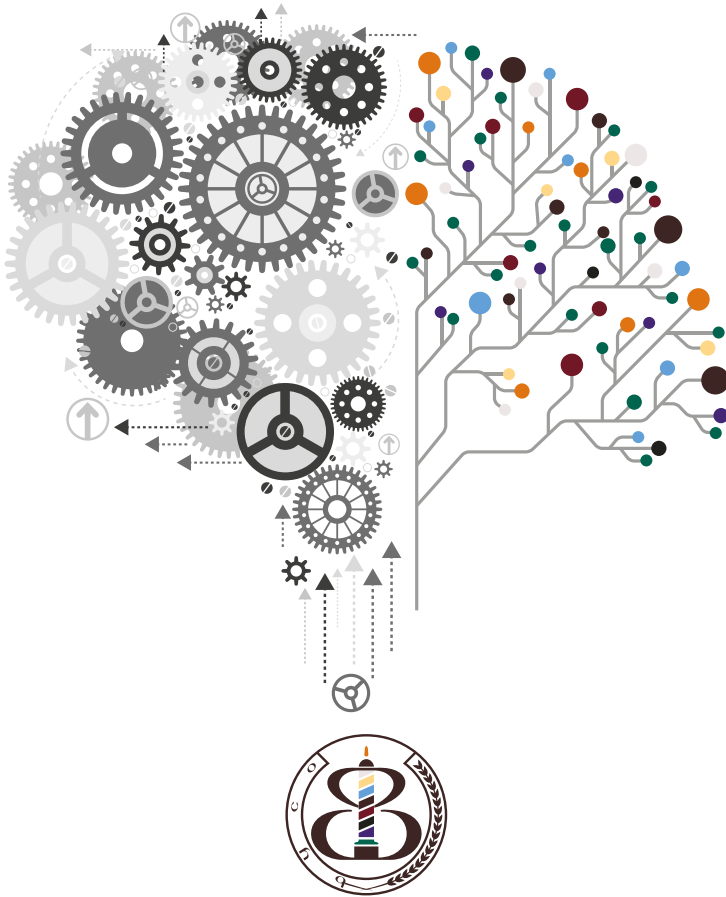


HALF-YEAR ENDING | **31 December, 2016**

Byco Petroleum Pakistan Limited



Reimagine. Redefine. Realize.

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Company Information

Board of Directors

Akhtar Hussain Malik
Chairman

Amir Abbassciq
Director &
Chief Executive Officer

Muhammad Mahmood
Hussain
Director

Syed Arshad Raza
Director

Nayyer Hussain
Director

Omar Khan Lodhi
Director

Chaudhary Khaqan Saadullah
Khan
Director

Audit Committee

Muhammad Mahmood
Hussain, Chairman

Syed Arshad Raza,
Member

Chaudhary Khaqan Saadullah
Khan,
Member

Human Resource and Remuneration Committee

Akhtar Hussain Malik,
Member

Syed Arshad Raza,
Member

Chaudhary Khaqan Saadullah
Khan,
Member

Services & Stakeholders Committee

Akhtar Hussain Malik,
Member

Syed Arshad Raza,
Member

Chaudhary Khaqan Saadullah
Khan,
Member

Chief Financial Officer

Naeem Asghar Malik

Company Secretary

Majid Muqtadir

Auditors

EY Ford Rhodes
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
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 Punjab
United Bank Limited
The Bank of Khyber

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,
Karachi 75600, Pakistan

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

Website

www.byco.com.pk

Directors' Review Report

For The Half Year Ended December 31, 2016

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

The Directors of your Company are pleased to present a brief review of the financial results and operations of your Company for the period ended 31st December, 2016.

We are pleased to inform that the Company continued its growth momentum and was able to increase sales revenue by 9% to Rs. 52.679 billion during the period under. Oil prices remained favorable with better spread between the cost of crude oil and petroleum products which helped the Company in getting positive refining margins. During this period the Company also focused on importing and selling higher margin products which increased light and middle distillate products volumetric growth by 19%. The Company was able to generate gross profit of Rs. 3.098 billion compared to Rs. 2.335 billion in same period last year.

Administrative expenses remain well within budget whereas selling expenses declined by 37% due to reduction of volumetric sales on delivered basis.

The Company earned profit after tax of Rs. 620 million compared to profit after tax of Rs. 109 million in same period last year.

The Company had filed merger petition in the court and under the scheme of merger, the Company be the surviving entity. During the current period, the shareholders and creditors of the Company have given their consent for the said scheme and subsequent to the period end, the court has sanctioned the same; however, the written order is awaited.

The Company continues to maintain highest standards of Health, Safety, Environment and Quality and successfully achieved 11.24 million man-hours with Lost Time Injury as at 31st December, 2016. Focus remained on efficient and safe operations including safety of employees, customers and contractors along with compliance with national standards for production of quality products.

