

THIRD QUARTERLY REPORT | 31 March 2021
Byco Petroleum Pakistan Limited



RISE AND SHINE. RENOVATE AND REFINE

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COMPANY INFORMATION

Board of Directors

Mohammad Wasi Khan	Chairman
Amir Abbassciy	Director & Chief Executive Officer
Amir Waheed Ahmed	Independent Director
Muhammad Usama Qureshi	Independent Director
Syed Arshad Raza	Director
Muhammad Yasin Khan	Director
Uzma Abbasi	Director

Audit Committee

Amir Waheed Ahmed	Chairman
Muhammad Usama Qureshi	Member
Muhammad Yasin Khan	Member

Human Resource and Remuneration Committee

Muhammad Usama Qureshi	Chairman
Syed Arshad Raza	Member
Uzma Abbasi	Member

Risk Management Committee

Amir Abbassciy	Chairman
Muhammad Usama Qureshi	Member
Amir Waheed Ahmed	Member

Chief Financial Officer

Zafar Shahab	
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Company Secretary

Majid Muqtadir	
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Auditors

EY Ford Rhodes	Chartered Accountants
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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-Gulf Leasing Company Limited
Pak Oman Investment Company Limited
Saudi Pak Industrial and Agricultural Investment Company Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Silkbank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Shares 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

The Harbour Front, 9th Floor,
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

DIRECTORS' REPORT

For the period ended March 31, 2021

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

The Directors of your Company are pleased to present a brief review of the financial results and operations of the Company for the period ended 31st March, 2021.

The current period witnessed rising trend of international oil prices as economies across the globe kept on performing despite surge of 2nd and 3rd wave of COVID-19. Pakistan also witnessed stability in consumption of oil products which had significantly declined in March 2020 when the entire country was under lockdown. Owing to healthy remittances, the Pakistani Rupee gained value against the US Dollar which provided much needed relief to the economy in general and oil sector in particular.

The Company recorded gross revenue of PKR 150.1 billion compared to PKR 192.1 billion in the same period last year. The reduction is due to major decline of international oil prices in 2020 amid the COVID – 19 pandemic. The Company earned gross profit of PKR 5.47 billion as compared to PKR 1.19 billion last year primarily due to better inventory management. Operating expenses slightly increased and the Company earned operating profit of PKR 4.04 billion (2020: PKR 0.24 billion). The Company generated net profit of PKR 2.17 billion (2020: net loss of PKR 2.67 billion) with earnings per share of Rs. 0.41 compared to loss per share of Rs. 0.50 last year.

Refineries are in constant discussion with the Government and the Company expects positive outcome from the Government to provide some relief to the refineries for plant upgradation and refinery margins. The Government is currently reviewing the proposals so that refineries can operate smoothly and sustainably.

The Board wishes to place on record its gratitude for the co-operation extended by Government of Pakistan and strategic partners including its customers, financial institutions, shareholders, suppliers and vendors.

For and on behalf of the Board of Directors

Chief Executive Officer

Director

Karachi
April 27th, 2021

ڈائریکٹرز رپورٹ

برائے اختتام مدت 31 مارچ، 2021

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

آپ کی کمپنی کے ڈائریکٹرز، 31 مارچ 2021 کو ختم ہونے والی میعاد کے لیے مالیاتی نتائج اور کمپنی کی عملی سرگرمیوں کا ایک مختصر جائزہ پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں۔

موجودہ سہ ماہی میں تیل کی بین الاقوامی قیمتوں میں اضافے کا رجحان دیکھا گیا کیونکہ دنیا بھر کی معیشتیں کوویڈ-19 کی جاری دوسری دور تیسری اہر میں اضافے کے باوجود بہتر کارکردگی کا مظاہرہ کرتی رہی ہیں۔ پاکستان میں بھی تیل کی مصنوعات کی کھپت میں استحکام دیکھا گیا جس میں مارچ 2020 میں اس وقت نمایاں طور پر کمی واقع ہوئی تھی جب پوراملک لاک ڈاؤن کی زد میں تھا۔ مضبوط آمد زری وجہ سے، پاکستانی روپے نے امریکی ڈالر کے مقابلے میں قدر حاصل کی جس نے جنرل شعبوں اور خاص طور پر تیل کے شعبے میں معیشت کو کافی حد تک ریلیف فراہم کیا۔

