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Byco Petroleum Pakistan Limited

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

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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

Javed Akbar
Director

Company Secretary

Shahana Ahmed Ali

Audit Committee

Philip Harris

Muhammad Raza Hasnani

Diana Brush

Strategy & Risk Management Committee of the Board

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Services & Stakeholders Committee of the Board

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Chief Financial Officer

Muhammad Imran Shaikh

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
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
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
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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
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Website

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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, 2015.

The free fall of oil prices, which started last year, persisted in current quarter as well. The current quarter witnessed 27% reduction in crude and product prices compared to a 12% reduction recorded in the corresponding quarter. Pak Rupee also remained under stress and 3% depreciation of Pak Rupee was recorded against US\$ during the three months period.

In order to have a minimum exposure against the above fluctuations, several steps were taken including operating the refinery at less than full throughput, focusing more on selling through the marketing arm of the Company, pursuing growth in high margin products etc. and as a result, the Company earned gross profit of Rs. 780 million during the quarter ended September 30, 2015. It is pertinent to mention that despite the oil sector challenges, your Company was able to increase sales volume by 28%, however, this increase in sales volume was offset by the declining oil prices.

Administrative and selling expenses remained within budget

with the exception of advertisement cost which has increased due to the recent brand development activity undertaken by the Company. The Company suffered a net loss after tax of Rs. 425 million which is attributable entirely to the financial charges on long term loans and exchange losses due to depreciation of Pak Rupee.

The management remains committed to maintain a relentless focus on improving the financial performance of your Company and the Board wishes to express appreciation and place on record its gratitude for the co-operation extended 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
October 29th, 2015

**Unconsolidated Condensed
Interim Financial
Statement**

Unconsolidated Condensed Interim Balance Sheet

As at September 30, 2015

	Notes	Sep 30, 2015 Unaudited	Jun 30, 2015 Audited
(Rupees in '000)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	13,470,183	13,715,845
Long term Investment - at cost		5,729,258	5,729,258
Long-term advance		16,931,504	16,931,504
Long-term deposits		10,078	9,803
		<u>36,141,023</u>	<u>36,386,410</u>
CURRENT ASSETS			
Stores and spares		272,602	279,196
Stock in trade	7	4,946,858	4,859,615
Trade debts	8	6,859,601	9,349,396
Loans and advances	9	1,713,749	1,497,310
Trade deposits and short-term prepayments		25,493	23,188
Other receivables		2,065,643	1,796,713
Accrued interest		573,878	572,610
Cash and bank balances		813,094	687,576
		<u>17,270,918</u>	<u>19,065,604</u>
Total assets		<u><u>53,411,941</u></u>	<u><u>55,452,014</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,200,000,000 (June 2015:1,200,000,000) Ordinary shares of Rs.10/- each		<u>12,000,000</u>	<u>12,000,000</u>
Share capital		9,778,587	9,778,587
Accumulated losses		<u>(10,115,396)</u>	<u>(9,807,784)</u>
		<u>(336,809)</u>	<u>(29,197)</u>
Surplus on revaluation of Property, plant and equipment		5,100,245	5,217,476
NON CURRENT LIABILITIES			
Long term financing and deferred mark-up		12,628,312	12,224,800
Liabilities against assets subject to finance lease		-	1,730
Long-term deposits		110,478	108,978
Deferred liabilities		<u>787,667</u>	<u>1,036,268</u>
		<u>13,526,457</u>	<u>13,371,776</u>
CURRENT LIABILITIES			
Trade and other payables		30,295,185	31,553,626
Accrued mark-up		194,410	183,727
Short term borrowings - secured		293,249	737,609
Current portion of non-current liabilities		3,595,297	3,729,000
Liabilities against assets subject to finance lease		6,248	4,970
Taxation - net		<u>737,659</u>	<u>683,027</u>
		<u>35,122,048</u>	<u>36,891,959</u>
Contingencies and Commitments	10		
Total equity and liabilities		<u><u>53,411,941</u></u>	<u><u>55,452,014</u></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, 2015 (Unaudited)

