ANNUAL REPORT 2017-18
Byco Petroleum Pakistan Limited

CONTENT

VISION

Our vision is to be the leading energy company by delivering the core business, achieving sustainable productivity and profitability to deliver a superior shareholder return.

MISSION

Our mission is to proactively invest in the development of infrastructure, in order to become a single source supply chain for meeting the economy's chemicals, energy, petroleum and petrochemical requirements, thereby providing the best possible returns to all our stakeholders.

CODE OF ETHICS

Byco is engaged in the manufacturing of a wide range of petroleum products. We aim to achieve sustainable productivity and profitability, while maintaining the highest standards of care for the environment, health and safety. This practically means enacting policies that assure ongoing human resource development, enhancement of value addition, implementation of conservation measures, growth upgradation and the addition of newer generation technologies. Our Company believes in the application of business ethics as have been embodied in this document.

1. The credibility, goodwill and repute earned are maintained through continued conviction in our corporate values of honesty, integrity, justice and respect for people. Our Company promotes openness, professionalism, teamwork and trust in all its business activities.
2. Safeguarding Shareholders' interest and a worthwhile return on equity is an integral part of our business ethics.
3. We believe in servicing customers by providing products which are manufactured and priced competitively, and which are also meeting or exceeding the environmental standards of the country.
4. We are an equal opportunity employer and proactively invest in our human capital, offering competitive employment terms and providing a safe and congenial working environment to all our employees.
5. We believe that profit is the real yardstick to measure our value addition to the economy and is essential for business survival as it measures efficiency and the value that the customer places on products and services produced by the Company.
6. In view of the critical importance of our business and its impact on the national economy, our Company provides all relevant information concerning its activities transparently to all stakeholders, subject to any overriding confidentiality.

Amir Abbassciy
Chief Executive Officer

COMPANY INFORMATION

Board of Directors

Akhtar Hussain Malik	Chairman
Amir Abbassciy	Director & Chief Executive Officer
Muhammad Mahmood Hussain	Director
Syed Arshad Raza	Director
Mohammad Wasi Khan	Director
Shah Arshad Abrar	Director
Muhammad Yasin Khan	Director

Audit Committee

Muhammad Mahmood Hussain	Chairman
Syed Arshad Raza	Member

Human Resource and Remuneration Committee

Muhammad Mahmood Hussain	Chairman
Amir Abbassciy	Member
Syed Arshad Raza	Member

Services & Stake holders Committee

Akhtar Hussain Malik	Member
Syed Arshad Raza	Member

Chief Financial Officer

Naeem Asghar Malik

Company Secretary

Majid Muqtadir

Auditors

EY Ford Rhodes — Chartered Accountants

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Oman Investment Company Limited
Saudi Pak Industrial and Agricultural Investment Company Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Silk Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

Share Registrar

FAMCO Associates (Pvt) Limited
8-F, Next to Hotel Faran
Nursery, Block-6, P.E.C.H.S.
Shahrah-e-Faisal, Karachi
Tel: (92 21) 3438 0101, 3438 0102
Fax: (92 21) 3438 0106

Registered Office

9th Floor, The Harbour Front,
Dolmen City, HC-3, Block-4,
Marine Drive, Clifton,
Karachi 75600, Pakistan
Tel: (92 21) 111 222 081
Fax: (92 21) 111 888 081

Website

www.byco.com.pk

ENVIRONMENT HEALTH SAFETY AND SECURITY (EHSS) POLICY

Byco is committed to delivering sustainable world class performance through prevention of injury and ill-health, preservation of environment and safeguarding health, safety and welfare of its employees and visitors to our sites in a manner that is compliant with local laws, customs and culture.

We derive strength from our core values of fairness and honesty, integrity, respect, teamwork, trust and transparency, passion for excellence and tenacity in achieving results. As a corporate entity, we care about people and the world in which we live in.

We have deployed the optimal leadership and management structure to deliver this policy and provide an unbroken chain of responsibility and accountability for EHSS.

EHSS GUIDING PRINCIPLE

- Identify and eliminate or otherwise control, EHSS risks to our people, our communities and the environment in which we operate
- Use EHSS risk framework to develop and deliver measurable EHSS objectives and targets
- Ensure employees are equipped and trained to adopt a healthy, safe and environmentally conscious lifestyle both at work and home
- Continuously seek to reduce the environmental impact of our business operations by:
  - Improving energy efficiency and natural resource consumption
  - Reusing and recycling materials to minimize waste and pollution
  - Endeavour to protect and restore biodiversity
  - Undertaking specific programs to reduce greenhouse gas emissions from our business
- Generate sustainable EHSS performance through long-term, mutually beneficial relationships with our communities, governments, our business partners and other stakeholders

EHSS GUIDING PRINCIPLE

- The management team is accountable for the delivery of EHSS improvements and providing the necessary resources to do so
- All stakeholders of our business must understand their responsibilities towards EHSS and demonstrate their commitment through actions towards achieving our goal of zero incidents
- Complying with all applicable laws, EHSS standards and other voluntary requirements
- Developing, implementing and maintaining recognized management systems and programs that ensure appropriate and consistent implementation of this EHSS policy
- Obtaining assurance of our EHSS policy and management systems through regular audits and reviews of our performance
- Promoting effective employee, contractor and stakeholder participation in and awareness of EHSS issues and programs related to our operations through training, communication and regular public reporting of performance

Financial Highlights

(Rupees in million)

	2018	2017	2016	2015	2014	2013
Balance Sheet						
Share Capital	**53,299**	53,299	9,779	9,779	9,779	9,779
Share holders' equity	**30,222**	21,918	6,555	5,188	5,052	(3,411)
Property, plant and equipment	**68,716**	69,030	12,581	13,716	14,928	17,625
Long term investment	**16,932**	16,932	22,661	5,729	5,729	5,729
Long term loan, advances and rec	**939**	948	–	16,931	–	–
Stock in trade	**29,391**	12,583	7,332	4,860	8,778	5,704
Trade debts	**5,464**	4,858	8,287	9,349	10,245	12,124
Total current assets	**40,374**	21,630	20,642	18,549	38,589	20,537
Total current liabilities	**72,702**	56,264	39,179	36,376	37,786	29,470
Short term borrowings	**2,323**	3,372	6,594	738	6,402	6,800
Current portion of non-current liabilities	**8,766**	7,932	5,447	3,729	2,655	1,636
Non-current liabilities	**26,824**	31,657	10,160	13,372	16,216	17,848
Profit and Loss Account						
Net sales	**166,290**	88,420	77,702	94,807	92,545	66,187
Cost of sales	**157,141**	84,196	73,419	89,941	92,136	66,111
Gross profit	**9,150**	4,224	4,283	4,866	409	76
Operating profit / (loss)	**8,248**	3,611	3,253	2,935	(2,695)	751
Financial charges	**2,322**	2,283	2,309	2,758	2,793	2,645
Profit / (Loss) before taxation	**5,370**	1,327	718	(151)	(6,325)	(2,085)
Profit / (Loss) after taxation	**5,020**	2,182	1,367	72	(5,937)	(2,259)

Financial Highlights

		2018	2017	2016	2015	2014	2013
Profitability Ratios							
Gross Profit	%	**5.50%**	4.78%	5.51%	5.13%	0.45%	0.12%
Profit before Tax	%	**3.23%**	1.50%	0.92%	-0.16%	-6.83%	-3.15%
Net Profit	%	**3.02%**	2.47%	1.76%	0.08%	-6.42%	-3.41%
EBITDA Margin to sales	%	**6.78%**	7.12%	5.73%	4.44%	-1.83%	2.67%
Return on equity	%	**16.61%**	9.95%	20.86%	1.39%	-117.52%	66.23%
Liquidity Ratios							
Current Ratio	Times	**0.56**	0.38	0.53	0.51	1.02	0.70
Quick / Acid Test Ratio	Times	**0.15**	0.16	0.34	0.38	0.78	0.50
Activity / Turnover Ratios							
Inventory turnover	Days	**48.75**	43.17	30.31	27.67	28.69	23.90
Debtors turnover	Days	**11.33**	27.13	41.42	37.72	44.11	60.30
Creditors turnover	Days	**116.32**	147.07	141.72	119.75	95.39	111.00
Inventory turnover	Times	**7.49**	8.46	12.04	13.19	12.72	11.60
Debtors turnover	Times	**32.22**	13.45	8.81	9.68	8.27	5.46
Creditors turnover	Times	**3.14**	2.48	2.58	3.05	3.83	3.29
Total assets turnover ratio	Times	**1.25**	0.78	1.39	1.71	1.56	1.51
Fixed assets turnover ratio	Times	**2.42**	1.28	6.18	6.91	6.20	3.76
Financial Leverage Ratios							
Interest coverage ratio	Times	**3.55**	1.58	1.41	1.06	(0.96)	0.28
Debt to equity ratio	Times	**1.25**	1.96	3.39	3.44	5.00	(7.71)
Investment / Market Ratios							
Earnings per share	Rs.	**0.94**	0.41	1.40	0.07	(6.07)	(2.31)

CHAIRMAN'S REVIEW

For the year ended 30 June 2018

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company together with the audited, unconsolidated and consolidated, financial statements and auditors' report thereon for the year ended 30th June, 2018.

It gives me a great pleasure in noting that the Company successfully commissioned its second refinery unit and the Reformer unit in current year which helped in taking Company's revenue and profitability to a new level despite several challenges like lowest Furnace Oil (FO) consumption in the country, volatile oil prices and declining Rupee against US Dollar etc. The Board acknowledges and appreciates the efforts put in by the management in achieving the above results.

The Company did not install Diesel Hydro Desulphurisation unit (DHDS) due to which it is subject to lower prices of High Speed Diesel. Efforts are being made to address this matter on priority.

I am quite satisfied with the overall performance of the Board of Directors. All the directors are experienced and seasoned individuals and they have played an important role in making the Board effective at all levels. The Committees of the Board operated efficiently and assisted the Board in all the key matters.

On behalf of the Board, I would like to thank all the stakeholders for their trust and support. I am confident that the Company has all the ingredients necessary to achieve the expectations of all its stakeholders.

Chairman

Karachi
25th October 2018

DIRECTORS' REPORT

For the year ended 30 June 2018

In the name of Allah, the Most Merciful and the Most Benevolent.

The Directors of your Company are pleased to present the Annual Report of the Company together with the audited, unconsolidated and consolidated financial statements and auditors' report thereon for the year ended 30th June 2018.

We are pleased to report that the sales volume of the Company increased by 60% and the Company achieved gross turnover of over Rs. 214 billion (LY: Rs. 115 billion), which is the highest ever achieved. This achievement was solely due to the commencement of operations of the Company's second refining unit (ORC 2), which helped in improving the Company's market share in Pakistan's petroleum industry and also improved the Company's profitability. The Company earned gross profit of Rs. 9.1 billion (LY: Rs. 4.2 billion), and an after tax profit of Rs. 5.0 billion (LY: Rs. 2.1 billion), thereby generating earnings per share of Rs. 0.94 (LY: Rs. 0.41).

The most significant issue faced by all the refineries in the current year was the declining consumption of Furnace Oil (FO). On a full year basis, a reduction of 23% was reported in the consumption of FO in the current year. However, in some months the decline was over 40% when compared to the same period last year. The decline is primarily due to the replacement of FO with Liquefied Natural Gas (LNG) as a feedstock for power plants. The government addressed the situation by limiting FO imports, though a permanent solution should be developed for the future. The Company is looking at various options to address declining demand of FO and is working toward developing a viable solution in this respect.

The petroleum industry, and refineries in particular, are prone to two key challenges against which no hedging option is available locally:

i) Abrupt changes in crude oil prices, and
ii) Fluctuations in the PKR-USD exchange rate

Byco's second refining unit, ORC 2, was successfully commissioned in August 2017. The reforming unit of ORC 2 was commissioned in February 2018, and is contributing significantly towards the refinery's profits. In July 2018, the Isomerisation unit was commissioned by Byco Isomerisation Pakistan (Private) Limited (BIPL), a wholly owned subsidiary of the Company, which converts the refinery's naphtha output into premium motor gasoline. This will insha'Allah grow Byco's refining margins further.

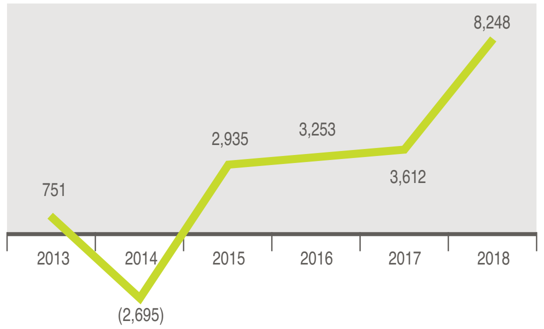
Byco's Single Point Mooring (SPM) facility proved instrumental in providing timely crude supplies to the refinery. Currently Byco's SPM facility is handling about 26% of the country's crude oil imports, which clearly demonstrates the importance of the SPM in Pakistan's petroleum infrastructure with its reliable and efficient services.

With the support of refinery supplies, the marketing arm of the Company also expanded its volume primarily in higher margin products. The marketing arm is continuously expanding its retail network through development of new sites or transfer of existing sites.

The Company gets a lower price for its High Speed Diesel (HSD) as per the pricing criteria approved by the Government and efforts are being made to make the HSD product Euro II compliant.

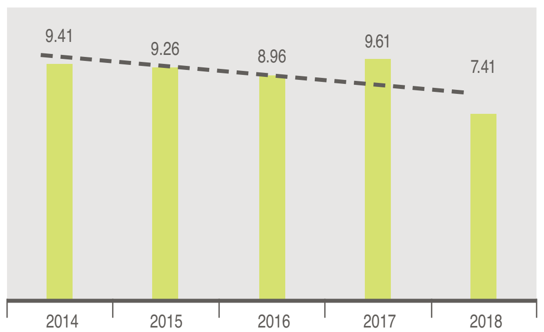
Operating Profit

Rs. Million

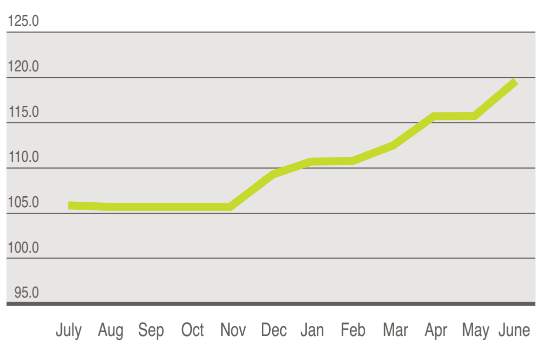


FO Consumption

Million MT



Average exchange rates



On a consolidated basis, the Group's earnings per share (EPS) amounted to Rs. 0.81 (2017: Rs. 0.26). It is expected that with the increased throughput of the refineries, there would be further improvement in BBPL's EPS in the future.

BIPL incurred a net loss of Rs. 924 million, primarily due to depreciation on fixed assets. It is expected that BIPL will generate profits as its operations commenced subsequent to the end of the fiscal year. There has been a delay in payment of outstanding Government dues (as mentioned in note 25 to the financial statements) owing to a delay in the recovery/utilization of funds.

For a more comprehensive look at the financials of your Company over the last six years, refer to page 12.

Reasons for not declaring dividend

Considering the Company's financial commitments, the directors do not recommend any appropriations for the year ending 30 June 2018.

Corporate Social Responsibility (CSR)

Cognizant of its social responsibilities, Byco has focused its CSR efforts particularly towards communities near its refineries. Byco provides job opportunities such as Management Trainee Programs, and social services including financial and material support to its neighboring underserved communities. Byco positively engages youth through sports and has also been actively supporting the environment nationally.

Environment, Health, Safety and Security (EHSS)

During the year, Byco set its focus on safe commission activities, multiple turnarounds without accident or injury, EHS resource development, and sustainability at both refineries. In this respect, various trainings, management audit, and other EHS related initiatives were undertaken.

Byco strengthened its EHS program by introducing a comprehensive incident investigation and reporting system with the EHS team developing an EHS management portal.

Contribution to the National Exchequer

During the current year, your Company contributed an amount of Rs. 48 billion to the national exchequer on account of direct and indirect taxes and levies. In addition, the Company brought valuable foreign exchange of approximately US$ 105 million into the economy, through the exports of petroleum products, thereby saving Pakistan valuable foreign exchange.

Compliance with the Listed Compnies (Code of Corporate Governance) Regulation, 2017

The Company has been and remains committed to the conduct of its business in line with the Code of Corporate Governance and the listing regulations of the Pakistan Stock Exchange. As required by the Code of Corporate Governance, the following is a statement of compliance with the Corporate and Financial Reporting Framework of the Code:

The Directors are pleased to confirm that:

- The financial statements prepared by the management of the Company present its state of affairs fairly, and exhibit the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained in the manner required under the Companies Act, 2017.
- Appropriate accounting policies have been consistently applied in the preparation of these financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and deviation, if any, has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- During the year, seven meetings of the Board of directors were held and attendance by the directors was as follows:

Name of Director	Number of Meetings Attended
Mr. Amir Abbassciy	7
Mr. Muhammad Mahmood Hussain	6
Mr. Akhtar Hussain Malik	6
Mr. Syed Arshad Raza	7
Mr. Omar Khan Lodhi	–
Mr. Chaudhary Khaqan Saadullah Khan	7
Mr. Nayyer Hussain (Resigned on 11th December 2017)	1
Mr. Murtaza Hussain (Appointed on 20th December 2017)	2

The Board of Directors gave leave of absence to those directors who were unable to attend.

The Board places on record its appreciation for the valuable services rendered by outgoing directors on the Board.

Audit Committee

The Audit Committee held five meetings during the year. Attendance by each member was as follows:

Name of Director	Meetings Attended
Muhammad Mahmood Hussain	5
Syed Arshad Raza	5
Chaudhary Khaqan Saadullah Khan	5

Human Resource and Remuneration Committee

The HR & Remuneration committee held two meetings during the year. Attendance by each member was as follows:

Name of Director	Meetings Attended
Muhammad Mahmood Hussain (from Jan 29, 2018)	1
Akhtar Hussain Malik (upto Jan 29, 2018)	1
Amir Abbassciy (from Jan 29, 2018)	1
Chaudhary Khaqan Saadullah Khan	2
Syed Arshad Raza	1

Pattern of Shareholding

- The pattern of shareholding and additional information, as at 30 June 2018, appears on page 115 of the Annual Report.
- Byco Industries Incorporated, based in Mauritius, holds 91.83% shares, financial institutions and banks and others hold 3.99% shares, and 4.18% shares are held by individuals.

- No trading in the shares of the Company was done by the directors, executives or their spouses and minor children during the year.

Value of investment in Post Employment Benefit Fund

The value of investment of provident fund on the basis of accounts is as under:

	2018 (Unaudited)	2017 (Audited)
As at June 30 (Rs. in '000)	**316,239**	214,271

External Auditors

The auditors Messrs EY Ford Rhodes chartered Accountants retired and offered themselves for reappointment. The Audit committee has recommended the reappointment of Messrs EY Ford Rhodes Chartered Accountants as auditors for the year ending 30 June 2019.

Acknowledgement

The Board wishes to express appreciation and place on record its gratitude for the cooperation extended to your Company by the Government of Pakistan and strategic partners including financial institutions, vendors, suppliers, customers and shareholders of your Company.

We would also like to thank our dedicated employees for their commitment towards our sustainable operations.

For and on behalf of the Board of Directors.

Chief Executive Officer
Karachi
25th October 2018

Director

محاسبی کمیٹی

محاسبی کمیٹی نے سالِ رواں کے دوران پانچ اجلاس منعقد کیے۔ ہر رکن کی طرف سے اجلاس میں شرکت کی تعداد درجِ ذیل ہے:

	شرکت کی تعداد
جناب محمد محمود حسین	5
جناب سید ارشد رضا	5
جناب چوہدری خاقان سعد اللہ خان	5

ہیومن ریسورس اور مشاہرہ کمیٹی

ہیومن ریسورس اور مشاہرہ کمیٹی نے سالِ رواں کے دوران دو اجلاس منعقد کیے۔ ہر رکن کی طرف سے اجلاس میں شرکت کی تعداد درجِ ذیل رہی:

	شرکت کی تعداد
جناب محمد محمود حسین (29 جنوری 2018 سے)	1
جناب اختر حسین ملک (29 جنوری 2018 تک)	1
جناب عامر عباسی (29 جنوری 2018 سے)	1
جناب چوہدری خاقان سعد اللہ خان	2
جناب سید ارشد رضا	1

شیئر ہولڈنگ کی ساخت

- 30 جون، 2018 کو شیئر ہولڈنگ اور اضافی معلومات کی ساخت سالانہ رپورٹ کے صفحہ نمبر 115 پر موجود ہے۔
- ماریشیس میں واقع، بائیکو انڈسٹریز انکارپوریٹڈ 91.83 فیصد شیئرز کا مالک ہے، مالیاتی ادارے اور بینک اور دیگر 3.99 فیصد شیئرز جبکہ افرادِ واحد 4.18 شیئرز رکھتے ہیں۔

- سالِ رواں کے دوران ڈائریکٹرز، ایگزیکٹیوز یا ان کے شریکِ حیات اور نابالغ بچوں کی طرف سے کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی گئی۔

بعد از ملازمت بینیفٹ فنڈ میں سرمایہ کاری کی مالیت

اکاؤنٹس کی بنیاد پر پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت درج ذیل ہے:

	2018 غیر محاسب شدہ	2017 محاسب شدہ
بمطابق 30 جون ('000 پاکستانی روپوں میں)	316,239	214,271

بیرونی محاسبی

آڈیٹرز میسرز ای وائے فورڈ رہوڈز چارٹرڈ اکاؤنٹینٹس اپنی مدت مکمل کر چکے ہیں اور ان کی جانب سے اپنی دوبارہ تقرری کی پیشکش کی گئی۔ محاسبی کمیٹی نے میسرز ای وائے فورڈ رہوڈز چارٹرڈ اکاؤنٹینٹس کی بطور آڈیٹرز 30 جون، 2019 کو ختم ہونے والے مالی سال کے لیے دوبارہ تقرری کی سفارش کی ہے۔

اظہارِ تشکر

بورڈ: حکومتِ پاکستان اور آپ کمپنی کے کاروباری شراکت دار بشمول مالیاتی اداروں، وینڈرز، فراہم کنندہ، صارف اور شیئر مالکان کی جانب سے کمپنی کو فراہم کردہ تعاون پر پر تہہ دل سے خوش دلی کا اظہار کرتے ہوئے انہیں خراجِ تحسین پیش کرتا ہے۔

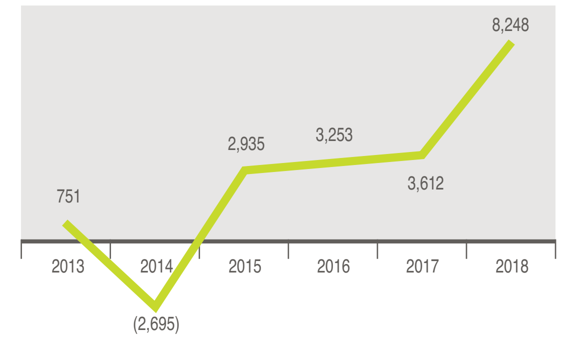
ہم، مستحکم کاروباری سرگرمیوں کے لیے اپنے پُر خلوص اور احساسِ ذمہ داری سے بھرپور ملازمین کے بھی شکر گزار ہیں۔

برائے ومنجانب بورڈ آف ڈائریکٹرز

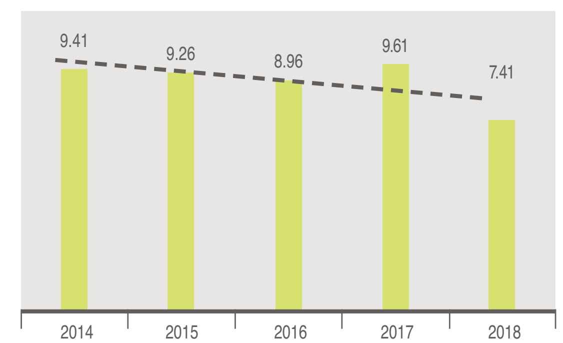
چیف ایگزیکٹیو آفیسر
کراچی
25 اکتوبر، 2018

ڈائریکٹر

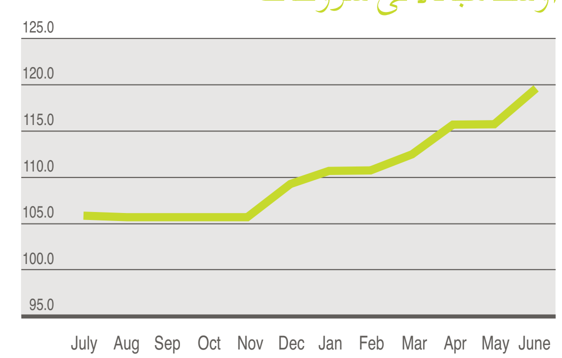
کاروباری منافع
ملین روپوں میں



ایف او کی کھپت
ملین ایم ٹی



اوسط مبادلاتی شروحات



اس وقت ایس پی ایم پر ہی ہے، جو واضح طور پر قابل اعتماد اور مؤثر خدمات کے ساتھ ملک کے تیل کے بنیادی ڈھانچے میں SPM کی اہمیت کا مظہر ہے۔

ریفائنری کے مال کی مدد سے، کمپنی کے مارکیٹنگ کے شعبے نے بھی بنیادی پر بلند منافع جات کی حامل مصنوعات کے حوالے سے اپنے حجم میں اضافہ کیا۔ مارکیٹنگ کا شعبہ، نئے پیٹرول پمپ کے فروغ یا موجودہ پیٹرول پمپ کی منتقلی کی بدولت اپنے ریٹیل نیٹ ورک میں مسلسل اضافہ کر رہا ہے۔

کمپنی کو حکومت کی جانب سے منظور شدہ نرخ ناموں کے مطابق اپنے ہائی اسپیڈ ڈیزل (HSD) پر کم تر قیمت وصول ہوتی ہے اور ہائی اسپیڈ ڈیزل مصنوعات پراڈکٹ کو یورو II سے ہم آہنگ کرنے کے لیے کوششیں جاری ہیں۔