کمپنی نے 150.1 ارب پاکستانی روپے کی مجموعی فروخت ریکارڈ کی جبکہ پچھلے سال کی اس سہ ماہی کے دوران 192.1 ارب پاکستانی روپے فروخت کی تھی۔ اس سہ ماہی میں کمی کوویڈ-19 وبا کی وجہ سے بین الاقوامی سطح پر سال 2020 میں تیل کی قیمتوں کا حد سے زیادہ کم ہونے کی وجہ سے واقع ہوئی۔ کمپنی نے پچھلے سال 1.19 ارب پاکستانی روپے کے مقابلے میں 5.47 ارب پاکستانی روپے کا مجموعی منافع حاصل کیا جس کی وجہ بہتر انونٹری مینجمنٹ ہے۔ کمپنی کے اخراجات میں کچھ حد تک اضافہ دیکھنے میں آیا اور کمپنی نے تقریباً 4.04 ارب کا آپریٹنگ منافع (جو کہ 2020 میں 0.24 ارب پاکستانی روپے) حاصل کیا۔ کمپنی نے پاکستانی 2.17 ارب (جو کہ 2020 میں 2.67 ارب پاکستانی روپے) کا گھانا) کا خالص منافع حاصل کیا جس کے ساتھ ساتھ حصص کی فی آمدنی پچھلے سال 0.50 ارب گھانا فی حصص کے مقابلے میں 0.41 روپے فی حصص منافع رہی۔

کمپنی کو پلانٹ کی اپگریڈیشن اور ریفاٹری مارجن کے لیے ریفاٹریوں کو کچھ ریلیف فراہم کرنے کے لیے حکومت کے ساتھ ریفاٹریوں کے مذاکرات سے مثبت نتائج کا توقع ہے۔ حکومت فی الحال ان تمام تجاویز کا جائزہ لے رہی ہے تاکہ ریفاٹریز مستحکم اور اطمینان کے ساتھ کام کر سکیں۔

بورڈ حکومت پاکستان اور کاروباری عمل کے شرکاء بشمول صارفین، مالیاتی اداروں، سپلائرز، ویڈرز اور حصص مالکان کی جانب سے فراہم کردہ تعاون پر انہیں خراج تحسین پیش کرتا ہے۔

برائے دنیانہ بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی

27 اپریل، 2021

Unconsolidated Condensed Interim Statement of Financial Position

As at March
31, 2021

(Rupees in '000)

	Notes	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	5	71,189,936	70,790,402
Long term Investment		16,931,504	16,931,504
Long term Loans and Advances		654,329	723,207
Long-term deposits		137,711	112,423
Deferred taxation		1,145,880	1,145,880
		90,059,361	89,703,416
CURRENT ASSETS			
Stores and spares		2,098,582	2,040,667
Stock-in-trade	6	24,943,603	22,878,892
Trade debts	7	4,859,584	4,356,855
Loans and advances		1,510,377	1,362,133
Trade deposits and short-term prepayments		227,173	22,477
Accrued interest		349,375	312,784
Other receivables	8	2,027,458	1,979,163
Taxation - net		1,118,918	1,040,546
Cash and bank balances		1,363,457	2,319,220
		38,498,527	36,312,737
TOTAL ASSETS		128,557,888	126,016,153
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		53,298,847	53,298,847
Reserves		(29,022,504)	(31,596,513)
Surplus on revaluation of Property, plant and equipment		3,246,860	3,641,342
		27,523,203	25,343,676
Contribution against future issue of shares		857,140	857,140
		28,380,343	26,200,816
NON CURRENT LIABILITIES			
Long term financing		14,242,020	15,891,534
Loan from related party		3,935,650	3,935,650
Accrued and deferred markup		5,948,296	6,525,172
Long term lease liabilities		978,624	1,200,043
Long-term deposits		240,000	120,175
Deferred liabilities		475,916	609,314
Deferred income - government grant		7,781	12,037
		25,828,287	28,293,925
CURRENT LIABILITIES			
Trade and other payables		52,911,269	41,085,844
Advance from customers		3,081,426	2,948,271
Accrued mark-up		450,594	893,415
Short term borrowings - secured		12,530,439	23,907,984
Current portion of non-current liabilities		5,341,050	2,662,236
Current portion of deferred income - government grant		33,454	22,635
Unclaimed dividend		1,027	1,027
		74,349,258	71,521,412
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		128,557,888	126,016,153

