

## FUELLING A NATION



By the Way...



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**Byco Petroleum Pakistan Limited**  
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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

Mujtaba Jafarey  
Chief Executive Officer

Ovais Mansoor Naqvi  
Director

Adnan Siddiqui  
Director

Philip Harris  
Director

Diana Brush  
Director

Richard Legrand  
Director

## Audit Committee of the Board

Philip Harris

Muhammad Raza Hasnani

Diana Brush

## Strategy and Risk Management Committee of the Board

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

## Services and Stakeholders Committee of the Board

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

## Chief Financial Officer

Noman Yousuf

## Group Head Legal & Company Secretary

Shahana Ahmed Ali

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Bardays 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  
United Bank Limited

## Shares Registrar

FAMCO Associates (Pvt) Limited  
8-F, Next to Hotel Faran  
Nursery, Block - 6 P.E.C.H.S.  
Shahra-e-Faisal Karachi

Tel: (92 21) 3438 0101  
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## Registered Office

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

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

## Website

[www.byco.com.pk](http://www.byco.com.pk)

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## Directors' Review

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

The Board of Directors of the Company presents their report together with the condensed interim unaudited financial statements for the half year ended 31 December, 2013.

The six months period had been very challenging for the oil sector particularly due to fluctuations in international prices of products and crude oil resulting in negative refinery margins. The adverse movement in Pak Rupee and US Dollar parity further aggravated the situation as a result of which exchange loss of Rs. 742 million was incurred during the period, compared to just Rs. 173 million in corresponding period last year.

Despite the above challenges, we are pleased to report that your Company achieved net sales of Rs. 40.9 billion which is 53% higher than the sales made in corresponding period last year. Due to improved sales and logistics management and improved marketing business, the Company earned a gross profit of Rs. 424 million as compared to Rs. 301 million in corresponding period registering an increase of 41%. As a result, the Company was able to meet the conditions laid out in its debt restructuring agreement and a principal repayment of PKR 800 million was made subsequent to the end of the period.

With significant growth in Company's business activities, administrative and selling & distribution expenses increased due to rise in transportation, storage and product handling charges and other costs. The Company suffered a net loss after tax of Rs. 2,215 million

which is attributable primarily to exchange losses and financial charges incurred during the period.

The Petroleum Marketing Business of your company continued to increase its foot print in Pakistan. During the period under review the company was able to commission 8 more retail outlets, bringing the total number of stations to 239.

The Company has been investing on improvement of its logistics and supply infrastructure and will now start reaping the benefits out of it. With the completion of the Group's related mega projects, be significant value addition has started flowing to the Company. The management will ensure that this momentum is maintained whilst at the same time focusing on operational excellence, cost management and bottom-line growth.

In conclusion, the Board of Directors would like to express their gratitude for the cooperation extended to the Company by our valued customers, financial institutions, shareholders and employees for their continued support, confidence and trust in the Company.

For and on behalf of the Board of Directors



Chief Executive Officer  
Karachi

Dated: June 30, 2014

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# Independent Auditor's Report to the Members on Review of Unconsolidated Condensed Interim Financial Information

## Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **Byco Petroleum Pakistan Limited** ("the Company") as at 31 December 2013 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial information.

## Emphasis of matter

We draw attention to note 2 to the interim financial information which indicates that the Company has incurred net loss after taxation of Rs. 2,215.410 million during the six months period ended 31 December 2013, and as of that date, its accumulated losses amounted to Rs. 20,495.683 million resulting in negative equity of Rs. 10,717.096 million; as at 31 December 2013 total liabilities exceeded the total assets by Rs. 5,626.091 million and current liabilities exceeded the current assets by Rs. 11,893.923 million. These conditions, along with other matters as set forth in note 2, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. However, interim financial information has been prepared on going concern basis based on mitigating factors as more fully explained in note 2 to the interim financial information. Our conclusion is not qualified in respect of this matter.

## Other matters

The figures for the three months period ended 31 December 2013, in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: June 30, 2014

Karachi

*KPMG Taseer Hadi & Co.*  
KPMG Taseer Hadi & Co.  
Chartered Accountants  
Mazhar Saleem

# Unconsolidated Condensed Interim Balance Sheet

As at 31 December 2013

	Notes	(Un-audited) 31 December 2013	(Audited) 30 June 2013 (Restated)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	17,180,162	17,624,944
Intangible asset		1,479	2,957
Long term investment - at cost		5,729,258	5,729,258
Long term deposits		10,883	13,571
		<u>22,921,782</u>	<u>23,370,730</u>
<b>CURRENT ASSETS</b>			
Stores and spares		171,321	163,318
Stock in trade	8	12,021,444	5,703,512
Trade debts - unsecured	9	10,529,220	12,123,545
Loans and advances - considered good		847,697	502,135
Trade deposits, prepayments and other receivables		572,109	1,203,129
Mark-up accrued		381,205	281,126
Cash and bank balances		1,418,647	560,465
		<u>25,941,643</u>	<u>20,537,230</u>
		<u>48,863,425</u>	<u>43,907,960</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
1,200,000,000 (June 2013: 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>(20,495,683)</u>	<u>(18,445,525)</u>
		(10,717,096)	(8,666,938)
Surplus on revaluation of property, plant and equipment		5,091,005	5,256,257
<b>NON CURRENT LIABILITIES</b>			
Long term financing and accrued mark-up	10	15,090,611	15,468,815
Liabilities against assets subject to finance leases		12,744	31,913
Long term deposits		77,278	62,707
Deferred liabilities	11	1,473,317	2,284,865
		<u>16,653,950</u>	<u>17,848,300</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	28,735,487	20,176,268
Accrued mark-up		328,804	463,709
Short term borrowings - secured		5,663,713	6,800,000
Current portion of non-current liabilities		2,853,121	1,636,118
Provision for taxation		254,441	394,246
		<u>37,835,566</u>	<u>29,470,341</u>
Contingencies and commitments	13	48,863,425	43,907,960

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive



Director

# Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the six-month period ending 31 December 2013

	Notes	Six-month period ending		Three-month period ending	
		31 December 2013	31 December 2012 (Restated)	31 December 2013	31 December 2012 (Restated)
Gross sales		49,027,722	32,082,413	27,252,977	18,609,628
Sales tax, discount and others		(8,085,369)	(5,385,192)	(4,898,653)	(3,059,014)
Net sales		40,942,353	26,697,221	22,354,324	15,550,614
Cost of sales	14	40,518,657	26,396,574	22,881,933	15,478,202
Gross profit / (loss)		423,696	300,647	(527,609)	72,412
Operating expenses					
Administrative expenses		424,874	316,472	237,267	171,022
Selling and distribution expenses		372,255	258,514	157,692	203,782
		797,129	574,986	394,959	374,804
		(373,433)	(274,339)	(922,568)	(302,392)
Other charges	15	(973,076)	(91,000)	(851,194)	(91,000)
Other income					
Gain on derecognition of financial liability	6.1	-	2,678,675	-	2,678,675
Others		527,529	485,455	213,911	168,624
		527,529	3,164,130	213,911	2,847,299
		(818,980)	2,798,791	(1,559,851)	2,453,907
Financial and other charges					
Financial charges		1,244,946	1,336,877	888,745	695,449
Exchange differences - net		742,532	173,309	18,929	163,666
		1,987,478	1,510,186	907,674	859,115
(Loss) / income before taxation		(2,806,458)	1,288,605	(2,467,525)	1,594,792
Taxation					
Current	16	221,059	142,915	126,882	83,587
Deferred		(812,107)	(100,008)	(464,281)	(50,000)
		(591,048)	42,907	(337,399)	33,587
Net (loss) / profit after taxation		(2,215,410)	1,245,698	(2,130,126)	1,561,205
(Loss) / earning per share - basic and diluted (Rupees)		(2.27)	1.27	(2.18)	1.60

