# Second Fiscal Quarter Report
December 31, 2012

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# Company Information

Board of Directors

Hamid Imtiaz Hanfi
Chairman

Muhammad Raza Hasnani
Vice Chairman

Ovais Mansoor Naqvi
Director

Adnan Siddiqui
Director

Diana Brush
Director

Philip Harris
Director

Richard Legrand
Director

Audit Committee of the Board

Philip Harris
Chairman

Muhammad Raza Hasnani
Member

Diana Brush
Member

Strategy and Risk Management Committee of the Board

Muhammad Raza Hasnani
Chairman

Hamid Imtiaz Hanfi
Member

Diana Brush
Member

Services and Stakeholders Committee of the Board

Muhammad Raza Hasnani
Chairman

Hamid Imtiaz Hanfi
Member

Diana Brush
Member

Head Finance and Chief Financial **Officer**

Asad Azhar Siddiqui

Head Legal & Services Company Secretary

Shahana Ahmed Ali

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Barclays Bank Plc, Pakistan
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silkbank Limited
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
Summit Bank Limited
Sindh Bank Limited
The Bank of Khyber
United Bank Limited

Shares' Registrar

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First Floor, State Life
Building No. 1A
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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 for the half year ended 31st December, 2012.

During the period under review, net sales of the company increased significantly by 220% to Rs.26,697 million as compared to Rs. 8,329 million during the same period last year (SPLY). Depicting a turnaround, the Company earned a gross profit of Rs. 300 million during this six month period as compared to the gross loss of Rs. 976 million during the SPLY. This was primarily due to higher refining and marketing margins as compared to last year. Furthermore, Profit before depreciation and amortization, interest and tax is Rs. 647 million as compared to a loss of Rs. 464 million in the SPLY, reflecting the reliability and robustness of the core refining and marketing business.

Although administrative and selling expenses remained consistent with the SPLY, still the Company suffered a net loss after tax of Rs. 1,435 million which is mainly on account of financial charges on bank borrowings amounting to Rs. 1,337 million.

During the period under review, the refinery operated 42% below its designed capacity. A total of 2,801,107 barrels (20,152 bls per stream day) of crude were processed over a span of 139 stream days, as compared to 455,090 barrels of crude (16,855 bls per stream day) over 27 stream days in the SPLY.

The Company has recently successfully concluded an agreement with the consortium of nine lending banks for reprofiling of its existing syndicated finance facilities. Under the terms of the reprofiling, the total syndicated borrowing of Rs. 19.2 billion (Principal and accrued mark-up) will now be repaid over a period of 9 (nine) years with a grace period of 2 (two) years (excepting one bank, where there is no grace period). The mark-up rate shall be capped at KIBOR and will be applied on outstanding principal only. The reprofiling has been concluded in accordance with the mandate given by the State Bank of Pakistan and is effective 31st December 2012.

The Company is now in the final stages of commissioning its Isomerization plant, the first such unit installed in the country. This Isomerization plant will be fed Naphtha from our refinery, as well as Byco Oil Pakistan Limited's new 120,000 bpd refinery. This plant will enable the Company to process light Naphtha into low Benzene environmental friendly Motor Gasoline and will yield better returns to the Company due to the significant differential between Naptha and Motor Gasoline prices. Furthermore, this conversion of Naphtha would result into substantial savings in transporting, handling and storage costs to the Company.

Byco Terminals Pakistan Limited's (BTPL) Single Point Mooring (SPM) project has been successfully tested with the first crude oil tanker calling at the SPM in December 2012. With the SPM being on line, substantial cost savings due to economies of scale in the form of reduced freight cost, efficiencies, reduced cash cycle, curtailment of operational losses and savings in internal transportation and storage charges shall be experienced by your Company.

In another positive development, the Economic Coordination Committee (ECC) of the Federal Cabinet of the Government has approved the mechanism for recovery of crude oil transportation cost of Byco at the SPM through Inland Freight Equalization Margin pool (IFEM) which would result in future cost savings for the Company.

Your Company has witnessed significantly challenging times in the last few years primarily due to the 2008 financial crisis. However, with the completion of the Group's related mega projects this year, there will be significant value addition for the Company and the results for the half year then ended depict a turnaround. The management will ensure that this momentum is maintained whilst at the same time focusing on operational excellence, cost management and bottom-line growth.

In conclusion, the Board of Directors would like to express their gratitude for the cooperation extended to the Company by our valued customers, financial institutions, shareholders and employees for their continued support, confidence and trust in the Company.

For and on behalf of the Board of Directors

Chief Executive Officer

# Auditor’s Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of Byco Petroleum Pakistan Limited (”the Company”) as at 31 December 2012 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and noted to the accounts for the six-month period then ended (here-in-after referred as the “interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of marking inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substatially less in scope than an audit conducted in accordance assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, do not expres an audit opinion.

Basis for Qualified Conclusion

as described in note 8.1 to the interim financial information, the Company has recognized mark-up on delayed payment from Pakistan State Oil Company Limited (PSO) amounting to Rs. 3,653 million including Rs. 267 million recogonized during the period as the Company considers that it has a contractual right to record this mark-up (payments from PSO amounting to Rs. 3,571 million has been adjusted as payment against mark-up receivable as the Company considers that this adjustment is in accordance with the contractual right of the Company. We consider that the amount receivable of Rs. 3,653 million should have been provided for. Had a provision been made for this amount, loss after tax would have been higher by Rs. 267 million, accumulated losses would have been higher by Rs. 3,653 million and loss per share would have been higher by Rs. 0.27.

Qualified Concluision

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 2 to the interim financial information which indicates that the Company has incurred net loss of Rs. 1,435 million during the six months period ended 31 December 2012, and as of that date, its accumulated losses amounted to Rs. 17,751 million resulting in negative equity of Rs. 7,972 million; as at 31 December 2012 total liabilities exceeded the total assets by Rs. 2,576 million and current liabilities exceded the current asets by Rs. 5,454 million. These conditions, alongwith other matterss as set forth in note 2, indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. However interim financial information as been prepared on going concern basis based on mitigating factors as more fully explained in note 2 to the interim financial information which mainly describe the fact that the Company has successfully accomplished the financial restructuring with their lenders in respect of the existing liability and augmented fresh working capital lines in respect of purchase or crude oil and petroleum product. Our conlusion is not qualified in respect of this matter.

Other matters

The figures for the three months period ended 31 December 2012, in the condensed interim profit and loss account and condensed; interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.

Date: 17th July 2013.
Karachi

KPMG Taseer Hadi & Co.
Chartered Accounts
Mazhar Saleem

# Unconsolidated Condensed Interim Balance Sheet
As at 31 December 2012

| ASSETS | Notes | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 6 | 18,015,510 | 18,372,849 |
| Intangible asset | | 4,436 | 5,915 |
| Long term investment - at cost | | 5,729,258 | 5,729,258 |
| Long term deposits | | 15,571 | 19,387 |
| | | 23,764,775 | 24,127,409 |
| CURRENT ASSETS | | | |
| Stores and spares | | 146,930 | 159,280 |
| Stock in trade | 7 | 13,950,437 | 2,956,264 |
| Trade debts - unsecured | 8 | 10,278,601 | 9,728,774 |
| Loans and advances - considered good | | 610,816 | 394,080 |
| Trade deposits, prepayments and other receivables | | 851,588 | 821,454 |
| Mark-up accrued | | 274,498 | 221,194 |
| Cash and bank balances | | 471,904 | 202,228 |
| | | 26,584,774 | 14,483,274 |
| | | 50,349,549 | 38,610,683 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 1,200,000,000 (June 2012:1,200,000,000) Ordinary shares of Rs.10/- each | | 12,000,000 | 12,000,000 |
| Issued, subscribed and paid up capital | | 9,778,587 | 9,778,587 |
| Accumulated losses | | (17,751,484) | (16,501,819) |
| | | (7,972,897) | (6,723,232) |
| Surplus on revaluation of property, plant and equipment | | 5,397,389 | 5,583,119 |
| NON CURRENT LIABILITIES | | | |
| Long term financing - secured | 9 | 18,433,286 | - |
| Liabilities against assets subject to finance leases | | 42,462 | 74,736 |
| Long term deposits | | 41,913 | 38,913 |
| Deferred liabilities | | 2,369,039 | 2,460,110 |
| | | 20,886,700 | 2,573,759 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 30,962,348 | 25,903,618 |
| Accrued mark-up | 11 | 45,961 | 1,138,196 |
| Short term borrowings - secured | 12 | - | 7,650,000 |
| Current portion of non-current liabilities | 13 | 843,596 | 2,441,686 |
| Provision for taxation | | 186,452 | 43,537 |
| | | 32,038,357 | 37,177,037 |
| Contingencies and commitments | 14 | | |
| | | 50,349,549 | 38,610,683 |

