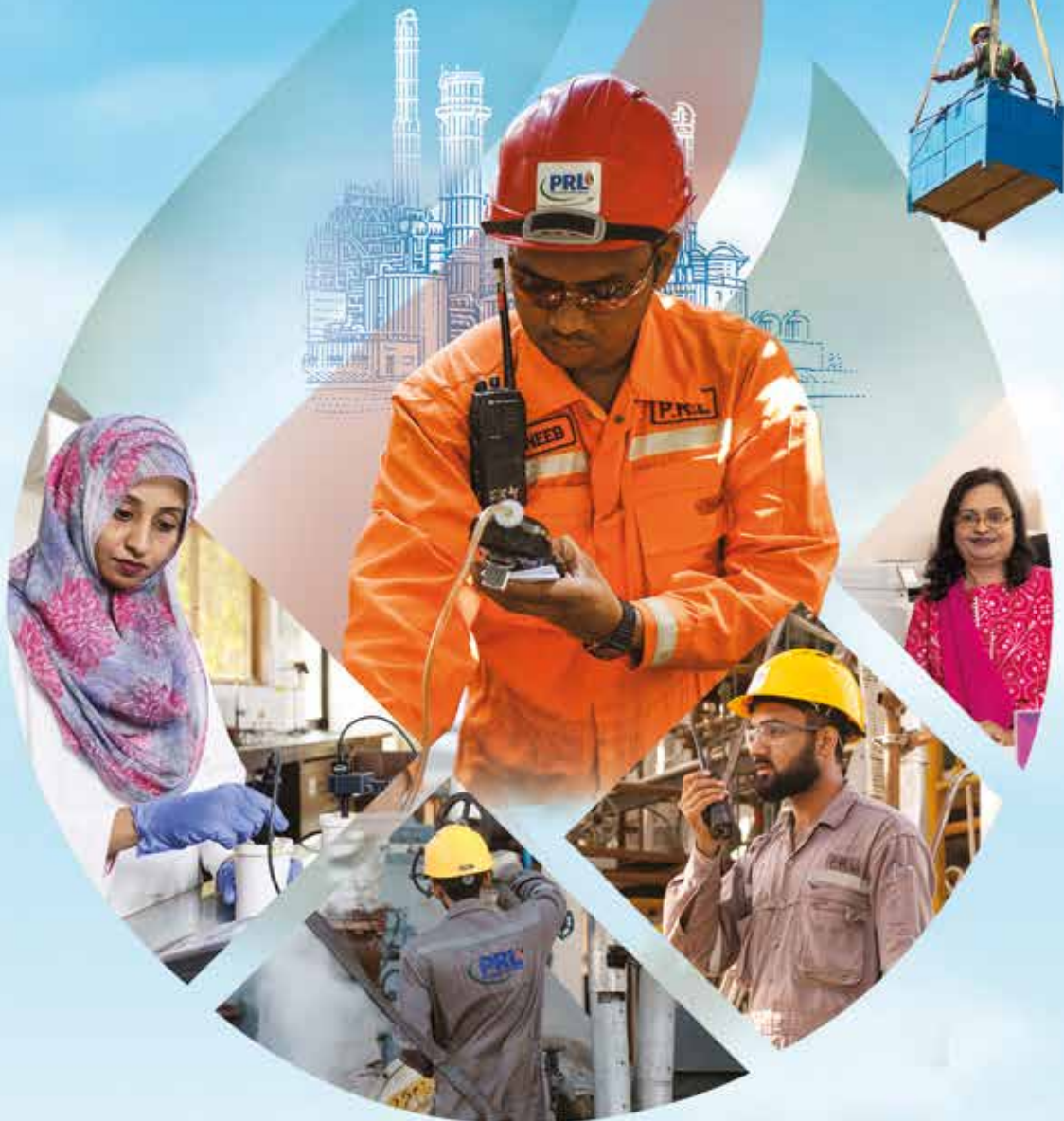




# Refining With Vision

Growth | Profitability | Supply Security

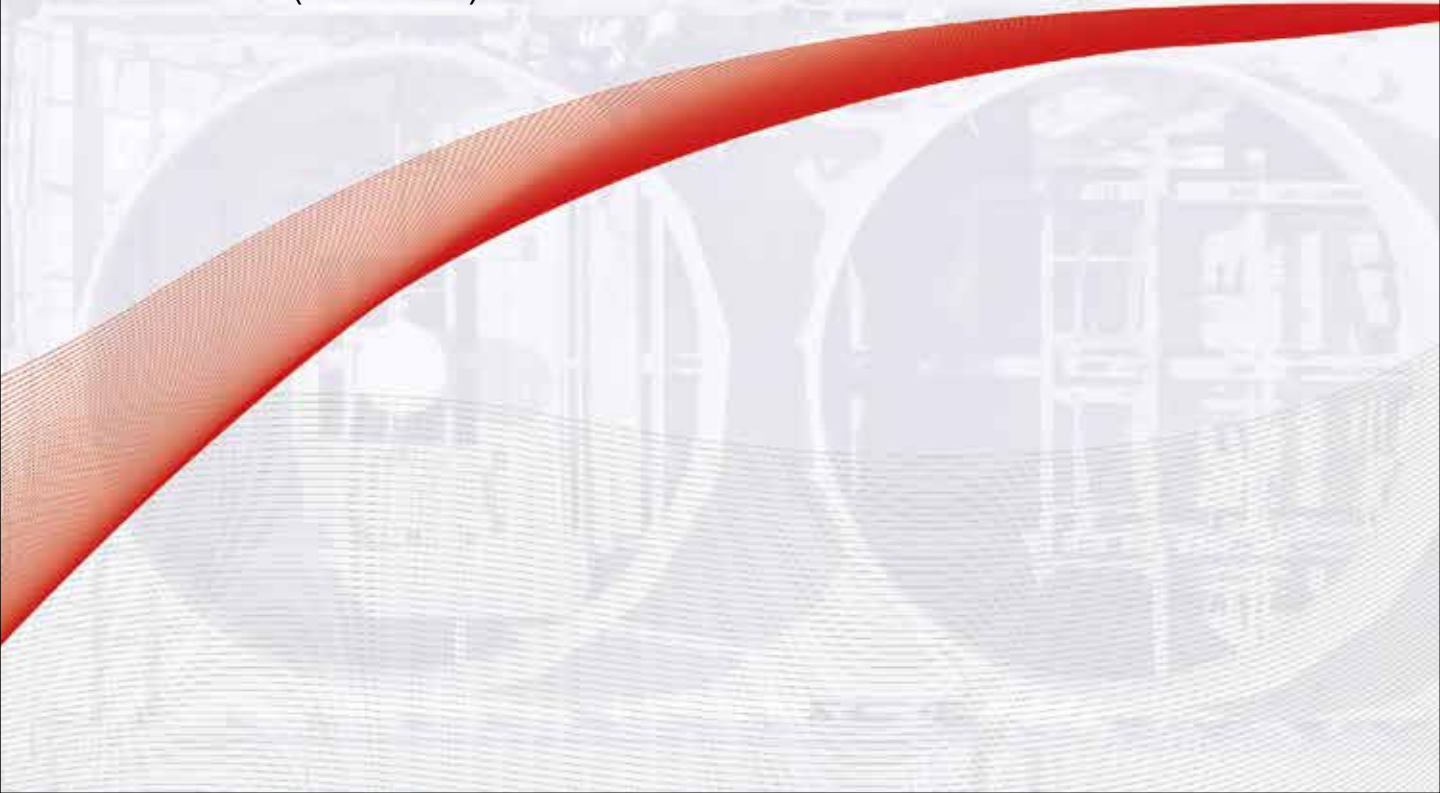


FIRST QUARTER REPORT  
SEPTEMBER 30, 2024



# TABLE OF CONTENTS

Vision & Mission	01
Company Profile and Information	02
Board of Directors	03
Directors' Review	04
Condensed Interim Statement of Financial Position	05
Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Unaudited)	06
Condensed Interim Statement of Changes in Equity (Unaudited)	07
Condensed Interim Statement of Cash Flows (Unaudited)	08
Notes to and forming part of the Financial Information (Unaudited)	09







# VISION

The refinery of the first choice for all stakeholders

# MISSION

Producing top quality and environmentally sustainable products through safe operations, state-of-the-art technology and premium human resources

# COMPANY PROFILE

PRL is a hydro-skimming refinery incorporated in Pakistan as a public limited company in May 1960. PRL is engaged in the production and sale of petroleum products. PRL operates as a subsidiary of Pakistan State Oil Company Limited (PSO), which is the largest oil marketing company in Pakistan. PRL's shares are publicly traded on the Pakistan Stock Exchange Limited.

