



WHAT CAN BE IMAGINED, CAN BE REALIZED

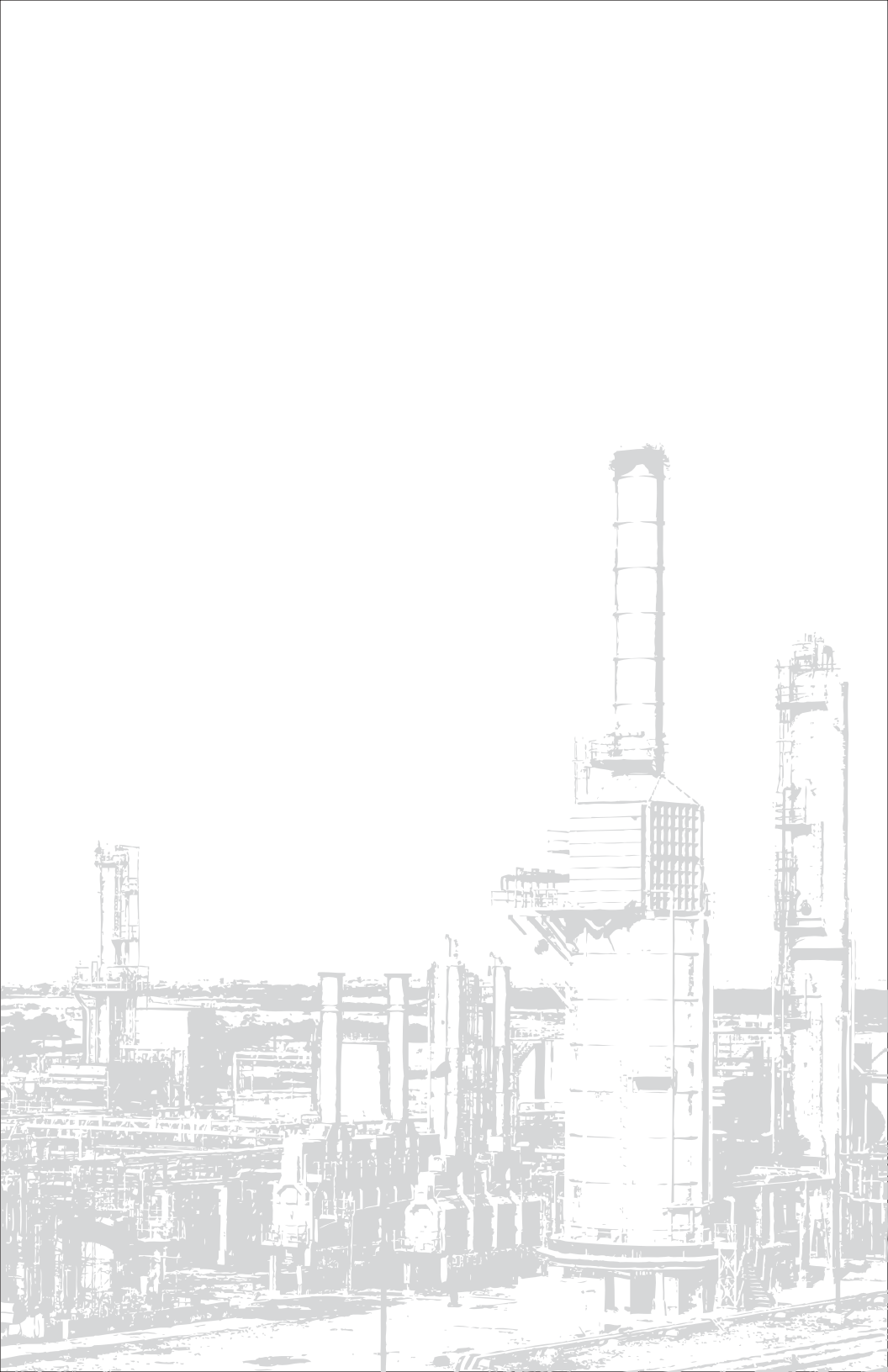


www.byco.com.pk

Byco Petroleum Pakistan Limited

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Company Information

Board of Directors

Hamid Imtiaz Hanfi
Chairman

Muhammad Raza Hasnani
Vice Chairman

Muhammad Mujtaba Jafarey
Chief Executive Officer

Ovais Mansoor Naqvi
Director

Philip Harris
Director

Diana Brush
Director

Richard Legrand
Director

Company Secretary

Shahana Ahmed Ali

Audit Committee

Philip Harris

Muhammad Raza Hasnani

Diana Brush

Strategy & Risk Management Committee

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Services & Stakeholders Committee