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

# Unconsolidated Condensed Interim Profit and Loss Account
For the period ended December 31, 2012 (Unaudited)

| | Notes | Six months period ended 31 December 2012 | Six months period ended 31 December 2011 | Three months period ended 31 December 2012 | Three months period ended 31 December 2011 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | | |
| Gross sales | | 32,082,413 | 9,340,907 | 18,609,628 | 3,403,037 |
| Sales tax, discount and others | | (5,385,192) | (1,012,164) | (3,059,014) | (422,168) |
| Net sales | | 26,697,221 | 8,328,743 | 15,550,614 | 2,980,869 |
| Cost of sales | 15 | 26,397,541 | 9,304,814 | 15,478,202 | 3,554,291 |
| Gross profit / (loss) | | 299,680 | (976,071) | 72,412 | (573,422) |
| Operating expenses | | | | | |
| Administrative expenses | | 408,923 | 417,913 | 262,022 | 218,118 |
| Selling and distribution expenses | | 258,514 | 248,156 | 203,782 | 75,886 |
| | | 667,437 | 666,069 | 465,804 | 294,004 |
| | | (367,757) | (1,642,140) | (393,392) | (867,426) |
| Other income | | 485,455 | 647,648 | 168,624 | 334,440 |
| | | 117,698 | (994,492) | (224,768) | (532,986) |
| Financial and other charges | | | | | |
| Financial charges | | 1,336,877 | 1,110,264 | 695,449 | 519,899 |
| Exchange differences - net | | 173,309 | 104,747 | 163,666 | 9,424 |
| | | 1,510,186 | 1,215,011 | 859,115 | 529,323 |
| Loss before taxation | | (1,392,488) | (2,209,503) | (1,083,883) | (1,062,309) |
| Taxation | | | | | |
| Current | | 142,915 | 29,497 | 83,587 | 8,945 |
| Prior year | | - | 33,274 | - | 33,274 |
| Deferred | 16 | (100,008) | (100,181) | (50,000) | (51,101) |
| | | 42,907 | (37,410) | 33,587 | (8,882) |
| Net loss after taxation | | (1,435,395) | (2,172,093) | (1,117,470) | (1,053,427) |
| | | (Rupees in '000) | | | |
| Loss per share - basic and diluted | 17 | (1.47) | (2.22) | (1.14) | (1.08) |

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

# Unconsolidated Condensed Interim Statement of Other Comprehensive Income
For the six months period ended 31 December 2012 (Unaudited)

| | Six months period ended | | Three months period ended | |
|---|---|---|---|---|
| | 31 December 2012 | 31 December 2011 | 31 December 2012 | 31 December 2011 |
| | ---------------------------- (Rupees in '000) | ---------------------------- | | |
| Net loss after taxation | (1,435,395) | (2,172,093) | (1,117,470) | (1,053,427) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | (1,435,395) | (2,172,093) | (1,117,470) | (1,053,427) |

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

# Unconsolidated Condensed Interim Cash Flow Statement
For the six months period ended 31 December 2012 (Unaudited)

| | Six months period ended | |
|---|---|---|
| | 31 December 2012 | 31 December 2011 |
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (1,392,488) | (2,209,503) |
| Adjustments for: | | |
| Depreciation | 527,251 | 529,344 |
| Amortization | 1,479 | 1,479 |
| Financial and other charges | 1,336,877 | 1,110,264 |
| Provision for gratuity | 10,011 | 10,880 |
| Gain on disposal of assets | (3,859) | (728) |
| Net cash flow before working capital changes | 479,271 | (558,264) |
| Movement in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | 12,350 | 9,478 |
| Stock in trade | (10,994,173) | 171,511 |
| Trade debts - unsecured | (549,827) | (464,403) |
| Mark-up accrued | (53,304) | (215,266) |
| Loans and advances - considered good | (216,736) | 2,260 |
| Trade deposits, prepayments and other receivables | (1,975) | 74,410 |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 12,458,266 | 3,378,494 |
| | 654,601 | 2,956,484 |
| Cash generated from operations | 1,133,872 | 2,398,220 |
| (Payments) / receipt for: | | |
| Financial charges | (573,957) | (915,765) |
| Income taxes | (28,159) | (58,134) |
| Deferred income | - | 25,260 |
| Payment for gratuity | (1,074) | - |
| Net cash from operating activities | 530,682 | 1,449,581 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (176,748) | (322,430) |
| Proceeds from disposal of vehicles | 10,695 | 7,053 |
| Loan to Subsidiary | - | (13,249) |
| Long term deposits - net | 6,816 | 4,781 |
| Net cash used in investing activities | (159,237) | (323,845) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of long term loan | (70,000) | (891,857) |
| Liabilities against assets subject to finance lease - net | (31,769) | (100,169) |
| Net cash used in financing activities | (101,769) | (992,026) |
| Net increase in cash and cash equivalents | 269,676 | 133,710 |
| Cash and cash equivalents at beginning of period | 202,228 | 270,559 |
| Cash and cash equivalents at end of period | 471,904 | 404,269 |

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

# Unconsolidated Condensed Interim Statement of Changes In Equity
For the six months period ended 31 December 2012 (Unaudited)

| | Issued, subscribed and paid up capital | Accumulated loss | Total |
|---|---|---|---|
| | (Rupees in '000) | | |
| Balance as at 1 July 2011 | 9,778,587 | (13,770,872) | (3,992,285) |
| Total comprehensive income for the period | | | |
| Net loss for the period | - | (2,172,093) | (2,172,093) |
| Other comprehensive income for the period | - | - | - |
| | - | (2,172,093) | (2,172,093) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | - | 186,051 | 186,051 |
| Balance as at 31 December 2011 | 9,778,587 | (15,756,914) | (5,978,327) |
| Balance as at 1 July 2012 | 9,778,587 | (16,501,819) | (6,723,232) |
| Total comprehensive income for the period | | | |
| Net loss for the period | - | (1,435,395) | (1,435,395) |
| Other comprehensive income for the period | - | - | - |
| | - | (1,435,395) | (1,435,395) |
| Incremental depreciation relating to surplus on revaluation of property, plant and equipment - net of deferred tax | - | 185,730 | 185,730 |
| Balance as at 31 December 2012 | 9,778,587 | (17,751,484) | (7,972,897) |

The annexed notes from 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

Byco Petroleum Pakistan Limited (the Company) was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. Byco Oil Pakistan Limited (Holding Company) holds 85.44% (30 June 2012: 86.94%) shares in the Company. The Holding Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (ultimate Parent Company). The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its crude Oil Refining Business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and now growing aggressively with 222 retail outlets across the country.

2. GOING CONCERN ASSUMPTION

During the period ended 31 December 2012, the Company incurred a net loss after taxation of Rs. 1,435 million (31 December 2011: Rs. 2,172 million) and as of that date its accumulated losses amounted to Rs. 17,751 million (30 June 2012: Rs. 16,502 million). As at 31 December 2012 total liabilities exceeded total assets by Rs.2,576 million (30 June 2012: 1,140 million) and current liabilities of the Company exceeded its current assets by Rs. 5,454 million (30 June 2012: Rs. 22,694 million). The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The unconsolidated condensed interim financial information have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- During the period, the Company has successfully established its eighth crude Letter of credit arrangement with a commercial bank after discharging the previous seven arrangements in time. The average operating throughput of the refinery was 20,152 bpd as compared to 16,230 bpd last year when the refinery could not operate during most part of the year on account of working capital constraints.

