



PAKISTAN REFINERY LTD.

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

April 27, 2021

Dear Sir,

Subject: Financial Results of Pakistan Refinery Limited (PRL) for the nine months period ended March 31, 2021

We have to inform you that the Board of Directors of PRL in their meeting held on April 27, 2021 at 11:00 at PRL has recommended a Nil dividend.

The profit and loss account of the Company for the nine months period ended March 31, 2021 as follows:

	For the nine months period		For the quarter	
	July 2020 - March 2021	July 2019 - March 2020	January - March 2021	January - March 2020
	→ (Rupees in thousand) ←			
Revenue from contracts with customers	64,804,294	75,439,544	27,182,422	17,121,242
Cost of sales	(62,324,293)	(79,651,953)	(25,934,473)	(21,191,250)
Gross profit / (loss)	2,480,001	(4,212,409)	1,247,949	(4,070,008)
Distribution costs	(220,964)	(160,291)	(102,882)	(33,472)
Administrative expenses	(336,648)	(318,301)	(109,929)	(102,245)
Other operating expenses	(72,489)	(30,814)	(37,220)	(2,895)
Other income	244,675	153,013	66,582	15,217
Operating profit / (loss)	2,094,575	(4,568,802)	1,064,500	(4,193,403)
Finance cost	(974,606)	(1,631,654)	(325,533)	(763,971)
Share of (loss) / income of associate accounted for using the equity method	(5,773)	2,483	(703)	764
Profit / (loss) before income tax	1,114,196	(6,197,973)	738,264	(4,956,610)
Income tax expense	(492,716)	(572,202)	(201,858)	(130,762)
Profit / (loss) for the period	621,480	(6,770,175)	536,406	(5,087,372)
Earnings / (loss) per share - basic and diluted	Rs. 1.01	(Re-stated) (Rs. 15.64)	Rs. 0.87	(Re-stated) (Rs. 11.76)



A. EXTRACTS FROM THE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021:

NOTE 2.4 - BASIS OF PREPARATION

As at March 31, 2021, the Company's accumulated loss was Rs. 17.74 billion (June 30, 2020: Rs. 18.36 billion). In addition, current liabilities of the Company exceeded its current assets by Rs. 14.49 billion as at March 31, 2021 (June 30, 2020: 16.84 billion). The Company ended the period with negative cash and cash equivalents amounting to Rs. 5.65 billion (June 30, 2020: Rs. 10.19 billion). These conditions may cast a significant doubt on the Company's ability to continue as a going concern and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.


Right issue of 1 ordinary share for every 1 share held amounting to Rs. 3.15 billion, announced in February 2020 to address negative equity and liquidity issues was completed during the period thereby increasing the share capital to Rs. 6.3 billion.

Further, by changing crude recipe and operational philosophy during the current financial year, Company was able to produce IMO-2020 grade Marine Residual Fuel (MRF), a premium product and EURO II compliant High Speed Diesel for a certain period that enabled the Company to earn additional revenues. However, sustainable production of above high premium products is tied with long term crude arrangements. The Company's ability to produce Petrol (MS) 92, 95 and 97 RON has resulted in saving of RON differential price adjustment on MS and also generated additional revenues to the Company during the period. All these efforts helped the Company in earning profit after taxation of Rs. 621 million (March 31, 2020: Loss after taxation Rs. 6,770 million).

Based on the cumulative impact of factors mentioned above, the Company believes that it will continue as a going concern and will be able to realise its assets and discharge its liabilities in the normal course of business.

Yours truly,
for PAKISTAN REFINERY LIMITED


 Imran Ahmad Mirza
 Chief Financial Officer


 Mustafa Saleemi
 Company Secretary