executive Directors of the Board. The head of Human Resources is the Secretary of the Committee. HR&RC has been delegated the role of assisting the Board of Directors in:

- recommending human resource management policies to the board;
- recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the Managing Director & Chief Executive Officer;
- recommending to the Board the selection, evaluation, compensation (including retirement benefits) of Managing Director & Chief Executive Officer, Deputy Managing Director (Operations & Supply), Chief Financial Officer, Company Secretary and Chief Internal Auditor;
- consideration and approval on recommendations of Managing Director & Chief Executive Officer on such matters for key management positions who report directly to Managing Director & Chief Executive Officer or Deputy Managing Director (Operations & Supply).

Board Technical Committee

The Board Technical Committee is responsible for removing barriers for realising the upgradation project for the Company's project team, institutionalising project execution process and governance for the upgradation project and endorsement of the investment decisions recommended by the Project Steering Committee. This committee also reviews and engages with technical managers for HSEQ matters.

Board Strategic Committee

The Board Strategic Committee has been set up to assist management in defining and putting up to the Board of Directors a structured strategic plan that will ensure future sustainability of the business and deliver sustainable returns to the shareholders.

Share Transfer Committee

The Share Transfer Committee comprises of three Directors and is set up to approve registration of transfer of shares received by the Company. The Share Transfer Committee shall assist the Board of Directors in the following matters:

- approve and register transfer / transmission of shares;
- sub-divide, consolidate and issue certificates; and
- issue share certificates in place of those which are damaged or in which the pages are completely exhausted, provided the original certificates are surrendered to the Company.

Directors' Review

After difficult first six months of the current period, the Company took positive turn and posted profit after taxation of Rs. 1.093 billion in the quarter ended March 31, 2015 as compared to profit after taxation of Rs. 375 million in the same quarter last year. However, the Company suffered a loss after taxation of Rs. 2.484 billion during the nine months period ended March 31, 2015 as compared to the loss after taxation of Rs. 875 million in the same period last year. The main factor for this loss was huge inventory losses that the refinery suffered in the first six months of the current period when international crude prices fell almost 50 percent from their level on June 30, 2014. The other negative factors were impact of volatile Rupee / USD parity and negative effects of pricing mechanism of High Speed Diesel whereby the refineries are required to deposit the difference between actual import price and notional ex-refinery price into Government Treasury. The Company suffered Rs. 1,109 million on account of above-mentioned HSD pricing mechanism during the period.

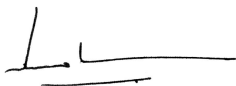
The Company is in the process of meeting regulatory requirements relating to proposed Right Issue of Rs. 2.8 billion in proportion of 8 right shares issued at par value of Rs. 10/- each for every share held as already announced by the Board of Directors in their meeting held on March 9, 2015.

The Company remained committed to operational excellence and its policy of Health, Safety, Environment and Quality (HSEQ) and successfully achieved 3.68 million man-hours without Lost-Time-Injury incident till March 31, 2015. Focus remained on efficient and safe operations including safety of employees, customers and contractors along with compliance with national standards for production of quality products.

The Isomerisation Project is progressing as planned. Most of the equipment have been received and safely installed. Currently, some interconnecting and pre-commissioning activities are underway. It is expected that the project will be commissioned by 1st quarter of 2015-16.

The Board of Directors expresses their gratitude and appreciation to all stakeholders including shareholders, customers, suppliers, employees and concerned Government ministries for their continuous support.