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive



Director



## Unconsolidated Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the six-month period ending 31 December 2013

	<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
	----- Rupees in '000 -----			
Net (loss) / profit after taxation	(2,215,410)	1,245,698	(2,130,126)	1,561,205
Other comprehensive income for the period				
Re-measurements: Actuarial loss on obligation - note 4.1.1	-	(3,703)	-	(1,852)
Total comprehensive (loss) / income for the period	<u>(2,215,410)</u>	<u>1,241,995</u>	<u>(2,130,126)</u>	<u>1,559,353</u>

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive



Director

# Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the six-month period ending 31 December 2013

	Six-month period ending	
	31 December 2013	31 December 2012 (Restated)
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,806,458)	1,288,605
Adjustments for:		
Depreciation	495,098	527,251
Amortization	1,478	1,479
Financial and other charges	1,244,946	1,336,877
Provision for gratuity	8,570	7,593
Gain on disposal of assets	(103)	(3,859)
Gain on derecognition of financial liability	-	(2,678,675)
Provision for impairment against doubtful debts	226,749	-
Net cash flow before working capital changes	(829,720)	479,271
<b>Movement in working capital</b>		
(Increase) / decrease in current assets		
Stores and spares	(8,003)	12,350
Stock in trade	(6,317,932)	(10,994,173)
Trade debts - unsecured	1,367,576	(549,827)
Mark-up accrued	(100,079)	(53,304)
Loans and advances - considered good	(345,562)	(216,736)
Trade deposits, prepayments and other receivables	296,786	(1,975)
Increase in current liabilities		
Trade and other payables	8,559,219	12,458,266
	3,452,005	654,601
<b>Cash generated from operations</b>	2,622,285	1,133,872
<b>Payments for:</b>		
Financial charges	(530,555)	(573,957)
Income taxes	(26,630)	(28,159)
Gratuity	(8,012)	(1,074)
Net cash from operating activities	2,057,088	530,682
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(50,758)	(176,748)
Proceeds from disposal of vehicles	546	10,695
Long term deposits - net	17,259	6,816
Net cash used in investing activities	(32,953)	(159,237)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan	-	(70,000)
Short term borrowings net	(1,136,287)	-
Liabilities against assets subject to finance lease - net	(29,666)	(31,769)
Net cash used in financing activities	(1,165,953)	(101,769)
Net increase in cash and cash equivalents	858,182	269,676
Cash and cash equivalents at beginning of period	560,465	202,228
Cash and cash equivalents at end of period	1,418,647	471,904

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive



Director

# Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the six-month period ending 31 December 2013

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	----- (Rupees in '000) -----		
Balance as at 1 July 2012 as previously reported	9,778,587	(16,501,819)	(6,723,232)
Effect of change in accounting policy - note 4.1.1	-	(3,848)	(3,848)
Balance as at 1 July 2012 - restated	9,778,587	(16,505,667)	(6,727,080)
Total comprehensive income for the period			
Net profit for the period - (Restated)	-	1,245,698	1,245,698
Other comprehensive income for the period - (Restated)	-	(3,703)	(3,703)
	-	1,241,995	1,241,995
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	185,730	185,730
Balance as at 31 December 2012 - (Restated)	9,778,587	(15,077,942)	(5,299,355)
Balance as at 1 July 2013 as previously reported	9,778,587	(21,078,274)	(11,299,687)
Effect of change in accounting policy - note 4.1.1	-	(6,419)	(6,419)
Effect of restatement - note 6.1	-	2,639,168	2,639,168
Balance as at 1 July 2013 - (Restated)	9,778,587	(18,445,525)	(8,666,938)
Total comprehensive income for the period			
Net loss for the period	-	(2,215,410)	(2,215,410)
Other comprehensive income for the period	-	-	-
	-	(2,215,410)	(2,215,410)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	165,252	165,252
Balance as at 31 December 2013	9,778,587	(20,495,683)	(10,717,096)

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive



Director

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 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 2013: 82.27%) 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 239 retail outlets across the country.

### 2. GOING CONCERN ASSUMPTION

During the period ended 31 December 2013, the Company incurred a net loss after taxation of Rs.2,215.410 million (31 December 2012: net profit after taxation of Rs. 1,245.698 million) and as of that date its accumulated losses amounted to Rs. 20,495.683 million (30 June 2013: Rs. 18,445.525 million). As at 31 December 2013, total liabilities exceeded total assets by Rs.5,626.091 million (30 June 2013: 3,410.681 million) and current liabilities of the Company exceeded its current assets by Rs. 11,893.923 million (30 June 2013: Rs. 8,933.111 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 condensed interim financial information 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 Company successfully negotiated with their lenders to restructure majority of their loans and accrued mark-up thereof amounting in aggregate to Rs. 19,233 million payable to Syndicate banks into long term loans. The restructuring will reduce the Company's future mark-up cost due to reduction of 100 basis points and deferment in repayment will ensure smooth operations of the Company and lower the burden on working capital lines. Further, till date, the company has paid the due installments (as per the agreed repayment schedule) from its own internal generated funds.
- The Company is in the final stages of completing its Isomerisation unit and has completed all the pre-requisites of starting up of the 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. 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. Once notified by Oil and Gas Regulatory Authority (OGRA).

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

- The Parent company intends to carry 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 by taking advantage of synergies and economies of scale.
- 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 condensed interim financial information on going concern assumption is accordingly justified.

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

This unconsolidated condensed interim financial information of the Company for the six month period ended 31 December 2013 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 2013.
- 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. The figures for the six months period ended 31 December 2013 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.
- 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 2013 has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2013, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statements for the six months period ended 31 December 2012 have been subjected to a review but not audited.

### 4. ACCOUNTING POLICIES

- 4.1 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 2013 except as below:

IAS 19 (revised) 'Employee Benefits' amends the accounting for employment benefits which became effective to the Company from 1 July 2013. The changes introduced by the IAS 19 (revised) are as follows:

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

- (a) The standard requires past service cost to be recognised immediately in profit or loss;
- (b) The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year;
- (c) There is new term "remeasurement". This is made up of actuarial gains and losses, the differences between actual investment returns and return implied by the net interest cost; and
- (d) The amendment requires an entity to recognise remeasurements immediately in other comprehensive income. Actuarial gains or losses beyond corridor limits were previously amortised over the expected future services of the employees.