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Chief Financial Officer

Muhammad Imran Sheikh

Legal Counsel

Shahana Ahmed Ali

Auditors

Ernst & Young Ford Rhodes
Sidat Hyder
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank Plc, Pakistan
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Sindh Bank 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

9th Floor, The Harbour Front, Dolmen City, HC-3, Block4, Marine Drive, Karachi-75600, Clifton, Pakistan

Tel: (92 21) 111 222 081
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Website

www.byco.com.pk

Directors' Review

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 un-audited financial statements of your Company for the quarter ended September 30, 2014.

The current quarter witnessed significant drop in crude and product prices compared to the corresponding quarter where there was generally an increasing trend. Pak Rupee also remained under stress and 4% depreciation of Pak Rupee was recorded against US\$ during the three months period. As a result, the entire industry suffered huge losses on account of price reduction and exchange losses and your company is also a part of it though with a smaller quantum due to various measures undertaken by the Company to shield itself from the above fluctuations.

The Company was able to maintain the growth momentum it gained last year and achieved net sales of Rs. 25.9 billion which is 39% higher than the sales made in same period last year. With the increase in sales, cost of sales also increased but with a higher rate due to the factors mentioned above.

The Company earned gross profit of Rs. 543 million during the quarter ended September 30, 2014. With the growth in Company's business activities, selling & distribution expenses increased due to rise in transportation, storage and product handling charges. The Company suffered a net loss after tax of Rs. 439.9 million which is attributable entirely to the financial charges incurred on long term loans.

During the period, the refinery achieved throughput of 1.7 million barrels compared to 1.2 million barrels in corresponding period showing a growth of 42%. Further, during the period, the Company also operated Isomerization Unit so that its commercial operations can be started and we are pleased to inform that the unit successfully converted the Light Naphtha into Motor Gasoline.

Consumer Sales segment of our Petroleum Marketing Business has also been aggressively competing in the market by targeting key accounts including power sector, industrial consumers, transport sector etc. This business overall has shown significant growth in sales revenue and margins during the period under review.

The Board wishes to express appreciation and place on record its gratitude for the co-operation extended to your Company by 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 sustainable operations during these trying times.

For and on behalf of the Board of Directors

Chief Executive Officer



Karachi
January 19, 2015

Unconsolidated Condensed Interim Balance Sheet

As at September 30, 2014

	Notes	Unaudited Sep 30, 2014	Audited Jun 30, 2014
(Rupees in '000)			
NON CURRENT ASSETS			
Property, plant and equipment		14,666,130	14,928,448
Long term Investment - at cost		5,729,258	5,729,258
Long term deposits		5,813	7,314
		<u>20,401,201</u>	<u>20,665,020</u>
CURRENT ASSETS			
Stores and spares		201,479	204,300
Stock in trade	6	4,899,791	8,777,507
Trade debts - unsecured	7	7,313,872	10,244,919
Loans and advances - Considered good		1,869,951	742,706
Trade deposits, prepayments and other receivables		1,345,900	779,914
Markup accrued		519,960	435,052
Cash and bank balances		15,110	472,635
Non - current assets classified as held for sale	8	16,931,504	16,931,504
		<u>33,097,566</u>	<u>38,588,537</u>
		<u>53,498,767</u>	<u>59,253,557</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (June 2014:1,200,000,000) Ordinary shares of Rs.10/- each		12,000,000	12,000,000
Issued, subscribed and paid up capital		9,778,587	9,778,587
Accumulated losses		<u>(24,372,998)</u>	<u>(24,057,777)</u>
		<u>(14,594,410)</u>	<u>(14,279,190)</u>
Surplus on revaluation of Property, plant and equipment		19,205,988	19,330,709
NON CURRENT LIABILITIES			
Long term financing and accrued mark-up		14,749,634	14,528,673
Liabilities against assets subject to finance leases		2,433	4,948
Long term deposits		89,478	87,478
Deferred liabilities		<u>1,732,926</u>	<u>1,794,638</u>
		<u>16,574,470</u>	<u>16,415,737</u>
CURRENT LIABILITIES			
Trade and other payables		26,784,146	27,981,013
Accrued markup		423,770	416,985
Short term borrowings - secured		2,152,276	6,402,108
Current portion of non current liabilities		2,470,411	2,470,411
Provision for taxation		<u>482,115</u>	<u>515,784</u>
		<u>32,312,718</u>	<u>37,786,301</u>
Contingencies and Commitments	9	<u>53,498,767</u>	<u>59,253,557</u>

