

Company Information

Board of Directors

Amir Abbassciy, *Chairman*

Hamid Intiaz Hanfi, *Director*

Muhammad Rashid Zahir, *Director*

Syed Arshad Raza, *Director*

Farooq Ahmed Yamin Zubairi, *Director*

Samia Roomi, *Director*

Uzma Abbassciy, *Director*

Audit Sub Committee of the Board

Muhammad Rashid Zahir, *Chairman*

Hamid Intiaz Hanfi, *Member*

Syed Arshad Raza, *Member*

Ozair Muhammad, *Secretary*

M. Mazahir Hussain (*by invitation*)

Corporate Secretariat

Hamid Intiaz Hanfi, *Vice Chairman*

Amir Waheed Ahmed, *GM Corporate Services
& Company Secretary*

Ozair Muhammad, *Head Internal Financial Audits*

CEO / President Secretariat

& Management Team

Mohammad Wasi Khan, *President &
Chief Executive Officer*

Syed Masood Raza, *VP Admin & HR*

Derek Lawler, *VP Technical*

M. Mazahir Hussain, *Chief Financial Officer*

Jawed Ahmed, *VP Commercial*

Muhammad Waseem, *GM Projects*

Shamim Anwar, *GM Oil Refining Unit*

Sh. Atta-ur-Rehman, *Head Oil Marketing Unit*

Auditors

Faruq Ali & Co. Chartered Accountants

Legal Advisor

Saleem uz Zaman of Kabraji & Talibuddin

Bankers

Allied Bank Limited

Bank Al-Falah Limited

Bank Islami Pakistan Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

KASB Bank Limited

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

The Bank of Khyber

Shares Registrar

THK Associates (Pvt) Limited,
Ground Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road, Karachi - 75530

Tel # 021-111-000-322

Fax # 021-5655595

Registered Office

2nd Floor, Business Plaza,
Mumtaz Hassan Road,
Karachi-74000

Tel # 021-111-222-081

021-2410099, 021-2410909

Fax # 021-2420722

021-111-888-081

Website

www.bosicor.com.pk

Directors' Report

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

The Directors are pleased to present their report together with the condensed interim financial statements of the company for the period ended December 31, 2007 and the review report of the external auditors thereon.

During the period under review, the refining margins have improved from the historical lows and your company was able to partially recover losses incurred during the previous fiscal year.

By the grace of almighty Allah our revamp project has successfully been completed and your Company achieved production capacity of over 30,000 barrels per stream day on 15 February 2008. This is by no means the conclusion of our journey, but only the beginning.

With the blessing of Allah, we have successfully launched 12 fuel stations till now with the aim to offer petroleum products and value added services as per international excellence and safety standards. We are now targeting to add 38 more fuel stations during the next half year ending on 30 June 2008. The Bosicor brand name has been taken well by the people and the response is in line with our expectations. The oil marketing unit is staffed with professionals having expertise in the business dynamics across the Country and it is expected to contribute positively in improving the bottom line of your Company.

During the period under review, the company has generated a profit after taxation amounting to Rs. 143.105 million on sales of Rs. 11,268.047 million as compared to a loss after taxation amounting to Rs. 946.359 million earned on sales of Rs. 11,749.708 million during the corresponding period last year. The sales were lower in the last quarter due to plant shut down for carrying out revamp work and disruption in supply chain due to law & order situation.

FUTURE OUTLOOK

We are confident that our strategies will deliver sustained performance and build on our financial strength and grow our strong asset base. We are aiming to develop integrated position in growth areas. To accomplish this, aggressive efforts are under way to deliver the remaining part of the promised growth plan adopted by your Company which includes construction of additional storage tanks, installation of Single Buoy Mooring (SBM) and Isomerization unit, in addition to expanding our presence in the oil marketing business.

Our focus is to maintain health, safety, environment and security standards and achieve operational excellence to fuel economic growth and human progress. We value efforts, dedication, resourcefulness and sheer ingenuity of our staff which drives our success.

In conclusion, the Board prays to almighty Allah for His blessings and would like to extend its gratitude to Shareholders for their continued support, the Financial Institutions for their confidence and trust and the Company's Employees for their dedicated efforts.