- During the period, the Company has successfully managed to negotiate with their lenders to restructure majority of their loans and accrued mark-up thereof amounting in aggregate to Rs. 19,233 million payable to Syndicate banks into long term loans. The restructuring will reduce the Company's future mark-up cost due to reduction of 100 basis points and deferment in repayment will ensure smooth operations of the Company and lower the burden on working capital lines (refer note 9.2).

- The State Bank of Pakistan has accepted the restructuring arrangements made by the Syndicate banks and relaxed the requirements of Prudential Regulation “Corporate and Commercial Banking” for the Company. Such relaxation would allow the Company to negotiate better terms with financial institutions for obtaining financing facilities. Accordingly, one of the major local banks has supported and enhanced the working capital lines for import / local purchase of crude oil and petroleum products and extended the letter of credit facility upto an amount of Rs. 14,500 million at more favourable terms, in order to support the working capital requirements of the Company. This arrangement has resulted in substantial savings and has helped the Company to deal with the volatility of international crude oil / product prices, as well as foreign exchange luctuations.

- The Company is in the final stages of completing its Isomerisation unit. The Isomerisation unit will convert light Naphtha into Motor Spirit which is a value addition and would increase the profitability margin of the Company. Furthermore, this conversion of light Naphtha would reduce the export of Naphtha. As a result it would bring substantial savings on account of transportation cost, In-transit losses, reduction in handling charges and storage cost and increased future profitability of the Company and increase the sale of Motor Spirit in local market.

- The Company’s Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as Shipping, Power & Energy and mining sectors.

High margin aviation fuel export market has also been tapped through these arrangements and for managing this business, a separate working capital line is available to the Company. Further, during the period, PMB segment has increased their retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company.

- During the period, Byco Terminals Pakistan Limited (BTPL) has successfully commissioned its Single Point Mooring (SPM) project. SPM project would bring substantial cost savings on account of reduced freight cost, lead time, operational losses, In-land freight and storage charges.

- The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company.

- The Holding Company has commissioned the country's largest oil refinery and has successfully completed its initial run of 72 hours. It is now ready to operate on sustainable basis. The operation of Byco Oil Pakistan Limited (BOPL) refinery would bring sustainable cost savings to the Company by taking advantage of synergies and economies of scale.

- The Company is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate.

- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that.

- The management has also prepared financial projections to demonstrate the financial benefits of above measures. The results of the above efforts, activities and actions are expected to contribute significantly towards the profitability, cost reduction, cash flows and equity position of the Company and mitigate the risks involved therefore, the preparation of unconsolidated condensed interim financial information on going concern assumption is accordingly justified.

3. BASIS OF PREPARATION

3.1 Statement of compliance

This unconsolidated condensed interim financial information of the Company for the six month period ended 31 December 2012 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provision of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directive issued under the Companies Ordinance, 1984 have been followed.

3.2 This unconsolidated condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2012.

3.3 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges vide section 245 of the Companies Ordinance, 1984. The figures for the six months period ended December 31, 2012 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

3.4 This unconsolidated condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

4. ACCOUNTING POLICIES

4.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual financial statements as at and for the year ended 30 June 2012.

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

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

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

Judgments and estimates made by the management in the preparation of this unconsolidated condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2012.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

| | | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|---|
| **6. PROPERTY, PLANT AND EQUIPMENT** | | (Rupees in '000) | |
| Operating fixed assets - at cost less accumulated depreciation | 6.1 | 13,451,148 | 13,966,136 |
| Capital work in progress - at cost | 6.2 | 4,564,362 | 4,406,713 |
| | | 18,015,510 | 18,372,849 |

| | Six months period ended 31 December 2012 | 31 December 2011 |
|---|---|---|
| 6.1 The additions in property, plant and equipment during the period are as under: | (Un-audited) (Rupees in '000) | |
| Owned: | | |
| Plant and machinery | 9,428 | 16,476 |
| Generators | 83 | 23,838 |
| Roads and civil works | - | 6,018 |
| Furniture and fixture | 448 | 2,365 |
| Filling stations | 3,457 | 54,417 |
| Computer and allied | 349 | 4,605 |
| Safety lab and equipment | 548 | 3,058 |
| Vehicles | 4,786 | - |
| Leased: | | |
| Vehicles | - | 8,243 |
| | 19,099 | 119,020 |

6.1.1 During the period assets having net book value of Rs. 6.836 million (31 December 2011: Rs. 6.325 million) were disposed for Rs. 10.695 million (31 December 2011: Rs. 7.053 million).

6.2 The additions in Capital work in progress during the period are as under:

| | | |
|---|---|---|
| Plant and machinery | 3,393 | 128,062 |
| Generators | - | 6,181 |
| Civil and mechanical works | 164,474 | 77,298 |
| | 167,867 | 211,541 |

| | | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |

7. STOCK IN TRADE

| | | | |
|---|---|---|---|
| Raw material - Crude Oil | | 7,157,763 | 1,382,548 |
| Finished products | 7.1 & 7.2 | 6,792,674 | 1,573,716 |
| | | 13,950,437 | 2,956,264 |

7.1 Finished products having cost of Rs. 6,840.280 million (30 June 2012: Rs. 1,771.930 million) have been written down by Rs. 47.606 million (30 June 2012: Rs. 198.214 million) to net realizable value.

7.2 Stock of finished products includes stock held by third parties amounting to Rs. 623.275 million (30 June 2012: Rs. 317.417 million).

8. TRADE DEBTS - unsecured

| | | | |
|---|---|---|---|
| Due from Pakistan State Oil Company Limited | 8.1 | 5,335,955 | 6,686,366 |
| Due from related parties | | | |
| - Karachi Electric Supply Company Limited | | 3,598,242 | 2,582,991 |
| - Byco Terminals Pakistan Limited (formerly Universal Terminal Limited) | | 374,193 | 374,193 |
| Others | | 970,211 | 85,224 |
| | | 10,278,601 | 9,728,774 |

8.1 This represents Rs. 5,254 million (30 June 2012: Rs. 4,400 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and Rs. 82 million (30 June 2012: Rs. 2,286 million) on account of mark-up on delayed payments. The mark-up on delayed payment is calculated on daily compounding basis and would be one percent above normal lending rate of commercial banks, being the lending rates applicable for short term running finance of Company or PSO whichever is lower.

9. LONG TERM PAYABLES

| | | | |
|---|---|---|---|
| Syndicated term finance | | - | 70,000 |
| Syndicated term finance | 9.1 & 9.2 | - | 2,328,595 |
| Restructured principal facilities | 9.2 | 17,379,700 | - |
| Restructured accrued mark-up facilities | 9.2 | 1,853,586 | - |
| | | 19,233,286 | 2,398,595 |
| Current maturity | | (800,000) | (2,398,595) |
| | | 18,433,286 | - |

9.1 This syndicated term finance facility amounting to Rs. 2,328.595 million has been restructured as per the terms mentioned in note 9.2.

9.2 As at 31 December 2012, an amount of Rs 19,233 million (Outstanding Amount) was due and payable by the Company to local commercial banks (syndicate banks). This included Rs. 17,379.700 million in respect of principal and Rs. 1,853.586 million in respect of accrued mark-up. The syndicate banks upon request of the Company, have agreed to restructure the outstanding amount in accordance with the terms and subject to the conditions mentioned in the Restructured Agreement (the Agreement) made on 31 December 2012. As per the Agreement, principal amount amounting to Rs. 17,379 million has been restructured to term finance facilities payable over a period of maximum 7 years from 2013 to 2019 and carries mark-up at the rate of 6 month Karachi Inter-Bank Offer Rate (KIBOR).

The terms of the Agreement includes that National Bank of Pakistan (NBP) restructured facility is to be paid on priority basis in 2.5 years in unequal semi-annual instalments. The payment in respect of the remaining principal amount will be made in 7 years in unequal semi-annual instalment and shall commence upon the discharge of full obligation of the NBP restructured facility or expiry of 2.5 years from the Agreement date whichever is earlier. Further, an amount of Rs. 100 million out of the total mark-up accrued on each of the restructured principal facilities shall be payable by the Company on each instalment date in the first year and Rs. 200 million in the following six years. Remaining accrued mark-up on restructured principal facilities shall be payable within a period of two years commencing after the repayment of the restructured principal facilities.