The refinery is strategically located in Karachi, with a designed throughput capacity of 50,000 barrels per day. The major units in refinery complex are Crude Distillation Unit, Hydrotreating Unit, Platformer Unit, and Isomerization Unit.

## COMPANY INFORMATION

Deputy Managing Director Finance / CFO  
**Imran Ahmad Mirza**

Company Secretary  
**Shehrzad Aminullah**

Auditors & Tax Advisors  
**KPMG Taseer Hadi & Co.**  
Chartered Accountants

Legal Advisor  
**Orr Dignam & Co.**

Registrar & Share Registration Office  
**FAMCO Share Registration Services (Pvt.) Limited.**  
8-F, near 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  
Bank of China Limited-Pakistan Operations  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Industrial and Commercial Bank of China-Pakistan Operations  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Punjab 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  
info@prl.com.pk  
www.prl.com.pk



# BOARD OF DIRECTORS

**TARIQ KIRMANI**

Chairman

**MOHSIN ALI MANGI**

Director

**ZAHID MIR**

Managing Director & CEO

**SYED JEHANGIR ALI SHAH**

Director

**AFTAB HUSAIN**

Director

**SYED MUHAMMAD TAHA**

Director

**FALAK SHER VIRK**

Director

**TARA UZRA DAWOOD**

Director

**MOHAMMAD ABDUL ALEEM**

Director

**ZAFAR UL ISLAM USMANI**

Director

**MOHAMMAD ZUBAIR**

Director



# DIRECTORS' REVIEW

The Board of Directors are pleased to present their review report along with the unaudited condensed interim financial information for the quarter ended September 30, 2024.

The first quarter of the current financial year witnessed depressed global refining margins with a sharp decline in the prices of crude oil and petroleum products. During the current quarter, the countrywide demand of refined petroleum products mainly Diesel and Furnace Oil showed volumetric decline as compared to the corresponding quarter. Consequently, the Refinery suffered a loss after taxation of Rs. 2.35 billion as compared to profit after taxation of Rs. 4.48 billion in the comparative quarter last year.

Through Finance Act 2024, the Government of Pakistan designated Motor Spirit, High Speed Diesel, Light Diesel Oil and Kerosene as exempt supplies making the Company unable to adjust input tax paid on purchases from its Sales Tax liability. This amendment is detrimental to the current refinery operations as well as bound to increase the project cost making it even more challenging to raise the much required financing. The Company along with the other members of the oil industry is constantly engaged with the Government of Pakistan and particularly the Federal Board of Revenue to address the matter and declare the sales of aforementioned products as taxable supplies.

Your Company remains committed to the Refinery Expansion and Upgrade Project (REUP), which will double the Refinery's crude processing capacity from 50,000 barrels per day to 100,000 barrels per day. In this regard, the Front-End Engineering Design (FEED) work has been completed in September 2024 as per schedule. The Refinery has now initiated the Engineering, Procurement, Construction and Finance (EPCF) tendering process to be followed by Financial Close, in which regard PRL continues to be engaged with different potential strategic investors.

Health, Safety, Environment and Quality (HSEQ) remained a key area of focus for the Refinery, which translated into efficient and safe operations and compliance with applicable HSEQ standards. During the period under review, the Refinery safely completed 5.95 million man hours without any Lost Time Injury (LTI).

The Board of Directors would like to acknowledge and appreciate the contributions/co-operation of all stakeholders of the Company for their continued support, including the Government of Pakistan without which the expansion of the Refinery would not be possible.