For and on behalf of the Board of Directors



Vice Chairman

Karachi: February 28, 2008

Review Report to the Members

We have reviewed the annexed balance sheet of Bosicor Pakistan Limited as at December 31, 2007, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Dated: February 28, 2008
Place: Karachi



Faruq Ali & Co.
Chartered Accountants

Balance Sheet

as at December 31, 2007

Amount in Rs. '000

	Note	Un-audited Dec 31, 2007	Audited June 30, 2007
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	7,109,700	6,387,534
Intangible assets		12,387	14,157
Long term deposits		21,204	17,239
Long term investments	5	300,000	300,000
CURRENT ASSETS			
Stores and spares		133,688	138,342
Stock in trade		6,425,556	5,177,422
Trade debts - considered good	6	1,821,174	1,079,213
Loans and advances - Considered good		299,066	87,005
Trade deposits, prepayments and other receivables		142,119	252,854
Cash and bank balances		105,163	1,788,863
		<u>8,926,766</u>	<u>8,523,699</u>
		<u>16,370,057</u>	<u>15,242,629</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
500,000,000 (2007: 500,000,000) Ordinary shares of Rs.10/- each		<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid-up capital		3,921,044	2,450,652
Accumulated loss		(279,449)	(437,581)
		<u>3,641,595</u>	<u>2,013,071</u>
Surplus on revaluation of property, plant and equipment		1,586,671	1,601,698
NON-CURRENT LIABILITIES			
Contribution towards right issue of shares		--	1,434,028
Loan from sponsor - unsecured	7	406,374	--
Term finance certificates - secured	8	214,295	321,396
Long term loans - secured		803,863	984,739
Liabilities against assets subject to finance lease		135,028	145,454
Deferred taxation		264,262	272,353
CURRENT LIABILITIES			
Trade and other payables		8,218,761	7,402,998
Accrued markup		60,927	110,658
Short term borrowing - secured		383,049	249,000
Current portion of non current liabilities	9	612,821	610,375
Provision for taxation		42,411	96,859
		<u>9,317,969</u>	<u>8,469,890</u>
CONTINGENCIES AND COMMITMENTS			
	10	--	--
		<u>16,370,057</u>	<u>15,242,629</u>

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



Chief Executive



Director

second fiscal quarter report
December 31, 2007

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Bosicor Pakistan Limited

Profit and Loss Account

for the six months ended December 31, 2007 - (un-audited)

		Amount in Rs. '000			
		3 months ended		6 months ended	
Note	Oct - Dec, 2007	Oct - Dec, 2006	July - Dec, 2007	July - Dec, 2006	
Gross sales	4,500,865	5,797,214	11,268,047	11,749,708	
Sales tax, discount and others	564,954	1,177,592	1,583,708	2,191,230	
Net sales	3,935,911	4,619,622	9,684,339	9,558,478	
Cost of sales	11 3,616,300	5,188,255	9,101,085	10,197,293	
Gross profit / (loss)	319,611	(568,633)	583,254	(638,815)	
Operating expenses					
Administrative expenses	54,439	59,093	104,886	84,314	
Selling expenses	32,776	9,723	45,766	12,602	
Operating profit / (loss)	232,396	(637,449)	432,602	(735,731)	
Other income	34,513	8,549	48,491	21,524	
	266,909	(628,900)	481,093	(714,207)	
Financial and other charges	184,124	95,881	297,657	185,701	
Profit / (loss) before taxation	82,785	(724,781)	183,436	(899,908)	
Taxation					
Current	19,680	23,098	48,422	47,792	
Deferred	(4,046)	(1,341)	(8,091)	(1,341)	
	15,634	21,757	40,331	46,451	
Profit / (loss) after taxation	67,151	(746,538)	143,105	(946,359)	
Earnings / (Loss) per share - basic and diluted (Rupees) 12	0.18	(2.60)	0.37	(3.30)	

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



Chief Executive



Director

Cash Flow Statement

for the six months ended December 31, 2007 - (un-audited)