The management remains committed to maintain a relentless focus on improving the turnover and profitability of your Company and the Board wishes to place on record its gratitude for the co-operation extended by Government of Pakistan and strategic partners including its customers, financial institutions, suppliers, vendors and shareholders.

For and on behalf of the Board of Directors

Chief Executive Officer
Karachi
February 23rd, 2017

بائیو پیٹرولیم پاکستان لمیٹڈ

ڈائریکٹرز کا تجزیہ

بسم اللہ الرحمن الرحیم

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے مالیاتی نتائج اور کارکردگی کا مختصر جائزہ برائے ششماہی برائے مدت ختم شدہ 31 دسمبر 2016ء باسرت پیش کرتے ہیں۔

ہم بخوشی بتا رہے ہیں کہ ہماری کمپنی متواتر ترقی کی راہ پر گامزن ہے اور اس نے موجودہ دور میں اپنی فروخت کے حجم میں 9% تک اضافہ کیا جس کے نتیجے میں اس کی مجموعی فروخت کی رقم 52.7 ارب روپے تک ہو گئی۔ خام تیل کی مستحکم قیمتیں اور پیٹرولیم مصنوعات کی سازگار قیمت فروخت کے نتیجے میں کمپنی کو بھاری منافع حاصل ہوا۔ مزید یہ کہ، کمپنی نے زیادہ منافع بخش مصنوعات کی درآمدات اور فروخت پر توجہ دی اور اُس کے نتیجے میں 19% تک کی بھاری نشوونما حاصل کی جس کے عوض 3.1 ارب روپے کا مجموعی منافع حاصل ہوا جو پچھلے سال 2.3 ارب روپے تھا۔

انتظامی اخراجات بجٹ کے اندر رہے جبکہ فروخت کے اخراجات صارفین کو ”آن ڈیلورڈ بیس“ کی وجہ سے 37% فی صد کم رہے۔ اس کے نتیجے میں کمپنی نے اس سال ٹیکس کی ادائیگی کے بعد پچھلے سال کے 109 ملین روپے کے مقابلے میں 620 ملین روپے منافع کمایا۔

کمپنی نے انضمامی اسکیم کے تحت عدالت میں انضمامی پٹیشن دائر کرائی ہے اور کمپنی کے حصص یافتگان اور قرض دہندگان کی رضامندی کے بعد عدالت نے بھی اس کی منظوری دے دی ہے تاہم تحریری حکم نامے کا انتظار ہے۔

کمپنی متواتر اعلیٰ معیاری صحت، تحفظ، ماحول اور معیار پر کام کر رہی ہے اور کمپنی کے مزدوروں نے 31 دسمبر 2016ء تک بغیر کسی بڑے حادثے کے 11.24 ملین گھنٹے کامیابی کے ساتھ پورے کئے۔ اور اس کی توجہ ملازمین کی حفاظت اور محفوظ اور موثر کاروائیوں پر ہے، تاکہ گاہکوں کو قومی معیار کی مصنوعات فراہم کی جاسکیں۔

کمپنی کی انتظامیہ کمپنی کے کاروبار کو بہتر بنانے پر مسلسل توجہ برقرار رکھنے پر مصروف عمل ہے اور حکومت پاکستان، کمپنی کے صارفین، مالیاتی اداروں، سپلائرز، تاجران اور حصص یافتگان کے تعاون کی شکر گزار ہے۔

برائے اور بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکٹو آفیسر کراچی

مورخہ 23 فروری 2017

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 2016**, 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 Matter

We draw attention to note 2 to the unconsolidated condensed interim financial information which states that the Company has accumulated losses as at 31 December 2016 amounting to Rs. 7,076.191 million and its current liabilities exceeds its current assets by Rs. 18,732.468 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 information 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 information. Our conclusion is not qualified in respect of the above matter.

