Byco Petroleum Pakistan Limited
Half Year Ending December 31, 2015



IMAGINED. REALIZED.

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Board of Directors

Hamid Imtiaz Hanfi
Chairman

Muhammad Raza Hasnani
Vice Chairman

Muhammad Mujtaba Jafarey
Chief Executive Officer

Ovais Mansoor Naqvi
Director

Philip Harris
Director

Diana Brush
Director

Richard Legrand
Director

Company Secretary

Shahana Ahmed Ali

Audit Committee

Philip Harris

Muhammad Raza Hasnani

Diana Brush

Strategy &Risk Management Committee

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Services & StakeholdersCommittee

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

Chief Financial Officer

Muhammad Imran Shaikh

Legal Counsel

Shahana Ahmed Ali

Auditors

Ernst & Young Ford RhodesSidat 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
Silkbank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Shares Registrar

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

Tel: (92 21) 3438 0101
3438 0102
Fax: (92 21) 3438 0106

Registered Office

9thFloor, The Harbour Front,
Dolmen City, HC-3, Block-4,
Marine Drive, Clifton,
Karachi75600, Pakistan

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

Website

www.byco.com.pk

BYCO PETROLEUM PAKISTAN LIMITED
DIRECTORS REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2015

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

The Directors of your Company are pleased to present a brief review of the financial resultsand operations of your Company for the second quarter and half year ended 31st December, 2015.

Your Company continued to build on its operational performance during the period by registering a strong growth in sales volume. The Company earned a gross profit for the second quarter of Rs. 1.56 billion and for the six months of Rs. 2.33 billion, translating into profit after tax of Rs. 534.5 million for the second quarter and Rs. 109.7 million for the six months. The earnings per share for the second quarter were Rs. 0.55 and for the six month were Rs. 0.11, compared to a loss after tax of Rs. 1.7 billion and loss per share of Rs. 1.70, in the corresponding period of last year.

The performance in current quarter improved significantly due to better margins between International prices of products and crude oil, however the management expects continued significant volatility in crude oil and product prices. In order to minimize exposure against the falling oil prices, several key steps were taken including operating the refinery at less than full throughput, focusing more on selling through the marketing arm of the Company and pursuing growth in high margin products etc. The outcome of these steps translated into a significant increase in sales volume during the period. Finance costs have reduced primarily due to payment of loan installment, decrease in KIBOR rates and early LC settlements. Administrative and selling expenses remained within budget with the exception of transportation and handling cost, which increased to cater to the increased sales volume.

The SBM of the Company's Subsidiary Company, Byco Terminals Pakistan Limited (BTPL) operated successfully throughout the period and continued to provide support for economical crude oil imports for the refinery as well as assistance for import of finished petroleum products.

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 olace 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
February 18th, 2016

بائیکو پیٹرولیم پاکستان لمیٹڈ

ڈائریکٹرز کی ششماہی رپورٹ برائے مختتمہ دسمبر 2015

بسم اللہ الرحمن الرحیم

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے مالیاتی رزلٹس اور آپریشنز کا مختصر جائزہ برائے دوسری سہ ماہی اور ششماہی برائے مدتِ مختتمہ 31 دسمبر 2015 بامسرت پیش کرتے ہیں۔

مذکورہ مدت میں آپ کی کمپنی کی استعداد کار میں مسلسل اضافہ جاری رہا اور سیلز کے حجم میں تیزی کا رجحان سامنے آیا۔ دوسری سہ ماہی میں کمپنی کو 1.56 بلین روپے کا خام منافع ہوا جبکہ ششماہی مدت میں 2.33 بلین روپے کا مجموعی منافع ہوا۔ دوسری سہ ماہی کی مدت میں ٹیکس کی رقم 534.5 ملین روپے منہا کرنے کے بعد منافع اور دوسری سہ ماہی مدت میں ٹیکس کی رقم منہا کرنے کے بعد چھ ماہ میں 109.7 ملین روپے منافع ہوا۔ ہر شیئر پر منافع کا حصول برائے دوسری سہ ماہی 0.55 روپے اور ششماہی مدت کیلئے منافع کی شرح 0.11 روپے رہی تقابلی طور پر گزشتہ سال کی اسی مدت میں ٹیکس کی رقم 1.7 بلین روپے منہا کرنے کے بعد خسارے کی شرح فی شیئر 1.70 روپے رہی۔

موجودہ سہ ماہی کی کارکردگی میں نمایا اضافہ ہوا جس کی وجہ بین الاقوامی مصنوعات اور خام تیل کی قیمتوں کے درمیان بہتر مارجن تھی۔ انتظامیہ کو توقع ہے کہ خام تیل اور مصنوعات کی قیمتوں میں نمایاں تبدیلی ہوگی۔ خام تیل کی گرتی ہوئی قیمتوں کے اثرات سے محفوظ رہنے کیلئے کئی مؤثر اقدامات کیے گئے ہیں جس میں ریفائنری کو بھرپور استعداد کار کے ساتھ چلانا اور کمپنی کے مارکیٹنگ ڈیپارٹمنٹ کے ذریعے سیلز پر بھرپور توجہ دینا بھی شامل ہے اور اس طرح ہائی مارجن پروڈکٹس وغیرہ کی فروخت پر توجہ دے کر سیلز میں اضافہ کرنا ہے۔ ان اقدامات کے نتیجے میں سیلز کے حجم میں اس مدت میں اضافہ ہوگا۔ فنانس کاسٹ میں جو کمی واقع ہوئی ہے اس کی بنیادی وجہ قرض کی اقساط کی ادائیگی، KIBOR کے ریٹس میں کمی اور LC کی جلد سیٹلمنٹ ہے۔ انتظامی اور سیلز پر اٹھنے والے اخراجات بدستور بجٹ کی حدود میں ہیں جبکہ ٹرانسپورٹیشن اور دستگیر کے اخراجات اس میں شامل نہیں ہیں کیونکہ سیلز کا حجم بڑھنے سے اخراجات میں اضافہ لازم وملزوم ہیں۔