The management believes that the effects of these changes would not have significant effect on these condensed interim unconsolidated financial statements except for the change referred to in (d) above that has been accounted for retrospectively in accordance with International Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", resulting in restatement of financial statements of prior periods.

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence the effect on the condensed interim unconsolidated comprehensive income statement for the current period is not quantifiable.

### 4.1.1 The effect of the change in accounting policy on the current and prior period financial statements have been summarized below:

	(Audited)	
	30 June 2013	30 June 2012
	(Rupees in '000)	
<b>Impact on Balance Sheet</b>		
Increase in employees retirement benefits	6,419	3,848
Increase in accumulated losses	6,419	3,848
		31 December 2012
		(Un-audited)
		(Rupees in '000)
<b>Impact on Balance Sheet</b>		
Increase in employees retirement benefits		1,285
Increase in accumulated losses		1,285
		Six-month period ending 31 December 2012
		(Un-audited)
		(Rupees in '000)
<b>Impact on Profit and Loss Account</b>		
Decrease in cost of sales		967
Decrease in administrative expenses		1,451
<b>Impact on Other Comprehensive Income</b>		
Re-measurements: Actuarial loss on obligation		3,703
Decrease in loss per share		0.004

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 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 2013. 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 2013.

### 6. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

- 6.1 During the period, the Company has restated its prior period financial statements in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to account for derecognition of financial liability as described below:

As at 31 December 2012, the terms and conditions of Company's principal payable and mark-up accrued as at that date were substantially modified by the commercial banks as disclosed in more detail in note 16 to the unconsolidated financial statements for the year ended 30 June 2013. Therefore, the financial liability has been derecognised and a new liability has been recognised in accordance with International Accounting Standard 39 'Financial Instruments : Recognition and Measurement '. Accordingly, following adjustments and restatements have been made in the unconsolidated condensed interim financial information for the six months period ended 31 December 2013:

	Amounts previously reported	Adjustment	Restated amounts
------(Rupees in '000)-----			
<b>Balance Sheet item</b>			
<b>As at 30 June 2013</b>			
Long term financing and accrued mark-up	19,233,286	(2,639,168)	16,594,118
Accumulated losses	(21,078,274)	2,639,168	(18,439,106)
<b>Profit and Loss Account</b>			
<b>For the six months period ended 31 December 2012</b>			
Other income	485,455	2,678,675	3,164,130
(Loss) / earning per share (Rupees)	(1.47)	2.74	1.27

During the current period, due to the above adjustment, financial charges have increased by Rs 91.077 million, accumulated losses and long term financing and accrued mark-up have decreased by Rs 2,548.091 million (30 June 2013: Rs. 2639.168 million). Loss per share has increased by Rs 0.093.

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

		(Un-audited) 31 December 2013	(Audited) 30 June 2013
		(Rupees in '000)	
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - at cost less accumulated depreciation and impairment	7.1 & 7.2	12,504,739	12,999,453
Capital work in progress - at cost	7.3	4,675,423	4,625,491
		<u>17,180,162</u>	<u>17,624,944</u>

- 7.1 During the period, the additions in property, plant and equipment amounted to Rs. 0.826 million relating to computer and allied equipments (31 December 2012: Rs. 19.099 million) .
- 7.2 During the period assets having net book value of Rs. 0.443 million (31 December 2012: Rs. 6.836 million) were disposed for Rs. 0.546 million (31 December 2012: Rs. 10.695 million).
- 7.3 The additions in Capital work in progress during the period are as under:

	Six-month period ending	
	31 December 2013	31 December 2012
	(Un-audited)	
	(Rupees in '000)	
Plant and machinery	35,589	3,393
Filing stations	6,680	-
Computer and allied equipments	1,283	-
Safety and lab equipments	2,238	-
Civil and mechanical works	4,681	164,474
	<u>50,471</u>	<u>167,867</u>

		(Un-audited) 31 December 2013	(Audited) 30 June 2013
		(Rupees in '000)	

## 8. STOCK IN TRADE

Raw material - Crude Oil	8.1 & 8.2	7,216,242	1,743,210
Finished products	8.3 & 8.4	4,805,202	3,960,302
		<u>12,021,444</u>	<u>5,703,512</u>

- 8.1 Raw material having cost of Rs. 7,317.753 million have been written down by Rs. 101.511 million to net realizable value.
- 8.2 Stocks of raw material includes stock held by the subsidiary company amounting to Rs. 6,535 million (30 June 2013: Rs. 1,088.164 million).
- 8.3 Finished products having cost of Rs. 5,152.336 million (30 June 2013: Rs. 3,892.474 million) have been written down by Rs. 347.134 million (30 June 2013: Rs. 44.573 million) to net realizable value.
- 8.4 Stock of finished products includes stock held by third parties amounting to Rs. 1,660.18 million (30 June 2013: Rs. 128.095 million) and stock held by related parties amounting to Rs. 33 million (30 June 2013: Rs. 646.053 million).



## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 9. TRADE DEBTS - unsecured

- 9.1 This includes Rs. 3,285.545 million (30 June 2013: Rs. 6,677.564 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and on account of mark-up on delayed payments. The Company had entered into a "sale and purchase of product" agreement with PSO on 5 April 2002 for a period of 10 years. The said agreement mentions that in the event of late payment of invoices by PSO, the Company would be entitled to recover mark-up from PSO for the period of delay on daily compounding basis at one percent above normal lending rate of commercial banks, being the lending rates applicable for short term running finance of Company or PSO whichever is lower. The mark up on delayed payments relates only to purchases made by PSO under agreement dated 02 April 2002, which expired on 02 April 2012. Subsequent to the expiry of the agreement all purchases made by PSO do not carry any mark up on delayed payment.

(Un-audited)	(Audited)
31 December	30 June
2013	2013
	(Restated)
(Rupees in '000)	

### 10. LONG TERM FINANCING AND ACCRUED MARK-UP

Restructured principal and accrued mark-up	10.1	16,685,194	16,594,118
Total deferred mark-up on restructured principal		1,406,374	801,266
		<u>18,091,568</u>	<u>17,395,384</u>
Current maturity of restructured principal		(2,827,500)	(1,600,000)
Current maturity of deferred mark-up on restructured principal		(173,457)	(326,569)
		<u>15,090,611</u>	<u>15,468,815</u>

- 10.1 The restructuring of loans as mentioned in more detail in note 16 to the unconsolidated financial statements for the year ended 30 June 2013 resulted in substantial modification of the financing terms. Accordingly, the previous liability has been derecognised and new liability has been recognized at fair value as more fully explained in note 6.1. The difference between the carrying amount of the liability extinguished and the fair value of the new liability has been recognized in the unconsolidated condensed interim profit and loss account which is being amortised on effective interest rate over the remaining tenor of the loan.

