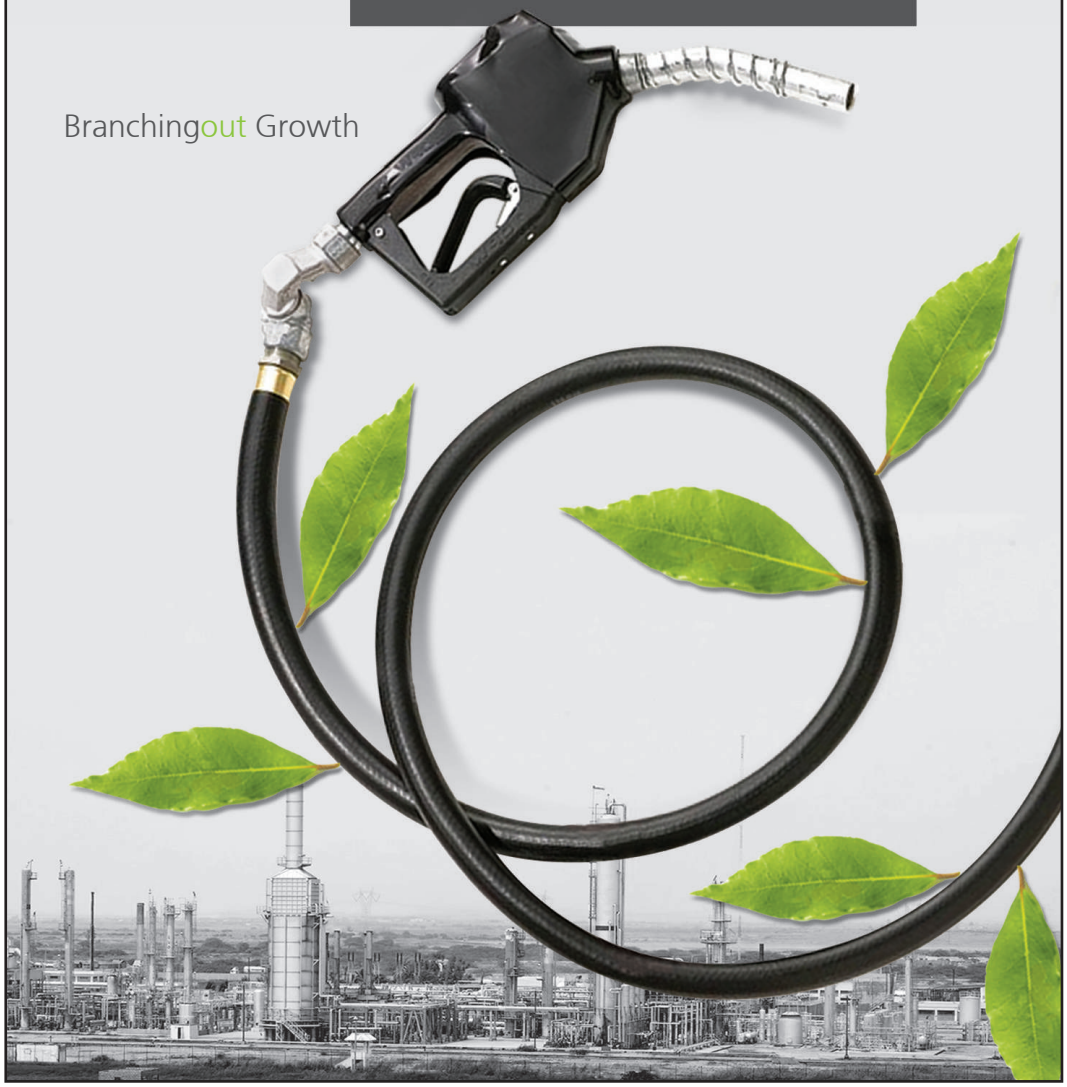
Third Fiscal

Quarter Report

March 31, 2011

byco

Branchingout Growth



Branchingout Growth

Growth is in our nature, and we are branchingout into new directions. Stepped into retail business recently and emerging as a challenging new and fastest growing player.

Our aim is to set new standards in production, quality and service. With our focus set, our aims defined and our constant checks in all aspects of our business, we are moving ahead and branchingout growth.

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Company Information

Board of Directors

Waqar Hassan Siddique
Chairman
Hamid Imtiaz Hanfi
Vice Chairman
Amir Abbassciy
Director
Matteo Stefanel
Director
Muhammad Raza Hasnani
Director
Aziz Moolji
Director
M. Abdullah Yusuf
Director
Tariq Kirmani
Director
Kashif Shah
Director
Samia Roomi
Director

Compliance Committee of the Board

M. Abdullah Yusuf
Chairman
Hamid Imtiaz Hanfi
Member
Muhammad Raza Hasnani
Member
Jawed Ahmad
Secretary

Strategy & Risk Management Committee of the Board

Tariq Kirmani
Chairman
Amir Abbassciy
Member
Matteo Stefanel
Member
Syed Masood Raza
Secretary

Services and Stakeholders Committee of the Board

Matteo Stefanel
Chairman
Hamid Imtiaz Hanfi
Member
Samia Roomi
Member
Shahana Ahmed Ali
Secretary