The annexed notes form an integral part of these unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss

For the period ended
March 31, 2021

(Rupees in '000)

Note	Nine months period ended		Three months period ended	
	Mar 2021	Mar 2020	Mar 2021	Mar 2020
Gross turnover	150,145,868	192,100,330	49,984,275	66,407,250
Sales tax, discounts & other duties	(48,818,014)	(47,661,584)	(14,310,692)	(16,604,721)
Turnover - net	101,327,854	144,438,746	35,673,583	49,802,529
Cost of sales	(95,852,521)	(143,239,135)	(33,468,058)	(51,109,732)
Gross profit / (loss)	5,475,333	1,199,611	2,205,525	(1,307,203)
Administrative expenses	(746,983)	(728,924)	(262,456)	(261,953)
Selling and distribution expenses	(397,502)	(336,117)	(112,438)	(109,359)
Other expenses	(1,100,109)	(904,226)	(371,561)	(299,463)
Other income	810,502	1,011,507	297,616	316,909
	(1,434,092)	(957,760)	(448,839)	(353,866)
Operating profit / (loss)	4,041,241	241,851	1,756,686	(1,661,069)
Finance costs	(1,861,714)	(2,914,195)	(539,015)	(1,225,178)
Profit / (loss) before taxation	2,179,527	(2,672,344)	1,217,671	(2,886,247)
Taxation	-	-	-	-
Profit / (loss) after taxation	2,179,527	(2,672,344)	1,217,671	(2,886,247)
Earnings / (loss) per ordinary share - basic and diluted (Rs.)	0.41	(0.50)	0.23	(0.54)

The annexed notes form an integral part of these unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the period ended March 31, 2021

(Rupees in '000)

	Nine months period ended		Three months period ended	
	Mar 2021	Mar 2020	Mar 2021	Mar 2020
Profit / (loss) after taxation	2,179,527	(2,672,344)	1,217,671	(2,886,247)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	2,179,527	(2,672,344)	1,217,671	(2,886,247)

The annexed notes form an integral part of these unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity

For the period ended March 31, 2021

(Rupees in '000)

	Issued, subscribed and paid up capital	Capital Reserves			Revenue Reserve		Sub-total	Contribution against future issue of shares	Total
		Merger reserve	Other capital reserve	Revaluation surplus on property, plant & equipment	Accumulated Loss				
Balance as at 1 July 2019	53,298,847	(21,303,418)	3,214,209	3,693,051	(11,541,601)	27,361,088	857,140	28,218,228	
Total comprehensive income for the period									
Loss for the period	-	-	-	-	(2,672,344)	(2,672,344)	-	(2,672,344)	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(245,770)	245,770	-	-	-	
Balance as at Mar 31, 2020	53,298,847	(21,303,418)	3,214,209	3,447,281	(13,968,175)	24,688,744	857,140	25,545,884	
Balance as at 1 July 2020	53,298,847	(21,303,418)	3,214,209	3,641,342	(13,507,304)	25,343,676	857,140	26,200,816	
Total comprehensive income for the period									
Profit for the period	-	-	-	-	2,179,527	2,179,527	-	2,179,527	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(394,482)	394,482	-	-	-	
Balance as at Mar 31, 2021	53,298,847	(21,303,418)	3,214,209	3,246,860	(10,933,295)	27,523,203	857,140	28,380,343	

The annexed notes form an integral part of these unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

For the period ended March 31, 2021

(Rupees in '000)

