



# RISING ABOVE, GOING BEYOND

FIRST QUARTER REPORT  
SEPTEMBER 30, 2022



# VISION

The Refinery of 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.

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# COMPANY PROFILE

PRL is a hydro-skimming refinery incorporated in Pakistan as a public limited company in May 1960. The Company is engaged in production and sale of petroleum products. The Company is a subsidiary of Pakistan State Oil Company Limited (PSO). The shares of the Company are listed on Pakistan Stock Exchange Limited.

Refinery is situated in Karachi with designed throughput capacity of 50,000 barrels per day. Major units installed at the Refinery are Crude Distillation Unit, Hydrotreating Unit, Platformer Unit and Isomerisation Unit.

## COMPANY INFORMATION

### Deputy Managing Director (Finance & IT) / CFO

Imran Ahmad Mirza

### Company Secretary

Shehrzad Aminullah

### Auditors & Tax Advisors

KPMG - Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisors

Orr Dignam & Co.

### Registrar & Share Registration Office

FAMCO Associates (Private) Limited.  
8-F, near Hotel Faran, Nursery, Block-6,  
P.E.C.H.S., Shakra-e-Faisal, Karachi.

### Bankers

Askari Bank Limited  
Bank Alfalah Limited  
Bank AL-Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
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

**Zahid Mir**

Managing Director & CEO

**Aftab Husain**

Director

**Abid Shahid Zuberi**

Director

**Hassan Mehmood Yousufzai**

Director

**Mohammad Abdul Aleem**

Director

**Mohsin Ali Mangi**

Director

**Nadeem Safdar**

Director

**Syed Muhammd Taha**

Director

**Syed Jehangir Ali Shah**

Director

**Tara Uzra Dawood**

Director



# DIRECTORS' REVIEW

The Board of Directors is pleased to present its Review Report along with the unaudited financial statements for the quarter ended September 30, 2022.

The Company earned profit after taxation of Rs. 1,027 million during the period as compared to loss after taxation of Rs. 378 million in the comparative period. Extraordinary high refining margins prevalent during the last quarter of the previous financial year reduced significantly during the current quarter. However, the Company through better inventory management and operational philosophy, which included focus on optimum crude throughput with maximum production of premium products (High Speed Diesel and Petrol), achieved positive results.

The Country faced the worst floods in decades during August 2022 that significantly disrupted oil demand in the country resulting in build-up of inventory. The Company ensured continuity of operations by reducing the throughput to minimum possible levels and engaging oil marketing companies for supply of products.

The Country's credit rating was downgraded by international credit rating agencies that created a crisis situation, as foreign banks refused to confirm crude oil 'letters of credit' (L/Cs) opened by local banks. The Company made utmost efforts by engaging with foreign financial institutions, State Bank of Pakistan and Ministry of Finance and ensured establishment of L/Cs to sustain uninterrupted refinery operations.

Political and economic instability factors dented the value of Pak Rupee that depreciated by 11.63% against USD from Rs. 206.0 per USD on June 30, 2022 to Rs. 229.95 per USD on September 30, 2022 resulting in exchange loss of Rs. 2,964 million during the period.

The Company remains committed to the Refinery Expansion and Upgrade Project (REUP) and in this regard work is progressing as per plan on the Front-End Engineering Design (FEED) and so is the Consortium of Financial Advisor working on their deliverables.

Meanwhile, Pakistan Refinery Limited, along with other refineries, continues to be engaged with the Government for the finalisation of the Refining Policy, which once approved will support the refining sector.

The Company maintained its commitment towards standards of Health, Safety, Environment and Quality (HSEQ), which remained a key area of focus and the Refinery remained compliant with applicable HSEQ standards during the period.

The Board of Directors would like to acknowledge the contributions of all stakeholders of the Company for their continuous and usual support.