Supervisory Secretariat

Hamid Imtiaz Hanfi
Head Supervisory Secretariat
Jawed Ahmad
Head Corporate Compliance
Shahana Ahmed Ali
Head Corporate Services
& Company Secretary
Syed Masood Raza
Head Corporate Strategy

Management

Amir Abbassciy
Chief Executive Officer
Mohammad Wasi Khan
President Chemical
Manufacturing Business
Muhammad Qaiser Jamal
President Oil Refining Business
Kalim A. Siddiqui
President Petroleum
Marketing Business
Imran Farookhi
Head Administration &
Human Resource
Wajahat Athar Jafri
Head Commercial
Mansoor Rashid
Head Technical
Roshan Mehri
Head Treasury &
Chief Financial Officer

Legal Counsel

Shahana Ahmed Ali
Head Legal

Auditors

Faruq Ali & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank
(Pakistan) Limited
Soneri Bank Limited
The Bank of Khyber
United Bank Limited

Share's Registrar

FAMCO Associates (Pvt) Limited
First Floor, State Life Building
No. 1A, I. I. Chundrigar Road,
Karachi - 74000
Tel: (92 21) 3242 7012, 3242 6597,
3242 5467
Fax: (92 21) 3242 6752, 3242 8310

Registered Office

9th 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

Directors' Report

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

The Board of Directors of the Company presents their report together with the condensed interim unaudited financial statements of the Company for the nine months ended March 31, 2011.

We are pleased to state that during the period under review, your company earned a gross profit of Rs 683 million as against a gross profit of Rs 212 million during the same period in the prior year. Net Sales during the nine month period were Rs 29 billion as compared to Rs 31 billion during the same period in the prior year. During the period, your Refinery has performed exceptionally well despite the very tight refining margins as well as further deterioration in the pricing formula for the refineries. The refineries collectively have long been pursuing the authorities to provide justifiable margins and level playing field in the price mechanism to help in sustainability and diversification. Your Refinery's positive performance is largely due to a better selection of imported crude oil which have resulted in a higher percentage yield of middle distillates. The other supporting factor was the product to crude differential that remained positive for a larger portion of the period under review.

During the nine months of this financial year, the average Refinery throughput was down by 12 percent as compared to the corresponding period last year. This was primarily due to liquidity constraints due to rising price trend of Crude Oil. Betwen July-March 2010-11, the Refinery throughput averaged 14,600 barrels per stream day as compared to 16,600 barrels per stream day for the same period last year. A total of 2.85 million barrels of crude oil was processed during this period under review as against 4.56 million barrels, showing a decline of 37 percent in comparison to the corresponding period last year. Your refinery was on-stream for 194 days as against 274 stream days last year corresponding period primarily due to the annual Turnaround planned for June 2010 and extended into the financial year 2010-11. The Turnaround period was extended due to non-availability of some critical equipment coupled with severe monsoon weather. Subsequent to the Turnaround, during which the capacity enhancement was implemented, the throughput capacity of the Refinery has now increased to 36,000 barrels per day.

For the period under review, your refinery imported 2.74 million barrels of crude oil as compared to last year corresponding period of 3.91 million barrel. We have exported Naphtha totaling 260,425 barrels which contributed an amount totaling $22.5 million towards improving the Country's balance of payments.

While we witnessed relative stability in the Dollar : Rupee parity, the international crude oil benchmark (Dubai) prices saw an extreme rise of 52.4 percent starting at USD 71.84 per barrel during July 2010 and closing at USD 109.48 per barrel on March 31, 2011 touching a 28-month high. This volatility witnessed in the crude market is largely due to the geo-political situation in the oil producing countries of the Middle East and North Africa. The Earthquake in Japan however, subdued the increasing trend to some extent, due to substantial reduction in oil demand. This natural calamity however could not stop the rising price trend for long and, the oil price continues to rise unabated and currently has touched USD 120 per barrel.

With great pride we would like to inform you that during the period under review, your refinery successfully achieved the HSEQ Integrated Management Certification – Quality Management System (QMS) conforming to ISO 9001, Environmental Management System conforming to ISO 14001 and Occupational Health & Safety System conforming to OHSAS 18001. Alhamdulillah, it continues to demonstrate impeccable safety record and has successfully accomplished a significant milestone of crossing 3.0 million man-hours without Loss Time Injury (LTI). The total man-hour without LTI up to March 31, 2011 has crossed 3.40 million. From January 2011, the contractor casual staff safe man-hours were merged with Oil Refining Complex 1 (ORC1) safe man hours. Byco also introduced its first safety slogan "Safety is a Team Work" which was selected through in-house campaign.

Your company's Petroleum Marketing Business (PMB) has already established considerable market presence and is geared for further expansion to capture market share. PMB continues to aim at being the source of innovative solutions for customers by bringing clear options to the market for the benefit

of the customers, providing quality products and services to the market and in the process creating goodwill as well as value for all stakeholders and contributing to group performance.

The third quarter is marked with the establishment of 195 retail sites and would surpassed the 200 sites milestone by the time of publishing of this report. Despite fluctuating market dynamics and stiff industry competition, Byco has successfully been maintaining the 6th position amongst the 12 Oil Marketing Companies presently operative in Pakistan. Our overall market share in liquid fuels up to the end of third quarter is 2.6%. In the month of March 2011, our market share is almost 2.7%.