	Mar 31, 2021	Mar 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	2,179,527	(2,672,344)
Adjustments for:		
Depreciation	2,915,285	2,750,347
Finance costs	1,861,714	2,914,195
Provision for impairment against doubtful debts	1,052,924	835,272
Loss/ (Gain) on disposal of assets	149	(2,388)
Interest income	(722,833)	(931,460)
Provision for gratuity	55,173	44,368
Net cash flow before working capital changes	7,341,939	2,937,990
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(57,915)	(309,184)
Stock in trade	(2,064,711)	7,147,235
Trade debts	(888,658)	(1,177,162)
Loans and advances	(79,366)	(118,694)
Trade deposits and short term prepayments	(204,696)	(6,954)
Other receivables	(48,295)	264,424
<i>Increase / (Decrease) in current liabilities</i>		
Advance from customers	133,155	2,034,387
Trade and other payables	12,280,759	1,407,757
	9,070,272	9,241,809
Cash generated from operations	16,412,211	12,179,799
Finance costs paid	(2,611,273)	(5,138,243)
Income Taxes paid	(78,372)	(190,469)
Gratuity paid	(80,000)	(58,833)
Interest income received	19,247	34,197
Net Cash generated from operations	13,661,814	6,826,451
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(3,315,034)	(2,426,320)
Sale Proceeds against disposal	66	2,388
Long term deposits - net	94,537	(71,907)
Net cash used in investing activities	(3,220,432)	(2,495,839)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	294,061	(1,977,666)
Payment of lease liabilities	(313,661)	(86,914)
Short term borrowing	(12,419,545)	(2,670,483)
Net cash (used in) financing activities	(12,439,145)	(4,735,063)
Net (decrease) in cash and cash equivalents	(1,997,763)	(404,451)
Cash and cash equivalents - opening	2,319,220	(132,436)
Cash and cash equivalents - closing	321,457	(536,887)
Cash and cash equivalents comprise of:		
Cash and bank balances	1,363,457	1,063,113
Running finance facility	(1,042,000)	(1,600,000)
	321,457	(536,887)

The annexed notes form an integral part of these unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended March 31, 2021

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 registered office of the company is situated at The Harbour Front, 9th Floor, Dolmen city, HC-3, Block 4, marine Drive, Clifton, Karachi - 75600, Pakistan. The Company is a subsidiary of Byco Industries Incorporated (BII), Mauritius (the Parent Company).
- 1.2 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 405 retail outlets across the country as at 31 Mar 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017 ; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020.
- 2.3 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.
- 2.4 These unconsolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 2.5 The comparative balance sheet presented in these unconsolidated condensed interim financial information has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2020.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2020 except as disclosed below:

New / Revised standards, amendments, interpretation and improvements

The Company has adopted the following accounting standards, amendments and interpretation of IFRSs and the improvements to accounting standards which became effective for the current period:

Standards, amendments and interpretation

IFRS 3 - Definition of a Business (Amendments)

IFRS 7, IFRS 9 & IAS 39 - Interest rate benchmark reforms (Amendments)

IAS 1/ IAS 8 - Definition of material (Amendments)

The adoption of the above standards, amendments, interpretation and improvements did not have any effect on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2020, except as disclosed otherwise.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Operating fixed assets		44,167,889	46,473,967
Capital work in progress - at cost		26,110,153	23,119,047
ROU asset		911,894	1,197,388
	5.1	71,189,936	70,790,402

- 5.1 During the period, the additions in property, plant and equipment amounted to Rs. 3,315.034 million (Mar 31, 2020: Rs. 2,426.320 million).

6 STOCK IN TRADE

(Rupees in '000)			
	Note	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Raw material	6.1 & 6.2	19,440,853	18,740,294
Finished products	6.3	5,502,750	4,138,598
		24,943,603	22,878,892

- 6.1 This includes raw material in transit amounting to Rs. 15,781.941 million (30 June 2020: Rs. 14,406.040 million) as at the balance sheet date.
- 6.2 Raw material has been written down by Rs. 47.371 million (30 June 2020: Rs. Nil) to net realisable value.
- 6.3 This includes finished products held by third parties amounting to Rs. 2,722.094 million (30 June 2020: Rs. 1,731.006 million).

7 TRADE DEBTS

- 7.1 During the period, provision was made against doubtful debts amounting to Rs. 1,052.924 million (Mar 31, 2020: Rs. 835.272 million).