On behalf of the Board of Directors



**Tariq Kirmani**  
Chairman



**Zahid Mir**  
Managing Director & CEO

Karachi: October 21, 2022

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

Note      September 30,  
2022      June 30,  
2022  
Unaudited      Audited

(Rupees in thousand)

## ASSETS

### Non-current assets

Property, plant and equipment	7	29,315,065	28,981,489
Right-of-use asset		127,278	131,255
Investment accounted for using the equity method		55,226	55,514
Long-term deposits and loans		29,627	30,897
Employee benefit prepayments		32,584	32,584
		<u>29,559,780</u>	<u>29,231,739</u>

### Current assets

Inventories		43,002,379	24,056,915
Trade receivables	8	12,876,621	11,305,849
Trade deposits, loans, advances and short-term prepayments	9	505,366	228,579
Other receivables	10	4,160,205	2,585,239
Cash and bank balances		22,362,196	23,538,605
		<u>82,906,767</u>	<u>61,715,187</u>
		<u>112,466,547</u>	<u>90,946,926</u>

## EQUITY AND LIABILITIES

### EQUITY

Share capital		6,300,000	6,300,000
Accumulated loss		(17,258,419)	(18,285,559)
Special reserve		15,254,082	15,254,082
Revaluation surplus on property, plant and equipment		20,325,928	20,325,928
Other reserves		1,947	1,947
		<u>24,623,538</u>	<u>23,596,398</u>

### LIABILITIES

#### Non-current liabilities

Long-term lease liability		136,800	141,745
Deferred tax liabilities		105,289	284,315
Employee benefit obligations		508,220	586,749
		<u>750,309</u>	<u>1,012,809</u>

#### Current liabilities

Trade and other payables	11	65,203,242	46,297,714
Short-term borrowings	12	20,688,298	18,901,244
Unearned revenue		4,310	6,465
Current portion of long-term lease liability		4,162	6,460
Taxation - payments less provision		1,172,836	1,105,984
Unclaimed dividend		19,852	19,852
		<u>87,092,700</u>	<u>66,337,719</u>
		<u>87,843,009</u>	<u>67,350,528</u>

### CONTINGENCIES AND COMMITMENTS

	13		
		<u>112,466,547</u>	<u>90,946,926</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Zahid Mir  
Managing Director & CEO



Mohammad Abdul Aleem  
Director



Imran Ahmad Mirza  
Chief Financial Officer




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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022	September 30, 2021
(Rupees in thousand)			
Revenue from contracts with customers	14	73,111,444	35,628,523
Cost of sales		<u>(71,506,167)</u>	<u>(35,156,094)</u>
Gross profit		1,605,277	472,429
Distribution costs		(76,516)	(68,005)
Administrative expenses		(214,969)	(121,252)
Other operating expenses		(108,221)	(46,426)
Other income		<u>710,428</u>	<u>25,643</u>
Operating profit		1,915,999	262,389
Finance cost		(632,429)	(452,882)
Share of net loss of associate accounted for using the equity method		<u>(288)</u>	<u>-</u>
Profit / (loss) before income tax		1,283,282	(190,493)
Income tax expense		<u>(256,142)</u>	<u>(187,889)</u>
Profit / (loss) for the quarter		1,027,140	(378,382)
Other comprehensive income for the quarter		-	-
Total comprehensive income / (loss) for the quarter		<u>1,027,140</u>	<u>(378,382)</u>
Earnings / (loss) per share - basic and diluted	15	<u>Rs. 1.63</u>	<u>(Rs. 0.60)</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



**Zahid Mir**  
Managing Director & CEO



**Mohammad Abdul Aleem**  
Director



**Imran Ahmad Mirza**  
Chief Financial Officer

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	SHARE CAPITAL	CAPITAL RESERVE			REVENUE RESERVE		Total
		Special reserve	Revaluation surplus on property, plant and equipment	Exchange equalisation reserve	Accumulated loss	General reserve	
<b>Balance as at July 1, 2021 - (audited)</b>	6,300,000	2,780,632	11,149,288	897	(18,184,869)	1,050	2,046,998
Loss for the quarter ended September 30, 2021	-	-	-	-	(378,382)	-	(378,382)
Other comprehensive income for the quarter ended September 30, 2021	-	-	-	-	-	-	-
<b>Balance as at September 30, 2021 - (unaudited)</b>	<b>6,300,000</b>	<b>2,780,632</b>	<b>11,149,288</b>	<b>897</b>	<b>(18,563,251)</b>	<b>1,050</b>	<b>1,668,616</b>
<b>Balance as at July 1, 2022</b>	<b>6,300,000</b>	<b>15,254,082</b>	<b>20,325,928</b>	<b>897</b>	<b>(18,285,559)</b>	<b>1,050</b>	<b>23,596,398</b>
Profit for the quarter ended September 30, 2022	-	-	-	-	1,027,140	-	1,027,140
Other comprehensive income for the quarter ended September 30, 2022	-	-	-	-	-	-	-
<b>Balance as at September 30, 2022 - (unaudited)</b>	<b>6,300,000</b>	<b>15,254,082</b>	<b>20,325,928</b>	<b>897</b>	<b>(17,258,419)</b>	<b>1,050</b>	<b>24,623,538</b>