Lubricants business was launched in the last quarter. For a new-entrant, it is always a challenge to establish brand acceptability in the lubricants market where leading foreign and local brands are available in abundance at competitive pricing structure. Our first batch of imported product has been well-received in the market and we are well on our way towards entrenching in this segment.

Furthering our achievements of the last quarter, Petroleum Marketing Business (PMB) is continuing its efforts to conclude Fuel Supply Agreements (FSAs) with upcoming power producers and some industrial consumers in the near future. We have effectively penetrated into this market by adding major players from the Exploration and Production, Mining and Shipping sectors. Our customer portfolio in the International Sales segment has also flourished to include commercial and non-commercial customers diversifying business opportunities and achieving volumetric growth.

In our efforts to further capitalize our brand identity, Byco branded tank lorry fleet has been introduced. Some of these branded trucks can now be seen on roads, transporting our product in a safe and secure way to our customers ensuring quality and quantity.We are also aware that EHS and quality maintenance is an important benchmark to judge our performance; therefore we are also in the process of launching company branded mobile quality testing units (MQTU) in Karachi, Lahore and Islamabad which is expected to be in operation during next quarter.

We have been investing substantially to create a robust information technology platform and this has now started to contribute to our performance. We have implemented an electronic approval system as a beginning step towards speedy processing of documents and a paperless environment.

Universal Terminal Limited (Byco's Jet Fuel Terminal), commenced its operations from the first week of April 2011, after the arrival of our first Jet Fuel cargo. This will help us in further tapping on the export market potential and consolidating our position as a major player.

In order to constantly reinforce our brand presence, we regularly participate in various forums to develop sustainable networks and foster business relationships as these are essential tools for Marketing. Like other leading companies, we are frequently represented at industry forums to present our views on energy scenario in Pakistan and on other diversified subjects of considerable socio-economic importance. Our efforts in transforming Byco's PMB have been well received and acknowledged in the market. Our PMB President, Mr. Kalim A. Siddiqui received the First Global CEO Excellence award for life time achievement and our Company has been adjudged as the best petroleum company at the 6th Consumer Choice Awards 2010 held at Karachi. In the realm of Corporate Social Responsibility and with a particular focus on education, health and sports we are actively participating in socio-development activities to consolidate ourselves as a responsible corporate citizen.

In conclusion the Board prays to Almighty Allah for His blessings and extends its gratitude to our Shareholders for their continued support, confidence and trust in your Company and its employees' efforts.

For and on behalf of the Board of Directors

Chief Executive Officer

Condensed Interim Balance Sheet

As at March 31, 2011

	Note	Unaudited March 31, 2011	Amount in Rs. '000 Audited June 30, 2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	14,093,297	14,041,553
Intangible asset		10,497	15,370
Long term deposits		65,472	58,809
Long term loan & receivable		2,516,907	2,349,273
Long term Investment		2,087,115	2,087,115
CURRENT ASSETS			
Stores and spares		199,974	144,076
Stock in trade		5,280,706	4,927,938
Trade debts - Considered good		8,205,272	6,861,842
Loans and advances - Considered good		618,306	265,521
Trade deposits, prepayments and other receivables		216,456	321,474
Markup accrued		326,006	39,002
Cash and bank balances		1,093,062	1,036,549
		15,939,782	13,596,402
		34,713,071	32,148,522
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 1,200,000,000(June 2010:500,000,000) Ordinary shares of Rs.10/- each	6	12,000,000	5,000,000
Issued, subscribed and paid up capital		3,921,044	3,921,044
Accumulated losses		(12,408,231)	(11,989,993)
		(8,487,187)	(8,068,949)
Surplus on revaluation of property, plant and equipment		3,717,546	3,860,878
NON CURRENT LIABILITIES			
Loan from sponsors and associated undertakings - Unsecured		5,510,854	5,000,944
Long term loans - Secured	7	1,987,667	3,290,451
Liabilities against assets subject to finance leases		137,056	204,979
Long term deposits		24,896	16,946
Deferred liabilities		1,434,612	1,511,792
CURRENT LIABILITIES			
Trade and other payables		27,232,157	22,180,684
Accrued markup		1,092,248	1,415,236
Short term borrowings - secured		-	508,809
Current portion of non current liabilities		1,892,709	1,977,379
Provision for taxation		170,513	249,373
		30,387,627	26,331,481
COMMITMENTS	8	-	-
		34,713,070	32,148,522

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

Chief Executive

Director

Condensed Interim Profit and Loss Account

For the nine month ended March 31, 2011 - Un audited

Amount in Rs. '000

	3 months ended Jan - Mar 2011	3 months ended Jan - Mar 2010	9 months ended Jul - Mar 2011	9 months ended Jul - Mar 2010
Net sales	11,562,795	10,433,880	29,184,942	31,432,083
Cost of Sales	11,162,824	10,005,807	28,501,770	31,220,416
Gross profit	399,971	428,073	683,172	211,667
Operating expenses				
Administrative expenses	186,762	178,140	589,346	447,616
Selling and distribution expenses	219,395	207,514	542,745	436,692
	406,158	385,654	1,132,092	884,308
Operating (loss) / profit	(6,186)	42,419	(448,919)	(672,641)
Other income	808,501	449,430	1,583,261	520,110
	802,315	491,849	1,134,342	(152,531)
Financial and other charges				
Financial charges	425,216	427,635	1,608,731	1,392,179
Exchange differences - net	(25,307)	13,090	(13,914)	307,610
	399,909	440,725	1,594,817	1,699,789
Profit / (loss) before taxation	402,406	51,124	(460,475)	(1,852,320)
Taxation				
Current	65,924	52,169	170,513	157,160
Prior Year	7,761	-	7,761	-
Deferred	(25,633)	(26,198)	(77,179)	(78,823)
	48,052	25,971	101,095	78,337
Profit / (loss) after taxation	354,353	25,153	(561,571)	(1,930,657)
Profit / (loss) per share - basic (Rupees)	0.90	0.06	(1.43)	(4.92)

