



# PAKISTAN REFINERY LTD.

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road, Karachi  
Fax # 111-573-329

February 09, 2017

Dear Sir,

**Subject: Financial Results of Pakistan Refinery Limited (PRL) for the half year ended December 31, 2016**

We have to inform you that the Board of Directors of PRL in their meeting held on February 09, 2017 at 10:30 am at Marriott Hotel, Karachi has recommended a "Nil" dividend.

The condensed interim profit and loss account of the Company for the half year ended December 31, 2016 is given as follows:

	For the quarter		For the half year	
	October - December 2016	October - December 2015	July - December 2016	July - December 2015
	← (Rupees in thousand) →			
Net sales	17,065,654	18,150,509	34,304,634	37,380,482
Cost of sales	(16,532,247)	(16,958,781)	(33,267,756)	(36,464,293)
Gross profit	533,407	1,191,728	1,036,878	916,189
Distribution cost	(40,762)	(33,160)	(89,561)	(87,705)
Administrative expenses	(88,669)	(64,761)	(155,042)	(136,454)
Other operating expenses	(47,871)	(39,760)	(109,836)	(39,853)
Other income	427,786	52,455	480,051	85,175
Operating profit	783,891	1,106,502	1,162,490	737,352
Finance cost	(153,407)	(187,374)	(317,348)	(454,888)
Share of income of associate	980	1,361	2,348	2,211
Profit before taxation	631,464	920,489	847,490	284,675
Taxation - current	(3,268)	-	(3,268)	-
- deferred	(60,196)	(63,328)	(154,011)	(75,646)
Profit after taxation	63,464	63,328	157,279	75,646
Earnings per share - basic and diluted	Rs. 1.83	Rs. 2.76	Rs. 2.22	Rs. 0.69

*Amir Ahmad Farid*

**A. EXTRACTS FROM THE NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2016:****NOTE 2.4 - BASIS OF PREPARATION**

As at December 31, 2016 the Company has accumulated loss of Rs. 4.15 billion (June 30, 2016: Rs. 4.75 billion) resulting in negative equity of Rs. 0.72 billion (June 30, 2016: Rs. 1.33 billion) and its current liabilities exceed its current assets by Rs. 7.6 billion (June 30, 2016: Rs. 8.05 billion). These conditions may cast a doubt on the Company's ability to continue as a going concern. During the period ended December 31, 2016, the Company earned profit after taxation of Rs. 690.21 million. In addition, the Company has banking facilities which will ease the pressure on Company's liquidity.

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

**B. EXTRACTS FROM THE AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2016:****Material Uncertainty Related to Going Concern**

We draw attention to Note 2.4 to the interim financial information, as stated in the Note, as at 31 December 2016 the Company has accumulated loss of Rs. 4.15 billion resulting in net negative equity of Rs. 0.72 billion. Further, current liabilities of the Company exceed its current assets by Rs. 7.6 billion. As stated in Note 2.4, these events or conditions, along with other matters as set forth in Note 2.4, indicate that a material uncertainty exists that may cast Significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Yours truly,  
for **PAKISTAN REFINERY LIMITED**

  
**Imran Ahmad Mirza**  
Chief Financial Officer

  
**Shehrzad Aminullah**  
Company Secretary