8 OTHER RECEIVABLES - considered good

- 8.1 This includes Rs. 679.834 million and Rs. 1,212.560 million (30 June 2020: Rs. 725.816 million and Rs. 1,093.761 million) receivable from related party and Coastal Refinery Limited respectively.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 28 to the annual audited unconsolidated financial statements for the year ended 30 June 2020.

9.2 Commitments

The status for commitments is same as disclosed in unconsolidated financial statements for the year ended 30 June 2020 except for:

(Rupees in '000)		
	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Commitments for capital expenditure	3,388,697	731,625

10 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 period are as follows:

10.1 Transactions with related parties

(Rupees in '000)

	Jul - Mar 2021	Jul - Mar 2020
	(Unaudited)	
Parent Company:		
Markup charged	55,635	118,498
Subsidiary Company:		
Other expenses incurred	250	250
Product Processing charges	46,268	145,250
Associated companies:		
Purchase of operating fixed assets and services	41,326	44,523
Markup charged	3,045	–
Others		
Post employment benefit Funds	271,097	205,077
Salaries and other benefits	100,188	98,444

10.2 Balances with related parties

(Rupees in '000)

	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Parent Company		
Contribution against future issue of shares	857,140	857,140
Accrued markup	702,332	652,028
Loan payable	3,935,650	3,935,650
Subsidiary Company		
Receivable against expenses incurred	679,834	725,816
Associated Companies		
Advance against shared services	73,189	7,257
Payable against purchases	32,341	31,191
Accrued markup	3,045	–
Loan payable	250,000	–
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	93,143	144,785

11 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2020. There have been no changes in any risk management policies since the year end.

12 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst levels during the period.

13 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		Petroleum Marketing		Total	
	2021	2020	2021	2020	2021	2020
Sales to external customers	48,612,660	92,709,231	52,715,194	51,729,515	101,327,854	144,438,746
Inter-segment sales	50,748,007	44,819,864	–	–	50,748,007	44,819,864
Eliminations	(50,748,007)	(44,819,864)	–	–	(50,748,007)	(44,819,864)
Total revenue	48,612,660	92,709,231	52,715,194	51,729,515	101,327,854	144,438,746
Result						
Segment results - profit / (loss)	3,237,698	(578,999)	1,180,819	793,616	4,418,517	214,617
Finance costs					(1,861,714)	(2,914,195)
Other expenses					(1,100,109)	(904,226)
Interest income					722,833	931,460
Taxation					–	–
Profit / (loss) for the period					2,179,527	(2,672,344)
Other Information						
Depreciation	2,720,414	2,626,554	194,871	123,793	2,915,285	2,750,347

All non-current assets of the Company as at March 31, 2021 and 2020 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on **April 27th, 2021** by the Board of Directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer



CONSOLIDATED FINANCIAL STATEMENT



Consolidated Condensed Interim Statement of Financial Position

As at March
31, 2021

(Rupees in '000)

	Notes	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
NON CURRENT ASSETS			
Property, plant and equipment	5	83,591,555	83,857,480
Long term loans and advances		654,329	723,207
Long-term deposits		137,711	112,423
		84,383,596	84,693,110
CURRENT ASSETS			
Stores and spares		2,098,582	2,040,667
Stock-in-trade	6	24,943,603	22,878,892
Trade debts	7	4,859,584	4,356,855
Loans and advances		1,510,377	1,362,133
Trade deposits and short-term prepayments		227,173	22,477
Accrued interest		349,375	312,784
Other receivables	8	1,347,624	1,253,347
Taxation - net		1,119,980	1,029,489
Cash and bank balances		1,363,457	2,319,220
		37,819,756	35,575,864
TOTAL ASSETS		122,203,351	120,268,974
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		53,298,847	53,298,847
Reserves		(43,789,833)	(46,222,343)
Surplus on revaluation of Property, plant and equipment		9,996,008	10,754,216
		19,505,021	17,830,720
Contribution against future issue of shares		857,140	857,140
		20,362,161	18,687,860
NON CURRENT LIABILITIES			
Long term financing		14,242,020	15,891,534
Loan from related party		3,935,650	3,935,650
Accrued and deferred markup		5,948,296	6,525,172
Long term lease liabilities		978,624	1,200,043
Long-term deposits		240,000	120,175
Deferred liabilities		475,916	609,314
Deferred income - government grant		7,781	12,037
Deferred taxation		1,610,669	1,759,378
		27,438,957	30,053,303
CURRENT LIABILITIES			
Trade and other payables		52,964,245	41,092,243
Advance from customers		3,081,426	2,948,271
Accrued mark-up		450,594	893,415
Short term borrowings - secured		12,530,439	23,907,984
Current portion of non-current liabilities		5,341,050	2,662,236
Current portion of deferred income - government grant		33,454	22,635
Unclaimed dividend		1,027	1,027
		74,402,234	71,527,811
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		122,203,351	120,268,974