### 11. DEFERRED LIABILITIES

Deferred taxation	11.1	1,428,085	2,240,192
Employees retirement benefits		45,232	44,673
		<u>1,473,317</u>	<u>2,284,865</u>

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

(Un-audited)  
31 December  
2013

(Audited)  
30 June  
2013  
(Restated)

(Rupees in '000)

### 11.1 DEFERRED TAXATION

Taxable temporary differences arising in respect of:

- accelerated tax depreciation	1,204,311	1,187,348
- finance lease transactions	8,950	8,263

Deductible temporary differences arising in respect of:

- staff gratuity	(15,831)	(16,982)
- provision for impairment (against trade debts - considered doubtful)	(545,161)	(465,799)
- carry forward of income tax losses	(5,403,157)	(5,662,884)
	<u>(4,750,888)</u>	<u>(4,950,054)</u>

Deferred tax asset not recognised

4,027,763	4,950,054
<u>(723,125)</u>	<u>-</u>

Taxable temporary differences arising in respect of:

- surplus on revaluation of property, plant and equipment	2,151,210	2,240,192
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**Net Liability**

<u>1,428,085</u>	<u>2,240,192</u>
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**11.1.1** The management is optimistic of generating profits in future as financing facilities have now been made available to the Company by the banks. However, as a matter of prudence, deferred tax asset of Rs. 4,027.763 million as at 31 December 2013 has not been recognized in these unconsolidated condensed interim financial information.

### 12. TRADE AND OTHER PAYABLES

**12.1** This includes payable of Rs. 6,443.813 million in respect of Sales Tax and Federal Excise Duty (30 June 2013: Rs. 3,524.161 million) and Rs. 6,730.845 million in respect of Petroleum Development Levy (30 June 2013: 6,254.654 million)

**12.2** This also includes Rs. 12.014 million (30 June 2013: Rs. 12.014 million) payable to BII (ultimate Parent Company) in respect of services.

### 13. CONTINGENCIES AND COMMITMENTS

#### 13.1 Contingencies

The status for contingencies is same as disclosed in the unconsolidated financial statements for the year ended 30 June 2013 except for the following :

**13.1.1** The Company received orders from Deputy Commissioner Inland Revenue for tax periods January 2010, February 2011, April and May 2011, July 2010 to June 2011, July 2012 to October 2012 and December 2012 whereby default surcharge of Rs. 224.804 million and penalty amounting to Rs. 14.634 million were levied on late payment of sales tax . The Company filed an appeal against the said orders with Appellate Tribunal Inland Revenue (ATIR) who in its order dated 16 April 2014 waived the aforementioned default surcharge and penalty.

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

Further, the Company received another order from Deputy Commissioner Inland Revenue in respect of tax periods from April 2013 to December 2013 whereby default surcharge of Rs. 28.175 million and penalty of Rs. 167.275 million were levied on the Company. However, on the appeal filed by the Company, the Commissioner Inland Revenue Appeals (CIRA) has waived the penalty on late payment of sales tax amounting to Rs.167.275 million.

An appeal can be filed against the said orders by the ATIR and CIRA can be filed by the sales tax department in light of the provisions of the Sales Tax Act, 1990.

(Un-audited) 31 December 2013	(Audited) 30 June 2013
(Rupees in '000)	

### 13.2 Commitments

#### 13.2.1 Outstanding letters of credit

-	5,672,450
69,487	109,147

#### 13.2.2 Commitment for payments in respect of fixed assets

Six-month period ending	
31 December 2013 (Un-audited)	31 December 2012 (Restated)
(Rupees in '000)	

## 14. COST OF SALES

Opening stock	3,960,302	1,573,716
Raw material consumed	32,794,557	29,733,973
Manufacturing expense	929,366	933,681
Cost of goods manufactured	33,723,923	30,667,654
Finished products purchased during the period	7,639,634	947,878
	45,323,859	33,189,248
Closing stock	(4,805,202)	(6,792,674)
Cost of sales	40,518,657	26,396,574

### 14.1 Raw material consumed

Opening stock	1,743,210	1,382,548
Purchases	38,267,589	35,509,188
Available for use	40,010,799	36,891,736
Closing stock	(7,216,242)	(7,157,763)
Raw material consumed	32,794,557	29,733,973

## 15. OTHER CHARGES

Default surcharge and penalties	746,327	91,000
Provision for impairment (against trade debts - considered doubtful)	226,749	-
	973,076	91,000

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 16. TAXATION

#### Current

The returns of income tax have been filed up to and including tax year 2013. These, except for the those mentioned below, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

Income tax and taxable losses in respect of tax years 2009, 2011 and 2012 have been assessed by Deputy Commissioner Inland Revenue under section 122(1) of the Income Tax Ordinance, 2001, whereas return submitted for the tax year 2008 has been amended by the Additional Commissioner Inland Revenue under section 122(5A). The amendments relate to proration of expense against income covered in NTR and FTR, disallowance of unrealized exchange loss and other expenses not allowed under section 21. The management has filed an appeal against the aforesaid notices and in consultation with its tax advisors is confident that no major liability is expected to arise.

### 17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent companies, subsidiary company, associated companies, directors, key management personnel and staff provident 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 are as follows:

	Six-month period ending	
	31 December 2013	31 December 2012
	(Un-audited)	
	(Rupees in '000)	
<b>17.1 Transactions with related parties</b>		
<b>Parent Companies</b>		
Land lease rentals	24,062	24,062
Services received	-	39,503
Services rendered	29,518	-
Loan provided to the Company and payment made during the period	-	2,500,000
Mark-up expense on loan and subsequent payment	-	12,477
Sale of crude oil and finished goods	192,894	-
Purchase of crude oil	1,021,168	-
Common expenses	137,462	-
<b>Subsidiary Company</b>		
Sale of finished goods	53,912	-
Services received	160,473	78,714
Mark-up income on fuel supplied	26,006	30,115
Land lease rental	1,513	1,375
<b>Associated Companies</b>		
Sale of petroleum products	4,651,456	8,393,149
Services received	181,556	321,987
Purchase of operating fixed assets and services	419	6,277
Mark-up income	150,730	134,161
<b>Staff Provident Fund</b>		
Payment of employees and company's contribution	23,073	16,765

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

(Un-audited)  
31 December  
2013  
(Rupees in '000)

(Audited)  
30 June  
2013

### 17.2 Balances with related parties

#### Parent Companies

Mark-up receivable	18,923	18,923
Security deposits payable	3,646	3,646
Receivable against land lease rent	188,849	164,786
Payable against purchases of goods and services	-	127,001
Receivable against sale of goods and services	972,091	750,366
Advance against purchase of assets and services	26,918	537,818

#### Subsidiary Company

Trade debts	410,784	391,857
Mark-up receivable	100,210	74,196
Receivable against land lease rent	9,763	8,250
Advance against purchases of assets and services	564,426	243,764

#### Associated Companies

Trade debts	2,557,182	3,274,929
Mark-up receivable	262,072	188,007
Payable against purchases of assets and services	35,372	-
Advance against purchases of assets and services	3,678	5,509

