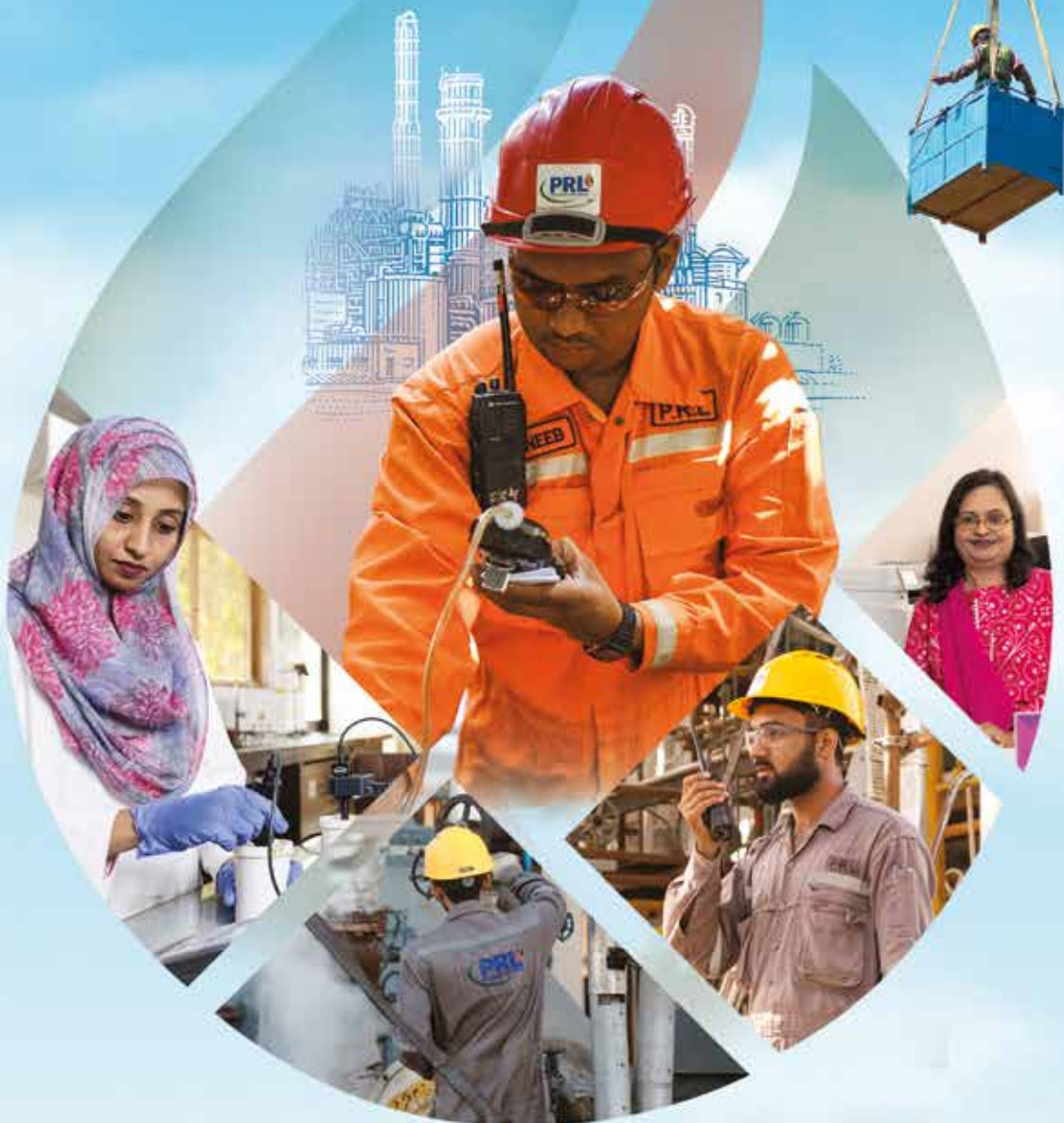




Refining With Vision

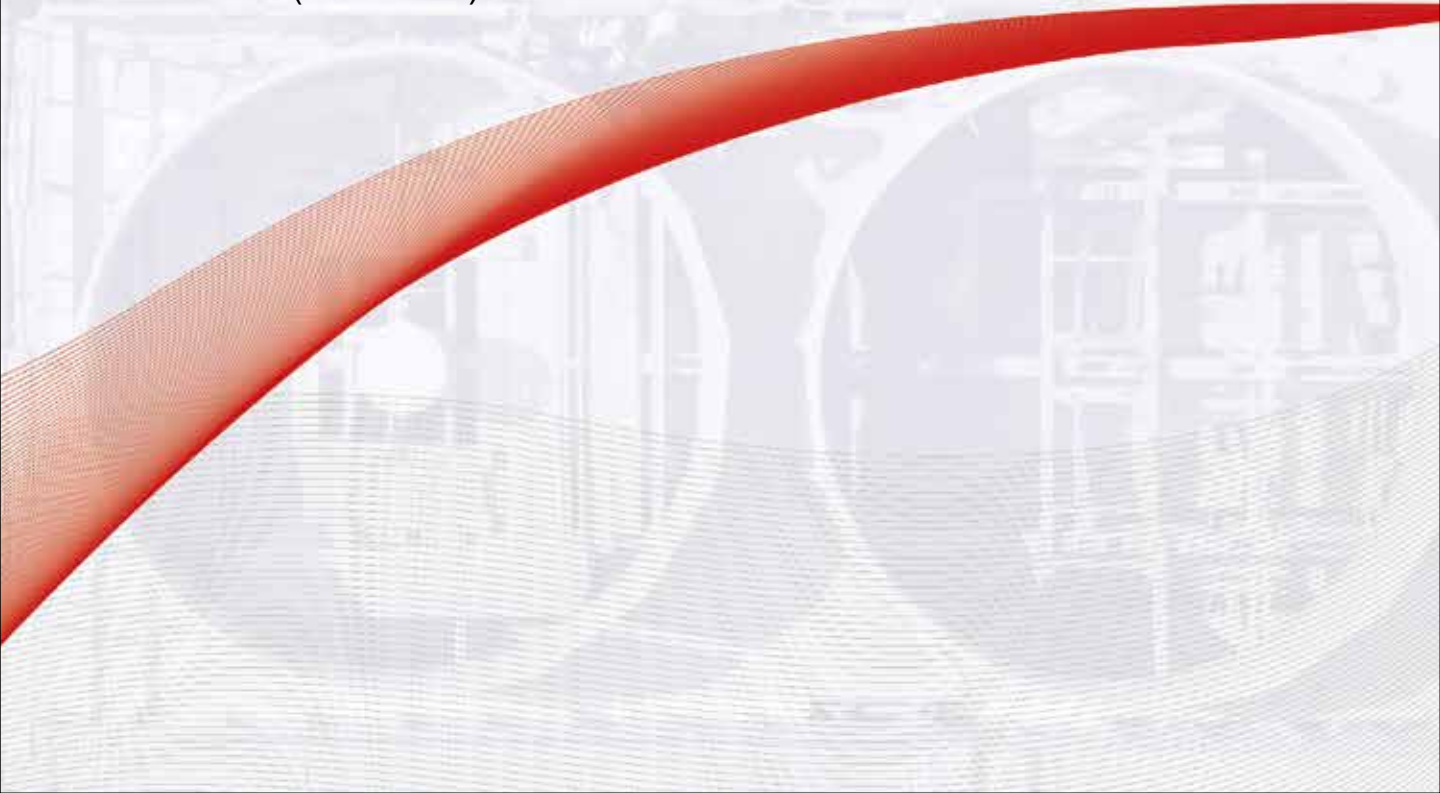
Growth | Profitability | Supply Security



FIRST QUARTER REPORT
SEPTEMBER 30, 2024

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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 |
|--|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| Non-current assets | | | |
| 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 |
| | | 31,084,718 | 30,776,943 |
| Current assets | | | |
| 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 |
| | | 78,967,877 | 77,148,576 |
| | | 110,052,595 | 107,925,519 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| 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 |
| | | 27,220,256 | 29,570,664 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| 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 |
| | | 9,493,004 | 4,142,480 |
| Current liabilities | | | |
| 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 |
| | | 73,339,335 | 74,212,375 |
| | | 82,832,339 | 78,354,855 |
| CONTINGENCIES AND COMMITMENTS | 16 | 110,052,595 | 107,925,519 |

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) |
|--|------|-----------------------|-------------------------------------|
| (Rupees in thousand) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 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 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 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) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 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 |
| | 512,182 | 597,749 |

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 |
|------------------------------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | |
| With banks in | | |
| Conventional | | |
| Current accounts | 411,330 | 3,496,191 |
| Savings accounts - note 12.1 | 9,897,517 | 2,967,029 |
