



IMAGINED. REALIZED.

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## Company Information Page

**BPPL 3<sup>rd</sup> Quarter Report  
31<sup>st</sup> March 2016**

### **Board of Directors**

Hamid Imtiaz Hanfi  
Chairman

Muhammad Raza Hasnani  
Vice Chairman

Mohammad Wasi Khan  
Chief Executive Officer

Ovais Mansoor Naqvi  
Director

Philip Harris  
Director

Diana Brush  
Director

Richard Legrand  
Director

### **Company Secretary**

Shahana Ahmed Ali

### **Audit Committee**

Philip Harris

Muhammad Raza Hasnani

Diana Brush

### **Strategy & Risk Management Committee**

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

### **Services & Stakeholders Committee**

Muhammad Raza Hasnani

Hamid Imtiaz Hanfi

Diana Brush

### **Chief Financial Officer**

Muhammad Imran Shaikh

### **Legal Counsel**

Shahana Ahmed Ali

### **Auditors**

Ernst & Young Ford Rhodes  
Sidat Hyder  
Chartered Accountants

### **Bankers**

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
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**

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

Tel: (92 21) 111 222 081

Fax: (92 21) 111 888 081

### **Website**

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

**BYCO PETROLEUM PAKISTAN LIMITED**  
**DIRECTORS REPORT FOR THE QUARTER & PERIOD ENDED MARCH 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 quarter and period ended 31<sup>st</sup> March, 2016.

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 third quarter of Rs. 1.88 billion and for the nine months of Rs. 4.22 billion, translating into profit after tax of Rs. 440.2 million for the third quarter and Rs. 549.9 million for the nine months. The earnings per share for the third quarter were Rs. 0.45 and for the nine month were Rs. 0.56, compared to a loss after tax of Rs. 1.2 billion and loss per share of Rs. 1.28, in the corresponding period of last year.

The performance in current period improved due to better margins between International prices of products and crude oil, however the management expects continued volatility in crude oil and product prices. In order to minimize exposure against fluctuations in oil prices, several key steps were taken including rationalizing refinery capacity; focus 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 installments, 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 SPM 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 and petroleum product imports.

Last year, in order to improve the capital structure of the Company, the Company sold its Isomerization Unit to a wholly owned subsidiary company namely Byco Isomerization Pakistan (Private) Limited. We are pleased to inform that No Objection Certificates (NOCs) have been obtained from all the lenders of the Company.

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

We would also like to thank our dedicated employees for their commitment towards sustainable operations.

For and on behalf of the Board of Directors

Chief Executive Officer  
Karachi  
April 27, 2016

## بانکیو پیٹرولیم پاکستان لمیٹڈ

ڈائریکٹرز کی سہ ماہی رپورٹ برائے مختتمہ 31 مارچ 2016

بسم اللہ الرحمن الرحیم

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے مالیاتی نتائج اور کارکردگی کا مختصر جائزہ برائے سہ ماہی مدت مختتمہ 31 مارچ 2016 با مسرت پیش کرتے ہیں۔ مذکورہ مدت میں آپ کی کمپنی کی استعداد کار میں مسلسل اضافہ جاری رہا اور فروخت کے حجم میں تیزی کا رجحان سامنے آیا۔ تیسری سہ ماہی میں کمپنی کو 1.88 ارب روپے کا خام منافع ہوا جبکہ 9 ماہ کی مدت میں 4.22 ارب روپے کا خام منافع ہوا۔ تیسری سہ ماہی کی مدت میں ٹیکس کی رقم منہا کرنے کے بعد 440.2 ملین روپے منافع اور تیسری سہ ماہی مدت میں ٹیکس کی رقم منہا کرنے کے بعد 9 ماہ میں 549.9 ملین روپے منافع ہوا ہر شیئر پر منافع کا حصول برائے تیسری سہ ماہی 0.45 روپے اور 9 ماہ کی مدت کیلئے منافع کی شرح 0.56 روپے رہی تقابلی طور پر گزشتہ سال کی اسی مدت میں خسارے کی رقم 1.2 ارب ٹیکس منہا کرنے کے بعد خسارہ کی شرح فی شیئر 1.28 روپے رہی۔

موجودہ سہ ماہی کی کارکردگی میں 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 تبدیلی ہوگی۔ خام تیل کی گرتی ہوئی قیمتوں کے اثرات سے محفوظ رہنے کیلئے کئی موثر اقدامات کئے گئے ہیں جس میں ریفائنری کو بھرپور سے کم استعداد کے ساتھ چلانا اور کمپنی کے شعبہ فروخت کاری کے ذریعے فروخت پر بھرپور توجہ دینا شامل ہے اور اس طرح اونچے مارجن اشیاء وغیرہ کی فروخت پر توجہ دے کر فروخت میں اضافہ کرنا ہے۔ ان اقدامات کے نتیجے میں فروخت کے حجم میں اس مدت میں اضافہ ہوگا۔ سود میں جو کمی ہوئی ہے اسکی بنیادی وجہ قرض کی اقساط کی ادائیگی، KIBOR کے شرح میں کمی اور LG کی جلد تصفیہ ہے۔ انتظامی اور فروخت پر اٹھنے والے اخراجات بدستور بجٹ کی حدود میں رہے جبکہ نقل و حمل اور ہینڈلنگ کے اخراجات اس میں شامل نہیں کیونکہ فروخت کا حجم بڑھنے سے اخراجات میں اضافہ لازم و ملزوم ہیں۔