کمپنی کے ذیلی ادارے SBM، بائیکو ٹرمینلز پاکستان لمیٹڈ (BTPL) کی کارکردگی پوری مدت میں کامیابی سے جاری رہی اور ریفائنری کیلئے سستے خام تیل اور تیار پیٹرولیم مصنوعات کی درآمد کی سہولت جاری رہی۔

انتظامیہ بدستور پابند ہے کہ وہ کارکردگی پر سخت گیر موقف اور توجہ رکھے تاکہ مالیاتی کارکردگی میں اضافہ جاری رہے۔ کمپنی اور بورڈ کی تعریف و توصیف اور اظہار تشکر ریکارڈ پر موجود ہے۔ اور کمپنی گورنمنٹ آف پاکستان کے تعاون کی بھی مشکور ہے اس تشکر میں ہنگامی اہمیت کے حامل پارٹنرز، مالیاتی ادارے، وینڈرز، سپلائرز، کسٹمرز اور کمپنی کے حصہ دار بھی شامل ہیں۔

ہم اس موقع پر کمپنی کے وفادار ملازمین اور کمپنی کی استعداد کار میں اضافہ کی لگن رکھنے والے ملازمین کا بھی شکریہ ادا کرتے ہیں جنہوں نے کٹھن وقت میں ہمارا ساتھ دیا۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹیو آفیسر کراچی

18 فروری 2016

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF 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 2015**, related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity and notes to the accounts (here-in-after referred to as "interim financial information") for the six-month period then ended. Management is responsible for the preparation and fair 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 reporting.

Emphasis of Matters

We draw attention to the following notes to the unconsolidated condensed interim financial statements:

(i) Note 2 which states that the Company has accumulated losses as at 31 December 2015 amounting to Rs. 9,453.129 million and its current liabilities exceeds its current assets by Rs. 18,680.930 million. These conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. However, unconsolidated condensed interim financial statements have been prepared on going concern basis based on the mitigating factors, as more fully explained in note 2 to the unconsolidated condensed interim financial statements.

(ii) Note 7 which state that the Company sold its Isomerisation plant to its wholly owned subsidiary against the Ordinary shares to be issued to the Company. The said asset is under encumbrance of the consortium banks against financing provided to the Company, however, required prior approvals in the form of No Objection Certificates are pending from certain banks.

Our conclusion is not qualified in respect of these matters.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants
Review Engagement Partner: Riaz A. Rehman Chamdia
Date: 18th February 2016
Place: Karachi

BYCO PETROLEUM PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	31 December 2015 (Un-audited)	30 June 2015 (Audited)
		------- (Rupees in '000) ------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**13,140,202**	13,715,845
Long term investment – at cost		**5,729,258**	5,729,258
Long term advance	7	**16,931,504**	16,931,504
Long term deposits		**10,278**	9,803
		35,811,242	36,386,410
CURRENT ASSETS			
Stores and spares		**280,007**	279,196
Stock in trade	8	**6,268,604**	4,859,615
Trade debts – unsecured	9	**7,841,173**	9,349,396
Loans and advances – considered good	10	**1,709,627**	1,497,310
Trade deposits and short term prepayments		**23,636**	23,188
Other receivables	11	**1,539,540**	1,280,500
Accrued mark-up		**562,074**	572,610
Cash and bank balances		**63,767**	687,576
		18,288,428	18,549,391
TOTAL ASSETS		**54,099,670**	54,935,801
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,200,000,000 (June 2015:1,200,000,000) Ordinary shares of Rs. 10/- each		**12,000,000**	12,000,000
Issued, subscribed and paid-up capital			
977,858,737 (June 2015: 977,858,737) Ordinary shares of Rs. 10/- each fully paid in cash		**9,778,587**	9,778,587
Accumulated losses		**(9,453,129)**	(9,807,784)
		325,458	(29,197)
Surplus on revaluation of property, plant and equipment		**4,972,533**	5,217,476
NON-CURRENT LIABILITIES			
Long term financing and accrued-markup	12	**11,167,325**	12,224,800
Liabilities against assets subject to finance lease		**-**	1,730
Long term deposits		**129,978**	108,978
Deferred liabilities		**535,018**	1,036,268
		11,832,321	13,371,776
CURRENT LIABILITIES			
Trade and other payables		**31,304,465**	31,037,413
Accrued mark-up		**256,466**	183,727
Short term borrowings – secured		**434,706**	737,609
Current portion of non-current liabilities		**4,344,545**	3,729,000
Liabilities against assets subject to finance lease		**5,107**	4,970
Taxation – net		**624,069**	683,027
		36,969,358	36,375,746
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		**54,099,670**	54,935,801

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BYCO PETROLEUM PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHSPERIODENDED 31 DECEMBER 2015
(UN-AUDITED)