Chartered Accountants

Review Engagement Partner: Riaz A. Rehman Chamdia

Date: 23rd February, 2017

Place: Karachi

Unconsolidated Condensed Interim Balance Sheet

As at 31st December 2016

		31 December 2016 (Un-audited) ----- (Rupees in '000) -----	30 June 2016 (Audited)
Note			
ASSETS			
NON-CURRENT ASSETS			
	6	12,142,751	12,580,784
Property, plant and equipment		22,660,762	22,660,762
Long term investment – at cost		10,278	10,278
Long term deposits		34,813,791	35,251,824
CURRENT ASSETS			
		366,216	293,148
Stores and spares		5,163,608	7,331,755
Stock in trade	7	5,892,997	8,286,897
Trade debts	8	4,132,059	3,038,152
Loans and advances		22,813	26,500
Trade deposits and short-term prepayments		398,916	497,688
Interest accrued		1,095,872	934,402
Other receivables	9	196,275	233,383
Cash and bank balances		17,268,756	20,641,925
TOTAL ASSETS		52,082,547	55,893,749
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
1,200,000,000 (June 2016:1,200,000,000) Ordinary shares of Rs. 10/- each		12,000,000	12,000,000
Issued, subscribed and paid-up capital			
977,858,737 (June 2016: 977,858,737) Ordinary shares of Rs. 10/- each fully paid in cash		9,778,587	9,778,587
Accumulated losses		(7,076,191)	(7,944,149)
		2,702,396	1,834,438
Surplus on revaluation of property, plant and equipment		4,473,602	4,720,991
NON-CURRENT LIABILITIES			
Long term financing and deferred-markup	10	8,712,575	9,975,319
Long term deposits		130,978	130,978
Deferred liabilities		61,772	53,472
		8,905,325	10,159,769
CURRENT LIABILITIES			
Trade and other payables		26,483,551	26,647,202
Accrued mark-up		102,789	95,692
Short term borrowings – secured		3,561,933	6,593,696
Current portion of long-term financing and deferred mark-up		5,499,079	5,442,326
Current portion of liabilities against assets subject to finance lease		-	4,362
Taxation – net		353,872	395,273
		36,001,224	39,178,551
CONTINGENCIES AND COMMITMENTS			
	11		
TOTAL EQUITY AND LIABILITIES		52,082,547	55,893,749

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

CHIEF EXECUTIVE

DIRECTOR

Unconsolidated Condensed Interim Profit And Loss Account

For The Six Months Period Ended 31st December, 2016

		Six months period ended		Three months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Note		----- (Rupees in '000) -----			
Gross sales		52,679,500	48,503,429	30,267,658	27,329,428
Sales tax, discount and others		(12,883,843)	(12,106,273)	(7,400,701)	(7,867,294)
Net sales		39,795,657	36,397,156	22,866,957	19,462,134
Cost of sales		(36,697,992)	(34,062,374)	(21,029,786)	(17,907,005)
Gross profit		3,097,665	2,334,782	1,837,171	1,555,129
Administrative expenses		(352,661)	(328,919)	(189,052)	(184,333)
Selling and distribution expenses	12	(977,050)	(1,545,219)	(505,585)	(955,628)
Other expenses	13	(424,039)	(322,534)	(254,675)	(135,064)
Other income	14	662,595	1,026,531	291,000	855,553
		(1,091,155)	(1,170,141)	(658,312)	(419,472)
Operating profit		2,006,510	1,164,641	1,178,859	1,135,657
Finance costs		(1,176,453)	(1,346,035)	(700,614)	(743,205)
Profit / (loss) before taxation		830,057	(181,394)	478,245	392,452
Taxation					
- Current	15	(209,489)	(207,668)	(122,281)	(107,286)
- Deferred		-	498,774	(55,595)	249,387
		(209,489)	291,106	(177,876)	142,101
Profit after taxation		620,568	109,712	300,369	534,553
Earnings per ordinary share					
- basic and diluted (Rupees)		0.63	0.11	0.31	0.55

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

CHIEF EXECUTIVE

DIRECTOR

Unconsolidated Condensed Interim Statement Of Comprehensive Income

For The Six Months Period Ended 31st December, 2016

	Six months period ended		Three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- (Rupees in '000) -----			
Profit after taxation	620,568	109,712	300,369	534,553
Other comprehensive income – net of taxation	-	-	-	-
Total comprehensive income for the period	620,568	109,712	300,369	534,553

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

CHIEF EXECUTIVE

DIRECTOR

Unconsolidated Condensed Interim Cash Flow Statement

For The Six Months Period Ended 31st December, 2016

	Six months period ended	
	31 December 2016	31 December 2015
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	830,057	(181,394)
Adjustments for non-cash and other items:		
Depreciation	609,572	585,492
Finance costs	1,176,453	1,346,035
Provision for doubtful debts	322,363	168,690
Provision for gratuity	8,299	9,024
Interest income	(230,072)	(253,864)
Gain on disposal of operating fixed assets	-	(2,714)
Net cash flow before working capital changes	2,716,672	1,671,269
Decrease / (increase) in current assets		
Stores and spares	(73,068)	(811)
Stock in trade	2,168,147	(1,408,989)
Trade debts	2,071,537	1,339,533
Loans and advances	(1,093,907)	(212,317)
Trade deposits and short term prepayments	3,687	(448)
Other receivables	(161,470)	(259,040)
	2,914,926	(542,072)
(Decrease) / increase in current liabilities		
Trade and other payables	(163,651)	267,052
Cash generated from operations	5,467,947	1,396,249
Finance costs paid	(349,734)	(361,870)
Income taxes paid	(250,890)	(266,626)
Gratuity paid	-	(11,499)
Interest income received	106,481	60,000
Net cash generated from operating activities	4,973,804	816,254
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(171,540)	(10,128)
Proceeds from disposal of operating fixed assets	-	2,994
Long term deposits – net	-	20,525
Net cash (used) in / generated from investing activities	(171,540)	13,391
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(1,803,247)	(1,148,958)
Short term borrowings	(3,031,763)	(302,903)
Liabilities against assets subject to finance lease – net	(4,362)	(1,593)
Net cash used in financing activities	(4,839,372)	(1,453,454)
Net decrease in cash and cash equivalents	(37,108)	(623,809)
Cash and cash equivalents as at the beginning of the period	233,383	687,576
Cash and cash equivalents as at the end of the period	196,275	63,767