کمپنی کی ذیلی کمپنی SPM، بانکومینٹلز 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۔

گزشتہ سال کمپنی کے اثاثہ جاتی ڈھانچے (کمپیٹل اسٹرکچر) میں بہتری لانے کیلئے کمپنی نے مکمل ملکیتی ذیلی کمپنی بنام بانکیو آئسو میرائیزیشن پاکستان (پرائیوٹ) لمیٹڈ کو آئسو میرائیزیشن یونٹ فروخت کر دیا۔ ہمیں یہ بتاتے ہوئے مسرت ہو رہی ہے کہ کمپنی کے تمام مستعارین سے سند عدم اعتراض (NOCs) حاصل کئے جا چکے ہیں۔

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 فروخت فراہم کرنے والے، خریدار اور کمپنی کے حصص یافتگان بھی شامل ہیں۔ ہم اس موقع پر کمپنی کے وفادار ملازمین اور کمپنی کی استعداد کار بڑھانے کا عزم رکھنے والے ملازمین کے بھی مشکور ہیں۔

برائے اور بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکٹو آفیسر کراچی

مورخہ 27 اپریل 2016

**Byco Petroleum Pakistan Limited**  
**Unconsolidated Condensed Interim Balance Sheet**  
**As at March 31, 2016**

	Notes	Mar 31, 2016 Unaudited ------(Rupees in '000)-----	Jun 30, 2015 Audited
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	12,852,241	13,715,845
Long term Investment - at cost		5,729,258	5,729,258
Long-term advance		16,931,504	16,931,504
Long-term deposits		10,278	9,803
		<u>35,523,281</u>	<u>36,386,410</u>
<b>CURRENT ASSETS</b>			
Stores and spares		285,468	279,196
Stock in trade	7	4,131,503	4,859,615
Trade debts	8	6,758,365	9,349,396
Loans and advances	9	2,582,063	1,497,310
Trade deposits and short-term prepayments		29,491	23,188
Other receivables	10	1,596,446	1,280,500
Accrued interest		527,688	572,610
Cash and bank balances		68,926	687,576
		<u>15,979,950</u>	<u>18,549,391</u>
<b>Total assets</b>		<u><u>51,503,231</u></u>	<u><u>54,935,801</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 1,200,000,000 (June 2015:1,200,000,000) Ordinary shares of Rs.10/- each		<u>12,000,000</u>	<u>12,000,000</u>
Share capital		9,778,587	9,778,587
Accumulated losses		<u>(8,890,664)</u>	<u>(9,807,784)</u>
		887,923	(29,197)
<b>Surplus on revaluation of Property, plant and equipment</b>		4,850,290	5,217,476
<b>NON CURRENT LIABILITIES</b>			
Long term financing and deferred mark-up	11	11,503,072	12,224,800
Liabilities against assets subject to finance lease		-	1,730
Long-term deposits		130,978	108,978
Deferred liabilities		290,143	1,036,268
		<u>11,924,193</u>	<u>13,371,776</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		27,997,215	31,037,413
Accrued mark-up		92,417	183,727
Short term borrowings - secured		1,490,403	737,609
Current portion of non-current liabilities		3,578,654	3,729,000
Liabilities against assets subject to finance lease		4,362	4,970
Taxation - net		677,774	683,027
		<u>33,840,825</u>	<u>36,375,746</u>
<b>Contingencies and Commitments</b>	12		
<b>Total equity and liabilities</b>		<u><u>51,503,231</u></u>	<u><u>54,935,801</u></u>

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

**Byco Petroleum Pakistan Limited**  
**Unconsolidated Condensed Interim Profit and Loss Account**  
**For the period ended 31 March 2016 (Unaudited)**