On behalf of the Board of Directors



**Tariq Kirmani**  
Chairman

Karachi: October 18, 2024



**Zahid Mir**  
Managing Director and CEO



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

ASSETS	Note	September 30, 2024 Unaudited	June 30, 2024 Audited
<b>(Rupees in thousand)</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	30,726,573	30,548,548
Right-of-use asset		95,459	99,435
Intangibles		18,997	18,325
Investment accounted for using the equity method		62,068	61,141
Long-term deposits and loans		32,351	31,222
Deferred tax asset		130,934	-
Employee benefit prepayments		18,336	18,272
		<b>31,084,718</b>	<b>30,776,943</b>
<b>Current assets</b>			
Inventories	8	27,548,358	30,520,187
Trade receivables	9	11,461,503	11,229,089
Trade deposits, loans, advances and short-term prepayments		650,995	830,002
Other receivables	10	27,306,091	23,241,191
Taxation - payments less provision		232,623	199,985
Investments	11	1,274,264	4,200,895
Cash and bank balances	12	10,494,043	6,927,227
		<b>78,967,877</b>	<b>77,148,576</b>
		<b>110,052,595</b>	<b>107,925,519</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		6,300,000	6,300,000
Unappropriated profit		592,381	2,942,789
Revaluation surplus on property, plant and equipment		20,325,928	20,325,928
Other reserves		1,947	1,947
		<b>27,220,256</b>	<b>29,570,664</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	13	9,000,000	3,000,000
Long-term lease liability		125,900	139,969
Deferred tax liability		-	618,242
Employee benefit obligations		367,104	384,269
		<b>9,493,004</b>	<b>4,142,480</b>
<b>Current liabilities</b>			
Trade and other payables	14	55,618,207	48,737,208
Short-term borrowings	15	17,699,220	25,443,989
Current portion of long-term lease liability		2,056	11,326
Unclaimed dividend		19,852	19,852
		<b>73,339,335</b>	<b>74,212,375</b>
		<b>82,832,339</b>	<b>78,354,855</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16	<b>110,052,595</b>	<b>107,925,519</b>

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



**Zahid Mir**  
Managing Director & CEO



**Mohammad Zubair**  
Director



**Imran Ahmad Mirza**  
Chief Financial Officer





# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	September 30, 2024	September 30, 2023 (Restated)
(Rupees in thousand)			
Revenue from contracts with customers	17	82,099,486	93,374,157
Cost of sales		(82,043,141)	(84,440,745)
Gross profit		56,345	8,933,412
Selling expenses		(194,663)	(149,844)
Administrative expenses		(398,946)	(276,533)
Other operating expenses	18	(1,783,300)	(890,977)
Other income		608,245	752,292
Operating (loss) / profit		(1,712,319)	8,368,350
Finance cost		(826,892)	(895,258)
Share of income / (loss) of associate - accounted for using the equity method		927	(346)
(Loss) / profit before Taxation		(2,538,284)	7,472,746
Final Tax and Minimum Tax		(561,299)	(1,256)
Taxation		749,175	(2,992,394)
(Loss) / profit for the period		(2,350,408)	4,479,096
Other comprehensive income / (loss)		-	-
Total comprehensive (loss) / profit		(2,350,408)	4,479,096
(Loss) / earnings per share - basic and diluted	19	(Rs. 3.73)	Rs. 7.11

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



**Zahid Mir**  
Managing Director & CEO



**Mohammad Zubair**  
Director



**Imran Ahmad Mirza**  
Chief Financial Officer





# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	SHARE CAPITAL		CAPITAL RESERVE		REVENUE RESERVE		TOTAL
	Special reserve	Revaluation surplus on property, plant and equipment	Exchange equalisation reserve	Unappropriated profit/ (accumulated loss)	General reserve		
Balance as at July 1, 2023 - (audited)	16,979,049	20,325,928	897	(18,249,656)	1,050	25,357,268	
Profit for the quarter ended September 30, 2023	-	-	-	4,479,096	-	4,479,096	
Other comprehensive income for the quarter ended September 30, 2023	-	-	-	-	-	-	
Balance as at September 30, 2023 - (unaudited)	16,979,049	20,325,928	897	(13,770,560)	1,050	29,836,364	
Balance as at July 1, 2024 - (audited)	-	20,325,928	897	2,942,789	1,050	29,570,664	
Loss for the quarter ended September 30, 2024	-	-	-	(2,350,408)	-	(2,350,408)	
Other comprehensive income for the quarter ended September 30, 2024	-	-	-	-	-	-	
Balance as at September 30, 2024 - (unaudited)	-	20,325,928	897	592,381	-	27,220,256	

(Rupees in thousand)