The accrued mark-up amounting to Rs. 1,853.586 million has been restructured to non interest bearing term finance facilities payable over a period of maximum 9 years, with a 7 years grace period in four semi-annual unequal instalments from June 2019 to December 2020.

The restructured facility is secured by way of:

(i) first Joint Pari Passu charge over fixed assets to the extent of Rs. 7,670 million, first Pari Passu equitable mortgage charge over fixed assets (land and building only) to the extent of Rs. 7,670 million;

(ii) first Pari Passu equitable mortgage charge over fixed assets (exclusive of land and building) to the extent of Rs. 20,400 million;

(iii) first Joint Charge on the assets of Byco Terminals Pakistan Limited (a wholly owned subsidiary of the Company) including storage related assets and crude oil tanks;

(iv) first Pari Passu Hypothecation charge to the extent of Rs. 20,400 million on all present and future current assets of the Company; and

(v) the Syndicate banks will have a lien and right of set off on an account maintained with an assigned agent bank wherein the Company will route all its revenues / receipts.

| 10. TRADE AND OTHER PAYABLES | | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Creditors for supplies | | 19,166,650 | 8,519,275 |
| Forced payment against documents | 10.1 & 9.2 | - | 8,550,217 |
| Petroleum development levy payable | | 5,326,097 | 4,313,356 |
| Creditors for services | 10.2 | 1,790,192 | 1,656,105 |
| Advances from customers | | 1,764,668 | 1,856,797 |
| Sales tax and federal excise duty payable | | 2,578,038 | 771,950 |
| Accrued expense | | 250,336 | 143,232 |
| Withholding tax payable | | 20,095 | 33,317 |
| Workers profit participation fund | | 52,109 | 50,540 |
| Dividend payable | | 1,146 | 1,146 |
| Others | | 13,017 | 7,683 |
| | | 30,962,348 | 25,903,618 |

10.1 Overdue letter of credit facilities amounting to Rs. 7,401.105 million has been restructured as mentioned in note 9.2.

10.2 This includes Rs. 12.014 million (2012: Rs. 12.014 million) payable to BII (ultimate Parent Company) in respect of services.

11. ACCRUED MARK-UP

| | | | |
|---|---|---|---|
| Mark-up on long term loan | | | |
| - syndicated term finance | | - | 7,512 |
| - syndicated term finance | 11.1 | - | 175,573 |
| Mark-up on short term borrowing | 11.1 | 45,961 | 955,111 |
| | | 45,961 | 1,138,196 |

11.1 Mark-up accrued on outstanding loan facilities amounting to Rs. 1,853.586 million has been restructured as per the terms mentioned in note 9.2.

12. SHORT TERM BORROWINGS - secured

Short term borrowing amounting to Rs. 7,650 million has been restructured as per the terms mentioned in note 9.2.

13. CURRENT PORTION OF NON CURRENT LIABILITIES

| | | | |
|---|---|---|---|
| Long term loans | 9.2 | 800,000 | 2,398,595 |
| Liabilities against asset subject to finance lease | | 43,596 | 43,091 |
| | | 843,596 | 2,441,686 |

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Claims against the Company not acknowledged as debts amounting to Rs. 2,769.643 million (30 June 2012: Rs. 2,365.625 million) mainly comprise of late payment charges on account of delayed payments against crude oil supplies. The Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim / recover these charges and hence no provision in respect of the same has been made in these financial statements.

14.1.2 The Company has been served with a sales tax order from Federal Board of Revenue (FBR) claiming additional sales tax amounting to Rs. 99 million. The company has not adjusted its input claim of Rs. 99 million being Federal Excise Duty (FED) claim charged under Value Added Tax (VAT) mode by Banking Companies, Insurance Companies and Terminal Operators on various invoices in the relevant tax periods from July 2009 to June 2011. The Company has filed a request to Commissioner Inland Revenue (CIR) for condonation of time limit under section 43 of the Federal Excise Duty Act, 2005 vide letter dated 4 January 2012.

Management based on the opinion of its adviser is confident of a favourable decision and accordingly no provision has been made in this respect.

| | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|
| 14.2 Commitments | (Rupees in '000) | |
| 14.2.1 Outstanding letters of credit | 292,230 | 6,594,449 |
| 14.2.2 Commitment for payments in respect of fixed assets | 97,613 | 454,231 |

| 15. COST OF SALES | Note | Six months period ended 31 December 2012 (Un-audited) (Rupees in '000) | 31 December 2011 |
|---|---|---|---|
| Opening stock | | 1,573,716 | 2,238,365 |
| Raw material consumed | 15.1 | 29,733,973 | 5,172,699 |
| Manufacturing expense | | 934,648 | 859,365 |
| Cost of goods manufactured | | 30,668,621 | 6,032,064 |
| Finished products purchased during the period | | 947,878 | 3,256,022 |
| | | 33,190,215 | 11,526,451 |
| Closing stock | | (6,792,674) | (2,221,637) |
| Cost of sales | | 26,397,541 | 9,304,814 |

| 15.1 Raw material consumed | Six months period ended 31 December 2012 (Un-audited) (Rupees in '000) | 31 December 2011 |
|---|---|---|
| Opening stock | 1,382,548 | 1,874,658 |
| Purchases | 35,509,188 | 5,017,916 |
| Available for use | 36,891,736 | 6,892,574 |
| Closing stock | (7,157,763) | (1,719,875) |
| Raw material consumed | 29,733,973 | 5,172,699 |

16. TAXATION

Deferred

Deferred tax asset amounting to Rs. 7,017.621 million (30 June 2012: Rs. 5,350.305 million) has not been recognized in this unconsolidated condensed interim financial information due to prudence.

17. LOSS PER SHARE - basic and diluted

| | | | |
|---|---|---|---|
| Net loss after taxation | Rupees | (1,435,395) | (2,172,093) |
| Weighted average number of ordinary shares | Number | 977,858,737 | 977,858,737 |
| Loss per share - basic and diluted | Rupees | (1.47) | (2.22) |

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent companies, subsidiary company, associated companies, directors, key management personnel and staff provident fund. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Details of transactions and balances with related parties are as follows:

18.1 Transactions with related parties

Parent Companies

| | | |
|---|---|---|
| Land lease rentals | 24,062 | 24,062 |
| Repayment of mark-up | - | 13,233 |
| Services received | 39,503 | 8,070 |
| Loan provided to the Company and payment made during the period | 2,500,000 | - |
| Mark-up expense on loan and subsequent payment | 12,477 | - |

| | Six months period ended | |
|---|---|---|
| | 31 December 2012 | 31 December 2011 |
| | (Un-audited) (Rupees in '000) | |
| **Subsidiary Company** | | |
| Sales | - | 162,108 |
| Services received | 78,714 | 115,606 |
| Loan advanced | - | 13,249 |
| Mark-up income | 30,115 | 215,266 |
| Land lease rental | 1,375 | 1,375 |
| **Associated Companies** | | |
| Sale of petroleum products | 8,393,149 | 145,559 |
| Services received | 321,987 | - |
| Purchase of operating fixed assets and services | 6,277 | 103,362 |
| Mark-up income | 134,161 | 92,457 |
| Repayment of mark-up | - | 88,333 |
| **Staff Provident Fund** | | |
| Payment of employees and company's contribution | 16,765 | 30,014 |

| | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|
| | (Rupees in '000) | |
| **18.2 Balances with related parties** | | |
| Parent Companies | | |
| Mark-up receivable | 18,923 | 18,923 |
| Security deposits payable | 3,646 | 3,646 |
| Receivable against land lease rent | 140,724 | 116,661 |
| Payable against services | 12,014 | 12,014 |
| Receivable against services | 449,644 | 399,057 |
| Payable against purchases of assets and services | - | 3,183 |
| Subsidiary Company | | |
| Trade debts | 374,193 | 374,193 |
| Mark-up receivable | 48,377 | 18,262 |
| Receivable against land lease rent | 6,875 | 5,500 |
| Advance against purchases of assets and services | 260,131 | 129,869 |
| Associated Companies | | |
| Creditors for services | 53,961 | - |
| Trade debts | 3,598,242 | 2,582,991 |
| Mark-up receivable | 207,198 | 184,009 |
| Purchase of asset and services | - | 4,413 |
| Staff Provident Fund | | |
| Payable to staff provident fund | 2,806 | 3,849 |