	Note	Six months period ended		Three months period ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		---------- (Rupees in '000) ----------			
Gross sales		**48,503,429**	54,180,770	**27,329,428**	23,671,616
Sales tax, discount and others		**(12,106,273)**	(9,340,999)	**(7,867,294)**	(4,757,246)
Net sales		**36,397,156**	44,839,771	**19,462,134**	18,914,370
Cost of sales		**(34,062,374)**	(44,270,249)	**(17,907,005)**	(18,887,663)
Gross profit		**2,334,782**	569,522	**1,555,129**	26,707
Administrative expenses		**(328,919)**	(292,877)	**(184,333)**	(161,921)
Selling and distribution expenses	14	**(1,545,219)**	(912,753)	**(955,628)**	(272,669)
Other expenses	15	**(322,534)**	(395,200)	**(135,064)**	(181,766)
Other income	16	**1,026,531**	1,111,005	**855,553**	433,188
		(1,170,141)	(489,825)	**(419,472)**	(183,168)
Operating profit / (loss)		**1,164,641**	79,697	**1,135,657**	(156,461)
Finance costs		**(1,346,035)**	(1,667,905)	**(743,205)**	(1,072,209)
(Loss)/ profit before taxation		**(181,394)**	(1,588,208)	**392,452**	(1,228,670)
Taxation					
- Current	17	**(207,668)**	(238,485)	**(107,286)**	(90,929)
- Deferred		**498,774**	164,013	**249,387**	96,856
		291,106	(74,472)	**142,101**	5,927
Profit / (loss) after taxation		**109,712**	(1,662,680)	**534,553**	(1,222,743)
Earnings / (loss) per ordinary share – basic and diluted (Rupees)		**0.11**	(1.70)	**0.55**	(1.25)

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BYCO PETROLEUM PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015
(UN-AUDITED)

	Six months period ended		Three months period ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	---------- (Rupees in '000) ----------			
Profit / (loss) after taxation	**109,712**	(1,662,680)	**534,553**	(1,222,743)
Other comprehensive income – net of taxation	**-**	-	**-**	-
Total comprehensive income for the period	**109,712**	(1,662,680)	**534,553**	(1,222,743)

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BYCO PETROLEUM PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015
(UN-AUDITED)

	Six months period ended	
	31 December 2015	31 December 2014
	------- (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(181,394)**	(1,588,208)
Adjustments for non cash and other items:		
Depreciation	**585,492**	634,237
Finance costs	**1,346,035**	1,667,905
Provision for doubtful debts	**168,690**	208,068
Provision for gratuity	**9,024**	10,889
Interest income	**(244,043)**	(395,244)
Gain on disposal of operating fixed assets	**(2,714)**	(218)
Net cash flow before working capital changes	**1,681,090**	537,429
Decrease / (increase) in current assets		
Stores and spares	**(811)**	(54,935)
Stock in trade	**(1,408,989)**	6,499,995
Trade debts – unsecured	**1,339,533**	2,699,676
Loans and advances – considered good	**(212,317)**	(586,366)
Trade deposits and short term prepayments	**(448)**	90,422
Other receivables	**(259,040)**	(805,072)
Accrued interest	**(49,464)**	(147,333)
	(591,536)	7,696,387
Increase in current liabilities		
Trade and other payables	**267,052**	(1,537,645)
Cash generated from operations	**1,356,606**	6,696,171
Finance costs paid	**(322,227)**	(1,053,389)
Income taxes paid	**(266,626)**	(291,849)
Gratuity paid	**(11,499)**	(7,259)
Interest income received	**60,000**	60,000
Net cash generated from operating activities	**816,254**	5,403,674
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(10,128)**	(52,152)
Sales proceeds from disposal of operating fixed assets	**2,994**	1,089
Long term deposits – net	**20,525**	10,294
Net cash generated from / (used) in investing activities	**13,391**	(40,769)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	**(1,148,958)**	(270,000)
Short term borrowings – net	**(302,903)**	(5,117,282)
Liabilities against assets subject to finance lease – net	**(1,593)**	(7,280)
Net cash used in financing activities	**(1,453,454)**	(5,394,562)
Net decrease in cash and cash equivalents	**(623,809)**	(31,657)
Cash and cash equivalents as at the beginning of the period	**687,576**	472,635
Cash and cash equivalents as at the end of the period	**63,767**	440,978

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BYCO PETROLEUM PAKISTAN LIMITED
UNCONSOLIDATED CONDENSEDINTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2015
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	----------(Rupees in '000)----------		
Balance as at 1 July 2014	**9,778,587**	**(24,057,777)**	**(14,279,190)**
Net loss for the period	-	(1,662,680)	(1,662,680)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(1,662,680)	(1,662,680)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment – net of deferred tax	-	249,438	249,438
Balance as at 31 December 2014	**9,778,587**	**(25,471,019)**	**(15,692,432)**
Balance as at 1 July 2015	**9,778,587**	**(9,807,784)**	**(29,197)**
Net profit for the period	-	109,712	109,712
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	109,712	109,712
Incremental depreciation relating to surplus on revaluation of property, plant and equipment – net of deferred tax	-	244,943	244,943
Balance as at 31 December 2015	**9,778,587**	**(9,453,129)**	**325,458**

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Pakistan Stock Exchange. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. 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 now growing aggressively with 261 retail outlets across the country.

1.2 The Board of Directors of the Company in a meeting held on 21 July 2015 considered and approved in principle a potential merger of the Company and its wholly owned subsidiary, Byco Terminals Pakistan Limited, with and into its Parent Company, Byco Oil Pakistan Limited. This entire process is, however, subject to the approval by the courts and completion of required legal and corporate formalities.