(Rupees in thousand)

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



**Zahid Mir**  
Managing Director & CEO



**Mohammad Abdul Aleem**  
Director



**Imran Ahmad Mirza**  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

Note	September 30, 2022	September 30, 2021
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(Rupees in thousand)

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations	17	(333,963)	7,783,826
Interest paid		(131,184)	(415,106)
Taxes paid		(368,316)	(175,328)
Contribution made to retirement benefit plans		(122,081)	(29,237)
Decrease / (increase) in long-term deposits and loans		1,270	(2,597)
Net cash (used in) / generated from operating activities		(954,274)	7,161,558

## CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment		(615,264)	(41,939)
Interest received		669,561	1,496
Net cash generated from / (used in) investing activities		54,297	(40,443)

## CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term loans		(200,000)	(200,000)
Repayment of salary refinancing		(35,391)	(36,430)
Lease rentals paid		(27,571)	(25,574)
Repayment of short term borrowings		-	(3,000,000)
Net cash used in financing activities		(262,962)	(3,262,004)
Net (decrease) / increase in cash and cash equivalents		(1,162,939)	3,859,111
Cash and cash equivalents at the beginning of the period		23,522,896	(5,463,423)
Cash and cash equivalents at the end of the period	18	22,359,957	(1,604,312)

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Zahid Mir  
Managing Director & CEO



Mohammad Abdul Aleem  
Director



Imran Ahmad Mirza  
Chief Financial Officer

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

## 1. THE COMPANY AND ITS OPERATIONS

1.1 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).

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

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

## 2. BASIS OF PREPARATION

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

- International Accounting Standards (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 from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial statements 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, 2022. 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. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2022.

## 4. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 1, 2022, but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in this condensed interim financial statements.

## 5. USE OF ESTIMATES AND JUDGEMENTS

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

The 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, 2022.

## 6. FINANCIAL RISK MANAGEMENT

The Company's financial risk management policies and objectives are consistent with those disclosed in the financial information as at and for the year ended June 30, 2022.

<b>September 30, 2022</b>	<b>September 30, 2021</b>
(Unaudited)	
(Rupees in thousand)	

## 7. PROPERTY, PLANT AND EQUIPMENT

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

Processing plant	-	7,649
Steam Generation Plant	-	3,925
Power Generation	-	63,441
Water Treatment and Cooling System	-	3,653
Equipment and furniture	<b>2,087</b>	-
Vehicles and other automotive equipment	<b>2,828</b>	-
Major spare parts and stand by equipments - net of transfers	<b>(308)</b>	1,941
Capital work-in-progress - net of transfers	<b>610,657</b>	(38,670)
	<b>615,264</b>	41,939

## 8. TRADE RECEIVABLES

This includes an amount of Rs. 9.81 billion (June 30, 2022: 9.11 billion) due from PSO - (related party).

<b>September 30, 2022</b>	<b>June 30, 2022</b>
Unaudited	Audited
(Rupees in thousand)	

## 9. TRADE DEPOSITS, LOANS, ADVANCES AND SHORT-TERM PREPAYMENTS

Trade deposits	<b>141,575</b>	181,630
Loans to employees recoverable within one year	<b>10,880</b>	10,952
Advances for supplies and services	<b>136,484</b>	18,091
Short-term prepayments	<b>216,427</b>	17,906
	<b>505,366</b>	228,579

9.1 Trade deposits, loans and advances do not carry any interest.

## 10. OTHER RECEIVABLES

**10.1** This includes Rs. 9.21 million (June 30, 2022: Rs. 75.29 million) 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 include a net amount of Rs. 4.05 billion (exchange gains of Rs. 0.62 billion net of exchange losses of Rs. 4.67 billion) (June 30, 2022: Rs. 2.02 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. During the year ended June 30, 2016, MoF proposed a mechanism for calculation of such gains / losses on the FE loans by the oil importing companies and invited views / comments thereupon. The Company, along with other oil importing companies had discussions with MoF and SBP in this respect. The claims are finalised upon settlement of FE loan.