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

CHIEF EXECUTIVE

DIRECTOR

Unconsolidated Condensed Interim Statement Of Changes In Equity

For The Six Months Period Ended 31st December, 2016

	Issued, subscribed and paid-up capital	Accumulated loss	Total
----- (Rupees in '000) -----			
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
Balance as at 1 July 2016	9,778,587	(7,944,149)	1,834,438
Net profit for the period	-	620,568	620,568
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	620,568	620,568
Incremental depreciation relating to surplus on revaluation of property, plant and equipment – net of deferred tax	-	247,390	247,390
Balance as at 31 December 2016	9,778,587	(7,076,191)	2,702,396

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

CHIEF EXECUTIVE

DIRECTOR

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

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 (the Parent Company) holds 80.84% (30 June 2016: 80.84%) shares in the Company. The Parent 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 14 April 2016 considered and approved in principle a potential merger of the Company and its wholly owned subsidiary, Byco Terminals Pakistan Limited and the Parent Company in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 288 of the Companies Ordinance, 1984 which was subject to the sanction of the High Court of Sindh (the Court). Subsequent to the period end, the Court has sanctioned the Scheme. However, the written order of the Court is awaited.
- 1.3** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries has been accounted for at cost less accumulated impairment losses, if any.

2. GOING CONCERN ASSUMPTION

As at 31 December 2016, the Company's accumulated losses amounted to Rs. 7,076.191 million (30 June 2016: Rs. 7,944.149 million). Moreover, current liabilities of the Company exceeded its current assets by Rs. 18,732.468 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 Company earned a profit after tax amounting to Rs. 620.568 million during the six months' period ended 31 December 2016 as compared to a profit after tax of Rs. 109.712 million in the same period last year, showing improvement in the Company's profitability;
- the sales volume of high margin products of the Company has increased by 19% showing improvement in the Company's performance as compared to same period last year;
- the Company is focusing on selling more products through its own marketing arm to increase market penetration;
- 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 contemplating a restructuring plan of the Group Companies which would bring efficiencies in the operations as stated in note 1.2;

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

- 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 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 2016 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. These unconsolidated condensed interim financial statements of the Company are unaudited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance.

3.2 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 2016 and 2015 have not been reviewed by the external auditors of the Company as they have reviewed the cumulative figures for the half year ended 31 December 2016. These unconsolidated condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2016.

3.3 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. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2016 except as follows:

New / revised standards, interpretations and amendments

The Company has adopted the following amendments to IFRS which became effective for the current period:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture: 'Agriculture - Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

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 2016.

	Note	31 December 2016 (Un-audited) ----- (Rupees in '000) -----	30 June 2016 (Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	12,107,523	12,527,158
Capital work-in-progress	6.1	35,228	53,626
		12,142,751	12,580,784

- 6.1** During the period, additions in operating fixed assets amounted to Rs. 189.938 million (31 December 2015: Rs. 10.128 million) including transfers from capital work in progress amounting to Rs. 18.398 million (31 December 2015: Rs. Nil).

	Note	31 December 2016 (Un-audited) ----- (Rupees in '000) -----	30 June 2016 (Audited)
7. STOCK IN TRADE			
Raw material – Crude oil	7.1	571,416	2,389,729
Finished products	7.2 & 7.3	4,592,192	4,942,026
		5,163,608	7,331,755

- 7.1** This includes stock held by a subsidiary company amounting to Rs. 179.239 million (30 June 2016: Rs. 585.623 million) as at the balance sheet date.

- 7.2** This includes finished products held by third parties and related parties amounting to Rs. 1,026.786 million (30 June 2016: Rs. 1,345.617 million) and Rs. 1,020.533 million (30 June 2016: Rs. 1,157.273 million) respectively, as at the balance sheet date.

- 7.3** Finished products costing Rs. 1,775.865 million (30 June 2016: Rs. 1,327.639 million) has been written down by Rs. 121.522 million (30 June 2016: Rs. 156.158 million) to net realizable value.

8. TRADE DEBTS – unsecured

- 8.1** This includes Rs. 3,615.271 million (30 June 2016: Rs. 4,531.746 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 05 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 / settlement 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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

- 8.2** During the period, provision was made against doubtful debts amounting to Rs. 322.363 million (31 December 2015: Rs. 168.690 million).