#### Staff Provident Fund

Payable to staff provident fund	3,644	3,145
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### 18. 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 Business		Petroleum Marketing Business		Total	
	Six-month period ending		Six-month period ending		Six-month period ending	
	31 December	31 December	31 December	31 December	31 December	31 December
	2013	2012	2013	2012	2013	2012
	(Restated)					
	----- (Rupees in '000) -----					
<b>Revenue</b>						
Net Sales to external customers	23,695,250	15,244,990	17,247,103	11,452,231	40,942,353	26,697,221
Inter-segment sales	8,951,352	10,003,158	-	-	8,951,352	10,003,158
Eliminations	(8,951,352)	(10,003,158)	-	-	(8,951,352)	(10,003,158)
Total revenue	23,695,250	15,244,990	17,247,103	11,452,231	40,942,353	26,697,221
<b>Result</b>						
Segment results - loss	(625,397)	(146,032)	314,083	(98,943)	(311,314)	(244,975)
Unallocated expenses:						
Other charges					(973,076)	(91,000)
Financial charges					(1,987,478)	(1,510,186)
Gain on derecognition of financial liability					-	2,678,675
Interest income					465,410	456,091
Taxation					591,048	(42,907)
Loss for the period					(2,215,410)	1,245,698
Other comprehensive income					-	(3,703)
Total comprehensive (loss) / income for the period					(2,215,410)	1,241,995
<b>Other Information</b>						
Depreciation and amortization	456,366	486,447	40,210	42,283	496,576	528,730

## Notes to the the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 19. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

Subsequent to the six months period ended 31 December 2013, the Board of Directors in their meeting held on 21 May 2014 , proposed to sell Isomerization unit having cost of Rs. 3,270 million at an agreed value of Rs. 16,931.504 million to Byco Isomerization Pakistan (private) Limited , (a wholly owned subsidiary). EOGM seeking approval of the shareholders was held on June 16, 2014 whereby transaction was approved.

### 20. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
<b>Unconsolidated condensed interim profit and loss account</b>		
Administrative expense	Other charges	91,000
<b>Unconsolidated condensed interim balance sheet</b>		
Other payable	Inland Freight Equalization Margin	65,926

### 21. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on June 30, 2014 by the Board of Directors of the Company.



Chief Executive



Director

**Consolidated Condensed  
Interim Financial  
Statement**

# Consolidated Condensed Interim Balance Sheet

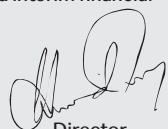
As at 31 December 2013

	Notes	(Un-audited) 31 December 2013	(Audited) 30 June 2013 (Restated)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	23,608,084	23,389,698
Intangible asset		25,225	26,703
Long term deposits		34,006	36,694
Long term receivable - unsecured		1,070,000	830,000
		<u>24,737,315</u>	<u>24,283,095</u>
<b>CURRENT ASSETS</b>			
Stores and spares		171,321	163,318
Stock in trade	9	12,021,444	5,703,512
Trade debts - unsecured	10	10,118,436	11,731,688
Loans and advances - considered good		283,271	469,479
Trade deposits, prepayments and other receivables		966,558	1,289,467
Markup accrued		280,995	206,930
Cash and bank balances		1,443,693	561,940
		<u>25,285,718</u>	<u>20,126,334</u>
		<u>50,023,033</u>	<u>44,409,429</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 1,200,000,000 (June 2013:1,200,000,000) 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		(22,972,085)	(20,948,134)
		<u>(13,193,498)</u>	<u>(11,169,547)</u>
Surplus on revaluation of property, plant and equipment		5,114,460	5,283,485
<b>NON CURRENT LIABILITIES</b>			
Long term financing and accrued mark-up	11	15,432,727	15,810,931
Liabilities against assets subject to finance leases		14,496	34,673
Long term deposits		77,278	62,707
Deferred liabilities	12	1,494,901	2,307,159
		<u>17,019,402</u>	<u>18,215,470</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	29,567,071	20,918,701
Accrued markup		625,718	516,715
Book overdrawn		14,933	3,420
Short term borrowings - secured		7,762,319	8,606,300
Current portion of non current liabilities		2,855,367	1,638,209
Provision for taxation		257,261	396,676
		<u>41,082,669</u>	<u>32,080,021</u>
Contingencies and commitments	14	<u>50,023,033</u>	<u>44,409,429</u>

The annexed notes from 1 to 22 form an integral part of the consolidated condensed interim financial information.



Chief Executive



Director



## Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For the six-month period ending 31 December 2013

	Notes	Six-month period ending		Three-month period ending	
		31 December 2013	31 December 2012 (Restated)	31 December 2013	31 December 2012 (Restated)
Gross sales		48,973,810	32,101,880	27,316,976	18,695,324
Sales tax, discount and others		(8,085,369)	(5,385,192)	(5,016,564)	(3,125,243)
Net sales		40,888,441	26,716,688	22,300,412	15,570,081
Cost of Sales	15	40,384,260	26,396,397	22,747,536	15,474,709
Gross profit / (loss)		504,181	320,291	(447,124)	95,372
Operating expenses					
Administrative expenses		450,662	342,486	263,055	189,549
Selling and distribution expenses		372,255	258,514	157,692	203,782
		822,917	601,000	420,747	393,331
Other charges	16	(318,736) (973,076)	(280,709) (91,000)	(867,871) (851,194)	(297,959) (91,000)
Other income					
Gain on derecognition of financial liability	7.1	-	2,678,675	-	2,678,675
Others		500,950	453,965	187,332	152,865
		(790,862)	2,760,931	(1,531,733)	2,442,581
Financial and other charges					
Financial charges		1,245,215	1,337,163	889,014	695,631
Exchange differences - net		742,532	173,309	18,929	163,667
		1,987,747	1,510,472	907,943	859,298
(Loss) / income before taxation		(2,778,609)	1,250,459	(2,439,676)	1,583,283
Taxation					
Current	17	220,669	142,424	126,492	83,021
Deferred	12	(810,075)	(100,490)	(462,249)	(50,915)
		(589,406)	41,934	(335,757)	32,106
Net (loss) / profit after taxation		(2,189,203)	1,208,525	(2,103,919)	1,551,177
(Loss) / earning per share - basic & diluted (Rupees)		(2.24)	1.24	(2.15)	1.59

The annexed notes from 1 to 22 form an integral part of the consolidated condensed interim financial information.



Chief Executive



Director

## Consolidated Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the six-month period ending 31 December 2013

	Six-month period ending		Three-month period ending	
	31 December 2013	31 December 2012 (Restated)	31 December 2013	31 December 2012 (Restated)
	----- Rupees in '000 -----			
Net (loss) / profit after taxation	(2,189,203)	1,208,525	(2,103,919)	1,551,177
<b>Other comprehensive income for the period</b>				
Re-measurements: Actuarial loss on obligation - note 5.1.1	-	(3,703)	-	(1,852)
<b>Total comprehensive income/(loss) for the period</b>	<b>(2,189,203)</b>	<b>1,204,822</b>	<b>(2,103,919)</b>	<b>1,549,325</b>

The annexed notes from 1 to 22 form an integral part of the consolidated condensed interim financial information.