| | 10,308,847 | 6,463,220 |
| Islamic | | |
| Current accounts | 176,563 | 139,679 |
| Savings accounts | 7,836 | 324,176 |
| | 184,399 | 463,855 |
| Cash in hand | 797 | 152 |
| | 10,494,043 | 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 |
|---|------------------------------------|-----------------------------|
| (Rupees in thousand) | | |
| 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 |
| | 55,618,207 | 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 | 1,066,530 | 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 |
|--|------------------------------------|-----------------------------|
| (Rupees in thousand) | | |
| 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 | 7,792,242 | 4,767,605 |

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 |
| | 17,699,220 | 25,443,989 |

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 |
|--------------------------------------|-----------------------------|-----------------------|
| | (Rupees in thousand) | |
| Local sales - note 17.1 | 102,573,654 | 121,676,986 |
| Exports | 7,912,118 | - |
| Gross sales | 110,485,772 | 121,676,986 |
| Less: | | |
| - Sales tax | (2,263,391) | (4,243,288) |
| - Excise duty and petroleum levy | (21,237,052) | (17,584,599) |
| - Incremental incentives - note 14.1 | (2,601,325) | (1,855,123) |
| - Custom duty | - | (1,231,741) |
| - Surplus price differential | (2,055,863) | (3,388,078) |
| - Sales discount | (228,655) | - |
| | 82,099,486 | 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 |
|---|-----------------------------|-----------------------|
| | (Rupees in thousand) | |
| Research cost on Refinery Expansion and upgrade project | 1,774,683 | 353,962 |
| Worker's Profit Participation Fund | - | 381,417 |
| Worker's Welfare Fund | 7,442 | 155,593 |
| Donations | 991 | - |
| Others | 184 | 5 |
| | 1,783,300 | 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 **Web:** www.prl.com.pk