		Nine-month period ending		Three-month period ending	
		March 2016	March 2015	March 2016	March 2015
		-----Rupees in '000-----			
Gross sales		<b>75,361,168</b>	77,753,697	<b>26,857,739</b>	23,572,927
Sales tax, discount and others		<b>(21,134,882)</b>	(13,405,074)	<b>(9,028,609)</b>	(4,064,075)
Net Sales		<b>54,226,286</b>	64,348,623	<b>17,829,130</b>	19,508,852
Cost of Sales		<b>(50,007,028)</b>	(61,625,557)	<b>(15,944,654)</b>	(17,355,308)
<b>Gross profit</b>		<b>4,219,258</b>	2,723,066	<b>1,884,476</b>	2,153,544
Administrative expenses	13	<b>(480,923)</b>	(451,974)	<b>(152,004)</b>	(157,913)
Selling and distribution expenses		<b>(2,272,369)</b>	(1,794,193)	<b>(727,150)</b>	(882,625)
Other expenses		<b>(481,825)</b>	(592,311)	<b>(159,291)</b>	(197,111)
Other income		<b>1,150,576</b>	1,331,656	<b>124,045</b>	220,651
		<b>(2,084,541)</b>	(1,506,822)	<b>(914,400)</b>	(1,016,998)
<b>Operating profit</b>		<b>2,134,717</b>	1,216,244	<b>970,076</b>	1,136,546
Finance charges		<b>(1,831,606)</b>	(2,105,623)	<b>(652,051)</b>	(604,750)
Exchange loss		<b>(197,464)</b>	(246,033)	<b>(30,984)</b>	(79,002)
		<b>(2,029,070)</b>	(2,351,656)	<b>(683,035)</b>	(683,752)
<b>Profit / (Loss) before taxation</b>		<b>105,647</b>	(1,135,413)	<b>287,041</b>	452,795
<b>Taxation</b>					
Current		<b>(303,873)</b>	(343,853)	<b>(96,205)</b>	(105,367)
Deferred		<b>748,161</b>	231,131	<b>249,387</b>	67,118
		<b>444,288</b>	(112,721)	<b>153,182</b>	(38,249)
<b>Profit / (Loss) after taxation</b>		<b>549,935</b>	(1,248,134)	<b>440,223</b>	414,546
Earning / (Loss) per share - basic and diluted (Rupees)		<b>0.56</b>	(1.28)	<b>0.45</b>	<b>0.42</b>

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

**Chief Executive**

**Director**

**Byco Petroleum Pakistan Limited**  
**Unconsolidated Condensed Interim Statement of Other Comprehensive Income**  
**For the period ended 31 March 2016 (Unaudited)**

	<u>Nine-month period ending</u>		<u>Three-month period ending</u>	
	<b>March</b>	March	<b>March</b>	March
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>-----Rupees in '000-----</b>			
Profit / (Loss) after taxation	549,935	<b>(1,248,134)</b>	440,223	414,546
Other comprehensive income	-	<b>13,661,086</b>	-	13,661,086
Total comprehensive Income for the period	<b>549,935</b>	<b>12,412,952</b>	<b>440,223</b>	<b>14,075,632</b>

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

**Chief Executive**

**Director**



**Byco Petroleum Pakistan Limited**  
**Unconsolidated Condensed Interim Cash Flow Statement**  
**For the period ended 31 March 2016 (Unaudited)**

	31 Mar 2016	31 Mar 2015
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	105,647	(1,135,413)
Adjustments for:		
Depreciation	891,459	957,939
Finance costs	2,029,070	2,351,656
Provision for impairment against doubtful debts	251,059	311,613
Gain on disposal of assets	(2,714)	(874)
Interest income	(348,593)	(578,620)
Provision for gratuity	13,535	16,334
Net cash flow before working capital changes	2,939,463	1,922,635
<b>Movement in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(6,272)	(67,603)
Stock in trade	728,111	6,416,160
Trade debts - unsecured	2,339,973	(1,147,400)
Loans and advances - considered good	(1,084,753)	(1,092,145)
Trade deposits and short term prepayments	(6,303)	(834,485)
Other receivables	(315,946)	--
Mark up accrued	(45,077)	470,858
<i>Increase / (Decrease) in current liabilities</i>		
Trade and other payables	(3,040,198)	(335,529)
	(1,430,466)	3,409,856
<b>Cash generated from operations</b>	1,508,997	5,332,490
Financial costs paid	(598,145)	(1,333,274)
Income Taxes paid	(309,126)	(305,260)
Gratuity paid	(11,499)	(29,554)
Interest income received	90,000	90,000
Net cash from operating activities	680,228	3,754,401
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(18,006)	(88,960)
Proceeds from disposal of vehicles	2,994	4,369
Long term deposits - net	21,525	14,293
Net cash from investing activities	6,513	(70,298)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan	(2,055,846)	(1,227,500)
Short term borrowings net	752,794	(2,897,128)
Liabilities against assets subject to finance lease - net	(2,338)	(12,032)
Net cash used in financing activities	(1,305,390)	(4,136,661)
Net increase / (decrease) in cash and cash equivalents	(618,649)	(452,558)
Cash and cash equivalents - opening	687,576	472,635
Cash and cash equivalents at - closing	68,926	20,079

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

**Chief Executive**

**Director**

**Byco Petroleum Pakistan Limited**  
**Unconsolidated Condensed Interim Statement of Changes In Equity**  
**For the period ended 31 March 2016 (Unaudited)**

	<b>Issued, subscribed and paid up capital</b>	<b>Accumulated Loss</b>	<b>Total</b>
	<b>----- (Rupees in '000) -----</b>		
Balance as at 1 July 2014	9,778,587	(24,057,779)	(14,279,192)
Total comprehensive income for the period			
Income for the period	--	12,412,952	12,412,952
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net of tax	--	374,086	374,086
Balance as at March 31, 2015	<u>9,778,587</u>	<u>(11,270,741)</u>	<u>(1,492,154)</u>
Balance as at 1 July 2015	9,778,587	(9,807,784)	(29,197)
Total comprehensive income for the period			
Profit for the period	--	549,935	549,935
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of tax	--	367,186	367,186
Balance as at March 31, 2016	<u><b>9,778,587</b></u>	<u><b>(8,890,664)</b></u>	<u><b>887,923</b></u>

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

**Chief Executive**

**Director**

# Byco Petroleum Pakistan Limited

## Notes to the Unconsolidated Condensed Interim Financial Information

For the period ended 31 March 2016 (Unaudited)

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on 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 has 261 retail outlets across the country.