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



Chief Executive



Director

Unconsolidated Condensed Interim Profit and Loss Account

For the period ended September 30, 2014 (Unaudited)

	Jul-Sep 2014	Jul-Sep 2013
	(Rupees in '000)	
Gross sales	30,509,154	21,774,745
Sales tax, discount and others	(4,583,753)	(3,186,716)
Net sales	25,925,401	18,588,029
Cost of Sales	25,382,586	17,636,724
Gross profit	542,815	951,305
Administrative expenses	160,787	150,211
Selling and distribution expenses	610,253	251,959
	771,040	402,170
Operating (loss)/profit	(228,225)	549,135
Other charges	(213,433)	(121,882)
Other income	677,818	313,618
	236,160	740,871
Financial charges	(582,533)	(356,201)
Exchange differences - net	(13,164)	(723,603)
	(595,697)	(1,079,804)
Loss before taxation	(359,537)	(338,933)
Taxation		
- Current	(147,557)	(94,177)
- Deferred	67,157	347,826
	(80,400)	253,649
Net Loss after taxation	(439,937)	(85,284)
Loss per share - basic and diluted (Rupees)	(0.45)	(0.09)

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



Chief Executive



Director

**Unconsolidated Condensed Interim Statement of
Other Comprehensive Income**
For the period ended September 30, 2014 (Unaudited)

	Jul-Sep 2014	Jul-Sep 2013
	(Rupees in '000)	
Net loss after taxation	(439,937)	(85,284)
Other Comprehensive Income for the period	-	-
Total comprehensive loss for the period	<u>(439,937)</u>	<u>(85,284)</u>

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



Chief Executive


Director

Unconsolidated Condensed Interim Cash Flow Statement

For the period ended September 30, 2014 (Unaudited)

Jul-Sep
2014

Jul-Sep
2013

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / Profit before taxation	(359,537)	(338,933)
Adjustments for:		
Depreciation	313,123	145,877
Amortization	--	739
Financial and other charges	582,533	356,201
Provision for impairment against doubtful debts	91,937	42,904
Provision for gratuity	5,445	--
Net cash flow before working capital changes	633,501	206,788

Movement in working capital

(Increase) / decrease in current assets		
Stores and spares	2,821	653
Stock in trade	3,877,716	(7,660,806)
Trade debts - unsecured	2,839,110	(969,882)
Loans and advances - considered good	(1,127,245)	73,020
Trade deposits, prepayments and other receivables	(565,986)	360,377
Mark up accrued	(84,908)	16,242
Increase in current liabilities		
Trade and other payables	(1,196,869)	8,394,410
	3,744,640	214,015
Cash generated from operations	4,378,141	420,802

Payments for:

Financial charges	(307,114)	(796,400)
Income Taxes	(181,225)	(6,585)
Net cash from operating activities	3,889,801	(382,183)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(50,805)	(11,387)
Long term deposits - net	3,501	4,500
Net cash used in investing activities	(47,304)	(6,887)

CASH FLOW FROM FINANCING ACTIVITIES

Short term borrowings net	(4,249,832)	--
Liabilities against assets subject to finance lease - net	(50,188)	(10,815)
Net cash used in financing activities	(4,300,020)	(10,815)
Net increase / (decrease) in cash and cash equivalents	(457,524)	(399,885)
Cash and cash equivalents at beginning of period	472,635	560,465
Cash and cash equivalents at end of period	15,110	160,580

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



Chief Executive



Director

Unconsolidated Condensed Interim Statement of Changes In Equity

For the period ended September 30, 2014 (Unaudited)