1.3 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated.

2. GOING CONCERN ASSUMPTION

As at 31 December 2015, the Company's accumulated losses amounted to Rs. 9,453.129 million (30 June 2015: Rs. 9,807.784 million). Moreover, current liabilities of the Company exceeded its current assets by Rs. 18,680.930 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. These unconsolidated condensed interim financial statements have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- The throughput of the refinery was 3.72 million barrels during the six months' period ended 31 December 2015as compared to 3.26 million barrels in the same period last year, representing an increase of 14%.

- The sales volume of the Company has increased by 43% 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.

- 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 current financial period and beyond that.

- The management has also prepared financial projections to demonstrate the financial benefits of the 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 statements on going concern assumption is justified.

3. BASIS OF PREPARATION

3.1 These unconsolidated condensed interim financial statements of the Company for the half year ended 31 December 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3.2 These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements of the Company for the year ended 30 June 2015.

3.3 The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 2014 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended 31 December 2015 and 2014.

3.4 These unconsolidated condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 245 of the Companies Ordinance, 1984.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those of the previous financial year except as follows:

New / revised standards, interpretations and amendments

The Company has adopted the following amendment to IFRSs which became effective for the current period:

IFRS 10 - Consolidated Financial Statements

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

The adoption of the above amendment to accounting standards did not have any effect on the unconsolidated condensed interim financial statements.

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of asset, liabilities and income and expenses.

Estimates and judgments made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.

	Note	31 December 2015 (Un-audited)	30 June 2015 (Audited)
		------- (Rupees in '000) ------	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1 & 6.2	**13,086,576**	13,662,219
Capital work-in-progress	6.3	**53,626**	53,626
		13,140,202	13,715,845

6.1 During the period, additions in operating fixed assets amounted to Rs. 10.128 million (31 December 2014: Rs. 33.003 million).

6.2 During the period assets having a net book value of Rs. 0.28 million (31 December 2014: Rs. 0.871million) were disposed for Rs. 2.994 million (31 December 2014: Rs. 1.088 million).

6.3 The transfers from Capital work in progress during the period are Rs. Nil (31 December 2014: Rs. 753.365 million).

	Note	31 December 2015	30 June 2015
		----------Rupees in '000-------	
7. LONG-TERM ADVANCE - unsecured			
Advance against investment in shares of Byco Isomerisation Pakistan (Private) Limited (BIPL)	7.1	**16,931,504**	**16,931,504**

7.1 During the year ended 30 June 2015, the Company sold its Isomerisation plant to its wholly owned subsidiary Byco Isomerisation Pakistan (Private) Limited (BIPL) at carrying value of Rs. 16,931.504 million against 1,693,150,420 Ordinary shares of Rs. 10/- each of BIPL to be issued to the Company in accordance with the Sale Agreement dated 27 March 2015, entered into between the aforesaid parties.

The Isomerisation plant is under encumbrance of various commercial banks which have provided financing to the Company as disclosed in note 18.4 to the unconsolidated financial statements for the year ended 30 June 2015. As of the balance sheet date, the Company was not able to obtain No Objection Certificates (NOCs) from all the banks as required under the agreement dated 04 December 2012 between the Company and the consortium banks. As of the balance sheet date, the Company obtained NOCs from the six banks subject to certain conditions to be fulfilled by the Company and NOCs from the remaining two banks are pending approval. The management of the Company is confident that it will be able to obtain the remaining NOCs in due course. All legal and corporate formalities for the issue of shares to the Company will be completed after getting the remaining NOCs.

	Note	31 December 2015 (Un-audited)	30 June 2015 (Audited)
		------- (Rupees in '000) ------	
8. STOCK IN TRADE			
Raw material – Crude Oil	8.1	**1,513,092**	682,874
Finished products	8.2&8.3	**4,755,512**	4,176,741
		6,268,604	4,859,615

8.1 Stocks of raw material include stock held by the subsidiary company amounting to Rs. 1,232.214 million (30 June 2015: Rs. 210.687 million).

8.2 Finished products having cost of Rs. 1,727.990 million (30 June 2015: Rs. 3,026.379 million) have been written down by Rs. 375.892 million (30 June 2015: Rs. 156.625 million) to net realizable value.

8.3 Stock of finished products includes stock held by third parties amounting to Rs.1,496.099 million (30 June 2015: Rs. 1,992.633 million) and stock held by related parties amounting to Rs.1,103.024 million (30 June 2015: Rs. 956.450 million).

9. TRADE DEBTS – unsecured

9.1 This includes Rs. 4,388.059 million (30 June 2015: Rs. 4,476.158 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 states 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 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.

Based on the legal opinion, the management is of the considered view that the Company has a legal right to claim markup from PSO. Further, the Company is currently pursuing this matter with the Director General Oil, Ministry of Petroleum and Natural Resources, for the recovery of the outstanding amount. Hence, the management is confident that the Company would be able to recover the receivable in full from PSO in due course of time.

9.2 It also includes Rs. 1,666.833 million (30 June 2015: Rs. 2,230.574 million) due from related parties against supplies of products.

9.3 During the period, provision was made against doubtful debts amounting to Rs. 168.690 million (31 December 2014: Rs. 208.068 million).

10. LOANS AND ADVANCES–considered good

Includes an advance of Rs. 1,600.129million (30 June 2015: Rs. 1,214.983 million) to the subsidiary company in respect of storage facilities.

