Accounts for the Quarter Ended September 30, 2004

(Unaudited)

Bosicor Pakistan Limited

COMPANY INFORMATION

Board of Directors		
Chairman & CEO	Mr. Parvez Abbasi	
Directors	Mr. Amir A. Abbassciy	
	Mr. Muhammad Rashid Zahir	
	Mr. Muhammad Mahmood Husain	
	Mr. Rizwan A. Panjwani	
	Syed Arshad Raza	
	Mrs. Samia Roomi	
Chief Financial Officer	Mr. Tariq Mohammad Khan	
Corporate Secretary	Mr. Abid Amin	
Audit Committee	Mr. Muhammad Rashid Zahir	- Chairman
	Mr. Amir A. Abbassciy	- Member
	Mr. Rizwan A. Panjwani	- Member
Registered & Corporate Office	2nd Floor, Business Plaza Mumtaz Hasan Road-Karachi	
Plant	Mouza Kund, Sub Tehsil Gadani Lasbella-Baluchistan	
Bankers	Habib Bank Limited National Bank of Pakistan Union Bank Limited Saudi Pak Commercial Bank Limited The Bank of Khyber Bank Al-Falah Limited	
Auditors	Faruq Ali & Co. Chartered Accountants	
Legal Advisor	Saleem uz Zaman of Kabraji & Talibuddin	
Website	www.bosicor.com.pk	

DIRECTORS' REPORT

I am pleased to present on behalf of Board of Directors, the first quarterly report of the Company after commencement of Commercial Operations together with the Un-audited Accounts for the quarter ended 30th September 2004.

The Company started commercial operations from 1st July, 2004 and is supplying Motor Spirit to Pakistan State Oil Company Limited in addition to High Speed Diesel and Furnace Oil. During the period under review, the performance of the Company was encouraging and operations remained smooth despite increase in prices of crude oil and appreciation of US Dollar against Pak Rupee.

The gross margin on Furnace oil was marginal during the quarter due to lower prices in the international market. The Refinery produced 57,867 Metric Tons of Furnace Oil during the quarter under review. The production of motor spirit started during August 2004 at lower production capacity. However, the production and sale of Motor Spirit have been increasing considerably and will have positive impact on over all profitability of the Company.

The Refinery consumed 120,945 Metric Tons of Crude oil during the quarter and produced 57,867 Metric Tons of Fuel Oil, 40,163 Metric Tons of High Speed Diesel, 3,451 Metric Tons of Motor Spirit and 15,404 Metric Tons of Naphtha. Total sales during the quarter were Rs.1.8 billion with gross profit of Rs.51.43 million. The Company posted net profit after taxation amounting to Rs.14.62 million. The amount of net profit may be lower than expected due to high prices of crude oil, lower price of fuel oil, low production of motor spirit and higher amount of depreciation due to start up of commercial operations.

The Company received overwhelming response from the Shareholders and Investors against issue of 40% Right Shares amounting to Rs. 700 million and Rs. 750 Million - Term Finance Certificates. Both the Issues have been completely subscribed.

The Board puts on record its gratitude to its valued Shareholders, Federal and Provincial Government Authorities and Banks whose co-operation & continued support is helping us in achieving our goals. The Board also expresses its appreciation for the valuable services, dedication and laudable efforts rendered by the Executives, Staff Members and Workers of the Company.

The Board places on record vote of thanks for the outgoing Director Mrs. Uzma Abbasscіy and welcomes Mr. Muhammad Mahmood Husain as incoming Director.

In conclusion, we pray to Almighty Allah for his continued blessings.

For and on behalf of the Board of Directors

Parvez Abbasi

Chairman & Chief Executive

Karachi : 29th October, 2004

BALANCE SHEET
AS AT SEPTEMBER 30, 2004

	Note	Unaudited Sept 30, 2004	Audited June 30, 2004
		Rs.'000	
Tangible Fixed Assets			
Operating fixed assets		3,344,860	50,399
Capital work-in-progress		-	2,428,143
Unallocated capital expenditure		-	669,798
		3,344,860	3,148,340
Long Term Deposits & Deferred Cost		13,918	13,876
Current Assets			
Stores & spares		133,459	127,500
Stock in trade		1,217,229	924,181
Trade debts - unsecured considered good		686,486	763,148
Advances, deposits, prepayments & other receivables		177,956	105,196
Cash & bank balances		310,907	81,182
		2,526,037	2,001,207
Current Liabilities			
Current portion of long term liabilities		52,680	38,380
Short term finances - secured		119,951	119,951
Running finances - secured		-	21,637
Creditors, accrued & other liabilities	6	2,190,749	1,804,712
Provision for taxation		19,992	10,787
		2,383,372	1,995,467
Net current assets		142,665	5,740
Term Finance Certificates	7	750,000	291,000
Long Term Liabilities			
Long term loans - secured	8	56,250	482,328
Loans from sponsors & associated undertakings - Unsecured - Interest free		192,033	600,087
Liabilities against assets subject to finance lease		37,887	44,075
		286,170	1,126,490
Contingencies & Commitments	9	-	-
Net Assets		2,465,273	1,750,466
Represented by			
Authorized Capital			
360,000,000 ordinary shares of Rs. 10/- each		3,600,000	3,600,000
Issued, subscribed and paid up capital	10	2,450,652	1,750,466
Unapproriated profit		14,621	-
		2,465,273	1,750,466

The annexed notes form an integral part of these financial statements.