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

**Zahid Mir**  
Managing Director & CEO

**Mohammad Zubair**  
Director

**Imran Ahmad Mirza**  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	September 30, 2024	September 30, 2023 (Restated)
<b>(Rupees in thousand)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	21	4,058,482	10,519,443
Interest paid		(867,340)	(825,505)
Taxes paid		(593,938)	(1,636,539)
Contribution made to retirement benefit plans		(41,332)	(51,494)
Decrease in long-term deposits and loans		(1,129)	1,319
Net cash generated from operating activities		2,554,743	8,007,224
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(512,182)	(598,332)
Proceeds from disposal of property, plant and equipment		2,115	583
Income from investments		-	197,035
Proceeds from sale of / (purchase of) treasury bills		3,070,404	(10,318,047)
Interest received		250,293	861,727
Net cash generated from / (used in) investing activities		2,810,630	(9,857,034)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term loans		6,000,000	1,000,000
Repayment of FE loan		(11,270,770)	-
Lease rentals paid		(27,511)	(28,165)
Proceeds from short term loan		3,500,000	-
Net cash (used in) / generated from financing activities		(1,798,281)	971,835
Net increase / (decrease) in cash and cash equivalents		3,567,092	(877,975)
Cash and cash equivalents at the beginning of the period		6,927,227	6,469,174
Exchange (loss) / gain on cash and cash equivalents		(276)	19,840
Cash and cash equivalents at the end of the period	22	10,494,043	5,611,039

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.



**Zahid Mir**  
Managing Director & CEO



**Mohammad Zubair**  
Director



**Imran Ahmad Mirza**  
Chief Financial Officer



# NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION - (UNAUDITED)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2024

### 1. THE COMPANY AND ITS OPERATIONS

Pakistan Refinery Limited was incorporated in Pakistan as a public limited company in May 1960 and is listed on Pakistan Stock Exchange. The Company is engaged in the production and sale of petroleum products.

The Company is a subsidiary of Pakistan State Oil Company Limited (PSO).

The geographical locations and addresses of the Company's business units, including plant are as under:

- Refinery complex and registered office at Korangi Creek Road, Karachi; and
- Storage tanks at Keamari, Karachi.

### 2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprises of:

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

This condensed interim financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2024.

### 4. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after July 1, 2024, however, these do not have any significant impact on the condensed interim financial information and therefore, have not been detailed here.

### 5. USE OF ESTIMATES AND JUDGEMENTS

In preparing this condensed interim financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.





Significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements as at and for the year ended June 30, 2024.

## 6. FINANCIAL RISK MANAGEMENT

The Company's financial risk management policies and objectives are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2024.

## 7. PROPERTY, PLANT AND EQUIPMENT

7.1 Following are additions to Property, Plant and Equipment during the period:

	(Unaudited)	
	September 30, 2024	September 30, 2023
	(Rupees in thousand)	
Processing plant	206,725	34,566
Korangi tank farm	-	5,317
Steam Generation Plant	82,678	-
Power Generation, Transmission And Distribution	59,151	-
Equipment and furniture	49,890	2,188
Intangible assets	2,334	-
Fire fighting and telecommunication systems	1,463	-
Vehicles and other automotive equipment	21,070	15,623
Major spare parts and stand by equipments - net of transfers	3,862	2,556
Capital work-in-progress - net of transfers	85,009	537,499
	<b>512,182</b>	<b>597,749</b>

7.2 Fixed assets having Net Book Value of Rs. 1.29 million were disposed-off during the period.

## 8. INVENTORIES

As at September 30, 2024, stock of finished product has been written down by Rs. 493 million (June 30, 2024: Rs. 380.6 million) to arrive at its net realisable value.

## 9. TRADE RECEIVABLES

This includes amounts of Rs. 7.97 billion (June 30, 2024: Rs. 6.5 billion) and Rs. 0.2 billion (June 30, 2024: Rs. 0.6 billion) due from Pakistan State Oil Company Limited and Flow petroleum Private Limited - (related parties) respectively.

## 10. OTHER RECEIVABLES

10.1 This includes Rs. 4.29 billion (June 30, 2024: Rs. 4.49 billion) due from Pak-Arab Refinery Limited (PARCO) - (related party). Due to the short-term nature of other receivables, their carrying amount is considered to be the same as their fair value.

10.2 Other receivables also include a net amount of Rs. 8.85 billion (exchange losses of Rs. 9.47 billion net of exchange gains of Rs. 0.62 billion) (June 30, 2024: Rs. 8.78 billion) in respect of foreign currency loans (FE loans) obtained by the Company for settlement of LCs of crude oil based on the directions of Ministry of Finance (MoF) dated November 27, 2013 and October 21, 2021. On July 18, 2024, MoF interalia informed the Directorate General of Oil office that exchange losses incurred by the Company on the two FE loans taken by it, may be included in the summary for the Economic Coordination committee (ECC) for recovery through pricing mechanism.