19. OPERATING SEGMENTS

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

| | Oil Refining Business | | Petroleum Marketing Business | | Total | |
|---|---|---|---|---|---|---|
| | Six months period ended | | Six months period ended | | Six months period ended | |
| | 31 December 2012 | 31 December 2011 | 31 December 2012 | 31 December 2011 | 31 December 2012 | 31 December 2011 |
| | (Rupees in '000) | | | | | |
| Revenue | | | | | | |
| Net Sales to external customers | 15,244,990 | 2,315,108 | 11,452,231 | 6,013,635 | 26,697,221 | 8,328,743 |
| Inter-segment sales | 10,003,158 | 2,830,027 | - | - | 10,003,158 | 2,830,027 |
| Eliminations | (10,003,158) | (2,830,027) | - | - | (10,003,158) | (2,830,027) |
| Total revenue | 15,244,990 | 2,315,108 | 11,452,231 | 6,013,635 | 26,697,221 | 8,328,743 |
| Result | | | | | | |
| Segment results - loss | (415,147) | (1,494,666) | (98,943) | (246,020) | (514,090) | (1,740,686) |
| Unallocated expenses: | | | | | | |
| Interest expense | | | | | (1,334,489) | (1,080,716) |
| Interest income | | | | | 456,091 | 611,899 |
| Taxation | | | | | (42,907) | 37,410 |
| Loss for the period | | | | | (1,435,395) | (2,172,093) |
| Other Information | | | | | | |
| Depreciation and amortization | 486,447 | 490,219 | 42,283 | 40,604 | 528,730 | 530,823 |

20. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

| From | To | (Rupees in '000) |
|---|---|---|
| Unconsolidated Balance Sheet | | |
| Trade debts - unsecured (Karachi Electric Supply Company Limited) | Mark-up accrued | 184,009 |
| Trade debts - unsecured (Byco Terminal Pakistan Limited) | Mark-up accrued | 18,262 |

21. DATE OF AUTHORISATION OF ISSUE

This unconsolidated condensed interim financial information was authorised for issue on 17 July 2013 by the Board of Directors of the Company.

# Consolidated Condensed Interim Financial Statement

# Consolidated Condensed Interim Balance Sheet
As at December 31, 2012

| | Note | Unaudited Dec 31, 2012 | Audited June 30, 2012 |
|---|---|---|---|
| | | ----------Amount in Rs. '000--------- | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 23,853,449 | 24,086,360 |
| Intangible asset | | 28,182 | 29,661 |
| Long term deposits | | 38,694 | 42,511 |
| CURRENT ASSETS | | | |
| Stores and spares | | 146,930 | 159,280 |
| Stock in trade | 8 | 13,950,437 | 2,956,264 |
| Trade debts - unsecured | 9 | 9,929,942 | 9,336,319 |
| Loans and advances - considered good | | 350,685 | 278,890 |
| Trade deposits, prepayments and other receivables | | 963,483 | 913,816 |
| Markup accrued | | 226,121 | 221,194 |
| Cash and bank balances | | 472,004 | 201,523 |
| | | 26,039,602 | 14,067,286 |
| | | 49,959,927 | 38,225,818 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 1,200,000,000(June 2011:1,200,000,000) Ordinary shares of Rs.10/- each | | 12,000,000 | 12,000,000 |
| Issued, subscribed and paid up capital | | 9,778,587 | 9,778,587 |
| Accumulated losses | | (20,246,286) | (18,959,448) |
| | | (10,467,699) | (9,180,861) |
| Surplus on revaluation of property, plant and equipment | | 5,397,389 | 5,583,119 |
| NON CURRENT LIABILITIES | | | |
| Long term financing - secured | 10 | 18,536,242 | - |
| Liabilities against assets subject to finance leases | | 46,180 | 79,305 |
| Long term deposits | | 41,913 | 38,913 |
| Deferred liabilities | | 2,388,246 | 2,478,835 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 30,951,835 | 26,181,273 |
| Accrued markup | 12 | 218,887 | 1,187,278 |
| Short term borrowings - secured | 13 | 1,812,155 | 9,368,914 |
| Current portion of non current liabilities | 14 | 845,698 | 2,443,367 |
| Provision for taxation | | 189,081 | 45,675 |
| | | 34,017,656 | 39,226,507 |
| Contingencies and commitments | 15 | - | - |
| | | 49,959,927 | 38,225,818 |

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

Chief Executive

Director

## Consolidated Condensed Interim Profit and Loss Account

For the period ended December 31, 2012 (Unaudited)

| | Note | Six months period ended Jul-Dec 2012 | Six months period ended Jul-Dec 2011 | Quarter ended Oct-Dec 2012 | Quarter ended Oct-Dec 2011 |
|---|---|---|---|---|---|
| | | ---Amount in Rs. '000--- | | | |
| Gross sales | | 32,101,880 | 9,178,800 | 18,695,324 | 3,403,037 |
| Sales tax, discount and others | | (5,385,192) | (989,804) | (3,125,243) | (422,168) |
| Net sales | | 26,716,688 | 8,188,996 | 15,570,081 | 2,980,869 |
| Cost of Sales | 16 | 26,397,364 | 9,230,468 | 15,474,709 | 3,554,291 |
| Gross profit / (loss) | | 319,324 | (1,041,472) | 95,372 | (573,422) |
| Operating expenses | | | | | |
| Administrative expenses | | 434,937 | 456,504 | 280,549 | 218,118 |
| Selling and distribution expenses | | 258,514 | 248,156 | 203,782 | 75,886 |
| | | 693,451 | 704,660 | 484,331 | 294,004 |
| Operating (loss)/profit | | (374,127) | (1,746,132) | (388,959) | (867,426) |
| Other income | | 453,965 | 431,007 | 152,865 | 334,440 |
| | | 79,838 | (1,315,125) | (236,094) | (532,986) |
| Financial and other charges | | | | | |
| Financial charges | | 1,337,163 | 1,110,772 | 695,631 | 519,899 |
| Exchange differences | | 173,309 | 104,747 | 163,667 | 9,424 |
| | | 1,510,472 | 1,215,519 | 859,298 | 529,323 |
| (Loss) / Profit before taxation | | (1,430,634) | (2,530,644) | (1,095,392) | (1,062,309) |
| Taxation | | | | | |
| Current | | 142,424 | 30,443 | 83,021 | 8,945 |
| Prior Year | | - | 33,274 | - | 33,274 |
| Deferred | 17 | (100,490) | (100,731) | (50,915) | (51,101) |
| | | 41,934 | (37,014) | 32,106 | (8,882) |
| (loss) / Profit after taxation | | (1,472,568) | (2,493,630) | (1,127,498) | (1,053,427) |
| (Loss) / Profit per share - basic & dilutive (Rupees) | | (1.51) | (2.55) | (1.15) | (1.08) |

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

Chief Executive

Director

# Consolidated Condensed Interim Statement Of Other Comprehensive Income

For the period ended December 31, 2012 (Unaudited)

| | Six months period ended | | Quarter ended | |
|---|---|---|---|---|
| | Jul-Dec 2012 | Jul-Dec 2011 | Oct-Dec 2012 | Oct-Dec 2011 |
| | -------------------Amount in Rs. '000 | | | ----------------------- |
| Net (loss) / profit after taxation | (1,472,568) | (2,493,630) | 1,127,498 | (1,053,427) |
| Other Comprehensive Income | | | | |
| Total comprehensive income/(loss) for the period transferred to equity | (1,472,568) | (2,493,630) | 1,127,498 | (1,053,427) |