	Issued, subscribed and paid up capital	Accumulated Loss	Total
(Rupees in '000)		
Balance as at 1 July 2013 - restated	9,778,587	(18,445,525)	(8,666,938)
Total comprehensive income for the period ended 30 September 2013			
Loss for the period ended 30 September 2013	--	(85,284)	(85,284)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	--	92,871	92,871
Balance as at September 30, 2013	<u>9,778,587</u>	<u>(18,437,938)</u>	<u>(8,659,351)</u>
Balance as at 1 July 2014	9,778,587	(24,057,779)	(14,279,192)
Total comprehensive loss for the period ended 30 September 2014			
Loss for the period ended 30 September 2014	--	(439,937)	(439,937)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	124,720	124,720
Balance as at 30 September 2014	<u><u>9,778,587</u></u>	<u><u>(24,372,997)</u></u>	<u><u>(14,594,410)</u></u>

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



Chief Executive



Director

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. 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. Byco Oil Pakistan Limited (Holding Company) holds 80.84% (30 June 2014: 80.84%) shares in the Company. The Holding Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (ultimate Parent Company). The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its crude Oil Refining Business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and now growing aggressively with 250 retail outlets across the country.

2. GOING CONCERN ASSUMPTION

During the period ended 30 Sep 2014, the Company incurred a net loss after tax of Rs. 440 million (2013: loss of Rs. 85 million) and as of that date its accumulated losses amounted to Rs. 24,373 million (2014: Rs. 24,058 million). The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The unconsolidated financial statements have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- The throughput of the refinery was 1.7 million barrels as compared to 1.2 million barrels representing an increase of 42% from same period last year.
- The Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as Shipping, Power & Energy. High margin aviation fuel export market has also been tapped through these arrangements. Further, during the period, PMB segment has increased their retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company.
- The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company. Further, the Competition Commission of Pakistan has also issued its opinion in favour of the Company in this respect.
- During the period, the Parent company carried out extended trial run of its entire plant in order to operate the refinery on sustainable basis. The operation of Parent Company's refinery would bring sustainable cost savings to the Company.
- The Company is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate.
- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that.
- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

The results of the above efforts, activities and actions are expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Company and mitigate the risks involved therefore, the preparation of unconsolidated financial statements on going concern assumption is justified.

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

3 BASIS OF PREPARATION

3.1 Statement of compliance

This unconsolidated condensed interim financial information of the Company for the three month period ended 30 September 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directive issued under the Companies Ordinance, 1984 have been followed.

3.2 This unconsolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2014.

3.3 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges vide section 245 of the Companies Ordinance, 1984.

3.4 This unconsolidated condensed interim financial information 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.

3.5 The comparative balance sheet presented in these unconsolidated condensed interim financial information as at 30 June 2014 has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2014.

4 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these unconsolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2014.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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.

Judgments and estimates made by the management in the preparation of this unconsolidated condensed interim financial information are the same as those that were applied to the unconsolidated financial statements as at and for the year ended 30 June 2014. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2014.

Sep 30, 2014 June 30, 2014
(Rupees in '000)

6. STOCK IN TRADE

Raw material - Crude Oil
Finished products

6.1

1,009,944	2,485,043
3,889,846	6,292,464
<u>4,899,790</u>	<u>8,777,507</u>

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

6.1 Finished products having cost of 3,959.059 million have been written down by Rs. 69.213 million to net realizable value.

7. TRADE DEBTS - unsecured

7.1 This mainly includes Rs. 3,308.502 million (30 June 2014: Rs. 3,970.961 million) due from Pakistan State Oil Company Limited (PSO) and Rs. 2,092.705 (30 June 2014: Rs. 2,461.632 million) due from K - Electric Limited against supplies of products.

7.2 During the period provision was made against doubtful debts amounting to Rs. 91.937 million.

8. NON-CURRENT ASSET HELD FOR SALE

This represents Isomerization unit (ISOM). The ISOM converts and upgrades light naphtha into environmental friendly motor gasoline.

