



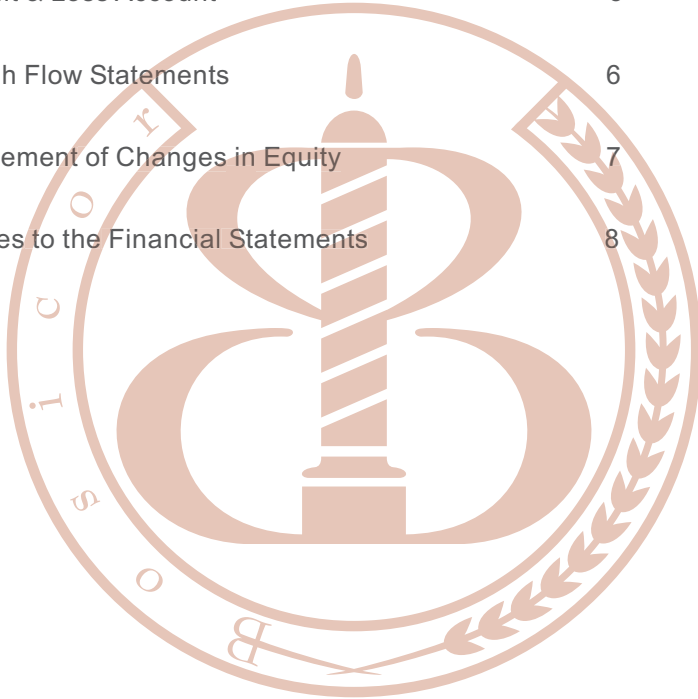
Bosicor Pakistan Limited

third fiscal
quarter report
March 31, 2009



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Company Information

Board of Directors

Amir Abbasciy, *Chairman & CEO*

Hamid Imtiaz Hanfi, *Director*
Muhammad Rashid Zahir, *Director*
Syed Arshad Raza, *Director*

Farooq Ahmed Yamin Zubairi, *Director*
Samia Roomi, *Director*
Uzma Abbasciy, *Director*

Audit Sub Committee of the Board

Muhammad Rashid Zahir, *Chairman*

Hamid Imtiaz Hanfi, *Member*
Syed Arshad Raza, *Member*
Jawed Ahmad, *(by invitation)*

Kashif Shah, *Sponsor's Advisor (by invitation)*
Amir Waheed Ahmed, *(by invitation)*
Ozair Muhammad, *Secretary*

Corporate Secretariat

Hamid Imtiaz Hanfi, *Vice Chairman*

Jawed Ahmad, *VP Corporate Audit*
Syed Masood Raza, *VP Corporate Planning*

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

President Secretariat & Management Team

Kalim A. Siddiqui, *President*

Shamim Anwar, *GM Oil Facilities*
Sh. Atta-ur-Rehman, *GM Petroleum Marketing*

Derek Lawler, *VP Technical*
Amir Waheed Ahmed, *Chief Financial Officer*

Legal Counsel

Shahana Ahmed Ali

Auditors

Faruq Ali & Co. Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Habib Bank Limited
Habib Metropolitan Bank Limited

JS Bank Limited
KASB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Khyber
United Bank Limited

Share Registrar

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

Tel # 021-111-000-322
Fax # 021-565 5595

Registered Office

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

Tel # 021-111-222-081
Fax # 021-111-888-081

Website

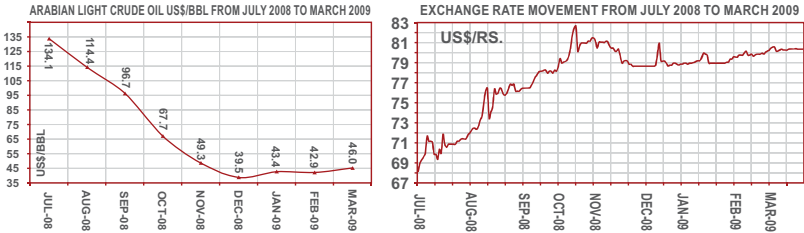
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Directors' Report

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

The Directors present their report together with the condensed interim financial statements of the company for the nine months period ending March 31, 2009.

Pakistan economy has started showing resilience and the country's current account and fiscal deficit are expected to range within manageable levels after improvement in fiscal discipline, this trend is expected to lead towards macroeconomic stability. This should result in a stable outlook on Pakistan Rupee and lowering of cost of borrowing. Both of these aspects will play an important role in turning your refinery back into a profitable entity.



During the quarter under review, the Company's net loss after taxation was Rs. 1,209.58 million on net sales of Rs. 4,183.12 million as compared to a profit after taxation amounting to Rs. 95.77 million from the net sales of Rs. 10,329.07 million in the same period last year. For the nine months period, the net loss after taxation amounted to Rs. 9,127.78 million on net sales of Rs. 34,304.81 million as compared to profit after taxation of Rs. 238.87 million from net sales of Rs. 20,013.41 million in the corresponding period last year.