## 11. TRADE AND OTHER PAYABLES

It includes Rs. 46.04 billion (June 30, 2022: Rs. 31.50 billion) payable to trade creditors in respect of crude purchases.

<b>September 30, 2022</b>	<b>June 30, 2022</b>
Unaudited	Audited

(Rupees in thousand)

## 12. SHORT TERM BORROWINGS

Running finance under mark-up arrangements - note 12.1	<b>2,239</b>	15,709
Foreign currency loan - note 12.2	<b>19,618,042</b>	17,584,098
Current portion of long-term borrowings - note 12.3	<b>1,000,000</b>	1,200,000
Current portion of salary refinancing	<b>68,017</b>	101,437
	<b><u>20,688,298</u></b>	<b><u>18,901,244</u></b>

**12.1** As at September 30, 2022 available running finance facilities under mark-up arrangements from various banks amounted to Rs. 9.45 billion (June 30, 2022: Rs. 9.45 billion). These arrangements are secured by way of hypothecation over stock of crude oil, finished products and trade receivables of the Company. The mark-up rate ranging between one month KIBOR+0.60% to one months KIBOR+1.50% as at September 30, 2022 (June 30, 2022: three months KIBOR+0.5% to one month KIBOR+2.5%) per annum. Purchase prices are payable on demand. Facilities for invoice discounting as at September 30, 2022 amounted to Rs. 4.50 billion (June 30, 2022: Rs. 7 billion).

**12.2** This represent short term FE 25 were initially loans obtained from banks at mark-up rates ranging from three months LIBOR +2.5% to six months LIBOR +4.44% per annum and were repayable by January 20 and June 20, 2022 respectively. Later these FE loans have been rolled over and are now due on October 17 and December 19, 2022 and carry mark-up of 10.50% and 12% respectively.

**12.3** This includes current portion of long term finance facility obtained by the Company under mark-up arrangements through Faysal Bank Limited (FBL) amounting to Rs. 1 billion at a mark-up of 6 month KIBOR + 0.75% per annum for a tenor of 1.5 years (including 1 year grace period). The loan is repayable in two equal quarterly installments after the grace period whereas markup is to be paid on a quarterly basis starting from November 2022. These loans are secured by way of hypothecation of property, plant and equipment (excluding land and building).

## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

**13.1.1** Claims against the Company not acknowledged as debt amount to Rs. 6.56 billion (June 30, 2022: Rs. 6.34 billion). These include Rs. 5.95 billion (June 30, 2022: Rs. 5.73 billion) on account of late payment surcharge on purchase of crude oil. The Company has raised similar claims aggregating to Rs. 7.45 billion (June 30, 2022: Rs. 7.41 billion) relating to interest on late payments against trade receivables from certain Oil Marketing Companies.

**13.1.2** Share of Pak Grease Manufacturing Company (Private) Limited - an associate company, tax contingencies are Rs. 3.74 million (June 30, 2022: 3.74 million) on account of various tax matters.

**13.1.3** 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, 2022.

**13.1.4** Bank guarantee of Rs. 124.63 million (June 30, 2022: Rs. 124.63 million) was issued in favour of Sui Southern Gas Company Limited - (related party).

### 13.2 Commitments

As at September 30, 2022 commitments outstanding for capital expenditure amounted to Rs. 5.64 billion (June 30, 2022: Rs. 5.23 billion).

**September 30,**  
**2022**                      **September 30,**  
**2021**

(Unaudited)  
(Rupees in thousand)

## 14. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sales - note 14.1	<b>85,319,328</b>	43,481,346
Exports	<b>1,680,030</b>	940,213
Gross sales	<b>86,999,358</b>	44,421,559
Less:		
- Sales tax	<b>(3,052,493)</b>	(5,716,017)
- Excise duty and petroleum levy	<b>(3,566,427)</b>	(856,889)
- Custom Duty	<b>(2,622,551)</b>	(1,226,550)
- Surplus price differential	<b>(4,646,443)</b>	(993,580)
	<b><u>73,111,444</u></b>	<u>35,628,523</u>

**14.1** 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 Octane Blending Component, High Speed Diesel, Light Diesel Oil and Aviation Fuels) are based on prices set under notifications of the MoE.