The Board of Directors in their meeting held on 21 May 2014, proposed to sell Isomerization unit having carrying value of Rs. 16,931.504 million based on an independent valuation to Byco somerization Pakistan (Private) Limited (BIPL), (a wholly owned subsidiary) which shall be paid in the form of ordinary shares of BIPL. An Extra Ordinary General Meeting seeking approval of the shareholders was held on 16 June 2014.

9. Contingencies

The status for contingencies is same as disclosed in unconsolidated financial statements for the year ended 30 June 2014.

	July-Sep 2014	July-Sep 2013
	Amount in Rs. '000	
10. TRANSACTION WITH RELATED PARTIES		
Parent companies:		
Land lease rentals	13,234	12,031
Shared expenses	70,271	62,718
Purchase of goods and services	16,586,328	1,021,768
Markup charged	192,903	--
Sale of goods and services	131,944	184,584
Subsidiary Company:		
Purchase of services	88,894	94,155
Land lease rentals	756	756
Markup income	12,888	23,508
Sale of goods and services	61,701	--
Expenses paid on behalf of the company	238	--
Associated companies:		
Purchase of equipments and services	28	419
Services received	--	172,982
Markup on loan	--	43,927
Markup on income	72,204	78,346
Sales of goods and services	3,585,556	1,870,738
Staff provident fund		
Payment of employees and Company's contribution	6,609	11,256
Key Management Personnel		
Salaries and benefits payment	69,548	63,225

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

11. 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 businesses. 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:

	Oil Refining		Petroleum Marketing		Total	
	Jul - Sep		Jul - Sep		Jul - Sep	
	2014	2013	2014	2013	2014	2013
	----- (Rupees in '000) -----					
Net Sales to external customers	12,102,871	10,486,362	13,822,530	8,101,667	25,925,401	18,588,029
Inter-segment sales	12,404,745	3,953,387			12,404,745	3,953,387
Eliminations	(12,404,745)	(3,953,387)			(12,404,745)	(3,953,387)
Total revenue	12,102,871	10,486,362	13,822,530	8,101,667	25,925,401	18,588,029
Result						
Segment results - (loss) / profit	(174,911)	(203,240)	407,389	131,318	232,478	(71,922)
Interest expense					(582,533)	(356,200)
Other charges					(213,433)	(121,882)
Interest income					203,951	211,071
Taxation					(80,400)	253,649
Loss for the period					(439,937)	(85,284)
Other Information						
Depreciation and amortization	292,986	124,414	20,137	22,202	313,123	146,616

12. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Consolidated profit & Loss account		
Administrative expenses	Selling and distribution expenses	37,396

13. DATE OF AUTHORIZATION FOR ISSUE

The unconsolidated condensed interim financial information was authorised for issue on January 19, 2015 by the Board of Directors of the Company.



Chief Executive



Director

**Consolidated Condensed
Interim Financial
Statement**

Consolidated Condensed Interim Balance Sheet

As at September 30, 2014

	Notes	Unaudited Sep 30, 2014	Audited Jun 30, 2014
(Rupees in '000)			
NON CURRENT ASSETS			
Property, plant and equipment		38,119,134	38,998,130
Intangible asset		23,746	23,746
Long term receivable - considered good		830,000	830,000
Long term deposits		27,077	28,579
		<u>38,999,957</u>	<u>39,880,455</u>
CURRENT ASSETS			
Stores and spares		201,479	204,298
Stock in trade	6	4,899,791	8,777,507
Trade debts	7	6,540,589	9,596,672
Loans and advances - Considered good		1,977,651	1,014,543
Trade deposits, prepayments and other receivables		1,538,490	818,363
Mark-up accrued		378,013	305,993
Cash and bank balances		86,452	473,535
		<u>15,622,464</u>	<u>21,190,911</u>
		<u>54,622,421</u>	<u>61,071,366</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (June 2014:1,200,000,000) Ordinary shares of Rs.10/- each		<u>12,000,000</u>	<u>12,000,000</u>
Issued, subscribed and paid up capital		9,778,587	9,778,587
Accumulated losses		<u>(27,317,456)</u>	<u>(26,873,272)</u>
		<u>(17,538,869)</u>	<u>(17,094,685)</u>
Surplus on revaluation of Property, plant and equipment		14,487,760	15,091,908
NON CURRENT LIABILITIES			
Long term financing and accrued mark-up		14,749,634	14,528,673
Liabilities against assets subject to finance leases		2,433	4,948
Long term deposits		89,478	87,478
Deferred liabilities		<u>6,558,338</u>	<u>6,878,205</u>
		<u>21,399,883</u>	<u>21,499,304</u>
CURRENT LIABILITIES			
Trade and other payables		27,564,523	28,754,247
Accrued mark-up		784,559	758,013
Short term borrowings - secured		4,619,776	8,723,108
Current portion of non current liabilities		2,814,729	2,815,742
Provision for taxation		490,060	523,729
		<u>36,273,647</u>	<u>41,574,839</u>
Contingencies and Commitments	8	<u>54,622,421</u>	<u>61,071,366</u>