The annexed notes form an integral part of these consolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed interim Statement of Profit or Loss

For the period ended
March 31, 2021

(Rupees in '000)

	Nine months period ended		Three months period ended	
	Mar 2021	Mar 2020	Mar 2021	Mar 2020
Gross turnover	150,145,868	192,100,330	49,984,275	66,407,250
Sales tax, discount & other duties	(48,818,014)	(47,661,584)	(14,310,692)	(16,604,721)
Turnover - net	101,327,854	144,438,746	35,673,583	49,802,529
Cost of sales	(96,518,180)	(143,787,005)	(33,694,939)	(51,275,443)
Gross profit / (loss)	4,809,674	651,741	1,978,644	(1,472,914)
Administrative expenses	(746,983)	(728,924)	(262,456)	(261,954)
Selling and distribution expenses	(397,502)	(336,117)	(112,438)	(109,359)
Other expenses	(1,100,109)	(904,226)	(371,561)	(299,463)
Other income	810,252	1,011,257	297,533	316,825
	(1,434,342)	(958,010)	(448,922)	(353,951)
Operating profit / (loss)	3,375,332	(306,269)	1,529,722	(1,826,865)
Finance costs	(1,861,714)	(2,914,195)	(539,015)	(1,225,178)
Profit / (loss) before taxation	1,513,618	(3,220,464)	990,707	(3,052,043)
Taxation				
Current	-	-	-	-
Prior	12,119	47,263	12,119	-
Deferred	148,564	148,564	49,521	49,521
	160,683	195,827	61,640	49,521
Profit / (loss) after taxation	1,674,301	(3,024,637)	1,052,347	(3,002,522)
Earnings / (loss) per share - basic and diluted (Rupees)	0.31	(0.57)	0.20	(0.56)

The annexed notes form an integral part of these consolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Other Comprehensive Income

For the period ended March 31, 2021

(Rupees in '000)

	Nine months period ended		Three months period ended	
	Mar 2021	Mar 2020	Mar 2021	Mar 2020
Profit / (loss) after taxation	1,674,301	(3,024,637)	1,052,347	(3,002,522)
Other comprehensive income	-	-	-	-
Total comprehensive profit / (loss) for the period	1,674,301	(3,024,637)	1,052,347	(3,002,522)

The annexed notes form an integral part of these consolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity

For the period ended March 31, 2021

(Rupees in '000)

	Issued, subscribed and paid up capital	Capital Reserves			Revenue Reserve		Sub-total	Contribution against future issue of shares	Total
		Merger reserve	Other capital reserve	Revaluation surplus on property, plant & equipment	Accumulated Loss				
Balance as at 1 July 2019	53,298,847	(21,303,418)	3,214,209	11,290,891	(26,147,931)	20,352,598	857,141	21,209,739	
Total comprehensive income for the period									
Loss for the period	-	-	-	-	(3,024,637)	(3,024,637)	-	(3,024,637)	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(497,382)	497,382	-	-	-	
Balance as at Mar 31, 2020	53,298,847	(21,303,418)	3,214,209	10,793,509	(28,675,186)	17,327,961	857,141	18,185,102	
Balance as at 1 July 2020	53,298,847	(21,303,418)	3,214,209	10,754,216	(28,133,134)	17,830,720	857,140	18,687,860	
Total comprehensive income for the period									
Profit for the period	-	-	-	-	1,674,301	1,674,301	-	1,674,301	
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	-	-	-	(758,208)	758,208	-	-	-	
Balance as at Mar 31, 2021	53,298,847	(21,303,418)	3,214,209	9,996,008	(25,700,624)	19,505,021	857,140	20,362,161	