## 11. INVESTMENTS

This represents short term investment in treasury bills measured at fair value through profit or loss. Fair values of these investments are determined using repurchase price and carry interest yields ranging from 20.85% to 21.51%. These treasury bills will be matured latest by April 17, 2025.



## 12. CASH AND BANK BALANCES

	September 30, 2024 Unaudited	June 30, 2024 Audited
<b>(Rupees in thousand)</b>		
With banks in		
<b>Conventional</b>		
Current accounts	411,330	3,496,191
Savings accounts - note 12.1	9,897,517	2,967,029
	<b>10,308,847</b>	6,463,220
<b>Islamic</b>		
Current accounts	176,563	139,679
Savings accounts	7,836	324,176
	<b>184,399</b>	463,855
Cash in hand	797	152
	<b>10,494,043</b>	6,927,227

12.1 The rates of mark-up on savings accounts as at September 30, 2024 is 18% per annum (June 30, 2024: 19% per annum).

## 13. LONG-TERM BORROWINGS

13.1 The Company has obtained a long term project finance loan of Rs. 3 billion from Askari Bank Limited (ABL) at a mark-up of 1 month KIBOR + 1% per annum for a tenor of 3 years (including 2.5 year grace period). The loan is repayable in six equal monthly installments commencing from 31st month from drawdown date, whereas markup is to be paid on a quarterly basis. The loan is secured by way of hypothecation of property, plant and equipment (excluding land and buildings).

13.2 During the quarter ended Sep 30, 2024, the Company obtained a Syndicated Term Finance loan of Rs. 6 billion at a mark-up of 3 month KIBOR + 0.75% per annum from The Bank of Punjab for a tenor of 3.5 years (including 3 years grace period). The loan is repayable in six equal monthly installments commencing from 37th month from drawdown date, whereas markup is to be paid on a quarterly basis. The loan is secured by way of First Pari Passu hypothecation charge over present and future fixed assets (excluding land and buildings).

## 14. TRADE AND OTHER PAYABLES

	September 30, 2024 Unaudited	June 30, 2024 Audited
<b>(Rupees in thousand)</b>		
Creditors	34,502,632	28,342,846
Payable to the Government	9,151,001	9,666,903
Surplus price differential payable	6,800,275	4,744,412
Accrued liabilities	3,019,591	3,501,665
Payable to escrow account - notes 14.1 and 14.2	1,066,530	1,276,630
Accrued mark-up on bank borrowings	421,523	466,142
Workers' Welfare Fund	164,006	156,565
Advances from customers	343,494	456,047
Tax deducted at source	27,841	10,114
Retention money	121,314	115,884
	<b>55,618,207</b>	48,737,208

14.1 Movement of incremental incentives during the period is as follows:

Opening balance	1,276,630	-
Incremental incentives earned during the period	2,601,325	9,369,485
Incremental incentives to be deposited in IFEM pool	-	(3,490,577)
Incremental incentives transferred to joint Escrow Account	(2,811,425)	(4,602,278)
Closing balance payable to joint Escrow Account - not due	<b>1,066,530</b>	1,276,630



**14.2** During the year ended June 30, 2024, the GoP announced and notified the Pakistan Oil Refining Policy for Existing / Brownfield Refineries, 2023 (the Policy) on August 9 and 17, 2023 respectively. As per the Policy, the refineries were allowed incremental incentives at the rate of 2.5% on HSD and 10% on MS for a period of six years from the date of notification of the Policy to upgrade and produce environmental friendly fuels as per EURO V specifications.

The incentives collected during a month are required to be deposited within 10 days of subsequent month in an interest bearing Escrow Account maintained with National Bank of Pakistan to be jointly operated with OGRA. To be eligible for the incentives provided in the Policy, the refineries were required to enter into an Upgrade Agreement with OGRA within 3 months of the date of notification of the policy (subsequently extended by 60 days). The Company successfully executed the Upgrade Agreement with OGRA on November 15, 2023 and opened joint Escrow Account in accordance with the Policy on November 30, 2023.

Later, the Government revised the Policy that was notified on February 23, 2024 and amended following provisions of the original Policy:

- incentive period increased from six years to seven years from the date of signing of Upgrade Agreement and opening of Joint Escrow Account;
- maximum capping of incremental incentives increased from 25% to 27.5% of project cost;
- refineries were allowed 7.5% deemed duty on HSD for 20 years from the date of commissioning of upgrade project; and
- introduction of force majeure clause and amendments in arbitration clauses.