On behalf of the Board of Directors



Farooq Rahmatullah
Chairman

Karachi: April 16, 2015

Condensed Interim Balance Sheet

as at March 31, 2015

	Note	Unaudited March 31, 2015	Audited June 30, 2014
(Rupees in thousand)			
ASSETS			
Non-current assets			
Fixed assets	4	11,313,344	7,407,267
Investment in associate		88,823	89,757
Long-term loans and advances		3,621	2,666
Long-term deposits		26,983	51,543
		<u>11,432,771</u>	<u>7,551,233</u>
Current assets			
Stores, spares and chemicals		274,954	259,626
Stock-in-trade		6,563,210	9,673,473
Trade debts		5,259,657	8,587,612
Loans and advances		39,329	31,742
Trade deposits and short-term prepayments		35,892	13,620
Other receivables		66,304	61,222
Taxation - payments less provision		668,152	372,499
Cash and bank balances		141,488	2,287,864
		<u>13,048,986</u>	<u>21,287,658</u>
		<u>24,481,757</u>	<u>28,838,891</u>
EQUITY			
Share capital		350,000	350,000
Reserves		397,965	397,965
Accumulated loss	2.6	(5,968,566)	(3,484,462)
Fair value reserve		5,610	7,306
		<u>(5,214,991)</u>	<u>(2,729,191)</u>
SURPLUS ON REVALUATION OF FIXED ASSETS			
		3,297,928	3,297,928
LIABILITIES			
Non-current liabilities			
Long-term borrowing	5	2,000,000	-
Deferred taxation		23,090	23,334
Retirement benefit obligations		54,560	59,023
		<u>2,077,650</u>	<u>82,357</u>
Current liabilities			
Trade and other payables		14,358,538	19,156,371
Term Finance Certificates	6	2,239,740	2,428,590
Short-term borrowing	7	4,238,000	5,996,984
Running finance under mark-up arrangements		2,151,537	-
Accrued mark-up		165,716	113,267
Payable to government - sales tax		1,167,639	492,585
		<u>24,321,170</u>	<u>28,187,797</u>
		<u>26,398,820</u>	<u>28,270,154</u>
Contingencies and commitments	8	<u>24,481,757</u>	<u>28,838,891</u>

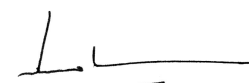
The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Condensed Interim Profit and Loss Account

for the nine months period ended March 31, 2015 (Unaudited)

	For the quarter		For the nine months period	
	January - March 2015	January - March 2014	July - March 2015	July - March 2014
	(Rupees in thousand)			
Sales	27,914,648	42,721,448	90,097,189	127,282,295
Less: Sales tax, excise duty, petroleum levy and price differential	(7,745,558)	(7,225,260)	(19,358,972)	(21,535,921)
	20,169,090	35,496,188	70,738,217	105,746,374
Cost of sales	(18,692,257)	(35,096,533)	(72,460,131)	(106,022,979)
Gross (loss) / profit	1,476,833	399,655	(1,721,914)	(276,605)
Distribution cost	(52,787)	(42,837)	(152,445)	(142,979)
Administrative expenses	(59,680)	(45,665)	(181,500)	(153,266)
Other operating expenses	(15,450)	-	(15,828)	(2,833)
Other income	40,376	90,955	130,863	229,671
Operating (loss) / profit	1,389,292	402,108	(1,940,824)	(346,012)
Finance costs	(287,726)	(86,443)	(535,069)	(511,432)
Share of income of associate	6,404	4,255	10,720	9,504
(Loss) / profit before taxation	1,107,970	319,920	(2,465,173)	(847,940)
Taxation - current	(13,605)	(36,230)	(18,573)	(119,801)
- prior years	-	92,533	-	92,533
- deferred	(1,011)	(434)	(358)	(38)
	(14,616)	55,869	(18,931)	(27,306)
(Loss) / profit after taxation	1,093,354	375,789	(2,484,104)	(875,246)
Other comprehensive income:				
Change in fair value reserve on account of available for sale investments of associate	(4,851)	(478)	(2,300)	1,272
Deferred tax relating to component of other comprehensive income	1,274	122	604	(324)
	(3,577)	(356)	(1,696)	948
Total comprehensive (loss) / profit	1,089,777	375,433	(2,485,800)	(874,298)
(Loss) / earnings per share	Rs 31.24	Rs 10.74	(Rs 70.97)	(Rs 25.01)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Farooq Rahmatullah
Chairman