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

Chief Executive

Director

Condensed Interim Statement Of Other Comprehensive Income

For the nine month ended March 31, 2011 - Unaudited

Amount in Rs. '000

	3 months ended Jan - Mar 2011	3 months ended Jan - Mar 2010	9 months ended Jul - Mar 2011	9 months ended Jul - Mar 2010
Net (loss) after taxation	354,353	25,153	(561,571)	(1,930,657)
Comprehensive income transferred to equity	354,353	25,153	(561,571)	(1,930,657)
Component of comprehensive income not reflected in equity				
Transfer from surplus on revaluation of				
Property, plant and equipment	73,236	74,853	220,511	225,209
Related deferred tax	(25,633)	(26,198)	(77,179)	(78,823)
	47,603	48,655	143,332	146,386
Total comprehensive income/(loss) for the period	401,957	73,808	(418,238)	(1,784,271)
Component of comprehensive income not reflected in equity - Net of tax	-	-	-	-
Total comprehensive income/(loss) for the period transferred to equity	401,957	73,808	(418,238)	(1,784,271)

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

Chief Executive

Director

Condensed Interim Cash Flow Statement

For the nine month ended March 31, 2011 - Un audited

Amount in Rs. '000

	9 months ended	
	Jul - Mar 2011	Jul - Mar 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(460,475)	(1,852,320)
Adjustments for non cash and other items:		
Depreciation and amortization	487,308	473,262
Financial and other charges	1,594,817	1,699,790
Gain on disposal of assets	(398)	(468)
Mark up from subsidiary and associated undertakings	(287,004)	(15,853)
Net cash flow before working capital changes	1,334,247	304,411
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(55,898)	3,782
Stock in trade	(352,768)	898,935
Trade debts	(1,343,430)	1,357,327
Loans and advances	(349,545)	(353,155)
Trade deposits, prepayments and other receivables	(31,291)	(48,199)
Increase / (decrease) in current liabilities		
Trade and other payables	5,047,380	550,188
Cash generated from operations	4,248,695	2,408,878
Payments for:		
Financial charges	(1,917,805)	(2,085,925)
Income Taxes	(120,825)	(120,934)
Net cash flow from operating activities	2,210,065	506,430
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(534,179)	(1,656,821)
Proceeds from disposal of vehicles	4,492	4,336
Loan to subsidiary	(170,874)	-
Mark up received from associated undertaking	-	17,353
Long term deposits	1,287	1,450
Net cash used in investing activities	(699,274)	(1,633,682)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors and associates - net	509,910	-
Repayment of term finance certificates	-	(107,143)
Repayment of long term loan	(1,387,454)	(732,575)
Liabilities against assets subject to finance lease - net	(67,923)	(81,078)
Short term borrowings - net	(508,811)	248,451
Net cash used in financing activities	(1,454,278)	(672,345)
Net increase / (decrease)in cash and cash equivalents	56,513	(1,799,597)
Cash and cash equivalents as at 1st July	1,036,549	2,078,445
Cash and cash equivalents as at 31st March	1,093,062	278,848

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

Chief Executive

Director

Condensed Interim Statement Of Changes In Equity

For the nine month ended March 31, 2011 - Unaudited

Amount in Rs. '000

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
Balance as at July 01, 2009	3,921,044	(10,597,517)	(6,676,473)
Total comprehensive loss for the period	-	(1,784,271)	(1,784,271)
Balance as at March 31, 2010	3,921,044	(12,381,788)	(8,460,744)
Balance as at July 01, 2010	3,921,044	(11,989,993)	**(8,068,949)**
Total comprehensive loss for the period	-	(418,238)	**(418,238)**
Balance as at March 31, 2011	3,921,044	(12,408,231)	**(8,487,187)**

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

Chief Executive

Director

1 THE COMPANY AND ITS OPERATIONS

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. Registered office of the Company is situated at 9th floor, The Harbour Front, Dolmen City, SC-3, Block 4, Marine Drive, Clifton, Karachi. The principal business of the Company is refining and selling of the petroleum products.

2 BASIS OF PREPARATION

The condensed interim financial information is unaudited and is required to be presented to the share holders under section 245 of the ordinance and has been prepared in a condensed form in accordance with the requirements of the international accounting standard (IAS-34)'Interim financial reporting' as applicable in Pakistan. The condensed interim financial information does not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2010.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010.

3.2 The preparation of condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and judgement applied by the management in preparation of this interim condensed financial information is same as those applied in preparation of annual financial statements of the Company for the year ended June 30, 2010.