**September 30,**  
**2022**                      **September 30,**  
**2021**

(Unaudited)

## 15. EARNINGS / (LOSS) PER SHARE

Earnings / (loss) attributable to ordinary shareholders (Rupees in thousand)	<u>1,027,140</u>	<u>(378,382)</u>
Weighted average number of ordinary shares outstanding during the period (in thousand)	<u>630,000</u>	<u>630,000</u>
Basic and diluted earnings / (loss) per share	<u>Rs. 1.63</u>	<u>(Rs. 0.60)</u>

15.1 There were no dilutive potential ordinary shares in issue as at September 30, 2022 and September 30, 2021.

## 16. 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 commercial terms.

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.

**September 30,**  
**2022**                      **September 30,**  
**2021**

(Unaudited)  
(Rupees in thousand)

Relationship	Nature of transaction		
(a) Parent company	Sale of goods - net	<b>34,708,153</b>	20,490,041
	Services rendered	<b>169</b>	138
(b) Associated companies	Purchase of goods - net	<b>4,376,310</b>	742,445
	Sale of goods - net	<b>646,637</b>	-
	Services received	<b>5,706</b>	1,277
	Services rendered	<b>6,944</b>	8,516
(c) Key management personnel compensation (excluding non-executive directors)	Salaries and other short-term employee benefits	<b>34,602</b>	30,292
	Post-employment benefits	<b>3,078</b>	2,690
(d) Staff retirement benefit funds	Payments to staff retirement benefit funds	<b>146,051</b>	50,319
(e) Non-executive Directors	Remuneration and fees	<b>4,676</b>	7,938



**September 30,**                      **September 30,**  
**2022**                                      **2021**

(Unaudited)  
(Rupees in thousand)

## 17. CASH GENERATED FROM OPERATIONS

Profit / (loss) before income tax	<b>1,283,282</b>	(190,493)
Adjustments for non-cash charges and other items:		
Mark-up expense	<b>627,570</b>	447,799
Depreciation	<b>285,665</b>	279,660
Provision for employee benefit obligations	<b>43,552</b>	29,268
Provision for slow moving stores and spares - net	<b>6,860</b>	(987)
Share of loss of associate	<b>288</b>	-
Profit on deposits	<b>(613,163)</b>	(1,496)
	<b>350,772</b>	754,244
Working capital changes - note 17.1	<b>(1,968,017)</b>	7,220,075
Cash (used in) / generated from operations	<b>(333,963)</b>	7,783,826

### 17.1 Working capital changes

(Increase) / decrease in current assets		
Inventories	<b>(18,952,324)</b>	(3,219,485)
Trade receivables	<b>(1,570,772)</b>	690,951
Trade deposits, loans, advances and short-term prepayments	<b>(276,787)</b>	(153,234)
Other receivables	<b>402,580</b>	2,107,357
	<b>(20,397,303)</b>	(574,411)
Increase in current liabilities		
Trade and other payables	<b>18,429,286</b>	7,794,486
	<b>(1,968,017)</b>	7,220,075

## 18. CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>22,362,196</b>	274,159
Running finance under mark-up arrangements - note 12	<b>(2,239)</b>	(1,878,471)
	<b>22,359,957</b>	(1,604,312)

## 19. OPERATING SEGMENTS

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

Sales to 2 (September 30, 2021: 2) customers represent 59.95% (September 30, 2021: 70.26%) of the revenue and each customer individually exceeds 10% of the revenue during the current and corresponding period.

## 20. 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.

## 21. DATE OF AUTHORISATION

This condensed interim financial information were authorised for issue by the Board of Directors of the Company on October 21, 2022.



**Zahid Mir**  
Managing Director & CEO



**Mohammad Abdul Aleem**  
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) 35060145, 35091780  
Email: [info@prl.com.pk](mailto:info@prl.com.pk) Website: [www.prl.com.pk](http://www.prl.com.pk)