The annexed notes form an integral part of these consolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Consolidated Condensed Interim Cash Flow Statement

For the period ended March 31, 2021

(Rupees in '000)

	Mar 31, 2021	Mar 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	1,513,618	(3,220,464)
Adjustments for:		
Depreciation	3,580,933	3,413,092
Finance costs	1,861,714	2,914,195
Provision for impairment against doubtful debts	1,052,924	835,272
Loss / (Gain) on disposal of assets	149	(2,388)
Interest income	(722,833)	(931,460)
Provision for gratuity	55,173	44,368
Net cash flow before working capital changes	7,341,679	3,052,615
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(57,915)	(309,184)
Stock in trade	(2,064,711)	7,147,235
Trade debts	(888,658)	(1,177,162)
Loans and advances	(79,366)	(118,694)
Trade deposits and short term prepayments	(204,696)	(7,293)
Other receivables	(2,313)	440,087
<i>Increase / (Decrease) in current liabilities</i>		
Advance from customers	133,155	2,034,387
Trade and other payables	12,235,037	1,117,807
	9,070,532	9,127,183
Cash generated from operations	16,412,211	12,179,798
Finance costs paid	(2,611,273)	(5,138,242)
Income Taxes paid	(78,372)	(190,469)
Gratuity paid	(80,000)	(58,833)
Interest income received	19,247	34,197
Net cash generated from operating activities	13,661,813	6,826,451
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(3,315,034)	(2,426,320)
Sale Proceeds against disposal	66	2,388
Long term deposits - net	94,537	(71,907)
Net cash used in investing activities	(3,220,432)	(2,495,839)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	294,061	(1,977,666)
Payment of lease liabilities	(313,661)	(86,914)
Short term borrowing	(12,419,545)	(2,670,483)
Net cash used in financing activities	(12,439,145)	(4,735,063)
Net (decrease) in cash and cash equivalents	(1,997,763)	(404,451)
Cash and cash equivalents - opening	2,319,220	(132,436)
Cash and cash equivalents - closing	321,457	(536,887)
Cash and cash equivalents comprise of:		
Cash and bank balances	1,363,457	1,063,113
Running finance facility	(1,042,000)	(1,600,000)
	321,457	(536,887)

The annexed notes form an integral part of these consolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

For the period ended March 31, 2021

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 Limited. The registered office of the company is situated at The Harbour Front, 9th Floor, Dolmen city, HC-3, Block 4, marine Drive, Clifton, Karachi - 75600, Pakistan.

The Holding 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 405 retail outlets across the country as at 31 Mar 2021.

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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended June 30, 2020.

- 2.3 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.
- 2.4 These consolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 2.5 The comparative balance sheet presented in these consolidated condensed interim financial information has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2020.

3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Group's annual audited financial statements for the year ended June 30, 2020 except as disclosed below:

New / Revised standards, amendments, interpretation and improvements

The Group has adopted the following accounting standards, amendments and interpretation of IFRSs and the improvements to accounting standards which became effective for the current period:

Standards, amendments and interpretation

IFRS 3 - Definition of a Business (Amendments)

IFRS 7, IFRS 9 & IAS 39 - Interest rate benchmark reforms (Amendments)

IAS 1/ IAS 8 - Definition of material (Amendments)

The adoption of the above standards, amendments, interpretation and improvements did not have any effect on the accounting policies of the Group.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to the annual consolidated financial statements of the Group for the year ended 30 June 2020, except as disclosed otherwise.

5 PROPERTY, PLANT AND EQUIPMENT

(Rupees in '000)			
	Note	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Operating fixed assets		56,569,508	59,541,045
Capital work in progress - at cost		26,110,153	23,119,047
ROU asset		913,930	1,197,388
	5.1	83,593,591	83,857,480

- 5.1 During the period, the additions in property, plant and equipment amounted to Rs. 3,315.034 million (Mar 31, 2020:Rs. 2,426.320 million).