اجتماعی بنیاد پر، گروپ کی فی حصص آمدنی 0.81 پاکستانی روپے (گزشتہ سال: 0.26 پاکستانی روپے) رہی۔ اس بات کی توقع ہے کہ ریفائنریوں میں مال کی کھپت کے اضافے کے ساتھ، مستقبل میں فی حصص آمدنی میں بہتری آئے گی۔ بائیکو آئسو مرائزیشن پاکستان (پرائیویٹ) لمیٹڈ (BIPL) نے، جو کہ کمپنی کی مکمل ملکیت کا حامل ذیلی ادارہ ہے، پائیدار اثاثوں کی تخفیفِ قدر کے باعث ابتدائی طور پر 924 ملین روپے کا حتمی نقصان برداشت کیا۔ توقع ہے کہ اختتامِ مدت کے بعد بھی مالیاتی میعاد سے اپنی کاروباری سرگرمیوں کا آغاز کر کے BIPL منافع جات حاصل کرے گا۔ سرکاری واجبات کی ادائیگی میں تاخیر ہوئی (جیسا کہ مالیاتی گوشواروں کے نوٹ 25 میں بیان کیا گیا ہے) جس کی وجہ بعض پرانے سرکاری واجبات کی وصولی کے لیے فنڈز کی وصولی / استفادے میں ہونے والی تاخیر تھی۔

گزشتہ چھ سال پر مبنی، اپنی کمپنی کے مالیاتی گوشواروں کو مزید جامع انداز میں صفحہ نمبر 12 ملاحظہ کریں۔

ڈیویڈنڈ کا اعلان نہ کرنے کی وجوہات
کمپنی کی مالیاتی ذمہ داریوں کے پیشِ نظر، ڈائریکٹرز نے 30 جون 2018 کے مالی سال کے اختتام پر کسی بھی مختص کردہ رقوم کی تجویز نہیں دی۔

کاروباری سماجی ذمہ داری (CSR)
بائیکو نے ایک ذمہ دار کاروباری شہری کی حیثیت سے اپنی CSR کاوشوں کو خصوصاً اپنی ریفائنریوں سے متصل خطے میں موجود ملحقہ سماجی حلقوں کے لیے مختص کیا ہے۔ ملازمت کے مواقعوں کی فراہمی جس میں مینجمنٹ ٹرینی پروگرامز؛ سماجی خدمات، کھیلوں کی سرگرمیوں کے ذریعے نوجوانوں کی مثبت انداز میں شمولیت اور ہماری ریفائنریوں کے قریب پسماندہ سماجی حلقوں کی مادی و مالی لحاظ سے معاونت وہ بنیادی شعبے ہیں جو سال بھر ہمارا مطمعِ نظر رہے۔ اس کے ساتھ ساتھ ہم نے ملک بھر میں ماحولیات پر بھی خاطر خواہ توجہ دی ہے۔

ماحول، صحت، سیفٹی اور سیکیورٹی (EHSS)
سال کے دوران، کمپنی کی جانب سے تفویضِ اختیار کی محفوظ سرگرمیوں، حادثات / نقصانات کے بغیر مختلف النوع مالیاتی کارکردگی میں بہتری، EHS ذرائع کا فروغ، اور دونوں ریفائنریوں میں استحکام اور اس حوالے سے مختلف تربیتی نشستوں، مینجمنٹ آڈٹ اور دیگر EHS اقدامات اٹھانے پر توجہ مرکوز کی گئی۔

بائیکو نے حادثات کی جامع تفتیش اور رپورٹنگ کا نظام متعارف کرواتے ہوئے اپنے EHS پروگرام کو مزید تقویت دی ہے، جبکہ EHS ٹیم، ایک EHS مینجمنٹ پورٹل بھی مرتب کر رہی ہے۔

قومی خزانے میں حصہ
موجودہ سال کے دوران، آپ کی کمپنی نے براہِ راست اور بالواسطہ ٹیکسز اور محصولات کی مد میں قومی خزانے میں 48 ارب پاکستانی روپے جمع کروائے۔ اس کے علاوہ کمپنی، پیٹرولیم مصنوعات کی برآمدات کی بدولت قومی معیشت میں تقریباً 105 ملین امریکی ڈالر کا گراں قدر غیر ملکی زرِ مبادلہ لانے کا ذریعہ بنی اور اس طرح ملکی ادائیگیوں کے توازن پر موجود دباؤ کو کم کرنے میں اپنا کردار ادا کیا۔

کاروباری ضابطۂ اخلاق کی تعمیل
کمپنی، کاروباری ضابطۂ اخلاق اور پاکستان اسٹاک ایکسچینج کی فہرستی ضوابط سے ہم آہنگ رہتے ہوئے اپنی کاروباری عملداری کے لیے کوشاں رہی اور رہتی ہے۔ کاروباری ضابطۂ اخلاق کی شرائط کے مطابق، ذیل میں ضابطے کے کاروباری اور مالیاتی رپورٹنگ فریم ورک کا تعمیلی بیانیہ دیا گیا ہے:

- کمپنی مینجمنٹ کی جانب سے تیار کردہ مالیاتی گوشوارے اپنی موجودہ کیفیات، اپنی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور منصفی میں ہونے والی تبدیلیوں کو شفاف کے ساتھ بیان کرتے ہیں۔
- کمپنیز ایکٹ، 2017 کے تحت درکار طریقے کے مطابق درست بہی کھاتے منظم رکھے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب و موزوں اکاؤنٹنگ پالیسیوں کو باقاعدگی کے ساتھ زیرِ عمل لایا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلہ سازی پر مبنی ہیں۔
- پاکستان میں مجوزہ، بین الاقوامی مالیاتی رپورٹنگ کے معیارات کو مالیاتی گوشواروں کی تیاری میں ملحوظ رکھا گیا ہے اور اس سے کسی بھی قسم کے انحراف کو مناسب طور پر ظاہر کر دیا گیا ہے۔
- داخلی کنٹرول کا نظام مستحکم بناوٹ کا حامل ہے اور اس کا مؤثر نفاذ اور نگرانی کی گئی ہے۔
- سال کے دوران بورڈ آف ڈائریکٹرز کے سات اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری یہ رہی:

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب عامر عباسی	7
جناب محمود حسین	6
جناب اختر حسین ملک	6
جناب سید ارشد رضا	7
جناب عمر خان لودھی	-
جناب چوہدری خاقان سعد اللہ خان	7
جناب نیر حسین (11 دسمبر 2017 کو مستعفی ہوگئے)	1
جناب مرتضیٰ حسین (20 دسمبر 2017 کو نئے ڈائریکٹر مقرر ہوئے)	2

اجلاس میں شرکت سے قاصر ڈائریکٹرز کو بورڈ آف ڈائریکٹرز کی جانب سے غیر حاضری کی اجازت دے دی گئی تھی۔

سبکدوش ہونے والے ڈائریکٹرز کی جانب سے کمپنی کے لیے گراں قدر خدمات پر بورڈ نے انہیں باضابطہ طور پر سراہا۔

ڈائریکٹرز رپورٹ

برائے اختتام سال 30 جون 2018

شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم والا ہے۔

آپ کی کمپنی کے ڈائریکٹرز، 30 جون 2018 کو ختم ہونے والے مالی سال کے لیے محاسب شدہ، انفرادی اور یکجا مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ کے ساتھ کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں۔

ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی کی فروخت کے حجم میں 60 فیصد اضافہ ہوا اور کمپنی نے مجموعی طور پر 214 ارب پاکستانی روپے (گزشتہ سال: 115 ارب پاکستانی روپے) کا کاروبار کر کے اپنی تاریخ کی اب تک کی سب سے بہترین سطح کو حاصل کیا۔ یہ کامیابی، کمپنی کے دوسرے ریفائننگ یونٹ (او آر سی 2) کے عملاً آغاز کی مرہونِ منت ہے جس نے ملکی تیل کی مارکیٹ میں کمپنی کے حصص کو بہتر بنانے میں مدد کرنے کے ساتھ ساتھ کمپنی کے منافع میں بھی اضافہ کیا۔ کمپنی نے مجموعی طور پر 9.1 ارب پاکستانی روپے (گزشتہ سال: 4.2 ارب پاکستانی روپے) کا منافع اور 5 ارب پاکستانی روپے (گزشتہ سال: 2.1 ارب پاکستانی روپے) کا بعد از ٹیکس منافع حاصل کیا، اس طرح 0.94 پاکستانی روپے (گزشتہ سال: 0.41 پاکستانی روپے) کی فی حصص آمدنی حاصل ہوئی۔

موجودہ سال تمام ریفائنریوں کے لیے سب سے بڑا مسئلہ فرنس آئل (ایف او) کی کھپت میں کمی کا تھا۔ پورے سال کی بنیاد پر، موجودہ سال میں ایف او کی کھپت میں 23 فیصد کمی سامنے آئی تھی، تاہم اگر اس کا گزشتہ سال کی اسی مدت سے موازنہ کیا جائے تو بعض مہینوں میں 40 فیصد سے بھی زیادہ تنزل آیا۔ اس تنزلی کا بنیادی سبب پاور پلانٹس کے لیے ایف او کی جگہ مائع قدرتی گیس (ایل این جی) کو بطور ایندھن متبادل کے طور پر استعمال کرنا تھا۔ حکومت نے ایف او درآمدات کو محدود کر کے صورتحال کو بہتر بنایا، تاہم مستقبل کے لیے ایک مستقل حل مرتب کیا جانا چاہیے۔ کمپنی، ایف او کی طلب میں کمی سے نمٹنے کے لیے مختلف طریقوں پر غور کر رہی ہے اور اس حوالے سے ایک قابلِ عمل حل مرتب کرنے پر کام کر رہی ہے۔

تیل کی صنعت، خاص طور پر، ریفائنریز کو دو اہم دشواریوں کا سامنا ہے جن کے حل کے لیے مقامی طور پر کوئی پیش بندی طریقۂ کار میسر نہیں ہے:

(i) خام تیل کی قیمتوں میں غیر متوقع تبدیلی اور
(ii) امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شرح میں اتار چڑھاؤ

کمپنی کے دوسرے ریفائنگ یونٹ او آر سی 2 (ORC2) کو پہلی سہ ماہی میں کامیابی کے ساتھ پیداواری اختیار دیا گیا۔ او آر سی 2 (ORC2) کے اصلاحاتی یونٹ کو فروری 2018 میں پیداواری اختیار دیا گیا تھا اور اب یہ ریفائنری کے منافع جات میں نمایاں حصہ لے رہا ہے۔ سال کے اختتام کے بعد، ہم ترکیبی (آئسومرائزیشن) یونٹ کو کمپنی کی مکمل ملکیت کے حامل ذیلی ادارے کی طرف سے پیداواری اختیار دیا گیا تھا جس نے تمام تر نافتھا کو گیس سے چلنے والی گاڑیوں میں تبدیل کیا۔ اس سے ریفائنری کے منافع جات میں انشاءاللہ مزید بہتری آئے گی۔

سنگل پوائنٹ مورنگ (ایس پی ایم) کی سہولت ریفائنری کو بروقت خام مال کی فراہمی میں انتہائی اثر انگیز ثابت ہوئی۔ ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ ملکی خام تیل کی درآمدات کا تقریباً 26 فیصد کا انحصار

Statement of Compliance with listed companies (Code of Corporate Governance) Regulations, 2017

Byco Petroleum Pakistan Limited
Year ended 30th June 2018

The company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017 (the "Regulations") in the following manner:

1. The total number of directors are 07 as per the following:
   a. Male: 07
   b. Female: Nil

2. The composition of board is as follows:

Category	Names
Independent Director	Muhammad Mahmood Hussain
Non-executive Directors	Akhtar Hussain Malik Syed Arshad Raza Omar Khan Lodhi Chaudhary Khaqan Saadullah Khan Murtaza Hussain
Executive Director	Amir Abbassciy

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Directors of the Company are professionals and senior executives having wide experience and awareness of the duties and responsibilities of the directors. One director is a certified director under Directors Training Program (DTP), while two directors fulfil the criteria laid down in the Regulations for an exemption from such training. Registration of other directors are being scheduled and the required certification will be completed *vis-à-vis* the timeline given in the Regulations.

10. During the year, no change in the positions of CFO, Company Secretary and Head of Internal Audit was occurred. Their remuneration and terms and conditions of employment comply with the relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

    a) Audit Committee

    Mr. Muhammad Mahmood Hussain, Chairman
    Mr. Syed Arshad Raza, Member
    Mr. Chaudhary Khaqan Saadullah Khan, Member

    b) Human Resource and Remuneration Committee

    Mr. Muhammad Mahmood Hussain, Chairman
    Mr. Amir Abbassciy, Member
    Mr. Syed Arshad Raza, Member
    Mr. Chaudhary Khaqan Saadullah Khan, Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

    a) Audit Committee – **Every Quarter**
    b) Human Resource and Remuneration Committee – **two meetings**

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Akhtar Hussain Malik
Chairman

Dated: 25th October 2018

To the members of The Byco Petroleum Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **The Byco Petroleum Pakistan Limited (the Company)** for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 30 June 2018.

Chartered Accountants
Place: Karachi

Dated: 25th October 2018

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

Independent Auditors' Report

To the members of Byco Petroleum Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Byco Petroleum Pakistan Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2018, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

v Key audit matters	How the matter was addressed in our audit
1. Recoverability and recognition of deferred tax asset	
As disclosed in note 10, the Company has recognized deferred tax asset on unused business losses, unabsorbed depreciation and tax credits amounting to Rs 3,561.292 million. In order to ascertain that sufficient future taxable profit will be available, the management has prepared future projections of taxable profit by taking into account various assumptions mainly comprising of future throughput of the refinery, average inflation and exchange rates, growth rate and timing of reversals. The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the significant value of deferred tax asset and the assessment of future taxable income involves significant management judgement about future business and economic factors.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. We evaluated the appropriateness of the components on which the Company have recognized deferred tax asset in light of the requirements of the income tax ordinance, 2001, considering the factors including age and the expiry of the deferred tax asset and tax rates enacted. For this purpose, we involved our internal tax specialist to assist us. We evaluated the Company's assumptions and estimates in relation to the likelihood of generating future taxable income, principally by performing sensitivity analysis and testing the key assumptions used by the management. For this purpose, we involved internal specialists to support us in performing these procedures. We have also assessed the adequacy of the Company's disclosures in accordance with relevant laws as applicable in Pakistan.

Key audit matters	How the matter was addressed in our audit
2. Impairment assessment of investment in a Subsidiary Company and loans and advances to Coastal Refinery Limited (CRL)	
As disclosed in note 7, the Company carries an investment in BIPL (fully owned subsidiary) amounting to Rs 16,931.504 million. Further, as disclosed in note 8 and 15, the Company also has provided loans and advances amounting to Rs. 3,063.400 million to CRL. In respect of the above investment in subsidiary Company and loans and advances to CRL, the impairment triggers were identified by the management and accordingly, impairment tests were carried out in accordance with the requirements of the applicable accounting standards. Such impairment tests involve estimation of future cash flows from the operations of the above entities to determine the recoverable amount in respect of the above referred investments and loans and advances. Due to the management judgments and estimates and other uncertain factors involved in these impairment tests carried out by the management, we have considered the determination of the recoverable amount of the related assets as a KAM.	Our key procedures in relation to the impairment tests carried out by the management for investment in BIPL and loans and advances to CRL were as follows: - we considered the triggers and indicators requiring impairment assessment in respect of the above assets; - we assessed the appropriateness of the methodology used by the management for carrying out the impairment test in accordance with the requirements of the applicable accounting standards ; - we reviewed the key inputs and assumptions used to prepare the future cash flow projection of the respective entities including the commercial assumptions used for this purpose. We involved our internal specialists to perform such review. In this regard, we also considered the business plan of the subject entities and the actual results achieved in relation to the previous plan; and - we also applied sensitivity analysis on key assumptions and evaluated the results. We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards.
3. Overdue trade receivables	
As disclosed in note 12.2, the Company has an overdue trade receivable balance of Rs. 7,181.725 million on which Company carries an aggregate provision amounting to Rs. 4,432.393 million. Management considers certain specific factors including the age of the balance, existence of disputes, recent payment patterns and arrangements and any other available information with respect to the credit worthiness and reliability of the counterparties. Management uses this information to determine whether a provision for impairment is a required at a specific or overall balance level. We focused on this area due to the materiality of the amounts involved and because determination with respect to realizability of the receivables involves significant management judgement which is based on the number of factors which are inherently subjective and due to the materiality of the amounts involved.	Our audit procedures amongst other included: - Reviewed agreements with the customers for agreed terms and conditions and latest financial information of the customers, wherever available; - Ensured that the receivable arising out of sales are on the prices that are in agreement with respective customers' terms and conditions; - Reviewed related correspondences between the Company and relevant parties, and held discussions at appropriate level of management to assess their views on the recoverability and timing of settlement of relevant receivables and steps taken for recoverability of these receivables; - Considered management process for determining the provision for impairment, discussed judgement exercised by them. We also reviewed minutes of the Board and Audit committee and checked relevant approvals in this regard; - Reviewed related disclosures in the financial statements.
4. Preparation of financial statements under Companies Act, 2017	
As referred to in note 2 to the accompanying financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 3.1 to the financial statements. Further, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 5.1 to the financial statements. The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.	We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures / changes to the previous disclosures based on the requirements of the Act. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements. In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 5.1 to the financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.

Chartered Accountants
Place: Karachi

Dated: 25th October 2018

Unconsolidated

Statement of Financial Position

As at 30 June 2018

	Note	2018	2017	2016
		(Rupees in '000)		
			(Re-stated)	(Re-stated)
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	6	**68,715,775**	69,030,021	12,580,784
Long term investment	7	**16,931,504**	16,931,504	22,660,762
Long term loans and advances	8	**939,366**	947,936	–
Long term deposits	9	**17,044**	16,956	10,278
Deferred taxation	10	**1,282,932**	1,282,932	–
		87,886,621	88,209,349	35,251,824
CURRENT ASSETS				
Stores and spares		**1,282,943**	483,884	293,148
Stock-in-trade	11	**29,391,250**	12,582,849	7,331,755
Trade debts	12	**5,463,784**	4,858,318	8,286,897
Loans and advances	13	**1,360,410**	1,056,064	3,038,152
Trade deposits and short term prepayments	14	**26,613**	13,173	26,500
Accrued interest		**180,691**	237,951	497,688
Other receivables	15	**1,922,192**	2,147,976	934,402
Cash and bank balances	16	**746,096**	249,577	233,383
		40,373,979	21,629,792	20,641,925
Non-current asset held for sale	17	**1,487,500**	–	–
TOTAL ASSETS		**129,748,100**	109,839,141	55,893,749
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	18	**53,298,847**	53,298,847	9,778,587
Reserves		**(28,408,677)**	(37,141,889)	(7,944,149)
Revaluation surplus on property, plant and equipment		**4,490,349**	4,999,836	4,720,991
		29,380,519	21,156,794	6,555,429
Contribution against future issue of shares	19	**841,249**	761,129	–
		30,221,768	21,917,923	6,555,429
NON CURRENT LIABILITIES				
Long term financing	20	**13,844,255**	16,288,749	6,637,802
Loans from related party	21	**3,936,921**	6,110,417	–
Accrued and deferred markup	22	**8,542,970**	8,731,596	3,337,517
Long term deposits	23	**225,017**	172,375	130,978
Deferred liabilities	24	**274,674**	353,514	53,472
		26,823,837	31,656,651	10,159,769
CURRENT LIABILITIES				
Trade and other payables	25	**58,305,059**	41,874,936	25,975,793
Advance from customers	26	**2,789,832**	2,472,871	670,263
Accrued mark-up	27	**157,731**	262,344	95,692
Short term borrowings - secured	28	**2,322,667**	3,371,784	6,593,696
Current portion of non-current liabilities		**8,766,174**	7,932,304	5,446,688
Unclaimed dividends		**1,027**	1,146	1,146
Taxation - net		**360,005**	349,182	395,273
		72,702,495	56,264,567	39,178,551
CONTINGENCIES AND COMMITMENTS	29			
TOTAL EQUITY AND LIABILITES		**129,748,100**	109,839,141	55,893,749

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated

Statement of Profit or Loss

For the year ended 30 June 2018

	Note	2018	2017
		(Rupees in '000)	
			(Re-stated)
Turnover - net	30	**166,290,362**	88,420,362
Cost of sales	31	**(157,140,541)**	(84,196,091)
Gross profit		**9,149,821**	4,224,271
Administrative expenses	32	**(841,178)**	(796,827)
Selling and distribution expenses	33	**(389,929)**	(324,210)
Other income	34	**1,660,390**	1,616,382
Other expenses	35	**(1,331,337)**	(1,108,116)
		(902,054)	(612,771)
Operating profit		**8,247,767**	3,611,500
Finance costs	36	**(2,878,071)**	(2,284,632)
Profit before taxation		**5,369,696**	1,326,868
Taxation	37	**(349,866)**	854,675
Profit after taxation		**5,019,830**	2,181,543
Earnings per share - basic and diluted (Rupees) - Re-stated	38	**0.94**	0.41

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated
Statement of Other Comprehensive Income

For the year ended 30 June 2018

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Profit after taxation		**5,019,830**	2,181,543
Other comprehensive income for the year			
Items that will not be reclassified subsequently to statement of profit or loss			
Re-measurement loss on defined benefit obligation	24.1.7	**(10,314)**	(21,505)
Revaluation surplus on property, plant and equipment		**–**	743,750
Total comprehensive income for the year		**5,009,516**	2,903,788

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated
Statement of Cash Flows

For the year ended 30 June 2018

(Rupees in '000)

	Note	2018	2017 (Re-stated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**5,369,696**	1,326,868
Adjustments for:			
Depreciation	6.1.4	**3,030,998**	2,685,638
Finance costs	36	**2,878,071**	2,284,632
Provision for impairment against doubtful debts	12.2	**810,492**	748,522
Gain on disposal of operating assets	34	**(2,591)**	–
Liabilities no longer required - written back	34	**(971,013)**	–
Interest income	34	**(648,919)**	(537,134)
Provision for gratuity	24.1.5	**56,483**	54,375
Net cash flow before working capital changes		**10,523,217**	6,562,901
(Increase) / decrease in current assets			
Stores and spares		**(307,980)**	(54,420)
Stock in trade		**(16,808,401)**	(4,915,388)
Trade debts		**(605,466)**	2,044,537
Loans and advances		**(304,346)**	533,217
Trade deposits and short term prepayments		**(13,440)**	41,215
Other receivables		**258,320**	(1,163,244)
		(17,781,313)	(3,514,083)
Increase / (decrease) in current liabilities			
Trade and other payables		**16,431,327**	7,708,535
Advance from customers		**316,961**	1,802,608
Unclaimed dividends		**(119)**	–
		16,748,169	9,511,143
Cash generated from operations		**9,490,073**	12,559,961
Finance costs paid		**(1,497,712)**	(273,256)
Income taxes paid		**(371,579)**	(412,697)
Gratuity paid	24.1.4	**(119,500)**	(15,649)
Interest income received		**88,889**	120,552
Net cash generated from operating activities		**7,590,171**	11,978,911
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(3,127,710)**	(3,592,835)
Sale proceeds against disposal of operating assets		**4,458**	–
Advance against investment in Shares		**(80,000)**	(125,000)
Long term deposits - net		**46,123**	70,021
Net cash used in investing activities		**(3,157,129)**	(3,647,814)
CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / addition of long term loan		**(2,887,406)**	981,121
Repayment of short term borrowing		**(836,617)**	(10,069,500)
Net cash used in financing activities		**(3,724,023)**	(9,088,379)
Net increase / (decrease) in cash and cash equivalents		**709,019**	(757,282)
Cash and cash equivalents - at the beginning of the year		**(1,350,423)**	233,383
Transfer upon merger		**–**	(826,524)
Cash and cash equivalents - at the end of the year	39	**(641,404)**	(1,350,423)

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Unconsolidated

Statement of Changes in Equity

For the year ended 30 June 2018

(Rupees in '000)

		Capital Reserves			Revenue Reserve			
	Issued, subscribed and paid up capital	Merger reserve	Other capital reserve (note 21.2)	Revaluation surplus on property, plant and equipment	Accumulated Loss (Re-stated)	Sub-total	Contribution against future issue of shares	Total
Balance as at 30 June, 2016 - as previously reported	9,778,587	–	–	–	(7,944,149)	1,834,438	–	1,834,438
Effect of change in Accounting policy (note 5.1)	–	–	–	4,720,991	–	4,720,991	–	4,720,991
Balance as at 30 June, 2016 - re-stated	9,778,587	–	–	4,720,991	(7,944,149)	6,555,429	–	6,555,429
Cancellation of shares held by BOPL	(7,905,101)	–	–	–	–	(7,905,101)	–	(7,905,101)
Issue of shares pursuant to merger	51,425,361	–	–	–	–	51,425,361	–	51,425,361
Transfer upon merger (re-stated)	–	–	–	36,925	(10,556,190)	(10,519,265)	761,129	(9,758,136)
Merger Reserves	–	(21,303,418)	–	–	–	(21,303,418)	–	(21,303,418)
Net profit for the year	–	–	–	–	2,181,543	2,181,543	–	2,181,543
Other comprehensive income for the year	–	–	–	743,750	(21,505)	722,245	–	722,245
Total comprehensive income for the period	–	–	–	743,750	2,160,038	2,903,788	–	2,903,788
Incremental depreciation relating to revaluation surplus on Property, plant and equipment - net of tax (re-stated)	–	–	–	(501,830)	501,830	–	–	–
Balance as at June 30, 2017 (restated)	**53,298,847**	**(21,303,418)**	**–**	**4,999,836**	**(15,838,471)**	**21,156,794**	**761,129**	**21,917,923**
Net profit for the year	–	–	–	–	5,019,830	5,019,830	–	5,019,830
Other comprehensive income for the year	–	–	–	–	(10,314)	(10,314)	–	(10,314)
Total comprehensive income for the period	–	–	–	–	5,009,516	5,009,516	–	5,009,516
Revaluation on contribution against future issue of shares	–	–	–	–	–	–	80,120	80,120
Capital transaction with the owner	–	–	3,214,209	–	–	3,214,209	–	3,214,209
Incremental depreciation relating to revaluation surplus on property, plant and equipment - net of tax	–	–	–	(509,487)	509,487	–	–	–
Balance as at June 30, 2018	**53,298,847**	**(21,303,418)**	**3,214,209**	**4,490,349**	**(10,319,468)**	**29,380,519**	**841,249**	**30,221,768**

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 BYCO Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the repealed Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Company are listed on Pakistan Stock Exchange.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company has two refineries with an aggregate rated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 344 retail outlets across the country.