The revised policy gives the rights to a refinery who have already executed Upgrade Agreement under original Policy to opt for the amended provisions / incentives of the revised Policy by executing a supplemental to the Upgrade Agreement. The Company is in the process of finalisation of Supplemental Upgrade and Escrow Account Agreements with OGRA.

The incremental incentives under the Policy will be recognised after the Final Investment Decision (FID) on the project. Balance in joint Escrow Account as at September 30, 2024 was as follows:

	September 30, 2024 Unaudited	June 30, 2024 Audited
<b>(Rupees in thousand)</b>		
Opening balance	4,767,605	-
Incremental incentives transferred to Escrow Account during the period	2,811,425	4,602,278
Interest earned on incremental incentives (net of withholding tax)	213,212	165,327
Closing balance	<b>7,792,242</b>	<b>4,767,605</b>

## **15. SHORT TERM BORROWINGS**

Foreign currency loans - note 15.1	12,699,220	23,943,989
Short term borrowings	5,000,000	-
Current portion of long-term borrowings	-	1,500,000
	<b>17,699,220</b>	<b>25,443,989</b>

**15.1** This represents short term FE 25 loan obtained form National Bank of Pakistan at a mark up of 9.80% p.a. and repayable on February 18, 2025.



## 16. CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

**16.1.1** Claims against the Company not acknowledged as debt amount to Rs. 8.32 billion (June 30, 2024: Rs. 8.24 billion). These include Rs. 8.07 billion (June 30, 2024: Rs. 7.99 billion) on account of late payment surcharge on purchase of crude oil. The Company has raised similar claims aggregating to Rs. 7.88 billion (June 30, 2024: Rs. 7.87 billion) relating to interest on late payments against trade receivables from certain Oil Marketing Companies. The Company is of the view that ultimately these claims will be waived off.

**16.1.2** Proportionate share of contingencies related to tax matters of Pak Grease Manufacturing Company (Private) Limited - an associate company are Rs. 5.66 million (June 30, 2024: Rs. 5.66 million).

**16.1.3** There has been no significant changes during the period in the status of contingencies reported in annual financial statements for the year ended June 30, 2024.

### 16.2 Commitments

As at September 30, 2024 commitments outstanding for capital expenditure amounted to Rs. 1.06 billion (June 30, 2024: Rs. 1.52 billion).

## 17. REVENUE FROM CONTRACTS WITH CUSTOMERS

(Unaudited)

	September 30, 2024	September 30, 2023
	<b>(Rupees in thousand)</b>	
Local sales - note 17.1	<b>102,573,654</b>	121,676,986
Exports	<b>7,912,118</b>	-
Gross sales	<b>110,485,772</b>	121,676,986
Less:		
- Sales tax	<b>(2,263,391)</b>	(4,243,288)
- Excise duty and petroleum levy	<b>(21,237,052)</b>	(17,584,599)
- Incremental incentives - note 14.1	<b>(2,601,325)</b>	(1,855,123)
- Custom duty	-	(1,231,741)
- Surplus price differential	<b>(2,055,863)</b>	(3,388,078)
- Sales discount	<b>(228,655)</b>	-
	<b>82,099,486</b>	93,374,157

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 (Motor Spirit, High Speed Diesel, Light Diesel Oil and Aviation Fuels) are based on prices set under notifications of the MoE.

## 18. OTHER OPERATING EXPENSES

(Unaudited)

	September 30, 2024	September 30, 2023
	<b>(Rupees in thousand)</b>	
Research cost on Refinery Expansion and upgrade project	<b>1,774,683</b>	353,962
Worker's Profit Participation Fund	-	381,417
Worker's Welfare Fund	<b>7,442</b>	155,593
Donations	<b>991</b>	-
Others	<b>184</b>	5
	<b>1,783,300</b>	890,977





## 19. (LOSS) / EARNINGS PER SHARE

	(Unaudited)	
	September 30, 2024	September 30, 2023
	(Rupees in thousand)	
(Loss) / earnings attributable to ordinary shareholders (Rs. in thousand)	(2,350,408)	4,479,096
Weighted average number of ordinary shares outstanding during the period (in thousand)	630,000	630,000
Basic and diluted (loss) / earnings per share	(Rs. 3.73)	Rs. 7.11

19.1 There were no dilutive potential ordinary shares in issue as at September 30, 2024 and September 30, 2023.

## 20. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with parent company, associated undertakings, directors, key management personnel and retirement benefit funds.