9. OTHER RECEIVABLES

Includes an amount of Rs. 425.581 million (30 June 2016: Rs. 397.062 million) in respect of Inland Freight Equalization Margin (IFEM).

10. LONG TERM FINANCING AND DEFERRED MARK-UP

	31 December 2016 (Un-Audited) ----- (Rupees in '000) -----	30 June 2016 (Audited)
Restructured principal and accrued mark-up facilities	10,747,564	12,080,128
Total deferred mark-up on restructured principal Facilities	3,464,090	3,337,517
	14,211,654	15,417,645
Current maturity of restructured principal	(5,210,895)	(5,154,142)
Current maturity of deferred mark-up on restructured principal facilities	(288,184)	(288,184)
	8,712,575	9,975,319

- 10.1** The restructuring of loans as stated in more detail in note 17 to the annual audited unconsolidated financial statements for the year ended 30 June 2016 resulted in substantial modification of the financing terms.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The status for contingencies is the same as disclosed in note 24.1 to the annual audited unconsolidated financial statements for the year ended 30 June 2016 except for those mentioned in note 24.1.1 which has been amended as follows:

- 11.1.1** The Company received an order from the Deputy Commissioner Inland Revenue (DCIR), dated 01 September 2016 which was subsequently reversed by Commissioner Inland Revenue Appeals (CIRA) on the appeal filed by the Company.

11.2 Commitments

- 11.2.1** Commitment for payments in respect of fixed capital expenditure

Outstanding letter of credit

31 December 2016 (Un-audited) ----- (Rupees in '000) -----	30 June 2016 (Audited)
---	------------------------------

17,971	11,478
-	10,722,572

12. SELLING AND DISTRIBUTION EXPENSES

Includes transportation and handling expense of Rs. 822.249 million (31 December 2015: Rs. 1,217.718 million).

13. OTHER EXPENSES

Represents provision for default surcharge amounting to Rs. 101.676 million (31 December 2015: Rs. 153.844 million) and provision for doubtful debts amounting to Rs. 322.363 million (31 December 2015: Rs. 168.690 million)

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

14. OTHER INCOME

Includes reversal of excess default surcharge recorded in prior year amounting to Rs. 401.428 million (31 December 2015: Rs. 708.883 million) on the basis of tax orders received during the period as fully explained in note 11.1.1 above.

15. TAXATION

Current

The status of tax contingencies is the same as disclosed in note 32.1 to the annual audited unconsolidated financial statements for the year ended 30 June 2016.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

16.1 Transactions with related parties

Parent Company

Land lease rentals

Purchases

Sales

Markup charged

Common expenses

Subsidiary Companies

Sales

Services received

Interest income

Land lease rentals

Expenses incurred

Associated Companies

Sales

Interest income

Staff Provident Fund

Contribution to staff provident fund

Key Management Personnel

Salaries and benefits payment

Six months period ended	
31 December 2016	31 December 2015
----- (Un-audited) -----	
----- (Rupees in '000) -----	
26,469	26,469
16,020,738	29,224,715
132,535	6,333,783
100,962	204,264
172,350	152,296
74,214	112,589
261,750	217,741
-	24,123
1,664	1,513
23,572	-
627,252	564,101
-	25,341
13,797	20,437
125,868	121,642

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

31 December
2016
(Un-audited)
----- (Rupees in '000) -----
30 June
2016
(Audited)

16.2 Balances with related parties

Ultimate Parent Company

Trade and other payables	12,014	12,014
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Parent Company

Other receivables	-	329,134
Interest accrued	-	18,924
Long term deposits	3,646	3,646
Trade and other payables	449,727	-
Trade debts	-	1,005,506

Subsidiary Companies

Trade debts	185,926	186,693
Loans and advances	4,022,561	2,928,654
Other receivables	670,291	208,206
Interest accrued	219,462	219,462

Associated Companies

Long term deposit	95	95
Trade debts	292,157	196
Loans and advances	-	9,407
Interest accrued	179,454	259,302
Trade and other payables	1,644	1,644

Staff Provident Fund

Trade and other payables	21,391	13,778
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17. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company as at 30 June 2016. There have been no changes in any risk management policies since the year end.

18. FAIR VALUES OF ASSETS AND LIABILITIES

All assets and liabilities of the Company are carried at amortised cost except for freehold land, leasehold land, building on freehold land, roads and civil works, plant and machinery, generators and safety and lab equipments which are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognised subsequent to the date of revaluation.

The carrying value of all financial and non-financial assets and liabilities measured at other than amortised cost in these unconsolidated condensed interim financial statements approximate their fair values.