4 GOING CONCERN ASSUMPTION

During the period ended March 31, 2011, Company incurred a net loss after tax of Rs. 0.562 billion and as of that date it has accumulated losses of Rs. 12.408 billion that have resulted in net capital deficiency of Rs. 8.487 billion and excess of current liabilities over current assets of Rs. 14.448 billion and the company is operating at far below its capacity levels. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as going concern, therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The interim condensed financial information has been prepared using going concern assumption as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future. Further, the Company's ability to arrange funds from sponsors / associates when required is yet another positive indicator, accordingly during the period under consideration company arranged funds from sponsors amounting to Rs.506 million (during the year ended June 30, 2010 Rs 1.214 billion) which enabled the Company to pay off short term borrowings.

Also, as approved by the shareholders at the Annual General Meeting held on December 31, 2010, the outstanding loan from sponsors' / associates' along with markup payable amounting to Rs. 5.8 billion is being converted into ordinary shares of the Company. The Company has already initiated the formalities for issuance of shares and this process would be completed by June 30, 2011. The conversion of sponsors' / associates' loan into shares will strengthen the equity base as well as save annual finance cost of the Company approx. by Rs. 500 million. The Company has not defaulted in any of the installments of its long term loans / lease finance. During the period under review, the gross refining margins are also now reflecting a positive trend and this will contribute towards the profitability of the Company. In addition, Company is in the process of obtaining running finance facility from syndicate of banks as sub limit of existing letter of credit facility, which will exclusively be used for retirement of letter of credits. The same will address the mismatch of payment cycle, higher finance costs and will enable the Company for timely retirement of letter of credits.

Apart from the refinery operations the Company is also targeting its Petroleum Market Business (PMB) which has visibly improved Company's market position in the oil marketing sector and has also enabled the Company to diversify its revenue stream, as evident from disclosure about business segments (note 10). PMB, apart from sale of ordinary petroleum products, is further in the process of diversification of its revenue stream, which include Jet Fuel trading, introduction of liquefied petroleum gas (LPG) and lubricants in retail stations, increase in clientele consisting other than retail customers. Further the Company's value addition project in progress like Isomerization Plant, which is expected to commence its operations in near future, will enable the Company to process naphtha, which will ultimately increase the profit margins of the Company, and single point mooring (now owned by Universal Terminal Limited, wholly owned subsidiary of the

Company 'UTL') will reduce the product transportation costs.
All these step contribute towards favorable conditions and mitigate the risks involved, therefore, the preparation of condensed interim financial information using the going concern assumption is justified.

Amount in Rs. '000

	Note	Mar 31, 2011	June 30, 2010
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	5.1	9,862,644	9,830,512
Capital work in progress - At cost		4,230,653	4,211,041
		14,093,297	14,041,553

	9 months ended	
	July-Mar 2011	July-Mar 2010
5.1 Additions during the period		
Plant and machinery	68,833	1,085
Civil work	171,917	-
Generators	27,267	4,985
Furniture and fixtures	3,111	440
Computer and allied	12,243	8,546
Safety and lab equipment	3,767	790
Vehicles (Leased)	31,790	32,711
	318,928	48,557

	Mar 31, 2011	June 30, 2010
6 AUTHORISED SHARE CAPITAL		
Ordinary shares of Rs. 10/- each	12,000,000	5,000,000

The authorised share capital of the Company is increased from Rs. 5,000,000,000 (500,000,000 Ordinary shares of Rs. 10/- each) to Rs. 12,000,000,000 (1,200,000,000 Ordinary shares of Rs. 10/- each) during the period.

	Mar 31, 2011	June 30, 2010
7 LONG TERM LOANS		
Term finance - I	-	59,670
Term finance - II	-	25,000
Syndicated Loan	210,000	279,999
Syndicated Term Finance	3,561,381	4,794,166
	3,771,381	5,158,835
Current portion of long term loans	(1,783,714)	(1,868,384)
	1,987,667	3,290,451

8 COMMITMENTS

Commitments in respect of crude oil, petroleum products and capital expenditures amounting to Rs. 3.44 billion (June 30, 2010: Rs 0.072 billion).

	Amount in Rs. '000 9 months ended	
	July-Mar 2011	July-Mar 2010
9 TRANSACTION WITH RELATED PARTIES		
Parent companies:		
Receipt of loan	842,745	271,835
Markup on loan	12,590	4,054
Subsidiary Company		
Payment of loan	170,874	-
Markup income	287,004	-
Associated companies:		
Purchase of equipments and services	117,203	189,203
Payment of rent	-	345
Repayment of loan & lease liabilities	315,013	318,705
Payment against freight for crude oil shipments	253,279	249,650
Markup on loan	274,291	447,260
Land lease rentals	32,813	32,813
Shared expenses	8,975	26,317
Liquidated damages	-	7,935
Sales of petroleum products	2,669,932	-
Staff provident fund		
Payment of employees and Company's contribution	44,427	31,553

10 INFORMATION ABOUT BUSINESS SEGMENTS

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

	Oil Refining Business		Petroleum Marketing Business		Total	
	9 months July - Mar 2011	9 months July - Mar 2010	9 months July - Mar 2011	9 months July - Mar 2010	9 months July - Mar 2011	9 months July - Mar 2010
	(Rupees in '000)					
Revenue						
Net Sales to external customers	5,391,538	16,115,085	23,793,004	15,316,997	29,184,542	31,432,082
Inter-segment sales	15,277,415	10,740,206			15,277,415	10,740,206
Eliminations					(15,277,415)	(10,740,206)
Total revenue	20,668,953	26,855,291	23,793,004	15,316,997	29,184,542	31,432,082
Result						
Segment results - (loss) / profit	(224,231)	(1,627,235)	395,732	736,707	171,501	(890,528)
Un-allocated expenses					(4,874)	(3,479)
					166,628	(894,007)
Interest expense					(1,585,598)	(1,383,402)
Interest income					958,494	425,089
Taxation					(101,095)	(78,337)
Loss for the period					(561,571)	(1,930,657)
Other Information						
Depreciation and amortization	460,895	463,524	26,412	7,083		

11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary to facilitate comparison.