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

Chief Executive

Director

# Consolidated Condensed Interim Cash Flow Statement

For the period ended December 31, 2012 (Unaudited)

| | Jul - Dec 2012 | Jul - Dec 2011 |
|---|---|---|
| | ---------Amount in Rs. '000-------- | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Loss before taxation | (1,430,634) | (2,530,644) |
| Adjustments for: | | |
| Depreciation | 584,718 | 553,152 |
| Amortization | 1,479 | 1,479 |
| Financial and other charges | 1,337,163 | 1,110,772 |
| Provision for gratuity | 10,011 | 10,880 |
| Gain on disposal of assets | (3,859) | (728) |
| Net cash flow before working capital changes | 498,878 | (855,089) |
| Movement in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | 12,350 | 9,478 |
| Stock in trade | (10,994,173) | 171,511 |
| Trade debts-unsecured | (575,361) | (276,453) |
| Markup accrued | (53,304) | |
| Loans and advances-considered goods | (216,736) | 2,260 |
| Trade deposits, prepayments and other receivables | (8,142) | (1,256,195) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 12,343,175 | 3,506,536 |
| Cash generated from operations | 1,006,687 | 1,302,048 |
| Payments for: | | |
| Financial charges | (574,243) | (916,721) |
| Income Taxes | (28,219) | (58,151) |
| Defered income | - | 25,260 |
| Payment for gratuity | (1,074) | -- |
| Net cash generated from operating activities | 403,151 | 352,436 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Fixed capital expenditure | (232,853) | (422,008) |
| Sale proceeds of fixed assets | 10,695 | 7,053 |
| Loan to Subsidiary | - | |
| Long term deposit | 6,816 | 4,781 |
| Net cash used in investing activities | (215,342) | (410,174) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Repayment of long term loan | (70,000) | (891,857) |
| Liabilities against assets subject to finance lease - Net | (31,370) | (100,895) |
| Short term loan | 184,042 | |
| Long term loan | - | 1,183,738 |
| Net cash used in financing activities | 82,672 | 190,986 |
| Net increase / (decrease) in cash and cash equivalents | 270,481 | 133,248 |
| Cash and cash equivalents at beginning of period | 201,523 | 271,254 |
| Cash and cash equivalents at end of period | 472,004 | 404,502 |

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

Chief Executive

Director

# Consolidated Condensed Interim Statement Of Changes In Equity
For the period ended December 31, 2012 (Unaudited)

| | Issued, subscribed and paid-up capital | Accumulated Loss | Total |
|---|---|---|---|
| | ----------------Amount in Rs. '000 | ----------------- | |
| Balance as at July 01, 2011 | 9,778,587 | (15,665,947) | (5,887,360) |
| Total comprehensive loss for the period | | | |
| Loss for the six months period ended 31 December 2011 | -- | (2,493,630) | (2,493,630) |
| Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax | -- | 186,053 | 186,053 |
| Balance as at December 31, 2011 | 9,778,587 | (17,973,524) | (8,194,937) |
| Balance as at July 01, 2012 | 9,778,587 | (18,959,448) | (9,180,861) |
| Total comprehensive loss for the period | | | |
| Loss for the six months period ended 31 December 2012 | -- | (1,472,568) | (1,472,568) |
| Incremental depreciation relating to surplus on revaluation of Property, plant and equipment - net deferred tax | -- | 185,730 | 185,730 |
| Balance as at December 31, 2012 | 9,778,587 | (20,246,286) | (10,467,699) |

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

Chief Executive

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

i) Byco Petroleum Pakistan Limited (the Company)
The Company was incorporated in Pakistan as a public limited company on 09 January 1995 under the Companies Ordinance, 1984 and was granted a certificate of commencement of business on 13 March 1995. The shares of the company are listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600, Pakistan. Byco Oil Pakistan Limited (Holding Company of the Company) holds 85.44% (30 June 2012: 86.94%) shares in the Company. The Holding Company is a wholly owned subsidiary of Byco Industries Incorporated (BII), Mauritius (ultimate Parent Company).

The Company is principally engaged in the production, marketing and sale of petroleum products.

The Company currently operates two business segments namely Oil Refinery Business and Petroleum Marketing Business. The Company commenced its crude Oil Refining Business in 2004. The refinery has a rated capacity of 35,000 bpd (barrels per day). Petroleum Marketing Business was formally launched in 2007 and now growing aggressively with 222 retail outlets across the country.

Subsidiary Company

ii) Byco Terminals Pakistan Limited (Formerly Universal Terminal Limited) (BTPL)
BTPL was incorporated in Pakistan as a private limited company on 14 June 2002 under the Companies Ordinance, 1984. BTPL has been converted from Private Limited Company to Public Limited Company on 24 May 2010. The registered office of BTPL is situated at 9th Floor, The Harbour Front, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi. BTPL is principally engaged in the provision of bulk storage services of petroleum products. BTPL has constructed a single point mooring facility that has brought logistical advances in importing crude oil by enabling larger size crude oil vessels to sail and berth without loss of time which generally lead to demurrages.

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

2. GOING CONCERN ASSUMPTION

During the period ended 31 December 2012, the Company incurred a net loss after taxation of Rs. 1,435 million (31 December 2011: Rs. 2,172 million) and as of that date its accumulated losses amounted to Rs. 17,751 million (30 June 2012: Rs. 16,502 million). As at 31 December 2012 total liabilities exceeded total assets by Rs.2,576 million (30 June 2012: 1,140 million) and current liabilities of the Company exceeded its current assets by Rs. 5,454 million (30 June 2012: Rs. 22,694 million). The conditions indicate existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The unconsolidated condensed interim financial information have been prepared using the going concern assumption as the management is confident that all these conditions are temporary, and would reverse in foreseeable future due to the reasons given below:

- During the period, the Company has successfully established its eighth crude Letter of credit arrangement with a commercial bank after discharging the previous seven arrangements in time. The average operating throughput of the refinery was 20,152 bpd as compared to 16,230 bpd last year when the refinery could not operate during most part of the year on account of working capital constraints.

- During the period, the Company has successfully managed to negotiate with their lenders to restructure majority of their loans and accrued mark-up thereof amounting in aggregate to Rs. 19,233 million payable to Syndicate banks into long term loans. The restructuring will reduce the Company's future mark-up cost due to reduction of 100 basis points and deferment in repayment will ensure smooth operations of the Company and lower the burden on working capital lines (refer note 10.2).

- The State Bank of Pakistan has accepted the restructuring arrangements made by the Syndicate banks and relaxed the requirements of Prudential Regulation “Corporate and Commercial Banking” for the

Company. Such relaxation would allow the Company to negotiate better terms with financial institutions for obtaining financing facilities. Accordingly, one of the major local banks has supported and enhanced the working capital lines for import / local purchase of crude oil and petroleum products and extended the letter of credit facility upto an amount of Rs. 14,500 million at more favourable terms, in order to support the working capital requirements of the Company. This arrangement has resulted in substantial savings and has helped the Company to deal with the volatility of international crude oil / product prices, as well as foreign exchange fluctuations.

- The Company is in the final stages of completing its Isomerisation unit. The Isomerisation unit will convert light Naphtha into Motor Spirit which is a value addition and would increase the profitability margin of the Company. Furthermore, this conversion of light Naphtha would reduce the export of Naphtha. As a result it would bring substantial savings on account of transportation cost, In-transit losses, reduction in handling charges and storage cost and increased future profitability of the Company and increase the sale of Motor Spirit in local market.

- The Company's Petroleum Marketing Business (PMB) has entered into various fuel supply arrangements with different marketable sectors such as Shipping, Power & Energy and mining sectors. High margin aviation fuel export market has also been tapped through these arrangements and for managing this business, a separate working capital line is available to the Company. Further, during the period, PMB segment has increased their retail business by entering into different dealer financed, semi-financed and company financed agreements for opening of various retail outlets across the country. These factors of PMB segment has been and is expected to yield significant contribution towards the profitability of the Company.

- During the period, Byco Terminals Pakistan Limited (BTPL) has successfully commissioned its Single Point Mooring (SPM) project. SPM project would bring substantial cost savings on account of reduced freight cost, lead time, operational losses, In-land freight and storage charges.

- The Economic Coordination Committee (ECC) has approved the recovery of crude oil transportation through Inland Freight Equalization Margin (IFEM) pool which would result in future cost savings for the Company.