Notes to the Unconsolidated Condensed Interim Financial Statements

For The Six Months Period Ended 31st December, 2016

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 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(Rupees in '000)					
Revenue						
Net Sales to external customers	22,784,195	20,060,495	17,011,462	16,336,661	39,795,657	36,397,156
Inter-segment sales	15,410,804	13,644,252	-	-	15,410,804	13,644,252
Eliminations	(15,410,804)	(13,644,252)	-	-	(15,410,804)	(13,644,252)
Total revenue	22,784,195	20,060,495	17,011,462	16,336,661	39,795,657	36,397,156
Result						
Segment results – profit / (loss)	1,629,859	858,857	578,327	384,275	2,208,186	1,243,132
Unallocated expenses:						
Other expenses					(424,039)	(322,534)
Finance costs					(1,176,453)	(1,346,035)
Interest income					222,363	244,043
Taxation					(209,489)	291,106
Profit / (Loss) for the period					620,568	109,712
Other comprehensive income					-	-
Total comprehensive profit / (loss) for the period					620,568	109,712
Other Information						
Depreciation and amortization	590,750	548,728	18,822	36,764	609,572	585,492

20. 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 23rd February, 2017.

21. GENERAL

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

CHIEF EXECUTIVE

DIRECTOR

Consolidated Condensed Interim Balance Sheet

As at 31st December 2016

	Notes	Unaudited Dec 31, 2016	Audited Jun 30, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	34,657,205	35,652,029
Intangible asset		23,746	23,746
Long term Loans and Advances		1,813,780	1,753,780
Long term deposits		31,331	31,332
		36,526,062	37,460,887
CURRENT ASSETS			
Stores and spares		366,757	293,689
Stock in trade	7	5,163,608	7,331,755
Trade debts	8	6,074,174	8,278,080
Loans and advances		562,180	555,535
Trade deposits and short-term prepayments		40,451	53,217
Other receivables	9	972,628	1,276,715
Accrued interest		281,889	353,193
Cash and bank balances		239,242	240,532
		13,700,930	18,382,716
Total assets		50,226,992	55,843,603
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 1,200,000,000 (June 2016:1,200,000,000) Ordinary shares of Rs.10/- each		12,000,000	12,000,000
Share capital		9,778,587	9,778,587
Accumulated losses		(24,806,482)	(25,469,576)
		(15,027,895)	(15,690,989)
Surplus on revaluation of Property, plant and equipment		13,007,874	13,490,917
NON CURRENT LIABILITIES			
Long term financing and deferred mark-up	10	10,784,969	12,170,263
Long-term deposits		130,978	130,978
Deferred liabilities		4,918,714	5,027,609
		15,834,661	17,328,850
CURRENT LIABILITIES			
Trade and other payables		26,332,786	27,576,892
Accrued mark-up		196,100	194,643
Short term borrowings		3,909,236	6,940,999
Current portion of non current liabilities		5,607,957	5,596,765
Liabilities against assets subject to finance lease		-	4,362
Taxation - net		366,274	401,164
		36,412,353	40,714,825
Contingencies and Commitments	11		
		50,226,992	55,843,603

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

Chief Executive

Director

Consolidated Condensed Interim Profit & Loss Account

For The Six Months Period Ended 31st December, 2016

	Six-month period ending		Three-month period ending	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees in '000-----			
Gross sales	53,041,264	48,809,355	30,479,969	27,459,461
Sales tax, discount and others	(12,930,508)	(12,072,403)	(7,453,699)	(7,831,680)
Net sales	40,110,756	36,736,952	23,026,270	19,627,781
Cost of Sales	(37,517,066)	(34,863,248)	(21,396,112)	(18,297,832)
Gross profit	2,593,690	1,873,704	1,630,158	1,329,949
Administrative expenses	(373,485)	(398,549)	(197,098)	(220,808)
Selling and distribution expenses	(915,850)	(1,545,219)	(480,252)	(955,628)
Other expenses	(424,039)	(322,534)	(254,675)	(135,064)
Other income	688,399	1,024,112	304,043	848,471
	(1,024,975)	(1,242,190)	(627,982)	(463,029)
Operating profit	1,568,715	631,514	1,002,176	866,920
Financial charges	(1,196,609)	(1,304,980)	(690,767)	(759,869)
Exchange loss	(81,930)	(171,953)	(60,315)	(53,289)
	(1,278,539)	(1,476,933)	(751,082)	(813,158)
Profit / (Loss) before taxation	290,176	(845,419)	251,093	53,763
Taxation				
Current	(216,000)	(211,423)	(125,562)	(109,193)
Deferred	105,873	608,063	(2,659)	298,909
	(110,127)	396,640	(128,221)	189,716
Profit / (Loss) after taxation	180,049	(448,779)	122,873	243,479
Earning / (Loss) per share - basic and diluted (Rupees)	0.18	(0.46)	0.13	0.25