Aftab Husain
Managing Director & CEO

Condensed Interim Cash Flow Statement

for the nine months period ended March 31, 2015 (Unaudited)

	Note	March 31, 2015	March 31, 2014
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	9	647,871	3,406,139
Mark-up paid		(542,499)	(480,211)
Income taxes paid		(314,226)	(327,909)
Payment for defined benefit plans		(39,005)	(57,401)
(Increase) / decrease in loans and advances		(955)	369
Decrease / (increase) in long term deposits		24,560	(148)
Net cash (used in) / generated from operating activities		(224,254)	2,540,839
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(4,140,058)	(1,448,094)
Proceeds from disposal of fixed assets		124	565
Profit received on deposits		31,698	105,001
Dividend received		9,354	9,355
Net cash used in investing activities		(4,098,882)	(1,333,173)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(26,943)	(72,818)
Proceeds from long term borrowing		2,000,000	-
(Repayment of) / Proceeds from foreign currency loan		(5,996,984)	12,123,654
(Redemptions against) / Proceeds from term finance certificates		(188,850)	2,506,440
Net cash (used in) / generated from financing activities		(4,212,777)	14,557,276
Net (decrease) / increase in cash and cash equivalents		(8,535,913)	15,764,942
Cash and cash equivalents at the beginning of the period		2,287,864	(7,693,706)
Cash and cash equivalents at the end of the period	11	(6,248,049)	8,071,236

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Changes in Equity

for the nine months period ended March 31, 2015 (Unaudited)

	SHARE CAPITAL	CAPITAL Exchange equalisation reserve	RESERVES		SPECIAL RESERVE (note 2.4)	FAIR VALUE RESERVE	TOTAL
			General reserve	Accumulated loss			
← (Rupees in thousand) →							
Balance as at July 1, 2013 - restated	350,000	897	1,050	(2,738,342)	396,018	7,145	(1,983,232)
Final dividend for the year ended June 30, 2013 @ Rs. 2.85 per share	-	-	-	(99,750)	-	-	(99,750)
Loss for the nine months period ended March 31, 2014	-	-	-	(875,246)	-	-	(875,246)
Other comprehensive income	-	-	-	-	-	948	948
Total recognised profit / (loss) for the nine months period ended March 31, 2014	-	-	-	(875,246)	-	948	(874,298)
Balance as at March 31, 2014	<u>350,000</u>	<u>897</u>	<u>1,050</u>	<u>(3,713,338)</u>	<u>396,018</u>	<u>8,093</u>	<u>(2,957,280)</u>
Balance as at July 1, 2014	350,000	897	1,050	(3,484,462)	396,018	7,306	(2,729,191)
Loss for the nine months period ended March 31, 2015	-	-	-	(2,484,104)	-	-	(2,484,104)
Other comprehensive income	-	-	-	-	-	(1,696)	(1,696)
Total recognised profit / (loss) for the nine months period ended March 31, 2015	-	-	-	(2,484,104)	-	(1,696)	(2,485,800)
Balance as at March 31, 2015	<u>350,000</u>	<u>897</u>	<u>1,050</u>	<u>(5,968,566)</u>	<u>396,018</u>	<u>5,610</u>	<u>(5,214,991)</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Farooq Rahmatullah
Chairman


Aftab Husain
Managing Director & CEO

Notes to and Forming Part of the Condensed Interim Financial Information

for the nine months period ended March 31, 2015 (Unaudited)

1. THE COMPANY AND ITS OPERATIONS

Pakistan Refinery Limited was incorporated in Pakistan as a public limited company in May 1960 and is quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is at Korangi Creek Road, Karachi. The Company is engaged in the production and sale of petroleum products.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial report of the Company for the third quarter ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 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.
- 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, 2014.
- 2.3 The accounting policies and methods of computation adopted for 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, 2014.
- 2.4 Under directive from the Ministry of Petroleum & Natural Resources' (the Ministry), any profit after taxation above 50% of the paid-up capital as on July 1, 2002 is required to be transferred to a "Special Reserve" to offset any future losses or to make investment for expansion or upgradation of the refineries, and is not available for distribution to shareholders. The formula under which deemed duty is built into the import parity based prices of some of the products, was introduced in order to enable certain refineries, including the Company, to operate on a self financing basis.