1.2 Geographical location and address of business units

Location / Address	Purpose
The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.	Head office
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	Refining unit

1.3 These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary is stated at cost less impairment, if any.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following are the summary of significant transaction and events that have affected the financial position and performance of the Company:

- During the year, the Company has reversed certain expenses incorrectly capitalized in prior years. For detailed information refer note 5.2.
- During the year, thr Company has revised its agreement with the Parent Company and a lender as disclosed in note 21.2 & 20.7.
- Due to applicability of the Companies Act, 2017 amounts reported for the previous period are restated. For detailed information refer note 5.
- Due to devaluation of Pak Rupee during the year ended June 2018, the Company suffered exchange loss amounting to Rs. 2,202.85 million for liabilities denominated in US Dollar.
- The Company has classified land measuring 2,975 sq yards in Karachi amounting to Rs.1,487.5 million as non-current asset held for sale as disclosed in note 17.
- During the year, the Company resumed production from its 120,000 barrels per day refinery with New Crude Charge Heater / Furnace which is much better in efficiency and equipped with modern safety & security controls.
- During the year, Reformer of Oil Refining Complex II (ORC II) of the Company commenced its operations which enabled the Company to convert 24,000 barrels per day of Heavy Naphtha into Motor-Gasoline.
- For a detailed discussion about the Company's performance, refer to the Directors' Report.

3 BASIS OF PREPARATION

3.1 **Statement of compliance**
These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Act; and

- Provisions of and directives issued under the Companies Act 2017 (the Act)

  Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

  The Act has also brought certain changes with regard to the preparation and presentation of these unconsolidated financial statements. These changes, amongst others, include changes in nomenclature of the primary statements. Further, the disclosure requirements under the Act have been revised, resulting in elimination of duplicative disclosures with the IFRS disclosure requirements and incorporation of additional / amended disclosures as mentioned in notes 1.2, 2, 5.1, 6.1.5, 6.1.5.1, 6.1.6, 6.1.7, 7.2, 12.3, 16.3, 18.1, 29.1, 30, 32.2, 34, 36.1, 37.2, 40.1. 40.2, 41 and 46.

3.2 Accounting convention

- These unconsolidated financial statements have been prepared under the historical cost convention except for:

- Property, plant and equipment which are carried at revalued amount in accordance with IAS 16 "Property, Plant and Equipment" as disclosed in note 6.1; and

- Employees' retirement benefits which is carried at present value of defined benefit obligation net of fair value of plan assets in accordance with the requirements of IAS 19 "Employee Benefits", as disclosed in note 24.1.

3.3 Standard or Interpretation

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows – Disclosure Initiative - (Amendment)
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 - Financial Instruments	01 July 2018
IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) Contracts – (Amendments)	Not yet finalized
IFRS 15 - Revenue from Contracts with Customers	01 July 2018
IFRS 16 - Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 - Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 17 – Insurance Contracts	January 01, 2018

3.4 Critical accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments, estimates and assumptions made by the management that may have a significant risk of material adjustments to the unconsolidated financial statements in the subsequent years are as follows:

i) Useful lives of items of property, plant and equipment (note 4.1 and 6.1);
ii) Impairment against investment in subsidiary (note 4.2);
iii) Provision for slow moving and obsolete stores and spares (note 4.4);
iv) Provision for doubtful debts and other receivables (note 4.5 and 12.2);
v) Impairment against other financial and non-financial assets (note 4.9);
vi) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 4.11 and 24.1);
vii) Provision for taxation (note 4.14, 10 and 37); and
viii) Contingencies (note 4.21 and 29.1).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any, except for freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments which are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation. The surplus arising on revaluation is disclosed as surplus on revaluation of property, plant and equipment.

Depreciation is charged to profit and loss account, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates as disclosed in note 6.1 to the unconsolidated financial statements. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

The carrying values of the Company's property plant and equipment are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the profit and loss account in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property plant and equipment is recognised in the year of disposal.

Capital work-in-progress

Capital work-in-progress, is stated at cost less accumulated impairment losses, if any. Cost consists of:

- expenditures incurred for the acquisition of the specific asset, dismantling, refurbishment, construction and installation of the asset so acquired.
- borrowing cost and exchange differences arising on foreign currency financings to the extent these are regarded as adjustment to interest costs for qualifying assets if its recognition criteria is met as mentioned in note 4.17 to the unconsolidated financial statements.
- exchange loss, interest expenses and other expenses as mentioned in note 6.4 to the unconsolidated financial statements.
- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

Assets subject to finance lease

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are stated at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, if any. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets are depreciated over the useful lives of the assets. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Depreciation, repair and maintenance and gain/loss on disposal of assets subject to finance lease is recognised in the same manner as for owned assets.

4.2 Investment in subsidiary

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the profit and loss account. These are classified as 'long term investment' in the unconsolidated financial statements.

4.3 Stock-in-trade

All stock-in-trade is valued at the lower of cost and net realizable value (NRV).

Raw materials

Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis.

Finished products

Cost of finished products comprises of the cost of crude oil and appropriate production overheads. Production overheads are arrived at on the basis of average cost for the month per barrel of throughput.

Net realizable value in relation to finished products is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

4.4 Stores and Spares

These are stated at moving average cost less impairment loss, if any. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated realizable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the profit and loss account.

4.5 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts and other receivables, if any. Provision for doubtful debts is based on management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.6 Loans, advances, trade deposits and short-term prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

4.7 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and running finance facility.

4.8 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

4.9 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.10 Mark-up bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value recognised in the profit and loss account over the period of the borrowing using the effective interest method.

4.11 Staff retirement benefits

Defined benefit plan

The Company operates a funded gratuity scheme covering all its permanent employees who have completed minimum qualifying period of service. The Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out at 30 June 2018 and based on the actuarial valuation, the Company had recognised the liability for retirement benefits and the corresponding expenses. Actuarial gains and losses that arise are recognised in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in profit and loss account irrespective of the fact that the benefits are vested or non-vested. Current service costs and any past service costs together with the effect of the unwinding of the discount on plan liabilities are charged to operating expenses.

The amount recognised in the statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of plan assets.

Defined contribution plan

The Company operates a funded provident fund scheme for all its eligible employees. Equal contributions are made by the Company and the employees at 8.33% of the basic salary of the eligible employees.

4.12 Compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.14 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.15 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.16 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Parent Company is stated at the rates at which these were received. Foreign currency payments by the Parent Company directly to foreign suppliers of plant and machinery foreign dismantling and refurbishment services providers are initially stated at Pak Rupees equivalent amount translated at the rates approximating to those ruling on the date of transaction. Thereafter, these are revalued and stated at the average of Pak Rupees exchange rates quoted by selected authorised dealers approximating to those ruling on the dates the related plant and machinery items are received in Pakistan (i.e. the date of the bill of entry as per the requirements of Foreign Exchange Manual 2018). However, where the related plant and machinery items have not yet been received by the Company, these payments are translated at the year-end exchange rate equivalents.

4.17 Borrowings and related costs

Borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets, that necessarily take substantial period of time to get ready for their intended use, are capitalized as a part of cost of those assets, until such time as the assets are substantially ready for intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds and exchange difference arising on foreign currency fundings to the extent those are regarded as adjustment to the interest cost, net of related interest income, if any.

4.18 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Sales are recognised when the significant risk and rewards of ownership of the goods have passed to the customer which coincide with the dispatch of goods to the customers.
- Export sales are recognised on the basis of product shipped to the customers.
- Handling and storage income, rental income on equipment and other services income is recognized on accrual basis.

4.19 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Mark-up on delayed payment charges are recognised on the time proportionate basis.
- Interest income on short-term deposits and interest bearing advances are recognised on the time proportionate basis.
- Scrap sales, dealership income and rental income are recognised on an accrual basis.
- Gain on disposal is recognised at the time of disposal of operating fixed assets.

4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.21 Contingent Liabilities
A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.22 Share capital
Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.23 Ijarah contracts
Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

4.24 Foreign currencies translation
Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account.

4.25 Financial instruments
All financial assets and liabilities are initially measured at fair value, and subsequently re-measured at fair value or amortized cost as the case may be. The Company derecognises the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.26 Offsetting of financial assets and financial liabilities
Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.27 Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer of the Company.

4.28 Dividends and appropriations
Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend and other appropriations is subject to the covenant as mentioned in note 20.2.

4.29 Functional and presentation currency
These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

5 RESTATEMENT OF COMPARITIVE AMOUNTS AND RECLASSIFICATIONS

5.1 Change In Accounting Policy
The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS Standards requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's policy for surplus on revaluation stands amended as follows:

- Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase is first recognized in profit or loss. Decrease in the carrying amount that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized below:

(Rupees in '000)

Effect on statement of financial position	As at 30 June, 2017 As reported previously	As re-stated	Re-statement	As at 30 June, 2016 As reported previously	As re-stated	Re-statement
Revaluation surplus on property, plant & equipment	**4,999,836**	**–**	**(4,999,836)**	4,720,991	–	(4,720,991)
Share capital and reserves	**–**	**4,999,836**	**4,999,836**	–	4,720,991	4,720,991
Effect on statement of changes in equity						
Change in equity	**–**	**4,999,836**	**4,999,836**	–	4,720,991	4,720,991

(Rupees in '000)

	For the year ended 30 June 2017 As reported previously	As re-stated	Re-statement
Effect on statement of other comprehensive income			
Revaluation surplus on property, plant and equipment	–	743,750	743,750

There is no cash flow impact as a result of the retrospective application of change in accounting policy.

5.2 Reversal of expenses capitalized in prior years
During the current year, the Company reassess the capitalization of certain expenses in property, plant and equipment made in prior years with respect to exchange losses and interest expenses incurred on certain foreign currency borrowings, equity arrangement fee, share issuance cost, production loss on crude oil used by the Company, loss on the write down on stock in trade and guaranteed throughput cost and based on the exercise, the Company rectified the same.

Because of the significance of the rectification stated above, the same has been corrected in accordance with the requirements of International Accounting standard (IAS) - 8 "Accounting policies, Change in Accounting estimates and errors" in these unconsolidated financial statements with retrospective effect and restatement of amounts previously presented that are stated below:

(Rupees in '000)

Effect on statement of financial position	As at 30 June, 2017 As reported previously	As re-stated	Re-statement	As at 30 June, 2016 As reported previously	As re-stated	Re-statement
Property, plant & equipment	**73,046,950**	**69,030,021**	**(4,016,929)**	–	–	–
Accumulated losses	**11,820,649**	**15,838,471**	**4,017,822**	7,944,149	12,021,277	4,077,128
Trade and other payables	**41,875,189**	**41,876,082**	**893**	–	–	–
Effect on statement of changes in equity						
Accumulated losses	**11,820,649**	**15,838,471**	**4,017,822**	7,944,149	12,021,277	4,077,128

(Rupees in '000)

	For the year ended 30 June 2017		
	As reported previously	As re-stated	Re-statement
Effect on statement of profit or loss			
Cost of sales	**83,956,677**	**83,873,465**	**(83,212)**
Finance cost	**2,439,972**	**2,462,985**	**23,013**
Other Expenses	**1,107,223**	**1,108,116**	**893**
Effect on statement of cash flow			
Depreciation	**2,768,850**	**2,685,638**	**(83,212)**
Finance cost	**2,439,972**	**2,462,985**	**23,013**
Trade payables	**9,331,897**	**9,332,790**	**893**
Effect on loss per share			
Basic and diluted EPS	**0.40**	**0.41**	**(0.01)**

5.3 Reclassification

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Long term Loans and Advances	Loans and advances	830,000
Long term financing	Accrued and deferred markup	8,429,727
Accrued mark-up	Accrued and deferred markup	301,869
Net Sales	Cost of Sales	152,218
Selling and distribution expenses	Cost of Sales	306,680
Finance Cost	Cost of Sales	178,353
Selling and distribution expenses	Cost of Sales	7,849
Cost of Sales	Selling and distribution expenses	18,038
Administrative Expenses	Selling and distribution expenses	18,000
Trade and other payable	Unclaimed dividend	1,146

6 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)

	Note	2018	2017
Operating fixed assets	6.1	**48,937,972**	37,421,959
Capital work-in-progress	6.2	**19,777,803**	31,608,062
		68,715,775	69,030,021

6.1 Operating fixed assets

(Rupees in '000)

	COST / REVALUATION						ACCUMULATED DEPRECIATION						
	As at 01 July 2017	Transfer upon merger	Additions* / transfers	Revaluation surplus	Disposals / Transfers	As at 30 June 2018	As at 01 July 2017	Transfer upon merger	Charge for the year	Disposals	As at 30 June 2018	Written down value as at 30 June 2018	Depreciation rate %
Owned													
Free hold land	888,200	–	5,500	–	–	893,700	–	–	–	–	–	893,700	–
Lease hold land (6.1.2)	1,597,581	–	–	–	(1,487,500)	110,081	110,081	–	–	–	110,081	–	–
Building on free hold land, roads and civil works	1,386,571	–	–	–	–	1,386,571	243,809	–	60,909	–	304,718	1,081,853	4
Building on lease hold land	76,938	–	–	–	–	76,938	16,383	–	3,078	–	19,461	57,477	4
Plant and machinery	44,831,334	–	15,920,535	–	–	60,751,869	12,481,744	–	2,730,350	–	15,212,094	45,539,775	4-5
Generators	1,535,177	–	–	–	–	1,535,177	469,136	–	104,305	–	573,441	961,736	6.70
Furniture and fixtures	180,982	–	–	–	–	180,982	141,154	–	14,504	–	155,658	25,324	10
Filling stations (6.1.1)	644,440	–	17,556	–	–	661,996	297,121	–	68,794	–	365,915	296,081	5-12.5
Vehicles	235,047	–	34,622	–	(9,687)	259,982	234,095	–	7,172	(7,820)	233,447	26,535	20
Computer and allied equipments	245,543	–	58,165	–	(11,215)	292,493	206,331	–	41,886	(11,215)	237,002	55,491	33.33
Safety and lab equipments	1,352,249	–	–	–	–	1,352,249	1,352,249	–	–	–	1,352,249	–	20-25
	52,974,062	–	16,036,378	–	(1,508,402)	67,502,038	15,552,103	–	3,030,998	(19,035)	18,564,066	48,937,972	
Leased													
Vehicles	–	–	–	–	–	–	–	–	–	–	–	–	20
	52,974,062	**–**	**16,036,378**	**–**	**(1,508,402)**	**67,502,038**	**15,552,103**	**–**	**3,030,998**	**(19,035)**	**18,564,066**	**48,937,972**	

* Additions of Rs. 16,036.378 million (30 June 2017: Rs. 416.6 million), as shown above, include an amount of Rs. 15,938.091 million (30 June 2017: Rs. 36.796 million) transferred from capital work-in-progress during the year, as shown in note 6.2.

(Rupees in '000)

	COST / REVALUATION						ACCUMULATED DEPRECIATION					Written down value as at 30 June 2017 (Re-stated)	Depreciation rate %
	As at 01 July 2016	Transfer upon merger (Re-stated)	Additions / transfers	Revaluation surplus	Disposals / Transfers	As at 30 June 2017 (Re-stated)	As at 01 July 2016	Transfer upon merger (Re-stated)	Charge for the year (Re-stated)	Transfers	As at 30 June 2017 (Re-stated)		
Owned													
Free hold land	679,019	209,181	–	–	–	888,200	–	–	–	–	–	888,200	–
Lease hold land (6.1.2)	743,750	110,081	–	743,750	–	1,597,581	–	110,081	–	–	110,081	1,487,500	–
Building on free hold land, roads and civil works	915,666	453,785	17,120	–	–	1,386,571	169,491	19,540	54,778	–	243,809	1,142,762	4
Building on lease hold land	–	76,938	–	–	–	76,938	–	13,305	3,078	–	16,383	60,555	4
Plant and machinery	17,067,762	27,424,277	339,295	–	–	44,831,334	7,234,711	2,802,884	2,444,149	–	12,481,744	32,349,590	4-5
Generators	426,001	1,065,613	43,563	–	–	1,535,177	292,048	77,150	99,938	–	469,136	1,066,041	6.70
Furniture and fixtures	62,860	118,122	–	–	–	180,982	54,471	69,435	17,248	–	141,154	39,828	10
Filling stations (6.1.1)	638,840	5,600	–	–	–	644,440	259,929	–	37,192	–	297,121	347,319	5-12.5
Vehicles	196,689	24,109	14,249	–	–	235,047	196,689	24,109	–	13,297	234,095	952	20
Computer and allied equipments	106,724	122,125	16,694	–	–	245,543	106,724	78,538	21,069	–	206,331	39,212	33.33
Safety and lab equipments	1,351,503	746	–	–	–	1,352,249	1,351,503	410	336	–	1,352,249	0	20-25
	22,188,814	29,610,577	430,921	743,750	–	52,974,062	9,665,566	3,195,452	2,677,788	13,297	15,552,103	37,421,959	
Leased													
Vehicles	14,249	–	(14,249)	–	–	–	10,339	(4,892)	7,850	(13,297)	–	–	20
	22,203,063	**29,610,577**	**416,672**	**743,750**	**–**	**52,974,062**	**9,675,905**	**3,190,560**	**2,685,638**	**–**	**15,552,103**	**37,421,959**	

6.1.1 The Company's assets located at filling stations are not in possession of the Company. In view of large number of dealers, the management considers it impracticable to disclose particulars of assets not in possession of the Company as required under para 12 of part II of the Fourth Schedule to the Companies Act, 2017.

6.1.2 During the year ended 30 June 2017, company performed revaluation on its freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments resulting in revaluation surplus of Rs. 743.750 million on the company's plots of land. The valuation was carried out by an independent valuer, on the basis of present market values for similar sized plots in the vicinity of land and replacement values of similar type of land based on present cost (level 2).

The different levels have been defined in IFRS 13 as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e, as prices) or indirectly (i.e., derived from prices) (level 2); and
- Inputs for the asset or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cashflows). (level 3).

6.1.3 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

(Rupees in '000)

	2018	2017 (Re-stated)
Free hold land	**56,154**	50,654
Lease hold land	**–**	213,200
Buildings on free hold land, roads and civil works	**1,175,511**	1,142,762
Building on lease hold land	**53,027**	60,555
Plant and machinery	**41,397,375**	25,168,097
Generators	**971,153**	94,328
	43,653,220	26,729,596

6.1.4 Depreciation charge for the year has been allocated as follows:

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Cost of sales	31.1	**2,889,551**	2,546,531
Administrative expenses	32	**66,398**	65,877
Selling and distribution expenses	33	**75,049**	73,230
		3,030,998	2,685,638

6.1.5 **Forced sale values of asset class:**

	Note	2018	2017
Free hold land		**758,569**	758,569
Lease hold land	17	**1,270,402**	1,270,402
Buildings on free hold land, roads and civil works		**4,594,243**	4,594,243
Building on lease hold land		**46,554**	46,554
Plant and machinery		**38,452,931**	38,452,931
Generators		**819,564**	819,564
		45,942,263	45,942,263

6.1.5.1 The revaluation was carried out as of 30 June 2017.

6.1.6 Details of property, plant and equipment disposed of, having net book value in excess of Rs. 500,000 each are as follows:

(Rupees in '000)

Description	Cost / revalued amount	Accumulated Depreciation	Net book value	Sales proceed	Gain	Particular of purchaser	Mode of disposal
Motor vehicle	5,600	3,733	1,867	1,960	93	Asad Azhar Siddiqui (Employee)	Company policy

6.1.7 Particulars of immovable assets of the Company are as follows:

Location	Total area (in acres)
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	620.45
Deh Redho, Tapo Noor Mohammad Shujrah, Taluka Khanpur, District Shikarpur	12.68
Mauza Gujrat, Mehmoodkot, Tehsil kot, Addu District, Muzaffargarh	12.0
Plot of Barani Land, Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	11.0
Mahal Jhamke (Machike), Tehsil & District Sheikhupura	9.0
Zero point (SPM), Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	5.0
Plot no. 22/5, CL 9, Hoshang Road, Civil Lines Quarter, Karachi	0.61

6.2 **Capital work-in-progress**
The movement of capital work-in-progress during the year is as follows:

(Rupees in '000)

	Note	Opening Balance (Re-stated)	Additions	Transferred to operating fixed assets	Closing balance 30 June 2018	Closing balance 30 June 2017 (Re-stated)
Building on free hold land, roads and civil works		691	–	–	**691**	691
Plant and machinery	6.2.1, 6.2.2, 6.3 & 6.4	31,599,058	4,038,621	(15,920,535)	**19,717,144**	31,599,058
Filling stations		8,313	69,211	(17,556)	**59,968**	8,313
		31,608,062	4,107,832	(15,938,091)	**19,777,803**	31,608,062

6.2.1 Plant and machinery amounting to USD 4 million (30 June 2017: USD 4 million) is outside the country and is in the process of being brought into the country.

6.2.2 Includes dismantling and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Company as disclosed in note 20.2 to these unconsolidated financial statements.

6.3 Capitalization of borrowing costs amounting to Rs. 1,121.53 million (30 June 2017: Rs. 520.022 million) have been determined at the rate of 7.5% (30 June 2017: 7.45%) per annum.

6.4 Plant and machinery include exchange difference of Rs. 812.55 million (30 June 2017: Rs. 27.153 million).

7 LONG TERM INVESTMENT

(Rupees in '000)

	Note	2018	2017
In a subsidiary - at cost	7.1 & 7.2	**16,931,504**	16,931,504
		16,931,504	16,931,504

7.1 This represents investment in Byco Isomerisation Pakistan (Private) Limited (BIPL), a wholly owned subsidiary, of 1,693,150,430 shares (30 June 2017: 1,693,150,430) of Rs. 10 each. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

7.2 The investment in subsidiary have been made in accordance with the requirement of the Act.

8 LONG TERM LOANS AND ADVANCES - unsecured, considered good

(Rupees in '000)

	Note	2018	2017
Loan to Coastal Refinery Limited (CRL)		**1,518,780**	1,518,780
Advance against investment in shares		**440,000**	360,000
		1,958,780	1,878,780
Current portion of loan to CRL	13	**(1,019,414)**	(930,844)
		939,366	947,936

9 LONG TERM DEPOSITS

	2018	2017
Rent	**14,178**	14,178
Others	**2,866**	2,778
	17,044	16,956

10 DEFERRED TAXATION

	Note	2018	2017
Deductible temporary differences arising in respect of:			
- employees retirement benefit		**36,972**	54,055
- provision for doubtful debts		**1,285,394**	1,086,570
- recoupable unabsorbed tax losses and depreciation	10.1	**1,282,180**	3,345,934
- recoupable minimum turnover tax		**2,279,112**	2,075,771
		4,883,658	6,562,330
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		**(2,028,456)**	(3,499,028)
- revaluation surplus on property, plant and equipment		**(1,572,270)**	(1,780,370)
		(3,600,726)	(5,279,398)
		1,282,932	1,282,932

10.1 Deferred tax asset is recognized for tax losses, minimum taxes and depreciation available for carry-forward to the extent of the realization of the related tax benefit through future taxable profits, based on the projections, is probable. As of the date of statement of financial position, deferred tax asset amounting to Rs. 3,237.201 million (30 June 2017: Rs. 3,338.147 million) in respect of unabsorbed tax depreciation has not been recognised in these unconsolidated financial statements.

10.2 During the year, the Company has recognized deferred tax asset on recoupable minimum turnover tax amounting to Rs. 2,279,112 million (30 June 2017: Rs. 2,075.711 million). Out of the total recoupable minimum turnover tax, Rs. 515.784 million relates to the years in which the Company was in a tax loss scenario. In 2013, the High Court of Sindh, in respect of another company, overturned the interpretation of the Appellate Tribunal on Section 113(2)(c) of the Income Tax Ordinance, 2001 and decided that minimum turnover tax cannot be carried forward where there is no tax paid on account of loss for the year or carried forward losses. The Company's management is however of the view, duly supported by the legal advisor, that the above order would not be maintained by the Supreme Court, which the Company intends to approach if required. Accordingly, the Company has recognized deferred tax asset on recoupable minimum turnover tax.

11 STOCK-IN-TRADE

(Rupees in '000)

	Note	2018	2017
Raw material	11.1	**21,081,770**	6,784,377
Finished products	11.2, 11.3 & 11.4	**8,309,480**	5,798,472
		29,391,250	12,582,849

11.1 This includes raw material in transit amounting to Rs. 15,629.89 million (30 June 2017: Rs. 4,032.88 million) as at the date of statement of financial position.

11.2 This includes finished product held by third parties and related party amounting to Rs. 3,157.55 million (30 June 2017: Rs. 1,033.413 million) and Rs.463.34 million (30 June 2017: Rs. 103.839 million) as at the date of statement of financial position.

11.3 This includes finished product in transit amounting to Rs. 508.70 (30 June 2017: Rs. Nil) as at the date of statement of financial position.

11.4 Finished products costing Rs. 1,976.668 million (30 June 2017: Rs. 3,589.267 million) has been written down by Rs. 39.077 million (30 June 2017: Rs. 303.694 million) to net realizable value.

12 TRADE DEBTS

(Rupees in '000)

	Note	2018	2017
Considered good			
Due from related party - K Electric Limited	12.1	**718,534**	224,068
Others		**4,745,250**	4,634,250
		5,463,784	4,858,318
Considered doubtful		**4,432,393**	3,621,901
		9,896,177	8,480,219
Provision for doubtful debts	12.2	**(4,432,393)**	(3,621,901)
		5,463,784	4,858,318

12.1 There is no balance that is past due or impaired as at the date of statement of financial position.

12.2 Provision for doubtful debts

Opening balance		**3,621,901**	2,873,379
Provision made during the year	35	**810,492**	748,522
Closing balance		**4,432,393**	3,621,901

12.3 The maximum aggregate amount due from the related party at the end of any month during the year outstanding was Rs. 718.534 million.