11. OTHER RECEIVABLES

Represents amount of Rs. 1,058.618million (30 June 2015: Rs. 866.192 million) in respect of Inland Freight Equalization Margin (IFEM) and Rs. 480.922 million (30 June 2015: 414.308 million) due from related parties.

	31 December 2015 (Un-Audited)	30 June 2015 (Audited)
	------- (Rupees in '000) ------	
12. LONG TERM FINANCING AND ACCRUED MARK-UP		
Restructured principal and accrued mark-up facilities	**11,887,084**	12,869,267
Total deferred mark-up on restructured principal Facilities	**3,687,958**	3,084,533
	15,575,042	15,953,800
Current maturity of restructured principal	**(4,144,545)**	(3,529,000)
Current maturity of deferred mark-up on restructured principal facilities	**(200,000)**	(200,000)
Accrued markup	**(63,172)**	-
	11,167,325	12,224,800

12.1 The restructuring of loans as stated in more detail in note 18 to the unconsolidated financial

statements for the year ended 30 June 2015 resulted in substantial modification of the financing terms.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

The status for contingencies is the same as disclosed in note 26.1 to the annual audited unconsolidated financial statements for the year ended 30 June 2015 except for those mentioned in note 26.1.1which has been amended as follows:

13.1.1 The Company received an order from the Deputy Commissioner Inland Revenue (DCIR), dated 20August 2015, in respect of tax periods July 2013 to June 2014, whereby default surcharge of Rs. 537.731 million and penalty amounting to Rs. 572.963 million were levied on late payment of sales tax. However, on the appeal filed by the Company, Commissioner Inland Revenue Appeals (CIRA), in its order dated 30September 2015, waived the aforementioned default surcharge and penalty. Accordingly, provision for default surcharge and penalty of Rs. 708.883 million made in this respect in the unconsolidated financial statements for the year ended 30 June 2014, has been reversed in these unconsolidated condensed interim financial statements.

13.1.2 As at 30 June 2015, product costing Rs. 19.725 million was held by the customs authorities for verification of product origin. However, during the period, Customs Appellate Tribunal, Special Bench, Lahore passed an order dated 23 November 2015 in favor of the Company and resultantly the seized goods were released unconditionally.

	31 December 2015 (Un-audited)	30 June 2015 (Audited)
	------- (Rupees in '000) ------	

13.2 Commitments

13.2.1 Commitment for payments in respect of fixed capital expenditure	**1,650**	41,146

14. SELLING AND DISTRIBUTION EXPENSES

Includes transportation and handling expense of Rs.1,217.718 million (31 December 2014: Rs. 649.514 million).

15. OTHER EXPENSES

Represents provision for default surcharge amounting to Rs. 153.844 million (31 December 2014: Rs. 187.182 million) and provision for doubtful debts amounting to Rs. 168.690 million (31 December 2014: Rs. 208.068 million)

16. OTHER INCOME

Includes reversal of excess default surcharge recorded in prior year amounting to Rs.708.883million (31 December 2014: Rs. 387.927 million) on the basis of tax orders received during the period as fully explained in note 13.1.1 above.

17. TAXATION

Current

The returns of income tax have been filed up to and including tax year 2015. These, except for the 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, 2012 and 2013 have been assessed by the 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.

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent company, ultimate parent company and subsidiary company, associated undertakings, 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 months period ended	
	31 December 2015	**31 December 2014**
	---------- (Un-audited) ---------	
	------- (Rupees in '000) -------	
18.1 Transactions with related parties		
Parent Company		
Land lease rentals	**26,469**	26,469
Purchases	**29,224,715**	28,583,820
Sales	**6,333,783**	1,704,251
Markup charged	**204,264**	383,425
Common expenses	**152,296**	143,563
Subsidiary Companies		
Sales	**112,589**	129,331
Services received	**217,741**	185,214
Interest income	**24,123**	27,748
Land lease rentals	**1,513**	1,513
Associated Companies		
Sales	**564,101**	5,352,129
Purchase of operating fixed assets and services	**-**	5,262
Interest income	**25,341**	109,585
Staff Provident Fund		
Contribution to staff provident fund	**20,437**	17,985
Key Management Personnel		
Salaries and benefits payment	**121,642**	132,987

	31 December 2015 (Un-audited)	30 June 2015 (Audited)
	------- (Rupees in '000) ------	
18.2 Balances with related parties		
Ultimate Parent Company		
Payable against expenses	**12,014**	12,014
Parent Company		
Receivable against land lease rental	**294,724**	268,255
Accrued interest	**18,924**	18,924
Security deposits payable	**3,646**	3,646
Payable against purchases and expenses	**-**	1,376,893
Receivable against sales and expenses	**627,236**	-
Subsidiary Companies		
Receivable against sales	**926,334**	866,090
Advance against services	**1,600,129**	1,214,983
Receivable against land lease rentals	**15,812**	14,300
Receivable against expenses incurred	**170,386**	131,753
Accrued interest	**211,607**	187,484
Associated Companies		
Long term deposit receivable	**95**	95
Trade debts	**113,263**	1,364,484
Advance against purchases	**9,407**	9,407
Accrued interest	**331,544**	366,202
Payable against purchases	**1,644**	1,642
Loan payable	**13,958**	-
Staff Provident Fund		
Payable to staff provident fund	**8,274**	3,789

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. The quantitative data for segments is given below:

	Oil Refining Business		Petroleum Marketing Business		Total	
	Six-months period ended		Six months period ended		Six months period ended	
	31 December 2015	31 December 2014	**31 December 2015**	31 December 2014	**31 December 2015**	31 December 2014
	(Rupees in '000)					
Revenue						
Net Sales to external customers	**20,060,495**	21,406,509	**16,336,661**	23,433,262	**36,397,156**	44,839,771
Inter-segment sales	**13,644,252**	20,811,306	**-**	-	**13,644,252**	20,811,306
Eliminations	**(13,644,252)**	(20,811,306)	**-**	-	**(13,644,252)**	(20,811,306)
Total revenue	**20,060,495**	21,406,509	**16,336,661**	23,433,262	**36,397,156**	44,839,771
Result						
Segment results – profit / (loss)	**858,857**	(702,808)	**384,275**	782,461	**1,243,132**	79,653
Unallocated expenses:						
Other expenses					**(322,534)**	(395,200)
Finance costs					**(1,346,035)**	(1,667,905)
Interest income					**244,043**	395,244
Taxation					**291,106**	(74,472)
Profit / (Loss) for the period					**109,712**	(1,662,680)
Other comprehensive income					**-**	-
Total comprehensive profit / (loss) for the period					**109,712**	(1,662,680)
Other Information						
Depreciation and amortization	**548,728**	594,213	**36,764**	40,024	**585,492**	634,237

20. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Unconsolidated condensed interim Profit and Loss		
Administrative expense	Selling and distribution expenses	29,831

21. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on February 18, 2016.

22. GENERAL

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

CHIEF EXECUTIVE **DIRECTOR**

Byco Petroleum Pakistan Limited
Consolidated Condensed Interim Balance Sheet
As at December 31, 2015

	Notes	Unaudited Dec 31, 2015	Audited Jun 30, 2015
ASSETS		**(Rupees in '000)**	
NON-CURRENT ASSETS			
Property, plant and equipment	**6**	**37,257,336**	37,972,932
Intangible asset		**23,746**	23,746
Long term Loans and Advances		**1,259,866**	1,638,411
Long term deposits		**31,331**	31,068
		38,572,279	39,666,157
CURRENT ASSETS			
Stores and spares		**329,623**	279,196
Stock in trade	**7**	**6,268,604**	4,859,615
Trade debts	**8**	**7,544,123**	8,690,271
Loans and advances		**512,220**	683,429
Trade deposits and short-term prepayments		**37,423**	44,198
Other receivables	**9**	**1,887,920**	1,660,951
Accrued interest		**440,247**	435,888
Cash and bank balances		**80,027**	692,425
		17,100,187	17,345,973
Total assets		**55,672,466**	57,012,130
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		**12,000,000**	12,000,000
Share capital		**9,778,587**	9,778,587
Accumulated losses		**(26,805,292)**	(26,839,084)
		(17,026,705)	(17,060,497)
Surplus on revaluation of Property, plant and equipment		**13,991,578**	14,474,151
NON CURRENT LIABILITIES			
Long term financing and deferred mark-up	**10**	**13,693,190**	12,933,211
Liabilities against assets subject to finance lease		**-**	1,730
Long-term deposits		**129,978**	108,978
Deferred liabilities		**5,431,810**	6,045,570
		19,254,978	19,089,489
CURRENT LIABILITIES			
Trade and other payables		**32,783,703**	31,984,348
Accrued mark-up		**325,205**	661,046
Short term borrowings		**1,182,009**	3,264,912
Current portion of non current liabilities		**4,515,603**	3,900,058
Liabilities against assets subject to finance lease		**5,107**	4,970
Taxation - net		**640,987**	693,653
		39,452,614	40,508,987
Contingencies and Commitments	**12**		
		55,672,465	57,012,130

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

Chief Executive **Director**

Byco Petroleum Pakistan Limited
Consolidated Condensed Interim Profit and Loss Account
For the period ended 31 December 2015 (Unaudited)

	Six-month period ending		Three-month period ending	
	31 December 2015	31 December 2014	**31 December 2015**	**31 December** 2014
	----------Rupees in '000----------			
Gross sales	**48,809,355**	54,459,851	**27,459,461**	24,062,159
Sales tax, discount and oth `	**(12,072,403)**	(9,378,167)	**(7,831,680)**	(5,074,836)
Net sales	**36,736,952**	45,081,684	**19,627,781**	18,987,323
Cost of Sales	**(34,863,248)**	(44,614,740)	**(18,297,832)**	(19,001,887)
Gross profit / (Loss)	**1,873,704**	466,944	**1,329,949**	(14,564)
Administrative expenses	**(398,549)**	(344,537)	**(220,808)**	(190,077)
Selling and distribution expenses	**(1,545,219)**	(912,753)	**(955,628)**	(272,669)
Other expenses	**(322,534)**	(395,200)	**(135,064)**	(181,767)
Other income	**1,024,112**	1,101,207	**848,471**	437,034
	(1,242,190)	(551,283)	**(463,029)**	(207,479)
Operating profit / (Loss)	**631,514**	(84,337)	**866,920**	(222,042)
Financial charges	**(1,304,980)**	(1,648,596)	**(759,869)**	(995,962)
Exchange loss	**(171,953)**	(186,495)	**(53,289)**	(170,503)
	(1,476,933)	(1,835,091)	**(813,158)**	(1,166,465)
Profit / (Loss) before taxation	**(845,419)**	(1,919,428)	**53,763**	(1,388,507)
Taxation				
Current	**(211,423)**	(244,046)	**(109,193)**	(93,701)
Deferred	**608,063**	169,563	**298,909**	102,406
	396,640	(74,483)	**189,716**	8,705
Profit / (Loss) after taxation	**(448,779)**	(1,993,910)	**243,479**	(1,379,801)
Earning / (Loss) per share - basic and diluted (Rupees)	**(0.46)**	(2.04)	**0.25**	(1.41)