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

Chief Executive

Director

Consolidated Condensed Interim Statement Of Comprehensive Income

For The Six Months Period Ended 31st December, 2016

	<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	-----Rupees in '000-----			
Profit / (Loss) after taxation	180,049	(448,779)	122,873	243,479
Other comprehensive income	-	-	-	-
Total comprehensive Income / (Loss) for the period	<u>180,049</u>	<u>(448,779)</u>	<u>122,873</u>	<u>243,479</u>

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

Chief Executive

Director

Consolidated Condensed Interim Cash Flow Statement

For The Six Months Period Ended 31st December, 2016

	Jul - Dec 2016	Jul - Dec 2015
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	290,176	(845,419)
Adjustments for:		
Depreciation	1,230,325	1,220,857
Finance costs	1,278,539	1,476,933
Provision for impairment against doubtful debts	222,363	168,690
Gain on disposal of assets	--	(2,784)
Interest income	(222,363)	(267,190)
Provision for gratuity	8,867	10,968
Net cash flow before working capital changes	2,807,907	1,762,055
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(73,068)	(50,427)
Stock in trade	2,168,147	(1,408,989)
Trade debts	2,203,905	977,458
Loans and advances	(6,645)	171,209
Trade deposits and short-term prepayments	12,766	6,775
Other receivables	304,086	(226,969)
Mark up accrued	71,303	(64,359)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(1,551,559)	636,569
	3,128,936	41,267
Cash generated from operations	5,936,843	1,803,321
Financial charges paid	(452,830)	(695,226)
Income Taxes paid	(257,533)	(266,626)
Gratuity	--	(14,127)
Interest income received	79,848	60,000
Net cash from operating activities	5,306,328	887,342
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(240,136)	(40,530)
Advance against investment in Shares	(60,000)	(67,454)
Proceeds from disposal of vehicles	--	3,505
Long term deposits - net	--	20,736
Net cash used in investing activities	(300,136)	(83,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan - net	(1,983,247)	(1,111,501)
Short term borrowings net	(3,019,873)	(302,903)
Liabilities against assets subject to finance lease - net	(4,362)	(1,593)
Net cash used in financing activities	(5,007,482)	(1,415,997)
Net increase / (decrease) in cash and cash equivalents	(1,290)	(612,398)
Cash and cash equivalents at beginning	240,532	692,425
Cash and cash equivalents at end	239,242	80,027

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

Chief Executive

Director

Consolidated Condensed Interim Statement Of Changes In Equity

For The Six Months Period Ended 31st December, 2016

	Issued, subscribed and paid up capital	Accumulated Loss	Total
	----- (Rupees in '000) -----		
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 deferred tax	--	482,572	482,572
Balance as at Dec 31, 2015	<u>9,778,587</u>	<u>(26,805,291)</u>	<u>(17,026,704)</u>
Balance as at 1 July 2016	9,778,587	(25,469,576)	(15,690,989)
Total comprehensive income for the period ended 31 Dec 2016			
Income / (Loss) for the period ended 31 Dec 2016	--	180,049	180,049
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	483,046	483,046
Balance as at Dec 31, 2016	<u>9,778,587</u>	<u>(24,806,481)</u>	<u>(15,027,894)</u>

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

Chief Executive

Director

Notes to the Consolidated Condensed Interim Financial Information

For The Six Months Period Ended 31st December, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 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 engaged in blending, refining and processing of petroleum naphtha to produce petroleum products such as premium motor gasoline.

1.2 The Board of Directors (the Board) of the Holding Company in a meeting held on 14 April 2016 considered and approved in principle a potential merger of the Company, its wholly owned subsidiary Byco Terminals Pakistan Limited and the Parent Company in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 to Section 288 of the Companies Ordinance, 1984 and subject to the sanction of the High Court of Sindh. Under the said scheme, the Holding Company would be the surviving entity. Subsequent to the period end, the Court has sanctioned the Scheme. However, the written order of the Court is awaited.

2. GOING CONCERN ASSUMPTION

During the period ended 31 Dec 2016, the Group incurred a net profit after tax of Rs. 180 million (Dec 2015: Loss Rs. 449 million) and as of that date its accumulated losses amounted to Rs. 24,806 million (2016: Rs. 25,469 million). As at 31 Dec 2016, current liabilities of the Group exceeded its current assets by Rs. 22,711 million. The conditions indicate existence of material uncertainty which may cast significant doubt about the Group's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The consolidated financial statements have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

Notes to the Consolidated Condensed Interim Financial Information

For The Six Months Period Ended 31st December, 2016

- the sales volume of high margin products of the Group has increased by 19% showing improvement in the Group's performance as compared to same period last year;
- The Holding Company is focusing on selling more products through its own marketing arm to increase market penetration;
- 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 2016 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 2016.
- 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 2016 has been extracted from the consolidated audited financial statements of the Group for the year ended 30 June 2016.

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 2016.

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 2016.