6 STOCK IN TRADE

(Rupees in '000)			
	Note	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Raw material	6.1 & 6.2	19,440,853	18,740,294
Finished products	6.3	5,502,750	4,138,598
		24,943,603	22,878,892

- 6.1 This includes raw material in transit amounting to Rs. 15,781.941 million (30 June 2020: Rs. 14,406.040 million) as at the balance sheet date.
- 6.2 Raw material has been written down by Rs. 47.371 million (30 June 2020: Rs. Nil) to net realisable value.
- 6.3 This includes finished products held by third parties amounting to Rs. 2,722.094 million (30 June 2020: Rs. 1,731.006 million).

7 TRADE DEBTS

- 7.1 During the period, provision was made against doubtful debts amounting to Rs. 1,052.924 million (Mar 31, 2020: Rs. 835.272 million).

8 OTHER RECEIVABLES - considered good

- 8.1 This includes Rs. 1,212.560 million (30 June 2020: Rs. 1,093.761 million) receivable from Coastal Refinery Limited.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material change in the status of contingencies from what is disclosed in note 26 to the annual audited consolidated financial statements for the year ended 30 June 2020.

9.2 Commitments

The status for commitments is same as disclosed in annual audited consolidated financial statements for the year ended 30 June 2020 except for:

	(Rupees in '000)	
	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Commitments for capital expenditure	3,388,697	777,693

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent Company, parent 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 period are as follows:

10.1 Transactions with related parties

	(Rupees in '000)	
	Jul - Mar 2021	Jul - Mar 2020
	(Unaudited)	
Parent Company:		
Markup charged	55,635	118,498
Associated companies:		
Purchase of operating fixed assets and services	41,326	44,523
Markup charged	3,045	-
Others		
Post employment benefit Funds	271,097	205,077
Key management personnel remuneration	100,188	98,444

10.2 Balances with related parties

	(Rupees in '000)	
	Mar 31, 2021 (Unaudited)	Jun 30, 2020 (Audited)
Parent Company		
Contribution against future issue of shares	857,140	857,140
Accrued markup	702,332	652,028
Loan payable	3,935,650	3,935,650
Associated Companies		
Advance against shared services	73,189	7,257
Payable against purchases	32,341	31,191
Accrued markup	3,045	-
Loan payable	250,000	-
Others		
Payable to key management person	68,508	68,508
Payable to post employment benefit funds	93,143	144,785

11 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group activities expose it to a variety of financial risks. These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020. There have been no changes in any risk management policies since the year end.

12 FAIR VALUE OF ASSETS AND LIABILITIES

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13 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		Petroleum Marketing		Total	
	2021	2020	2021	2020	2021	2020
Sales to external customers	48,612,660	92,709,230	52,715,194	51,729,515	101,327,854	144,438,745
Inter-segment sales	50,748,007	44,819,864	–	–	50,748,007	44,819,864
Eliminations	(50,748,007)	(44,819,864)	–	–	(50,748,007)	(44,819,864)
Total revenue	48,612,660	92,709,230	52,715,194	51,729,515	101,327,854	144,438,745
Result						
Segment results - profit / (loss)	2,571,789	(1,127,119)	1,180,819	793,616	3,752,608	(333,503)
Finance costs					(1,861,714)	(2,914,195)
Other expenses					(1,100,109)	(904,226)
Interest income					722,833	931,460
Taxation					160,683	195,827
Profit / (loss) for the period					1,674,301	(3,024,637)
Other Information						
Depreciation	3,386,062	3,289,299	194,871	123,793	3,580,933	3,413,092

All non-current assets of the Group as at March 31, 2021 and 2020 are located in Pakistan.

14 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on **April 27th, 2021** by the Board of Directors of the Group.

Chief Executive Officer

Director

Chief Financial Officer



www.byco.com.pk

Byco Petroleum Pakistan Limited

The Harbour Front, 9th Floor, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi 75600, Pakistan

Tel: (92 21) 111 222 081 Fax: (92 21) 111 888 081