Sale of certain products is transacted at prices regulated by the Oil & Gas Regulatory Authority. Transactions with employee benefit funds are carried out based on the terms of employment of the employees and according to the actuarial advice. All other related party transactions are carried out on arms length basis.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their Refinery Leadership Team including the Chief Executive Officer and Directors to be its key management personnel.

There are no transactions with key management personnel other than under their terms of employments / entitlements.

		(Unaudited)	
		September 30, 2024	September 30, 2023
		(Rupees in thousand)	
Relationship	Nature of transaction		
(a) Parent company	Sale of goods - net	42,468,308	48,251,494
	Purchase of goods	19,413	-
	Discount allowed	93,376	-
	Services rendered	94	104
	Services received	7,000	-
(b) Associated companies	Sale of goods - net	9,040,829	7,872,400
	Purchase of goods - net	3,299,805	7,082,409
	Discount allowed	1,369	-
	Services rendered	-	7,375
	Services received	2,165	9,440
(c) Key management personnel compensation (excluding non-executive directors)	Salaries and other short-term employee benefits	120,123	78,429
	Post-employment benefits	4,125	3,523
	Sale of motor vehicle as per company's Policy	-	583
(d) Staff retirement benefit funds	Payments to staff retirement benefit funds	68,596	78,000
(e) Non-executive Directors	Remuneration and fees	15,740	9,848



## 21. CASH GENERATED FROM OPERATIONS

(Unaudited)

	September 30, 2024	September 30, 2023
	(Rupees in thousand)	
(Loss) / profit before income tax	(2,538,284)	7,472,746
Adjustments for non-cash charges and other items:		
Mark-up expense	826,892	890,698
Depreciation and amortisation	335,737	299,722
Exchange loss / (gain) on cash and cash equivalents	276	(19,840)
Provision for employee benefit obligations	24,103	51,685
Profit on deposits	(277,437)	(526,981)
Income from investments	(143,773)	(197,035)
Share of (profit) / loss of associate	(927)	346
Gain on disposal of operating assets - net	(825)	-
Provision for slow moving stores and spares - net	4,453	(242)
	768,499	498,353
Working capital changes - note 21.1	5,828,267	2,548,344
Cash generated from operations	4,058,482	10,519,443

### 21.1 Working capital changes

(Increase) / decrease in current assets		
Inventories	2,967,810	(2,352,178)
Trade receivables	(232,414)	(8,523,036)
Trade deposits, loans, advances and short-term prepayments	179,007	(512,868)
Other receivables	(4,011,754)	(3,528,612)
	(1,097,351)	(14,916,694)
Increase / (decrease) in current liabilities		
Trade and other payables	6,925,618	17,465,038
	5,828,267	2,548,344

## 22. CASH AND CASH EQUIVALENTS

Cash and bank balances	10,494,043	5,611,039
------------------------	------------	-----------

## 23. OPERATING SEGMENTS

This condensed interim financial information has been prepared on the basis of a single reportable segment.

Sale to 2 customers (September 30, 2023: 1 customer) represents 66.6% (September 30, 2023: 51.68%) of the revenue and exceeds 10% of the revenue during the period.

## 24. FAIR VALUE FINANCIAL INSTRUMENTS

The carrying values of all financial assets (loans and receivables) and other financial liabilities reflected in this condensed interim financial information are estimated to approximate their fair values, as these are either short term in nature or repriced periodically.

## 25. CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified, where necessary, for the purpose of comparison and better presentation and the effect of which is immaterial to the financial statements.

## 26. DATE OF AUTHORISATION

This condensed interim financial information were authorised for issue by the Board of Directors of the Company on October 18, 2024.

**Zahid Mir**  
Managing Director & CEO

**Mohammad Zubair**  
Director

**Imran Ahmad Mirza**  
Chief Financial Officer







P.O. Box 4612, Korangi Creek Road, Karachi-75190, Pakistan  
**Tel:** (+92-21) 35122131-40, **Fax:** (+92-21) 35091780, 35060145  
**Email:** [info@prl.com.pk](mailto:info@prl.com.pk) **Web:** [www.prl.com.pk](http://www.prl.com.pk)