13 LOANS AND ADVANCES

(Rupees in '000)

	Note	2018	2017
Secured - considered good			
Advance to suppliers and contractors		**46,272**	–
Unsecured - considered good			
Advance to employees, suppliers and contractors		**294,724**	125,120
Current portion of loan to CRL	8	**1,019,414**	930,844
Loan to employees		**–**	100
		1,360,410	1,056,064

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits		**15,372**	–
Prepayments			
- Insurance		**4,225**	3,065
- Rent		**7,016**	10,108
		26,613	13,173

15 OTHER RECEIVABLES - considered good

Receivable from CRL	15.1	**943,232**	994,232
Due from related parties	15.2 & 15.3	**847,016**	705,672
Inland Freight Equalization Margin		**77,409**	448,072
Others		**54,535**	–
		1,922,192	2,147,976

15.1 These represents expenses incurred by the Company on behalf of CRL. The outstanding balance is being adjusted against the cost payable to CRL on account of usage of buoy.

15.2 This represents receivable from BIPL against pre-commencement and other expenses incurred, purchases made on behalf of BIPL.

15.3 The maximum aggregate amount due from the related parties at the end of any month during the year outstanding was Rs. 847.016 million.

16 CASH AND BANK BALANCES

(Rupees in '000)

	Note	2018	2017
Cash in hand		**84**	238
Cash at banks			
- Current accounts		**291,166**	112,108
- Saving / deposit accounts	16.1, 16.2 & 16.3	**454,846**	137,231
		746,012	249,339
		746,096	249,577

16.1 These carry interest at the rates ranging from 4.0 % to 6.0% (30 June 2017: 3.5 % to 6.0%) per annum.

16.2 This includes Rs.152.202 million (30 June 2017: Rs. 2.205 million) kept under lien against guarantee and letter of credit facilities.

16.3 This includes Rs.117.741 million (30 June 2017: Rs 113.838 million) kept in shariah compliant savings account.

17 NON-CURRENT ASSET HELD FOR SALE

During the year, the management of the Company intended to sell the plot of the Company located in Karachi having fair value of Rs. 1,487.5 million based on the independent valuation.

18 SHARE CAPITAL

Number of Shares				(Rupees in '000)	
2018	2017		Note	**2018**	2017
6,000,000,000	6,000,000,000	**Authorized share capital** Ordinary shares of Rs.10/- each	18.1	**60,000,000**	60,000,000
		Issued, subscribed and paid-up capital			
187,348,638	187,348,638	Issued for cash		**1,873,486**	1,873,486
5,142,536,068	5,142,536,068	Issued for consideration other than cash - assets		**51,425,361**	51,425,361
5,329,884,706	5,329,884,706			**53,298,847**	53,298,847

18.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

19 CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

	Note	2018	2017
		(Rupees in '000)	
From Byco Industries Incorporated (BII), the Parent Company	19.1, 19.2 & 19.3	**841,249**	761,129

19.1 **In respect of plant and machinery**
Represents Rs. 486.520 million (30 June 2017: Rs. 406.400 million) being rupee equivalent of US$ 4.0 million (30 June 2017: US$ 4.0 million) representing part of the cost of plant, machinery purchased by the Company.

Pursuant to a Share Subscription Agreement dated 31 August 2006 and amended vide an addendum dated 31 July 2007 entered into between the Company and its sponsor, the sponsor has paid the above amount to the supplier against the said assets in lieu of its equity contribution in the Company for which Ordinary Shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 19.3 to these unconsolidated financial statements.

19.2 **In respect of dismantling and refurbishment of Aromatic Plant:**
This includes a sum of (i) Rs. 303.184 million (30 June 2017: Rs. 303.184 million), being rupee equivalent of € 2.259 million and £ 0.290 million (30 June 2017: € 2.259 and £ 0.290 million) and (ii) Rs. 51.544 million (30 June 2017: Rs. 51.544), being rupee equivalent of US$ 0.507 million (30 June 2017: US$ 0.507 million), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 19.3 to these unconsolidated financial statements.

19.3 Shares shall be issued to the Parent Company upon meeting the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Rule 8 of the Companies (Issue of Capital) Rules, 1996.

20 LONG-TERM FINANCING

(Rupees in '000)

Facilities	Note	Mark-up rate	Installments: Payment term	Installments: Number	Installments: Commencement	2018	2017
Secured							
Syndicate loan I	20.1 & 20.2	Six months kibor	Semi-annually	16	June 2013	**3,858,684**	7,698,345
Syndicate loan II	20.1 & 20.2	Three months kibor + 3.25%	Semi-annually	12	January 2014	**45,194**	1,082,723
Syndicate loan III	20.3 & 20.2	8% per annum for the first two years from the date of disbursement and six months kibor or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	**585,270**	686,306
Arrangement fee	20.3		–	–	–	**91,620**	65,484
Bilateral Loan I	20.4	Six months kibor + 2.5%	Semi-annually	09	June 2015	**921,133**	1,438,592
Bilateral Loan II	20.4	Six months kibor + 2.75%	Quarterly	14	February 2016	**1,300,000**	1,440,000
Bilateral Loan III	20.4	Six months kibor + 3.25%	Semi-annually	04	August 2016	**–**	125,000
Bilateral Loan IV	20.4	Six months kibor + 2.5%	Quarterly	12	June 2019	**600,000**	–
Bilateral Loan V	20.4 & 20.2	Six months kibor + 1.5%	Quarterly	12	Sep 2020	**1,000,000**	–
Bilateral Loan VI	20.4	Six months kibor + 3.5%	Semi-annually	08	December 2015	**38,333**	95,833
						8,440,234	12,632,283
Sukuk certificates	20.5	Three months kibor + 1.05%	Quarterly	12	April 2019	**3,120,000**	3,120,000
Unsecured							
Supplier's credit	20.6 & 20.7	One year Libor + 1%	Semi-annually	20	December 2021	**958,890**	1,628,768
Others	20.6	Nil to six months kibor + 4%	Semi-annually	05	December 2021	**7,884,739**	6,540,002
						8,843,629	8,168,770
						20,403,863	23,921,053
Current maturity						**(6,559,608)**	(7,632,304)
						13,844,255	16,288,749

20.1 Represent facilities availed from various banks and are secured against the Company's fixed and current assets.

20.2 The loan agreement contains the covenant that the Company cannot pay dividend to its shareholders if an event of default is occurred.

20.3 Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility is secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of 80% shares of CRL.

20.4 Represents bilateral loans availed from various banks and financial institutions and are secured against the Company's fixed and current assets.

20.5 Represents privately placed long-term Islamic certificates (Sukuk) amounting to Rs. 3,120 million, issued by the Company to meet the expansion plans of the Company. This facility is secured against fixed assets (excluding land and building) of the Company.

20.6 The loans are inferior to the rights of present and future secured financial institutions which are or may be lender to the Company.

20.7 During the year, the Company has revised its agreement with the lender due to which the exchange rate on principal and mark-up has been frozen on the last date of disbursement. Accordingly, the Company has recognize the difference between the carrying value of the liability under the old agreement and the revised obligation in the unconsolidated statement of profit or loss.

21 LOANS FROM RELATED PARTY - unsecured

(Rupees in '000)

	Note	2018	2017
Byco Industries Incorporated, the Parent Company	21.1 & 21.2	**3,936,921**	6,110,417

21.1 Represents:

i) a foreign currency loan of USD 0.144 million which carries mark-up at the rate of 6 Months LIBOR+1% per annum, which was due on 22 June 2012 by a bullet payment.

ii) a supplier's credit amounting to USD 41.927 million novated from Cnergyico Acisal Incorporated during the year ended 30 June 2015 under the agreement. This carries mark-up at the rate of LIBOR+1% per annum, payable semi-annually.

iii) balance amount of loan novated from Byco Busient Incorporated, the ultimate Parent Company amounting to USD 16.124 million (principal USD 15.713 million and markup USD 0.411 million) is repayable in four unequal semi-annual installments. This carries markup at the rate of LIBOR + 1% per annum, payable semi-annually.

All of the aforesaid loans are repayable subject to the conditions and rights as disclosed in note 20.6 to these unconsolidated financial statements.

21.2 During the year, the Company has revised its agreement with the Parent Company due to which the exchange rate on principal and mark-up has been frozen on the last date of disbursement. Accordingly, the Company has recognized the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

22 ACCRUED AND DEFERRED MARKUP

(Rupees in '000)

	Note	2018	2017
Markup on long term financing / loans from related party			
- secured		**6,425,381**	7,541,361
- unsecured	21.2 & 20.7	**2,117,589**	1,190,235
		8,542,970	8,731,596

23 LONG TERM DEPOSITS

Deposits	23.1	**225,017**	172,375
		225,017	172,375

23.1 This includes interest-free deposits received from logistics vendors as security against goods to be transported which is utlised for the purpose of the business in accordance with the related agreements.

24 DEFERRED LIABILITIES

(Rupees in '000)

	Note	2018	2017
Employees retirement benefits	24.1	**127,481**	180,184
Arrangement fee		**147,193**	173,330
		274,674	353,514

24.1 Employees retirements benefits - staff gratuity

24.1.1 General description

The Company operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2018, using the "Projected Unit Credit Method". Provision has been made in the unconsolidated financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

24.1.2 Reconciliation of amount payable to defined benefit plan

(Rupees in '000)

	Note	2018	2017
Present value of defined benefit obligation	24.1.3	**264,961**	208,096
Fair value of plan assets	24.1.4	**(137,480)**	(27,912)
		127,481	180,184

24.1.3 Movement in the present value of defined benefit obligation:

Opening balance		**208,096**	75,609
Current service cost		**44,418**	14,920
Interest cost		**18,821**	6,200
Cost of transfers during the year		**–**	35,347
Net liability of employees transferred		**–**	66,481
Benefits paid during the year		**(9,250)**	(13,448)
Actuarial loss	24.1.7	**2,876**	22,987
Closing balance		**264,961**	208,096

24.1.4 Movement in the fair value of plan assets:

Opening balance		**27,912**	22,137
Expected return on plan assets		**6,756**	2,091
Contributions		**119,500**	15,649
Benefits paid during the year		**(9,250)**	(13,447)
Actuarial gain / (loss)	24.1.7	**(7,438)**	1,482
Closing balance		**137,480**	27,912

24.1.5 Movement in net liability

Opening balance		**180,184**	53,472
Charge for the year	24.1.6	**56,483**	54,375
Net liability of employees transferred		**–**	66,481
Contributions		**(119,500)**	(15,649)
Actuarial loss	24.1.7	**10,314**	21,505
Closing balance		**127,481**	180,184

24.1.6 Charge for the year

Current service cost		**44,418**	14,920
Cost of transfers during the year		**–**	35,347
Interest cost - net		**12,065**	4,108
		56,483	54,375

24.1.7 Actuarial remeasurements

(Rupees in '000)

	2018	2017
Actuarial loss on defined benefit obligations	**(2,876)**	22,987
Actuarial gain on fair value of plan assets	**(7,438)**	(1,482)
	(10,314)	21,505

24.1.8 Actuarial assumptions:

	2018	2017
Valuation discount rate per annum	**9.75%**	9.25%
Salary increase rate per annum	**7.75%**	7.25%
Expected return on plan assets per annum	**9.75%**	9.25%
Normal retirement age of employees	**60 years**	60 years

24.1.9 Comparisons for past years:

(Rupees in '000)

As at June 30	2018	2017	2016	2015	2014
Present value of defined benefit obligation	**264,961**	208,096	75,609	74,733	70,969
Fair value of plan assets	**(137,480)**	(27,912)	(22,137)	(36,013)	(15,978)
Deficit	**127,481**	180,184	53,472	38,720	54,991
Experience adjustment on plan liabilities	**(2,876)**	22,987	497	1,091	9,656
Experience adjustment on plan assets	**(7,438)**	(1,482)	(149)	1,385	(65)
	(10,314)	21,505	348	2,476	9,591

24.1.10 Composition of plan assets

(Rupees in '000)

	2018	2017
Equity	**135,002**	18,637
Cash at bank	**2,478**	9,275

24.1.11 Balance sheet date sensitivity analysis (± 100 bps) on present value of defined benefit obligation

(Rupees in '000)

	2018			
	Discount rate		Salary increase	
	+ 100 bps	– 100 bps	+ 100 bps	– 100 bps
Present value of defined benefit obligation	234,965	295,839	297,539	233,153

24.1.12 As of 30 June 2018, a total of 731 employees have been covered under the above scheme.

24.1.13 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 55.882 million.

25 TRADE AND OTHER PAYABLES

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Creditors for supplies and services		**47,752,681**	34,505,895
Accrued liabilities		**1,831,017**	912,964
Due to related parties		**226,572**	76,560
Sales tax, duties, levies, penalties and default surcharge		**8,267,329**	6,114,157
Workers' welfare fund		**152,234**	42,648
Withholding tax deductions payable		**63,863**	176,693
Payable to staff provident fund		**11,363**	46,019
		58,305,059	41,874,936

26 ADVANCE FROM CUSTOMERS

	Note	2018	2017
	26.1	**2,789,832**	2,472,871

26.1 Includes Rs. 2,514.869 million (30 June 2017: Rs. 2,086.17 million) received from customers against supply of goods.

27 ACCRUED MARK-UP

(Rupees in '000)

	Note	2018	2017
Long-term financing		**131,939**	183,522
Short-term borrowings		**25,792**	78,822
		157,731	262,344

28 SHORT-TERM BORROWINGS

	Note	2018	2017
Secured			
Finance against trust receipts	28.1	**935,167**	1,771,784
Running finance	28.2	**1,387,500**	1,600,000
		2,322,667	3,371,784

28.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 27,100 million (30 June 2017: Rs. 22,700 million) out of which Rs. 26,165 million (30 June 2017: Rs. 20,928.216 million) remains unutilized as at the balance sheet date. The facility carries mark-up ranging from 1 month's KIBOR plus 1% to 1.5%. The facility is secured against documents of title of goods, charge over the stocks of crude oil and petroleum products and receivables, lien on the bank's collection account.

28.2 Represents running finance facility amounting to Rs. 1,600 million obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 1.5% per annum. The facility is secured by way of first pari passu hypothecation charge of overall present and future current and fixed assets of the Company.

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 Claim against the Company not acknowledged as debt amounting to Rs. 3,353.182 million (30 June 2017: Rs. 3,353.182 million) comprise of late payment charges on account of delayed payments against crude oil supplies.

Furthermore, Mari Gas Limited and Pakistan Petroleum Limited have filed legal cases in Sindh High Court on 22 May 2012 and 14 Febuary 2013 claiming Rs. 233.550 million (30 June 2017: Rs. 233.550 million) and Rs.404.357 million (30 June 2017: Rs. 404.357 million) respectively for late payment charges on account of delayed payments against crude oil supplies, and based on the opinion of legal advisor, the Company is of the view that there are no specific contractual arrangements with the above suppliers and hence no provision in respect of the same has been made in these unconsolidated financial statements.

29.2 Commitments

(Rupees in '000)

		2018	2017
29.2.1	Commitments for capital expenditure	**509,884**	221,474
29.2.2	Commitments in respect of purchase of CRL's shares	**919,517**	999,517

30 TURNOVER - net

	2018	2017
Gross Sales		
- Local	**202,825,476**	110,198,050
- Export	**11,899,833**	5,018,086
	214,725,309	115,216,136
Less:		
Sales tax and other duties	**(47,859,308)**	(26,679,998)
Trade discounts	**(575,639)**	(115,776)
	(48,434,947)	(26,795,774)
	166,290,362	88,420,362

31 COST OF SALES

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Opening stock		**5,798,472**	4,942,026
Transfer upon merger		**–**	82,434
Cost of goods manufactured, storage and handling	31.1	**141,468,099**	44,823,675
Finished products purchased during the year		**18,183,450**	40,146,428
		165,450,021	89,994,563
Closing stock	11	**(8,309,480)**	(5,798,472)
		157,140,541	84,196,091

31.1 Cost of goods manufactured, storage and handling

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Raw material consumed	31.1.1	**132,453,860**	39,473,037
Salaries, wages and other benefits	31.1.2	**773,009**	737,103
Operation cost		**733,790**	635,264
Depreciation	6.1.4	**2,889,551**	2,546,531
Fuel, power and water		**851,993**	248,436
Repairs and maintenance		**280,623**	134,841
Transportation & product handling charges		**574,769**	306,680
Insurance		**190,492**	164,129
Stores and spares consumed		**733,394**	195,501
Staff transportation and catering		**197,332**	94,702
Rent, rates and taxes		**53,754**	47,304
Security expenses		**72,874**	46,583
Exchange loss		**1,647,159**	178,353
Vehicle running		**15,499**	15,211
		141,468,099	44,823,675

31.1.1 Raw material consumed

(Rupees in '000)

	Note	2018	2017
Opening stock		**6,784,377**	2,389,729
Transfer upon merger		**–**	253,274
Purchases during the year		**146,751,253**	43,614,411
		153,535,630	46,257,414
Closing stock	11	**(21,081,770)**	(6,784,377)
		132,453,860	39,473,037

31.1.2 This includes a sum of Rs. 30.915 million (30 June 2017: Rs. 29.407 million) in respect of staff retirement benefits.

32 ADMINISTRATIVE EXPENSES

(Rupees in '000)

	Note	2018	2017
Salaries, allowances and other benefits	32.1	**484,130**	456,640
Rent, rates and taxes		**99,454**	88,729
Depreciation	6.1.4	**66,398**	65,877
Repairs and maintenance		**33,511**	35,302
Legal and professional		**22,940**	26,625
Vehicle running		**19,111**	19,678
Travelling and conveyance		**34,218**	32,074
Fee and subscriptions		**18,129**	16,525
Utilities		**12,377**	10,183
Insurance		**6,401**	8,728
Printing and stationary		**10,532**	9,029
Auditors' remuneration	32.2	**6,000**	6,000
SAP maintenance costs		**14,226**	10,520
Security expense		**13,751**	10,917
		841,178	796,827

32.1 This includes a sum of Rs. 19.362 million (30 June 2017: Rs. 18.414 million) in respect of staff retirement benefits.

32.2 Auditors' remuneration

(Rupees in '000)

	Note	2018	2017
Audit fee		**3,800**	3,800
Half year review		**600**	600
Consolidation of financial statements		**600**	600
Code of corporate governance and other certifications		**500**	500
Out of pocket expenses		**500**	500
		6,000	6,000

33 SELLING AND DISTRIBUTION EXPENSES

	Note	2018	2017
Salaries, allowances and other benefits	33.1	**155,192**	154,712
Rent, rates and taxes		**95,146**	89,380
Advertisement		**64,542**	6,888
Depreciation	6.1.4	**75,049**	73,230
		389,929	324,210

33.1 This includes a sum of Rs 6.207 million (30 June 2017: Rs. 6.555 million) in respect of staff retirement benefits.

34 OTHER INCOME

(Rupees in '000)

	Note	2018	2017
Income from financial assets			
Interest on balances due from customers		**560,493**	448,522
Interest on loan to CRL		**31,629**	54,791
Interest income on saving accounts		**51,881**	32,086
Return on savings account		**4,916**	1,735
		648,919	537,134
Income from non-financial assets			
Insurance claim		**–**	560,572
Reversal of excess sales tax surcharge provision		**–**	401,428
Reversal of WPPF		**–**	109,445
Land lease rent		**303**	303
Scrap sales		**16,264**	–
Gain on disposal of operating fixed assets		**2,591**	–
Dealership income		**21,300**	7,500
Liabilities no longer required - written back	20.7	**971,013**	–
		1,660,390	1,616,382

35 OTHER EXPENSES

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Late payment surcharge and penalties		**411,259**	332,515
Provision for doubtful debts	12.2	**810,492**	748,522
Workers' welfare fund		**109,586**	27,079
		1,331,337	1,108,116

36 FINANCE COSTS

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Mark-up on:			
- Long-term financing	36.1	**1,336,194**	1,668,630
- Short-term borrowings		**939,031**	505,184
		2,275,225	2,173,814
Exchange loss - net	36.2	**555,698**	1,588
Bank and other charges		**47,148**	109,230
		2,878,071	2,284,632

36.1 This includes Rs. 382.456 million (30 June 2017: Rs. Nil) on long-term Islamic certificates (Sukuk).

36.2 Represents the exchange loss arising on revaluation of foreign currency financial liabilities and on transactions in foreign currencies.

37 TAXATION

(Rupees in '000)

	2018	2017
Current	**(554,051)**	(471,398)
Prior year	**204,185**	43,141
Deferred	**–**	1,282,932
	(349,866)	854,675

37.1 The returns of income tax have been filed up to and including tax year 2017. These, except for those mentioned in 37.3, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

37.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available which can be analyzed as follows:

(Rupees in '000)

	Provision for Taxation	Tax assessed	Excess / (Short)
2017	428,257	356,731	71,526
2016	347,672	391,533	(43,861)
2015	518,368	437,115	81,253

37.3 The Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax year 2013. Audit proceedings for all mentioned tax year was completed and a demand of Rs. 87.105 million has been raised in an amended order passed under Section 122(1)(5) of the Income Tax Ordinance, 2001. Being aggrieved by the amended order, the Company filed an appeal before Commissioner Inland Revenue, Appeals, Karachi which is pending for adjudication. However, as a matter of prudence, the said amount has already been provided for in these unconsolidated financial statements.

37.4 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Company is obligated to pay tax at the rate of 7.5 percent on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 40 percent of its after tax profits within six months of the end of the tax year, through cash or bonus shares. The Company filed a Constitutional Petition (CP) before the Court on 24 November 2017 challenging the tax, the Court accepted the CP and granted a stay against the above section.

In case the Court's decision is not in favor of the Company, the Company will either be required to declare the dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended 30 June 2018. As at the balance sheet date, no liability has been recorded by the Company in this respect.

37.5 Relationship between accounting profit and income tax expense for the period

The Company is subject to Minimum Tax and Final Tax Regime under section 113 and section 169 respectively of the Income Tax Ordinance, 2001, therefore, relationship between income tax expense and accounting profit has not been presented for the current year.

38 EARNINGS PER SHARE - basic and diluted

		2018	2017
Profit after taxation - as re-stated	(Rupees in '000)	**5,019,830**	2,181,543
Weighted average number of ordinary shares	(Number of shares)	**5,329,884,706**	5,329,893,802
Earnings per share - basic / diluted - as re-stated	(Rupees)	**0.94**	0.41

39 CASH AND CASH EQUIVALENTS

(Rupees in '000)

	2018	2017
Cash and bank balances	**746,096**	249,577
Running finance facility	**(1,387,500)**	(1,600,000)
	(641,404)	(1,350,423)

40 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, parent company, subsidiary company, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Details of transactions and balances with related parties during the year are as follows:

40.1 Following are the related parties with whom the Company had entered into transactions or have agreement in place, including associates on the basis of commom directorship:

Sr	Company Name	Basis of association	Aggregate % of shareholding
1	Byco Industries Incorporated	Parent	91.83%
2	Byco Isomerisation Pakistan (Private) Limited	Subsidiary	100%
3	K - Electric Limited	Common directorship	–
4	Premier Systems (Private) Limited	Common directorship	–
5	Byco Asia DMCC	Common directorship	–
6	TAF Foundation	Common directorship	–
7	Jhimpir Power (Private) Limited	Common directorship	–
8	Mannan Shahid Forgings Limited	Common directorship	–
9	Abraaj Pakistan (Private) Limited	Common directorship	–
10	Cinepex Limited	Common directorship	–
11	Avicenna Health Care 1 Pak (Private) Limited	Common directorship	–

40.2 Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan:

Name & Address	Basis of association	Chief Executive	Opertional Status	Auditor's Opinion
Byco Industries Incorporated (BII), 1st Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Luis, Mauritius	Parent company	Mr. Amir Abbassciy	Active	Modified*
Byco Asia DMCC, Unit no. 3303, Jumeirah Lakes Towers, Plot no. JLT-PH2-X2A, Jumeirah Bay 2, Dubai, United Arab Emirates	Associate	Mr. Amir Abbassciy	Active	Unmodified

*Modification in BII audit report was due to qualification in the financials of Byco Oil Pakistan Limited (BOPL), former parent Company of the Company, which was merged with and into the Company.

(Rupees in '000)

	2018	2017
Transactions with related parties		
Parent Company		
Shares issued	**–**	48,945,202
Mark-up charged	**163,026**	135,349
Other capital reserves	**3,214,209**	–
Subsidiary Company		
Other expenses incurred	**166,482**	56,718
Associated Companies		
Sales	**6,686,844**	1,963,515
Purchase of operating fixed assets and services	**86,978**	35,923
Others		
Post Employment Benefit Funds	**280,005**	125,596
Key Management Personnel	**95,081**	64,328

40.3 Balances with related parties

	2018	2017
Parent Company		
Other receivables	**–**	25,138
Contribution against future issue of shares	**841,249**	761,129
Accrued mark-up	**364,281**	301,869
Loan payable	**3,936,921**	6,110,417
Subsidiary Company		
Receivable against expenses incurred	**847,016**	680,534
Associated Companies		
Long term deposit receivable	**95**	95
Trade debts	**718,534**	224,068
Advance against shared services	**119,160**	–
Accrued interest	**19,303**	108,192
Payable against purchases	**38,904**	8,147
Others		
Payable to key management person	**68,508**	68,508
Payable to post employment benefit funds	**138,844**	46,019

40.4 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 41 to the financial statements.

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount included in these unconsolidated financial statements for remuneration, including the benefits and perquisites, to the Chief Executive, Directors and Executives of the Company are as follows:

(Rupees in '000)

	2018			2017		
	Chief Executive	Director	Executives	Chief Executive	Directors	Executives
Fees	–	450	–	–	900	–
Managerial remuneration	–	–	317,001	8,100	–	237,170
Staff retirement benefits	–	–	50,749	–	–	38,116
Housing and utilities	–	–	95,434	–	–	71,214
Leave fare assistance	–	–	26,406	–	–	19,756
	–	450	489,590	8,100	900	366,256
Number of persons	1	1	144	1	1	122

41.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.

41.2 Few Executives have been provided with company maintained cars.

41.3 The Company's Board of Directors consists of 7 Directors (of which 6 are Non- Executive Directors). Except for Chief Executive and a Director, no remuneration and other benefits have been paid to any non-Executive Director.