12 DATE OF AUTHORIZATION FOR ISSUE

The fianacial statement were authorised for issue on 25th April 2011 in accordance with the resolution of the Board of Directors of the Company

13 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees been rounded to nearest thousand.

Chief Executive

Director

Condensed Consolidated Interim Financial Information

Condensed Consolidated Interim Balance Sheet

As at March 31, 2011

	Note	Unaudited March 31, 2011	Amount in Rs. '000 Audited June 30, 2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	17,125,557	17,064,985
Intangible asset		34,243	39,116
Long term deposits		68,243	59,740
Long term loan and receivable		21,601	24,840
CURRENT ASSETS			
Stores and spares		200,131	144,076
Stock in trade		5,280,706	4,927,938
Trade debts - Considered good		8,205,272	6,861,842
Loans and advances - Considered good		618,306	286,321
Trade deposits, prepayments and other receivables		350,186	329,616
Markup accrued		33,012	33,012
Cash and bank balances		1,097,769	1,046,352
		15,785,383	13,629,157
		33,035,026	30,817,838
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES			
Authorized share capital 1,200,000,000(June 2010:500,000,000) Ordinary shares of Rs.10/- each	6	12,000,000	5,000,000
Issued, subscribed and paid up capital		3,921,044	3,921,044
Accumulated losses		(14,151,081)	(13,358,802)
		(10,230,037)	(9,437,758)
Surplus on revaluation of property, plant and equipment		3,717,546	3,860,878
NON CURRENT LIABILITIES			
Loan from sponsors and associated underatkings - Unsecured		5,510,854	5,000,944
Long term loans - Secured	7	1,987,667	3,290,451
Liabilities against assets subject to finance leases		144,693	204,979
Long term deposits		24,896	16,946
Deferred liabilities		1,457,021	1,534,202
CURRENT LIABILITIES			
Trade and other payables		27,266,916	22,196,399
Accrued markup		1,092,248	1,415,236
Short term borrowings - secured		-	508,809
Current portion of non current liabilities		1,892,709	1,977,379
Provision for taxation		170,513	249,373
		30,422,386	26,347,196
COMMITMENTS	8	-	-
		33,035,026	30,817,838

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

Chief Executive

Director

Condensed Consolidated Interim Profit and Loss Account

For the nine month ended March 31, 2011 - Unaudited

Amount in Rs. '000

	3 months ended Jan - Mar 2011	3 months ended Jan - Mar 2010	9 months ended Jul - Mar 2011	9 months ended Jul - Mar 2010
Net sales	11,562,795	10,433,880	29,184,942	31,432,083
Cost of Sales	11,162,824	10,005,807	28,501,770	31,220,416
Gross Profit	399,971	428,073	683,172	211,667
Operating expenses				
Administrative expenses	239,865	178,140	678,638	447,616
Selling and distribution expenses	219,395	207,514	542,745	436,692
	459,261	385,654	1,221,384	884,308
Operating (loss)/profit	(59,289)	42,419	(538,211)	(672,641)
Other income	708,799	449,430	1,298,612	520,110
	649,510	491,849	760,401	(152,531)
Financial and other charges				
Financial charges	425,224	427,635	1,608,830	1,392,179
Exchange differences	(25,307)	13,090	(13,914)	307,610
	399,917	440,725	1,594,916	1,699,789
Profit/(loss) before taxation	249,592	51,124	(834,516)	(1,852,320)
Taxation				
Current	65,924	52,169	170,513	157,160
Prior Year	7,761	-	7,761	-
Deferred	(25,633)	(26,198)	(77,179)	(78,823)
	48,052	25,971	101,095	78,337
Profit / (loss) after taxation	201,540	25,153	(935,611)	(1,930,657)
Profit / (loss) per share - basic (Rupees)	0.51	0.06	(2.39)	(4.92)

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

Chief Executive

Director

Condensed Consolidated Interim Statement of Other Comprehensive Income

For the nine month ended March 31, 2011 - Unaudited

Amount in Rs. '000

	3 months ended Jan - Mar 2011	3 months ended Jan - Mar 2010	9 months ended Jul - Mar 2011	9 months ended Jul - Mar 2010
Net profit/(loss) after taxation	201,540	25,153	(935,611)	(1,930,657)
Comprehensive income transferred to equity	201,540	25,153	(935,611)	(1,930,657)
Component of comprehensive income not reflected in equity				
Transfer from surplus on revaluation of				
Property, plant and equipment	73,236	74,853	220,510	225,209
Related deferred tax	(25,633)	(26,198)	(77,179)	(78,823)
	47,603	48,655	143,331	146,386
Total comprehensive income/(loss) for the period	249,144	73,808	(792,279)	(1,784,271)
Component of comprehensive income not reflected in equity - Net of tax	-	-	-	-
Total comprehensive income/(loss) for the period transferred to equity	249,144	73,808	(792,279)	(1,784,271)