Chief Executive



Director

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

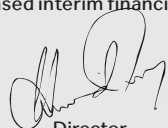
For the six-month period ending 31 December 2013

	Six-month period ending	
	31 December 2013	31 December 2012 (Restated)
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,778,609)	1,250,459
Adjustments for:		
Depreciation	522,054	584,718
Amortization	1,478	1,479
Financial and other charges	1,245,886	1,337,163
Provision for gratuity	8,570	7,593
Gain on disposal of assets	(103)	(3,859)
Gain on derecognition of financial liability	-	(2,678,675)
Provision for impairment against doubtful debts	226,749	-
Net cash flow before working capital changes	(1,000,724)	498,878
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(8,003)	12,350
Stock in trade	(6,317,932)	(10,994,172)
Trade debts-unsecured	1,367,576	(575,361)
Markup accrued	69,633	(53,304)
Loans and advances-considered goods	(345,562)	(216,736)
Trade deposits, prepayments and other receivables	198,271	(8,142)
Increase / (decrease) in current liabilities		
Short Term Loan from a financial Institution	292,306	-
Trade and other payables	9,239,518	12,343,175
Cash generated from operations	3,495,083	1,006,688
Payments for:		
Financial charges	(531,495)	(574,243)
Income Taxes	(27,020)	(28,219)
Gratuity	(8,012)	(1,074)
Net cash generated from operating activities	2,928,556	403,152
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(670,482)	(232,854)
Sale proceeds of fixed assets	546	10,695
Long term deposit	17,259	6,816
Net cash used in investing activities	(652,677)	(215,343)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan	-	(70,000)
Short term borrowings net	(1,136,287)	(31,370)
Loan to BOPL	(240,000)	-
Employees retirement benefits	1,323	-
Liabilities against assets subject to finance lease - net	(30,675)	184,042
Net cash (used)/ generated by financing activities	(1,405,639)	82,672
Net increase / (decrease) in cash and cash equivalents	870,240	270,481
Cash and cash equivalents at beginning of period	558,520	201,523
Cash and cash equivalents at end of period	1,428,760	472,004

The annexed notes from 1 to 22 form an integral part of the consolidated condensed interim financial information.



Chief Executive



Director

# Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the six-month period ending 31 December 2013

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	----- (Rupees in '000) -----		
Balance as at 1 July 2012 as previously reported	9,778,587	(18,959,448)	(9,180,861)
Effect of change in accounting policy - note 5.1.1	-	(3,848)	(3,848)
Balance as at 1 July 2012 - restated	9,778,587	(18,963,296)	(9,184,709)
Total comprehensive income for the period			
Net profit for the period - (Restated)	-	1,208,525	1,208,525
Other comprehensive income for the period - (Restated)	-	(3,703)	(3,703)
	-	1,204,822	1,204,822
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	185,730	185,730
Balance as at 31 December 2012 - (Restated)	9,778,587	(17,572,744)	(7,794,157)
Balance as at 1 July 2013 as previously reported	9,778,587	(23,580,883)	(13,802,296)
Effect of change in accounting policy - note 5.1.1	-	(6,419)	(6,419)
Effect of restatement - note 7.1	-	2,639,168	2,639,168
Balance as at 1 July 2013 - (Restated)	9,778,587	(20,948,134)	(11,169,547)
Total comprehensive income for the period			
Net loss for the period	-	(2,189,203)	(2,189,203)
Other comprehensive income for the period	-	-	-
	-	(2,189,203)	(2,189,203)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	-	165,252	165,252
Balance as at 31 December 2013	9,778,587	(22,972,085)	(13,193,498)

The annexed notes from 1 to 22 form an integral part of the consolidated condensed interim financial information.



Chief Executive



Director

# Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

## 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 (Holding Company of the Company) holds 80.84% (30 June 2013: 82.27%) 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 239 retail outlets across the country.

### Subsidiary Company

#### ii) Byco Terminals Pakistan Limited (Formerly Universal Terminal 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, The Harbour Front, 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 has constructed a single point mooring facility that has brought logistical advances in importing crude oil by enabling larger size crude oil vessels to sail and berth without loss of time which generally lead to demurrages.

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

## 2. GOING CONCERN ASSUMPTION

The management of the Company has reported the following in their unconsolidated financial statements:

During the period ended 31 December 2013, the Company incurred a net loss after taxation of Rs. 2,215.410 million (31 December 2012: net profit after taxation of Rs. 1,245.698 million) and as of that date its accumulated losses amounted to Rs. 20,495.683 million (30 June 2013: Rs.18,445.525 million). As at 31 December 2013, total liabilities exceeded total assets by Rs.5,626.091 million (30 June 2013: 3,410.681 million) and current liabilities of the Company exceeded its current assets by Rs. 11,893.923 million (30 June 2013: Rs. 8,933.111 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 condensed interim financial information 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 Company successfully negotiated with their lenders to restructure majority of their loans and accrued mark-up thereof amounting in aggregate to Rs. 19,233 million payable to Syndicate banks into long term loans. The restructuring will reduce the Company's future mark-up cost due to reduction of 100 basis points and deferment in repayment will ensure smooth operations of the Company and lower the burden on working capital lines. Further, till date, the company has paid the due installments (as per the agreed repayment schedule) from its own internal generated funds.

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

- The Company is in the final stages of completing its Isomerisation unit and has completed all the pre-requisites of starting up of the 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. 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, once notified by the Oil and Gas Regulatory Authority (OGRA).
- The Parent company intends to carry 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 by taking advantage of synergies and economies of scale.
- 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 condensed interim financial information on going concern assumption is accordingly justified.

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

This consolidated condensed interim financial information of the Company for the six month period ended 31 December 2013 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 2013.
- 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.

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

- 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 2013 has been extracted from the consolidated audited financial statements of the Company for the year ended 30 June 2013.

### 4 BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights, if any, that are currently exercisable are taken into account. However, potential voting rights that are not currently exercisable are not included in determination of the proportions of profit or loss and changes in equity attributable to the Group.

The financial statements of the subsidiary are included in the consolidated financial statements. The accounting policies of subsidiaries are changed where necessary to align them with those adopted by the Group. The assets and liabilities of the subsidiaries are consolidated on a line-by-line basis and the carrying amount of the investment in subsidiaries is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

### 5 ACCOUNTING POLICIES

- 5.1 The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in preparation of the financial statements of the Company for the year ended 30 June 2013.

IAS 19 (revised) 'Employee Benefits' amends the accounting for employment benefits which became effective to the Company from 1 July 2013. The changes introduced by the IAS 19 (revised) are as follows:

- (a) The standard requires past service cost to be recognised immediately in profit or loss;
- (b) The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year;
- (c) There is new term "remeasurement". This is made up of actuarial gains and losses, the differences between actual investment returns and return implied by the net interest cost; and
- (d) The amendment requires an entity to recognise remeasurements immediately in other comprehensive income. Actuarial gains or losses beyond corridor limits were previously amortised over the expected future services of the employees.

The management believes that the effects of these changes would not have significant effect on these condensed interim consolidated financial statements except for the changes referred to in (d) above that has been accounted for retrospectively in accordance with International Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", resulting in restatement of financial statements of prior periods.

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence the effect on the condensed interim unconsolidated comprehensive income statement for the current period is not quantifiable.