42 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finances to minimize the risk. The Company's principal financial instruments comprise short-term borrowings and financing from financial institutions and trade and other payables. Main purpose of these financial instruments is to raise funds for the import of crude oil for refining business and for its operations. The Company has various financial assets such as cash (including balances with banks), deposits, loans, investment in subsidiary companies, which are directly related to its operations. The Company's overall risk management policy focuses on minimizing potential adverse effects on the Company's financial performance. The overall risk management of the Company is carried out by the Company's senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2018.

The policies for managing each of these risk are summarized below:

42.1 Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

42.1.1 Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term financing and short-term borrowing facilities for financing its refining and storage business operations, setting up of aromatic plant and meeting working capital requirements at variable rates, on loan to CRL and on delayed payments from PSO on which the Company earns interest. The Company manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments was:

(Rupees in '000)

	2018	2017
Variable Rate Instruments		
Financial assets		
Long-term loan to CRL	688,780	688,780
Trade debts	7,005,258	6,445,239
	7,694,038	7,134,019
Financial liabilities		
Long-term financing	18,892,247	22,409,399
Loans from related party	3,936,921	6,110,417
Accrued and deferred mark-up	10,749,536	9,031,596
Short-term borrowings	2,322,667	3,371,784
	35,901,371	40,923,196

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 172.662 million (30 June 2017: Rs. 277.305 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2017.

42.1.2 Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are done in foreign currency.

The Company is exposed to foreign currency risk on transactions that are entered in a currency other than Pak Rupees. As the Company imports plant and equipment and crude oil, it is exposed to currency risk by virtue of borrowings (in foreign currency). Further foreign currency risk also arises on payment to the supplier of tugs for operations of SPM. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	2018		2017	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Trade and other payables	34,094,821	280,315	20,463,975	194,895
	34,094,821	280,315	20,463,975	194,895

The average rates applied during the year is Rs. 110.06/ USD (30 June 2017: Rs. 104.85 / USD) and the spot rate as at 30 June 2018 is Rs. 121.63 / USD (30 June 2017: 105 / USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the profit by Rs. 339.840 million (30 June 2017: Rs. 285.21 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2017.

42.1.3 Equity price risk
Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the balance sheet date, the Company is not exposed to other price risk.

42.2 Credit risk
Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers, advances and deposits to suppliers and balances held with banks.

Management of credit risk
The Company's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Company in the following manner:

- Credit rating and / or credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.
- The risk of counterparty exposure due to failed agreements causing a loss to the Company is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.
- Cash is held with reputable banks only.

As of the balance sheet date, the Company is exposed to credit risk on the following assets:

(Rupees in '000)

	Note	2018	2017
Long term loans and advances	8	**939,366**	947,936
Long term deposits	9	**17,044**	16,956
Trade debts	12	**5,463,784**	4,858,318
Loans and advances	13	**1,360,410**	1,056,064
Accrued interest		**180,691**	237,951
Other receivables	15	**1,922,192**	2,147,976
Bank balances	16	**746,012**	249,339
		10,629,499	9,154,540

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

Trade debts
The aging of unimpaired debtors at the balance sheet date is as follows:

(Rupees in '000)

	2018	2017
Neither past due nor impaired	**2,714,453**	1,937,052
Past due 1-30 days	**131,712**	18,735
Past due 31-365 days	**27,565**	57,902
Above 365 days	**2,590,055**	2,844,629
	5,463,785	4,858,318
Bank balances		
A1+	**287,563**	199,465
A1	**2,587**	47,898
A2	**1,019**	1,976
A-	**128,098**	–
AA-	**150,000**	–
AA+	**176,745**	–
	746,012	249,339

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

42.3 Liquidity risk
Liquidity risk reflects the Company's inability in raising fund to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on any individual customer.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
2018					
Long term financing	**–**	**1,931,311**	**4,628,297**	**13,844,254**	**20,403,862**
Accrued and deferred markup	**–**	**–**	**2,206,566**	**8,542,970**	**10,749,536**
Loans from related party	**–**	**–**	**–**	**3,936,921**	**3,936,921**
Long-term deposits	**–**	**–**	**–**	**225,017**	**225,017**
Trade and other payables	**8,267,329**	**50,037,730**	**–**	**–**	**58,305,059**
Advance from customers	**–**	**2,789,832**	**–**	**–**	**2,789,832**
Unclaimed dividend	**1,027**	**–**	**–**	**–**	**1,027**
Short-term borrowings	**–**	**2,322,667**	**–**	**–**	**2,322,667**
Accrued mark-up	**–**	**157,731**	**–**	**–**	**157,731**
	8,268,356	**57,239,271**	**6,834,863**	**26,549,162**	**98,891,651**

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
2017 - Re-stated					
Long term financing	–	1,612,645	6,019,659	16,288,749	23,921,053
Accrued and deferred markup	–	–	300,000	8,731,596	9,031,596
Loans from related party	–	–	–	6,110,417	6,110,417
Long-term deposits	–	–	–	172,375	172,375
Trade and other payables	6,114,157	35,760,779	–	–	41,874,936
Advance from customers	–	2,472,871	–	–	2,472,871
Unclaimed dividend	1,146	–	–	–	1,146
Short-term borrowings	–	3,371,784	–	–	3,371,784
Accrued mark-up	–	262,344	–	–	262,344
	6,115,303	43,480,423	6,319,659	31,303,137	87,218,522

42.4 Capital risk management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain the development of the business and maximize the shareholders' value. The Company closely monitors the return on capital. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and finances its activities through equity, borrowings and management of working capital with a view to maintain and approximate mix between various sources of finance to minimize the risk. No changes were made in the objectives, policies or processes during the year ended 30 June 2018.

The Company is not exposed to externally imposed capital requirement.

43 OPERATING SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing.

Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies.

Petroleum marketing business is engaged in trading of petroleum products, procuring products from oil refining business as well as from other sources. The quantitative data for segments is given below:

(Rupees in '000)

	Oil Refining Business		Petroleum Marketing Business		Total	
	2018	2017 (Re-stated)	2018	2017	2018	2017 (Re-stated)
Revenue						
Net Sales to external customers	**105,462,268**	53,020,882	**60,828,094**	35,399,480	**166,290,362**	88,420,362
Inter-segment sales	**55,177,021**	33,468,337	**–**	80,479	**55,177,021**	33,548,816
Eliminations	**(55,177,021)**	(33,468,337)	**–**	(80,479)	**(55,177,021)**	(33,548,816)
Total revenue	**105,462,268**	53,020,882	**60,828,094**	35,399,480	**166,290,362**	88,420,362
Result						
Segment profit	**7,742,353**	3,378,158	**1,187,832**	804,324	**8,930,185**	4,182,482
Unallocated expenses:						
Finance cost					**(2,878,071)**	(2,284,632)
Interest income					**648,919**	537,134
Other expenses					**(1,331,337)**	(1,108,116)
Taxation					**(349,866)**	854,675
Profit for the year					**5,019,830**	2,181,543
Segmental Assets	**128,028,588**	108,477,111	**1,719,512**	1,362,030	**129,748,100**	109,839,141
Unallocated Assets	**–**	–	**–**	–	**–**	–
	128,028,588	108,477,111	**1,719,512**	1,362,030	**129,748,100**	109,839,141
Segmental Liabilities	**98,618,254**	86,759,311	**908,078**	1,161,907	**99,526,332**	87,921,218
Unallocated Liabilities	**–**	–	**–**	–	**–**	–
	98,618,254	86,759,311	**908,078**	1,161,907	**99,526,332**	87,921,218
Capital expenditure	**3,058,499**	3,584,259	**69,211**	8,576	**3,127,710**	3,592,835
Other Information						
Depreciation	**2,955,949**	2,648,446	**75,049**	37,192	**3,030,998**	2,685,638

44 PROVIDENT FUND DISCLOSURE

The Company operates approved funded contributory provident fund for both its management and non-management employees. Details of net assets and investments based on the financial statements of the fund is as follows:

(Rupees in '000)

	2018 (Unaudited)	2017 (Audited)
Size of the fund - Net assets	334,776	276,326
Fair value of the investment	316,239	214,271
Percentage of the investment	94.46%	77.54%
Cost of the investment made	315,241	213,164

Break-up of fair value of investments in terms of amount and as percentage of the size of the fund is as follows:

	2018		2017	
	(Rupees in '000)	%	(Rupees in '000)	%
Bank Deposits	**232,373**	**73%**	110,357	43.15%
Listed equity	**54,748**	**17%**	–	–
Debt securities	**29,118**	**9%**	4,398	1.72%
Government securities	**–**	**–**	19,709	7.71%
Unit trust schemes	**–**	**–**	79,807	31.21%
	316,239	**100%**	214,271	83.79%

The management, based on the financial statements of the fund, is of the view that the investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

45 CAPACITY AND ANNUAL PRODUCTION

Against the designed annual capacity (based on 365 days) of 56.575 million barrels (30 June 2017: 56.575 million barrels), the actual throughput during the year was 20.145 million barrels (30 June 2017: 8.402 million barrels) as the larger refinery of the Company and its reformer unit started its operations during the year.

46 NUMBER OF EMPLOYEES

	2018	2017
Total number of employees		
As at June 30	**799**	700
Average number of employees during the year	**750**	496
Factory Employees		
As at June 30	**583**	466
Average number of employees during the year	**525**	403

47 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

48 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on 25th October 2018 by the Board of Directors of the Company.

Chief Executive Officer **Director** **Chief Financial Officer**

EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

Independent Auditors' Report

To the members of The Byco Petroleum Pakistan Limited

Report on the Audit of Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of Byco Petroleum Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Recoverability and recognition of deferred tax asset	
As disclosed in note 22.1, the Group has recognized deferred tax asset on unused business losses, unabsorbed depreciation and tax credits amounting to Rs 3,561.292 million. In order to ascertain that sufficient future taxable profit will be available, the management has prepared future projections of taxable profit by taking into account various assumptions mainly comprising of future throughput of the refinery, average inflation and exchange rates, growth rate and timing of reversals. The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the significant value of deferred tax asset and the assessment of future taxable income involves significant management judgement about future business and economic factors.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. We evaluated the appropriateness of the components on which the Group have recognized deferred tax asset in light of the requirements of the income tax ordinance, 2001, considering the factors including age and the expiry of the deferred tax asset and tax rates enacted. For this purpose, we involved our internal tax specialist to assist us. We evaluated the Group's assumptions and estimates in relation to the likelihood of generating future taxable income, principally by performing sensitivity analysis and testing the key assumptions used by the management. For this purpose, we involved internal specialists to support us in performing these procedures. We have also assessed the adequacy of the Group's disclosures in accordance with relevant laws as applicable in Pakistan.

Key audit matters	How the matter was addressed in our audit
2. Loans and advances to Coastal Refinery Limited (CRL)	
As disclosed in note 7 and 13, the Group has provided loans and advances amounting to Rs. 3,063.400 million to CRL. In respect of the above loans and advances to CRL, the impairment triggers were identified by the management and accordingly, impairment tests were carried out in accordance with the requirements of the applicable accounting standards. Such impairment test involves estimation of future cash flows from the operations of the above entity to determine the recoverable amount in respect of the above referred loans and advances. Due to the management judgments and estimates and other uncertain factors involved in the impairment test carried out by the management, we have considered the determination of the recoverable amount of the related assets as a KAM.	Our key procedures in relation to the impairment test carried out by the management for loans and advances to CRL were as follows: - we considered the triggers and indicators requiring impairment assessment in respect of the above assets; - we assessed the appropriateness of the methodology used by the management for carrying out the impairment test in accordance with the requirements of the applicable accounting standards; - we reviewed the key inputs and assumptions used to prepare the future cash flow projection of the respective entities including the commercial assumptions used for this purpose. We involved our internal specialists to perform such review. In this regard, we also considered the business plan of the subject entity and the actual results achieved in relation to the previous plan; and - we also applied sensitivity analysis on key assumptions and evaluated the results. We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting standards.
3. Overdue trade receivable	
As disclosed in note 10.2, the Group has an overdue trade receivable balance of Rs. 7,181.725 million on which the Group carries an aggregate provision amounting to Rs. 4,432.393 million against trade receivables. Management considers certain specific factors including the age of the balance, existence of disputes, recent payment patterns and arrangements and any other available information with respect to the credit worthiness and reliability of the counterparties. Management uses this information to determine whether a provision for impairment is a required at a specific or overall balance level. We focused on this area due to the materiality of the amounts involved and because determination with respect to realizability of the receivables involves significant management judgement which is based on the number of factors which are inherently subjective and due to the materiality of the amounts involved.	Our audit procedures amongst other included: - Reviewed agreements with the customers for agreed terms and conditions and latest financial information of the customers, wherever available; - Ensured that the receivable arising out of sales are on the prices that are in agreement with respective customers' terms and conditions; - Reviewed related correspondences between the Group and relevant parties, and held discussions at appropriate level of management to assess their views on the recoverability and timing of settlement of relevant receivables and steps taken for recoverability of these receivables; - Considered management process for determining the provision for impairment, discussed judgement exercised by them. We also reviewed minutes of the Board and Audit committee and checked relevant approvals in this regard; - Reviewed related disclosures in the financial statements.
4. Preparation of consolidated financial statements under Companies Act, 2017	
As referred to in note 2 to the accompanying consolidated financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Group's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Group and amongst others, prescribes the nature and content of disclosures in relation to various elements of the consolidated financial statements. In case of the Group, specific additional disclosures and changes to the existing disclosures have been included in the consolidated financial statements as referred to note 3.1 to the consolidated financial statements. Further, the Group has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 5.1 to the consolidated financial statements. The above changes and enhancements in the consolidated financial statements are considered important and a key audit matter because of the volume and significance of the changes in the consolidated financial statements resulting from the transition to the new reporting requirements under the Act.	We assessed the procedures applied by the management for identification of the changes required in the consolidated financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures / changes to the previous disclosures based on the requirements of the Act. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the consolidated financial statements. In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 5.1 to the consolidated financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Group.

Information Other than the financial statements and Auditors' Report Thereon

Management is responsible for the preparation other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Omer Chughtai.

Chartered Accountants
Place: Karachi

Dated: 25th October 2018

Consolidated

Statement of Financial Position

As at 30 June 2018

	Note	2018	2017 (Re-stated)	2016 (Re-stated)
			(Rupees in '000)	
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	6	**83,407,960**	84,462,824	35,652,029
Intangible asset		**–**	–	23,746
Long term loans and advances	7	**939,366**	947,936	1,753,780
Long term deposits	8	**17,044**	16,956	31,332
		84,364,370	85,427,716	37,460,887
CURRENT ASSETS				
Stores and spares		**1,282,943**	483,884	293,689
Stock-in-trade	9	**29,391,250**	12,582,849	7,331,755
Trade debts	10	**5,463,784**	4,858,318	8,278,080
Loans and advances	11	**1,360,410**	1,056,064	555,535
Trade deposits and short term prepayments	12	**26,613**	13,173	53,217
Accrued interest		**180,691**	237,951	353,193
Other receivables	13	**1,082,714**	1,467,442	1,276,715
Cash and bank balances	14	**746,096**	249,577	240,532
		39,534,501	20,949,258	18,382,716
Non-current asset held for sale	15	**1,487,500**	–	–
TOTAL ASSETS		**125,386,371**	106,376,974	55,843,603
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	16	**53,298,847**	53,298,847	9,778,587
Reserves		**(42,892,055)**	(52,187,400)	(25,469,576)
Revaluation surplus on property, plant and equipment		**12,573,159**	13,254,699	13,490,917
		22,979,951	14,366,146	(2,200,072)
Contribution against future issue of shares	17	**841,249**	761,129	–
		23,821,200	15,127,275	(2,200,072)
NON CURRENT LIABILITIES				
Long term financing	18	**13,844,255**	16,288,749	8,832,746
Loans from related party	19	**3,936,921**	6,110,417	–
Accrued and deferred markup	20	**8,542,970**	8,731,596	3,337,517
Long-term deposits	21	**225,017**	172,375	130,978
Deferred liabilities	22	**2,293,171**	3,678,939	5,027,609
		28,842,334	34,982,076	17,328,850
CURRENT LIABILITIES				
Trade and other payables	23	**58,325,401**	41,877,992	26,905,483
Advance from customers	24	**2,789,832**	2,472,871	670,263
Accrued mark-up	25	**157,731**	262,344	194,643
Short term borrowings - secured	26	**2,322,667**	3,371,784	6,940,999
Current portion of non-current liabilities		**8,766,174**	7,932,304	5,601,127
Unclaimed dividends		**1,027**	1,146	1,146
Taxation - net		**360,005**	349,182	401,164
		72,722,837	56,267,623	40,714,825
CONTINGENCIES AND COMMITMENTS	27			
TOTAL EQUITY AND LIABILITES		**125,386,371**	106,376,974	55,843,603

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated

Statement of Profit or Loss

For the Year ended 30 June 2018

	Note	2018	2017 (Re-stated)
		(Rupees in '000)	
Turnover - net	28	**166,290,362**	88,420,362
Cost of sales	29	**(158,056,974)**	(85,116,134)
Gross profit		**8,233,388**	3,304,228
Administrative expenses	30	**(841,288)**	(799,947)
Selling and distribution expenses	31	**(389,929)**	(324,210)
Other income	32	**1,660,086**	1,616,079
Other expenses	33	**(1,331,337)**	(1,109,099)
		(902,468)	(617,177)
Operating profit		**7,330,920**	2,687,051
Finance costs	34	**(2,878,071)**	(2,284,632)
Profit before taxation		**4,452,849**	402,419
Taxation	35	**(151,781)**	1,059,591
Profit after taxation		**4,301,068**	1,462,010
Earnings per share - basic and diluted (Rupees) - Re-stated	36	**0.81**	0.27

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated
Statement of Other Comprehensive Income

For the Year ended 30 June 2018

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Profit after taxation		**4,301,068**	1,462,010
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit and loss account			
Re-measurement loss on defined benefit obligation	22.2.7	**(10,314)**	(21,505)
Revaluation surplus on property, plant and equipment		**–**	743,750
Total comprehensive income for the year		**4,290,754**	2,184,255

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated
Statement of Cash Flows

For the Year ended 30 June 2018

(Rupees in '000)

	Note	2018	2017 (Re-stated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**4,452,849**	402,419
Adjustments for:			
Depreciation	6.1.4	**3,903,895**	3,558,535
Finance costs	34	**2,878,071**	2,284,632
Provision for impairment against doubtful debts	10.2	**810,492**	748,522
Gain on disposal of assets	32	**(2,591)**	–
Liabilities no longer required - written back		**(971,013)**	–
Interest income	32	**(648,919)**	(537,134)
Provision for gratuity	22.2.5	**56,483**	54,375
Net cash flow before working capital changes		**10,479,267**	6,511,349
(Increase) / decrease in current assets			
Stores and spares		**(307,980)**	(54,420)
Stock in trade		**(16,808,401)**	(4,915,388)
Trade debts		**(605,466)**	2,044,537
Loans and advances		**(304,346)**	533,217
Trade deposits and short term prepayments		**(13,440)**	41,215
Other receivables		**251,630**	(1,163,244)
		(17,788,003)	(3,514,083)
Increase / (decrease) in current liabilities			
Trade and other payables		**16,614,246**	7,760,087
Advance from customers		**316,961**	1,802,608
Unclaimed dividends		**(119)**	–
		16,931,088	9,562,695
Cash generated from operations		**9,622,352**	12,559,961
Finance costs paid		**(1,497,712)**	(273,256)
Income taxes paid		**(371,579)**	(412,697)
Gratuity paid	22.2.5	**(119,500)**	(15,649)
Interest income received		**88,889**	120,552
Net cash generated from operating activities		**7,722,450**	11,978,911
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(3,259,989)**	(3,592,835)
Sale proceeds against disposal of operating assets		**4,458**	–
Advance against investment in Shares		**(80,000)**	(125,000)
Long term deposits - net		**46,123**	70,021
Net cash used in investing activities		**(3,289,408)**	(3,647,814)
CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / addition of long term loan		**(2,887,406)**	981,121
Repayment of short term borrowing		**(836,617)**	(10,069,500)
Net cash used in financing activities		**(3,724,023)**	(9,088,379)
Net increase / (decrease) in cash and cash equivalents		**709,019**	(757,282)
Cash and cash equivalents - at the beginning of the year		**(1,350,423)**	240,532
Transfer upon merger		**–**	(833,673)
Cash and cash equivalents - at the end of the year	37	**(641,404)**	(1,350,423)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Statement of Changes in Equity

(Rupees in '000)

		Capital Reserves			Revenue Reserve			
	Issued, subscribed and paid up capital	Merger reserve	Other capital reserve (note 19.2)	Revaluation surplus on property, plant and equipment	Accumulated Loss (Re-stated)	Sub-total	Contribution against future issue of shares	Total
Balance as at 30 June, 2016 - as previously reported	9,778,587	–	–	–	(25,469,576)	(15,690,989)	–	(15,690,989)
Effect of change in Accounting policy (note 5)	–	–	–	13,490,917	–	13,490,917	–	13,490,917
Balance as at 30 June, 2016 - re-stated	9,778,587	–	–	13,490,917	(25,469,576)	(2,200,072)	–	(2,200,072)
Cancellation of shares held by BOPL	(7,905,101)	–	–	–	–	(7,905,101)	–	(7,905,101)
Issue of shares pursuant to merger	51,425,361	–	–	–	–	51,425,361	–	51,425,361
Transfer upon merger (re-stated)	–	–	–	–	(7,834,879)	(7,834,879)	761,129	(7,073,750)
Merger Reserves	–	(21,303,418)	–	–	–	(21,303,418)	–	(21,303,418)
Net profit for the year	–	–	–	–	1,462,010	1,462,010	–	1,462,010
Other comprehensive income for the year	–	–	–	743,750	(21,505)	722,245	–	722,245
Total comprehensive income for the period	–	–	–	743,750	1,440,505	2,184,255	–	2,184,255
Incremental depreciation relating to revaluation surplus on Property, plant and equipment - net of tax (restated)	–	–	–	(979,968)	979,968	–	–	–
Balance as at June 30, 2017 (re-stated)	**53,298,847**	**(21,303,418)**	**–**	**13,254,699**	**(30,883,982)**	**14,366,146**	**761,129**	**15,127,275**
Net profit for the year	–	–	–	–	4,301,068	4,301,068	–	4,301,068
Other comprehensive income for the year	–	–	–	–	(10,314)	(10,314)	–	(10,314)
Total comprehensive income for the period	–	–	–	–	4,290,754	4,290,754	–	4,290,754
Revaluation on contribution against future issue of shares	–	–	–	–	–	–	80,120	80,120
Capital transaction with the owner	–	–	3,214,209	–	–	3,214,209	–	3,214,209
Incremental depreciation relating to revaluation surplus on Property, plant and equipment - net of tax	–	–	–	(681,540)	1,790,382	1,108,842	–	1,108,842
Balance as at June 30, 2018	**53,298,847**	**(21,303,418)**	**3,214,209**	**12,573,159**	**(24,802,846)**	**22,979,951**	**841,249**	**23,821,200**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Consolidated Financial Statements

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consist of:
Holding Company

i) Byco Petroleum Pakistan Limited (the Holding Company)

The Holding Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the repealed Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the Company are listed on Pakistan Stock Exchange.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company has two refineries with an aggregate rated capacity of 155,000 bpd. Petroleum Marketing Business was formally launched in 2007 and has 344 retail outlets across the country.

Geographical location and addresses of major business units including mills/plants of the Holding Company are as under:

Location / Address	Purpose
The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600, Pakistan.	Head office
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	Refining unit

Subsidiary Company

ii) Byco Isomerisation Pakistan (Private) Limited (BIPL)

BIPL was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 on 14 May 2014. BIPL is a wholly owned subsidiary of the Holding Company. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

Geographical location and addresses of major business units including mills/plants of BIPL are as under:

Location / Address	Purpose
Rooms 406 and 407, 4th Floor, Islamabad Stock Exchange Towers, 55-b. Jinnah Avenue, Islamabad	Registered office
Survery/Khasra No. 310, Mouza Kund, Sub Tehsil, Gadani, District, Lasbella, Balochistan	Production plant

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following are the summary of significant transaction and events that have affected the financial position and performance of the Group:

- During the year, the Holding Company reversed certain expenses incorrectly capitalized in prior years. For detailed information refer note 5.2.
- During the year, the Holding Company has revised its agreements with the Parent Company and a lender as disclosed in note 19.2 &18.7.
- Due to applicability of the Companies Act, 2017 amounts reported for the previous period are restated. For detailed information refer note 5.

- Due to devaluation of Pak Rupee during the year ended June 2018, the Group suffered exchange loss amounting to Rs. 2,202.85 million for liabilities denominated in US Dollar.

- The Holding Company has classified land measuring 2,975 sq ft. in Karachi amounting to Rs.1,487.5 million as non-current asset held for sale as disclosed in note 15.

- During the year, the Group resumed production from its 120,000 barrels per day refinery with New Crude Charge Heater / Furnace which is much better in efficiency and equipped with modern safety & security controls.

- During the year, Reformer of Oil Refining Complex II (ORC II) of the Group commenced its operations which enabled the Group to convert 24,000 barrels per day of Heavy Naphtha into Motor-Gasoline.

- For a detailed discussion about the Group's performance, refer to the Directors' Report.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Act; and

- Provisions of and directives issued under the Companies Act 2017 (the Act).

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

The Act has also brought certain changes with regard to the preparation and presentation of these consolidated financial statements. These changes, amongst others, include changes in nomenclature of the primary statements. Further, the disclosure requirements under the Act have been revised, resulting in elimination of duplicative disclosures with the IFRS disclosure requirements and incorporation of additional / amended disclosures as mentioned in notes 1.1, 2, 5.1, 6.1.5, 6.1.5.1, 6.1.6, 6.1.7, 10.3, 14.3, 16.1, 27.1, 28, 32, 35.2, 38.1, 38.2, 39, 43 and 44.

3.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Property, plant and equipment which are carried at revalued amount in accordance with IAS 16 "Property, Plant and Equipment" as disclosed in note 4.1; and

- Employees' retirement benefits which is carried at present value of defined benefit obligation net of fair value of plan assets in accordance with the requirements of IAS 19 "Employee Benefits", as disclosed in note 22.2.