	Amount in Rs. '000	
	6 months ended	
	Dec 31, 2007	Dec 31, 2006
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	183,436	(899,908)
Adjustments for non-cash charges and other items:		
Depreciation	121,390	99,259
Financial charges	297,657	185,701
Amortization of intangible assets	1,770	--
Gain on disposal of vehicle	(156)	--
Operating profit / (loss) before working capital changes	604,097	(614,948)
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	4,654	(11,799)
Stock in trade	(1,248,134)	475,183
Trade debts - considered good	(741,961)	(724,026)
Loans and advances	(212,061)	(67,341)
Trade deposits, prepayments and other receivables	68,913	(123,207)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	815,763	(299,531)
Cash used in operations	(708,729)	(1,365,669)
Payments for:		
Financial charges paid	(341,073)	(236,722)
Dividend paid	--	(71,133)
Taxes paid	(61,048)	(94,180)
Net cash used in operating activities	(1,110,850)	(1,767,704)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(834,535)	(340,993)
Proceeds from disposal of vehicle	1,309	--
Long term deposits	(3,965)	--
Net cash used in investing activities	(837,191)	(340,993)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds against right issue of shares	36,364	--
Short term financing - Net	134,049	(525,000)
Subordinated loan from sponsor	400,059	202,585
Repayment of obligation under finance lease	(18,147)	(11,212)
Repayment against term finance certificates	(107,108)	(107,143)
Repayment of long term loans	(180,876)	825,708
Net cash generated from financing activities	264,341	384,938
Net decrease in cash and cash equivalents	(1,683,700)	(1,723,759)
Cash and cash equivalents as at 1st July	1,788,863	2,189,778
Cash and cash equivalents as at 31st December	105,163	466,019

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



Chief Executive



Director

Statement of Changes in Equity

for the six months ended December 31, 2007 - (un-audited)

	Amount in Rs. '000		
	Issued, subscribed and paid up capital	Accumulated (loss)	Total
Balance as at July 01, 2006	2,450,652	307,939	2,758,591
Final dividend for the year ended June 30, 2006	--	(81,785)	(81,785)
Net loss for the period	--	(946,359)	(946,359)
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	2,490	2,490
Balance as at December 31, 2006	<u>2,450,652</u>	<u>(717,715)</u>	<u>1,732,937</u>
Balance as at July 01, 2007	2,450,652	(437,581)	2,013,071
Issuance of right shares	1,470,392	--	1,470,392
Net profit for the period	--	143,105	143,105
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	15,027	15,027
Balance as at December 31, 2007	<u>3,921,044</u>	<u>(279,449)</u>	<u>3,641,595</u>

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



Chief Executive



Director

Notes to the Financial Statements

for the six months ended December 31, 2007 - (un-audited)

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, Lahore and Islamabad Stock Exchanges. The principal business of the company is refining and selling of the petroleum products.

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".

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these six monthly accounts are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June, 2007.

		Amount in Rs. '000	
	Note	Dec 31, 2007	June 30, 2007
4 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets - At written down value	4.1	4,983,829	5,077,202
Capital work in progress - At cost	4.2	2,125,871	1,310,332
		<u>7,109,700</u>	<u>6,387,534</u>
4.1 Additions and disposals during the period (Operating fixed assets)			
Owned			
Plant and machinery		15,164	32,959
Generator		--	3,500
Furniture, fixture and equipment		66	1,426
Computer and allied		1,979	11,182
Safety lab equipments		264	2,529
Vehicles		1,522	26,183
Portable cabins		--	6,393
		<u>18,995</u>	<u>84,172</u>
Leased			
Vehicles		10,174	--
Disposals			
Vehicles		1,937	12,742
4.2 Additions during the period (Capital work in progress)			
Plant and machinery		791,519	660,863
Plant and machinery - Leased		--	138,708
Civil and mechanical works		24,020	138,737
		<u>815,539</u>	<u>938,308</u>

		Amount in Rs. '000	
		Dec 31, 2007	June 30, 2007
5 LONG TERM INVESTMENT			
Associated companies			
	Bosicor Chemicals Pakistan Limited	150,000	150,000
	Bosicor Oil Pakistan Limited	150,000	150,000
		300,000	300,000
		300,000	300,000

5.1 These represent advance against future issuance of 15 million shares @ Rs.10/- in each of the associated companies.

5.2 Subsequent to the Balance Sheet date the management of the company has agreed to unwind this investment to address the concerns raised by the regulatory authority.

In this respect, necessary approvals of State Bank of Pakistan have been secured and the Board of Directors has approved the arrangement whereby the above investment will be taken over by the sponsoring shareholder, Bosicor Corporation Limited (BCL). As required upon completion of the unwinding process the details of the same shall be communicated to Securities & Exchange Commission of Pakistan.