The Board of Directors of the Company in their meeting held on 14 April 2016, considered and approved a potential merger by way of amalgamation of Byco Oil Pakistan Limited and Byco Terminals Pakistan Limited with and into the Company.

### 2. GOING CONCERN ASSUMPTION

As at 31 March 2016, the current liabilities of the Company exceeded current assets by Rs. 17,860.875 million. The condition indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. These unconsolidated financials have been prepared using the going concern assumption as the management is confident that the condition is temporary, and would reverse in foreseeable future due to the reasons given below:

- The throughput and sales volume of the company increased by 15% and 38% respectively 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 Company is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate;
- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that;
- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

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

### **3 BASIS OF PREPARATION**

#### **3.1 Statement of compliance**

This unconsolidated condensed interim financial information of the Company for the period ended 31 March 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 unconsolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2015.
- 3.3** This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 245 of the Companies Ordinance, 1984.
- 3.4** This unconsolidated condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 3.5** The comparative balance sheet presented in these unconsolidated condensed interim financial information as at 30 June 2015 has been extracted from the unconsolidated audited financial statements of the Company for the year ended 30 June 2015.

#### **4 ACCOUNTING POLICIES**

The accounting policies and the method of computation adopted in the preparation of these unconsolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2015.

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

#### **5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this unconsolidated condensed interim financial information are the same as those that were applied to the unconsolidated financial statements as at and for the year ended 30 June 2015. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2015.

6	PROPERTY, PLANT AND EQUIPMENT		Amount in Rs. '000	
			Mar 31, 2016	Jun 30, 2015
			Unaudited	Audited
	Operating fixed assets	6.1 & 6.2	12,798,615	13,662,219
	Capital work in progress - at cost		53,626	53,626
			<b>12,852,241</b>	<b>13,715,845</b>

6.1 During the period, the additions in property, plant and equipment amounted to Rs. 18.006 million.

6.2 During the period assets having net book value of Rs. 0.28 million were disposed for Rs. 2.994 million.

7	STOCK IN TRADE		Amount in Rs. '000	
			Mar 31, 2016	Jun 30, 2015
			Unaudited	Audited
	Raw material - Crude Oil	7.1	567,963	682,874
	Finished products	7.2 & 7.3	3,563,540	4,176,741
			<b>4,131,503</b>	<b>4,859,615</b>

7.1 Stocks of raw material includes stock held by related parties amounting to Rs. 301.524 million (June 2015: Rs. 210.687 million).

7.2 Finished products having cost of 2,028.526 million (June 2015: 3,026.379 million) have been written down by Rs. 334.555 million (June 2015: 156.625 million) to net realizable value.

7.3 Stock of finished products includes stock held by third parties amounting to Rs. 816.082 million (June 2015: Rs. 1,992.633 million) and stock held by related parties amounting to Rs. 1,535.300 million (June 2015: Rs. 956.45 million).

#### 8 TRADE DEBTS - unsecured

8.1 This mainly includes Rs. 3,687.373 million (30 June 2015: Rs. 4,476.158 million) due from Pakistan State Oil Company Limited (PSO) and Rs. 1,108.173 million (30 June 2015: Rs. 2,230.574 million) due from related parties against supplies of products.

8.2 During the period provision was made against doubtful debts amounting to Rs. 251.059 million.

#### 9 LOANS AND ADVANCES - unsecured, considered good

9.1 This mainly includes Rs. 2,472.565 million (30 June 2015: Rs. 1,214.983 million) advance given to BTPL against future services.

#### 10 OTHER RECEIVABLES - considered good

10.1 This mainly includes Rs. 1,095.238 million (30 June 2015: Rs. 866.192 million) receivable in respect of Inland Freight Equalization Margin.

11	LONG TERM FINANCING AND ACCRUED MARK-UP		Amount in Rs. '000	
			Mar 31, 2016	Jun 30, 2015
			Unaudited	Audited
	Restructured principal and accrued mark-up	11.1	11,357,928	12,869,267
	Total deferred mark-up on restructured principal		3,723,799	3,084,533
			<b>15,081,726</b>	<b>15,953,800</b>
	Current maturity of restructured principal		(3,378,654)	(3,529,000)
	Current maturity of deferred mark-up on restructured principal		(200,000)	(200,000)
			<b>11,503,072</b>	<b>12,224,800</b>

11.1 The restructuring of loans as mentioned 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.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

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

## 13 SELLING AND DISTRIBUTION EXPENSES

- 13.1 Included herein transportation and handling expense amounting to Rs. 1,757.706 million (2015: Rs. 1,394.200 million).