Notes to the Consolidated Condensed Interim Financial Information

For The Six Months Period Ended 31st December, 2016

		Amount in Rs. '000	
		Dec 31, 2016	Jun 30, 2016
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	34,085,727	35,216,520
	Capital work in progress - at cost	571,478	435,509
		34,657,205	35,652,029

6.1 During the period, the additions in property, plant and equipment amounted to Rs. 240 million.

		Amount in Rs. '000	
		Dec 31, 2016	Jun 30, 2016
7	STOCK IN TRADE		
	Raw material - Crude Oil	571,416	2,389,729
	Finished products	4,592,192	4,942,026
		5,163,608	7,331,755

7.1 Finished products having cost of 1,775.865 million (June 2016: 1,327.639 million) have been written down by Rs. 121.522 million (June 2016: 156.158 million) to net realizable value.

7.2 Stock of finished products includes stock held by third parties amounting to Rs. 1,026.786 million (June 2016: Rs. 1,345.617 million).

8 TRADE DEBTS - unsecured

8.1 This mainly includes Rs. 3,615.271 million (30 June 2016: Rs. 4,531.746 million) due from Pakistan State Oil Company Limited (PSO) and Rs. 635.590 million (30 June 2016: Rs. 1,182.406 million) due from related parties against supplies of products.

8.2 During the period provision was made against doubtful debts amounting to Rs. 322.363 million.

9 OTHER RECEIVABLES - considered good

9.1 This mainly includes Rs. 426 million (30 June 2016: Rs. 397 million) receivable in respect of Inland Freight Equalization Margin.

		Amount in Rs. '000	
		Dec 31, 2016	Jun 30, 2016
10	LONG TERM FINANCING AND ACCRUED MARK-UP		
	Restructured principal and accrued mark-up	10.1	10,747,564
	Total deferred mark-up on restructured principal		12,080,128
			3,464,090
			14,211,654
	Loan from commercial bank		1,440,000
	Loan from syndicate banks		688,780
	Unwinding of arrangement fee		52,493
			16,392,927
			17,767,028
	Current maturity of restructured principal		(5,210,895)
	Current maturity of deferred mark-up on restructured principal		(288,184)
	Loan from commercial bank I		(40,000)
	Loan from commercial bank II		(68,878)
			10,784,969
			12,170,263

Notes to the Consolidated Condensed Interim Financial Information

For The Six Months Period Ended 31st December, 2016

- 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 2016 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 2016, except for the following:

The Company received an order from the Deputy Commissioner Inland Revenue (DCIR), dated 01 September 2016 which was subsequently reversed by Commissioner Inland Revenue Appeals (CIRA) on the appeal filed by the Company.

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 2016	July-Dec 2015
Parent company:		
Land lease rentals	26,469	26,469
Shared expenses	188,561	198,021
Purchase of goods and services	16,020,738	29,224,715
Markup charged	100,962	188,392
Sale of goods and services	536,021	6,734,100
Associated companies:		
Purchase of equipments and services	--	9,128
Markup on income	--	25,341
Sales of goods and services	627,252	595,021
Staff provident fund		
Payment of employees and Company's contribution	14,722	23,704
Key Management Personnel		
Salaries and benefits payment	132,843	121,642
12.2 Balances with related parties	(Un-audited) 31 December 2016 (Rupees in '000)	(Audited) 30 June 2016
Ultimate Parent Company		
Payable against expenses	12,014	12,014
Parent Company		
Accrued interest	--	18,924
Security deposits payable	3,646	3,646
Receivable against land lease rent	--	329,134
Payable against purchases and expenses	449,803	433,389
Receivable against sales and expenses	343,433	1,172,703
Associated Companies		
Trade debts	292,157	9,703
Accrued interest	179,454	259,302
Long Term deposit receivable	95	95
Payable against purchases	2,202	11,709
Advance against purchases	--	9,407
Staff Provident Fund		
Payable to staff provident fund	21,692	13,934

Notes to the Consolidated Condensed Interim Financial Information

For The Six Months Period Ended 31st December, 2016

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:

	2016				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	(Rupees in '000)				
Revenue					
Net sales to external customers	22,784,195	16,937,249	389,313	-	40,110,756
Inter-segment transfer	15,410,804	74,214	261,750	(15,746,768)	-
Total revenue	38,194,999	17,011,463	651,063	(15,746,768)	40,110,756
Result					
Segment results - (loss) / profit	1,426,752	504,114	(187,943)	-	1,742,923
Finance costs					(1,278,539)
Other expense					(424,039)
Interest income					249,831
Taxation					(110,127)
Profit for the period					180,049
Other Information					
Depreciation	1,027,199	18,822	184,304	--	1,230,325
	2015				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	(Rupees in '000)				
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 expenses					(322,534)
Interest income					267,190
Taxation					396,640
Loss for the period					(448,779)
Other Information					
Depreciation	981,222	36,764	202,871	-	1,220,857

14. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on February 23, 2017 by the Board of Directors of the Company.

Chief Executive

Director

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