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



Chief Executive



Director

Consolidated Condensed Interim Profit and Loss Account

For the period ended September 30, 2014 (Unaudited)

	Jul-Sep 2014	Jul-Sep 2013
	(Rupees in '000)	
Gross sales	30,397,692	21,566,491
Sales tax, discount and others	(4,303,331)	(3,053,118)
Net sales	26,094,361	18,513,373
Cost of Sales	25,612,853	17,578,738
Gross profit	481,508	934,635
Operating expenses		
Administrative expenses	184,291	156,361
Selling and distribution expenses	610,253	251,959
	794,544	408,320
Operating (loss)/profit	(313,036)	526,315
Other charges	(213,433)	(121,882)
Other income	664,173	290,865
	137,704	695,298
Financial and other charges		
Financial charges	(652,634)	356,345
Exchange differences - net	(15,992)	723,631
	(668,626)	1,079,976
Loss before taxation	(530,922)	(384,678)
Taxation		
Current	(150,345)	(93,982)
Deferred	67,157	346,810
	(83,188)	252,828
Net Loss after taxation	(614,110)	(131,850)
Loss per share - basic and diluted (Rupees)	(0.63)	(0.13)

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



Chief Executive



Director

**Consolidated Condensed Interim Statement of
Other Comprehensive Income**
For the period ended September 30, 2014 (Unaudited)

	Jul-Sep 2014	Jul-Sep 2013
	(Rupees in '000)	
Net loss after taxation	(614,110)	(131,850)
Other Comprehensive Income for the period	-	-
Total comprehensive loss for the period	(614,110)	(131,850)

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



Chief Executive


Director

Consolidated Condensed Interim Cash Flow Statement

For the period ended September 30, 2014 (Unaudited)

Jul-Sep
2014

Jul-Sep
2013

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(530,922)	(384,678)
Adjustments for:		
Depreciation	626,506	181,712
Amortization	--	739
Financial and other charges	652,634	356,174
Provision for impairment against doubtful debts	91,937	42,904
Provision for gratuity	5,445	--
Net cash flow before working capital changes	845,599	196,851

Movement in working capital

(Increase) / decrease in current assets

Stores and spares	2,819	653
Stock in trade	3,877,716	(7,660,806)
Trade debts - unsecured	2,964,146	(969,882)
Loans and advances - considered good	(963,108)	73,020
Trade deposits, prepayments and other receivables	(720,127)	360,377
Mark up accrued	(72,020)	29,280

Increase in current liabilities

Trade and other payables	(1,322,444)	8,563,207
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3,766,983 395,850

Cash generated from operations

4,612,582 592,700

Payments for:

Financial charges	(437,434)	(796,373)
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Income Taxes	(184,014)	(6,780)
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Net cash from operating activities

3,991,134 (210,453)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(228,196)	(178,532)
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Long term deposits - net	3,502	4,500
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Net cash used in investing activities

(224,695) (174,032)

CASH FLOW FROM FINANCING ACTIVITIES

Short term borrowings net	(4,103,332)	--
---------------------------	-------------	----

Liabilities against assets subject to finance lease - net	(50,188)	(11,310)
---	----------	----------

Net cash used in financing activities

(4,153,521) (11,310)

Net increase / (decrease) in cash and cash equivalents

(387,082) (395,795)

Cash and cash equivalents at beginning of period

473,535 561,940

Cash and cash equivalents at end of period

86,452 166,145

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



Chief Executive



Director

Consolidated Condensed Interim Statement of Changes In Equity

For the period ended September 30, 2014 (Unaudited)