On March 27, 2013, Government of Pakistan issued a policy framework for up-gradation and expansion of refinery projects which inter alia states that:

- refineries will not be allowed to offset losses, if any, for year ended June 30, 2013 or subsequent years against the amount of profit above 50% accumulated or to be accumulated in the Special Reserve Account as per current pricing formula; and
- the amount of profits above 50% will be accumulated in the Special Reserve account as per the pricing formula (including unutilised balance), which shall, along with amounts presently available with refineries, be deposited on half yearly basis (with final adjustment on annual basis) in an ESCROW Account to be operated jointly with Finance Division and shall be available for utilisation exclusively for up-gradation of refineries.

The Company is in discussions with the Ministry about the opening of ESCROW Account; and presently continues to consider transfer to Special Reserve on annual basis.

- 2.5 Sales of regulated products are based on prices notified by OGRA which are subject to policy clarification from the Federal Government. Sales of certain de-regulated products (MS, HOB, HSD, LDO and Aviation Fuels) are based on prices set under notifications of the Ministry of Petroleum and Natural Resources.
- 2.6 As at March 31, 2015 the Company has accumulated loss of Rs. 5.97 billion (June 30, 2014: Rs. 3.48 billion) resulting in negative equity of Rs. 5.21 billion (June 30, 2014: 2.73 billion) and its current liabilities exceed its current assets by Rs. 11.27 billion (June 30, 2014: Rs. 6.90 billion). These conditions may cast a doubt on the Company's ability to continue as a going concern. However, for the quarter ended March 31, 2015, the Company earned a profit after taxation of Rs. 1.09 billion. Further, the Board of Directors have approved a 'Right issue' in the ratio of 8 right shares for every share held which is expected to raise capital of Rs. 2.8 billion and thus improve the negative equity situation. In addition, the Company is investing in projects, including isomerization project (the Project), which will improve the profitability of the Company after commencement of operations. Majority of equipment of the Project has been received and it is expected that the project will be commissioned in the first quarter of 2015-16. Current liabilities also include amount of Rs. 2.24 billion (June 30, 2014: Rs. 2.43 billion) outstanding against PRL's 'Taraqqi' Term Finance Certificates TFC1 and TFC2, which carry maturity of 3 and 5 years respectively, due to 'put option' in these instruments.

Based on the above facts and projected profitability and cash flows, the management believes that the current negative equity situation will be overcome in future. Accordingly, this condensed interim financial information has been prepared on a going concern basis.

3. ACCOUNTING ESTIMATES, JUDGEMENTS 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 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, 2014.

Notes to and Forming Part of the Condensed Interim Financial Information

for the nine months period ended March 31, 2015 (Unaudited)

4. FIXED ASSETS

Following are additions to fixed assets during the period:

	March 31, 2015	March 31, 2014
	(Rupees in thousand)	
Revaluation of freehold land	-	100,000
Additions:		
Buildings	526	3,231
Processing plant, tank farm, pipelines and power generation	667,488	65,418
Equipment including furniture and fixtures	24,826	11,378
Firefighting and telecommunication System	2,970	2,425
Major spare parts and stand-by equipments - net of transfers	(31,047)	542
Capital work in progress - net of transfers	3,459,846	1,365,100
	<u>4,124,609</u>	<u>1,548,094</u>

- 4.1 During the period, assets costing Rs. 6.83 million (March 31, 2014: Rs. 56.17 million) having written down value of Rs. 18 thousand (March 31, 2014: Rs. 3.29 million) were disposed off.