	Jul-Sep 2015	Jul-Sep 2014
	(Rupees in '000)	
Gross sales	21,174,001	30,509,154
Sales tax, discount and others	(4,238,979)	(4,583,753)
Net Sales	16,935,022	25,925,401
Cost of Sales	(16,155,369)	(25,205,586)
Gross profit	779,653	719,815
Administrative expenses	(144,586)	(155,594)
Selling and distribution expenses	(589,591)	(615,446)
Other expenses	(187,470)	(213,433)
Other income	170,978	677,818
	(750,670)	(306,655)
Operating profit	28,983	413,160
Finance charges	(484,166)	(582,533)
Exchange loss	(118,664)	(190,164)
	(602,830)	(772,697)
Profit / (Loss) before taxation	(573,847)	(359,537)
Taxation		
Current	(100,382)	(147,557)
Deferred	249,387	67,157
	149,005	(80,400)
Profit / (Loss) after taxation	(424,842)	(439,937)
Earning / (Loss) per share - basic and diluted (Rupees)	(0.43)	(0.45)

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, 2015 (Unaudited)

	Jul-Sep 2015	Jul-Sep 2014
	(Rupees in '000)	
Profit / (Loss) after taxation	(424,842)	(439,937)
Other comprehensive income	-	-
Total comprehensive Income / (Loss) for the period	(424,842)	(439,937)

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, 2015 (Unaudited)

	Jul-Sep 2015	Jul-Sep 2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(573,847)	(359,537)
Adjustments for:		
Depreciation	279,302	313,123
Financial and other charges	602,830	772,697
Provision for impairment against doubtful debts	87,113	91,937
Gain on disposal of assets	(70)	--
Interest income	(129,432)	(203,951)
Provision for gratuity	4,512	5,445
Net cash flow before working capital changes	270,408	619,714
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	6,594	2,821
Stock in trade	(87,243)	3,877,716
Trade debts - unsecured	2,502,740	2,961,316
Loans and advances - considered good	(216,439)	(1,127,245)
Trade deposits and short term prepayments	(2,305)	(809)
Other receivables	(268,930)	(565,177)
Mark up accrued	(1,894)	(33,163)
Increase / (Decrease) in current liabilities	(1,424,290)	(1,387,033)
Trade and other payables	508,233	3,728,427
Cash generated from operations	778,641	4,348,141
Financial charges paid	(26,513)	(307,114)
Income Taxes paid	(45,749)	(181,225)
Interest income received	30,000	30,000
Net cash from operating activities	736,379	3,889,801
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(33,920)	(50,805)
Proceeds from disposal of vehicles	350	--
Long term deposits - net	1,225	3,501
Net cash used in investing activities	(32,345)	(47,304)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan	(133,703)	--
Long term deposits	--	--
Short term borrowings net	(444,360)	(4,249,832)
Liabilities against assets subject to finance lease - net	(452)	(50,188)
Net cash used in financing activities	(578,515)	(4,300,020)
Net increase / (decrease) in cash and cash equivalents	125,519	(457,524)
Cash and cash equivalents - opening	687,576	472,635
Cash and cash equivalents at - closing	813,094	15,110

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, 2015 (Unaudited)

	Issued, subscribed and paid up capital	Accumulated Loss	Total
(Rupees in '000)		
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	--	(439,937)	(439,937)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net of tax	--	124,720	124,720
Balance as at September 30, 2014	<u>9,778,587</u>	<u>(24,372,997)</u>	<u>(14,594,410)</u>
Balance as at 1 July 2015	9,778,587	(9,807,784)	(29,197)
Total comprehensive income for the period			
Loss for the period	--	(424,842)	(424,842)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	--	117,231	117,231
Balance as at 30 September 2015	<u>9,778,587</u>	<u>(10,115,396)</u>	<u>(336,809)</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, 2015 (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 2015: 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 has 263 retail outlets across the country.