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

Chief Executive

Director

Condensed Consolidated Interim Cash Flow Statement

For the nine month ended March 31, 2011 - Unaudited

Amount in Rs. '000

	9 months ended	
	Jul - Mar 2011	Jul - Mar 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(834,515)	(1,852,320)
Adjustments for non cash and other items:		
Depreciation and amortization	569,253	473,262
Financial and other charges	1,594,916	1,699,790
Mark up from associated undertakings	-	(15,853)
Gain on disposal of assets	(398)	(468)
Net cash flow before working capital changes	1,329,256	304,411
Movement in working capital		
(Increase) / decrease in current assets		
Stores and spares	(56,055)	3,782
Stock in trade	(352,768)	898,935
Trade debts	(1,343,430)	1,357,327
Loans and advances	(349,545)	(353,155)
Trade deposits, prepayments and other receivables	(135,287)	(48,199)
Increase / (decrease) in current liabilities		
Trade and other payables	5,066,422	550,188
Cash generated from operations	4,158,594	2,408,878
Payments for:		
Financial charges	(1,917,905)	(2,085,925)
Income Taxes	(121,618)	(120,934)
Net cash flow from operating activities	2,119,071	506,430
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(624,952)	(1,656,821)
Sale proceeds of fixed assets	4,492	4,336
Mark up received from associated undertaking	-	17,353
Long term deposit	(553)	1,450
Net cash used in investing activities	(621,014)	(1,633,682)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from sponsors and associates - net	509,910	-
Repayment of term finance certificates	-	(107,143)
Repayment of long term loan	(1,387,454)	(732,575)
Liabilities against assets subject to finance lease - Net	(60,286)	(81,078)
Short term borrowings - Net	(508,811)	248,451
Net cash used in financing activities	(1,446,640)	(672,345)
Net increase / (decrease) in cash and cash equivalents	51,417	(1,799,597)
Cash and cash equivalents as at 1st July	1,046,352	2,078,445
Cash and cash equivalents as at 31st March	1,097,769	278,848

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

Chief Executive

Director

Condensed Consolidated Interim Statement of Changes In Equity

For the nine month ended March 31, 2011 - Unaudited

Amount in Rs. '000

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
Balance as at July 01, 2009	3,921,044	(10,597,517)	(6,676,473)
Total comprehensive loss for the period		(1,784,271)	(1,784,271)
Balance as at March 31, 2010	3,921,044	(12,381,788)	(8,460,744)
Balance as at July 01, 2010	3,921,044	(13,358,802)	**(9,437,758)**
Total comprehensive loss for the period		(792,279)	**(792,279)**
Balance as at March 31, 2011	3,921,044	(14,151,081)	**(10,230,037)**

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

Chief Executive

Director

1 REPORTING ENTITY

The Group comprises the following companies

Byco Petroleum Pakistan Limited (BPPL)- Parent Company

BPPL 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 shares of BPPL are listed on the Karachi, Lahore and Islamabad Stock Exchanges. BPPL is engaged in the production and sale of the petroleum products.

Universal Terminal Limited (UTL) - Subsidiary

UTL was incorporated in Pakistan on June 14, 2002 as a Private limited Company under the Companies Ordinance, 1984. UTL has been converted from Private Limited to Public Limited Company on May 24, 2010. BPPL has acquired 100% shares of UTL by virtue of share purchase agreement dated February 17, 2010 (acquisition date). The registered office of UTL is situated at 6th Floor, Executive Tower, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600. UTL was principally engaged in the provision of bulk storage services of petroleum products.

2 GOING CONCERN ASSUMPTION

During the period ended March 31, 2011, Company incurred a net loss after tax of Rs. 0.936 million and as of that date it has accumulated losses of Rs.14.151 billion that have resulted in net capital deficiency of Rs.10.230 billion and excess of current liabilities over current assets of Rs.14.637 billion and the Company is operating at far below its capacity levels. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern, therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The interim condensed financial information has been prepared using going concern assumption as the management is confident that all these conditions are temporary, not permanent and would reverse in foreseeable future. Further, the Company's ability to arrange funds from sponsors / associates when required is yet another positive indicator, accordingly during the period under consideration Company arranged funds from sponsors amounting to Rs.506 million (during the year ended June 30, 2010 Rs 1.214 billion) which enabled the Company to pay off short term borrowings.

Also, as approved by the shareholders at the Annual General Meeting held on December 31, 2010, the outstanding loan from sponsors' / associates' along with markup payable amounting to Rs. 5.8 billion is being converted into ordinary shares of the Company. The Company has already initiated the formalities for issuance of shares, and this process would be completed by June 30 ,2011. The conversion of sponsors' / associates' loan into shares will strengthen the equity base as well as save annual finance cost of the Company approx. by Rs. 500 million. The Company has not defaulted in any of the installments of its long term loans / lease finance. During the period under review, the gross refining margins are also now reflecting a positive trend and this will contribute towards the profitability of the Company. In addition, Company is in the process of obtaining running finance facility from syndicate of banks as sub limit of exisiting letter of credit facility, which will exclusively be used for retirment of letter of credits. The same will address the mismatch of payment cycle, higher finance costs and will enable the Company for timely retirement of letter of credits.