3.3 Standard or Interpretation

The Group has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 - Financial Instruments	01 July 2018
IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) Contracts – (Amendments)	Not yet finalized
IFRS 15 - Revenue from Contracts with Customers	01 July 2018
IFRS 16 - Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 - Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the consolidated financial statements in the period of initial application except for IFRS 15 - Revenue from contracts with customers. The Group is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Group expects that such improvements to the standards will not have any impact on the consolidated financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 17 – Insurance Contracts	January 01, 2018

3.4 Critical accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments, estimates and assumptions made by the management that may have a significant risk of material adjustments to the consolidated financial statements in the subsequent years are as follows:

i) Useful lives of items of property, plant and equipment (note 4.1 and 6.1);
ii) Provision for slow moving and obsolete stores and spares (note 4.4);
iii) Provision for doubtful debts and other receivables (note 4.5 and 10.2);
iv) Impairment against other financial and non-financial assets (note 4.9);
v) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 4.10 and 22.2);
vi) Provision for taxation (note 4.13, 22.1 and 35); and
vii) Contingencies (note 4.20 and 27.1).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any, except for freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments which are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation. The surplus arising on revaluation is disclosed as surplus on revaluation of property, plant and equipment.

Depreciation is charged to profit and loss account, applying the straight line method whereby costs of assets, less their residual values, is written off over their estimated useful lives at rates as disclosed in note 6.1 to the consolidated financial statements. Depreciation on additions is charged from the month in which the asset is available for use up to the month preceding the disposal.

The carrying values of the Group's property plant and equipment are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Repairs and maintenance cost is written off to the profit and loss account in the year in which it is incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property plant and equipment is recognised in the year of disposal.

Capital work-in-progress

Capital work-in-progress, is stated at cost less accumulated impairment losses, if any. Cost consists of:

- expenditures incurred for the acquisition of the specific asset, dismantling, refurbishment, construction and installation of the asset so acquired.

- borrowing cost and exchange differences arising on foreign currency financings to the extent these are regarded as adjustment to interest costs for qualifying assets if its recognition criteria is met as mentioned in note 4.17 to the consolidated financial statements.

- exchange loss, interest expenses and other expenses as mentioned in note 6.4 to the consolidated financial statements.

- trial run cost of testing the asset. If the income from the testing activity is higher than the cost of testing the asset, then the net effect will be a deduction from the cost of the asset.

Assets subject to finance lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are stated at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments, less accumulated depreciation and impairment losses, if any. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets are depreciated over the useful lives of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Depreciation, repair and maintenance and gain/loss on disposal of assets subject to finance lease is recognised in the same manner as for owned assets.

4.2 Stock-in-trade

All stock-in-trade is valued at the lower of cost and net realizable value (NRV).

Raw materials

Cost in relation to crude oil is determined on the basis of First-In-First-Out (FIFO) basis.

Finished products

Cost of finished products comprises of the cost of crude oil and appropriate production overheads. Production overheads are arrived at on the basis of average cost for the month per barrel of throughput.

Net realizable value in relation to finished products is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

4.3 Stores and Spares

These are stated at moving average cost less impairment loss, if any. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the profit and loss account.

4.4 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts and other receivables, if any. Provision for doubtful debts is based on management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.5 Loans, advances, trade deposits and short-term prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

4.6 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and running finance facility.

4.7 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

4.8 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.9 Mark-up bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value recognised in the profit and loss account over the period of the borrowing using the effective interest method.

4.10 Staff retirement benefits

Defined benefit plan

The Group operates a funded gratuity scheme covering all its permanent employees who have completed minimum qualifying period of service. The Group's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out at 30 June 2018 and based on the actuarial valuation, the Group had recognised the liability for retirement benefits and the corresponding expenses. Actuarial gains and losses that arise are recognised in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in profit and loss account irrespective of the fact that the benefits are vested or non-vested. Current service costs and any past service costs together with the effect of the unwinding of the discount on plan liabilities are charged to operating expenses.

The amount recognised in the statement of financial position represents the present value of defined benefit obligation as reduced by the fair value of plan assets.

Defined contribution plan

The Group operates a funded provident fund scheme for all its eligible employees. Equal contributions are made by the Group and the employees at 8.33% of the basic salary of the eligible employees.

4.11 Compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

4.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

4.13 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.15 Contribution against future issuance of shares

Foreign currency amounts received in cash as contribution against future issuance of shares from the Parent Company is stated at the rates at which these were received. Foreign currency payments by the Parent Company directly to foreign suppliers of plant and machinery refurbishment services providers are initially stated at Pak Rupees equivalent amount translated at the rates approximating to those ruling on the date of transaction. Thereafter, these are revalued and stated at the average of Pak Rupees exchange rates quoted by selected authorised dealers approximating to those ruling on the dates the related plant and machinery items are received in Pakistan (i.e. the date of the bill of entry as per the requirements of Foreign Exchange Manual 2018). However, where the related plant and machinery items have not yet been received by the Group, these payments are translated at the year-end exchange rate equivalents.

4.16 Borrowings and related costs

Borrowing costs directly attributable to the acquisition, construction or installation of qualifying assets, that necessarily take substantial period of time to get ready for their intended use, are capitalized as a part of cost of those assets, until such time as the assets are substantially ready for intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds and exchange difference arising on foreign currency fundings to the extent those are regarded as adjustment to the interest cost, net of related interest income, if any.

4.17 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Sales are recognised when the significant risk and rewards of ownership of the goods have passed to the customer which coincide with the dispatch of goods to the customers.
- Export sales are recognised on the basis of product shipped to the customers.
- Handling and storage income, rental income on equipment and other services income is recognized on accrual basis.

4.18 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Group and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Mark-up on delayed payment charges are recognised on the time proportionate basis.
- Interest income on short-term deposits and interest bearing advances are recognised on the time proportionate basis.
- Scrap sales, dealership income and rental income are recognised on an accrual basis.
- Gain on disposal is recognised at the time of disposal of operating fixed assets.

4.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.20 Contingent Liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.21 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.22 Ijarah contracts

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit and loss account on straight line basis over the lease term.

4.23 Foreign currencies translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to profit and loss account.

4.24 Financial instruments

All financial assets and liabilities are initially measured at fair value, and subsequently re-measured at fair value or amortized cost as the case may be. The Group derecognises the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

4.25 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.26 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer of the Group.

4.27 Dividends and appropriations

Dividends and reserve appropriations are recognised in the year in which these are declared / approved. The distribution of dividend and other appropriations is subject to the covenant as mentioned in note 18.2.

4.28 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency.

5 RESTATEMENT OF COMPARTIVE AMOUNTS AND RECLASSIFICATIONS

5.1 Change in Accounting Policy

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS Standards requirements.

Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Group's policy for surplus on revaluation stands amended as follows:

- Increases in the carrying amounts arising on revaluation property, plant and equipment are recognized in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss, the increase is first recognized in profit or loss. Decrease in the carrying amount that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized below:

(Rupees in '000)

	As at 30 June, 2017			As at 30 June, 2016		
Effect on statement of financial position	**As reported previously**	**As re-stated**	**Re-statement**	**As reported previously**	**As re-stated**	**Re-statement**
Revaluation surplus on property, plant & equipment	**13,254,699**	**–**	**(13,254,699)**	13,490,917	–	(13,490,917)
Share capital and reserves	**–**	**13,254,699**	**13,254,699**	–	13,490,917	13,490,917
Effect on statement of changes in equity						
Change in equity	**–**	**13,254,699**	**13,254,699**	–	13,490,917	13,490,917

(Rupees in '000)

	For the year ended 30 June 2017		
	As reported previously	**As re-stated**	**Re-statement**
Effect on statement of other comprehensive income			
Revaluation surplus on property, plant and equipment	–	743,750	743,750

There is no cash flow impact as a result of the retrospective application of change in accounting policy.

5.2 Reversal of expenses capitalized in prior years

During the current year, the Holding Company reassess the incorrect capitalization of certain expenses in property, plant and equipment made in prior years with respect to exchange losses and interest expenses incurred on certain foreign currency borrowings, equity arrangement fee, share issuance cost, production loss on crude oil used by the Holding Company, loss on the write down on stock in trade and guaranteed throughput cost and based on the excercise, the Holding Company ratified the same.

Because of the significance of the rectification stated above, the same has been corrected in accordance with the requirements of International Accounting standard (IAS) - 8 "Accounting policies, Change in Accounting estimates and errors" in these consolidated financial statements with retrospective effect and restatement of amounts previously presented that are stated below:

(Rupees in '000)

Effect on statement of financial position	As at 30 June, 2017 As reported previously	As at 30 June, 2017 As re-stated	As at 30 June, 2017 Re-statement	As at 30 June, 2016 As reported previously	As at 30 June, 2016 As re-stated	As at 30 June, 2016 Re-statement
Property, plant & equipment	**88,479,753**	**84,462,824**	**(4,016,929)**	–	–	–
Accumulated losses	**26,866,160**	**30,883,982**	**4,017,822**	25,469,576	29,546,704	4,077,128
Trade and other payables	**41,878,245**	**41,877,992**	**893**	–	–	–
Effect on statement of changes in equity						
Accumulated losses	**26,866,160**	**30,883,982**	**4,017,822**	25,469,576	29,546,704	4,077,128

(Rupees in '000)

	For the year ended 30 June 2017 As reported previously	As re-stated	Re-statement
Effect on statement of profit or loss			
Cost of sales	**84,876,720**	**84,793,508**	**(83,212)**
Finance cost	**2,439,972**	**2,462,985**	**23,013**
Other Expenses	**1,108,206**	**1,109,099**	**893**
Effect on statement of cash flow			
Depreciation	**3,641,747**	**3,558,535**	**(83,212)**
Finance cost	**2,439,972**	**2,462,985**	**23,013**
Trade and other payables	**9,383,449**	**9,384,342**	**893**
Effect on loss per share			
Basic and diluted EPS	**0.26**	**0.27**	**0.01**

5.3 Reclassification

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Long term Loans and Advances	Loans and advances	**830,000**
Long term financing	Accrued and deferred markup	**8,429,727**
Accrued mark-up	Accrued and deferred markup	**301,869**
Net Sales	Cost of Sales	**152,218**
Selling and distribution expenses	Cost of Sales	**306,680**
Finance Cost	Cost of Sales	**178,353**
Selling and distribution expenses	Cost of Sales	**7,849**
Cost of Sales	Selling and distribution expenses	**18,038**
Administrative Expenses	Selling and distribution expenses	**18,000**
Trade and other payable	Unclaimed dividend	**1,146**

6 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)

	Note	2018	2017
Operating fixed assets	6.1	**63,497,878**	52,854,762
Capital work-in-progress	6.2	**19,910,082**	31,608,062
		83,407,960	84,462,824

6.1 Operating fixed assets

(Rupees in '000)

	COST / REVALUATION As at 01 July 2017	Transfer upon merger	Additions* / transfers	Revaluation surplus	Disposals / Transfers	As at 30 June 2018	ACCUMULATED DEPRECIATION As at 01 July 2017	Transfer upon merger	Charge for the year	Disposals	As at 30 June 2018	Written down value as at 30 June 2018	Depreciation rate %
Owned													
Free hold land	888,200	–	5,500	–	–	893,700	–	–	–	–	–	893,700	–
Lease hold land (6.1.2)	1,597,581	–	–	–	(1,487,500)	110,081	110,081	–	–	–	110,081	–	–
Building on free hold land, roads and civil works	1,386,571	–	–	–	–	1,386,571	243,809	–	60,909	–	304,718	1,081,853	4
Building on lease hold land	76,938	–	–	–	–	76,938	16,383	–	3,078	–	19,461	57,477	4
Plant and machinery	61,137,034	–	15,920,535	–	–	77,057,569	13,354,641	–	3,603,247	–	16,957,888	60,099,681	4-5
Generators	1,535,177	–	–	–	–	1,535,177	469,136	–	104,305	–	573,441	961,736	6.70
Furniture and fixtures	180,982	–	–	–	–	180,982	141,154	–	14,504	–	155,658	25,324	10
Filling stations (6.1.1)	644,440	–	17,556	–	–	661,996	297,121	–	68,794	–	365,915	296,081	5-12.5
Vehicles	235,047	–	34,622	–	(9,687)	259,982	234,095	–	7,172	(7,820)	233,447	26,535	20
Computer and allied equipments	245,543	–	58,165	–	(11,215)	292,493	206,331	–	41,886	(11,215)	237,002	55,491	33.33
Safety and lab equipments	1,352,249	–	–	–	–	1,352,249	1,352,249	–	–	–	1,352,249	–	20-25
	69,279,762	**–**	**16,036,378**	**–**	**(1,508,402)**	**83,807,738**	**16,425,000**	**–**	**3,903,895**	**(19,035)**	**20,309,860**	**63,497,878**	
Leased													
Vehicles	–	–	–	–	–	–	–	–	–	–	–	–	20
	69,279,762	–	**16,036,378**	–	**(1,508,402)**	**83,807,738**	**16,425,000**	–	**3,903,895**	**(19,035)**	**20,309,860**	**63,497,878**	

* Additions of Rs. 16,036.378 million (30 June 2017: Rs. 416.6 million), as shown above, include an amount of Rs. 15,938.091 million (30 June 2017: Rs. 36.796 million) transferred from capital work-in-progress during the year, as shown in note 6.2.

(Rupees in '000)

	COST / REVALUATION						ACCUMULATED DEPRECIATION						
	As at 01 July 2016	Transfer upon merger (Re-stated)	Additions* / transfers	Revaluation surplus	Disposals / Transfers	As at 30 June 2017 (Re-stated)	As at 01 July 2016	Transfer upon merger (Re-stated)	Charge for the year (Re-stated)	Transfers	As at 30 June 2017 (Re-stated)	Written down value as at 30 June 2017 (Re-stated)	Depreciation rate %
Owned													
Free hold land	884,157	4,043	–	–	–	888,200	–	–	–	–	–	888,200	–
Lease hold land (6.1.2)	853,831	–	–	743,750	–	1,597,581	110,081	–	–	–	110,081	1,487,500	–
Building on free hold land, roads and civil works	915,666	453,785	17,120	–	–	1,386,571	169,491	19,540	54,778	–	243,809	1,142,762	4
Building on lease hold land	76,938	–	–	–	–	76,938	13,305	–	3,078	–	16,383	60,555	4
Plant and machinery	42,372,522	18,425,217	339,295	–	–	61,137,034	10,120,888	(83,293)	3,317,046	–	13,354,641	47,782,393	4-5
Generators	426,186	1,065,428	43,563	–	–	1,535,177	291,574	77,624	99,938	–	469,136	1,066,041	6.70
Furniture and fixtures	64,860	116,122	–	–	–	180,982	55,448	68,458	17,248	–	141,154	39,828	10
Filling stations (6.1.1)	638,840	5,600	–	–	–	644,440	259,929	–	37,192	–	297,121	347,319	5-12.5
Vehicles	197,213	23,585	14,249	–	–	235,047	196,997	23,801	–	13,297	234,095	952	20
Computer and allied equipments	110,105	118,744	16,694	–	–	245,543	109,995	75,267	21,069	–	206,331	39,212	33.33
Safety and lab equipments	1,351,503	746	–	–	–	1,352,249	1,351,503	410	336	–	1,352,249	–	20-25
	47,891,821	**20,213,270**	**430,921**	**743,750**	–	**69,279,762**	**12,679,211**	**181,807**	**3,550,685**	**13,297**	**16,425,000**	**52,854,762**	
Leased													
Vehicles	14,249	–	(14,249)	–	–	–	10,339	(4,892)	7,850	(13,297)	–	–	20
	47,906,070	**20,213,270**	**416,672**	**743,750**	–	**69,279,762**	**12,689,550**	**176,915**	**3,558,535**	–	**16,425,000**	**52,854,762**	

6.1.1 The Group's assets located at filling stations are not in possession of the Group. In view of large number of dealers, the management considers it impracticable to disclose particulars of assets not in possession of the Group as required under para 12 of part II of the Fourth Schedule to the Companies Act, 2017.

6.1.2 During the year ended 30 June 2017, company performed revaluation on freehold land, leasehold land, building on freehold land, roads and civil works, building on leasehold land, plant and machinery, generators and safety and lab equipments, resulting in revaluation surplus of Rs. 743.750 million on the company's plots of land. The valuation was carried out by an independent valuer, on the basis of present market values for similar sized plots in the vicinity of land and replacement values of similar type of land based on present cost (level 2).

The different levels have been defined in IFRS 13 as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e, as prices) or indirectly (i.e., derived from prices) (level 2); and
- Inputs for the asset or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cashflows). (level 3).

6.1.3 Had there been no revaluation, the net book value of specific classes of operating fixed assets would have amounted to:

(Rupees in '000)

	2018	2017 (Re-stated)
Free hold land	**56,154**	50,654
Lease hold land	**–**	213,200
Buildings on free hold land, roads and civil works	**1,175,511**	1,142,762
Building on lease hold land	**53,027**	60,555
Plant and machinery	**44,122,723**	28,056,966
Generators	**971,153**	94,328
	46,378,568	29,618,465

6.1.4 Depreciation charge for the year has been allocated as follows:

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Cost of sales	29.1	**3,762,448**	3,419,428
Administrative expenses	30	**66,398**	65,877
Selling and distribution expenses	31	**75,049**	73,230
		3,903,895	3,558,535

6.1.5 **Forced sale values of asset class:**

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Free hold land		**758,569**	758,569
Lease hold land	15	**1,270,402**	1,270,402
Buildings on free hold land, roads and civil works		**4,594,243**	4,594,243
Building on lease hold land		**46,554**	46,554
Plant and machinery		**55,384,431**	55,384,431
Generators		**819,564**	819,564
		62,873,763	62,873,763

6.1.5.1 The revaluation was carried out as of 30 June 2017 / 30 June 2016.

6.1.6 Details of property, plant and equipment disposed of, having net book value in excess of Rs. 500,000 each are as follows:

(Rupees in '000)

Description	Cost / revalued amount	Accumulated Depreciation	Net book value	Sales proceed	Gain	Particular of purchaser	Mode of disposal
Motor vehicle	5,600	3,733	1,867	1,960	93	Asad Azhar Siddiqui (Employee)	Company policy

6.1.7 Particulars of immovable assets of the Company are as follows:

Location	Total area (in acres)
Mauza Kund, Sub Tehsil Gadani, District Lasbella, Baluchistan	620.45
Deh Redho, Tapo Noor Mohammad Shujrah, Taluka Khanpur, District Shikarpur.	12.68
Mauza Gujrat, Mehmoodkot, Tehsil kot, Addu District, Muzaffargarh	12.00
Plot of Barani Land, Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	11.00
Mahal Jhamke (Machike), Tehsil & District Sheikhupura	9.00
Zero point (SPM), Mauza Kund, Tehsil Gadani, District Lasbella, Baluchistan	5.00
Plot no. 22/5, CL 9, Hoshang Road, Civil Lines Quarter, Karachi	0.61

6.2 **Capital work-in-progress**

The movement of capital work-in-progress during the year is as follows:

	Note	Opening Balance (Re-stated)	Additions	Transferred to operating fixed assets	Closing balance 30 June 2018	Closing balance 30 June 2017 (Re-stated)
Building on free hold land, roads and civil works		**691**	**–**	**–**	**691**	691
Plant and machinery	7.2.1, 7.2.2, 7.3, & 7.4	**31,599,058**	**4,170,900**	**(15,920,535)**	**19,849,423**	31,599,058
Filling stations		**8,313**	**69,211**	**(17,556)**	**59,968**	8,313
		31,608,062	**4,240,111**	**(15,938,091)**	**19,910,082**	31,608,062

6.2.1 Plant and machinery amounting to USD 4 million (30 June 2017: USD 4 million) is outside the country and is in the process of being brought into the country.

6.2.2 Includes dismantling and refurbishment charges paid to-date by the sponsors in lieu of its equity contribution in the Company as disclosed in note 18.2 to these unconsolidated financial statements.

6.3 Capitalization of borrowing costs amounting to Rs. 1,121.53 million (30 June 2017: Rs. 520.022 million) have been determined at the rate of 7.5% (30 June 2017: 7.45%) per annum.

6.4 Plant and machinery include exchange difference of Rs. 812.55 million (30 June 2017: Rs. 27.153 million).

7 LONG TERM INVESTMENT

(Rupees in '000)

	Note	2018	2017
Loan to Coastal Refinery Limited (CRL)		**1,518,780**	1,518,780
Advance against investment in shares		**440,000**	360,000
		1,958,780	1,878,780
Current portion of loan to CRL	11	**(1,019,414)**	(930,844)
		939,366	947,936

8 LONG TERM DEPOSITS

(Rupees in '000)

	Note	2018	2017
Rent		**14,178**	14,178
Others		**2,866**	2,778
		17,044	16,956

9 STOCK-IN-TRADE

	Note	2018	2017
Raw material	9.1	**21,081,770**	6,784,377
Finished products	9.2, 9.3 & 9.4	**8,309,480**	5,798,472
		29,391,250	12,582,849

9.1 This includes raw material in transit amounting to Rs. 15,629.89 million (30 June 2017: Rs. 4,032.88 million) as at the date of statement of financial position.

9.2 This includes finished product held by third parties and related party amounting to Rs. 3,157.55 million (30 June 2017: Rs. 1,033.413 million) and Rs.463.34 million (30 June 2017: Rs. 103.839 million) as at the date of statement of financial position.

9.3 This includes finished product in transit amounting to Rs. 508.70 (30 June 2017: Rs. Nil) as at the date of statement of financial position.

9.4 Finished products costing Rs. 1,976.668 million (30 June 2017: Rs. 3,589.267 million) has been written down by Rs. 39.077 million (30 June 2017: Rs. 303.694 million) to net realizable value.

10 TRADE DEBTS

(Rupees in '000)

	Note	2018	2017
Considered good			
Due from related party - K Electric Limited	10.1	**718,534**	224,068
Others		**4,745,250**	4,634,250
		5,463,784	4,858,318
Considered doubtful		**4,432,393**	3,621,901
		9,896,177	8,480,219
Provision for doubtful debts	10.2	**(4,432,393)**	(3,621,901)
		5,463,784	4,858,318

10.1 There is no balance that is past due or impaired as at the date of statement of financial position.

10.2 Provision for doubtful debts

(Rupees in '000)

	Note	2018	2017
Opening balance		**3,621,901**	2,873,379
Provision made during the year	33	**810,492**	748,522
Closing balance		**4,432,393**	3,621,901

10.3 The maximum aggregate amount due from the related party at the end of any month during the year outstanding was Rs. 718.534 million.

11 LOANS AND ADVANCES

(Rupees in '000)

	Note	2018	2017
Secured - considered good			
Advance to suppliers and contractors		**46,272**	–
Unsecured - considered good			
Advance to employees, suppliers and contractors		**294,724**	125,120
Current portion of loan to CRL	7	**1,019,414**	930,844
Loan to employees		**–**	100
		1,360,410	1,056,064

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2018	2017
Deposits	**15,372**	–
Prepayments		
- Insurance	**4,225**	3,065
- Rent	**7,016**	10,108
	26,613	13,173

13 OTHER RECEIVABLES - considered good

	Note	2018	2017
Receivable from CRL	13.1	**943,232**	994,232
Due from related party	13.2	**–**	25,138
Inland Freight Equalization Margin		**77,409**	448,072
Others		**62,073**	–
		1,082,714	1,467,442

13.1 These represents expenses incurred by the Holding Company on behalf of CRL. The outstanding balance is being adjusted against the cost payable to CRL on account of usage of buoy.

13.2 The maximum aggregate amount due from the related parties at the end of any month during the year outstanding was Rs. 25.138 million.

14 CASH AND BANK BALANCES

(Rupees in '000)

	Note	2018	2017
Cash in hand		**84**	238
Cash at banks			
- Current accounts		**291,166**	112,108
- Saving / deposit accounts	14.1,14.2 & 14.3	**454,846**	137,231
		746,012	249,339
		746,096	249,577

14.1 These carry interest at the rates ranging from 4% to 6% (30 June 2017: 3.5 % to 6.0%) per annum.

14.2 This includes Rs. 152.202 million (30 June 2017: Rs. 2.205 million) kept under lien against guarantee and letter of credit facilities.

14.3 This includes Rs.117.741 million (30 June 2017: Rs 113.838 million) kept in shariah compliant savings account.

15 NON-CURRENT ASSET HELD FOR SALE

During the year, the management of the Holding Company intended to sell the plot located in Karachi having fair value of Rs. 1,487.5 million based on the independent valuation.

16 SHARE CAPITAL

Number of Shares 2018	Number of Shares 2017		Note	(Rupees in '000) 2018	(Rupees in '000) 2017
		Authorized share capital			
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10/- each	16.1	**60,000,000**	60,000,000
		Issued, subscribed and paid-up capital			
187,348,638	187,348,638	Issued for cash		**1,873,486**	1,873,486
5,142,536,068	5,142,536,068	Issued for consideration other than cash - assets		**51,425,361**	51,425,361
5,329,884,706	5,329,884,706			**53,298,847**	53,298,847

16.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

17 CONTRIBUTION AGAINST FUTURE ISSUE OF SHARES

(Rupees in '000)

	Note	2018	2017
From Byco Industries Incorporated (BII), the Parent Company	17.1, 17.2 & 17.3	**841,249**	761,129

17.1 In respect of plant and machinery
Represents Rs. 486.520 million (30 June 2017: Rs. 406.400 million) being rupee equivalent of US$ 4.0 million (30 June 2017: US$ 4.0 million) representing part of the cost of plant, machinery purchased by the Holding Company .

Pursuant to a Share Subscription Agreement dated 31 August 2006 and amended vide an addendum dated 31 July 2007 entered into between the Holding Company and its sponsor, the sponsor has paid the above amount to the supplier against the said assets in lieu of its equity contribution in the Holding Company for which Ordinary Shares will be issued to it, at par, upon meeting the applicable requirements as mentioned in note 17.3 to these consolidated financial statements.