2. GOING CONCERN ASSUMPTION

As at 30 September 2015, the Company's accumulated losses amounted to Rs. 10,115.396 million (30 June 2015: Rs. 9,807.784 million). Moreover, current liabilities of the Company exceeded current assets by Rs. 17,851.130 million.

The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. These unconsolidated financials 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 sales volume of the company increased by 28% showing improvement in the Company's performance as compared to 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 commenced its operations which 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;
- The Parent Company is contemplating a restructuring plan of the Group Companies which would bring efficiencies in the operations as stated earlier;
- 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.

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

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.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This unconsolidated condensed interim financial information of the Company for the period ended 30 September 2015 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 2015.

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 2015 has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2015.

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 2015.

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 2015. 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 2015.

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

Sep 30, 2015 June 30, 2015
 (Rupees in '000)

6	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	6.1 & 6.2	13,382,637	13,662,219
	Capital work in progress - at cost		87,546	53,626
			<u>13,470,183</u>	<u>13,715,845</u>
6.1	During the period, the additions in property, plant and equipment amounted to Rs. 33.920 million.			
6.2	During the period assets having net book value of Rs. 0.28 million were disposed for Rs. 0.35 million.			
			Sep 30, 2015	June 30, 2015
			(Rupees in '000)	
7	STOCK IN TRADE			
	Raw material - Crude Oil	7.1	687,089	682,874
	Finished products	7.2 & 7.3	4,259,769	4,176,741
			<u>4,946,858</u>	<u>4,859,615</u>
7.1	Stocks of raw material includes stock held by the subsidiary company amounting to Rs. 641.399 million (June 2015: Rs. 210.687 million).			
7.2	Finished products having cost of 472.383 million (June 2015: 3,026.379 million) have been written down by Rs. 112.005 million (June 2015: 156.625 million) to net realizable value.			
7.3	Stock of finished products includes stock held by third parties amounting to Rs. 2,249.958 million (June 2015: Rs. 1,992.633 million) and stock held by related parties amounting to Rs. 681.931 million (June 2015: Rs. 956.45 million).			
8	TRADE DEBTS - unsecured			
8.1	This mainly includes Rs. 3,412.517 million (30 June 2015: Rs. 4,476.158 million) due from Pakistan State Oil Company Limited (PSO) and Rs. 501.370 million (30 June 2015: Rs. 1,364.484 million) due from K - Electric Limited against supplies of products.			
8.2	During the period provision was made against doubtful debts amounting to Rs. 87.113 million.			
9	LOANS AND ADVANCES - unsecured, considered good			
9.1	This mainly includes Rs. 1,385.848 million (30 June 2015: Rs. 1,214.983 million) advance given to BTPL against future services.			
10	Contingencies			
	The status for contingencies is same as disclosed in unconsolidated financial statements for the year ended 30 June 2015.			

Notes to the the Unconsolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

	July-Sep 2015	July-Sep 2014
	Amount in Rs. '000	
11 TRANSACTION WITH RELATED PARTIES		
Parent companies:		
Land lease rentals	13,234	13,234
Shared expenses	80,032	70,271
Purchase of goods and services	13,677,689	16,586,328
Markup charged	--	192,903
Sale of goods and services	1,069,826	131,944
Subsidiary Companies:		
Purchase of services	98,828	88,894
Land lease rentals	756	756
Markup income	12,078	12,888
Sale of goods and services	41,761	61,701
Associated companies:		
Purchase of equipments and services	--	28
Markup on income	17,296	72,204
Sales of goods and services	424,730	3,585,556
Staff provident fund		
Payment of employees and Company's contribution	7,641	6,609
Key Management Personnel		
Salaries and benefits payment	60,821	69,548