The crude oil processing remained low during the quarter under review as the refinery operations were either shut down or operating at below optimal throughput levels due to non-availability of feed stock (crude oil) which was mainly because of delay in finalization of letter of credit facility for establishing crude oil L/Cs. The arrangement has now been finalized and executed on 28th February 2009 with a consortium of eight leading banks of Pakistan.

Consequent upon unprecedented losses incurred during the first two fiscal quarters, the Company faced severe constraints in meeting its financial obligations. At this crucial phase, the Company's sponsoring shareholder has shown their commitment and endorsed the financial plan prepared by the Company and arranged financial support amounting to Rs. 4,200 million. This has enabled the Company to partially meet the required funding gap from the losses incurred by the Company. These funds will enable timely completion of the projects under construction and in meeting Company's financial obligations. In addition, the Company has successfully executed long-term financing arrangement with a consortium of nine leading banks for Syndicated Term Finance Facility of Rs. 5,753 million to streamline the remaining funding gap.

We expect that the pricing mechanism for the Refining Industry shall be finalized shortly by the Government which is required to safeguard this strategic sector and to ensure continuous supply of petroleum products in Pakistan

The storage tanks are complete and an additional storage capacity of 144,000 metric tons is now available with your Company. The projects under implementation with expected completion by 4th quarter of the Calendar Year 2009 are:

1. Single Point Mooring (SPM)
2. Isomerization Unit

Besides the above, engineering studies have also been initiated on various other small-scale projects, debottlenecking of processes and off-site facilities requiring up-gradation to match planned higher capacity. These include up-gradation of existing LPG separation unit, fuel Gas system and flare system. Engineering work for in-situ regeneration of NHT/platformer catalysts has also been completed which would save valuable foreign exchange required for purchasing the new catalyst.

Petroleum Marketing Business has emerged as a new horizon for your Company. Under this umbrella we have successfully established 40 retail outlets across the country and expect to reach 50 in numbers by June 2009. To-date your Company has achieved overall liquid fuel market share of 0.7%. To ensure uninterrupted supplies to our customers, we are strengthening our supply chain by having sale/purchase and hospitality agreements with the major suppliers/OMCs across the Country.

In conclusion, the Board prays to Almighty Allah for His blessings and extends its gratitude to our Shareholders, Financial Institutions and the Ministry of Petroleum & Natural Resources for their continued support, confidence and trust in your Company and its employees' efforts.

For and on behalf of the Board of Directors



Vice Chairman

Karachi: April 28, 2009

Balance Sheet

as at March 31, 2009



Amount in Rs. '000

	Note	Unaudited Mar 31, 2009	Audited June 30, 2008
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	14,917,666	8,564,933
Intangible asset		7,963	10,618
Long term deposits		60,349	45,629
CURRENT ASSETS			
Stores and spares		160,575	132,253
Stock in trade		3,794,773	11,934,244
Trade debts - Considered good		5,054,809	3,217,917
Loans and advances - Considered good		357,872	87,978
Trade deposits, prepayments and other receivables		350,903	119,094
Markup accrued		42,432	42,432
Cash and bank balances		451,429	7,906,497
		10,212,793	23,440,415
		25,198,771	32,061,595
EQUITIES AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 500,000,000 (June 2008: 500,000,000) Ordinary shares of Rs. 10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital		3,921,044	3,921,044
Accumulated loss		(9,441,678)	(392,409)
		(5,520,634)	3,528,635
Surplus on revaluation of property, plant and equipment	6	4,134,077	1,571,647
NON-CURRENT LIABILITIES			
Loan from sponsor and associated undertakings - Unsecured		3,472,135	170,140
Term finance certificates - Secured		-	107,094
Long term loans - Secured		459,670	644,340
Liabilities against assets subject to finance lease		296,073	182,465
Long term deposits		4,446	4,446
Deferred liabilities		1,640,358	260,589
CURRENT LIABILITIES			
Trade and other payables	7	19,346,400	23,683,442
Accrued markup		653,383	124,234
Short term borrowing		216,000	1,000,000
Current portion of non-current liabilities		496,863	605,532
Provision for taxation		-	179,031
		20,712,646	25,592,239
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		25,198,771	32,061,595

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

Director

Director

Profit and Loss Account

for the nine months ended March 31, 2009 - (Unaudited)