17.2 In respect of dismantling and refurbishment of Aromatic Plant:
This includes a sum of (i) Rs. 303.184 million (30 June 2017: Rs. 303.184 million), being rupee equivalent of € 2.259 million and £ 0.290 million (30 June 2017: € 2.259 and £ 0.290 million) and (ii) Rs. 51.544 million (30 June 2017: Rs. 51.544), being rupee equivalent of US$ 0.507 million (30 June 2017: US$ 0.507 million), representing the dismantling and refurbishment cost respectively, of plant, machinery and equipment, paid to date by the sponsors in lieu of its equity contribution in the Holding Company for which ordinary shares will be issued to it, at par, for consideration other than cash upon meeting the applicable requirements as mentioned in note 17.3 to these consolidated financial statements.

17.3 Shares shall be issued to the Parent Company upon meeting the requirements of paragraph 7 of Chapter XX of the Foreign Exchange Manual (FE Manual) and Rule 8 of the Companies (Issue of Capital) Rules, 1996.

18 LONG-TERM FINANCING

(Rupees in '000)

Facilities	Note	Mark-up rate	Installments: Payment term	Installments: Number	Installments: Commencement	2018	2017
Secured							
Syndicate loan I	18.1 & 18.2	Six months kibor	Semi-annually	16	June 2013	**3,858,684**	7,698,345
Syndicate loan II	18.1 & 18.2	Three months kibor + 3.25%	Semi-annually	12	January 2014	**45,194**	1,082,723
Syndicate loan III	18.3 & 18.2	8% per annum for the first two years from the date of disbursement and six months kibor or 12% whichever is lower for subsequent years	Semi-annually	12	June 2017	**585,270**	686,306
Arrangement fee	18.3		–	–	–	**91,620**	65,484
Bilateral Loan I	18.4	Six months kibor + 2.5%	Semi-annually	09	June 2015	**921,133**	1,438,592
Bilateral Loan II	18.4	Six months kibor + 2.75%	Quarterly	14	February 2016	**1,300,000**	1,440,000
Bilateral Loan III	18.4	Six months kibor + 3.25%	Semi-annually	04	August 2016	**–**	125,000
Bilateral Loan IV	18.4	Six months kibor + 2.5%	Quarterly	12	June 2019	**600,000**	–
Bilateral Loan V	18.4 & 18.2	Six months kibor + 1.5%	Quarterly	12	Sep 2020	**1,000,000**	–
Bilateral Loan VI	18.4	Six months kibor + 3.5%	Semi-annually	08	December 2015	**38,333**	95,833
						8,440,234	12,632,283
Sukuk certificates	18.5	Three months kibor + 1.05%	Quarterly	12	April 2019	**3,120,000**	3,120,000
Unsecured							
Supplier's credit	18.6 & 18.7	One year Libor + 1%	Semi-annually	20	December 2021	**958,890**	1,628,768
Others	18.6	Nil to six months kibor + 4%	Semi-annually	05	December 2021	**7,884,739**	6,540,002
						8,843,629	8,168,770
						20,403,863	23,921,053
Current maturity						**(6,559,608)**	(7,632,304)
						13,844,255	16,288,749

18.1 Represent facilities availed from various banks and are secured against the Holding Company's fixed and current assets.

18.2 The loan agreement contains the covenant that the Holding Company cannot pay dividend to its shareholders if an event of default is occurred.

18.3 Represents syndicate facility including Musharaka facility availed from a commercial bank for the purpose of acquiring shares of CRL. The facility is secured against charge on all present and future assets of CRL, personal guarantees and personal properties of sponsors of CRL along with pledge of 80% shares of CRL.

18.4 Represents bilateral loans availed from various banks and financial institutions and are secured against the Holding Company's fixed and current assets.

18.5 Represents privately placed long-term Islamic certificates (Sukuk) amounting to Rs. 3,120 million, issued by the Holding Company to meet the expansion plans of the Company. This facility is secured against fixed assets (excluding land and building) of the Holding Company.

18.6 The loans are inferior to the rights of present and future secured financial institutions which are or may be lender to the Holding Company.

18.7 During the year, the Holding Company has revised its agreement with the lender due to which the exchange rate on principal and mark-up has been frozen on the last date of disbursement. Accordingly, the Holding Company has recognize the difference between the carrying value of the liability under the old agreement and the revised obligation in the consolidated statement of profit or loss.

19 LOANS FROM RELATED PARTY - unsecured

(Rupees in '000)

	Note	2018	2017
Byco Industries Incorporated (BII), the Parent Company	19.1 & 19.2	**3,936,921**	6,110,417

19.1 Represents:

i) a foreign currency loan of USD 0.144 million which carries mark-up at the rate of 6 Months LIBOR+1% per annum, which was due on 22 June 2012 by a bullet payment.

ii) a supplier's credit amounting to USD 41.927 million novated from Cnergyico Acisal Incorporated during the year ended 30 June 2015 under the agreement. This carries mark-up at the rate of LIBOR+1% per annum, payable semi-annually.

iii) balance amount of loan novated from Byco Busient Incorporated, the ultimate Parent Company amounting to USD 16.124 million (principal USD 15.713 million and markup USD 0.411 million) is repayable in four unequal semi-annual installments. This carries markup at the rate of LIBOR + 1% per annum, payable semi-annually.

All of the aforesaid loans are repayable subject to the conditions and rights as disclosed in note 20.6 to these unconsolidated financial statements.

19.2 During the year, the Company has revised its agreement with the Parent Company due to which the exchange rate on principal and mark-up has been frozen on the last date of disbursement. Accordingly, the Company has recognized the difference between the carrying value of the liability under the old agreement and the revised obligation in the capital reserves.

20 ACCRUED AND DEFERRED MARKUP

(Rupees in '000)

	Note	2018	2017
Markup on long term financing / loans from related party			
- secured		**6,425,381**	7,541,361
- unsecured	19.2 & 18.7	**2,117,589**	1,190,235
		8,542,970	8,731,596

21 LONG TERM DEPOSITS

	Note	2018	2017
Deposits	21.1	**225,017**	172,375
		225,017	172,375

21.1 This includes interest-free deposits received from logistics vendors as security against goods to be transported which is utilized for the purpose of the business in accordance with the related agreements.

22 DEFERRED LIABILITIES

(Rupees in '000)

	Note	2018	2017
Deferred taxation	22.1	**2,018,497**	3,325,425
Employees retirement benefits	22.2	**127,481**	180,184
Arrangement fee		**147,193**	173,330
		2,293,171	3,678,939

22.1 **DEFERRED TAXATION**

(Rupees in '000)

	Note	2018	2017
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		**2,028,456**	3,499,028
- surplus on revaluation of property, plant and equipment		**4,873,699**	6,346,972
		6,902,155	9,846,000
Deductible temporary differences arising in respect of:			
- staff gratuity fund		**(36,972)**	(54,055)
- provision for doubtful debts		**(1,285,394)**	(1,086,570)
- recoupable unabsorbed tax losses and depreciation		**(1,282,180)**	(3,304,179)
- recoupable minimum turnover tax		**(2,279,112)**	(2,075,771)
		(4,883,658)	(6,520,575)
		2,018,497	3,325,425

22.2 **Employees retirements benefits - staff gratuity**

22.2.1 **General description**

The Group operates employee retirement benefits for permanent employees who have completed the minimum service period. In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at 30 June 2018, using the "Projected Unit Credit Method". Provision has been made in the consolidated financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

22.2.2 **Reconciliation of amount payable to defined benefit plan**

(Rupees in '000)

	Note	2018	2017
Present value of defined benefit obligation	22.2.3	**264,961**	208,096
Fair value of plan assets	22.2.4	**(137,480)**	(27,912)
		127,481	180,184

22.2.3 **Movement in the present value of defined benefit obligation:**

Opening balance		**208,096**	80,017
Current service cost		**44,418**	14,920
Interest cost		**18,821**	6,200
Cost of transfers during the year		**–**	35,347
Net liability of employees transferred		**–**	62,073
Benefits paid during the year		**(9,250)**	(13,448)
Actuarial loss	22.2.7	**2,876**	22,987
Closing balance		**264,961**	208,096

22.2.4 **Movement in the fair value of plan assets:**

Opening balance		**27,912**	22,137
Expected return on plan assets		**6,756**	2,091
Contributions		**119,500**	15,649
Benefits paid during the year		**(9,250)**	(13,447)
Actuarial gain / (loss)	22.2.7	**(7,438)**	1,482
Closing balance		**137,480**	27,912

22.2.5 **Movement in net liability**

(Rupees in '000)

	Note	2018	2017
Opening balance		**180,184**	57,880
Charge for the year	22.2.6	**56,483**	54,375
Net liability of employees transferred		**–**	62,073
Contributions		**(119,500)**	(15,649)
Actuarial loss	22.2.7	**10,314**	21,505
Closing balance		**127,481**	180,184

22.2.6 **Charge for the year**

Current service cost	**44,418**	14,920
Cost of transfers during the year	**–**	35,347
Interest cost - net	**12,065**	4,108
	56,483	54,375

22.2.7 **Actuarial remeasurements**

Actuarial loss on defined benefit obligations	**(2,876)**	22,987
Actuarial gain on fair value of plan assets	**(7,438)**	(1,482)
	(10,314)	21,505

22.2.8 **Actuarial assumptions:**

Valuation discount rate per annum	**9.75%**	9.25%
Salary increase rate per annum	**7.75%**	7.25%
Expected return on plan assets per annum	**9.75%**	9.25%
Normal retirement age of employees	**60 years**	60 years

22.2.9 **Comparisons for past years:**

(Rupees in '000)

As at June 30	2018	2017	2016	2015	2014
Present value of defined benefit obligation	**264,961**	208,096	75,609	74,733	70,969
Fair value of plan assets	**(137,480)**	(27,912)	(22,137)	(36,013)	(15,978)
Deficit	**127,481**	180,184	53,472	38,720	54,991
Experience adjustment on plan liabilities	**(2,876)**	22,987	497	1,091	9,656
Experience adjustment on plan assets	**(7,438)**	(1,482)	(149)	1,385	(65)
	(10,314)	21,505	348	2,476	9,591

22.2.10 **Composition of plan assets**

(Rupees in '000)

	2018	2017
Equity	**135,002**	18,637
Cash at bank	**2,478**	9,275

22.2.11 Balance sheet date sensitivity analysis (± 100 bps) on present value of defined benefit obligation

(Rupees in '000)

	2018			
	Discount rate		Salary increase	
	+ 100 bps	– 100 bps	+ 100 bps	– 100 bps
Present value of defined benefit obligation	234,965	295,839	297,539	233,153

22.2.12 As of 30 June 2018, a total of 731 employees have been covered under the above scheme.

22.2.13 Charge for the next financial year as per the actuarial valuation report amounts to Rs. 55.882 million.

23 TRADE AND OTHER PAYABLES

	Note	2018	2017
		(Rupees in '000)	(Re-stated)
Creditors for supplies and services		**47,773,023**	34,505,895
Accrued liabilities		**1,831,017**	913,064
Due to related parties		**226,572**	76,560
Sales tax, duties, levies, penalties and default surcharge		**8,267,329**	6,117,113
Workers' welfare fund		**152,234**	42,648
Withholding tax deductions payable		**63,863**	176,693
Payable to staff provident fund		**11,363**	46,019
		58,325,401	41,877,992

24 ADVANCE FROM CUSTOMERS

	Note	2018	2017
	24.1	**2,789,832**	2,472,871

24.1 Includes Rs. 2,514.869 million (30 June 2017: Rs. 2,086.17 million) received from customers against supply of goods.

25 ACCRUED MARK-UP

	2018	2017
	(Rupees in '000)	
Long-term financing	**131,939**	183,522
Short-term borrowings	**25,792**	78,822
	157,731	262,344

26 SHORT-TERM BORROWINGS

	Note	2018	2017
Secured			
Finance against trust receipts	26.1	**935,167**	1,771,784
Running finance	26.2	**1,387,500**	1,600,000
		2,322,667	3,371,784

26.1 The facilities have been extended by commercial banks for import and procurement of crude oil and petroleum products aggregating to Rs. 27,100 million (30 June 2017: Rs. 22,700 million) out of which Rs. 26,165 million (30 June 2017: Rs. 20,928.216 million) remains unutilized as at the balance sheet date. The facility carries mark-up ranging from 1 month's KIBOR plus 1% to 1.5%. The facility is secured against documents of title of goods, charge over the stocks of crude oil and petroleum products and receivables to be generated from its sales, lien on the bank's collection account.

26.2 Represents running finance facility amounting to Rs. 1,600 million obtained from a commercial bank. The facility carries mark-up at the rate of three months KIBOR + 1.5% per annum. The facility is secured by way of first pari passu hypothecation charge of overall present and future current and fixed assets of the Holding Company.

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Claim against the Holding Company not acknowledged as debt amounting to Rs. 3,353.182 million (30 June 2017: Rs. 3,353.182 million) comprise of late payment charges on account of delayed payments against crude oil supplies.

Furthermore, Mari Gas Limited and Pakistan Petroleum Limited have filed legal cases in Sindh High Court on 22 May 2012 and 14 Febuary 2013 claiming Rs. 233.550 million (30 June 2017: Rs. 233.550 million) and Rs.404.357 million (30 June 2017: Rs. 404.357 million) respectively for late payment charges on account of delayed payments against crude oil supplies, and based on the opinion of legal advisor, the Group is of the view that there are no specific contractual arrangements with the above suppliers and hence no provision in respect of the same has been made in these consolidated financial statements.

27.2 Commitments

	2018	2017
	(Rupees in '000)	
27.2.1 Commitments for capital expenditure	**509,884**	221,474
27.2.2 Commitments in respect of purchase of CRL's shares	**919,517**	999,517

28 TURNOVER - net

	2018	2017
	(Rupees in '000)	
Gross Sales		
- Local	**202,825,476**	110,198,050
- Export	**11,899,833**	5,018,086
	214,725,309	115,216,136
Less:		
Sales tax and other duties	**(47,859,308)**	(26,679,998)
Trade discounts	**(575,639)**	(115,776)
	(48,434,947)	(26,795,774)
	166,290,362	88,420,362

29 COST OF SALES

	Note	2018	2017
		(Rupees in '000)	(Re-stated)
Opening stock		**5,798,472**	4,942,026
Transfer upon merger		**–**	82,434
Cost of goods manufactured, storage and handling	29.1	**142,384,532**	45,743,719
Finished products purchased during the year		**18,183,450**	40,146,427
		166,366,454	90,914,606
Closing stock	9	**(8,309,480)**	(5,798,472)
		158,056,974	85,116,134

29.1 Cost of goods manufactured, storage and handling

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Raw material consumed	29.1.1	**132,453,860**	39,473,037
Salaries, wages and other benefits	29.1.2	**773,009**	737,103
Operation cost		**733,790**	635,265
Depreciation	6.1.4	**3,762,448**	3,419,428
Fuel, power and water		**851,993**	248,436
Repairs and maintenance		**280,623**	134,841
Transportation & product handling charges		**574,769**	306,680
Insurance		**234,028**	211,275
Stores and spares consumed		**733,394**	195,501
Staff transportation and catering		**197,332**	94,702
Rent, rates and taxes		**53,754**	47,304
Security expenses		**72,874**	46,583
Exchange loss		**1,647,159**	178,353
Vehicle running		**15,499**	15,211
		142,384,532	45,743,719

29.1.1 Raw material consumed

(Rupees in '000)

	Note	2018	2017
Opening stock		**6,784,377**	2,389,729
Transfer upon merger		**–**	253,274
Purchases during the year		**146,751,253**	43,614,411
		153,535,630	46,257,414
Closing stock	9	**(21,081,770)**	(6,784,377)
		132,453,860	39,473,037

29.1.2 This includes a sum of Rs. 30.915 million (30 June 2017: Rs. 29.407 million) in respect of staff retirement benefits.

30 ADMINISTRATIVE EXPENSES

(Rupees in '000)

	Note	2018	2017
Salaries, allowances and other benefits	30.1	**484,129**	456,640
Rent, rates and taxes		**99,454**	88,729
Depreciation	6.1.4	**66,398**	65,877
Repairs and maintenance		**33,511**	35,302
Legal and professional		**22,940**	29,635
Vehicle running		**19,111**	19,678
Travelling and conveyance		**34,218**	32,074
Fee and subscriptions		**18,129**	16,525
Utilities		**12,377**	10,183
Insurance		**6,401**	8,728
Printing and stationary		**10,532**	9,029
Auditors' remuneration	30.2	**6,110**	6,110
SAP maintenance costs		**14,226**	10,520
Security expense		**13,752**	10,917
		841,288	799,947

30.1 This includes a sum of Rs. 19.362 million (30 June 2017: Rs. 18.414 million) in respect of staff retirement benefits.

30.2 Auditors' remuneration

(Rupees in '000)

	Note	2018	2017
Audit fee		**3,900**	3,900
Half year review		**600**	600
Consolidation of financial statements		**600**	600
Code of corporate governance and other certifications		**500**	500
Out of pocket expenses		**510**	510
		6,110	6,110

31 SELLING AND DISTRIBUTION EXPENSES

	Note	2018	2017
Salaries, allowances and other benefits	31.1	**155,192**	154,712
Rent, rates and taxes		**95,146**	89,380
Advertisement		**64,542**	6,888
Depreciation	6.1.4	**75,049**	73,230
		389,929	324,210

31.1 This includes a sum of Rs 6.207 million (30 June 2017: Rs. 6.555 million) in respect of staff retirement benefits.

32 OTHER INCOME

(Rupees in '000)

	Note	2018	2017
Income from financial assets			
Interest on balances due from customers		**560,493**	448,522
Interest on loan to CRL		**31,629**	54,791
Interest income on saving accounts		**51,881**	32,086
Return on savings account		**4,916**	1,735
		648,919	537,134
Income from non-financial assets			
Insurance claim		**–**	560,572
Reversal of excess sales tax surcharge provision		**–**	401,428
Reversal of WPPF		**–**	109,445
Scrap sales		**16,263**	–
Gain on disposal of operating fixed assets		**2,591**	–
Dealership income		**21,300**	7,500
Liabilities no longer required - written back	18.7	**971,013**	–
		1,660,086	1,616,079

33 OTHER EXPENSES

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Late payment surcharge and penalties		**411,259**	333,498
Provision for doubtful debts	10.2	**810,492**	748,522
Workers' welfare fund		**109,586**	27,079
		1,331,337	1,109,099

34 FINANCE COSTS

(Rupees in '000)

	Note	2018	2017 (Re-stated)
Mark-up on:			
- Long-term financing	34.1	**1,336,194**	1,668,630
- Short-term borrowings		**939,031**	505,184
		2,275,225	2,173,814
Exchange loss - net	34.2	**555,698**	1,588
Bank and other charges		**47,148**	109,230
		2,878,071	2,284,632

34.1 This includes Rs. 382.456 million (30 June 2017: Rs. Nil) on long-term Islamic certificates (Sukuk).

34.2 Represents the exchange loss arising on revaluation of foreign currency financial liabilities and on transactions in foreign currencies.

35 TAXATION

(Rupees in '000)

	2018	2017
Current	**(554,051)**	(471,398)
Prior year	**204,185**	43,141
Deferred	**198,085**	1,487,848
	(151,781)	1,059,591

35.1 The returns of income tax have been filed up to and including tax year 2017. These, except for those mentioned in 35.3, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

35.2 The Group computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available which can be analyzed as follows:

(Rupees in '000)

	Provision for Taxation	Tax assessed	Excess / (Short)
2017	428,257	356,731	71,526
2016	347,672	394,353	(46,681)
2015	518,368	437,115	81,253

35.3 The Holding Company was selected for an audit under Section 177 and 214C of the Income Tax Ordinance, 2001 for the tax year 2013. Audit proceedings for all mentioned tax year was completed and a demand of Rs. 87.105 million has been raised in an amended order passed under Section 122(1)(5) of the Income Tax Ordinance, 2001. Being aggrieved by the amended order, the Holding Company filed an appeal before Commissioner Inland Revenue, Appeals, Karachi which is pending for adjudication. However, as a matter of prudence, the said amount has already been provided for in these consolidated financial statements.

35.4 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Holding Company is obligated to pay tax at the rate of 7.5 percent on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 40 percent of its after tax profits within six months of the end of the tax year, through cash or bonus shares. The Holding Company filed a Constitutional Petition (CP) before the Court on 24 November 2017 challenging the tax, the Court accepted the CP and granted a stay against the above section.

In case the Court's decision is not in favor of the Company, the Holding Company will either be required to declare the dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Holding Company for the financial year ended 30 June 2018. As at the balance sheet date, no liability has been recorded by the Holding Company in this respect.

35.5 Relationship between accounting profit and income tax expense for the period
The Holding Company is subject to Minimum Tax and Final Tax Regime under section 113 and section 169 respectively of the Income Tax Ordinance, 2001, therefore, relationship between income tax expense and accounting profit has not been presented for the current year.

No taxation has been provided by a Subsidiary Company (BIPL) in line with the provision of the Income Tax Ordinance, 2001.

36 EARNINGS PER SHARE - basic and diluted

		2018	2017
Profit after taxation - as re-stated	(Rupees in '000)	**4,301,068**	1,462,010
Weighted average number of ordinary shares	(Number)	**5,329,884,706**	5,329,893,802
Earnings per share - basic / diluted - as re-stated	(Rupees)	**0.81**	0.27

37 CASH AND CASH EQUIVALENTS

(Rupees in '000)

	2018	2017
Cash and bank balances	**746,096**	249,577
Running finance facility	**(1,387,500)**	(1,600,000)
	(641,404)	(1,350,423)

38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group has related party transactions with its parent company, associated companies, directors, key management personnel, staff provident fund and staff gratuity fund. Details of transactions and balances with related parties are as follows:

38.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place, including associates on the basis of common directorship:

Sr	Company Name	Basis of association	Aggregate % of shareholding
1	Byco Industries Incorporated	Parent	91.83%
2	K - Electric Limited	Common directorship	–
3	Premier Systems (Private) Limited	Common directorship	–
4	Byco Asia DMCC	Common directorship	–
5	TAF Foundation	Common directorship	–
6	Jhimpir Power (Private) Limited	Common directorship	–
7	Mannan Shahid Forgings Limited	Common directorship	–
8	Abraaj Pakistan (Private) Limited	Common directorship	–
9	Cinepex Limited	Common directorship	–
10	Avicenna Health Care 1 Pak (Private) Limited	Common directorship	–

38.2 **Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan:**

Name & Address	Basis of association	Chief Executive	Opertional Status	Auditor's Opinion
Byco Industries Incorporated (BII), 1st Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Luis, Mauritius	Parent company	Mr. Amir Abbassciy	Active	Modified*
Byco Asia DMCC, Unit no. 3303, Jumeirah Lakes Towers, Plot no. JLT-PH2-X2A, Jumeirah Bay 2, Dubai, United Arab Emirates	Associate	Mr. Amir Abbassciy	Active	Unmodified

*Modification in BII audit report was due to qualification in the financials of Byco Oil Pakistan Limited (BOPL), former parent Company of the Holding Company, which was merged with and into the Holding Company.

(Rupees in '000)

	2018	2017
Transactions with related parties		
Parent Company		
Shares issued	–	48,945,202
Mark-up charged	163,026	135,349
Other capital reserves	3,214,209	–
Associated Companies		
Sales	6,686,844	1,963,515
Purchase of operating fixed assets and services	86,978	35,923
Others		
Post Employment Benefit Funds	280,005	109,947
Key Management Personnel	95,081	–

38.3 **Balances with related parties**

	2018	2017
Parent Company		
Other receivables	–	25,138
Contribution against future issue of shares	841,249	761,129
Accrued mark-up	364,281	301,869
Loan payable	3,936,921	6,110,417
Associated Companies		
Long term deposit receivable	95	95
Trade debts	718,534	224,068
Advance against shared services	119,160	–
Accrued interest	19,303	108,192
Payable against purchases	38,904	8,147
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	138,844	46,019

38.4 There are no transactions with key management personnel other than under the terms of employment as disclosed in note 39 to the financial statements.

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount included in these consolidated financial statements for remuneration, including the benefits and perquisites, to the Chief Executive, Directors and Executives of the Company are as follows:

(Rupees in '000)

	2018			2017		
	Chief Executive	Director	Executives	Chief Executive	Directors	Executives
Fees	–	450	–	–	900	–
Managerial remuneration	–	–	317,001	8,100	–	237,170
Staff retirement benefits	–	–	50,749	–	–	38,116
Housing and utilities	–	–	95,434	–	–	71,214
Leave fare assistance	–	–	26,406	–	–	19,756
	–	450	489,590	8,100	900	366,256
Number of persons	1	1	144	1	1	122

39.1 The number of persons does not include those who left during the year but remuneration paid to them is included in the above amounts.

39.2 Few Executives have been provided with company maintained cars.

39.3 The Group's Board of Directors consists of 7 Directors (of which 6 are Non- Executive Directors). Except for Chief Executive and a Director, no remuneration and other benefits have been paid to any non-Executive Director.

40 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finances to minimize the risk. The Group's principal financial instruments comprise short-term borrowings and financing from financial institutions and trade and other payables. Main purpose of these financial instruments is to raise funds for the import of crude oil for refining business and for its operations. The Group has various financial assets such as cash (including balances with banks), deposits, loans, investment in subsidiary companies, which are directly related to its operations. The Group's overall risk management policy focuses on minimizing potential adverse effects on the Group's financial performance. The overall risk management of the Group is carried out by the Group's senior management team under policies approved by the Board of Directors. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2018.

The policies for managing each of these risk are summarized below:

40.1 **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

40.1.1 **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from long-term financing and short-term borrowing facilities for financing its refining and storage business operations, setting up of aromatic plant and meeting working capital requirements at variable rates, on loan to CRL and on delayed payments from PSO on which the Group earns interest. The Group manages these mismatches through risk management policies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments was:

(Rupees in '000)

	2018	2017
Variable Rate Instruments		
Financial assets		
Long-term loan to CRL	**688,780**	688,780
Trade debts	**7,005,258**	6,445,239
	7,694,038	7,134,019
Financial liabilities		
Long-term financing	**18,892,247**	22,409,399
Loans from related party	**3,936,921**	6,110,417
Accrued and deferred mark-up	**10,749,536**	9,031,596
Short-term borrowings	**2,322,667**	3,371,784
	35,901,371	40,923,196

A change of 1% in interest rates at the year-end would have increased or decreased the profit before tax by Rs. 172.662 million (30 June 2017: Rs. 277.305 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2017.