12 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	
	2015	2014	2015	2014	2015	2014
	(Rupees in '000)					
Net Sales to external customers	9,098,872	12,102,871	7,836,149	13,822,530	16,935,022	25,925,401
Inter-segment sales	6,544,520	12,404,745	--	--	6,544,520	12,404,745
Eliminations	(6,544,520)	(12,404,745)	--	--	(6,544,520)	(12,404,745)
Total revenue	9,098,872	12,102,871	7,836,149	13,822,530	16,935,022	25,925,401
Result						
Segment results - (loss) / profit	(140,452)	15,253	227,473	407,389	87,021	422,642
Finance costs					(602,830)	(772,697)
Other expenses					(187,470)	(213,433)
Interest income					129,432	203,951
Taxation					149,005	(80,400)
Profit / (Loss) for the period					(424,842)	(439,937)
Other Information						
Depreciation	256,334	292,986	22,968	20,137	279,302	313,123

Notes to the the Unconsolidated Condensed Interim Financial Information
For the period ended September 30, 2015 (Unaudited)

13. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Unconsolidated Condensed Interim Profit and Loss Account		
Administrative expenses	Selling and distribution expenses	5,193
Cost of Sales	Exchange loss	177,000

14. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on October 29, 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, 2015

	Notes	Unaudited Sep 30, 2015	Audited Jun 30, 2015
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	37,465,457	37,972,932
Intangible asset		23,746	23,746
Long term Loans and Advances		1,668,412	1,638,411
Long term deposits		31,031	31,068
		<u>39,188,647</u>	<u>39,666,157</u>
CURRENT ASSETS			
Stores and spares		272,602	279,196
Stock in trade	7	4,946,858	4,859,615
Trade debts	8	6,390,907	8,690,271
Loans and advances		732,572	683,429
Trade deposits and short-term prepayments		44,233	44,198
Other receivables		2,437,256	2,177,164
Accrued interest		444,576	435,888
Cash and bank balances		819,153	692,425
		<u>16,088,156</u>	<u>17,862,186</u>
Total assets		<u>55,276,803</u>	<u>57,528,343</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 1,200,000,000 (June 2015:1,200,000,000) Ordinary shares of Rs.10/- each		<u>12,000,000</u>	<u>12,000,000</u>
Share capital		9,778,587	9,778,587
Accumulated losses		<u>(27,300,420)</u>	<u>(26,839,084)</u>
		<u>(17,521,833)</u>	<u>(17,060,497)</u>
Surplus on revaluation of Property, plant and equipment		14,243,228	14,474,151
NON CURRENT LIABILITIES			
Long term financing and deferred mark-up		13,336,723	12,933,211
Liabilities against assets subject to finance lease		-	1,730
Long-term deposits		110,478	108,978
Deferred liabilities		<u>5,736,905</u>	<u>6,045,570</u>
		<u>19,184,106</u>	<u>19,089,489</u>
CURRENT LIABILITIES			
Trade and other payables		31,438,168	32,500,561
Accrued mark-up		568,579	661,046
Short term borrowings		2,840,552	3,264,912
Current portion of non current liabilities		3,766,355	3,900,058
Liabilities against assets subject to finance lease		6,248	4,970
Taxation - net		<u>751,401</u>	<u>693,653</u>
		<u>39,371,302</u>	<u>41,025,200</u>
Contingencies and Commitments	9	<u>55,276,803</u>	<u>57,528,343</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, 2015 (Unaudited)

	Jul-Sep 2015	Jul-Sep 2014
	(Rupees in '000)	
Gross sales	21,349,894	30,397,692
Sales tax, discount and others	(4,240,723)	(4,303,331)
Net sales	17,109,171	26,094,361
Cost of Sales	(16,565,416)	(25,435,853)
Gross profit	543,755	658,508
Administrative expenses	(177,741)	(179,098)
Selling and distribution expenses	(589,591)	(615,446)
Other expenses	(187,470)	(213,433)
Other income	175,641	664,173
	(779,162)	(343,804)
Operating profit	(235,407)	314,704
Financial charges	(545,111)	(652,634)
Exchange loss	(118,664)	(192,992)
	(663,775)	(845,626)
Profit / (Loss) before taxation	(899,182)	(530,922)
Taxation		
Current	(102,230)	(150,345)
Deferred	309,154	67,157
	206,924	(83,188)
Profit / (Loss) after taxation	(692,258)	(614,110)
Earning / (Loss) per share - basic and diluted (Rupees)	(0.71)	(0.63)