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

- 5.1.1 The effect of the change in accounting policy on the current and prior period financial statements have been summarized below:

	(Audited)	
	30 June 2013	30 June 2012
	(Rupees in '000)	
<b>Impact on Balance Sheet</b>		
Increase in employees retirement benefits	6,419	3,848
Increase in accumulated losses	6,419	3,848
		31 December 2012
		(Un-audited)
		(Rupees in '000)
<b>Impact on Balance Sheet</b>		
Increase in employees retirement benefits		1,285
Increase in accumulated losses		1,285
		Six-month period ending 31 December 2012
		(Un-audited)
		(Rupees in '000)
<b>Impact on Profit and Loss Account</b>		
Decrease in cost of sales		967
Decrease in administrative expenses		1,451
<b>Impact on Other Comprehensive Income</b>		
Re-measurements: Actuarial loss on obligation		3,703

## 6. 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 judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments 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. In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2013. 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 2013.

## 7. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

- 7.1. During the period, the Company has restated its prior period financial statements in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to account for derecognition of financial liability as described below:



## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

As at 31 December 2012, the terms and conditions of Company's principal payable and mark-up accrued as at that date were substantially modified by the commercial banks as disclosed in note 11.1. Therefore, the financial liability has been derecognised and a new liability has been recognised in accordance with International Accounting Standard 39 'Financial Instruments : Recognition and Measurement '. Accordingly, following adjustments and restatements have been made in the consolidated condensed interim financial information for the six months period ended 31 December 2013 :

	Amounts previously reported	Adjustment	Restated amounts
------(Rupees in '000)-----			
<b>Balance Sheet item</b>			
<b>As at 30 June 2013</b>			
Long term financing and accrued mark-up			
-Restructured principal and accrued mark-up facilities	19,233,286	(2,639,168)	16,594,118
Accumulated losses	(23,580,883)	2,639,168	(20,941,715)
<b>Profit and Loss Account</b>			
<b>For the six months period ended 31 December 2012</b>			
Other income	453,965	2,678,675	3,132,640
(Loss) / earning per share (Rupees)	(1.51)	2.75	1.24

During the current period, due to the above adjustment, financial charges have increased by Rs.91.077 million, accumulated losses and long term financing and accrued mark-up have decreased by Rs.2,548.091 million (30 June 2013: Rs. 2639.168 million).

	Note	(Un-audited) 31 December 2013	(Audited) 30 June 2013
(Rupees in '000)			

### 8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - At cost less accumulated depreciation	8.1	11,135,181	13,418,832
Capital work in progress - At cost	8.2	12,472,903	9,970,866
		<u>23,608,084</u>	<u>23,389,698</u>

- 8.1 During the period assets having net book value of Rs. 0.4436 million (31 December 2012: Rs. 6.836 million) were disposed for Rs. 0.546 million (31 December 2012: Rs. 10.695 million), by the Parent.

Six-month period ending	
31 December 2013	31 December 2012
(Un-audited)	
(Rupees in '000)	

- 8.2 The additions in Capital work in progress during the period are as under:

Plant and machinery	340,318	176,330
Filling stations	6,680	-
Computer & allied equipments	1,283	-
Safety & lab equipments	2,238	-
Civil and mechanical works	309,410	164,474
	<u>659,929</u>	<u>340,804</u>

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

		(Un-audited) 31 December 2013	(Audited) 30 June 2013
		(Rupees in '000)	
<b>9 STOCK IN TRADE</b>			
Raw material - Crude Oil	9.1	7,216,242	1,743,210
Finished products	9.2 & 9.3	4,805,202	3,960,302
		<u>12,021,444</u>	<u>5,703,512</u>

**9.1** Raw material having cost of Rs. 7,317.753 million have been written down by Rs. 101.511 million to net realizable value.

**9.2** Finished products having cost of Rs. 5,152.336 million (30 June 2013: Rs. 3,892.474 million) have been written down by Rs. 347.134 million (30 June 2013: Rs. 44.573 million) to net realizable value.

**9.3** Stock of finished products includes stock held by third parties amounting to Rs. 1,660.18 million (30 June 2013: Rs. 128.095 million) and stock held by related parties amounting to Rs.33 million (30 June 2013: Rs. 646.053 million)

### 10 TRADE DEBTS - unsecured

This includes Rs. 3,285.545 million (30 June 2013: Rs. 6,677.564 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and on account of mark-up on delayed payments. The Company had entered into a "sale and purchase of product" agreement with PSO on 5 April 2002 for a period of 10 years. The said agreement mentions that in the event of late payment of invoices by PSO, the Company would be entitled to recover mark-up from PSO for the period of delay on daily compounding basis at one percent above normal lending rate of commercial banks, being the lending rates applicable for short term running finance of Company or PSO whichever is lower. The mark up on delayed payments relates only to purchases made by PSO under agreement dated 02 April 2002, which expired on 02 April 2012. Subsequent to the expiry of the agreement all purchases made by PSO do not carry any mark up on delayed payment.

		(Un-audited) 31 December 2013	(Audited) 30 June 2013 (Restated)
		(Rupees in '000)	
<b>11 LONG TERM FINANCING AND ACCRUED MARK-UP</b>			
Restructured principal and accrued mark-up facilities	11.1	17,027,310	16,936,234
Total deferred mark-up on restructured principal facilities		<u>1,406,374</u>	<u>801,266</u>
		18,433,684	17,737,500
Current maturity of restructured principal facilities		(2,827,500)	(1,600,000)
Current maturity of deferred mark-up on restructured principal facilities		<u>(173,457)</u>	<u>(326,569)</u>
		<u>15,432,727</u>	<u>15,810,931</u>

- 11.1** The restructuring of loans as mentioned in more detail in note 16 to the consolidated financial statements for the year ended 30 June 2013 resulted in substantial modification of the financing terms. Accordingly, the previous liability has been derecognised and new liability has been recognized at fair value as more fully explained in note 7.1. The difference between the carrying amount of the liability extinguished and the fair value of the new liability has been recognized in the unconsolidated condensed interim profit and loss account which is being amortised on effective interest rate over the remaining tenor of the loan.

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

(Un-audited)  
31 December  
2013

(Audited)  
30 June  
2013

(Rupees in '000)

### 12. DEFERRED LIABILITIES

Deferred taxation	12.1	1,440,714	2,254,854
Employees retirement benefits		54,187	52,305
		<u>1,494,901</u>	<u>2,307,159</u>

#### 12.1 DEFERRED TAXATION

Taxable temporary differences arising in respect of:			
- accelerated tax depreciation		1,216,940	1,202,010
- finance lease transactions		8,950	8,263
Deductible temporary differences arising in respect of:			
- staff gratuity		(15,831)	(16,982)
- provision for impairment (against debts - considered doubtful)		(545,161)	(465,799)
- carry forward of income tax losses		(5,403,157)	(5,662,884)
		<u>(4,738,259)</u>	<u>(4,935,392)</u>
Deferred tax asset not recognised		<u>4,027,763</u>	<u>4,950,054</u>
		(710,496)	14,662
Taxable temporary differences arising in respect of:			
- surplus on revaluation of property, plant and equipment		2,151,210	2,240,192
Net Liability		<u>1,440,714</u>	<u>2,254,854</u>

12.1.1 The management is optimistic of generating profits in future as financing facilities have now been made available to the Company by the banks. However, as a matter of prudence, deferred tax asset of Rs. 4,027.763 million as at 31 December 2013 has not been recognized in these consolidated condensed interim financial information.