- The Holding Company has commissioned the country's largest oil refinery and has successfully completed its initial run of 72 hours. It is now ready to operate on sustainable basis. The operation of Byco Oil Pakistan Limited (BOPL) refinery would bring sustainable cost savings to the Company by taking advantage of synergies and economies of scale.

- The Company is continuously reviewing its administrative costs, operating expenditures as well as capital expenditures, with a view to optimize the associated benefits through reduction / elimination of such costs as they find appropriate.

- Further, the ultimate parent company has given its commitment to give financial support to the Company as and when required. The support is available during the next financial year and beyond that.

- The management has also prepared financial projections to demonstrate the financial benefits of above measures.

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

3. BASIS OF PREPARATION

This consolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the consolidated condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 30 June 2012.

This consolidated condensed interim financial information is presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand. This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

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. The accounting policies of subsidiaries are changed where 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.

5. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in preparation of the financial statements of the Company for the year ended 30 June 2012.

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

6. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

| | Note | Amount in Rs. '000 | |
|---|---|---|---|
| | | Dec 31, 2012 | June 30, 2012 |
| 7. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets - At cost less accumulated depreciation | 7.1 | 14,190,494 | 14,377,321 |
| Capital work in progress - At cost | 7.2 | 9,662,955 | 9,709,039 |
| | | 23,853,449 | 24,086,360 |

7.1 During the period assets having net book value of Rs. 6.836 million (31 December 2011: Rs. 6.325 million) were disposed for Rs. 10.695 million (31 December 2011: Rs. 7.053 million), by the Parent.

7.2 The additions in Capital work in progress during the period are as under:

| | | |
|---|---|---|
| Plant and machinery | 176,330 | 7,299,058 |
| Generators | - | 6,181 |
| Civil and mechanical works | 164,474 | 83,504 |
| | 340,804 | 7,388,743 |

| | | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|---|
| **8. STOCK IN TRADE** | | | |
| Raw material - Crude Oil | | 7,157,763 | 1,382,548 |
| Finished products | 8.1 & 8.2 | 6,792,674 | 1,573,716 |
| | | 13,950,437 | 2,956,264 |

8.1 Finished products having cost of Rs. 6,840.280 million (30 June 2012: Rs. 1,771.930 million) have been written down by Rs. 47.606 million (30 June 2012: Rs. 198.214 million) to net realizable value.

8.2 Stock of finished products includes stock held by third parties amounting to Rs. 623.275 million (30 June 2012: Rs. 317.417 million).

9. TRADE DEBTS - unsecured

| | | | |
|---|---|---|---|
| Due from Pakistan State Oil Company Limited | 9.1 | 5,335,955 | 6,686,366 |
| Due from Karachi Electric Supply Company Limited | | 3,805,440 | 2,582,991 |
| Others | | 788,547 | 66,962 |
| | | 9,929,942 | 9,336,319 |

9.1 This represents Rs. 5,254 million (30 June 2012: Rs. 4,400 million) due from Pakistan State Oil Company Limited (PSO) against supplies of products and Rs. 82 million (30 June 2012: Rs. 2,286 million) on account of mark-up on delayed payments. The mark-up on delayed payment is calculated on daily compounding basis and would be one percent above normal lending rate of commercial banks, being the lending rates applicable for short term running finance of Company or PSO whichever is lower.

10. LONG TERM PAYABLES

| | | | |
|---|---|---|---|
| Syndicated term finance | | - | 70,000 |
| Syndicated term finance | 10.1 & 10.2 | - | 2,328,595 |
| Restructured principal facilities | 10.2 | 17,379,700 | - |
| Restructured accrued mark-up facilities | 10.2 | 1,853,586 | - |
| Long term loan from National Bank of Pakistan | 10.3 | 102,956 | - |
| | | 19,336,242 | 2,398,595 |
| Current maturity | | (800,000) | (2,398,595) |
| | | 18,536,242 | - |

10.1 This syndicated term finance facility amounting to Rs. 2,328.595 million has been restructured as per the terms mentioned in note 10.2.

10.2 As at 31 December 2012, an amount of Rs 19,233 million (Outstanding Amount) was due and payable by the Company to local commercial banks (syndicate banks). This included Rs. 17,379.700 million in respect of principal and Rs. 1,853.586 million in respect of accrued mark-up. The syndicate banks upon request of the Company, have agreed to restructure the outstanding amount in accordance with the terms and subject to the conditions mentioned in the Restructured Agreement (the Agreement) made on 31 December 2012. As per the Agreement, principal amount amounting to Rs. 17,379 million has been restructured to term finance facilities payable over a period of maximum 7 years from 2013 to 2019 and carries mark-up at the rate of 6 month Karachi Inter-Bank Offer Rate (KIBOR).

The terms of the Agreement includes that National Bank of Pakistan (NBP) restructured facility is to be paid on priority basis in 2.5 years in unequal semi-annual instalments. The payment in respect of the remaining principal amount will be made in 7 years in unequal semi-annual instalment and shall commence upon the discharge of full obligation of the NBP restructured facility or expiry of 2.5 years from the Agreement date whichever is earlier. Further, an amount of Rs. 100 million out of the total mark-up accrued on each of the restructured principal facilities shall be payable by the Company on each instalment date in the first year and Rs. 200 million in the following six years. Remaining accrued mark-up on restructured principal facilities shall be payable within a period of two years commencing after the repayment of the restructured principal facilities.

The accrued mark-up amounting to Rs. 1,853.586 million has been restructured to non interest bearing term finance facilities payable over a period of maximum 9 years, with a 7 years grace period in four semi-annual unequal instalments from June 2019 to December 2020.

The restructured facility is secured by way of:

(i) first Joint Pari Passu charge over fixed assets to the extent of Rs. 7,670 million, first Pari Passu equitable mortgage charge over fixed assets (land and building only) to the extent of Rs. 7,670 million;

(ii) first Pari Passu equitable mortgage charge over fixed assets (exclusive of land and building) to the extent of Rs. 20,400 million;

(iii) first Joint Charge on the assets of Byco Terminals Pakistan Limited (a wholly owned subsidiary of the Company) including storage related assets and crude oil tanks;

(iv) first Pari Passu Hypothecation charge to the extent of Rs. 20,400 million on all present and future current assets of the Company; and

(v) the Syndicate banks will have a lien and right of set off on an account maintained with an assigned agent bank wherein the Company will route all its revenues / receipts.

10.3 At the request of and based on the representations of BTPL and strictly on the terms and conditions of this Agreement, NBP has agreed to extend the TF Facility to the extent of Rs. 390,000,000/- (Rupees Three Ninety Million Only) to BTPL. The loan carries markup at the rate of 6Mk+2.75% per annum payable semi annually from the date of first disbursement, and is secured by hpothecation on all assets of the Company.

| 11. TRADE AND OTHER PAYABLES | | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Creditors for supplies | | 19,156,136 | 8,796,930 |
| Forced payment against documents | 11.1 & 10.2 | - | 8,550,217 |
| Petroleum development levy payable | | 5,326,097 | 4,313,356 |
| Creditors for services | 11.2 | 1,790,192 | 1,656,105 |
| Advances from customers | | 1,764,668 | 1,856,797 |
| Sales tax and federal excise duty payable | | 2,578,038 | 771,950 |
| Accrued expense | | 250,336 | 143,232 |
| Withholding tax payable | | 20,095 | 33,317 |
| Workers profit participation fund | | 52,109 | 50,540 |
| Dividend payable | | 1,146 | 1,146 |
| Others | | 13,018 | 7,683 |
| | | 30,951,835 | 26,181,273 |

11.1 Overdue letter of credit facilities amounting to Rs. 7,401.105 million has been restructured as mentioned in note 10.2.

11.2 This includes Rs. 12.014 million (2012: Rs. 12.014 million) payable to BII (ultimate Parent Company) in respect of services.

| 12. ACCRUED MARK-UP | | | |
|---|---|---|---|
| Mark-up on long term loan | | | |
| - syndicated term finance | | - | 7,512 |
| - syndicated term finance | 12.1 | - | 175,573 |
| Mark-up on short term borrowing & Ijarah finance | 12.1 | 218,887 | 1,004,193 |
| | | 218,887 | 1,187,278 |

12.1 Mark-up accrued on outstanding loan facilities amounting to Rs. 1,853.586 million has been restructured as per the terms mentioned in note 10.2.