## 14 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:

14.1 Transactions with related parties	Amount in Rs. '000	
	July-Mar 2016	July-Mar 2015
	----Unaudited----	
<b>Parent company:</b>		
Land lease rentals	39,703	39,703
Shared expenses	224,461	214,785
Purchase of goods and services	36,706,481	39,574,687
Markup charged	323,460	572,762
Sale of goods and services	8,391,412	3,355,070
<b>Subsidiary Companies:</b>		
Storage services received	360,758	300,170
Land lease rentals	2,269	2,269
Markup income	31,978	42,987
Sale of goods and services	144,193	171,748
Sale of Isomerization unit	--	16,931,504
<b>Associated companies:</b>		
Purchase of operating fixed assets and services	--	38
Markup on income	26,722	154,775
Sales of goods and services	564,101	5,572,670
<b>Staff provident fund</b>		
Payment of employees and Company's contribution	24,579	29,622
<b>Key Management Personnel</b>		
Salaries and benefits payment	182,464	199,481
	(Un-audited)	(Audited)
14.2 Balances with related parties	31 March	30 June
	2016	2015
	(Rupees in '000)	
<b>Ultimate Parent Company</b>		
Payable against expenses	12,014	12,014
<b>Parent Company</b>		
Accrued interest	18,924	18,924
Security deposits payable	3,646	3,646
Receivable against land lease rental	313,914	268,255
Payable against purchases and expenses	--	1,376,893
Receivable against sales and expenses	920,646	--

**Subsidiary Companies**

Receivable against sales	187,527	866,090
Accrued interest	219,462	187,484
Receivable against land lease rentals	16,909	14,300
Receivable against expenses incurred	170,386	131,753
Advance against services	2,472,565	1,214,983

**Associated Companies**

Trade debts	--	1,364,484
Accrued interest	289,302	366,202
Long Term deposit receivable	95	95
Loan Payable	13,958	--
Payable against purchases	1,644	1,642
Advance against purchases	9,407	9,407

**Staff Provident Fund**

Payable to staff provident fund	16,180	3,789
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**15 OPERATING SEGMENTS**

For management purposes, the Company has determined following reportable operating segments on the basis of business activities i.e. oil refining and petroleum marketing businesses. Oil refining business is engaged in crude oil refining and selling of refined petroleum products to oil marketing companies. Petroleum marketing business is engaged in trading of petroleum products, procuring products from Oil refining business as well as from other sources. The quantitative data for segments is given below:

	Oil Refining		Petroleum Marketing		Total	
	Jul - Mar		Jul - Mar		Jul - Mar	
	2016	2015	2016	2015	2016	2015
	(Rupees in '000)					
Net Sales to external customers	31,566,934	31,376,541	22,659,353	32,972,082	54,226,286	64,348,623
Inter-segment sales	19,000,044	28,881,895	--	--	19,000,044	28,881,895
Eliminations	(19,000,044)	(28,881,895)	--	--	(19,000,044)	(28,881,895)
Total revenue	31,566,934	31,376,541	22,659,353	32,972,082	54,226,286	64,348,623
<b>Result</b>						
Segment results - (loss) / profit	1,668,520	10,906	599,429	1,219,028	2,267,949	1,229,934
Finance costs					(2,029,070)	(2,351,656)
Other expenses					(481,825)	(592,311)
Interest income					348,593	578,620
Taxation					444,288	(112,721)
Profit / (Loss) for the period					549,935	(1,248,134)
<b>Other Information</b>						
Depreciation	831,999	898,260	59,460	59,679	891,459	957,939

**16 RECLASSIFICATION**

Following corresponding figures have been reclassified for better presentation:

From	To	(Rupees in '000)
<b>Unconsolidated Condensed Interim Profit and Loss Account</b>		
Administrative expenses	Selling and distribution expenses	28,646

**17 DATE OF AUTHORIZATION FOR ISSUE**

This unconsolidated condensed interim financial information was authorised for issue on April 27, 2016 by the Board of Directors of the Company.