### 13. TRADE AND OTHER PAYABLES

13.1 This includes payable of Rs. 6,443.813 in respect of Sales Tax and Federal Excise Duty (30 June 2013: Rs. 3,524.161 million) and Rs. 6,730.845 million in respect of Petroleum Development Levy (30 June 2013: 6,254.654 million)

13.2 This also includes Rs. 12.014 million (30 June 2013: Rs. 12.014 million) payable to BII (ultimate Parent Company) in respect of services.

### 14. CONTINGENCIES AND COMMITMENTS

#### 14.1 Contingencies

The status for contingencies is same as disclosed in last annual audited financial statements for the year ended 30 June 2013.

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

	(Un-audited) 31 December 2013	(Audited) 30 June 2013
	(Rupees in '000)	
<b>14.2 Commitments</b>		
14.2.1 Outstanding letters of credit	-	5,672,450
14.2.2 Commitment for payments in respect of fixed assets	69,487	109,147
	Six-month period ending	
	31 December 2013 (Un-audited)	31 December 2012 (Restated)
	(Rupees in '000)	
<b>15. COST OF SALES</b>		
Opening stock	3,960,302	1,573,716
Raw material consumed	32,794,557	29,733,973
Manufacturing expense	794,969	933,504
Cost of goods manufactured	33,589,526	30,667,477
Finished products purchased during the period	7,639,634	947,878
	45,189,462	33,189,071
Closing stock	(4,805,202)	(6,792,674)
Cost of sales	40,384,260	26,396,397
<b>15.1 Raw material consumed</b>		
Opening stock	1,743,210	1,382,548
Purchases	38,267,589	35,509,188
Available for use	40,010,799	36,891,736
Closing stock	(7,216,242)	(7,157,763)
Raw material consumed	32,794,557	29,733,973
<b>16. OTHER CHARGES</b>		
Sales tax penalties	746,327	91,000
Provision for impairment (against debts - considered doubtful)	226,749	-
	973,076	91,000

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 17. TAXATION

#### Current

The returns of income tax have been filed up to and including tax year 2013. These, except for the those mentioned below, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

Income tax and taxable losses in respect of tax years 2009, 2011 and 2012 have been assessed by Deputy Commissioner Inland Revenue under section 122(1) of the Income Tax Ordinance, 2001, whereas return submitted for the tax year 2008 has been amended by the Additional Commissioner Inland Revenue under section 122(5A) The amendments relate to proration of expense against income covered in NTR and FTR, disallowance of unrealized exchange loss and other expenses not allowed under section 21. The Company has filed its appeal to the aforesaid notices to the tax authorities. The management in consultation with its tax advisors is of the opinion that no major liability is expected to arise.

### 18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

#### 18.1. Transactions with related parties

	Six-month period ending	
	31 December 2013	31 December 2012
	(Un-audited)	
	(Rupees in '000)	
<b>Parent Companies</b>		
Land lease rentals	24,062	24,062
Services received	-	39,503
Services rendered	29,518	-
Loan provided to the Company and payment made during the period	250,000	2,500,000
Mark-up expense on loan and subsequent payment	8,464	12,477
Sale of crude oil and finished goods	192,894	-
Purchase of crude oil	1,021,168	-
Group expenses allocated to the Company	149,317	-
Advance Received against future rentals	38,600	-
<b>Associated Companies</b>		
Sale of petroleum products	4,651,456	8,393,149
Services received	181,556	321,987
Purchase of operating fixed assets and services	419	6,277
Mark-up income	150,730	134,161
<b>Staff Provident Fund</b>		
Payment of employees and company's contribution	23,073	16,765

# Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

(Un-audited)  
31 December  
2013  
(Audited)  
30 June  
2013  
(Rupees in '000)

## 18.2 Balances with related parties

Parent Companies  
Mark-up receivable  
Security deposits payable  
Receivable against land lease rent  
Payable against purchases of goods and services  
Receivable against sale of goods and services  
Advance against purchase of assets and services  
Loan to Company  
Group expenses allocated to the Company  
Advance Received against future rentals  
Gratuity expense allocated to BOPL  
Fuel supplied for use in single point mooring project

### Associated Companies

Creditors for services  
Trade debts  
Mark-up receivable  
Payable against purchases of assets and services  
Loan to related party

### Staff Provident Fund

Payable to staff provident fund

27,387	18,923
3,646	3,646
188,849	164,786
-	252,928
972,091	750,366
26,918	537,818
250,000	-
36,753	-
128,100	-
2,145	-
18,645	-
2,557,182	3,274,929
262,072	188,007
35,372	-
3,678	5,509
-	6,300
3,644	3,145

## 19 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. BTPL is engaged in the provision of bulk storage services of petroleum products. The quantitative data for segments is given below:

	Oil Refining July to Dec		Petroleum Marketing July to Dec		Petroleum Storage July to Dec		Total July to Dec	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
----- (Rupees in '000) -----								
Revenue								
Net Sales to external customers	23,695,250	15,244,990	17,247,103	11,452,231	-	19,467	40,942,353	26,716,688
Inter-segment transactions	8,951,352	10,003,158	-	-	39,000	98,180	8,990,352	10,101,338
Eliminations	(8,951,352)	(10,003,158)	-	-	(39,000)	(98,180)	(8,990,352)	(10,101,338)
Sales to BTPL	(53,912)	-	-	-	-	-	(53,912)	-
Total revenue	23,641,338	15,244,990	17,247,103	11,452,231	-	19,467	40,888,441	26,716,688
Result								
Segment results - (loss) / profit	(503,922)	(146,032)	314,083	(98,943)	(66,776)	(6,370)	(256,615)	(251,345)
Un-allocated expenses							-	-
							(256,615)	(251,345)
Other charges							(973,076)	(91,000)
Financial charges							(1,987,747)	(1,510,472)
Gain on derecognition of financial liability							-	2,678,675
Interest income							438,829	424,601
Taxation							589,406	(41,934)
(Loss)/ profit for the period							(2,189,203)	1,208,525
Other comprehensive income							-	(3,703)
Total comprehensive (loss) / income for the period							(2,189,203)	1,204,822
Other Information								
Depreciation and amortization	454,888	486,447	41,688	42,283	26,956	57,467	523,532	586,197

## Notes to the the Consolidated Condensed Interim Financial Information (Un-audited)

For the six-month period ending 31 December 2013

### 20 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

Subsequent to the six months period ended 31 December 2013, the Board of Directors in their meeting held on 21 May 2014 , proposed to sell Isomerization unit having cost of Rs. 3,270 million at an agreed value of Rs. 16,931.504 million to Byco Isomerization Pakistan (private) Limited , (a wholly owned subsidiary). EOGM seeking approval of the shareholders was held on June 16, 2014 whereby transaction was approved.

### 21 RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
<b>Unconsolidated condensed interim profit and loss account</b>		
Administrative expense	Other charges	91,000
<b>Unconsolidated condensed interim balance sheet</b>		
Other payable	Inland Freight Equalization Margin	65,926

### 22. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on June 30, 2014 by the Board of Directors of the Company.



Chief Executive



Director