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, 2015 (Unaudited)

	Jul-Sep 2015	Jul-Sep 2014
	(Rupees in '000)	
Profit / (Loss) after taxation	(692,258)	(614,110)
Other Comprehensive Income for the period	-	-
Total comprehensive Income / (Loss) for the period	<u>(692,258)</u>	<u>(614,110)</u>

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, 2015 (Unaudited)

	Jul-Sep 2015	Jul-Sep 2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(899,182)	(530,922)
Adjustments for:		
Depreciation	593,477	626,506
Finance costs	663,775	845,626
Provision for impairment against doubtful debts	87,113	91,937
Gain on disposal of assets	(140)	--
Interest income	(129,432)	(204,227)
Provision for gratuity	5,484	5,445
Net cash flow before working capital changes	321,095	834,365
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	6,594	2,819
Stock in trade	(87,243)	3,877,716
Trade debts	2,024,986	3,086,628
Loans and advances	(49,143)	(963,108)
Trade deposits and short-term prepayments	(35)	(809)
Other receivables	(260,092)	(719,318)
Mark up accrued	(9,314)	(20,275)
Increase / (decrease) in current liabilities		
Trade and other payables	(947,307)	(1,515,436)
	678,446	3,748,217
Cash generated from operations	999,542	4,582,582
Financial charges paid	(184,223)	(437,434)
Income Taxes paid	(45,749)	(184,014)
Interest income received	30,000	30,000
Net cash from operating activities	799,570	3,991,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(86,724)	(228,196)
Advance against investment in Shares	(30,000)	--
Proceeds from disposal of vehicles	861	--
Long term deposits - net	1,536	3,502
Net cash used in investing activities	(114,327)	(224,694)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	(133,703)	--
Short term borrowings net	(424,360)	(4,103,335)
Liabilities against assets subject to finance lease - net	(452)	(50,188)
Net cash used in financing activities	(558,515)	(4,153,523)
Net increase / (decrease) in cash and cash equivalents	126,728	(387,083)
Cash and cash equivalents at beginning	692,425	473,535
Cash and cash equivalents at end	819,153	86,452

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, 2015 (Unaudited)

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	(Rupees in '000)		
Balance as at 1 July 2014	9,778,587	(26,873,272)	(17,094,685)
Total comprehensive income for the period ended 30 Sep 2014			
Income / (Loss) for the period ended 30 Sep 2014	--	(614,110)	(614,110)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	--	169,927	169,927
Balance as at Sep 30, 2014	9,778,587	(27,317,455)	(17,538,868)
Balance as at 1 July 2015	9,778,587	(26,839,084)	(17,060,497)
Total comprehensive income for the period ended 30 Sep 2015			
Income / (Loss) for the period ended 30 Sep 2015	--	(692,258)	(692,258)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	230,917	230,917
Balance as at September 30, 2015	9,778,587	(27,300,420)	(17,521,833)

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, 2015 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Company)

The Holding 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 2015: 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 Holding 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 has 263 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 Holding 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 and it is a wholly owned subsidiary of the company. The registered office of BIPL is situated in Islamabad Capital Territory. BIPL is principally engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

2. GOING CONCERN ASSUMPTION

During the period ended 30 Sep 2015, the Group incurred a net loss after tax of Rs. 692 million (Sep 2014: Rs. 614 million) and as of that date its accumulated losses amounted to Rs. 27,300 million (2014: Rs. 26,839 million). As at 30 Sep 2015, current liabilities of the Group exceeded its current assets by Rs. 23,283 million. The conditions indicate existence of material uncertainty which may cast significant doubt about the Group'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:

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

- The sales volume of the company increased by 28% showing improvement in the Company's performance as compared to same period last year.
- The Holding 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 Group. Further, the Competition Commission of Pakistan has also issued its opinion in favour of the Holding Company in this respect.
- During the period, the Parent company commenced its operations which 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 Group 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 Group 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 Group for the period ended 30 September 2015 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 2015.