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	(Rupees in '000)		
Balance as at 1 July 2013 - restated	9,778,587	(23,580,883)	(13,802,296)
Total comprehensive income for the period ended 30 September 2013			
Loss for the period ended 30 September 2013	--	(131,850)	(131,850)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	--	18,669	18,669
Balance as at September 30, 2013	<u>9,778,587</u>	<u>(23,694,064)</u>	<u>(13,915,477)</u>
Balance as at 1 July 2014	9,778,587	(26,873,272)	(17,094,685)
Total comprehensive loss for the period ended 30 September 2014			
Loss for the period ended 30 September 2014	--	(614,110)	(614,110)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	169,927	169,927
Balance as at 30 September 2014	<u><u>9,778,587</u></u>	<u><u>(27,317,455)</u></u>	<u><u>(17,538,868)</u></u>

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



Chief Executive



Director

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Company)

The Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. 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. Byco Oil Pakistan Limited (the Parent Company) holds 80.84% (30 June 2014: 80.84%) shares in the Company. The Parent Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (the Ultimate Parent Company). The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its crude oil refining business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and now growing aggressively with 250 retail outlets across the country.

Subsidiary Companies

i) Byco Terminals Pakistan Limited (BTPL)

BTPL was incorporated in Pakistan as a Private Limited Company on 14 June 2002 under the Companies Ordinance, 1984. BTPL has been converted from Private Limited Company to Public Limited Company on 24 May 2010. The registered office of BTPL is situated at 9th Floor, Harbour Front Tower, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi. BTPL is principally engaged in the provision of bulk storage services of petroleum products.

BTPL developed an offshore jetty (Single Point Mooring) along with the pipelines for facilitating movement of petroleum products. The "Buoy" which is an integral part of SPM facility is owned by Coastal Refinery Limited with whom BTPL is in agreement regarding its operation at agreed terms.

BTPL is a wholly owned subsidiary of the Company by virtue of share purchase agreement dated 17 February 2010.

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

BIPL was incorporated in Pakistan as a private limited company on 14 May 2014 under the Companies Ordinance, 1984. The registered office of BIPL is proposed to be situated in Islamabad Capital Territory. BIPL will principally be engaged in blending, refining and processing of petroleum naphta to produce petroleum products such as premium motor gasoline.

BIPL is a wholly owned subsidiary of the Company. Furthermore, the Company intends to sell Isomerization plant to BIPL against issuance of shares.

2. GOING CONCERN ASSUMPTION

During the period ended 30 Sep 2014, the Company incurred a net loss after tax of Rs. 614 million (2013: loss of Rs. 132 million) and as of that date its accumulated losses amounted to Rs. 27,317 million (2014: Rs. 26,873 million). The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The consolidated financial statements have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- The throughput of the refinery was 1.7 million barrels as compared to 1.2 million barrels representing an increase of 42% from same period last year.

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

- The Company has competitive edge over other refineries in Pakistan due to its Isomerisation unit. The Isomerisation unit will convert light Naphtha into Motor Spirit which is a value addition and would increase the profitability margin of the Company. Furthermore, this conversion of light Naphtha would reduce the export of Naphtha. As a result it would bring substantial savings on account of transportation cost, in-transit losses, reduction in handling charges and storage cost and increased future profitability of the Company and increase the sale of Motor Spirit in local market.
- The Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as Shipping, Power & Energy. High margin aviation fuel export market has also been tapped through these arrangements. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company.
- The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company.
- During the period, the Parent company carried out extended trial run of its entire plant in order to operate the refinery on sustainable basis. The operation of Parent Company's refinery would bring sustainable cost savings to the Company.
- The Group is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate.
- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that.
- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

The results of the above efforts, activities and actions are expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Company and mitigate the risks involved therefore, the preparation of consolidated financial statements on going concern assumption is justified.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This consolidated condensed interim financial information of the Company for the three month period ended 30 September 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directive issued under the Companies Ordinance, 1984 have been followed.

- 3.2 This consolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2014.
- 3.3 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges vide section 245 of the Companies Ordinance, 1984.
- 3.4 This consolidated condensed interim financial information 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.
- 3.5 The comparative balance sheet presented in these consolidated condensed interim financial information as at 30 June 2014 has been extracted from the consolidated audited financial statements of the Company for the year ended 30 June 2014.