Chief Executive

Director

**Byco Petroleum Pakistan Limited**  
**Consolidated Condensed Interim Balance Sheet**  
**As at March 31, 2016**

	Notes	Unaudited Mar 31, 2016	Audited Jun 30, 2015
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	36,274,990	37,972,932
Intangible asset		23,746	23,746
Long term Loans and Advances		1,723,780	2,064,816
Long term deposits		31,331	31,068
		<b>38,053,847</b>	<b>40,092,562</b>
<b>CURRENT ASSETS</b>			
Stores and spares		299,636	279,196
Stock in trade	7	4,131,503	4,859,615
Trade debts	8	6,779,099	8,690,271
Loans and advances		511,895	683,429
Trade deposits and short-term prepayments		41,419	44,198
Other receivables	9	2,390,333	1,660,951
Accrued interest		425,952	435,888
Cash and bank balances		73,869	692,425
		<b>14,653,706</b>	<b>17,345,973</b>
<b>Total assets</b>		<b>52,707,552</b>	<b>57,438,535</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 1,200,000,000 (June 2015:1,200,000,000) Ordinary shares of Rs.10/- each		<b>12,000,000</b>	<b>12,000,000</b>
Share capital		9,778,587	9,778,587
Accumulated losses		(26,159,637)	(26,839,084)
		<b>(16,381,050)</b>	<b>(17,060,497)</b>
<b>Surplus on revaluation of Property, plant and equipment</b>		<b>13,753,215</b>	<b>14,474,151</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing and deferred mark-up	10	13,874,560	12,933,211
Liabilities against assets subject to finance lease		-	1,730
Long-term deposits		130,978	108,978
Deferred liabilities		5,322,305	6,471,975
		<b>19,327,843</b>	<b>19,515,894</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		29,363,629	31,984,348
Accrued mark-up		204,152	661,046
Short term borrowings		1,837,706	3,264,912
Current portion of non current liabilities		3,899,712	3,900,058
Liabilities against assets subject to finance lease		4,362	4,970
Taxation - net		697,983	693,653
		<b>36,007,544</b>	<b>40,508,987</b>
<b>Contingencies and Commitments</b>	11		
		<b>52,707,552</b>	<b>57,438,535</b>

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



**Byco Petroleum Pakistan Limited**  
**Consolidated Condensed Interim Profit and Loss Account**  
**For the period ended 31 March 2016 (Unaudited)**

	<b>Nine-month period ending</b>		<b>Three-month period ending</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>-----Rupees in '000-----</b>			
Gross sales	<b>75,807,185</b>	78,205,694	<b>26,997,830</b>	23,745,843
Sales tax, discount and others	<b>(21,086,718)</b>	(13,466,012)	<b>(9,014,315)</b>	(4,087,845)
Net sales	<b>54,720,467</b>	64,739,682	<b>17,983,515</b>	19,657,998
Cost of Sales	<b>(51,273,150)</b>	(62,008,322)	<b>(16,409,902)</b>	(17,393,582)
Gross profit	<b>3,447,317</b>	2,731,360	<b>1,573,613</b>	2,264,416
Administrative expenses	<b>(585,997)</b>	(602,812)	<b>(187,448)</b>	(257,090)
Selling and distribution expenses	<b>(2,189,033)</b>	(1,794,193)	<b>(643,814)</b>	(882,625)
Other expenses	<b>(481,825)</b>	(592,311)	<b>(159,291)</b>	(197,111)
Other income	<b>1,380,931</b>	1,326,178	<b>356,819</b>	224,971
	<b>(1,875,924)</b>	(1,663,138)	<b>(633,734)</b>	(1,111,855)
Operating profit	<b>1,571,393</b>	1,068,223	<b>939,879</b>	1,152,561
Financial charges	<b>(2,016,244)</b>	(2,373,513)	<b>(711,264)</b>	(724,917)
Exchange loss	<b>(199,080)</b>	(255,008)	<b>(27,127)</b>	(68,513)
	<b>(2,215,324)</b>	(2,628,521)	<b>(738,391)</b>	(793,430)
(Loss) / Profit before taxation	<b>(643,931)</b>	(1,560,298)	<b>201,488</b>	359,131
<b>Taxation</b>				
Current	<b>(309,651)</b>	(352,483)	<b>(98,228)</b>	(108,437)
Deferred	<b>912,094</b>	236,681	<b>304,031</b>	67,118
	<b>602,443</b>	(115,802)	<b>205,803</b>	(41,319)
(Loss) / Profit after taxation	<b>(41,488)</b>	(1,676,100)	<b>407,291</b>	317,812
(Loss) / Earning per share - basic and diluted (Rupees)	<b>(0.04)</b>	(1.71)	<b>0.42</b>	0.33

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 March 2016 (Unaudited)**

	<b>Nine-month period ending</b>		<b>Three-month period ending</b>	
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>-----Rupees in '000-----</b>			
(Loss) / Profit after taxation	(41,488)	<b>(1,676,100)</b>	407,291	317,812
Other comprehensive income	-	<b>13,661,086</b>	-	13,661,086
Total comprehensive Income / (Loss) for the period	<b>(41,488)</b>	<b>11,984,986</b>	<b>407,291</b>	<b>13,978,897</b>