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 Group's functional currency and all financial information presented has been rounded off to the nearest thousand.

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

3.5 The comparative balance sheet presented in these consolidated condensed interim financial information as at 30 June 2015 has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2015.

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 Group for the year ended 30 June 2015.

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

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 2015. The Group'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 2015.

Sep 30, 2015 June 30, 2015
(Rupees in '000)

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1 & 6.2	36,500,664	37,189,732
Capital work in progress - at cost		964,793	783,200
		<u>37,465,457</u>	<u>37,972,932</u>

6.1 During the period, the additions in property, plant and equipment amounted to Rs. 86.724 million.

6.2 During the period assets having net book value of Rs. 0.72 million were disposed for Rs. 0.86 million.

Sep 30, 2015 June 30, 2015
(Rupees in '000)

7 STOCK IN TRADE

Raw material - Crude Oil		687,089	682,874
Finished products	7.1 & 7.2	4,259,769	4,176,741
		<u>4,946,858</u>	<u>4,859,615</u>

7.1 Finished products having cost of 472.383 million (June 2015: 3,026.379 million) have been written down by Rs. 112.005 million (June 2015: 156.625 million) to net realizable value.

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

- 7.2 Stock of finished products includes stock held by third parties amounting to Rs. 2,249.958 million (June 2015: Rs. 1,992.633 million) and stock held by related parties amounting to Rs. 646.760 million (June 2015: NIL).

8 TRADE DEBTS - unsecured

- 8.1 This mainly includes Rs. 3,412.517 million (30 June 2015: Rs. 4,476.158 million) due from Pakistan State Oil Company Limited (PSO) and Rs. 501.370 million (30 June 2015: Rs. 1,364.484 million) due from K - Electric Limited against supplies of products.

- 8.2 During the period provision was made against doubtful debts amounting to Rs. 87.113 million.

9 Contingencies

The status for contingencies is same as disclosed in consolidated financial statements for the year ended 30 June 2015.

	July-Sep 2015	July-Sep 2014
	Amount in Rs. '000	
10 TRANSACTION WITH RELATED PARTIES		
Parent company:		
Land lease rentals	13,234	13,234
Shared expenses	101,705	70,271
Purchase of goods and services	13,677,689	16,586,328
Markup charged	2,114	179,373
Sale of goods and services	1,272,148	326,593
Associated companies:		
Purchase of equipments and services	7,811	6,479
Markup on income	17,296	72,204
Sales of goods and services	430,252	3,604,364
Staff provident fund		
Payment of employees and Company's contribution	9,231	8,435
Key Management Personnel		
Salaries and benefits payment	72,555	83,458

Notes to the the Consolidated Condensed Interim Financial Information

For the period ended September 30, 2015 (Unaudited)

11. 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:

	2015				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	----- (Rupees in '000) -----				
Revenue					
Net sales to external customers	9,107,081	7,794,388	207,701	-	17,109,171
Inter-segment transfer	6,552,729	41,761	98,828	(6,693,318)	-
Total revenue	<u>15,659,811</u>	<u>7,836,149</u>	<u>306,529</u>	<u>(6,693,318)</u>	<u>17,109,171</u>
Result					
Segment results - (loss) / profit	(375,676)	227,473	(29,166)	-	(177,369)
Finance costs					(663,775)
Other expense					(187,470)
Interest income					129,432
Taxation					206,924
Loss for the year					<u>(692,258)</u>
Other Information					
Depreciation	<u>469,113</u>	<u>22,968</u>	<u>101,396</u>	<u>--</u>	<u>593,477</u>

	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	53,800	386,458	(116,348)	-	323,910
Finance Costs					(845,626)
Other expenses					(213,433)
Interest income					204,227
Taxation					(83,188)
Loss for the period					<u>(614,110)</u>
Other Information					
Depreciation	<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, 2015 (Unaudited)

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	5,193
Cost of Sales	Exchange loss	177,000

13. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on October 29, 2015 by the Board of Directors of the Company.



Chief Executive



Director

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