	3 months ended		9 months ended	
	Jan - Mar 2009	Jan - Mar 2008	Jul - Mar 2009	Jul - Mar 2008
	Amount in Rs. '000			
Gross sales	6,144,872	11,456,662	40,704,303	22,724,709
Government levies	1,961,750	1,127,592	6,399,490	2,711,300
Net sales	4,183,122	10,329,070	34,304,813	20,013,409
Cost of sales	4,533,669	9,773,439	37,969,063	18,874,524
Gross (loss)/ profit	(350,547)	555,631	(3,664,250)	1,138,885
Operating expenses				
Administrative expenses	124,402	59,225	266,085	164,111
Selling expenses	18,670	34,601	111,623	80,367
	143,072	93,826	377,708	244,478
Operating (loss)/ profit	(493,619)	461,805	(4,041,958)	894,407
Other income	27,331	20,354	290,730	68,845
	(466,288)	482,159	(3,751,228)	963,252
Financial and other charges				
Financial Charges	671,919	126,242	1,092,343	383,499
Exchange differences	78,550	206,290	4,307,065	246,690
	750,469	332,532	5,399,408	630,189
(Loss)/ profit before taxation	(1,216,757)	149,627	(9,150,636)	333,063
Taxation				
Current	-	51,645	-	100,067
Deferred	(26,592)	(3,799)	(42,276)	(11,890)
Prior year	19,422	6,011	19,422	6,011
	(7,170)	53,857	(22,854)	94,188
(Loss)/ profit after taxation	(1,209,587)	95,770	(9,127,782)	238,875
(Loss)/ earnings per share - basic and diluted (Rupees)	(3.08)	0.25	(23.28)	0.62

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



Director



Director

Cash Flow Statement

for the nine months ended March 31, 2009 - (Unaudited)



Amount in Rs. '000
9 months ended

	Mar 31, 2009	Mar 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(9,150,636)	333,063
Adjustments for non-cash charges and other items:		
Depreciation	328,094	182,516
Financial and other charges	5,399,408	630,189
Amortization of intangible assets	2,654	2,654
Gain on disposal of vehicle	(112)	(156)
Operating (loss) / profit before working capital changes	(3,420,592)	1,148,266
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(28,322)	17,735
Stock in trade	8,139,471	582,201
Trade debts - considered good	(1,836,892)	(2,755,221)
Loans and advances	(269,894)	(73,609)
Trade deposits, prepayments and other receivables	(227,913)	138,495
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(4,337,042)	3,177,283
Cash flow from operations	1,439,408	1,086,884
Payments for:		
Financial charges	(4,870,259)	(605,537)
Taxes	(202,349)	(77,776)
Net cash (used in)/generated from operating activities	(7,053,792)	1,551,837
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,408,991)	(1,287,252)
Proceeds from disposal of vehicle	1,265	1,309
Long term deposits	(14,720)	(4,467)
Net cash used in investing activities	(2,422,446)	(1,290,410)
CASH FLOW FROM FINANCING ACTIVITIES		
Contribution towards right issue of shares	-	36,364
Short term financing - Net	(784,000)	(249,000)
Loan from sponsor and associated undertakings	3,301,995	458,149
Repayment of obligation under finance lease	(52,140)	(26,154)
Repayment against term finance certificates	(214,286)	(214,247)
Repayment of long term loans	(230,399)	(230,403)
Net cash flow from/(used in)financing activities	2,021,170	(225,291)
Net (decrease)/increase in cash and cash equivalents	(7,455,068)	36,136
Cash and cash equivalents at the beginning of the period	7,906,497	1,788,863
Cash and cash equivalents at the end of the period	451,429	1,824,999

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

Director

Director

Statement of Changes in Equity

for the nine months ended March 31, 2009 - (Unaudited)

Amount in Rs. '000

	Issued, subscribed and paid up capital	Accumulated (Loss)	Total
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	–	238,875	238,875
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	–	22,081	22,081
Balance as at March 31, 2008	3,921,044	(176,625)	3,744,419
Balance as at July 01, 2008	3,921,044	(392,409)	3,528,635
Net loss for the period	–	(9,127,782)	(9,127,782)
Transfer from surplus on revaluation of property, plant and equipment - Net of tax	–	78,513	78,513
Balance as at March 31, 2009	3,921,044	(9,441,678)	(5,520,634)

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



Director



Director

Notes to the Financial Statements



for the nine months ended March 31, 2009 - (Unaudited)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Public Limited Company on January 9, 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

- 3.1** The accounting policies adopted for the preparation of these quarterly accounts are the same as those applied in the preparation of the financial statements for the preceding year ended June 30, 2008.
- 3.2** Significant accounting estimates and judgments are the same as those applied in preparation of annual financial statements for the year ended June 30, 2008.

4 GOING CONCERN ASSUMPTION

During the period ended 31st March 2009, the Company incurred net loss after tax of Rs. 9.128 billion and as of that date it has accumulated losses of Rs. 9.442 billion (2008: Rs. 0.392 billion) and excess of current liabilities over current assets of Rs. 10.499 billion (2008: Rs. 2.151 billion). However, the company has taken appropriate steps as mentioned hereunder to mitigate the risks involved.