Apart from the refinery operations the Company is also targeting its Petroleum Market Business (PMB) which has visibly improved Company's market position in the oil marketing sector and has also enabled the Company to diversify its revenue stream, as evident from disclosure about business segments (note 10). PMB, apart from sale of ordinary petroleum products, is further in the process of diversification of its revenue stream, which include Jet Fuel trading, introduction of liquefied petroleum gas (LPG) and lubricants in retail stations, increase in clientele consisting other than retail customers. Further the Company's value addition project in progress like Isomerization Plant, which is expected to commence its operations in near future, will enable the Company to process naphtha, which will ultimately increase the profit margins of the Company, and single point mooring (now owned by UTL, wholly owned subsidiary of the company 'BPPL') will reduce the product transportation costs.

All these steps contribute towards favorable conditions and mitigate the risks involved, therefore, the preparation of financial statements using the going concern assumption is justified.

3 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and are being submitted to the shareholders as required by section 245 of the companies ordinance, 1984.

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2010.

4 BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights, if any, that are currently exercisable are taken into account. However, potential voting rights that are not currently exercisable are not included in determination of the proportions of profit or loss and changes in equity attributable to the Group.

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiaries are changed when necessary to align them with those adopted by the Group. The assets and liabilities of the subsidiaries are consolidated on a line-by-line basis and the carrying amount of the investment in subsidiaries is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

Amount in Rs. '000

	Note	Mar 31, 2011	June 30, 2010
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	5.1	11,631,160	11,232,245
Capital work in progress - At cost		5,494,397	5,832,740
		17,125,557	17,064,985

	9 months ended	
	July-Mar 2011	July-Mar 2010
5.1 Additions during the period		
Plant and machinery	68,833	1,085
Civil work	171,917	-
Generators	27,267	4,985
Furniture and fixtures	3,111	440
Computer and allied	12,243	8,546
Safety and lab equipment	3,767	790
Vehicles (Leased)	37,980	32,711
	318,928	48,557

	Mar 31, 2011	June 30, 2010
6 AUTHORISED SHARE CAPITAL		
Ordinary shares of Rs. 10/- each	12,000,000	5,000,000

The authorised share capital of the Company is increased from Rs. 5,000,000,000 (500,000,000 Ordinary shares of Rs. 10/- each to Rs. 12,000,000,000 (1,200,000,000 Ordinary shares of Rs. 10/- each) during the period.

	Mar 31, 2011	Amount in Rs. '000 June 30, 2010
7 LONG TERM LOANS		
Term finance - I	-	59,670
Term finance - II	-	25,000
Syndicated Loan	210,000	279,999
Syndicated Term Finance	3,561,381	4,794,166
	3,771,381	5,158,835
Current portion of long term loans	(1,783,714)	(1,868,384)
	1,987,667	3,290,451

8 COMMITMENTS

Commitments in respect of crude oil, petroleum products and capital expenditures amounting to Rs. 3.44 billion (June 30, 2010: Rs 0.072 billion).

	9 months ended	
	July-Mar 2011	July-Mar 2010
9 TRANSACTION WITH RELATED PARTIES		
Parent companies:		
Receipt of loan	842,745	271,835
Markup on loan	12,590	4,054
Associated companies:		
Purchase of equipments and services	117,203	189,203
Payment of rent	-	345
Repayment of loan & lease liabilities	315,013	318,705
Payment against freight for crude oil shipments	253,279	249,650
Markup on loan	274,291	447,260
Land lease rentals	32,813	32,813
Shared expenses	8,975	26,317
Liquidated damages	-	7,935
Sales of petroleum products	2,669,932	-
Staff provident fund		
Payment of employees and Company's contribution	44,427	31,553

10 INFORMATION ABOUT BUSINESS SEGMENTS

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

	Oil Refining Business		Petroleum Marketing Business		Total	
	9 months July - Mar 2011	9 months July - Mar 2010	9 months July - Mar 2011	9 months July - Mar 2010	9 months July - Mar 2011	9 months July - Mar 2010
	(Rupees in '000)					
Revenue						
Net Sales to external customers	5,391,538	16,115,085	23,793,004	15,316,997	29,184,542	31,432,082
Inter-segment sales	15,277,415	10,740,206			15,277,415	10,740,206
Eliminations					(15,277,415)	(10,740,206)
Total revenue	20,668,953	26,855,291	23,793,004	15,316,997	29,184,542	31,432,082
Result						
Segment results - (loss) / profit	(311,219)	(1,627,235)	395,732	736,707	84,513	(890,528)
Un-allocated expenses					(4,874)	(3,479)
					79,639	(894,007)
Interest expense					(1,585,646)	(1,383,402)
Interest income					671,491	425,089
Taxation					(101,095)	(78,337)
Loss for the period					(935,611)	(1,930,657)
Other Information						
Depreciation and amortization	543,179	463,524	26,412	7,083		

11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary to facilitate comparison.

12 DATE OF AUTHORIZATION FOR ISSUE

The fianacial statement were authorised for issue on 25th April 2011 in accordance with the resolution of the Board of Directors of the Company

13 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the group's functional currency. All financial information presented in Rupees been rounded to nearest thousand.

Chief Executive

Director

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