Chairman & CEO

Director

PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2004 (UNAUDITED)

		July - Sep 2004 Rs.'000
Gross sales		2,117,097
Sales tax		276,143
Net sales		1,840,954
Cost of sales		1,789,517
Gross profit		51,437
Administrative & selling expenses		15,234
Operating profit		36,203
Financial charges		12,377
Profit before taxation		23,826
Taxation		9,205
Profit after taxation		14,621
Basic earnings per share	**Rs.**	0.06

The annexed notes form an integral part of these financial statements.

Chairman & CEO

Director

CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2004 (UNAUDITED)

	July - Sep 2004	July - Sep 2003
	Rs.'000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	23,826	-
Adjustments for non-cash charges and other items:		
Depreciation	83,835	-
Financial charges	12,377	-
Working capital changes		
(Increase) / Decrease in current assets		
Stores and Spares	(5,959)	-
Stock in trade	(293,048)	(584,507)
Trade Debts	76,663	-
Advances, deposits, prepayments and other receivables	(72,721)	(35,190)
Increase / (Decrease) in current liabilities		
Creditors, accured and other liabilities	376,035	600,039
Cash generated from operation	201,008	(19,658)
Gratuity paid	-	(245)
Financial charges paid	(2,375)	-
Taxes paid	(39)	-
Net cash flow from operating activities	198,594	(19,903)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(276,809)	(69,039)
Unallocated capital expenditure	-	(47,853)
Proceeds from sale of investment property	-	10,000
Long term deposits and deferred costs	(42)	(893)
Net cash used in investing activities	(276,851)	(107,785)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans from Sponsors and Associated Undertakings	25,033	13,253
Right shares issued	267,099	-
Repayment of obligation under finance lease	(9,496)	(10,027)
Long term loans	(412,016)	6,017
Term finance certificates	459,000	-
Net cash flow from financing activities	329,620	9,243
Increase / (Decrease) in cash & cash equivalents	251,363	(118,445)
Cash and cash equivalents at the beginning of the period	59,544	704
Cash and cash equivalents at the end of the period	310,907	(117,741)

The annexed notes from an integral part of these financial statements.

Chairman & CEO

Director

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2004 (UNAUDITED)

	Share Capital	Unappropriated Profit	Total
		Rs.'000	
Balance as at June 30, 2003	1,750,466	-	1,750,466
	-	-	-
Balance as at June 30, 2004	1,750,466	-	1,750,466
Right shares issued	700,186	-	700,186
Net profit for the quarter		14,621	14,621
Balance as at Sept 30, 2004	**2,450,652**	**14,621**	**2,465,273**

The annexed notes from an integral part of these financial statements.

Chairman & CEO

Director

NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2004 (UNAUDITED)

1. Status and nature of business

The Company was incorporated in Pakistan as a Public Limited Company on January 09, 1995 and was granted a certificate of commencement of business on March 13, 1995. The company is quoted on the Karachi and Lahore Stock Exchanges. The principal business of the company is refining and selling of the petroleum products. The company has started commercial operations from July 01, 2004.

2. Basis of preparations

These financial statements are unaudited and have been prepared in accordance with the requirements of section 245 of the Companies Ordinance 1984 and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" as applicable in Pakistan.

3. Accounting policies

The accounting policies and methods of computation followed for the preparation of these financial statements are same as those applied in the preparation of the preceding annual financial statements of the company.

4. Capital work in progress

The cost under this head has been transferred to operating assets, as the company has commenced commercial operations.

5. Unallocated capital expenditure

The cost under this head has been allocated to operating assets on prorata basis, as the company has commenced commercial operations.

6. Creditors, accrued and other liabilities

	Sept 30, 2004	June 30, 2004
Creditors	**2,156,769**	1,781,077
Accrued mark-up	**21,365**	11,362
Accrued expenses	**10,767**	11,236
Other liabilities	**1,848**	1,036
	2,190,749	1,804,711

NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2004 (UNAUDITED)

7. Term finance certificates

Privately placed Term Finance Certificates (TFCs) have been fully subscribed (including green shoe option of Rs. 250 million) and issued on October 1, 2004.

8. Long term loans - secured

During the period under review, the company has made the entire repayment of the principal amounts of demand finances and syndicated term finance together with the mark up accrued thereon.

9. Contingencies and commitments

9.1 There has been no material change in contingencies since the last audited annual accounts, June 30, 2004.

9.2 Commitments in respect of letter of credits amounting to Rs. 1,760 million.

10. Issued, subscribed & paid up capital

During the period, the company has issued right shares amounting to Rs. 700 million.

11. Transaction with related parties

	Sept 30, 2004	June 30, 2004
Purchase of operating fixed assets	-	1,457
Loan from associated undertakings	**25,033**	-

12. General

12.1 Figures have been rounded off to the nearest thousand of Rupee.

12.2 Comparative figures in Profit and Loss Account are not available, as the company has commenced commercial operations from July 01, 2004.

12.3 The financial statements were authorized for issue on **October 29, 2004** by the Board of Directors of the company.

Chairman & CEO

Director

Bosicor

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