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

Chief Executive **Director**

Byco Petroleum Pakistan Limited
Consolidated Condensed Interim Statement of Other Comprehensive Income
For the period ended 31 December 2015 (Unaudited)

	Six-month period ending		Three-month period ending	
	31 December 2015	31 December 2014	**31 December 2015**	31 December 2014
	----------Rupees in '000----------			
Profit / (Loss) after taxation	(448,779)	**(1,993,910)**	243,479	(1,379,801)
Other comprehensive income	`	**-**	-	-
Total comprehensive Income / (Loss) for the period	**(448,779)**	**(1,993,910)**	**243,479**	**(1,379,801)**

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

Chief Executive **Director**

Byco Petroleum Pakistan Limited
Consolidated Condensed Interim Cash Flow Statement
For the period ended 31 December 2015 (Unaudited)

	Jul - Dec 2015	Jul - Dec 2014
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(845,419)**	(1,919,428)
Adjustments for:		
Depreciation	**1,220,857**	837,681
Finance costs	**1,304,980**	1,648,596
Provision for impairment against doubtful d`	**168,690**	208,068
Gain on disposal of assets	**(2,784)**	(218)
Interest income	**(267,190)**	(422,305)
Provision for gratuity	**10,968**	15,936
Net cash flow before working capital changes	**1,590,102**	368,330
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	**(50,427)**	(54,935)
Stock in trade	**(1,408,989)**	6,499,995
Trade debts	**977,458**	2,820,646
Loans and advances	**171,209**	(153,680)
Trade deposits and short-term prepayments	**6,775**	131,235
Other receivables	**(226,969)**	(1,168,452)
Mark up accrued	**(64,359)**	(119,585)
Increase / (decrease) in current liabilities		
Trade and other payables	**808,522**	(1,547,531)
	213,220	6,407,693
Cash generated from operations	**1,803,321**	6,776,023
Financial charges paid	**(695,226)**	(1,081,294)
Income Taxes paid	**(266,626)**	(291,962)
Gratuity	**(14,127)**	(7,259)
Interest income received	**60,000**	60,000
Net cash from operating activities	**887,342**	5,455,508
CASH FLOWs FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(40,530)**	(341,825)
Advance against investment in Shares	**(67,454)**	--
Proceeds from disposal of vehicles	**3,505**	1,089
Long term deposits - net	**20,736**	10,294
Net cash used in investing activities	**(83,743)**	(330,442)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	**(1,111,501)**	(272,137)
Short term borrowings net	**(302,903)**	(4,878,206)
Liabilities against assets subject to finance lease - net	**(1,593)**	(7,280)
Net cash used in financing activities	**(1,415,997)**	(5,157,623)
Net increase / (decrease) in cash and cash equivalents	**(612,398)**	(32,557)
Cash and cash equivalents at beginning	**692,425**	473,535
Cash and cash equivalents at end	**80,027**	440,978

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

Chief Executive **Director**

Byco Petroleum Pakistan Limited
Consolidated Condensed Interim Statement of Changes In Equity
For the period ended 31 December 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 31 Dec 2014			
Income / (Loss) for the period ended 31 Dec 2014	--	(1,993,910)	(1,993,910)
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	--	302,168	302,168
Balance as at Dec 31, 2014	9,778,587	(28,565,014)	(18,786,427)
Balance as at 1 July 2015	9,778,587	(26,839,084)	(17,060,497)
Total comprehensive income for the period ended 31 Dec 2015			
Income / (Loss) for the period ended 31 Dec 2015	--	(448,779)	(448,779)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	482,572	482,572
Balance as at Dec 31, 2015	**9,778,587**	**(26,805,291)**	**(17,026,704)**

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

Chief Executive **Director**

Byco Petroleum Pakistan Limited
Notes to the the Consolidated Condensed Interim Financial Information
For the period ended 31 December 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 Pakistan Stock Exchange. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. 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 261 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 be 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 31 Dec 2015, the Group incurred a net loss after tax of Rs. 449 million (Dec 2014: Rs. 1,994 million) and as of that date its accumulated losses amounted to Rs. 26,805 million (2014: Rs. 26,839 million). As at 31 Dec 2015, current liabilities of the Group exceeded its current assets by Rs. 22,352 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:

- The throughput and sales volume of the Group increased by 14% and 43% respectively showing improvement in the Group'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 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 31 December 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 financ `
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 Pakistan Stock Exchange 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.

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.

			Amount in Rs. '000	
6	**PROPERTY, PLANT AND EQUIPMENT**		**Dec 31, 2015**	**Jun 30, 2015**
	Operating fixed assets	6.1 & 6.2	36,791,034	37,189,732
	Capital work in progress - at cost		466,302	783,200
			37,257,336	**37,972,932**

6.1 During the period, the additions in property, plant and equipment amounted to Rs. 486.530 million.

6.2 During the period assets having net book value of Rs. 0.72 million were disposed for Rs. 3.505 million.

			Amount in Rs. '000	
7	**STOCK IN TRADE**		**Dec 31, 2015**	**Jun 30, 2015**
	Raw material - Crude Oil		1,513,092	682,874
	Finished products	7.1 & 7.2	4,755,512	4,176,741
			6,268,604	**4,859,615**

7.1 Finished products having cost of 1,727.990 million (June 2015: 3,026.379 million) have been written down by Rs. 375.892 million (June 2015: 156.625 million) to net realizable value.