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 March 2016 (Unaudited)**

	Jul - Mar 2016	Jul - Mar 2015
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(643,931)	(1,560,298)
Adjustments for:		
Depreciation	1,846,262	1,262,880
Finance costs	2,215,324	2,628,521
Provision for impairment against doubtful debts	251,059	311,613
Gain on disposal of assets	(2,784)	(874)
Interest income	(415,557)	(535,633)
Provision for gratuity	16,451	18,266
Net cash flow before working capital changes	3,266,825	2,124,475
<b>Movement in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(20,440)	(67,603)
Stock in trade	728,111	6,416,160
Trade debts	1,660,113	(1,297,291)
Loans and advances	171,534	(371,482)
Trade deposits and short-term prepayments	2,779	2,851
Other receivables	(729,382)	(1,373,141)
Mark up accrued	(80,064)	930,361
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(2,620,719)	(455,723)
	(888,068)	3,784,133
<b>Cash generated from operations</b>	2,378,756	5,908,607
Financial charges paid	(1,316,679)	(1,653,126)
Income Taxes paid	(311,521)	(306,737)
Gratuity	(14,127)	(29,554)
Interest income received	90,000	139,280
Net cash from operating activities	826,429	4,058,470
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(138,913)	(186,366)
Advance against investment in Shares	(105,000)	--
Arrangement fee received during the period	446,000	--
Proceeds from disposal of vehicles	3,505	4,369
Long term deposits - net	21,736	14,293
Net cash used in investing activities	227,328	(167,704)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan - net	(2,455,846)	(1,277,500)
Short term borrowings net	785,871	(3,054,690)
Liabilities against assets subject to finance lease - net	(2,338)	(12,032)
Net cash used in financing activities	(1,672,313)	(4,344,222)
Net increase / (decrease) in cash and cash equivalents	(618,556)	(453,456)
Cash and cash equivalents at beginning	692,425	473,535
Cash and cash equivalents at end	73,869	20,079

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 March 2016 (Unaudited)**

	<b>Issued, subscribed and paid up capital</b>	<b>Accumulated Loss</b>	<b>Total</b>
	<b>------(Rupees in '000) -----</b>		
Balance as at 1 July 2014	9,778,587	(26,873,272)	(17,094,685)
Total comprehensive income for the period			
Income / (Loss) for the period ended 31 Mar 2015	--	11,984,986	11,984,986
Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax	--	426,782	426,782
Balance as at Mar 31, 2015	<u>9,778,587</u>	<u>(14,461,504)</u>	<u>(4,682,917)</u>
Balance as at 1 July 2015	9,778,587	(26,839,084)	(17,060,497)
Total comprehensive income for the period			
Income / (Loss) for the period ended 31 Mar 2016	--	(41,488)	(41,488)
Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax	--	720,935	720,935
Balance as at Mar 31, 2016	<u><b>9,778,587</b></u>	<u><b>(26,159,637)</b></u>	<u><b>(16,381,050)</b></u>

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

**Chief Executive**

**Director**

**Byco Petroleum Pakistan Limited**  
**Notes to the Consolidated Condensed Interim Financial Information**  
**For the period ended 31 March 2016 (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.

The Board of Directors of the Company in their meeting held on 14 April 2016, considered and approved a potential merger by way of amalgamation of Byco Oil Pakistan Limited and Byco Terminals Pakistan Limited with and into the Byco Petroleum Pakistan Limited.

**Subsidiary Companies**

i) Byco Terminals Pakistan Limited (BTPL)

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

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

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

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

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

## 2. GOING CONCERN ASSUMPTION

During the period ended 31 Mar 2015, the Group incurred a net loss after tax of Rs. 41 million (Mar 2015: Rs. 1,676 million) and as of that date its accumulated losses amounted to Rs. 26,160 million (2015: Rs. 26,839 million). As at 31 Mar 2016, current liabilities of the Group exceeded its current assets by Rs. 21,354 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 15% and 38% 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 March 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 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.

6	PROPERTY, PLANT AND EQUIPMENT		Amount in Rs. '000	
			Mar 31, 2016	Jun 30, 2015
			Unaudited	Audited
	Operating fixed assets	6.1 & 6.2	35,805,479	37,189,732
	Capital work in progress - at cost		469,511	783,200
			<u>36,274,990</u>	<u>37,972,932</u>

- 6.1 During the period, the additions in property, plant and equipment amounted to Rs. 138.913 million.
- 6.2 During the period assets having net book value of Rs. 0.72 million were disposed for Rs. 3.505 million.

7	STOCK IN TRADE		Amount in Rs. '000	
			Mar 31, 2016	Jun 30, 2015
			Unaudited	Audited
		Raw material - Crude Oil	567,963	682,874
		Finished products	3,563,540	4,176,741
	7.1 & 7.2		<b>4,131,503</b>	<b>4,859,615</b>

7.1 Finished products having cost of 2,028.526 million (June 2015: 3,026.379 million) have been written down by Rs. 334.555 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. 816.082 million (June 2015: Rs. 1,992.633 million) and stock held by related parties amounting to Rs. 1,306.721 million (June 2015: Rs. 956.45 million).

#### 8 TRADE DEBTS - unsecured

8.1 This mainly includes Rs. 3,687.373 million (30 June 2015: Rs. 4,476.158 million) due from Pakistan State Oil Company Limited (PSO).