6 TRADE DEBTS - Considered good

Trade debt include receivables amounting to Rs.43.204 million (2007: Rs. 9.144 million) in respect of price differential claims from Ministry of Petroleum, Government of Pakistan.

7 LOAN FROM SPONSOR - Unsecured

The foreign currency loan has been obtained from M/s Bosicor Corporation Limited (holding company), which carries markup @ LIBOR plus 1.5% payable semiannually. The loan is repayable in respective currency in 10 equal semi annual installments commencing from September, 2009.

8 TERM FINANCE CERTIFICATES - Secured

These represent privately placed term finance certificates (TFCs), which have been fully subscribed (including green shoe option of Rs.250 million).

Major Terms and Conditions

Issue Date:	October 01, 2004
Tenor:	5 Years
TFC Coupon Rate:	Base rate + 550 bps with a floor of 9% p.a and a cap of 13% p.a payable semi annually.
Base Rate:	6-months KIBOR
Grace Period:	18 months

		Amount in Rs. '000	
		Dec 31, 2007	June 30, 2007
9 CURRENT PORTIONS OF NON CURRENT LIABILITIES			
	Term finance certificates	214,295	214,302
	Long term loans - Secured	361,753	361,753
	Liabilities against assets subject to finance leases	36,773	34,320
		612,821	610,375
		612,821	610,375

10 CONTINGENCIES AND COMMITMENTS

Commitments in respect of:

- letter of credits other than capital expenditures amounting to Rs.2,636 million (2007: Rs. NIL.)
- capital expenditures amounting to Rs. 899.603 million (2007: Rs. 915 million.)

	Amount in Rs. '000			
	3 months ended		6 months ended	
	Oct - Dec, 2007	Oct - Dec, 2006	Dec 31, 2007	Dec 31, 2006
11 COST OF SALES				
Opening stock of raw material	4,153,424	2,617,676	4,343,029	3,263,658
Purchases	4,700,657	5,206,650	10,049,518	9,506,517
Available for use	8,854,081	7,824,326	14,392,547	12,770,175
Closing stock of raw material	(5,285,332)	(2,772,011)	(5,285,332)	(2,772,011)
Raw material consumed	3,568,749	5,052,315	9,107,215	9,998,164
Manufacturing expenses	160,852	124,015	299,700	215,593
Cost of goods manufactured	3,729,601	5,176,330	9,406,915	10,213,757
Opening stock of finished products	1,026,922	674,126	834,393	645,737
Closing stock of finished products	(1,140,223)	(662,201)	(1,140,223)	(662,201)
	3,616,300	5,188,255	9,101,085	10,197,293

12 EARNINGS / (LOSS) PER SHARE

Profit / (loss) after taxation	67,151	(746,538)	143,105	(946,359)
	Number of Shares		Number of Shares	
Weighted average number of ordinary shares	382,971,578	287,076,444	382,971,578	287,076,444
	Rupees		Rupees	
Earnings / (loss) per share - basic and diluted	0.18	(2.60)	0.37	(3.30)

- 12.1 The earnings per share for the comparative period have been restated to give effect for the bonus element included in the right issue to the existing shareholders. The earnings per share disclosed in the financial statements for the period ended December 31, 2006 were as follows:

Rupees		
	3 months Oct - Dec, 2006	6 months Dec 31, 2006
Earnings per share previously reported	(3.05)	(3.86)

Amount in Rs. '000		
	6 months July - Dec, 2007	6 months July - Dec, 2006
13 TRANSACTION WITH RELATED PARTIES		
<i>Holding company:</i>		
Receipt of loan	400,059	202,585
Markup on loan	7,875	--
<i>Associated companies:</i>		
Purchase of operating fixed assets	1,226	10,310
Services received	13,626	--
Sale of fixed assets	1,184	--
Payment of rent	175	175
Receipt of loan	--	225,000
Repayment of loan and lease liabilities	77,333	10,370
Payment against services (freight for crude oil)	170,618	175,376
Markup on borrowings and leases	12,178	5,924
<i>Staff provident fund</i>		
Payment of employees and company's contribution	9,323	4,712

14 DATE OF AUTHORIZATION OF ISSUE

The financial statements were authorized for issue on February 28, 2008 in accordance with the resolution of the Board of Directors of the company.

15 GENERAL

These financial statements are presented in Rupees and Figures have been rounded off to nearest thousand rupees.



Chief Executive



Director