40.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are done in foreign currency.

The Group is exposed to foreign currency risk on transactions that are entered in a currency other than Pak Rupees. As the Holding Company imports plant and equipment and crude oil, it is exposed to currency risk by virtue of borrowings (in foreign currency). Further foreign currency risk also arises on payment to the supplier of tugs for operations of SPM. The currency in which these transactions are undertaken is US Dollar. Relevant details are as follows:

	2018		2017	
	(Rupees in '000)	(USD '000)	(Rupees in '000)	(USD '000)
Trade and other payables	**34,094,821**	**280,315**	20,463,975	194,895
	34,094,821	**280,315**	20,463,975	194,895

The average rates applied during the year is Rs. 110.06/ USD (30 June 2017: Rs. 104.85 / USD) and the spot rate as at 30 June 2018 is Rs. 121.63 / USD (30 June 2017: 105 / USD).

A change of 1% in exchange rates at the year-end would have increased or decreased the profit by Rs. 339.840 million (30 June 2017: Rs. 285.21 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for June 2017.

40.1.3 Equity price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the balance sheet date, the Group is not exposed to other price risk.

40.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers, advances and deposits to suppliers and balances held with banks.

Management of credit risk

The Group's policy is to enter into financial contracts in accordance with the guidelines set by the Board of Directors and other internal guidelines.

Credit risk is managed and controlled by the management of the Group in the following manner:

- Credit rating and / or credit worthiness of the counterparty is taken into account along with the financial background so as to minimize the risk of default.
- The risk of counterparty exposure due to failed agreements causing a loss to the Group is mitigated by a periodic review of their credit ratings, financial statements, credit worthiness and market information on a regular basis.
- Cash is held with reputable banks only.

As of the balance sheet date, the Group is exposed to credit risk on the following assets:

(Rupees in '000)

	Note	2018	2017
Long term loans and advances	7	**939,366**	947,936
Long term deposits	8	**17,044**	16,956
Trade debts	10	**5,463,784**	4,858,318
Loans and advances	11	**1,360,410**	1,056,064
Accrued interest		**180,691**	237,951
Other receivables	13	**1,082,714**	1,467,442
Bank balances	14	**746,012**	249,339
		9,790,021	8,834,006

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

Trade debts

The aging of unimpaired debtors at the balance sheet date is as follows:

(Rupees in '000)

	2018	2017
Neither past due nor impaired	**2,714,453**	1,937,052
Past due 1-30 days	**131,712**	18,735
Past due 31-365 days	**27,565**	57,902
Above 365 days	**2,590,055**	2,844,629
	5,463,785	4,858,318
Bank balances		
A1+	**287,563**	199,465
A1	**2,587**	47,898
A2	**1,019**	1,976
A-	**128,098**	–
AA-	**150,000**	–
AA+	**176,745**	–
	746,012	249,339

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

40.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising fund to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on any individual customer.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
2018					
Long term financing	–	1,931,310	4,628,297	13,844,254	20,403,862
Accrued and deferred markup	–	–	2,206,566	8,542,970	10,749,536
Loans from related party	–	–	–	3,936,921	3,936,921
Long-term deposits	–	–	–	225,017	225,017
Trade and other payables	8,267,329	50,058,074	–	–	58,325,403
Advance from customers	–	2,789,832	–	–	2,789,832
Unclaimed dividend	1,027	–	–	–	1,027
Short-term borrowings	–	2,322,667	–	–	2,322,667
Accrued mark-up	–	157,731	–	–	157,731
	8,268,356	57,259,614	6,834,863	26,549,162	98,911,995

(Rupees in '000)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
2017 - Re-stated					
Long term financing	–	1,612,645	6,019,659	16,288,749	23,921,053
Accrued and deferred markup	–	–	300,000	8,731,596	9,031,596
Loans from related party	–	–	–	6,110,417	6,110,417
Long-term deposits	–	–	–	172,375	172,375
Trade and other payables	6,117,113	35,760,880	–	–	41,877,993
Advance from customers	–	2,472,871	–	–	2,472,871
Unclaimed dividend	1,146	–	–	–	1,146
Short-term borrowings	–	3,371,784	–	–	3,371,784
Accrued mark-up	–	262,344	–	–	262,344
	6,118,259	43,480,524	6,319,659	31,303,137	87,221,579

40.4 Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain the development of the business and maximize the shareholders' value. The Group closely monitors the return on capital. The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and finances its activities through equity, borrowings and management of working capital with a view to maintain and approximate mix between various sources of finance to minimize the risk. No changes were made in the objectives, policies or processes during the year ended 30 June 2018.

The Group is not exposed to externally imposed capital requirement.

41 OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing.

Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies.

Petroleum marketing business is engaged in trading of petroleum products, procuring products from oil refining business as well as from other sources. The quantitative data for segments is given below:

(Rupees in '000)

	Oil Refining Business		Petroleum Marketing Business		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Net Sales to external customers	105,462,268	53,020,882	60,828,094	35,399,480	166,290,362	88,420,362
Inter-segment sales	55,177,021	33,468,337	–	80,479	55,177,021	33,548,816
Eliminations	(55,177,021)	(33,468,337)	–	(80,479)	(55,177,021)	(33,548,816)
Total revenue	105,462,268	53,020,882	60,828,094	35,399,480	166,290,362	88,420,362
Result						
Segment profit	6,825,506	2,454,692	1,187,832	804,324	8,013,338	3,259,016
Unallocated expenses:						
Finance cost					(2,878,071)	(2,284,632)
Interest income					648,919	537,134
Other expenses					(1,331,337)	(1,109,089)
Taxation					(151,781)	1,059,591
Profit for the year					4,301,068	1,462,010
Segmental Assets	123,666,859	109,031,873	1,719,512	1,362,030	125,386,371	110,393,903
Unallocated Assets	–	–	–	–	–	–
	123,666,859	109,031,873	1,719,512	1,362,030	125,386,371	110,393,903
Segmental Liabilities	100,657,093	90,087,793	908,078	1,161,907	101,565,171	91,249,700
Unallocated Liabilities	–	–	–	–	–	–
	100,657,093	90,087,793	908,078	1,161,907	101,565,171	91,249,700
Capital expenditure	3,190,778	3,584,259	69,211	8,576	3,259,989	3,592,835
Other Information						
Depreciation	3,828,846	3,520,892	75,049	37,643	3,903,895	3,558,535

42 PROVIDENT FUND DISCLOSURE

The Group operates approved funded contributory provident fund for both its management and non-management employees. Details of net assets and investments based on the financial statements of the fund is as follows:

(Rupees in '000)

	2018 (Unaudited)	2017 (Audited)
Size of the fund - Net assets	334,776	276,326
Fair value of the investment	316,239	214,271
Percentage of the investment	94.46%	77.54%
Cost of the investment made	315,241	213,164

Break-up of fair value of investments in terms of amount and as percentage of the size of the fund is as follows:

	2018		2017	
	(Rupees in '000)	%	(Rupees in '000)	%
Bank Deposits	**232,373**	**73%**	110,357	43.15%
Listed equity	**54,748**	**17%**	–	–
Debt securities	**29,118**	**9%**	4,398	1.72%
Government securities	–	–	19,709	7.71%
Unit trust schemes	–	–	79,807	31.21%
	316,239	**100%**	214,271	83.79%

The management, based on the financial statements of the fund, is of the view that the investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43 CAPACITY AND ANNUAL PRODUCTION

Against the designed annual capacity (based on 365 days) of 56.575 million barrels (30 June 2017: 56.575 million barrels), the actual throughput during the year was 20.145 million barrels (30 June 2017: 8.402 million barrels) as the larger refinery of the Holding Company and its reformer unit started its operations during the year.

44 NUMBER OF EMPLOYEES

	2018	2017
Total number of employees		
As at June 30	**799**	700
Average number of employees during the year	**750**	496
Factory Employees		
As at June 30	**583**	466
Average number of employees during the year	**525**	403

45 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

46 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on 25th October 2018 by the Board of Directors of the Group.

Chief Executive Officer **Director** **Chief Financial Officer**

Pattern of Shareholding

As at 30th June 2018

Shareholders Category	No. of Shareholders	No. of Shares	%
Directors, Chief Executive Officer and their spouse and minor children	9	21,800	0.0004
Associated Companies, Undertakings and Related Parties	1	4,894,520,196	91.8316
NIT and ICP	0	0	0.0000
Banks, Development Finance Institutions, Non-Banking Financial Institutions,	8	185,525,939	3.4809
Insurance Companies	5	3,891,000	0.0730
Modarabas and Mutual Funds	11	4,262,000	0.0800
General Public	16,996	222,622,754	4.1769
Others	128	19,041,017	0.3573
TOTAL	17,158	5,329,884,706	100

Additional Information

Shareholders' Category	Number of Shareholders	Number of Shares held
Associated Companies, Undertakings and Related Parties (name wise details)		
Byco Industries Incorporated	1	4,894,520,196
Modarabas and Mutual Funds (name wise detail)	11	4,262,000
First Fidelity Leasing Modaraba	1	10,000
CDC - Trustee Atlas Stock Market Fund	1	1,500,000
CDC - Trustee Unit Trust of Pakistan	1	11,500
Trust Modaraba	1	50,000
CDC - Trustee MCB DCF Income Fund	1	211,000
CDC - Trustee MCB Dynamic Cash Fund - MT	1	66,000
CDC - Trustee NIT Income Fund - MT	1	570,000
CDC - Trustee Faysal Savings Growth Fund - MT	1	48,500
CDC - Trustee Faysal MTS Fund - MT	1	214,500
CDC - Trustee Pakistan Income Fund - MT	1	1,153,000
CDC - Trustee UBL Income Opportunity Fund - MT	1	427,500
Insurance Companies (name wise detail)	5	3,891,000
Asia Insurance Company Limited.	1	22,000
Dawood Family Takaful Limited	1	163,500
Dawood Family Takaful Limited	1	205,500
Adamjee Life Assurance Company Ltd-IMF	1	3,000,000
Adamjee Life Assurance Company Limited-ISF	1	500,000

Shareholders' Category	Number of Shareholders	Number of Shares held
Directors and their spouse and minor children (name wise details)	9	21,800
Mr. Amir Abbassciy	1	2,500
Mr. Omar Khan Lodhi	1	500
Chaudhary Khaqan Saadullah Khan	1	500
Mr. Akhtar Hussain Malik	1	500
Mr. Muhammad Mahmood Hussain	1	500
Murtaza Hussain	1	500
Syed Arshad Raza	1	10,600
Mrs. Uzma Abbassciy (Wife of Mr. Amir Abbassciy)	1	5,600
Mrs. Fazilay Ghulam Ali Raza (Wife of Syed Arshad Raza)	1	600
Banks, Development Financial Institutions, Non-Banking Finance companies, insurance companies, takaful, modarabas and pension funds	8	185,525,939
Crescent Standard Investment Bank Ltd.	1	12,000
Habib Bank Limited	1	8,167
Allied Bank Limited	1	15,900
National Bank Of Pakistan	1	184,374,372
First Dawood Investment Bank Limited	1	33,500
Bank Islami Pakistan Limited	1	467,500
Escorts Investment Bank Limited	1	3,000
Pair Investment Company Limited	1	611,500
Shareholders holding 5% or more voting rights in the listed company (name wise details)		
Byco Industries Incorporated	1	4,894,520,196

Pattern of Shareholding

As at 30th June 2018

No of Shareholders	No. of Sharesholdings From	No. of Sharesholdings To	Total Shares
842	1	100	29,673
2,451	101	500	1,099,547
2,780	501	1,000	2,680,208
6,013	1,001	5,000	17,483,009
2,103	5,001	10,000	17,043,745
749	10,001	15,000	9,737,316
529	15,001	20,000	9,711,806
329	20,001	25,000	7,695,275
200	25,001	30,000	5,755,017
152	30,001	35,000	5,054,138
120	35,001	40,000	4,608,220
75	40,001	45,000	3,239,898
162	45,001	50,000	8,009,887
54	50,001	55,000	2,858,415
51	55,001	60,000	2,994,080
34	60,001	65,000	2,155,740
29	65,001	70,000	1,992,260
31	70,001	75,000	2,275,719
24	75,001	80,000	1,884,800
16	80,001	85,000	1,321,732
16	85,001	90,000	1,418,500
15	90,001	95,000	1,411,500
82	95,001	100,000	8,179,226
17	100,001	105,000	1,744,501
21	105,001	110,000	2,284,900
8	110,001	115,000	906,500
11	115,001	120,000	1,315,000
9	120,001	125,000	1,112,500
4	125,001	130,000	508,200
6	130,001	135,000	795,500
5	135,001	140,000	693,000
7	140,001	145,000	999,287
16	145,001	150,000	2,395,000
3	150,001	155,000	457,003
3	155,001	160,000	473,000
4	160,001	165,000	655,000
6	165,001	170,000	1,012,775
6	170,001	175,000	1,043,800
2	175,001	180,000	357,000
3	180,001	185,000	551,500
5	185,001	190,000	940,000
5	190,001	195,000	968,000
21	195,001	200,000	4,193,030
6	200,001	205,000	1,224,500
6	205,001	210,000	1,249,000
3	210,001	215,000	638,503
3	215,001	220,000	655,500
3	220,001	225,000	671,500
4	225,001	230,000	915,000
2	230,001	235,000	466,500
2	235,001	240,000	474,500
1	240,001	245,000	241,000
4	250,000	255,000	1,002,886
2	260,001	265,000	525,500
2	290,001	295,000	586,290
6	295,001	300,000	1,799,000
3	300,001	305,000	910,500
1	305,001	310,000	307,500
1	310,001	315,000	314,000
1	315,001	320,000	319,000
3	325,000	330,000	979,000
4	335,000	340,000	1,348,000

No of Shareholders	No. of Sharesholdings From	To	Total Shares
1	340,001	345,000	343,500
1	350,001	355,000	350,500
1	360,001	365,000	362,000
1	370,001	375,000	373,500
2	400,000	405,000	800,000
1	405,001	410,000	407,500
2	415,000	420,000	830,000
1	420,001	425,000	424,000
2	425,001	430,000	857,500
1	450,000	455,000	450,000
1	455,001	460,000	456,000
1	460,001	465,000	463,000
1	465,001	470,000	467,500
1	475,001	480,000	478,000
2	480,001	485,000	969,000
1	490,001	495,000	492,000
9	495,001	500,000	4,495,500
2	500,001	505,000	1,007,500
1	525,000	530,000	525,000
2	550,000	555,000	1,101,500
1	555,001	560,000	556,500
1	570,000	575,000	570,000
2	585,001	590,000	1,179,554
1	610,001	615,000	611,500
1	615,001	620,000	618,528
1	640,000	645,000	640,000
1	660,000	665,000	660,000
1	675,001	680,000	675,500
1	695,001	700,000	696,000
1	745,001	750,000	747,000
1	820,001	825,000	822,000
2	840,000	845,000	1,680,000
1	910,001	915,000	914,584
1	950,001	955,000	951,000
1	970,001	975,000	974,000
2	980,001	985,000	1,962,500
1	1,000,000	1,005,000	1,000,000
1	1,060,001	1,065,000	1,064,500
1	1,090,001	1,095,000	1,092,500
1	1,100,000	1,105,000	1,100,000
2	1,150,000	1,155,000	2,303,000
1	1,200,000	1,205,000	1,200,000
1	1,230,000	1,235,000	1,230,000
1	1,250,000	1,255,000	1,250,000
1	1,290,001	1,295,000	1,292,000
1	1,300,001	1,305,000	1,301,000
1	1,425,000	1,430,000	1,425,000
2	1,500,000	1,505,000	3,000,000
2	1,585,001	1,590,000	3,174,000
1	1,725,001	1,730,000	1,726,500
1	1,940,001	1,945,000	1,944,086
1	1,985,001	1,990,000	1,988,500
1	2,105,001	2,110,000	2,109,000
1	2,290,001	2,295,000	2,293,000
1	2,840,001	2,845,000	2,842,000
1	2,900,000	2,905,000	2,900,000
1	2,980,001	2,985,000	2,981,500
1	3,000,000	3,005,000	3,000,000
1	4,650,000	4,655,000	4,650,000
1	17,535,001	17,540,000	17,538,500
1	184,370,001	184,375,000	184,374,372
1	925,410,001	925,415,000	925,411,762
1	3,969,105,001	3,969,110,000	3,969,108,434
17,158			5,329,884,706

Notice of 24th Annual General Meeting

Byco Petroleum Pakistan Limited

Notice is hereby given that the 24th Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Monday, 26th November 2018 at 9:30 am at Jasmine Hall, Beach Luxury Hotel, Karachi to transact the following ordinary business:

1. To confirm the minutes of the 23rd Annual General Meeting of the Company held on 25th January 2018.
2. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the financial year ended 30th June 2018, together with the Directors' and Auditors' reports thereon.
3. To re-appoint Messrs EY Ford Rhodes, Chartered Accountants as the auditors for the financial year 2018-19 and to fix their remuneration.

By Order of the Board

Majid Muqtadir
Company Secretary

25th October 2018
Karachi

NOTES:

Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Monday, 19th November 2018 until Monday, 26th November 2018 (both days inclusive).

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Friday, 16th November 2018, are entitled to attend, participate in, and vote at the Meeting.

A member entitled to attend and vote may appoint another member as proxy to attend and vote on his / her behalf, however, for the purpose of E-Voting a non-member may also be appointed and act as proxy. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting. A form of proxy is included in the Company's Annual Report.

Guidelines for CDC Account Holders

CDC account holders should comply with the following guidelines of the SECP:

For Attendance

a) Individuals should be account holder(s) or sub-account holder(s) and their registration details should be uploaded according to CDC regulations and must establish their identity at the time of the Meeting by presenting their original Computerized National Identity Card (CNIC) or passport.

b) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

For Appointing Proxies

a) Individuals should be account holder(s) or sub-account holder(s) whose registration details should be uploaded according to CDC regulations and their proxy forms must be submitted at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

b) The proxy form must be attested by two persons whose names, addresses and CNIC numbers must be specified therein.

c) Attested copies of the CNIC or passport of the beneficial owner and the proxy must be provided along with the form of proxy.

d) Proxies must at the time of the Meeting produce their original CNIC or passport.

e) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

Dividend Bank Mandate

Members may authorize the Company to credit his / her future cash dividends directly into his / her bank account. Members who would like future cash dividends to be credited directly into their bank accounts should mark the 'YES' box below and provide the required information under signature to the Shares Registrar.

Yes	No

Folio Number:
Name of Shareholder:
Title of the Bank Account:
Bank Account Number (IBAN):
Name of Bank:
Name of Bank Branch and Address:
Cellular Number of shareholder:
Landline Number of shareholder:
CNIC / NTN Number (Attach copy):

____
Signature of Member
(Signature must match specimen signature registered with the Company)

Members holding shares in CDC accounts should update their bank mandates, if any, with the respective participants.

Intimation of Change of Address and Zakat Declaration

Members holding share certificates should notify any change in their registered address and, if applicable, submit their non-deduction of zakat declaration form to the Shares Registrar.

Members holding shares in CDC / participant accounts should update their addresses and, if applicable, submit their non-deduction of zakat declaration form to the CDC or the respective participants / stockbrokers.

Submission of CNIC Copies

A list of members who have not submitted copies of their CNICs be viewed on the Company's website www.byco.com.pk.

Electronic Transmission of Financial Statements and Notice of AGM

Members who have provided email addresses in the required consent form will receive the Audited Financial Statements along with the notice of the Annual General Meeting by email.

Members who would like to receive the Annual Report by email should provide their email addresses to the Company Secretary. A consent form for receiving the Annual Report by email may be downloaded from the Company's website.

Video Conference Facility

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the requisite form (available on Company's website www.byco.com.pk) and submit to registered address of the Company 10 days before holding of the Annual General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

Admission Slip

The 24th Annual General Meeting of Byco Petroleum Pakistan Limited will be held on Monday, 26th November 2018 at 9:30 am at Jasmine Hall, Beach Luxury Hotel, Karachi.

Kindly bring this Admission Slip duly signed by you for attending the Meeting.

Majid Muqtadir
Company Secretary

Name ____

Folio / CDC Account No. ____________________ Signature ____________________

NOTE

(i) Signatures of the members should tally with the specimen signatures in the Company's record.

(ii) Completed Admission Slips must be submitted prior to entering the hall where the Meeting is being held.

CDC Account Holder(s) / Proxies / Corporate Entities

(a) Account holder(s) / Sub-account holder(s) / Proxies must present their original CNICs or passports prior to entering the hall where the Meeting is being held.

(b) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

This Admission Slip is not transferable.

Form of Proxy

24th Annual General Meeting

The Company Secretary
Byco Petroleum Pakistan Limited
9th Floor, The Harbour Front, Dolmen City
HC-3, Block-4, Marine Drive, Clifton
Karachi-75600

I / We ____
of ____
being member(s) of **Byco Petroleum Pakistan Limited** and holder(s) of ____________________
____________________ ordinary shares, hereby appoint ____________________
of ____________________ or failing him / her ____________________
of ____________________ , who is / are also member(s) of Byco Petroleum Pakistan Limited, as my / our proxy in my / our absence to attend and vote on my / our behalf at the 24th Annual General Meeting of the Company to be held on Monday, 26th November 2018 and in case of adjournment, at any reconvened Meeting.

Signed / Seal and Delivered by

in the presence of: ____

1. Name: ____________________	2. Name: ____________________
CNIC No.: ____________________	CNIC No.: ____________________
Address: ____________________	Address: ____________________

____
Folio No. / CDC Account No.

____
This signature should tally with the specimen signature in the Company's record

Important

1. The duly completed and signed proxy form must be received at the registered office of the Company at 9th Floor, The Harbour Front, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi-75600, not less than 48 hours before the time of holding the Meeting.
2. Only members of the Company may be appointed proxies except corporate members who may appoint non-members as their proxy. Please note that for E-Voting a non-member may also be appointed and act as proxy.
3. If more than one proxy is appointed by an instrument or more than one instrument of proxy is deposited by any member, all such instruments shall be rendered invalid.

For CDC account holder(s) / corporate entities
In addition to the above, the following requirements must be met:

i) the execution of the proxy form should be attested by two witnesses, whose names, addresses and CNIC numbers shall appear in the form;

ii) attested copies of the CNIC or passport of the beneficial owner and proxy should be submitted along with the proxy form;

iii) the proxy shall produce his / her original CNIC or passport at the time of the Meeting; and

iv) Corporate entities should at the time of the Meeting, unless provided earlier, produce a certified copy of a resolution of the Board of Directors, or a Power of Attorney bearing the specimen signature of the attorney.

AFFIX
CORRECT
POSTAGE
STAMPS

Company Secretary
Byco Petroleum Pakistan Limited
9th Floor, The Harbour Front, Dolmen City,
HC-3, Block-4, Marine Drive, Clifton,
Karachi 75600, Pakistan

ڈاک ٹکٹ
یہاں چسپاں کریں

کمپنی سیکریٹری
بائیکو پیٹرولیم پاکستان لمیٹڈ
نویں منزل۔ دی ہاربر فرنٹ، ڈالمن سٹی
HC-3 بلاک 4، میرین ڈرائیو، کلفٹن
کراچی 75600، پاکستان

پراکسی کا فارم

24 ویں سالانہ جنرل میٹنگ

کمپنی سیکریٹری
بائیکو پیٹرولیم پاکستان لمیٹڈ
نویں منزل۔ دی ہاربر فرنٹ، ڈالمن سٹی
HC-3 بلاک 4، میرین ڈرائیو، کلفٹن
کراچی

میں/ہم ________ برائے ________
بحیثیت رکن بائیکو پیٹرولیم پاکستان لمیٹڈ اور حامل ________ حصص مقرر کرتا ہوں بطور نائب محترم/محترمہ ________
برائے ________ یا ان کی عدم موجودگی کی صورت میں محترم/محترمہ ________
برائے ________، جو بائیکو پیٹرولیم پاکستان کے ممبر بھی ہیں، میری غیر موجودگی کی صورت میں بطور میرے نائب کمپنی کی 24 ویں سالانہ جنرل میٹنگ میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس میٹنگ کا انعقاد بروز پیر 26 نومبر 2018 کو یا اس کے التواء کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جاسکتی ہے۔ دستخط/مہر اور کی طرف سے بھیج دیا گیا ________

کی موجودگی میں

۱۔ نام ________
شناختی کارڈ نمبر ________
پتہ ________
____

۲۔ نام ________
شناختی کارڈ نمبر ________
پتہ ________
____

____
فولیو نمبر/سی ڈی اکاؤنٹ نمبر

____
یہ دستخط کمپنی میں موجود نمونہ دستخط سے ملنے چاہئیں

اہم امور:

۱۔ متعلقہ اتھارٹی فارم کو مکمل کر کے اور اپنے دستخط کر کے کمپنی کے رجسٹرڈ آفس 9 ویں منزل، ہاربر فرنٹ، ڈالمن سٹی، HC-3، بلاک 4، میرین ڈرائیو کلفٹن کراچی میں میٹنگ کے وقت سے 48 گھنٹے قبل ارسال کریں۔
۲۔ صرف کمپنی کے ممبران ماسوائے کارپوریٹ ممبران کا تقرر کیا جاسکتا ہے۔
۳۔ اگر ایک سے زیادہ نمائندے کا انتخاب کرنا ہو تو کسی بھی ایک ممبر کے لیے دستاویز جمع کرائے جائیں۔ بصورت دیگر وہ اتھارٹی اہل نہیں ہوگی۔

برائے CDC اکاؤنٹ ہولڈر/ کارپوریٹ ادارہ

مذکورہ بالا کے علاوہ درج ذیل ضروریات درکار ہونگی:

۱۔ جاری کردہ اختیارات کا فارم جس کی تصدیق دو گواہ کریں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔
۲۔ فارم کے ساتھ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں جمع کرانی ہوں گی۔
۳۔ اختیارات کا حامل شخص اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت پیش کرے گا۔
۴۔ کارپوریٹ اتھارٹی میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد کی ایک تصدیق شدہ کاپی فراہم کرے گا یا پاور آف اٹارنی جس پر اٹارنی کے دستخط موجود ہوں، پیش کرنا ہوگا۔