8.2 During the period provision was made against doubtful debts amounting to Rs. 251.059 million.

#### 9 OTHER RECEIVABLES - considered good

9.1 This mainly includes Rs. 1,095.238 million (30 June 2015: Rs. 866.192 million) receivable in respect of Inland Freight Equalization Margin.

10	LONG TERM FINANCING AND ACCRUED MARK-UP		Amount in Rs. '000	
			Mar 31, 2016	Jun 30, 2015
			Unaudited	Audited
		Restructured principal and accrued mark-up	11,357,928	12,869,267
		Total deferred mark-up on restructured principal	3,723,799	3,084,533
			<b>15,081,726</b>	<b>15,953,800</b>
		Loan from commercial bank	1,998,780	171,058
		Loan from syndicate banks	-	359,641
		Musharika facility	340,000	353,488
		Unwinding of arrangement fee	32,708	19,631
			<b>17,453,215</b>	<b>16,857,618</b>
		Current maturity of restructured principal	(3,378,654)	(3,529,000)
		Current maturity of deferred mark-up on restructured principal	(200,000)	(371,058)
		Accrued markup	-	(24,349)
			<b>13,874,560</b>	<b>12,933,211</b>

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 following:

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-Mar 2016	July-Mar 2015
	Unaudited	
<b>Parent company:</b>		
Land lease rentals	39,552	39,703
Shared expenses	296,002	253,219
Purchase of goods and services	36,734,029	39,574,687
Markup charged	298,009	532,416
Sale of goods and services	9,046,261	3,938,887
<b>Associated companies:</b>		
Purchase of equipments and services	9,128	10,545
Markup on income	26,722	154,775
Sales of goods and services	608,756	5,611,205
<b>Staff provident fund</b>		
Payment of employees and Company's contribution	29,228	40,159
<b>Key Management Personnel</b>		
Salaries and benefits payment	218,870	246,782
	(Un-audited)	(Audited)
12.2 Balances with related parties	31 March 2016	30 June 2015
	(Rupees in '000)	
<b>Ultimate Parent Company</b>		
Payable against expenses	12,014	12,014
<b>Parent Company</b>		
Accrued interest	70,787	45,337
Security deposits payable	3,646	3,646
Receivable against land lease rent	313,687	268,255
Payable against purchases and expenses	893,517	1,812,909
Receivable against sales and expenses	1,117,343	201,810
Loan receivable - net of mark-up	400,000	400,000
<b>Associated Companies</b>		
Trade debts	9,507	1,369,174
Accrued interest	289,302	366,204
Long Term deposit receivable	95	95
Loan Payable	361,261	327,303
Payable against purchases	7,761	8,358
Advance against purchases	9,407	9,407
<b>Staff Provident Fund</b>		
Payable to staff provident fund	16,518	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:

	2016				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	(Rupees in '000)				
<b>Revenue</b>					
Net sales to external customers	31,607,804	22,515,160	597,503	-	54,720,467
Inter-segment transfer	19,000,044	144,193	360,759	(19,504,996)	-
<b>Total revenue</b>	<b>50,607,848</b>	<b>22,659,353</b>	<b>958,262</b>	<b>(19,504,996)</b>	<b>54,720,467</b>
<b>Result</b>					
Segment results - (loss) / profit	1,141,663	599,429	(103,431)	-	1,637,661
Finance costs					(2,215,324)
Other expense					(481,825)
Interest income					415,557
Taxation					602,443
Loss for the year					<b>(41,488)</b>
<b>Other Information</b>					
Depreciation	<b>1,482,474</b>	<b>59,460</b>	<b>304,328</b>	<b>--</b>	<b>1,846,262</b>
	2015				
	Oil Refining Business	Petroleum Marketing Business	Petroleum Storage Services	Elimination	Total
	(Rupees in '000)				
<b>Revenue</b>					
Net Sales to external customers	31,312,832	32,864,043	562,807	-	64,739,682
Inter-segment transfer	28,945,604	108,039	300,170	(29,353,813)	-
<b>Total revenue</b>	<b>60,258,436</b>	<b>32,972,082</b>	<b>862,977</b>	<b>(29,353,813)</b>	<b>64,739,682</b>
<b>Result</b>					
Segment results - (loss) / profit	500,106	1,110,989	(486,194)	-	1,124,901
Finance Costs					(2,628,521)
Other expenses					(592,311)
Interest income					535,633
Taxation					(115,802)
Loss for the period					<b>(1,676,100)</b>
<b>Other Information</b>					
Depreciation	<b>898,260</b>	<b>59,679</b>	<b>304,941</b>	<b>-</b>	<b>1,262,880</b>

**14 RECLASSIFICATION**

Following corresponding figures have been reclassified for better presentation:

<b>From</b>	<b>To</b>	<b>(Rupees in '000)</b>
<b>Consolidated Condensed Interim Profit and Loss Account</b>		
Administrative expenses	Selling and distribution expenses	<u>28,646</u>

**15 DATE OF AUTHORIZATION FOR ISSUE**

This consolidated condensed interim financial information was authorised for issue on April 27, 2016 by the Board of Directors of the Company.

**Chief Executive**

**Director**



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