	As at March 31, 2015	As at June 30, 2014
	(Rupees in thousand)	

4.2 Capital work-in-progress

Buildings	-	8,179
Processing plant - note 4.2.1	5,244,309	2,215,906
Korangi tank farm	217,150	138,917
Keamari terminal	4,726	15,922
Pipelines	794	7,291
Fire fighting and telecommunication systems	2,992	1,623
Water treatment and cooling systems	3,402	2,476
Equipments	16,929	9,307
Advances to contractors / suppliers - note 4.2.2	471,077	101,912
	<u>5,961,379</u>	<u>2,501,533</u>

- 4.2.1 This includes Rs. 4.09 billion (June 30, 2014: Rs. 1.22 billion) in respect of Isomerisation Project and Rs. 826 million (June 30, 2014: Rs. 647.3 million) in respect of two gas compressors.

- 4.2.2 This includes advances of Rs. 423.81 million (June 30, 2014: Rs. 16.93 million) paid in respect of Isomerisation Project.

- 4.2.3 As at March 31, 2015, capitalised borrowing costs amount to Rs. 355.33 million (June 30, 2014: Rs. 68.22 million) on capital work-in-progress. Borrowing costs were capitalised at the current weighted average rate of 10.84% (June 30, 2014: 10.70%) per annum on general borrowings and at the rate of 11.36% on long term borrowing specifically obtained for Isomerisation project.

5. LONG-TERM BORROWING

During the period ended March 31, 2015, the Company obtained a syndicated long term loan through NIB Bank Limited amounting to Rs. 2 billion at a rate of 6 month KIBOR + 1.75% per annum for a tenor of 7 years (including 2 years grace period). The loan is repayable in 10 semi-annual installments and is secured by way of hypothecation of present and future stocks-in-trade, trade debts and fixed assets (excluding land).

	As at March 31, 2015	As at June 30, 2014
	(Rupees in thousand)	

6. TERM FINANCE CERTIFICATES

PRL Taraqqi TFC1 - 'TFC1'	1,948,350	2,065,800
PRL Taraqqi TFC2 - 'TFC2'	291,390	362,790
	<u>2,239,740</u>	<u>2,428,590</u>

Notes to and Forming Part of the Condensed Interim Financial Information

for the nine months period ended March 31, 2015 (Unaudited)

- 6.1 The profit is payable quarterly at the fixed rate of 10.55% and 10.75% on TFC1 and TFC2 respectively from the date of investment by the certificate holder. TFC1 and TFC2 are issued for a tenor of 3 years and 5 years respectively and are structured to redeem 100% of the principal amount in the 36th and 60th month respectively from the date of issue. The Certificate holder, however, may ask the Company for early redemption at any time from the date of investment subject to service charges. Both issues are listed on Karachi Stock Exchange.

These certificates are secured by way of hypothecation of stocks and book debts and hypothecation of fixed assets located in Karachi (excluding any immovable properties).

Pak Oman Investment Company Limited has been appointed as Trustee in respect of these certificates.

As at March 31, 2015	As at June 30, 2014
(Rupees in thousand)	

7. SHORT-TERM BORROWING - Secured

Short-term finance
Foreign currency loan

4,238,000	-
-	5,996,984
<u>4,238,000</u>	<u>5,996,984</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- 8.1.1 Claims against the Company not acknowledged as debt amount to Rs. 4.53 billion (June 30, 2014: Rs. 4.33 billion). These include Rs. 3.90 billion (June 30, 2014: Rs. 3.71 billion) on account of late payment surcharge on purchase of crude oil. The Company has raised similar claims aggregating to Rs. 6.97 billion (June 30, 2014: Rs. 6.89 billion) relating to interest on late payments against trade receivables from certain Oil Marketing Companies.