7.2 Stock of finished products includes stock held by third parties amounting to Rs. 1,496.099 million (June 2015: Rs. 1,992.633 million) and stock held by related parties amounting to Rs. 1,008.600 million (June 2015: Rs. 956.45 million).

8 TRADE DEBTS - unsecured

8.1 This mainly includes Rs. 4,388.059 million (30 June 2015: Rs. 4,476.158 million) due from Pakistan State Limited (PSO).

8.2 During the period provision was made against doubtful debts amounting to Rs. 168.690 million.

9 OTHER RECEIVABLES - considered good

9.1 This mainly includes Rs. 1,058.618 million (30 June 2015: Rs. 866.192 million) receivable in respect of Equalization Margin.

10 LONG TERM FINANCING AND ACCRUED MARK-UP		Amount in Rs. '000 Dec 31, 2015	Jun 30, 2015
Restructured principal and accrued mark-up	10.1	**11,887,084**	12,869,267
Total deferred mark-up on restructured principal		**3,687,958**	3,084,533
		15,575,042	15,953,800
Loan from commercial bank		**1,800,000**	171,058
Loan from syndicate banks		**688,780**	359,641
Musharika facility		**-**	353,488
Unwinding of arrangement fee		**37,085**	19,631
		18,100,907	16,857,618
Current maturity of restructured principal		**(4,144,545)**	(3,529,000)
Current maturity of deferred mark-up on restructured principal		**(200,000)**	(371,058)
Accrued markup		**(63,173)**	(24,349)
		13,693,190	12,933,211

10.1 The restructuring of loans as mentioned in more detail in note 17 to the consolidated financial statements for the year ended 30 June 2015 resulted in substantial modification of the financing terms.

11 Contingencies

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

During the period, the customs authority raised demand of PKR 382 million on account of import duty & taxes on Tugs being used for SPM operations. Since, the tug boats are hired on temporary basis, the company maintains that import duty & taxes are not applicable with which custom authority did not agree and ordered that the boats can not leave Pakistan. The company has filed an appeal with the relevant authority and is confident that the matter will be decided in its favour. Hence, no provision has been made in the financial statements.

12 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:

12.1 Transactions with related parties	Amount in Rs. '000 July-Dec 2015	July-Dec 2014
Parent company:		
Land lease rentals	26,469	26,469
Shared expenses	198,021	169,407
Purchase of goods and services	29,224,715	28,583,820
Markup charged	188,392	356,364
Sale of goods and services	6,734,100	2,095,289
Associated companies:		
Purchase of equipments and services	9,128	15,607
Markup on income	25,341	109,585
Sales of goods and services	595,021	5,375,388
Staff provident fund		
Payment of employees and Company's contribution	23,704	19,881
Key Management Personnel		
Salaries and benefits payment	121,642	164,521

12.2 Balances with related parties	(Un-audited) 31 December 2015 (Rupees in '000)	(Audited) 30 June 2015
Ultimate Parent Company		
Payable against expenses	12,014	12,014
Parent Company		
Accrued interest	61,208	45,337
Security deposits payable	3,646	3,646
Receivable against land lease rent	294,724	268,255
Payable against purchases and expenses	468,569	1,812,909
Receivable against sales and expenses	1,239,429	201,810
Loan receivable - net of mark-up	400,000	400,000
Associated Companies		
Trade debts	122,454	1,369,174
Accrued interest	331,544	366,204
Long Term deposit receivable	95	95
Loan Payable	361,261	327,303
Payable against purchases	7,740	8,358
Advance against purchases	9,407	9,407
Staff Provident Fund		
Payable to staff provident fund	8,799	4,302

13. 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**
Revenue					
Net sales to external customers	**20,101,366**	**16,224,072**	**411,514**	**-**	**36,736,952**
Inter-segment transfer	**13,644,252**	**112,589**	**217,741**	**(13,974,582)**	**-**
Total revenue	**33,745,618**	**16,336,661**	**629,255**	**(13,974,582)**	**36,736,952**
Result					
Segment results - (loss) / profit	**1,075,085**	**271,686**	**(659,913)**	**-**	**686,858**
Finance costs					**(1,476,933)**
Other expense					**(322,534)**
Interest income					**267,190**
Taxation					**396,640**
Loss for the year					**(448,779)**
Other Information					
Depreciation	**981,222**	**36,764**	**202,871**	**--**	**1,220,857**

	2014				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	(Rupees in '000)				
Revenue					
Net Sales to external customers	21,352,045	23,358,752	370,887	-	45,081,684
Inter-segment transfer	20,865,770	74,509	185,214	(21,125,493)	-
Total revenue	42,217,815	23,433,261	556,101	(21,125,493)	45,081,684
Result					
Segment results - (loss) / profit	(568,691)	694,788	(237,539)	-	(111,442)
Finance Costs					(1,835,091)
Other expenses					(395,200)
Interest income					422,305
Taxation					(74,483)
Loss for the period					(1,993,911)
Other Information					
Depreciation	594,213	40,024	203,444	-	837,681

14 RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
Consolidated Condensed Interim Profit and Loss Account		
Administrative expenses	Selling and distribution	29,831

15 DATE OF AUTHORIZATION FC `

This consolidated condensed interim financial information was authorised for issue on February 18, 2016 by the Board of Directors of the Company.

Chief Executive **Director**

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