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

4 ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in the preparation of these consolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2014.

Amendments to certain existing standards and new interpretations on approved accounting standard effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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.

Judgments and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the consolidated

financial statements as at and for the year ended 30 June 2014. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2014.

Sep 30, 2014 June 30, 2014
(Rupees in '000)

6. STOCK IN TRADE

Raw material - Crude Oil
Finished products

1,009,944	2,485,043
<u>3,889,846</u>	<u>6,292,464</u>
<u>4,899,790</u>	<u>8,777,507</u>

- 6.1 Finished products having cost of 3,959.059 million have been written down by Rs. 69.213 million to net realizable value.

7. TRADE DEBTS

- 7.1 This mainly includes Rs. 3,308.502 million (30 June 2014: Rs. 3,970.961 million) due from Pakistan State Oil Company Limited (PSO) and Rs. 2,092.705 (30 June 2014: Rs. 2,461.632 million) due from K - Electric Limited against supplies of products.

- 7.2 During the period provision was made against doubtful debts amounting to Rs. 91.937 million.

8. Contingencies

The status for contingencies is same as disclosed in consolidated financial statements for the year ended 30 June 2014.

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

July-Sep
2014 July-Sep
2013
Amount in Rs. '000

9. TRANSACTION WITH RELATED PARTIES

Parent companies:

Land lease rentals	13,234	12,031
Shared expenses	70,271	62,718
Purchase of goods and services	16,586,328	1,021,768
Markup charged	192,903	--
Sale of goods and services	326,593	184,584
Markup on Loan Recievable	13,530	--
Gratuity expenses allocated	12,823	--

Associated companies:

Purchase of equipments and services	6,479	173,401
Markup on income	72,204	78,346
Sales of goods and services	3,585,556	1,870,738
Receipt of short term loan	146,500	--
Services rendered	18,808	--

Staff provident fund

Payment of employees and Company's contribution	8,435	11,256
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Key Management Personnel

Salaries and benefits payment	83,458	75,870
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10. OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of business activities i.e. oil refining business, petroleum marketing businesses and petroleum storage services. 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. BTPL is engaged in provision of bulk petroleum storage services of petroleum products. The quantitative data for segments is given below:

	2014				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	----- (Rupees in '000) -----				
Revenue					
Net sales to external customers	12,102,871	13,801,600	189,890	-	26,094,361
Inter-segment transfer	12,404,745	20,931	88,894	(12,514,570)	-
Total revenue	<u>24,507,616</u>	<u>13,822,531</u>	<u>278,784</u>	<u>(12,514,570)</u>	<u>26,094,361</u>
Result					
Segment results - (loss) / profit	(123,200)	386,458	(116,348)	-	146,910
Other charges					(213,433)
Interest expense					(668,626)
Interest income					204,227
Taxation					(83,188)
Loss for the year					<u>(614,110)</u>
Other Information					
Depreciation and amortization	<u>504,630</u>	<u>20,137</u>	<u>101,739</u>	<u>--</u>	<u>626,506</u>

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2014 (Unaudited)

			2013		
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	----- (Rupees in '000) -----				
Revenue					
Net Sales to external customers	10,486,362	8,027,011	-	-	18,513,373
Inter-segment transfer	3,953,387	-	19,500	(3,972,887)	-
Total revenue	<u>14,439,749</u>	<u>8,027,011</u>	<u>19,500</u>	<u>(3,972,887)</u>	<u>18,513,373</u>
Result					
Segment results - (loss) / profit	(325,122)	131,318	(22,819)	-	(216,624)
Interest expense					(356,345)
Interest income					188,292
Taxation					252,828
Loss for the year					<u>(131,849)</u>
Other Information					
Depreciation and amortization	<u>124,414</u>	<u>22,202</u>	<u>35,836</u>	<u>-</u>	<u>182,452</u>

11. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Consolidated profit & Loss account		
Administrative expenses	Selling and distribution expenses	37,396

12. DATE OF AUTHORIZATION FOR ISSUE

The consolidated condensed interim financial information was authorised for issue on January 19, 2015 by the Board of Directors of the Company.



Chief Executive



Director