- 8.1.2 Bank guarantees of Rs. 210 million (June 30, 2014: Rs. 193 million) were issued in favour of third parties.

8.2 Commitments

As at March 31, 2015 commitments outstanding for capital expenditure amounted to Rs. 0.78 billion (June 30, 2014: Rs. 2.71 billion).

Outstanding letters of credit as at March 31, 2015 amounted to Rs. 6.26 billion (June 30, 2014: Rs. 19.22 billion).

As at March 31, 2015 aggregate commitments in respect of ijarah arrangements of motor vehicles and equipments amounted to Rs. 37.84 million (June 30, 2014: Rs. 39.02 million).

March 31, 2015	March 31, 2014
(Rupees in thousand)	

9. CASH GENERATED FROM OPERATIONS

Loss before taxation
Adjustments for non-cash charges and other items:

Depreciation
Mark-up expense
Provision for defined benefit plans
Share of income of associate
Return on deposit accounts
(Gain) / Loss on disposal of fixed assets
Fixed assets written off

(2,465,173)	(847,940)
218,514	153,397
594,948	519,521
34,544	54,626
(10,720)	(9,504)
(31,698)	(114,999)
(106)	2,733
15,449	-
820,931	605,774
2,292,113	3,648,305
<u>647,871</u>	<u>3,406,139</u>

Working capital changes - note 9.1
Cash generated from operations

Notes to and Forming Part of the Condensed Interim Financial Information

for the nine months period ended March 31, 2015 (Unaudited)

March 31, 2015

March 31, 2014

(Rupees in thousand)

9.1 WORKING CAPITAL CHANGES

(Increase) / Decrease in current assets

Stores, spares and chemicals

Stock-in-trade

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Other receivables

(15,328)

3,110,263

3,327,955

(7,587)

(22,272)

(5,082)

6,387,949

(53,661)

(3,495,801)

3,081,811

32,557

(27,011)

(150,417)

(612,522)

(Decrease) / Increase in current liabilities

Trade and other payables

Payable to government - sales tax

(4,770,890)

675,054

(4,095,836)

2,292,113

4,167,844

92,983

4,260,827

3,648,305

40. TRANSACTIONS WITH RELATED PARTIES

Significant related party transactions are:

Relationship

Nature of transaction

Associated companies

Sale of goods

62,307,044

88,266,061

Sale of services

35,991

29,395

Purchase of goods

1,572,637

6,437,551

Mark-up paid

19,499

5,505

Dividend paid

29,925

59,850

Dividend received

9,354

9,354

Interest claim on late payments

2,216

748

Bank charges

122

114

Key management compensation

Salaries and other short term

employee benefits

60,518

53,894

Post-employment benefits

8,453

6,934

Staff retirement benefit plans

Contributions to retirement plans

72,932

89,078

Proceeds received from TFC issue

-

75,000

Markup paid on TFC - net

6,030

5,718

Directors' fee including honorarium

4,305

1,485

Sale of certain products is transacted at prices fixed by the Oil and Gas Regulatory Authority. Other transactions with related parties are carried on commercially negotiated terms.

Key management personnel comprises of members of the Refinery Leadership Team.

Notes to and Forming Part of the Condensed Interim Financial Information

for the nine months period ended March 31, 2015 (Unaudited)

March 31, 2015

March 31, 2014

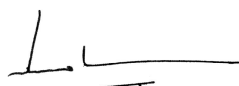
(Rupees in thousand)

11. CASH AND CASH EQUIVALENTS

Cash and bank balances	141,488	8,071,236
Short term loan	(4,238,000)	-
Running finance under mark-up arrangements	(2,151,537)	-
	<u>(6,248,049)</u>	<u>8,071,236</u>

12. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on April 16, 2015.



Farooq Rahmatullah
Chairman



Aftab Husain
Managing Director & CEO



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