13. SHORT TERM BORROWINGS - secured

Short term borrowing of the Parent amounting to Rs. 7,650 million has been restructured as per the terms mentioned in note 10.2.

The rest of loan pertains to the subsidiary and carries mark-up at the rate of six month KIBOR plus 2.75% per annum, payable semi annually from the date of first disbursement, and is secured by hypothecation on all assets of the subsidiary.

The principal amount outstanding is repayable as a bullet payment in November 2012. Subsequent to the year end the bank has extended the repayment date as a bullet payment due in November 2013.

14. CURRENT PORTION OF NON CURRENT LIABILITIES

| | | | |
|---|---|---|---|
| Long term loans | 10.2 | 800,000 | 2,398,595 |
| Liabilities against asset subject to finance lease | | 45,698 | 44,773 |
| | | 845,698 | 2,443,368 |

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Claims against the parent not acknowledged as debts amounting to Rs. 2,769.643 million (30 June 2012: Rs. 2,365.625 million) mainly comprise of late payment charges on account of delayed payments against crude oil supplies. The Company is of the view that there are no specific contractual arrangements with these suppliers which allow them to claim / recover these charges and hence no provision in respect of the same has been made in these financial statements.

15.1.2 The parent has been served with a sales tax order from Federal Board of Revenue (FBR) claiming additional sales tax amounting to Rs. 99 million. The company has not adjusted its input claim of Rs. 99 million being Federal Excise Duty (FED) claim charged under Value Added Tax (VAT) mode by Banking Companies, Insurance Companies and Terminal Operators on various invoices in the relevant tax periods from July 2009 to June 2011. The Company has filed a request to Commissioner Inland Revenue (CIR) for condonation of time limit under section 43 of the Federal Excise Duty Act, 2005 vide letter dated 4 January 2012.

Management based on the opinion of its adviser is confident of a favourable decision and accordingly no provision has been made in this respect.

| | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|
| 15.2 Commitments | (Rupees in ‘000) | |
| 15.2.1 Outstanding letters of credit | 292,230 | 6,594,449 |
| 15.2.2 Commitment for payments in respect of fixed assets | 97,613 | 454,231 |

16. COST OF SALES

| | Note | Six months period ended 31 December 2012 | Six months period ended 31 December 2011 |
|---|---|---|---|
| | | (Un-audited) (Rupees in '000) | |
| Opening stock | | 1,573,716 | 2,238,365 |
| Raw material consumed | 16.1 | 29,733,973 | 8,428,721 |
| Manufacturing expense | | 934,471 | 785,019 |
| Cost of goods manufactured | | 30,668,444 | 9,213,740 |
| Finished products purchased during the period | | 947,878 | 2,238,365 |
| | | 33,190,038 | 11,452,105 |
| Closing stock | | (6,792,674) | (2,221,637) |
| Cost of sales | | 26,397,364 | 9,230,468 |

| | Six months period ended 31 December 2012 | Six months period ended 31 December 2011 |
|---|---|---|
| | (Un-audited) (Rupees in '000) | |
| 16.1 Raw material consumed | | |
| Opening stock | 1,382,548 | 1,874,658 |
| Purchases | 35,509,188 | 5,017,916 |
| Available for use | 36,891,736 | 6,892,574 |
| Closing stock | (7,157,763) | (1,719,875) |
| Raw material consumed | 29,733,973 | 5,172,699 |

17. TAXATION

Deferred

Deferred tax asset amounting to Rs. 7,028.079 million (30 June 2012: Rs. 5,350.305 million) has not been recognized in the condensed interim financial information of parent due to prudence.

18. LOSS PER SHARE - basic and diluted

| | | (Rupees in '000) | |
|---|---|---|---|
| Net loss after taxation | | (1,472,568) | (2,493,630) |
| Weighted average number of ordinary shares | Number | 977,858,737 | 977,858,737 |
| Loss per share - basic and diluted | Rupees | (1.51) | (2.55) |

## 19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent companies, subsidiary company, associated companies, directors, key management personnel and staff provident fund. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Details of transactions and balances with related parties are as follows:

### 19.1 Transactions with related parties

| | | |
|---|---|---|
| **Parent Companies** | | |
| Land lease rentals | 24,062 | 24,062 |
| Repayment of mark-up | - | 13,233 |
| Services received | 39,503 | 8,070 |
| Loan provided to the Company and payment made during the period | 2,500,000 | - |
| Mark-up expense on loan and subsequent payment | 12,477 | - |
| **Associated Companies** | | |
| Sale of petroleum products | 8,393,149 | 145,559 |
| Services received | 321,987 | - |
| Purchase of operating fixed assets and services | 6,277 | 103,362 |
| Mark-up income | 134,161 | 92,457 |
| Repayment of mark-up | - | 88,333 |
| Receipt of short term loan-CUSP | - | 47,500 |
| Consultancy services from associated company | - | 1,808 |
| **Staff Provident Fund** | | |
| Payment of employees and company's contribution | 16,765 | 30,014 |

### 19.2 Balances with related parties

| | (Un-audited) 31 December 2012 | (Audited) 30 June 2012 |
|---|---|---|
| | (Rupees in '000) | |
| **Parent Companies** | | |
| Mark-up receivable | 18,923 | 18,923 |
| Security deposits payable | 3,646 | 3,646 |
| Receivable against land lease rent | 140,724 | 116,661 |
| Payable against services | 12,014 | 12,014 |
| Receivable against services | 449,644 | 399,057 |
| Payable against purchases | 5,215 | 3,183 |
| **Associated Companies** | | |
| Creditors for services | 53,961 | - |
| Trade debts | 3,598,242 | 2,767,007 |
| Mark-up receivable | 207,198 | - |
| Purchase of asset and services | - | 4,413 |
| Short term loan | - | 47,500 |
| Creditor for expenses | - | 4,917 |
| **Staff Provident Fund** | | |
| Payable to staff provident fund | 12,168 | 3,849 |

## 20 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. BTPL is engaged in the provision of bulk storage services of petroleum products. The quantitative data for segments is given below:

| | Oil Refining | | Petroleum Marketing | | Petroleum Storage | | Total | |
|---|---|---|---|---|---|---|---|---|
| | July to Dec | | July to Dec | | July to Dec | | July to Dec | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | (Rupees in '000) | | | | | | | |
| Revenue | | | | | | | | |
| Net Sales to external customers | 15,244,990 | 2,315,108 | 11,452,231 | 5,873,888 | 19,467 | -- | 26,716,688 | 8,188,996 |
| Inter-segment sales | 10,003,158 | 2,830,027 | -- | -- | 78,537 | 115,606 | 10,081,695 | 2,945,633 |
| Eliminations | (10,003,158) | (2,830,027) | -- | -- | (78,537) | (115,606) | (10,081,695) | (2,945,633) |
| Total revenue | 15,244,990 | 2,315,108 | 11,452,231 | 5,873,888 | 19,467 | -- | 26,716,688 | 8,188,996 |
| Result | | | | | | | | |
| Segment results - (loss) / profit | (415,147) | (1,494,666) | (98,943) | (246,020) | (7,629) | (75,454) | (521,719) | (1,816,140) |
| Un-allocated expenses | | | | | | | -- | -- |
| | | | | | | | (521,719) | (1,816,140) |
| Interest expense | | | | | | | (1,334,775) | (1,111,137) |
| Interest income | | | | | | | 425,860 | 396,633 |
| Taxation | | | | | | | (41,934) | 37,014 |
| Loss for the year | | | | | | | (1,472,568) | (2,493,630) |
| Other Information | | | | | | | | |
| Depreciation and amortization | 486,447 | 490,219 | 42,283 | 40,604 | 25,977 | 23,808 | | |

## 21. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue on 17 July 2013 in accordance with the resolution of the Board of Directors of the Company.

## 22. 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.

## 23. RECLASSIFICATION

Comparative figures have been reclassified wherever necessary to facilitate comparision and appropraite presentation.

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