The Company has successfully finalized a syndicated financing arrangement with a consortium of financial institutions, whereby the consortium is providing Letters of Credit facility of up to Rs. 12.300 billion and term finance facility of Rs 5.753 billion by conversion of existing over due letters of credit. The terms of aforesaid arrangement require the Sponsors to arrange equity / subordinated debt of Rs 4.200 billion before the year ending 30th June 2009. Out of this arrangement Rs 3.687 billion have already been received by the company, and subsequent to the balance sheet date the remaining amount of Rs. 513 million have also been received by the company. All these steps contribute towards favorable conditions and mitigate the risks, therefore, the preparation of financial statements using the going concern assumption is justified.

Amount in Rs. '000

	Note	March 31, 2009	June 30, 2008
5 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets - At written down value	5.1	10,070,108	6,142,776
Capital work in progress - At cost		4,847,558	2,422,157
		14,917,666	8,564,933

5.1 Additions, Revaluations and disposals during the period (Operating fixed assets)

Revaluation

Plant and machinery	4,062,989	—
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Amount in Rs. '000

	Mar 31, 2009	June 30, 2008
Additions in owned assets		
Plant and machinery	8,114	1,030,145
Generator	10,293	-
Building, on freehold land, roads and civil works	-	44,741
Furniture, fixture and equipment	510	453
Computer and allied	4,823	4,984
Safety and lab equipments	2,685	1,096
Vehicles	8,599	1,522
	35,024	1,082,941
Additions in leased assets		
Plant and machinery	-	217,718
Vehicles	158,280	15,517
	158,280	233,235
Disposals		
Vehicles	3,409	5,146

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Surplus on revaluation of Property, plant and equipment	1,571,647	1,601,698
Surplus arising due to revaluation of Property, plant and equipment	4,062,989	-
Related deferred tax liability	(1,422,046)	-
Transfer to accumulated loss in respect of incremental depreciation charged during the year - Net of tax	(78,513)	(30,051)
Surplus on revaluation of Property, plant and equipment - Closing	4,134,077	1,571,647

During the period under review plant and machinery owned by the company has further been revalued by independent valuer M/s. Asif Associates (Pvt) Limited, using prevailing market value being the basis of revaluation. The effective date of revaluation is December 17, 2008. The surplus arising from revaluation is Rs. 4,062 million. The entire closing balance of surplus on revaluation of Property, plant and equipment is not available for distribution to shareholders as per fourth schedule of the Companies Ordinance, 1984.

Amount in Rs. '000

	Mar 31, 2009	June 30, 2008
7 TRADE AND OTHER PAYABLES		
Bills payable	5,120,259	22,905,676
Payables to Banks against over due letters of credit	5,913,315	-
Over due for settlement against syndicated term finance facility	5,753,000	-
Creditors for services and supplies	1,049,651	226,979
Advances from customers	143,580	103,512
Accrued expenses	19,914	3,749
Withholding tax payable	2,229	3,157
Dividend payable	1,146	1,146
Other payables	37,955	31,626
Sales tax, petroleum development levy and federal excise duty payable	1,305,350	407,597
	19,346,400	23,683,442

8 CONTINGENCIES AND COMMITMENTS

Commitments:

- in respect of capital expenditures amounting to Rs. NIL (June 30, 2008 : Rs. 332 million)
- in respect of crude oil letter of credit amounting to Rs. 1,730 million (June 30, 2008 : Rs. NIL)

Amount in Rs. '000

	9 months Jul – Mar 2009	9 months Jul – Mar 2008
9 TRANSACTION WITH RELATED PARTIES		
Holding company:		
Receipt of loan	134,765	458,149
Repayment of loan	170,140	–
Markup on loan	995	14,693
Associated companies:		
Purchase of operating fixed assets	1,783	1,429
Services received	7,763	18,627
Sale of fixed assets	–	1,184
Payment of rent	345	262
Receipt of loan	3,337,370	–
Repayment of loan and lease liabilities	60,029	97,103
Payment against services (freight for crude oil)	867,756	265,162
Markup on borrowings and leases	98,992	14,632
Land lease rentals	32,813	–
Staff provident fund		
Payment of employees and Company's contribution	20,448	14,104

10 DATE OF AUTHORIZATION OF ISSUE

The financial statements were authorized for issue on April 28, 2009 in accordance with the resolution of the Board of Directors of the Company.

11 GENERAL

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



Director



Director



> Welcome

By the way...

AIR

TYRE SHOP

SERVICES

DIESEL Rs. 57.25 LTR

GASOLINE Rs. 57.77 LTR

CNG Rs. 48.00 Kg



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Mumtaz Hassan Road, Karachi-74000

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